

Monitoring of Sovereign Financing in Eurasia

Q2 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 24 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 Q2 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).

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

As at 1 April 2023, the SFD included records of 5,806 operations worth USD 100.1 billion.

This monitoring exercise is based on IFI operations in Q2 2023 and covers:

- (I) approved projects of IFIs, development agencies, and climate funds;
- (II) new development agencies added in Q2 2023;
- (III) consolidated list of sovereign financing operations in Q2 2023.

I Sovereign Financing in Eurasian Region

In Q2 2023, there were **29 approved sovereign financing operations worth USD 899.8 million** (Annex Table).

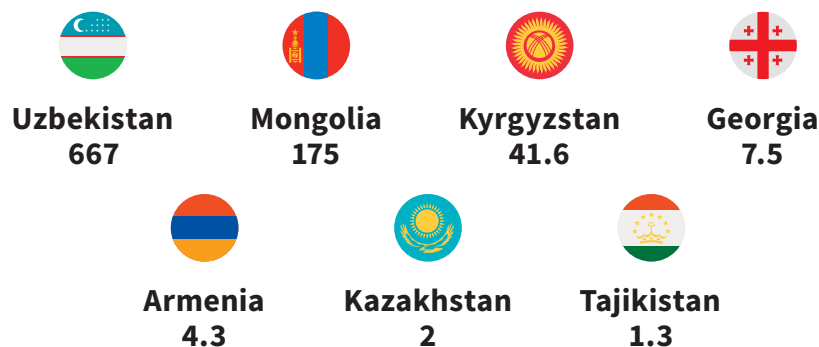
In Q2, no stabilization financing projects were implemented in any of the countries included in the SFD; **only investment financing operations in the form of loans and grants and technical assistance projects were recorded**. USD 825.7 million was approved in the form of investment loans, USD 58.5 million on a grant basis, and USD 15.6 million¹ in technical assistance projects. In terms of the number of operations, **technical assistance operations are in the lead – 18 operations**. (Table 1).

Table 1. Types of Financing

Form	Repayable/ non-repayable	Number of operations	Amount, USD million	Total, USD million
Investment	Loan	8	825.7	884.2
	Grant	3	58.5	
Technical assistance	—	18	15.6	15.6

The leader in terms of approved financing in the region, as in the Q1 2023, is **Uzbekistan with \$667 million or 74.1% of total sovereign financing**. It is followed by Mongolia (\$175 million). Kyrgyzstan (\$41.6 million), Georgia (\$7.5 million), Armenia (\$4.3 million), Kazakhstan (\$2 million) and Tajikistan (\$1.3 million) (Figure 1).

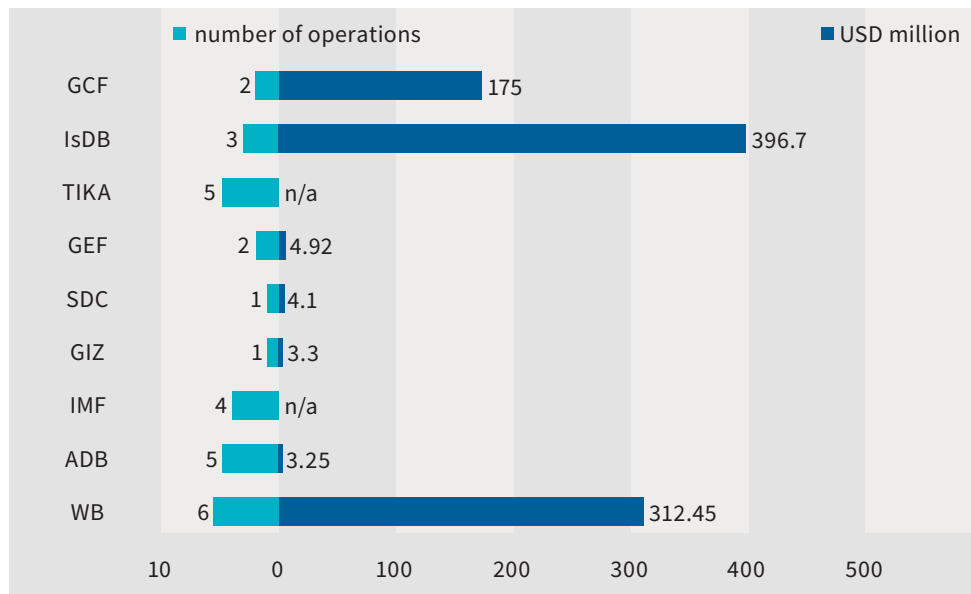
Figure 1. Approved Sovereign Financing, by Country, USD million



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

¹ Not all TA projects have financial component.

