

Monitoring of Sovereign Financing in Eurasia

Q3 2023



The source of information for this monitoring of sovereign financing operations in the region is the Eurasian Fund for Stabilization and Development (EFSD) Sovereign Financing Database (SFD) (Box 1). The database is available online [here](#).

Box 1. About the SFD Project

The SFD contains information on operations financed by 30 different donors from 2008 through 2023.

SFD objectives:



To compile a comprehensive regional database of sovereign financing, including investment loans, stabilisation loans, grants, and TA projects



To provide a regular quantitative and qualitative assessment of sovereign financing and make the data open to the public



To benefit government authorities as a source of systemic information by country/sector etc.



To benefit the donor community in order to ensure better coordination among IFIs

More information on the SFD methodology is available [here](#).

The monitoring covers approved financing by international financial institutions and development agencies in Q3 2023 in Eurasian countries, namely: Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Russia, Tajikistan, Turkmenistan, and Uzbekistan. The review is based on information presented on official websites of international financial institutions: the Asian Infrastructure Investment Bank (AIIB); the Asian Development Bank (ADB); the World Bank (WB); the Eurasian Development Bank (EDB); the Eurasian Fund for Stabilization and Development (EFSD); the European Bank for Reconstruction and Development (EBRD); the European Investment Bank (EIB); the International Monetary Fund (IMF); the New Development Bank (NDB); and the Islamic Development Bank (IsDB). The review also offers information on operations of the following development agencies: GIZ (Germany), JICA (Japan), SDC (Switzerland), TIKA (Turkey), USAID (USA), AFD (France), UNDP, Abu Dhabi Fund for Development, and UN Women, The United Nations Environment Programme (UNEP), The Global Environment Facility (GEF), Green Climate Fund (GCF), Sweden's government agency for development cooperation (SIDA), The Diplomatic Service of the European Union (EEAS), OPEC Fund, Saudi Fund for Development (SFD), Kuwait Fund for Arab Economic Development (KFAED), International Fund for Agricultural Development (IFAD), Korea International Cooperation Agency (KOICA).

The approved financing is grouped into four types: stabilisation financing, investment financing, and technical assistance projects.

As at 1 October 2023, the SFD included records of 6 572 operations worth USD 104.7 billion from 30 IFIs, development agencies and climate funds.

This monitoring exercise is based on IFI operations in Q3 2023 and covers:

- (I) approved projects of IFIs, development agencies, and climate funds;
- (II) new development agencies added in Q3 2023;
- (III) consolidated list of sovereign financing operations in Q3 2023.

I Sovereign Financing in Eurasian Region

In Q3 2023, there were **41 approved sovereign financing operations worth USD 675.3 million** (Annex Table).

In Q3, no stabilization financing projects were implemented in any of the countries included in the SFD; **only investment financing operations in the form of loans and grants and technical assistance projects were recorded.** USD 603.9 million was approved in the form of investment loans, USD 62.2 million on a grant basis, and USD 9.2 million in technical assistance projects. In terms of the number of operations, **technical assistance operations are in the lead – 31 operations.** (Table 1).

Table 1. Types of Financing

Form	Repayable/ non-repayable	Number of operations	Amount, USD million	Total, USD million
Investment	Loan	8	603.9	666.1
	Grant	2	62.2	
Technical assistance	—	31	9.2	9.2

