

SOVEREIGN FINANCING IN EURASIA:

Regional Projects
and Initiatives of International
Financial Institutions



2026

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This Report uses materials of the Sovereign Financing Database as of 1 January 2026.

The data presented in the Report are collected from the official websites of International Financial Institutions (IFIs) and development agencies. The data are provided for information purposes only and cannot be taken as exhaustive. Estimates of sovereign financing are conservative as only publicly available data from a limited number of IFIs and development agencies have been collected for the purposes of this Report.

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List of Acronyms and Abbreviations

ADB	Asian Development Bank
AFD	French Development Agency
AIIB	Asian Infrastructure Investment Bank
CAREC	Central Asia Regional Economic Cooperation Programme
DAC	Development Assistance Committee
DPO	development policy operation
EBRD	European Bank for Reconstruction and Development
EDB	Eurasian Development Bank
EEAS	European External Action Service
EFSD	Eurasian Fund for Stabilization and Development
EIB	European Investment Bank
GCF	UN Green Climate Fund
GDP	gross domestic product
GEF	Global Environment Facility
GIZ	German Agency for International Cooperation
GPE	Global Partnership for Education
IFI	International Financial Institution
IsDB	Islamic Development Bank
MDB	Multilateral Development Bank
NDB	New Development Bank
OECD	Organisation for Economic Cooperation and Development
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goal
TA	technical assistance
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

WB	World Bank
%	percent
km	kilometre
USD	United States dollar

Summary

1. ABOUT SOVEREIGN FINANCING DATABASE


36 providers

МФО: 

Development agencies: 

Chinese financial institutions: 

13 recipient countries



SFD scope **10,400** sovereign financing operations in amount of **\$287.1** bln

2. SOVEREIGN FINANCING IN 2025



TYPES OF FINANCING

Investment financing	Stabilisation financing	TA
 \$7.5 bln 103 operations	 \$2.5 bln 17 operations	 \$0.3 bln 217 operations

Leaders in terms of approved sovereign financing in the region with a combined share of

60.2%



Transport sector projects prevailed in investment financing in 2025: \$2.7 bln

ADB ASIAN DEVELOPMENT BANK \$1.1 bln

European Bank for Reconstruction and Development \$635 mln



EFSD member states

\$3.9 bln 38.9% of the total approved financing in the region

Supporting structural reforms in the region



\$2.5 bln DPO & PBL

3. FINANCING TRENDS

MAJOR IFI INITIATIVES AND PROJECTS IN EURASIA



Climate finance as an absolute priority

Focus area 1:

Climate change adaptation and resilience

The focus is on protecting ecosystems, managing natural resources, and making infrastructure more resilient to climate threats.

Focus area 2:

Mitigation (decarbonisation and green energy)

The key focus is the development of renewable energy sources (RES), grid modernisation to facilitate their integration, and production of 'clean' energy.

Focus area 3:

Green finance for the private sector and infrastructure

The support instruments are aimed at promoting energy-efficient and climate-resilient solutions through the banking sector and direct investment.



Supporting digital transformation in the region

In 2025, IFI digital transformation operations focused on large-scale regional strategies. ADB plays a key role in regional integration through the CAREC Programme, the WB focuses on digital transformation in the financial sector and public administration, and the EBRD includes a digital component as a required soft element in its infrastructure projects.

4. IFIS MAJOR REGIONAL PROJECTS

Rogun HPP



Kambarata-1 HPP in the Kyrgyz Republic



International North-South Transport Corridor



Sovereign Financing Database (SFD) (*)

Country No selected values

IFI No selected values

Financial Instrument No selected values

Abbreviations and acronyms

ADA – Austrian Development Agency
ADB – Asian Development Bank
ADFD – Abu Dhabi Fund for Development
AED – The Agency for Economic Development

Total Approved Financing
(USD mln)

296 066,7

Number of
Operations

10 255

Total Approved Financing by Sector (USD mln)



Types of Financing by Countries (USD mln)



Total Approved Financing by Country and Sector (USD mln)



About the Sovereign Financing Database

This Report is part of the annual monitoring of sovereign financing in Eurasia and continues a series of publications under the Sovereign Financing Database (SFD) Project.

The EFSD analytical project on monitoring sovereign financing in the Eurasian countries has been implemented since 2022. It has established a comprehensive database (SFD) to provide a holistic picture of sovereign financing in Eurasia.

The SFD is a quarterly updated analytical product of the EFSD, a source of up-to-date information on IFI sovereign operations in the Eurasian region.

The SFD pools publicly available information on IFI sovereign operations: recipient countries, names of IFIs, sectors financed, project description, project implementation stages, amounts financed in currencies of operations, amounts financed in dollar equivalent, interest rates and maturities, information on co-financing, and other parameters of sovereign operations. The database is designed to monitor and analyse data on operations of IFIs, development agencies, and climate funds¹ in Eurasian countries.

The SFD has been used to prepare an interactive analytical dashboard available on the [EFSD website](#).

SFD Development in 2025

In 2025, two new countries were added to the SFD: Afghanistan and Pakistan. It expanded the scope of approved financing by USD 130.9 billion (or XX%) and 1,393 operations.

Now, the SFD covers 13 countries: Afghanistan, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Russia, Tajikistan, Turkmenistan, and Uzbekistan.

The database includes major IFIs and a wide range of development agencies in these countries. In addition to credit operations, the SFD pools data on a wide range of TA projects.

Sovereign financing contributes to strengthening the “foundation of development”. It supports critical institutional, infrastructure, and social projects and programmes that the private sector or the budget are not ready to cover in full at this point. At the same time, the region is undergoing a transformation, moving away from external grant financing towards unlocking the potential of the domestic market and strengthening market mechanisms and private capital.

As at 1 January 2026, the database contained information on 10,400 operations worth USD 287.1 billion.

For the purposes of this report, the analysis will cover financing in the region, excluding Afghanistan and Pakistan. That said, Chapter 1 includes a brief overview of sovereign financing in these two countries.

¹ Hereinafter IFIs include the full range of finance providers.

Report Structure

The Report includes two chapters. [Chapter 1](#) covers sovereign financing in the region, with details of its volume, sector, and composition, and offers an overview of the project pipeline in the region. [Chapter 2](#) focuses on major IFI initiatives and projects in the region. The Annex contains a list of the largest projects approved in 2025. [Chapter 3](#) describes the IFIs' activities in supporting structural reforms in the region. [Chapter 4](#) describes new donor strategies in the region. [Appendix 1](#) presents the financing profiles of EFSD member states. [Appendix 2](#) lists the largest projects approved in 2025. [Appendix 3](#) lists donor projects planned for approval.

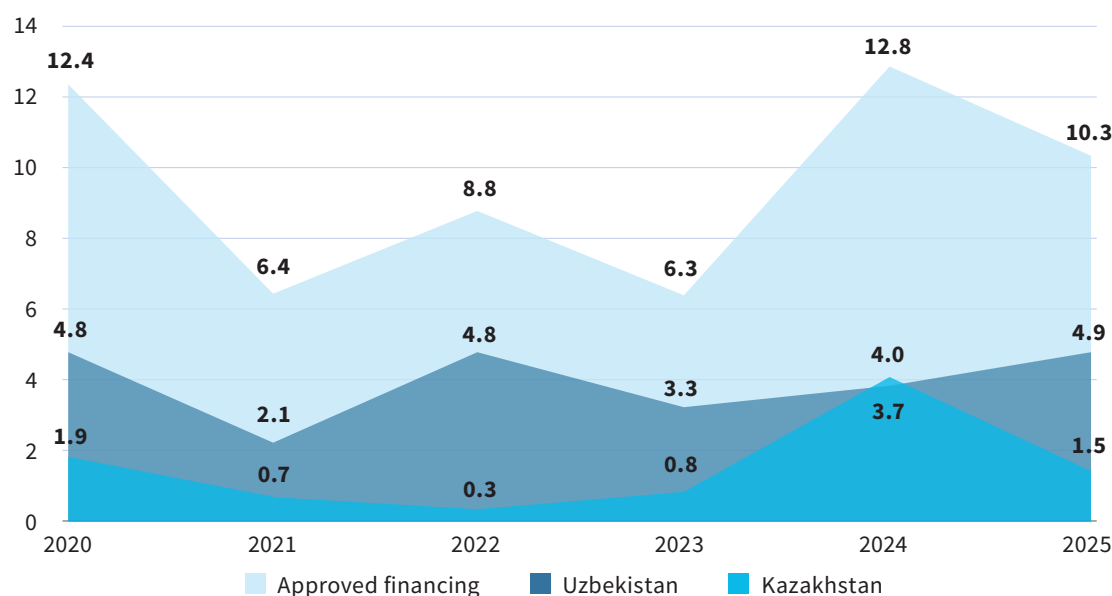
01

Sovereign Financing in Eurasia

1.1. Trends in Financing in 2025

In 2025, the total approved financing by IFIs, development agencies, and climate funds in Eurasia was USD 10.3 billion (310 operations), down from the record-high level achieved in 2024 (USD 12.8 billion or 426 operations). Approved financing in 2025 exceeds that of 2021–2023.

Figure 1. Approved Sovereign Financing, USD billions



Source: EFSD database.

In 2025, 226 projects were at the active implementation stage and 84 projects were completed. IFI financing was mainly provided in US dollars (USD 6.8 billion or 66%), euros (1.7 billion), IMF Special Drawing Rights (SDR), and Swiss francs.

The largest component of approved financing is investment financing in the amount of USD 7.5 billion (103 operations), followed by stabilisation financing in the amount of USD 2.5 billion (17 operations). The total volume of technical assistance (TA) projects is insignificant — USD 0.3 billion, while the number of TA operations is high (217 operations).

Table 1. Composition of Sovereign Financing, by Instrument, 2025

Type of operations	Financing, USD billions	Number of operations
Investment financing	7.5	103
Stabilisation financing	2.5	17
TA	0.3	217
Total	10.3	337

Source: EFSD database.

Investment financing accounts for the bulk of operations in terms of financing approved during the period under review (Table 1). Financing was provided in the form of both loans and grants. Loans accounted for USD 6.8 billion of approved financing, while grants stood at USD 0.5 billion.

In general, investment financing is mainly used in **sectors such as human development, agriculture, healthcare, energy, public administration, and governance**, and is usually provided for the implementation of medium- and long-term projects (5–10 years).

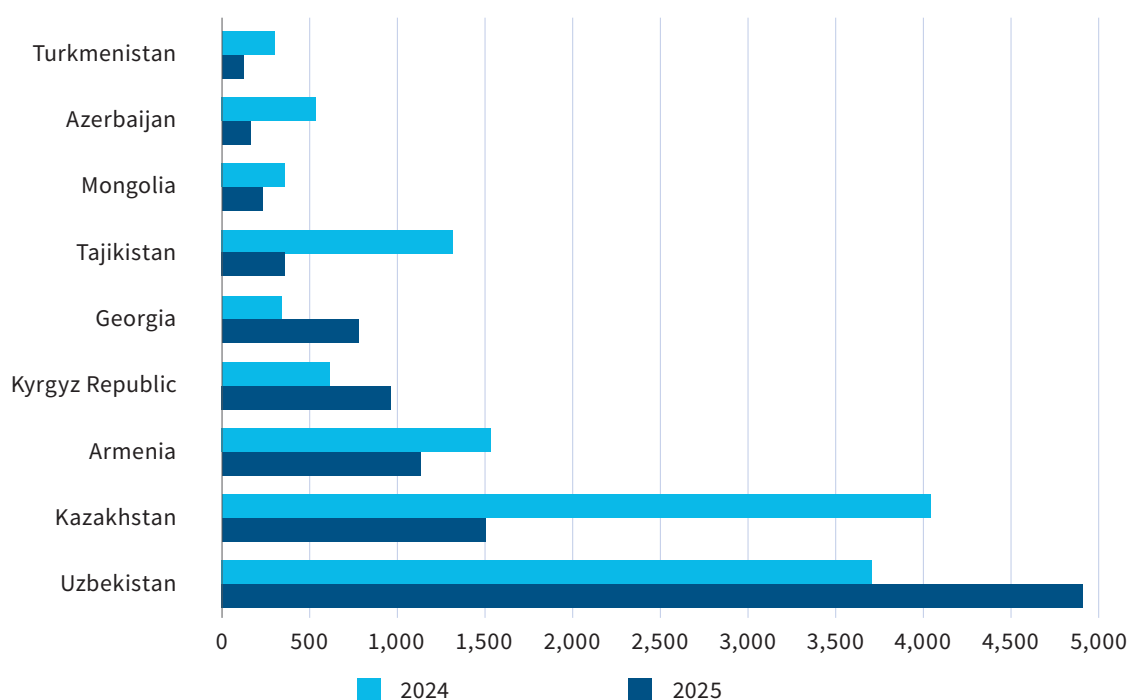
Transport projects prevailed in investment financing (USD 2.7 billion in 2025). ADB and the EBRD are leaders in terms of approved financing in the transport sector (USD 1.1 billion and USD 635 million respectively).