Figure 2. Breakdown by Institutions



Among the IFIs, the largest amount of approved financing came from **IsDB through 3 projects in Uzbekistan in the amount of \$396.7 million**. The WB has the largest number of approved operations: 6 operations worth \$312.5 million. Among development agencies, five TIKa TA operations in Tajikistan, Uzbekistan and Mongolia, a GIZ TA project in Georgia, and an SDC project in Georgia were recorded. The IMF has four technical assistance projects.

Approved investment financing in the region has been directed to a wide range of areas from energy to education and health issues.

In Kyrgyz Republic, the WB is implementing a program to improve the quality of primary health care (P178856). The Primary Health Care Quality Improvement Project will focus on quality improvement in three key areas: 1) health service delivery; 2) strategic purchases of medical services; 3) strategic leadership and good governance. The first area is aimed at creating and strengthening systems for reporting and monitoring the quality of care provided. The second area supports the strategic procurement of quality medical services and improving the coverage of the population with medical services. The third area is aimed at creating a structure and mechanism at the national level to ensure coordinated efforts to improve the quality of medical care in the country.

With the assistance of the World Bank, the countries of Central Asia have begun developing a One Health Action Framework that will identify specific actions and a roadmap to stimulate investment in the region (Box 2).

Box 2. One Health Action Framework

In November 2022, Kazakhstan, Kyrgyz Republic, Uzbekistan, Tajikistan and Turkmenistan signed a joint communiqué “Protecting Food Systems and Preventing Pandemics in Central Asia”, officially launching the development of the One Health Action Framework in Central Asia. This program involves the development of principles for the implementation of investments aimed at achieving three priorities for the countries of Central Asia: preventing pandemics, strengthening the resilience of food systems and agriculture, and developing regional trade and increasing competitiveness.

In June 2023, in Samarkand, representatives of the government departments of the Central Asian countries in the field of healthcare took part in a regional seminar on the development of a “Framework Program of Action based on the One Health concept”. The event presented recommendations from five regional assessments and proposed ways to jointly prepare practical strategies for implementing the One Health approach at both the national and regional levels. The report concludes that the One Health approach is cost-effective for countries and the region. According to the [analysis](#) of the World Bank specialists, the annual investment of the international community in the One Health system will be from 1.9 to 3.4 billion US dollars (depending on the prevalence of diseases), and will be able to half or completely prevent pandemics.

TA projects are in high demand in the region. In Q2, the largest number of such projects was recorded by TIKA, ADB and the IMF. ADB in Armenia is implementing a TA project to prepare the Yerevan Urban Development Investment Project for the construction of a 1.8 km six-lane controlled access city road ([project 54172-001](#)). TIKA actively provided technical assistance in the field of education in Tajikistan and Uzbekistan.

IFIs plan their financing based on approved country strategies. In the second quarter, a new [ADB strategy for Kazakhstan was approved](#) to support decarbonization and inclusive growth, as well as a new [ADB country strategy for Kyrgyzstan](#) (Box 3).

Box 3. New ADB Strategies in Kazakhstan and Kyrgyzstan

ADB has approved a new five-year Country Partnership Strategy (CPS) for Kazakhstan 2023–2027 to help the country achieve a more diversified, inclusive, and sustainable economy. It focuses on three strategic priorities: addressing the effects of climate change and decarbonizing the economy, promoting inclusive economic growth, and improving public administration. The priority sectors are energy, finance, public sector management, transport and urban development. The CPS is aligned with the Strategy “Kazakhstan-2050”.

During the period 2023-2027, ADB operations in Kyrgyz Republic will focus on three strategic priorities—expanding economic opportunity for all; building resilience to climate change and natural disasters; and strengthening governance, and developing the private sector. ADB will prioritize activities in the transport, energy, agriculture, and government sectors. The strategy is aligned with the National Development Program of the Kyrgyz Republic until 2026 and the National Development Strategy for 2018-2040.