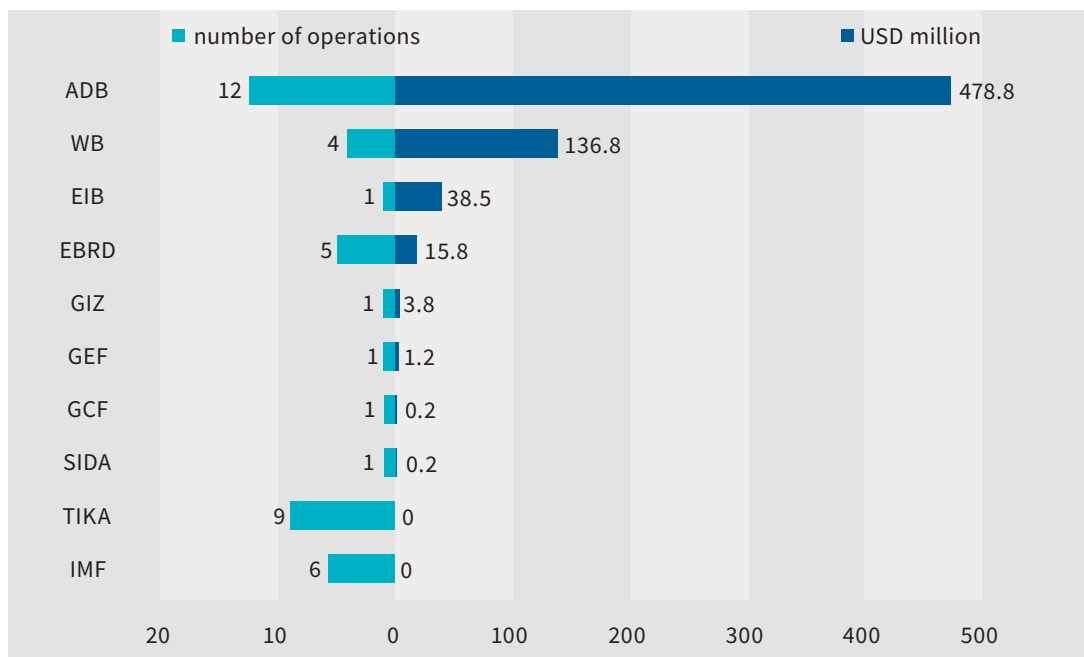
The leader in terms of approved financing in the region, as in the first quarter, is **Uzbekistan with \$325.3 million or 48.2% of total sovereign financing.** It is followed by Mongolia (\$150.2 million), Kyrgyzstan (\$102.6 million), Tajikistan (\$51 million), Armenia (\$40.2 million), Georgia (\$4 million), and regional projects worth (\$2.1 million) (Figure 1).

Figure 1. Approved Sovereign Financing, by Country, USD million



In institutional terms, **ADB, WB and EIB are the leaders in terms of approved financing** (Figure 2).

Figure 2. Breakdown by Institutions



Among the IFIs, the largest amount of approved financing came from **ADB through 12 operations in the amount of \$478.8 million**. The WB is the second: 4 operations worth \$136.8 million. Among development agencies, nine TIKA TA operations in Tajikistan, Kazakhstan and Georgia. The IMF has six technical assistance projects.

Approved investment financing in the region has been directed to a wide range of areas from energy to financial sector development.

In Kyrgyz Republic, the WB is implementing a program to improve the renewable energy sector (P178286). The development objective of the Renewable Energy Development Project for Kyrgyz Republic is to increase renewable energy generation and promote private sector participation in Kyrgyz Republic. The project comprises of three components. The first component, rehabilitation and construction of small and medium-scale hydropower plants will support priority investments and provide technical assistance and capacity-building activities aimed at increasing hydro capacity in the country to meet growing energy demand and enhance power supply reliability. It consists of following sub-components: (i) construction of new hydropower plant and rehabilitation of existing hydropower plant; and (ii) technical studies and consultancy services. The second component, strengthening transmission system for variable renewable energy integration will prepare the power system for increased deployment and integration of renewable energy, with a focus on supporting small hydro in the near future and the solar pilot project which is planned in phase 2 using the World Bank guarantee instrument. It consists of following sub-components: (i) grid enforcement and strengthening to facilitate the integration of hydro and solar power; and (ii) technical assistance and capacity building. The third component, institutional strengthening and project implementation support will finance activities aimed at strengthening the technical, operational, and management functions of Ministry of Energy (MoE) and other key stakeholders and ensuring effective project implementation.