Stabilisation support in the region was provided by Multilateral Development Banks (MDBs) such as ADB, AIIB, and the WB, as well as the IMF. Stabilisation financing (USD 2.5 billion) is the second largest group of operations in terms of financing approved during the period under review. The bulk of this financing is aimed at budget support, balance of payments support, stabilisation of local currencies, and fiscal support, which may explain the large average size of operations. Of the total amount of financing, only USD 133 million was provided in the form of grants (three operations in Tajikistan and two in the Kyrgyz Republic).

Technical assistance is the smallest group in terms of finance, but the largest in terms of the number of operations. TA operations are primarily aimed at professional development, creating and building the capacity for project implementation, and ensuring the institutional development of the beneficiary country. This explains the low average amount of financing per operation, since TA mainly covers the cost of paying experts engaged for the project. However, the sharing of knowledge and expertise through TA programmes is an equally important aspect.

In 2025, Uzbekistan ranked first among 11 Eurasian countries in terms of approved financing, which amounted to USD 4.9 billion. This is 47.9% of the total approved financing in Eurasia (Figure 2). The main sectors financed were economic policy (USD 2.2 billion), transport (USD 0.7 billion), and agriculture (USD 0.6 billion).

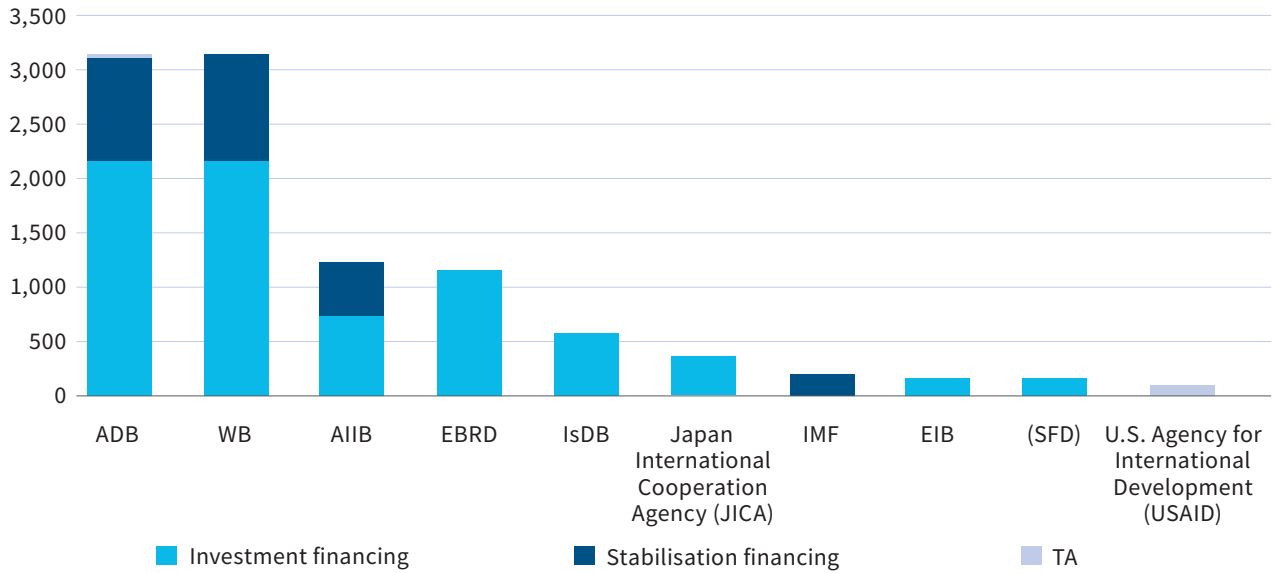
Figure 2. Approved Financing, by Country, 2024–2025, USD millions



Source: EFSD database.

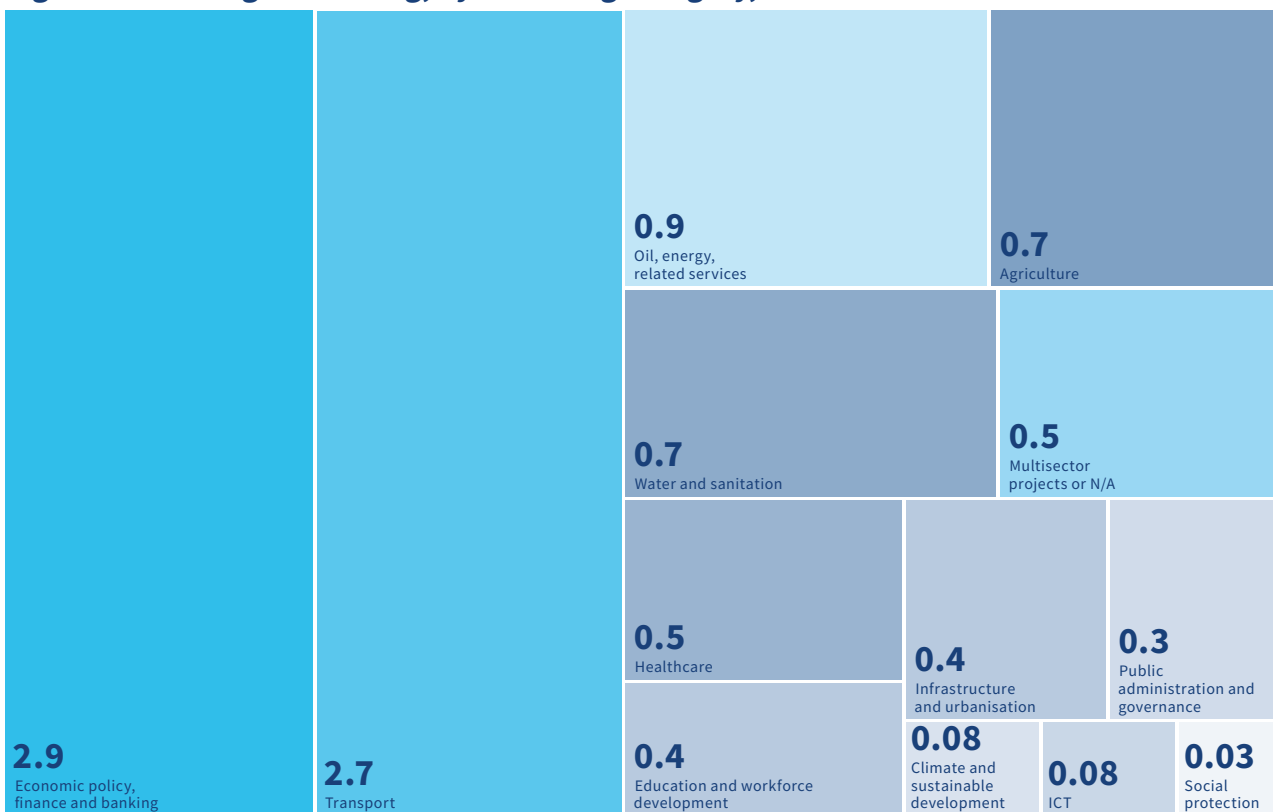
The WB and ADB are the leaders in terms of approved sovereign financing in the region with a combined share of 60.2%. **In 2025, the WB provided USD 3.1 billion (30% of the total), ADB provided USD 3.1 billion. They are followed by AIIB with USD 1.2 billion (11.7%) and the EBRD with USD 1.2 billion.** ADB used all financing instruments.

Figure 3. Total Approved Sovereign Financing, by IFI, USD millions



Source: EFSD database.

Figure 4. Sovereign Financing, by Financing Category, USD millions



Note: Multisector projects and N/A are projects with no sector information or identified as multisector.

Source: EFSD database.

All IFIs use their own classifications of projects by thematic areas and sectors, and these classifications are often not comparable. We have therefore relied on expert opinion and grouped projects into 14 categories based on their description and sector.²

The analysis looked at sectors with the largest number of projects and found two clear regional priorities: the development of transport corridors and the improvement of the quality of economic policies (Figure 4).

Of the USD 2.9 billion of financing under the economic policy category, USD 2.5 billion was policy-based financing (development policy operations and policy-based lending) to support structural reforms in the region.

In 2025, two new countries were added to the SFD: Afghanistan and Pakistan (Box 1).

Box 1. IFI Financing in Afghanistan and Pakistan, 2008–2025.

Afghanistan is a low per capita income country with a large share of the agricultural sector in its value added. Following a change in the political situation in 2021, IFIs largely suspended aid, cutting it from an average of USD 0.7 billion between 2008 and 2020 to almost USD 0.1 billion between 2021 and 2025.

Until 2021, international aid, often provided by IFIs such as the WB and the IMF, was a crucial source of financing for Afghanistan's GDP, health sector (e.g., the Sehatmandi Project), and overall economic stability. In 2021, direct budgetary support was immediately withdrawn and most development projects were put on hold. Activities shifted solely to humanitarian aid and meeting basic human needs.

Despite the withdrawal of financial support for economic programmes, some UN agencies and partners continue to mobilise humanitarian aid to address urgent needs.

Pakistan is a lower middle-income country with persistent fiscal and balance of payments problems.

Pakistan is the leader among all countries in terms of total approved financing, with 995 operations worth USD 120.9 billion, or 41.8% of the total approved financing in the region. In terms of sectors, energy (USD 26.8 billion) and transport (USD 14 billion) are the priority areas for IFI financing in Pakistan.

The role of the IMF is central as it acts as a lender of last resort for Pakistan, focusing on balance of payments support, rebuilding foreign exchange reserves, and imposing fiscal and monetary discipline. Pakistan is one of the most regular recipients of IMF financing, having participated in various programmes for decades. Recent key programmes include: a three-year SDR 5.3 billion EFF approved in 2024, followed by an RSF in 2025.

² EFSD. WP/23/1. Sovereign Financing Database. Available at: https://efsd.org/upload/iblock/ff1/EFSD_WP_2023_1_EN_2023_01_24.cleaned.pdf

The EFSD member states accounted for 38.9% of the total approved financing in the Eurasian countries under consideration, or USD 3.9 billion (see [Annex 1](#) for more details).

In 2024, Armenia recorded 48 sovereign financing operations worth USD 1.1 billion – the second highest since 2008. The largest amount of financing came in the form of investment financing at USD 920 million.

Among the IFIs, the WB provided the largest amount of financing at USD 430 million, followed by ADB with USD 250.4 million, the IMF with USD 175 million, and the EIB with USD 174.3 million. In terms of sectors, projects in the area of public administration and economic policy prevail.