II New Agencies in SFD

The SFD is a dynamic database whose scope will be expanded continually to cover new sovereign finance providers. Operations of the following development agencies and climate funds since 2008 have been added in the context of the current SFD update United Nations Environment Program (UNEP), Global Environment Facility (GEF), United Nations Green Climate Fund (GCF), Swedish Development Agency (SIDA), European External Action Service (EEAS) (Box 4).

Box 4. New Financing Providers in SFD

The United Nations Environment Program (UNEP) is a program established within the United Nations system that promotes the coordination of conservation at the system-wide level. Its purpose is to provide leadership and encourage partnerships in the field of respect for the environment by creating opportunities to improve the quality of life of states and peoples without compromising future generations.

The Global Environment Facility (GEF) is an independent international financial entity operating through the United Nations Development Programme, the United Nations Environment Programme, and the World Bank. The Global Environment Facility brings together the governments of 181 countries to address global environmental challenges in partnership with international and non-governmental organizations, as well as the private sector. The Fund is by far the largest source of funding for projects aimed at improving the state of the environment. As an independent financial institution, GEF provides grants to developing countries and countries with economies in transition for projects on biodiversity, climate change, international waters, land degradation, the ozone layer and persistent organic pollutants. These projects promote environmental protection by linking local, national and global environmental issues and contributing to sustainable development.

The UN Green Climate Fund (GCF) is a new global fund created by the United Nations Framework Convention on Climate Change (UNFCCC) to support the efforts of developing countries to address climate change.

SIDA works on behalf of the Swedish Parliament and Government to reduce poverty in the world. SIDA's activities cover many areas and are carried out in more than 120 countries in Africa, Asia, Latin America, Central and Eastern Europe.

EEAS manages the EU's external relations, security, defense policy and oversees the Joint European Think Tank. It has six geographical departments headed by a managing director. The departments are responsible for the following geographical areas: Africa; Asia; South and North America; the Middle East and the countries of the "Southern Neighborhood Policy"; Russia, countries of Eastern Europe and Western Balkans; in addition, EEAS has a Department of Global and Multilateral Affairs.

47 GCF operations worth \$560.3 million were added to the SFD. GCF has funded climate projects in all SFD countries. 62.3% of its operations (\$348.9 million) were in Mongolia.

In the GEF part, **224 transactions were added for \$611.4 million**. By country, the largest amount of funding was provided to Russia (\$122.8 million) and Kazakhstan (\$89 million).

135 SIDA operations worth \$145.2 million were added to the SFD. Georgia and Kyrgyzstan received the most support from this structure — \$123.7 million and \$10.2 million, respectively. Projects in the field of public administration and infrastructure development prevailed.

EEAS is a provider of EU financing in the Eurasian region. Currently, sovereign financing operations from EEAS in four countries have been added to the SFD: Azerbaijan, Armenia, Belarus and Georgia in the amount of \$912 million. As part of the next monitoring, data collection on EEAS projects will be completed for the rest of the countries included in the SFD.

The next issue of the Monitoring will be released in the first decade of October and will focus on reviewing operations of IFIs and development agencies in Q3 of 2023.





Monitoring of sovereign financing of IFIs and development agencies in the Eurasian region for Q1 2023 is available [here](#).





EFSD publications are available [here](#).








Annex





Table. Approved Financing by IFIs and Development Agencies, Q2 2023






	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
Armenia								
1	Preparing Yerevan Urban Development Investment Project - II	ADB	TA	0.7	11.04.2023	Transport	The transaction technical assistance (TA) will finance the preparation of Yerevan Urban Development Investment Project involving the construction of a 1.8-kilometer (km), six-lane access controlled urban road in Armenia.	
2	Conservation and Sustainable Management of Land Resources and High Value Ecosystems in Lake Sevan Basin for Multiple Benefits	GEF	TA	3.6	April 2023	Ecology	To promote land degradation neutrality, restore and improve the use of land and water resources in Armenia's Lake Sevan Basin to enhance the sustainability and resilience of livelihoods, biodiversity and globally significant ecosystems.	
Georgia								
3	Good Financial Governance in Georgia	GIZ	TA	3.3	14.04.2023	Public administration and management	Selected Georgian municipalities are planning and implementing their budgets in a more result-oriented, gender-sensitive and participatory manner.	
4	Women's Increased Leadership for Democracy in Georgia	SDC	TA	4.1	01.04.2023	Gender equality	Project goal: to involve more women in the political and public life of Georgia	