Financial and Private Sector Development Project was approved in Tajikistan in Q3 worth \$50 million (P177722). The development objective of the Financial and Private Sector Development

Project for Tajikistan is to strengthen deposit insurance, promote bank lending to micro, small and medium-sized enterprises (MSMEs), and boost MSME integration in value chains.

TA projects are in high demand in the region. In Q3, the largest number in 2023 of such projects was recorded — 31 operation by TIKA, ADB and the IMF. ADB in Armenia is implementing a TA project aiming at strengthening environmental resilience and fostering sustainable economy for Lake Sevan ([project 56031-001](#)). The knowledge and support technical assistance (TA) will (i) improve the Government of Armenia’s capacity for climate resilient and low-carbon development planning with a participatory approach involving the private sector and civil society; and (ii) identify strategic financial solutions for sustainable environmental infrastructure to develop Lake Sevan’s economic potential while protecting its ecosystem from climate and environmental stresses. Through high-level coordination meetings, facilitated by international experts, and dedicated focused sessions involving government agencies, the private sector, community representatives, and environment nongovernment organizations, the TA will raise awareness of and capacity to address climate threats and low-carbon and adaptation opportunities that can shape the Lake Sevan basin’s sustainable development. Ultimately, it will contribute to economic growth by promoting green jobs in tourism, especially for women, and build women’s resilience.

In the Q3 2023, ADB recorded a significant increase in projects proposed for approval. So, in this status, awaiting approval in 2023, there is a pool of 32 projects worth \$1.8 billion ([Box 2](#)).

Box 2. Pipeline of ADB projects in EFSD member states

EFSD member states account for 11 projects worth \$870.6 million, of which Armenia accounts for 2 projects worth \$137.5 million, Kazakhstan — 4 projects worth \$602.7 million, Kyrgyzstan — 4 projects for \$96 million, Tajikistan — 1 project for \$34.5 million.

The largest project among them is the Program for Reforming Fiscal Management and the Financial Sector (policy based lending) in Kazakhstan, which is planned to be financed by the ADB jointly with the AIIB in equal shares of \$350 million each. The program aims to help the Government of Kazakhstan address one of its key development challenges: increased macroeconomic and financial vulnerability to external shocks. This medium-term development goal requires specific reform and institutional development in financial management and financial sector development. The development of the Program began in 2021.

II SFD development

The SFD is a dynamic database whose scope is regularly expanded to include new sovereign finance providers. As part of the current SFD update, operations have been added since 2008 from the following development agencies: OPEC Fund, Saudi Fund for Development (SFD), Kuwait Fund for Arab Economic Development (KFAED), International Fund for Agricultural Development (IFAD), Korea International Cooperation Agency (KOICA) (Box 3).

Box 3. New Financing Providers in SFD

The OPEC Fund is a multilateral development financial institution founded in 1976. Its 12 member countries are: Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Saudi Arabia, United Arab Emirates and Venezuela. The OPEC Fund is the only global development institution that provides funding exclusively from member countries to non-member countries. The OPEC Fund focuses on financing projects in the fields of energy, infrastructure, clean water and sanitation, health and education. The OPEC Fund has committed more than \$24 billion to development projects in more than 125 countries.

The Saudi Fund for Development (SFD) was established in 1975 as a government agency to provide concessional loan support to finance development projects in developing countries. The majority of its operations are in Africa and Asia. Its funding is aimed at developing basic infrastructure through the development of the transport sector; strengthening protection against diseases and epidemics by supporting the health sector; human resource development; ensuring food and water security.

The Kuwait Fund for Development (KFAED) is an agency of the State of Kuwait for providing and administering financial and technical assistance to developing countries and was founded in 1961. The Kuwait Fund is the world's first development aid agency established by a developing country.

The International Fund for Agricultural Development (IFAD) is a UN specialized agency dedicated to mobilizing financial resources to increase food production and improve the nutritional status of poor people in developing countries. The organization was formed as a result of agreements within the framework of the 1974 World Food Conference. Its main goal is to eliminate rural poverty in developing countries.