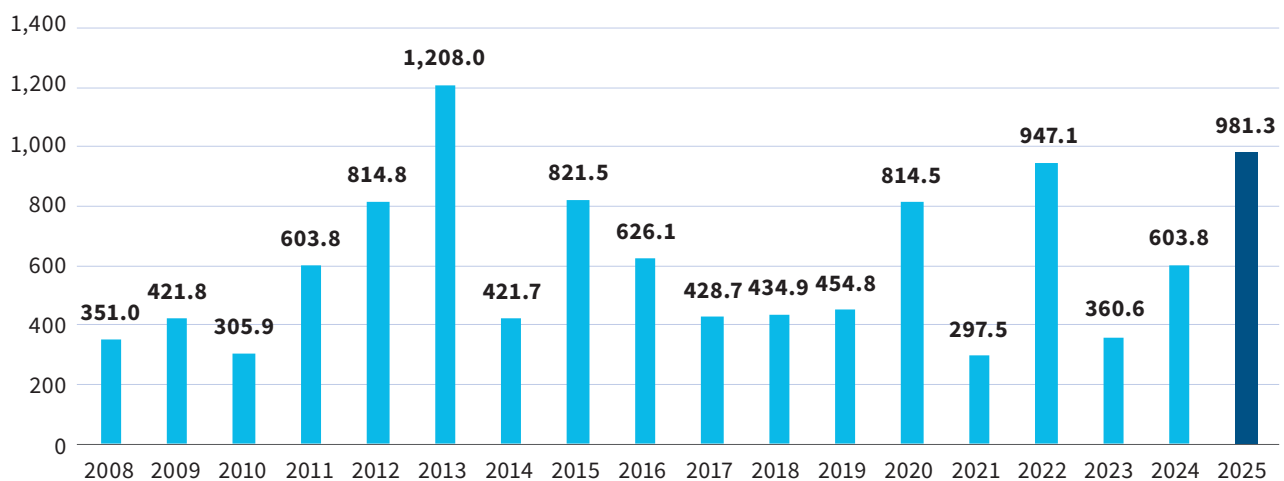
In 2025, major donors – ADB, the WB, and the EBRD – launched new country partnership strategies ([Table 1](#)).

As part of stabilisation financing, the IMF Executive Board approved a 36-month Stand-By Arrangement with Armenia in December 2025, amounting to SDR 128.8 million (100% of Armenia’s quota in the IMF or about USD 175 million) to support the authorities’ efforts to maintain macroeconomic stability and advance their structural reform agenda, while providing insurance in an uncertain environment.

Armenia is the largest recipient of USAID financing among the EFSD member states. Despite the suspension of financing for USAID humanitarian programmes worldwide in January 2025, USAID is the leader in terms of the number of TA projects in Armenia³. The country received USD 27.3 million for 11 projects in 2025. The priority area of financing is public administration (USD 10 million).

In 2024, IFIs and development agencies approved **sovereign financing** in Kazakhstan totalling **USD 1.5 billion (26 projects)**. The largest IFIs in terms of financing in Kazakhstan are: **the EBRD (USD 648.8 million), AIIB (USD 450 million), and ADB (USD 400.5 million)**. As to the type of financing, investment financing dominated, with USD 1.4 billion in the transport sector.

Figure 5. Approved Sovereign Financing in the Kyrgyz Republic, USD millions



Source: EFSD database.

³ Information on USAID projects is conservative due to the fragmented data published on the agency’s official website.

The Kyrgyz Republic recorded 55 sovereign financing operations in the amount of USD 981.3 million — a peak since 2013. The largest amount of financing came in the form of investment financing at USD 800 million.

Among IFIs, the WB provided the largest amount of financing — USD 385.4 million, followed by ADB with USD 255.6 million and the EBRD with USD 112.7 million. In terms of sectors, projects in the areas of economic policy, water supply, and education prevail ([Box 2](#)).

Box 2

The Saudi Fund for Development signed a USD 50 million agreement with the Kyrgyz Republic to launch Phase II of the Construction of Public Schools Project. Phase II will support the construction and equipment of 14 new schools in both rural and urban areas, each designed to accommodate between 150 and 1,000 students. These schools will provide children with well-equipped classrooms that foster a favourable learning environment. The initiative is also expected to create numerous employment opportunities for teachers and educational staff, further strengthening the national education workforce and supporting local communities.

Previously, the Fund facilitated the construction of 30 public schools across the Kyrgyz Republic through a USD 30 million concessional development loan, benefitting 50,000 students annually.

There are 40 sovereign financing operations in the amount of USD 369.6 million recorded for Tajikistan. The largest amount of approved financing came in the form of investment financing at USD 227.2 million.

Among IFIs, the WB provided the largest amount of financing — USD 118 million, followed by ADB with USD 92.4 million and the EBRD with USD 77.7 million. In terms of sectors, projects focused on the improvement of the quality of economic policies and transport prevail.

Tajikistan, along with the Kyrgyz Republic, is among the leaders in receiving assistance from the Turkish Cooperation and Coordination Agency (TİKA) ([Box 3](#)).

Box 3

TİKA was founded in 1992 with the aim of providing TA to developing countries and expanding relations with them in the areas of economy, trade, technology, culture, education, and social development through projects and programmes. Today, TİKA operates in 150 countries worldwide through 62 Programme Offices. TİKA has offices in 8 out of 11 countries in the Eurasian region, with the exception of Armenia, Belarus, and Russia.

TİKA does not disclose data on the amount of financial assistance it provides to countries, but it is possible to identify the main areas where this assistance is directed and its recipients.

In Tajikistan, TİKA is active in the health and education sectors. TİKA renovated the Gulbutta District Health Centre in Dushanbe and equipped it with modern medical devices. Through TİKA's comprehensive renovation project, the facility was upgraded to provide more efficient and higher-quality healthcare services to the local community. With the completion of the project, the Gulbutta District Health Centre is expected to serve approximately 29,500 residents with its modernised design, increased number of rooms, and upgraded medical equipment, enhancing the quality and efficiency of healthcare services.

As of 1 January 2026, 102 projects worth USD 9.2 billion were in the pipeline (an increase of USD 1.9 billion compared to the pipeline as of 1 January 2025). It should be noted that information on proposed projects is publicly available from only five institutions: ADB, WB, EBRD, AIIB and IFAD.

ADB has the largest pipeline in the region at USD 6.3 billion, followed by AIIB at USD 1.3 billion, the WB at USD 1.1 billion, and the EBRD at USD 0.4 billion, which correlates with the overall composition of approved donor financing.

In terms of individual countries, Uzbekistan leads the way with USD 2 billion, followed by Kazakhstan with USD 1.4 billion, Armenia with USD 1 billion, and Tajikistan with USD 0.6 billion.

The EFSD member states account for USD 3.2 billion of proposed projects in the pipeline ([Annex 3](#)).

In terms of sectors, transport (USD 3.6 billion), energy (USD 1.4 billion), and water and sanitation (USD 0.9 billion) have the largest project pipelines.

1.2. Uzbekistan as the Leading Recipient of Financing in the Region

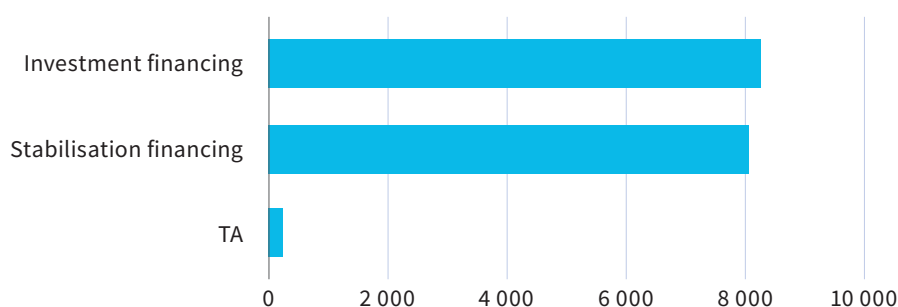
Uzbekistan actively cooperates with IFIs to implement major infrastructure projects, as well as to receive advisory support for successful implementation of structural reforms and stabilisation support to the economy during the pandemic.

Uzbekistan is a leader in the region in terms of financing mobilised from IFIs and development agencies. The financing approved for 241 projects between 2022 and 2025 (stabilisation loans, investment loans, grants, and technical assistance) totalled USD 16.5 billion. By comparison, Kazakhstan mobilised USD 6.6 billion, the Kyrgyz Republic — USD 2.9 billion, and Tajikistan — USD 2.8 billion over the same period.

Between 2022 and 2025, approved financing was evenly distributed between investment (USD 8.3 billion) and stabilisation (USD 8.1 billion) financing, while between 2017 and 2020, approved investment financing was twice as high as stabilisation financing ([Figure 6](#)). Since 2022, Uzbekistan has actively mobilised stabilisation financing in the form of development policy operations and policy-based lending from MDBs, such as the WB, ADB, and AIIB, to support reforms.

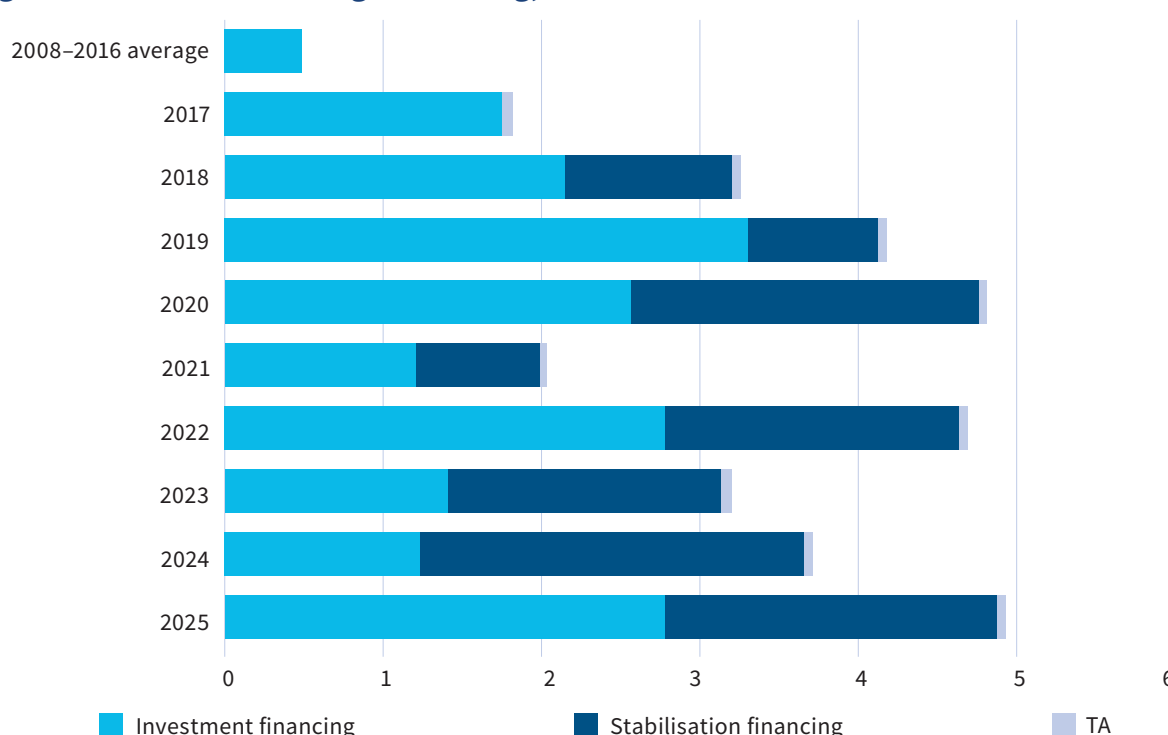
Economic reforms launched in 2017 and aimed at finding and activating new drivers of economic growth led to an increase in financing — its annual volume grew by a factor of 2.7 in 2018–2025 compared to 2008–2017, reaching a historic high of USD 4.9 billion in 2025 ([Figure 7](#)).

