

Project Summary for Public Disclosure

Project Name	Toll Roads Program in Russia
Country	The Russian Federation
Sector	Transport
Concept Approval Date	12 May 2020
Board Approval Date	29 September 2020
Total Project Cost	Up to USD 1.5 billion
Initial Limit of NDB Financing	USD 100 million
Current Limit of NDB Financing	USD 100 million
Borrower	Eurasian Development Bank
Implementing Agency	Eurasian Development Bank
Program Context	<p>The Government of the Russian Federation (GoRF) has made it a priority to increase investments in the transport sector to rejuvenate and grow the economy. In 2014, the GoRF approved the Transport Strategy up to 2030, which sets a target of commissioning 11,672 km of Category 1¹ highways by 2024 and 32,246 km by 2030. At the end of 2019, the total length of Category 1 highways was 2,490 km, way below the target by 2024. To catch up on achieving the target, the GoRF is attracting private sector investments into financing and operating toll roads. The Eurasian Development Bank (EDB) has been actively involved in financing toll roads in Russia and continues to add new toll road projects to its loan portfolio.</p>
Program Objective	<p>The objective of the Program is to improve transport connectivity in the Russian Federation through supporting the expansion of the toll-roads network, in line with the GoRF's Transport Strategy 2030.</p>
Program Description	<p>The proposed NDB loan through the modality of a two-step loan will be used by EDB to finance sub-projects meeting the selection criteria agreed with NDB. These sub-projects, which typically will be structured based on PPP arrangements, will involve construction of new toll roads or upgrade of existing toll roads in the Russian Federation.</p>

¹ Category 1 roads in Russia have design traffic of over 14,000 vehicles per day, design speed of 120-150 km per hour, and have a minimum of 4 lanes.

Expected Benefits	<p>The positive outcomes and impacts of the Projects include i) reduced transportation costs in Russia resulting from reduced travel time, vehicle operating costs, and reduced frequency and costs of accidents; ii) improved inter-regional connectivity in the Russian Federation and the international Europe-Western China corridor; and iii) enhanced economic activities where sub-projects are implemented.</p>							
Environmental and Social Aspect	<p>The Program is Category “FI-A” in line with NDB’s Environmental and Social Framework (ESF). The main sub-projects’ E&S impacts include (i) large-scale deforestation and impacts to biodiversity, (ii) land acquisition triggering loss of land and physical resettlement of people.</p> <p>To mitigate the E&S risks, all sub-projects with significant E&S impacts and risks or triggering E&S impacts that are not addressed by EDB’s E&S management system will be subject to E&S appraisal by NDB to ensure material alignment with NDB’s ESF.</p>							
Financing Aspect	<table border="1"> <thead> <tr> <th data-bbox="497 1003 1008 1048">Source of Fund</th> <th data-bbox="1015 1003 1436 1048">Amount (USD million)</th> </tr> </thead> <tbody> <tr> <td data-bbox="497 1057 1008 1093">NDB</td> <td data-bbox="1015 1057 1436 1093">100</td> </tr> <tr> <td data-bbox="497 1102 1008 1137">Other Sources (Loans, Equity, Grants)</td> <td data-bbox="1015 1102 1436 1137">1,400</td> </tr> </tbody> </table>		Source of Fund	Amount (USD million)	NDB	100	Other Sources (Loans, Equity, Grants)	1,400
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Implementation	<p>The Program is estimated to be implemented over four years between 2020 and 2024. EDB will be the Implementation Agency. Procurement will be conducted in compliance with Russia’s national law and regulations.</p>							
Contacts	<p>NDB</p> <p>Private Sector and Non-Sovereign Guaranteed Transactions Department Nokuthula Mabuza</p>	<p>Borrower and Implementing Agency</p> <p>Eurasian Development Bank Olga Gaponova capital@eabr.org</p>						