The Korea International Cooperation Agency (KOICA) was established as a government agency providing grant programs to the Government of the Republic of Korea in April 1991. KOICA, as Korea's leading development cooperation agency, supports the implementation of the Sustainable Development Goals (SDGs) and the realization of global social values.

33 operations of the OPEC Fund were added to the SFD in the amount of \$598.4 million. The Fund financed the largest projects in Uzbekistan in the amount of \$316.1 million in the field of transport, public administration and the water sector.

In the SFD part, 33 operations were added worth \$941.2 million. The Fund financed projects in only four sample countries: Azerbaijan, Kyrgyzstan, Tajikistan and Uzbekistan. By country, the largest amount of financing was provided to Uzbekistan (\$374.9 million) and Kyrgyzstan (\$329.6 million).

22 operations of the Kuwait Development Fund worth \$327.1 million were added. One of its largest projects is a project in the transport sector of Kyrgyzstan worth \$28.2 million for the construction of a 4-lane highway 79 km long (Balykchi-Karakol-Balykchi -Issyk-kul Ring Road).

28 IFAD operations worth \$415.9 million were added to the SFD. The Fund financed the largest agricultural projects in Uzbekistan in the amount of \$128.7 million and Tajikistan in the amount of \$115.2 million.

In the KOICA part, **305 operations worth \$243.7 million were added.** The largest number of projects was recorded in Mongolia (88 projects) and Kazakhstan (57 projects).

The next issue of the Monitoring will be released in the January 2024 and will be devoted to the analysis of the operations of IFIs and development agencies in the 2023.




Monitoring of sovereign financing of IFIs and development agencies in the Eurasian region for the Q2 2023 is available [here](#).





EFSD publications are available [here](#).







Annex





Table. Approved Financing by IFIs and Development Agencies, Q3 2023





	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
Армения								
1	Strengthening Environmental Resilience and Fostering Sustainable Economy for Lake Sevan	ADB	TA	0.4	08.09.2023	Agriculture	The knowledge and support technical assistance (TA) will (i) improve the Government of Armenia's capacity for climate resilient and low-carbon development planning with a participatory approach involving the private sector and civil society; and (ii) identify strategic financial solutions for sustainable environmental infrastructure to develop Lake Sevan's economic potential while protecting its ecosystem from climate and environmental stresses.	
2	YEREVAN ENERGY EFFICIENCY PHASE II	EIB	IFL	38.5	28.07.2023	Energy	The project will finance the rehabilitation in municipal buildings, particularly kindergartens and polyclinics, across the capital city of Armenia.	
3	Scoping mission	IMF	TA	n/a	july 2023	Public management	ICD-led scoping mission was conducted to the Ministry of Finance of Armenia to lay the groundwork for implementing a semi-structural gap model. The aim is to help enhance the Ministry's medium-term macroeconomic forecasting capabilities.	





	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
4	Development of the First Biennial Transparency Report and the combined Fifth National Communication and Second Biennial Transparency Report of Armenia to the UNFCCC	GEF	IFG	1.2	31.08.2023	Climate	To assist Armenia in the preparation and submission of its First Biennial Transparency Report (BTR1) and a combined Fifth National Communication and Second Biennial Transparency Report (NC5/BTR2) for the fulfillment of the obligations under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement (PA).	
Georgia								
5	Tax Administration IT and Data Security Review	IMF	TA	n/a	july 2023	Public management	At the request of the Revenue Service of Georgia (GRS), an in-person assignment provided advice to GRS on strengthening processes for improving information technology and data security as a component of the tax administration's enterprise risk management (ERM) system. A 2021 Tax Administration Diagnostic Assessment Tool (TADAT) review highlighted shortcomings for the GRS administration including weaknesses in ERM and business continuity planning.	
6	Cooperation in the field of air quality with Georgia: preparatory stage	SIDA	TA	0.2	july 2023	Climate	Exploring opportunities for institutional cooperation with the Ministry of Environment and Agriculture and the National Environmental Protection Agency in the management and improvement of the air quality sector in Georgia.	
7	Transport in Georgia	GIZ	TA	3.8	01.08.2023	Transport	Reforms to develop sustainable and connected transport services in cities and surrounding areas	