Figure 6 Composition of Sovereign Financing, by Instrument, %



Source: EFSD Sovereign Financing Database

Figure 7. Mobilised Sovereign Financing, USD billions



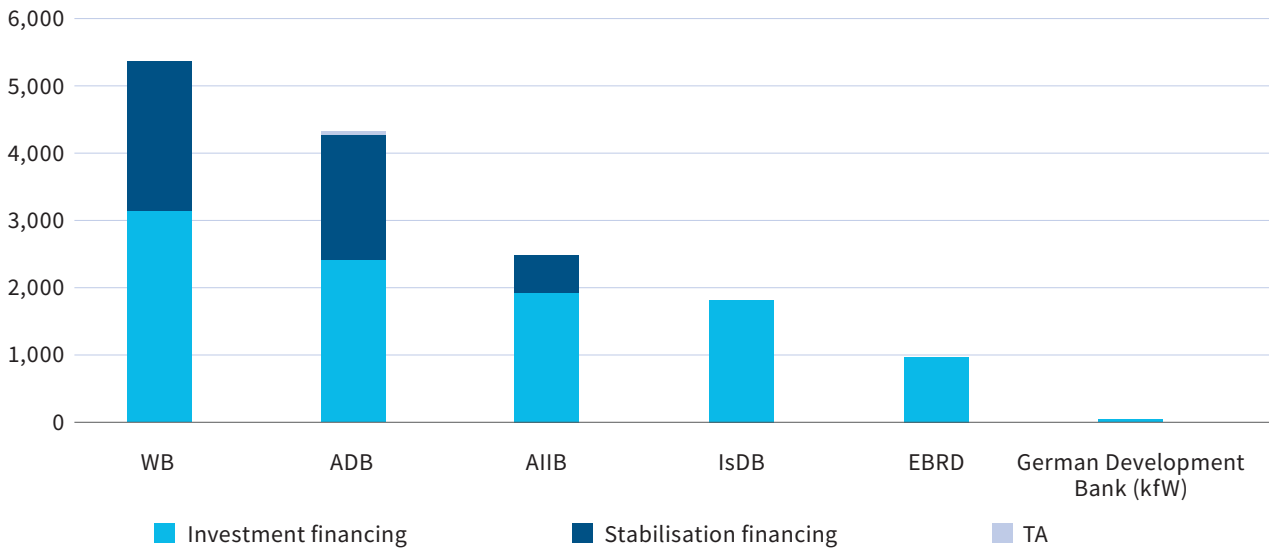
Source: EFSD Sovereign Financing Database

Total approved IFI financing was USD 14.8 billion in the period under review. The largest amounts of financing were provided by the WB with USD 5.3 billion and ADB with USD 4.3 billion. Other MDBs provided smaller amounts: AIIB — USD 2.5 billion, IsDB — USD 1.8 billion, the EBRD — USD 0.9 billion, and the EIB — USD 0.5 billion (Figure 8).

Project financing by development agencies is substantial, totalling USD 1.7 billion (Figure 8). Japan’s development agency JICA (USD 0.8 billion) accounts for the largest amount of financing (Figure 9).

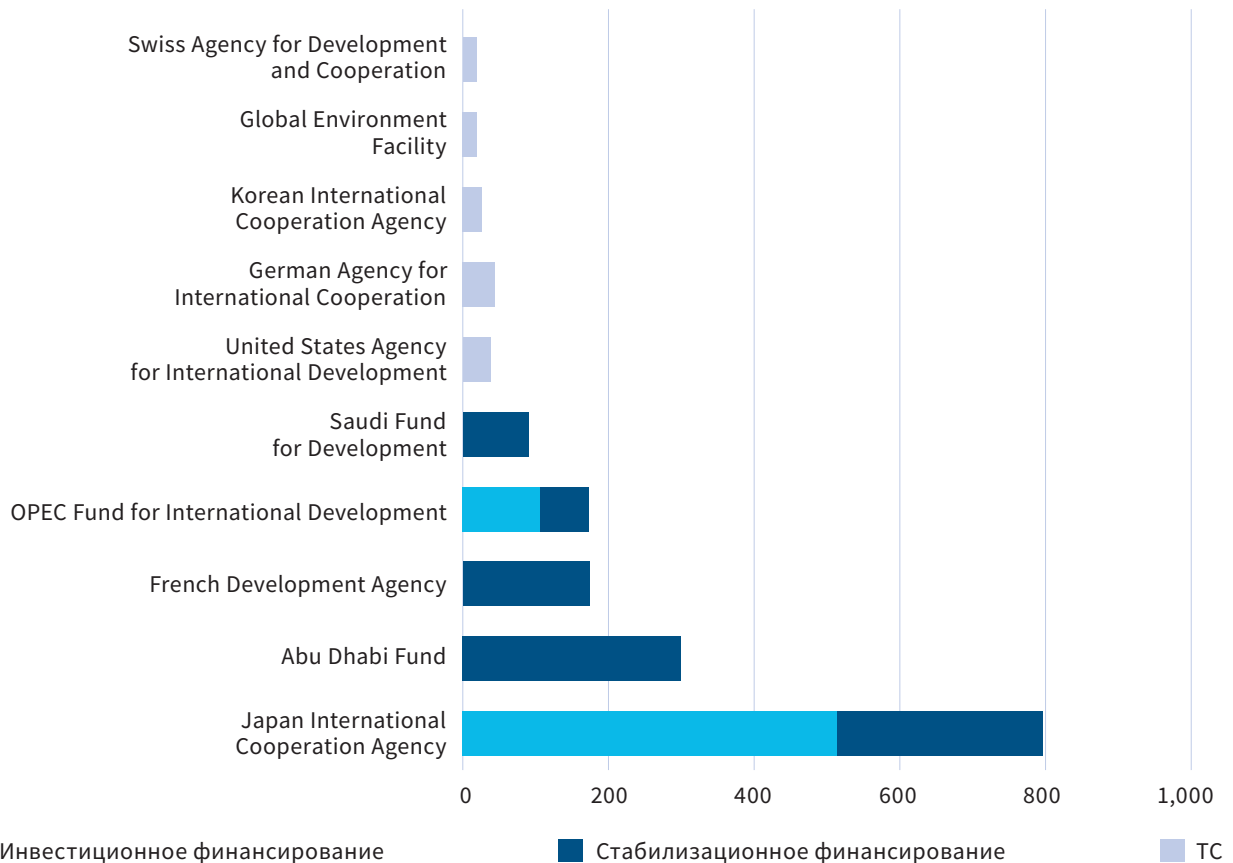
The volume of investment loans mobilised in the period under review stood at USD 8.3 billion. This is the highest among the countries in the region — over the same period, Kazakhstan mobilised USD 5.3 billion in investment loans, Tajikistan — USD 2.2 billion, and the Kyrgyz Republic — USD 2.1 billion.

Figure 8. Financing by IFIs, USD billions



Source: EFSD Sovereign Financing Database

Figure 9. Financing by Development Agencies, USD billions



Source: EFSD Sovereign Financing Database

There are 66 active investment projects in Uzbekistan. The largest active MDB projects in Uzbekistan include:

- Reconstruction of 106.4 km of the Denov–Darband highway connecting CAREC corridors 3b and 6b (Dushanbe–Termez–Gwadar/Karachi Seaport) (ADB, USD 273.9 million, start year: 2022);
- Rural Poverty Reduction Project (IsDB, USD 260 million, start year: 2023);
- Financing of upgrades of irrigation pumping stations in 10 regions of Uzbekistan (EBRD, USD 250 million, start year: 2025);
- A project to improve the sustainability and labour market relevance of the student financing support mechanism in Uzbekistan (WB, USD 250 million, start year: 2025);
- Bukhara Region Water Supply and Sewerage, Phase II (AIIB, USD 248.4 million, start year: 2022)

Uzbekistan has mobilised a record USD 8.1 billion in stabilisation financing in 2022–2025:



\$3.2 billions



\$2.4 billions



\$2.4 billions



\$0.5 billions

This was also the highest amount of support within the region



\$1.3 billions



\$0.4 billions



\$0.3 billions

The WB, ADB, and AIIB finance USD 2.1 billion programmes to support the Government of Uzbekistan in its transition to an inclusive and sustainable market economy.

The reforms supported by the WB and AIIB programme focus on the following three areas:

- Creating markets,
- Improving fiscal risk management, and
- Supporting social inclusion and green sustainability. A package of reforms will be implemented in the energy, agriculture, railway, and chemical sectors to establish independent regulators and frameworks for the private sector to enter the market while maintaining fiscal prudence. Reforms, particularly in the infrastructure sector, are crucial to support the delivery of health and public services and promote economic recovery in the post-COVID period.

AIIB's role is to support energy sector reforms aimed at the use of renewable energy sources and improved energy efficiency.

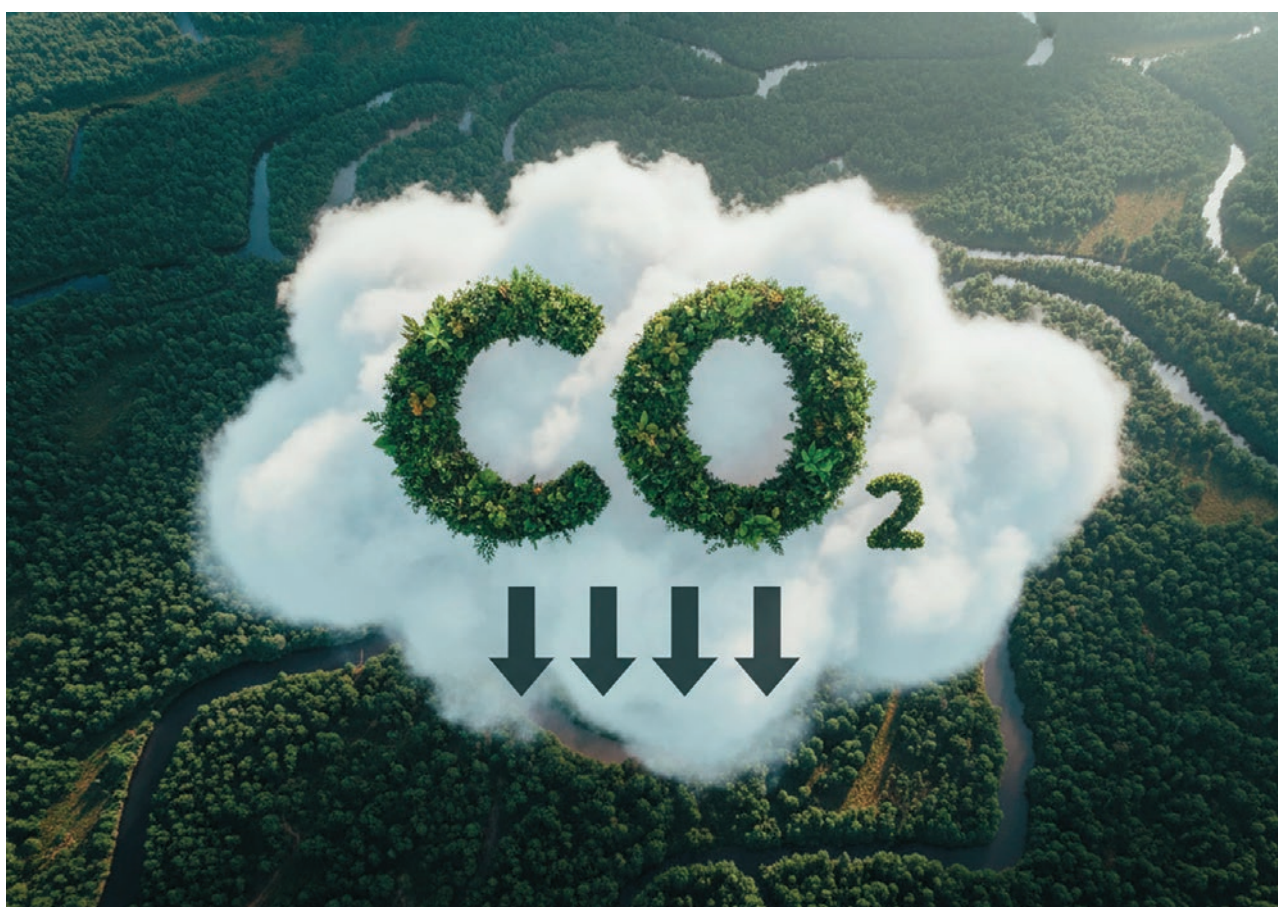
Major IFI Initiatives and Projects in Eurasia

2.1. Initiatives

Climate Finance as a Priority

The countries in the region are already taking action on their climate and green economy agendas. Some countries have already adopted targets to achieve carbon neutrality, as well as strategies needed to meet them. Climate change adaptation programmes are being developed and implemented, and support for the transition to renewable energy sources is expanding.

For example, the Republic of Armenia, the Republic of Kazakhstan, and the Russian Federation have approved low greenhouse gas emission development strategies. The Kyrgyz Republic has drafted its Concept for Achieving Carbon Neutrality. The Republic of Tajikistan has adopted the Green Economy Development Strategy for 2023–2027.



However, the countries' financing needs are substantial. According to the WB's estimates, Armenia will need at least USD 8 billion to reduce greenhouse gas emissions and adapt to climate change⁴. Of those, USD 2.5 billion is to be invested until 2035 and USD 5.5 billion — between 2035 and 2060. The investment should be aimed, in particular, at supporting the transition from gas-fired generation to solar power, electrification of transport, and reduction of emissions in cities; improving the energy efficiency in industry and buildings; and ensuring more efficient use of water resources and sustainable development of the agricultural sector.

⁴ Armenia Country Climate and Development Report, World Bank, November, 2024 <https://openknowledge.worldbank.org/entities/publication/afb4fe3c-4d8c-4567-88b7-ad9257885815>

Kazakhstan has pledged a 15% reduction in greenhouse gas emissions by the end of 2030 relative to the baseline 1990 emission level as an unconditional contribution⁵. The conditional contribution is a 25% reduction in emissions, subject to significant additional international investment and substantial grant aid; access to the international technology transfer mechanism; co-financing and participation in international research and development projects, development of advanced low-carbon technologies, and local expertise building initiatives.

The Kyrgyz Republic needs to mobilise substantial climate finance to effectively implement its emission reduction commitments⁶. The total estimated cost of climate action is about USD 11 billion, of which 37% is domestic resources and 63% is the required international financial assistance.

Tajikistan's estimated climate finance needs are USD 34 billion for the period between 2025 and 2030⁷. If climate risks are realised, the GDP could drop by 5–6% by mid-century with a surge in the number of poor people. However, adaptation measures will help improve the country's water and energy security and increase the productivity of the agricultural sector. To realise the green growth potential of 6% by 2050, Tajikistan needs substantial structural reforms, including a climate component.

Major development institutions such as ADB, the WB, the EBRD, and the IMF have prepared climate action plans, agreed on common approaches to climate finance, and are stepping up support for developing countries.

ADB has made major changes and introduced key innovations to become the Climate Bank for the Asia-Pacific region. ADB has raised the amount committed for climate finance between 2019 and 2030 from USD 80 billion to USD 100 billion by developing several projects and programmes. ADB also supports the establishment of the CAREC Climate and Sustainability Project Preparatory Fund. The Fund was launched in 2024 to provide finance needed for project preparation and new climate change initiatives.

AiIB's Climate Action Plan⁸, launched in September 2023, articulates the Bank's goals and guides its climate solutions to support its members and clients by (i) providing tailored solutions to meet the needs of each individual country; (ii) taking a holistic approach to climate change mitigation, adaptation, resilience, and biodiversity conservation; (iii) scaling up climate finance through private sector resource mobilisation; and (iv) promoting technological innovation.

The EBRD supports decarbonisation and building climate resilience in key economic sectors through a range of climate policy support measures⁹, including support to countries to develop low-carbon and climate-resilient policies at national, sectoral, and sub-national levels. To

⁵ Kazakhstan Country Climate and Development Report, World Bank, 2022 <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099420411012246024>

⁶ Kyrgyzstan Country Climate and Development Report, World Bank, November, 2024 <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099111925135075927>

⁷ Tajikistan Country Climate and Development Report, World Bank, November, 2024 <https://openknowledge.worldbank.org/bitstreams/e5a52f5b-8246-4472-b7bc-eb14abdbed84/download>

⁸ https://www.aiib.org/en/how-we-work/paris-alignment/_download/AiIB-Climate-Action-Plan.pdf

⁹ <https://www.ebrd.com/home/news-and-events/news/2026/ebrd-approves-green-economy-transition-strategy-2026-30.html>

implement the Global Methane Pledge, the EBRD is engaged in Kazakhstan and Uzbekistan investing in the gas, waste management, and agriculture sectors.

IsDB recognises climate change action¹⁰ as a key priority area and invests in high impact projects in many sectors including renewable energy, smart systems, climate-smart agriculture, forestry, resource efficiency, zero-carbon buildings, sustainable transport, and sustainable cities. IsDB has set a target of 35% climate finance by 2025, guided by its Climate Action Plan 2020–2025¹¹. IsDB works closely with countries to create and implement investment projects that will help them achieve their national goals.

The WB is actively involved in the climate agenda¹². Some of the key initiatives are:

- (i) Country Climate and Development Reports are the WB’s main analytical products that address the interplay between climate and country development, identifying key reforms and investment needs to change countries’ development trajectories.
- (ii) The Central Asia Water and Energy Programme, operational since 2009 (CAWEP), is the result of a collaborative effort supported by the European Union, Switzerland, the United Kingdom, the United States Agency for International Development (early stages), and managed by the World Bank.
- (iii) The Central Asia Resilient Landscapes Restoration Programme is a major regional effort to mitigate the impacts of climate change, which are both caused by and lead to land degradation, deforestation, and ecosystem vulnerability.

The main areas of IFI efforts can be grouped as follows:



FOCUS AREA 1: Climate change adaptation and resilience

The focus is on protecting ecosystems, managing natural resources, and making infrastructure more resilient to climate threats.

The **Central Asia Resilient Landscapes Restoration Programme (RESILAND CA+)** is the WB’s flagship regional initiative to restore landscapes, ensure sustainable management of natural resources and enhance the capacity of communities to adapt to climate change and land degradation. The Programme covers all Central Asian countries. At this stage, it is implemented in the Kyrgyz Republic, the Republic of Tajikistan, and the Republic of Uzbekistan, and there are active steps taken to engage the Republic of Kazakhstan and Turkmenistan in the initiative.

There are three projects underway: RESILAND Tajikistan (since May 2024), RESILAND Kyrgyz Republic (since June 2025), and RESILAND Uzbekistan (since July 2025).

¹⁰ <https://www.isdb.org/climate-change>

¹¹ <https://www.isdb.org/climate-change/publications/climate-action-plan-2020-2025>

¹² <https://www.worldbank.org/en/news/infographic/2021/06/22/climate-change-action-plan-2021-2025>

Box 3



In Tajikistan, the objective of the WB Project is to increase the area under sustainable landscape management in selected locations in Tajikistan, and promote Tajikistan's collaboration with Central Asia countries on transboundary landscape restoration. This objective is uniform across all projects under the RESILAND CA+ Programme with sustainable landscape management practices differing based on the specific country contexts. In the case of Tajikistan, sustainable landscape management includes practices such as agroforestry (intercropping with trees and shelterbelts); improved grazing land management through temporal enclosure, rotational grazing, and enrichment planting; plantations and reforestation; protected area management; soil fertility and water harvesting and efficiency measures; climate-smart agriculture. Other sustainable landscape management practices will be implemented in the target locations by the Government, the private sector, and rural communities, whose capacities will be increased to carry these out.



FOCUS AREA 2: Mitigation (decarbonisation and green energy)

The key focus is the development of renewable energy sources (RES), grid modernisation to facilitate integration, and production of 'clean' energy.

ADB (Kyrgyz Republic): Active preparation phase for **pioneering RES projects**. Technical study and inspection of land plots for construction of wind farms in Chui, Talas, and Naryn Regions were completed. The project is implemented with the support of the Green Energy Fund, including the PPP scheme.



FOCUS AREA 3: Green finance for the private sector and infrastructure

The support instruments are aimed at promoting energy-efficient and climate-resilient solutions through the banking sector and direct investment.

ADB's Green Transformation in Public Buildings Programme (USD 25 million) uses a results-based lending modality and will support the Government's broader programme in energy efficiency improvement of public buildings **in the Kyrgyz Republic**. The programme focuses on public buildings outside of Bishkek as the fiscal capacity in those areas is relatively weak and the conditions of public buildings are more dilapidated. Renovating public buildings outside of Bishkek will generate a higher energy efficiency potential and climate mitigation impact while benefiting the needy and vulnerable public building users, such as children, pupils, students, and patients.

In Armenia, the EBRD committed EUR 30 million to develop the Yerevan Customs and Logistics Centre, to become a LEED-certified building. The centre will directly contribute to addressing Yerevan's air pollution problems by redirecting heavy traffic away from the capital. The centre is expected to become one of Armenia's first LEED certified public buildings, setting a benchmark for sustainable construction.

2025 was an important milestone in changing MDB attitude towards nuclear power financing. In June 2025, the WB and the International Atomic Energy Agency (IAEA) sealed an agreement to work together to support the responsible use of nuclear energy in developing countries based on nuclear safety and security principles¹³. Thus, the importance of developing nuclear power is recognised, given that electricity demand in developing countries is estimated to more than double by 2035. This approach to financing nuclear power projects will help countries meet the needs of the public for affordable and clean electricity.

Supporting Digital Transformation in the Region

All countries in the region prioritise digital transformation in their national development strategies. Some have adopted basic concept papers or more detailed programmes, strategies, and plans related to various aspects of digital transformation. In their strategy documents, developing countries such as Tajikistan and Turkmenistan focus on (i) infrastructure development for affordable Internet access, improved digital literacy, and bridging the digital divide; (ii) public sector reform to realign government processes; and (iii) provision of citizen-centric e-government services. Tajikistan aims to use digital technology to fight poverty, achieve energy independence, improve food security, and create new jobs.

The Kyrgyz Republic, Mongolia, and Uzbekistan, prioritise broadband access, legislative support for digital development, effective data management, cloud services, cybersecurity, smart cities, digital platforms, innovation ecosystem, and adoption of ground-breaking technology such as artificial intelligence (AI), Internet of Things (IoT), and big data for sectoral transformation.

¹³ <https://www.iaea.org/newscenter/pressreleases/world-bank-group-iaea-formalize-partnership-to-collaborate-on-nuclear-energy-for-development>



Azerbaijan, Georgia, and Kazakhstan prioritise effective data policies, cybersecurity, use of ground-breaking technology (such as AI, IoT, and blockchain), investment in human capital for digital development, use of digital technology for inclusive and green growth, and investment in research and development. Azerbaijan focuses on green and sustainable growth, as well as smart cities and villages. Georgia seeks to narrow the digital divide and empower innovation in information and communication technologies and entrepreneurship. Kazakhstan puts emphasis on cybersecurity, digital agriculture, digital industry transformation, and the development of digital skills and human capital.