	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
8	Support for education in Turkish	TIKA	TA	n/a	september 2023	Education	A Turkish language class has opened at Sukhumi State University. TIKA provided equipment for classes.	
9	TİKA opens a kindergarten	TIKA	TA	n/a	september 2023	Education	A kindergarten and nursery was opened in the village of Duisi, Kakheti region of Georgia.	
10	TIKA opens technological class	TIKA	TA	n/a	september 2023	Education	In the city of Marneuli, 40 kilometers from Tbilisi, a technology class has also been opened at the Center for Integration of Azerbaijanis of Georgia.	
Kazakhstan								
11	Support for the Implementation of the Wind Auctions Programme in Kazakhstan	EBRD	TA	n/a	14.07.2023	Energy	EBRD started by supporting the Government with the preparation and implementation of the first two site-specific wind auctions for 100 and 50 MW.	


	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
12	Strengthening Compliance Risk Management	IMF	TA	n/a	july 2023	Public management	Support for the implementation of a compliance risk management (CRM) framework across the administration	
13	Professional Attachment – Sharing Regional Tax Administration Experience	IMF	TA	n/a	july 2023	Public management	Sharing regional experience	
14	Transfer of experience in healthcare	TIKA	TA	n/a	august 2023	Healthcare	Turkish doctors who came to Kazakhstan with the support of the Turkish Cooperation and Coordination Agency (TIKA) achieved a closed muscle transplant operation, which had never been performed in the country before.	
15	Educational project	TIKA	TA	n/a	september 2023	Education	The Turkish Cooperation and Coordination Agency (TIKA) has opened a modern Turkish language class at the South Kazakhstan State Pedagogical University, which is located in Shymkent, Kazakhstan.	
16	Turkish language class at university	TIKA	TA	n/a	september 2023	Education	A Turkish language class has been opened at the University in Astana	

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
Kyrgyz Republic								
17	Kyrgyz Renewable Energy Development Project	WB	IFL	67.7	19.09.2023	Energy	The development objective of the Renewable Energy Development Project for Kyrgyz Republic is to increase renewable energy generation and promote private sector participation in Kyrgyz Republic.	
18	Kyrgyz Renewable Energy Development Project	WB	IFG	12.2				
19	Heat Supply Improvement Project Additional Financing	WB	IFL	6.9	06.07.2023	Energy	The Project Development Objective is to improve the efficiency and quality of heating in selected Project areas.	
20	Osh Electric Public Transport	EBRD	IFL	15.79	19.09.2023	Transport	Funding for the modernization of electric public transport in the city.	
Mongolia								
21	Supporting the Climate Change Agenda through Advanced Statistics	ADB	TA	0.5	25.07.2023	Public management	The knowledge and support technical assistance will support the partnership between the Statistics and Data Innovation Unit of the Office of the Chief Economist and Director General in the Economic Research and Regional Cooperation Department and Statistics Korea (KOSTAT) to enhance the statistical capacity in Mongolia. Capacity in economic and climate change statistics will be developed, in line with ADB's priorities of digitalization and harnessing data to become Asia's climate bank.	