International development partners and donors play a critical role in supporting the development and implementation of the Digital Strategy in the region.

In 2025, IFIs shifted their focus in digital transformation from individual projects to large-scale regional strategies and systemic transformation of entire industries. ADB acts as the regional integrator through the CAREC Programme, the WB focuses on digital transformation of finance and public administration, and the EBRD includes a digital component as a compulsory soft component in infrastructure projects

Information on certain projects is provided below.

[In Tajikistan, the WB implements a project to assist the Government of Tajikistan](#) in (i) building the foundations of digital public infrastructure (DPI), defined as a core set of foundational digital systems (i. e. infrastructures and platforms) that are interoperable, open, and inclusive and that stakeholders are able to use to provide a wide range of digital services, and (ii) digital transformation of the learning environment and developing digital skills to expand the use of digital services and increase the employability of target groups.

In Uzbekistan, ADB's USD 125 million [water supply digitalisation project](#) is underway. The project aims to improve water security, reduce climate vulnerability, and increase access to safe and reliable water supply in Uzbekistan by improving the operational efficiency of its water supply and sanitation (WSS) utilities. It will achieve this by (i) modernising water management systems based on smart IT solutions to improve asset management and sustainability of service delivery; and (ii) strengthening institutional capacity of WSS utilities staff, including the role of women in service delivery, to enable better decision-making and enhance water management and energy use efficiency, thereby supporting climate change mitigation.

The EBRD made digital transformation a priority in 2025, along with energy and transport. A particular focus is on increasing grant financing to support technical assistance and institutional development for digital transformation.

2.2. Major Regional Projects and Donor Initiatives

IFIs cooperate to finance major infrastructure projects of regional importance. Information on some projects is provided below.

Rogun Hydropower Plant (HPP)

The Rogun HPP Construction Project on the Vakhsh River is one of the largest infrastructure projects in Central Asia. The project includes the construction of a hydroelectric power plant with an installed capacity of 3,780 MW and a 335-meter-high dam. The construction of the dam and reservoir officially began in 2017, and the project is expected to be fully completed by 2033. The Rogun HPP is a key element of Tajikistan's energy system. The project is aimed at ensuring sustainable energy supply, developing the country's export potential, and helping the region transition to low carbon energy.



Between the start of the active phase of the Rogun HPP Project in 2007 and 2022, the Government of the Republic of Tajikistan invested about USD 3.3 billion in the project, which is about 39% of the country's total GDP. The bulk of financing came directly from the state budget, which significantly limited the Government's ability to finance other priority areas, including the social sphere and infrastructure.

Due to the limited availability of domestic resources, it was decided in 2017 to issue 10-year sovereign Eurobonds worth USD 500 million. These borrowings partially covered the project's needs, but increased the country's debt burden, placing Tajikistan in the high risk of debt distress category.

The total cost of completing the Rogun HPP is estimated at USD 6.29 billion. The project is implemented in two phases: Phase I is scheduled for completion in 2029 at a cost of USD 3.383 billion. Phase II is scheduled for completion in 2035, its cost is estimated at USD 2.9 billion.

When completed, the project will:



Provide

3.78 GW

of renewable energy capacity



Provide

10 million

people in Tajikistan

with improved access to affordable, reliable, and sustainable electricity



Contribute to regional decarbonisation by replacing fossil fuel-based electricity generation,

reducing greenhouse gas emissions by **3.56** million tonnes of CO₂



Mitigate climate risks by increasing the sustainability of water resources through enhanced flood protection in the Amu Darya basin



Support regional energy security and increased regional electricity trade, in particular through CASA-1000

At the request of the Government of Tajikistan, the WB is leading the Rogun Coordination Group (RCG), which brings together key international development partners. The group of stakeholders that have expressed willingness to consider providing support include ADB, AIIB, the EIB, the European Union (EU), IsDB, as well as Arab funds (OPEC Fund for International Development, Saudi Fund, Abu Dhabi Fund, Kuwait Fund) and others.

Table 2. Approved Financing for Rogun HPP

Source of financing	Amount
AiIB	USD 270 million
WB	USD 350 million
Saudi Fund for Development	USD 100 million
OPEC Fund for International Development	USD 100 million
Kuwait Fund for Arab Economic Development	USD 16.9 million
IsDB	USD 150 million

Kambarata-1 HPP in the Kyrgyz Republic

The Kambarata-1 HPP (Kambar-Ata-1) Project is the Kyrgyz Republic’s flagship hydropower project of regional importance. The project will ensure the country’s long-term energy security and expand cooperation between Central Asian countries. It is expected to generate about 6,000 gigawatt hours (GWh) of electricity per year — equivalent to about 40% of the Kyrgyz Republic’s current energy supply — with the regional initiative helping to meet the growing energy demand in Central Asia and improve water use in the region.



The Kyrgyz Republic and its Central Asian neighbours face severe energy shortages in winter, when demand surges. This often leads to costly imports of polluting fuels and jeopardises energy security. With demand in the region projected to at least double by 2050, Central Asian countries urgently need affordable, reliable, and sustainable electricity to improve the quality of life and support economic growth.

The region is projected to face an extremely high risk of water scarcity by 2040, making close transboundary cooperation essential. By generating electricity in winter, the Kambarata-1 HPP

also offers the potential to improve water use in the region, reduce flood risks, and protect the existing hydropower cascade on the Naryn River.

The Kambarata-1 HPP Project involves the construction of a new 261-metre-high concrete dam on the Naryn River in the Kyrgyz Republic. The Kambarata-1 HPP will be located upstream of the existing cascade, which includes the Kambarata-2 HPP and the Toktogul Reservoir, as well as other downstream HPPs.

Given the scale of the project (about 30% of GDP) and its regional importance, the Government of the Kyrgyz Republic asked the WB to lead the organisation of support for the development and implementation of the Kambarata-1 HPP Project. Since 2023, the WB has provided TA to the Government of the Kyrgyz Republic to ensure that the Kambarata-1 HPP meets international standards for design, safety, and implementation, and complies with the environmental and social frameworks. The WB helped the Government establish international expert groups on dam safety and on environmental and social aspects. In addition, the WB works with participating governments to engage stakeholders through public consultations at local, national, and regional levels.

The WB is supporting the development of the Kambarata-1 HPP Project under the Technical Assistance Programme worth USD 18.6 million.

There is strong interest among development partners in co-financing the Kambarata-1 Project and a Donor Coordination Committee for Kambarata-1.

Caspian Green Energy Corridor Project (Central Asia → Europe)

In April 2025, ADB, AIIB, and the Ministries of Energy of Azerbaijan, Kazakhstan, and Uzbekistan signed a Memorandum of Understanding to support the feasibility study of the Caspian Green Energy Corridor Project. The Caspian Green Energy Corridor Project aims to strengthen regional energy cooperation and promote clean energy trade among most CAREC Programme countries. The project will interconnect the energy systems and create a green corridor for renewable energy transmission and trade. It envisages comprehensive transmission of green energy from the Caspian region to Europe via a Black Sea cable.



CASA-1000 (Central Asia → South Asia)

The USD 1.2 billion CASA-1000 Project aims to create an international high-voltage transmission line linking the Kyrgyz Republic, Tajikistan, Afghanistan, and Pakistan. The former two countries have summer surpluses of electricity (even with existing generating capacity), while the two South Asian countries experience severe summer electricity shortages (peak loads due to air-conditioning).



The CASA-1000 Project in Afghanistan was paused and all implementation activities stopped following a political change in August 2021. By the time of the pause, approximately 18% of the towers for the Afghanistan section of the transmission line had been erected and more than 90% of the necessary materials and equipment for completion had been delivered to the country. Work resumed in Afghanistan in December 2024 after safeguards were put in place. The project is expected to be fully implemented by the end of 2027. The Kyrgyz Republic, Tajikistan, and Pakistan have largely completed the construction of facilities in their respective countries. They are currently waiting for the completion of the Afghanistan transmission line, after which testing of the high-voltage direct current system can be finalised and project operations can begin.

REMIT

Regional Electricity Market Interconnectivity and Trade (REMIT) Programme. The WB's project is a multi-phase programme aimed at establishing Central Asia's regional electricity market to increase electricity trade, expand transmission capacity, and lay the groundwork for renewable energy development.

The total value of the initiative exceeds USD 1 billion. The WB will provide USD 930 million in funding for the project via the International Development Association by 2032, and USD 85 million via the IBRD. The first countries to join REMIT are Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan.

In the framework of Phase I of the Programme, approved by the WB Board of Executive Directors on 23 December 2025, the Kyrgyz Republic, the Republic of Tajikistan, and the Republic of Uzbekistan, as well as the Coordination and Dispatch Centre "Energy" (CDC "Energy") will benefit from financing totalling USD 143.2 million. The first USD 40 million IDA loan will be extended

to the Kyrgyz Republic. The Republic of Tajikistan will receive a grant of USD 60 million. The loan to Uzbekistan will amount to USD 40 million, while CDC “Energy” will get USD 3.2 million in grants from the Central Asia Water and Energy Programme (CAWEP).

TRANSPORT: Focus on Financing Transport Corridors

International transport corridors ensure the integrity of export-import logistics chains and promote integrated spatial development of the region’s territories. The potential of transport corridors increases substantially due to their interconnectivity on different routes, which provides additional opportunities for transport operators and cargo owners to reduce the time and costs of international freight traffic.

International North-South Transport Corridor

The International North-South Transport Corridor connects Central Asia and India with Iran, Georgia, the Russian Federation, and Europe. Crossing Armenia from south to north (Meghri–Kapan–Goris–Yerevan–Ashtarak–Gyumri–Bavra), the corridor joins the Georgian road from the south leading to the ports of Poti and Batumi (on the Black Sea) and onwards to Russia, CIS, and EU countries.



The geographical position of Armenia largely determined the features of its transport infrastructure development, with the road transport prevailing and accounting for 75% of freight (excluding the pipeline transport) and 85% of passenger traffic in the country. In 2020, the total length of roads of international, national, and local importance was 7,700 km in Armenia. As for the railway transport — both freight and passenger — it has lost its former importance due to the closure of borders with Azerbaijan and the termination of railway connection with Georgia, where it used to be possible to transship goods and containers, or use a railway ferry (to Novorossiysk and Ilyichevsk) in the ports of Poti and Batumi.

The Project objective is to connect the south of Armenia with its north via the Meghri–Yerevan–Bavra highway, which meets high international standards. The existing 560 km long road, which can be travelled at an average speed of 50 km/h, will be transformed into a high-speed highway with an average speed of 80–100 km/h, which will reduce the travel time from the current 9.0–9.5 hours to 4.0–5.0 hours, while improving comfort and road safety.

The Armenia section of the International North-South Transport Corridor is financed by ADB, the EFSD, the EBRD, and the EIB (Table 3).

Table 3. Financing of International North-South Transport Corridor

Source of financing	Amount	Purpose / Section
ADB	USD 330 million	Construction of the northern section of the Sisian–Kajaran road (27.1 km)
EFSD	USD 350 million	Construction of the complex Kajaran–Agarak section, including tunnels and bridges.
EBRD	USD 240 million	Construction of the southern section of the Sisian–Kajaran road (24.2 km) from Kajaran to the Bargushat Tunnel.
EIB	USD 340 million	The project covers sections north of Yerevan extending towards the Georgian border.

The North-South Project is implemented through multi-tranche financing:

- Tranche 1. Yerevan–Artashat, 31 km. Reconstruction of road surface, including laying of cement-concrete pavement, repair of artificial structures and culverts, installation of safety elements, road lighting, and other works.
- Tranche 2. Artashat–Talin, 41.9 km. Reconstruction to upgrade to technical class 1 by paving 12.5 km of the new highway and reconstructing about 26.7 km of the existing road
- Tranche 3. Talin–Lanjik, 18.7 km, and Talin–Gyumri, 27.5 km. Reconstruction of a highway section to upgrade to technical class 1.
- Tranche 4. Agarak–Kajaran, about 32 km, Kajaran Tunnel, about 7.2 km, and an adjoining road, 4 km. The Project will improve Armenia’s transit potential and accelerate the transport of goods along this route.

China–Kyrgyz Republic–Uzbekistan Railway



It is one of the key infrastructure projects capable of fundamentally transforming the transport system in the Kyrgyz Republic and unlocking new opportunities for sustainable economic development. The Railway Project creates preconditions for: boosting the transit traffic; reducing transport costs for businesses; developing logistics hubs and warehousing infrastructure; strengthening international transport corridors; expanding economic ties with China and Uzbekistan; and mobilising investment in related industries, including construction, machine engineering, services and trade. According to preliminary estimates, the route from East Asia to the Middle East and Southern Europe will be about 900 km shorter, and the travel time will be reduced to 10 days¹⁴. The cost of the project is USD 4.7 billion. The construction is scheduled to take 6 years.

Middle Corridor

This multi-modal corridor crosses Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, and onward to Europe mostly either by train or a combination of ferry and train. There are also several route deviations or options including those using portions of corridors in Turkmenistan and Uzbekistan. The development of CAREC Corridor 2 (aimed at connecting Europe and East Asia) in 2025–2028 focuses on upgrading the transport infrastructure in Azerbaijan, Georgia, the Kyrgyz Republic, Turkmenistan, and Uzbekistan. Strategic projects are aimed at accelerating freight traffic (current speed ~25.2 km/h), developing logistics hubs, and upgrading border crossing points¹⁵.



A total of USD 3.7 billion has been earmarked for the development of the corridor, covering 18 projects between 2025 and 2028. The projects include: Azerbaijan Railways Digital Transformation Project (USD 47 million, 2025), Batumi–Sarpı Road Project (Georgia, USD 360 million, 2025), CAREC Road Corridor 2 Resilience and Modernisation Project (Uzbekistan, USD 233 million, 2025)¹⁶.

¹⁴ www.tazabek.kg/news:2390587?f=cp

¹⁵ https://carecprogram.org/uploads/CMC-25-MTR_CAREC-Transport-Strategy-2030_RUS.pdf

¹⁶ https://carecprogram.org/uploads/2025-MC_Consolidated-PPT_RUS.pdf

Supporting Structural Reforms in Eurasia

In 2025, the WB, AIIB, and ADB actively used their development policy operations and policy-based lending to support structural reforms in the region. Their efforts focused on a wide range of priorities, from economic liberalisation and financial sector development to green transition and digital transformation. A list of their individual projects is presented below.

The WB is planning to approve a USD 200 million [Economic Transformation Development Policy Operation for Armenia](#). The operation supports reforms to improve the investment climate, trade, the framework for competition and digital transformation. It supports the adoption of new investment legislation and amendments to the laws on customs regulation and protection of competition, and the development of a national greenhouse gas permit system. The operation supports the development of a classification of green finance instruments.

The WB's USD 50 million [First Competitive and Inclusive Tajikistan Development Policy Operation](#) focuses on:



Private sector development: Reforms to open the economy to competition, including improved governance in the telecommunications/digital sector, promoting air transport development and competition, and strengthening the legal framework for foreign investment.



Public sector efficiency: Increased transparency in the allocation of energy sector funds and subsidies to private investors to create a favourable environment for private investment in renewable energy.



Social inclusion: Strengthening the policy and legal frameworks for a national benefit-sharing programme under the Rogun HPP Project, which aims to support vulnerable households with electricity revenues.

In Uzbekistan, the WB implements the USD 800 million [First Advancing Global Integration and Market Transition Uzbekistan Programmatic Development Policy Operation](#). Its main focus areas include:

- **Creating markets:** Supporting Uzbekistan's transition to a market economy.
- **Fiscal management:** Improved fiscal risk management and public procurement.
- **Social and environmental sustainability:** Supporting social inclusion and environmental sustainability. A package of reforms will be implemented in the energy, agriculture, railway, and chemical sectors to establish independent regulators and frameworks for the private sector to enter the market while maintaining fiscal prudence. Reforms, particularly in the infrastructure sector, are crucial to support the delivery of health and public services and promote economic recovery in the post-COVID period.

ADB also used its policy-based lending instruments to support reforms and institutional transformation across the region.

ADB approved a USD 300 million [Inclusive Finance Sector Development Programme \(Subprogramme 2\)](#) for Uzbekistan. The main objectives of the programme are:



Improved financial inclusion: Improved access to finance for low-income micro, small and medium, especially women-led, business.



Regulatory reform: Raising the maximum microloan amount, revising microfinance regulations, and introducing Islamic microfinance guidelines.



Consumer protection: Updating guidelines for responsible lending, regulation of ‘buy now, pay later’ services, and improved digital financial supervision.



Gender equality: Support gender equality policies in the financial sector, including gender quotas for financing and introduction of reporting of sex-disaggregated data.



Microfinance banks: Enabling the establishment of deposit-taking microfinance banks through a risk-based regulatory framework.

In the Kyrgyz Republic, the USD 50 million [Green Investment and Resilient Economic Growth Programme \(Subprogram 1\)](#) has the following objectives:

- **Transition to a green economy:** Strengthening climate governance, mobilising public and private climate finance.
- **Policy framework:** Supporting the Concept for Achieving Carbon Neutrality by 2050, the Green Economy Development Programme 2029, and the national Green Taxonomy.
- **Sustainable finance:** Enabling the issuance of green bonds through amendments to the Securities Law, introduction of green budget labelling, and adoption of IFRS Sustainability Disclosure Standards.
- **Climate resilience:** Improving disaster risk financing, climate-resilient infrastructure standards, and insurance schemes.

New Donor Strategies in Eurasia

In 2025, IFIs adopted new partnership strategies in the region.

Armenia

ADB, the WB, and the EBRD agree on the main structural challenges faced by the country:

- High and geographically uneven poverty, especially in rural areas;
- Insufficient development of human capital due to low spending on education and health;
- Poor diversification of the economy and limited competitiveness of the private sector;
- Shortage and deterioration of infrastructure, primarily transport, energy, and water infrastructure;
- Institutional constraints — a slowdown in judicial and anti-corruption reforms, weak alignment of strategic plans with the budget;
- High vulnerability to climate and disaster risks (drought, earthquakes, ecosystem degradation).

The table summarises the key areas of their cooperation with Armenia.

Table. ADB, WB, and EBRD Partnership Strategies for Armenia

ADB Country Partnership Strategy 2026–2030	WB Country Partnership Framework 2025–2029	EBRD Country Strategy 2025–2030
<p>Priorities: reducing regional inequalities, ensuring inclusive access to services, increasing the resilience of the economy to external shocks.</p> <p>Objectives: (1) enhance private sector-led growth; (2) strengthen governance, institutions, and human capital; and (3) improve climate and disaster resilience.</p>	<p>The Framework is based on three main goals (outcomes) essential for Armenia’s sustainable development:</p> <ol style="list-style-type: none"> 1) More and better jobs; 2) More resilient human capital; 3) More resilient economy 	<p>The Strategy covers two priorities:</p> <ol style="list-style-type: none"> 1) Support the development of a more inclusive and competitive private sector 2) Accelerate the green economy transition through support for sustainable infrastructure

Kazakhstan

ADB, the WB, and the EBRD agree on the key development challenges in Kazakhstan: sluggish non-commodity private sector development, limited access to finance (especially in rural areas and for women entrepreneurs), inequality between regions, insufficient investment in human capital, corruption and institutional constraints, and environmental and climate risks, including high energy intensity of the economy and pollution.

The WB's new Country Partnership Framework for Kazakhstan (2026–2031) aims to support Kazakhstan's infrastructure development, natural resource management and strengthening institutions for economic governance, innovation, and job creation, with the primary objective of improving economic competitiveness and attracting critical investments.



Development of transport and digital connectivity;



Expanding the use of renewable energy sources;



Climate agenda development;



Modernising railway infrastructure;



Improving the quality of services in the water and energy sectors;



Supporting micro and small businesses through financial institutions;



Financial market development;



Developing the agro-industrial complex, including financing of supplies of modern agricultural machinery and projects for deep grain processing.



Promoting private investment;

Tajikistan

Donors highlight the unfavourable investment climate, weak public administration, inefficient state-owned enterprises, and underdeveloped financial sector as key barriers to attracting private investment and increasing productivity. Economic opportunities within the country remain limited, contributing to large-scale labour migration and high household dependence on remittances. Significant gender disparities in income, employment, and access to economic opportunities persist.

Special attention is paid to Tajikistan’s high vulnerability to climate change and natural disasters due to its mountainous terrain, glacier degradation and frequent floods, landslides and earthquakes. These factors cause significant economic damage, exacerbate poverty, and increase the cost of developing infrastructure and transport links in the landlocked country.

Based on the donor diagnostics, the table summarises the key areas of their cooperation with Tajikistan.

Table. ADB, WB, and EBRD Partnership Strategies for Tajikistan

ADB Country Partnership Strategy 2026–2030	WB Country Partnership Framework 2026–2031	EBRD Country Strategy 2025–2030
<p>Supporting structural reforms, strengthening institutions, capacity building.</p> <p>ADB will also promote good governance, climate action, and private sector-led growth. To support inclusive and sustainable economies, ADB will increase its support for human capital development to meet the rapidly evolving needs of the labour market. It will also support digital solutions that improve access to public services.</p>	<p>The Framework is based on three main goals (outcomes) essential for Tajikistan’s sustainable development:</p> <ol style="list-style-type: none"> 1) Enhanced energy security (with a focus on supporting the Rogun HPP) 2) Increased job creation and private sector investment 3) Human capital development 	<p>The Strategy covers two priorities:</p> <ol style="list-style-type: none"> 1) Strengthen competitiveness and governance by fostering a more inclusive and larger private sector and improving public institutions. 2) Enhance green and sustainable energy and transport networks and municipal service delivery.