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
22	Supporting Energy-Saving Regulation and Energy Efficiency Investments in Mongolia	ADB	TA	0.2	29.08.2023	Food security	The project will support energy saving in the country	
23	Regional Road Development and Maintenance Project (Phase 3)	ADB	IFL	30	11.09.2023	Transport	The project will provide paved road connections incorporating climate adaptation and mitigation principles to ensure all-weather access between aimag capitals in Western Mongolia: Altai, Gobi-Altai to Uliastai, Zavkhan and Khovd, Khovd to Ulaangom, Uvs.	
24	Regional Road Development and Maintenance Project (Phase 3)		IFL	120				
25	GFS& PSDS mission	IMF	TA	n/a	july 2023	Public management	The mission held several technical meetings with the Government Finance Statistics (GFS) working group recently established at the Treasury Department of the Ministry of Finance (MoF) and the Public Sector Debt Statistics compilers at the MoF's Debt Management Division (DMD).	
26	Supporting Green Regional Development in Mongolia	GCF	TA	0.2	02.07.2023	Climate	This Readiness proposal aims to identify financing schemes and incentive mechanisms, including risk-sharing facilities, loan guarantees, or tax incentives for private sector entities to promote regional green development by unlocking domestic and foreign private investments and identify successful blended finance (concessional financing with private finance) models and approaches. The financing schemes and incentive mechanisms designed under the proposed project will be operationalized through subsequent development and implementation of a GCF-funded activity by TDBM to support low-carbon and climate-resilient regional development of Khanbogd soum, Umnugobi aimag/province and similar efforts in other cities and regions across Mongolia.	

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
Tajikistan								
27	Strengthening the Water Supply and Sanitation Governance and Institutions	ADB	TA	1	01.09.2023	Water	The knowledge and support technical assistance (TA) seeks to increase transparency, accountability, and quality of services in institutions that oversee and deliver water supply and sanitation (WSS) services in Tajikistan.	
28	Financial and Private Sector Development Project	WB	IFG	50	10.07.2023	Finance	The development objective of the Financial and Private Sector Development Project for Tajikistan is to strengthen deposit insurance, promote bank lending to micro, small and medium-sized enterprises (MSMEs), and boost MSME integration in value chains.	
29	Arranging a classroom	TIKA	TA	n/a	august 2023	Education	A classroom in university	
30	Computer class for young offenders in the Dushanbe juvenile detention center in Tajikistan	TIKA	TA	n/a	august 2023	Education	The Turkish Cooperation and Coordination Agency (TIKA) has opened a computer class for young offenders at the Dushanbe Juvenile Detention Center in Tajikistan so that they can reintegrate into society and gain employment upon release, receiving vocational training in areas such as graphic design, accounting and computers . programming.	

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
31	Opening of a poultry complex	TIKA	TA	n/a	august 2023	Social protection	The Turkish Cooperation and Coordination Agency (TIKA) opened a poultry complex established at the Romit Rehabilitation Center of the Social Insurance and Pensions Agency of the Ministry of Health and Social Protection of Tajikistan.	
Uzbekistan								
32	Digitize to Decarbonize— Power Transmission Grid Enhancement	ADB	IFL	125	07.07.2023	Energy	Digitize to Decarbonize — Power Transmission Grid Enhancement Project aims to support the low-carbon transition and green economy development agenda of the Government of Uzbekistan by (i) enhancing reliability and stability of the power transmission grid, (ii) increasing operational efficiency and improving monitoring and control of the power system by introducing modern digital and telecom technologies, (iii) reducing the number of system blackouts, (iv) reducing transmission losses, and (v) supporting the prioritized government reform of state-owned enterprises by enhancing the corporate governance of Joint Stock Company (JSC) National Electricity Grid of Uzbekistan (NEGU).	
33	Distribution Network Digital Transformation and Resiliency Project	ADB	IFL	200	19.09.2023	Energy	Distribution Network Digital Transformation and Resiliency project aims to rehabilitate medium voltage distribution substations and associated overhead lines across the country and modernize the distribution system operations. The project is aligned with the following impact: social and economic development through provision of green infrastructure services achieved.	
34		ADB	TA	0.25	19.09.2023	Energy		

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
35	Mining Sector Development Project	EBRD	TA	n/a	25.08.2023	Energy	This project focuses on supporting the development of the policy, legal, regulatory and institutional basis for modern and responsible mining operations in Uzbekistan. Specifically, the project is designed to help: (i) prepare a new policy for the sector; and, (ii) prepare a new subsoil law.	
Five regional projects worth \$2.1 million.								

Note: SFL stands for stabilisation financing in the form of a loan, SFG — for stabilisation financing in the form of a grant, IFL — for investment financing in the form of a loan, IFG — for investment financing in the form of a grant, and TA — for technical assistance.