ANNEX 1

Financing Profiles

Republic of Armenia Sovereign Financing in 2025



Total Financing

49 operations
amounted to
\$1.1 bln

Types of Financing

\$670 mln investment financing	\$175 mln stabilization financing	\$46 mln technical assistance
---------------------------------------------	------------------------------------------------	--------------------------------------------

Major Donors



\$250.4 mln



\$430.2 mln



\$175 mln



\$174.3 mln



\$44.6 mln

Sectoral Priorities (top 5)



Economic policy
\$295.7 mln



Public administration
\$272.4 mln



Multisector projects
\$138 mln



Infrastructure and urbanization
\$100.2 mln



Transport
\$44.6 mln

Currency Structure

67.4% EUR	32.6% USD
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Forms of Financing

92.4% Loans	7.6% Grants
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The Largest Approved Project



ADB project totaling **\$250** mln to support Armenia's social housing policy

Republic of Kazakhstan Sovereign Financing in 2025



www.EFSD.org

Total Financing

 **26** operations
amounted to
\$1.5 bln


Types of Financing

 **\$1.5** bln investment
financing

\$6.3 mln technical
assistance

Major Donors

 **European Bank**
for Reconstruction and Development
\$648.8 mln

 **AIIB** ASIAN INFRASTRUCTURE
INVESTMENT BANK
\$450 mln

 **ADB** ASIAN DEVELOPMENT BANK
\$400.5 mln

Sectoral Priorities



Transport
\$1.4 bln



**Water supply
and sanitation**
\$97.8 mln



Climate issues
\$5.4 mln

Currency Structure

69.7% EUR | **30.3%** USD

Forms of Financing

100% Loans

The Largest Approved Project



 project totaling **\$510** mln to support the reconstruction
of a 234-km section of the Aktobe-Ulgaisyn road

Kyrgyz Republic Sovereign Financing in 2025



www.EFSD.org

Total Financing

 **55** operations amounted to **\$981.3** mln

Types of Financing

 **\$799.7** mln investment financing

 **\$164.7** mln stabilization financing

 **\$16.9** mln technical assistance

Major Donors



\$385.4 mln



\$255.6 mln



\$112.7 mln



\$100 mln



\$50 mln



\$41.9 mln

Sectoral Priorities (top 5)



Economic policy
\$273.2 mln



Water supply
\$201.4 mln



Energy sector
\$92.4 mln



Agriculture
\$77 mln



Infrastructure and urbanization
\$60.7 mln

Currency Structure

73% USD | **27%** EUR

Forms of Financing

82.7% Loans | **17.3%** Grants

The Largest Approved Project



 project totalling **\$112.5** mln—**Universal Access to Water Supply and Sanitation Program (Phase 1)**

Republic of Tajikistan

Sovereign Financing in 2025



www.EFSD.org

Total Financing

 **40** operations amounted to
\$369.6 mln

Types of Financing

 **\$227.2** mln investment financing
 **\$109.9** mln stabilization financing
 **\$32.4** mln technical assistance

Major Donors

 **THE WORLD BANK**
IBRD · IDA | WORLD BANK GROUP
\$118 mln

 **ASIAN DEVELOPMENT BANK**
\$92.4 mln

 **European Bank**
for Reconstruction and Development
\$77.7 mln

 **SFD**
الصندوق السعودي للتنمية
Saudi Fund for Development
\$30 mln

 **global environment facility**
INVESTING IN OUR PLANET
\$21.2 mln

Sectoral Priorities (top 5)



Economic policy
\$124.9 mln



Transport
\$70.9 mln



Energy sector
\$47.3 mln



Agriculture
\$44 mln



Social protection
\$25.5 mln

Currency Structure

100% USD

Forms of Financing

67.1% Grants

32.9% Loans






The Largest Approved Project



\$50 mln  **grant to bolster green jobs, resilient business in Tajikistan**

ANNEX 2





Major Projects Approved in 2025

Country	Project title	Creditor	Amount, USD millions	Description	Link to the project
Kazakhstan	Aktobe Regional Roads	EBRD	510	The Project is co-financed by AIIB and the EBRD. Rehabilitation and upgrading of a 234-km road section from two to four lanes, starting from the city of Aktobe and ending at Ulgaisyn.	
Kazakhstan	Reconstruction of M-32 Highway Aktobe-Karabutak-Ulgaisyn Section Project	AIIB	450	Improved inter-regional connectivity, safety standards, increased road capacity, and reduced travel time.	
Uzbekistan	Uzbekistan Green and Resilient Market Economy Programme	AIIB	500	The proposed Programme will support policy and governance reforms through: (i) sectoral interventions in the energy and state-owned enterprise sectors to improve resource and energy efficiencies and enhance resilience; (ii) enhancements in public administration to stimulate “green” procurement; and (iii) clear and transparent rules for the creation and trade of carbon credits to scale up private finance in climate mitigation.	
Uzbekistan	Economic Management Improvement Programme, Phase 2 (Subprogramme 2)	ADB	500	Reform actions are structured around three pillars: (i) strengthening fiscal management through programme-based budgeting, fiscal risk monitoring, debt transparency, and climate-informed public investment planning; (ii) improving state-owned enterprise governance by aligning legal frameworks with market principles, enhancing financial transparency, and promoting fair competition; and (iii) enhancing public sector accountability through robust audit systems and reinforced anti-corruption legislation and enforcement.	
Uzbekistan	Advancing Global Integration and Market Transition: Uzbekistan Programmatic Development Policy Operation.	WB	800	The development objective of the Programme is to support Uzbekistan’s transition to an inclusive and resilient market economy through: (i) creating markets, advancing global integration, and fostering private sector growth and jobs creation; and (ii) supporting the green economy and social inclusion.	

Source: EFSD Sovereign Financing Database.

ANNEX 3

Major Projects in the Pipeline in 2026

Country	Project title	Creditor	Amount, USD millions	Description	Link to the project
Armenia	Seismic Safety	ADB	250	The Project objective is to improve the seismic resilience of school buildings through the School Strengthening and Renovation Programme.	
Uzbekistan	Modernisation of Electricity Distribution Systems	ADB	300	The Project proposes to rehabilitate 40 critical distribution substations in 13 regions across the country, expand the power transformation capacity, modernise and digitalise the distribution system operations.	
Uzbekistan	Climate-Resilient Water and Sanitation Services Project	ADB	270	The proposed project will assist the government in addressing climate vulnerabilities and enhancing public health and economic conditions by ensuring inclusive access to safe, reliable, climate-resilient, and sustainable water supply and sanitation services for the residents of Andijan, Djizzak, and Fergana provinces; and the Republic of Karakalpakstan.	
Georgia	Middle Corridor – Georgia Accessibility and Transport Enhancement Project	WB	360	The Project aims to further support the development of the Tbilisi–Bakurtsikhe–Lagodekhi corridor (Kakheti Highway) and enhance connectivity between the cities of Telavi and Gurjaani, to catalyse and enable development of the Kakheti region and regional integration through key national road corridors.	

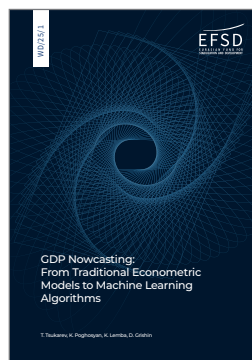
Source: EFSD Sovereign Financing Database.



Working paper WP/26/1
(RU/EN)

**Measuring Credit Gaps:
A Restricted Hodrick–Prescott
Filter Approach**

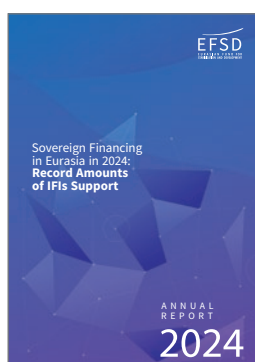
The Working Paper reviews approaches to measuring the credit gap based on univariate HP filters and discusses the key methodological aspects that improve the accuracy and reliability of the resulting estimates.



Working paper WP/25/1
(RU/EN)

**GDP Nowcasting: From Traditional
Econometric Models to Machine
Learning Algorithms**

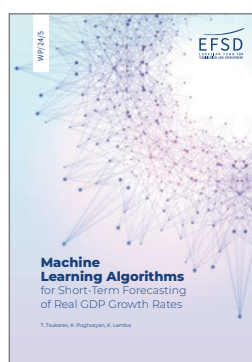
The study explores whether machine learning methods and algorithms have the potential to improve the accuracy of estimates of macroeconomic variables.



Report on sovereign financing for 2024
(RU/EN)

**Sovereign Financing in Eurasia in 2024:
Record Amounts of IFIs Support**

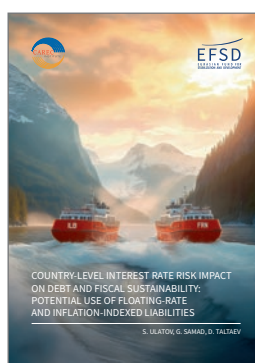
The Report focuses on the monitoring of sovereign financing in Eurasia for 2024, relying on a database maintained by the EFSD.



Working paper WP/24/5
(RU/EN)

**Machine Learning Algorithms
for Short-Term Forecasting
of Real GDP Growth Rates**

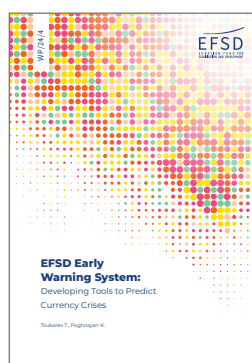
The paper evaluates the accuracy of short-term forecasts produced by machine learning methods and algorithms compared to conventional econometric models.



**Joint Working Paper by the EFSD
and the CAREC Institute**
(RU/EN)

**Country-level interest rate risk impact
on debt and fiscal sustainability:
potential use of floating-rate
and inflation-indexed liabilities**

The Paper examines the interest rate risks associated with recent dynamic of LIBOR (SOFR) and EURIBOR, as well as considers the potential inclusion of obligations with floating-rate and indexed principal in domestic debt portfolios of the countries under review.



Working paper WP/24/4
(RU/EN)

**EFSD Early Warning System:
Developing Tools to Predict Currency
Crises**

The paper presents a methodology and a step-by-step algorithm for the development of tools to identify imbalances (crises) and stress situations in the economy. The main emphasis was placed on detection of growing tensions in the foreign exchange market.



Working paper WP/24/3
(RU/EN)

**Sovereign financing in Eurasia:
1H 2024.**

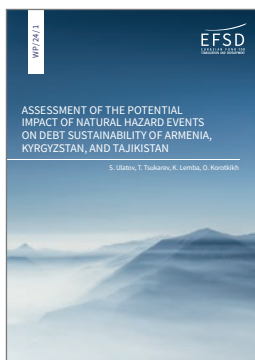
The Paper focuses on the monitoring of sovereign financing in Eurasia for 1H 2023.



Working paper WP/24/2
(RU/EN)

**Sovereign financing in Eurasia:
trends and areas**

The Report focuses on the monitoring of sovereign financing in Eurasia, relying on a database maintained by the EFSD.



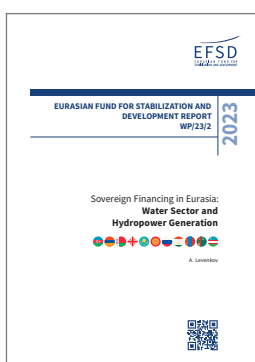
Working paper WP/24/1 (RU/EN)
Assessment of the Potential Impact of Natural Hazard Events on Debt Sustainability of Armenia, Kyrgyzstan, and Tajikistan

The paper presents an algorithm that can be used to assess the impact of natural hazards on macroeconomic indicators and debt sustainability of various countries.



Working paper WP/23/3 (RU/EN)
International Reserves as the core element of the GFSN for developing economies

The paper assesses factors affecting the decision of developing economies on the source of anti-crisis support. The study showed that international reserves are the most sought-after instrument among all the elements of the GFSN.



Working paper WP/23/2 (RU/EN)
Sovereign Financing in Eurasia: Water Sector and Hydropower Generation

The purpose of this Working Paper is to analyse operations of IFIs, climate funds, and development agencies in the water and HPP sector between 2008 and H1 2023 in 11 countries of the Eurasian region.



Working Paper WP/23/1 (RU/EN)
Introduction to the EFSD Sovereign Financing Database.

In this Working Paper the Sovereign Financing Database (SFD) Methodology is presented and also quantitative and qualitative analysis of sovereign financing operations in 11 countries of the region from 2008 to 2022 is carried out.



Working Paper WP/22/1 (RU/EN)
Technical Assistance of International Financial Institutions and Development Agencies in Eurasia.

The purpose of this analytical document is to review technical assistance projects implemented by international financial institutions and development agencies in 2009–2021 in 11 Eurasian countries with a detailed thematic and institutional breakdown.



Sovereign Financing in Eurasia: Regional Projects
and Initiatives of International Financial Institutions

Levenkov A., Vasiliev G.

The Eurasian Fund for Stabilization and Development

Tel.: +7 7172 64 75 55
e-mail: info@efsd.org

Media:
e-mail: media@efsd.org

Headquarters:
60/2 Syganak Street, Astana, 010000,
Republic of Kazakhstan