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
Kazakhstan								
5	PROGREEN Kazakhstan Resilient Landscapes Restoration Project	WB	IFG	2	14.06.2023	Ecology	To pilot agroforestry practices using a community-centered approach and to strengthen government capacity for landscape management and restoration in protected areas.	
6	Kazakhstan National Accounts	IMF	TA	n/a	03.04.2023	Finance	Technical mission to develop quarterly GDP on a discrete basis.	
Kyrgyz Republic								
7	Kyrgyz Republic Credit Risk – Standardized Approach	IMF	TA	n/a	24.04.2023	Finance	Project Goal: Scheduled discussions with the National Bank on credit risk, a standard approach used by the authorities.	
8	Enhancing Resilience in Kyrgyzstan Second Additional Financing	WB	IFL	30	31.05.2023	Multisector	The Project Development Objectives are to strengthen Recipient’s capacity to respond to disasters, provide safer and improved learning environment for children, and reduce adverse financial impacts of natural hazards on the Recipient’s budget and population.	

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
9	Primary Health Care Quality Improvement Program — Additional Financing	WB	IFG	11.45	21.06.2023	Healthcare	The Program Development Objective is to contribute to improving the quality of primary health care services in the Kyrgyz Republic.	
Mongolia								
10	Mongolian Children Overcome Their Disabilities with TİKA	TİKA	TA	n/a	n/a	Healthcare	Project goal: to provide children with disabilities with the opportunity to receive education in public schools	
11	Strengthening Food Security Post-COVID-19 and Global Food and Fertilizer Price Crises	ADB	TA	n/a	11.04.2023	Food security	The knowledge and support technical assistance will strengthen food security post-COVID-19 and global food and fertilizer price crises in Mongolia.	
12	Aimags and Soums Green Regional Development Investment Program (ASDIP)	GCF	IFL	130	april 2023	Regional development	This project addresses Mongolia's rangeland degradation and overgrazing. It will do this by building climate-resilient and low-carbon cities that provide adequate services to attract private sector investments to support local agribusiness. Other measures include supporting herder groups to manage the rangelands sustainably by limiting the number of grazing animals, and strengthening agribusiness value chains.	
13	Aimags and Soums Green Regional Development Investment Program (ASDIP)	GCF	IFG	45	april 2023	Regional development		

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
Tajikistan								
14	Tajikistan GFS& PSDS	IMF	TA	n/a	24.04.2023	Finance	The mission assisted the authorities in: (i) finalizing and preparing for dissemination annual GFS time series for central government; (ii) expanding the time series for PSDS; and (iii) preparing the compilation processes documentation	
15	Strengthening the capacity of the Republic of Tajikistan to comply with the Enhanced Transparency Framework under the Paris Agreement	GEF	TA	1.3	19.04.2023	Climate and sustainable development	Strengthening Republic of Tajikistan's national capacities to meet the enhanced transparency framework (ETF) for climate change mitigation and adaptation actions and support received for the sectors covered by nationally determined contributions (NDCs).	
16	Journalism Training Provided to the Young People in Tajikistan	TIKA	TA	n/a	june 2023	Education	Teaching journalism in the universities of Tajikistan.	
17	“Career Planning Center” in Tajikistan	TIKA	TA	n/a	june 2023	Education	While continuing to support Tajikistan through social and cultural projects in the fields of education, health, agricultural development and information technology, TIKA has also taken responsibility for the restoration and equipping of the center, which is the first in its field in the country.	
18	Türkiye Shares Experience in Agriculture with Tajikistan	TIKA	TA	n/a	april 2023	Agriculture	Training for academics and university specialists at the 25-acre scientific and practical Center for growing fruit seedlings, established within the framework of the Agricultural University, the only university in Tajikistan working in the field of agriculture.	

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
Uzbekistan								
19	Preparing the Energy Sector Projects	ADB	TA	1.2	11.04.2023	Energy	The transaction technical assistance (TA) facility will provide project preparation support, capacity building, and policy advice to a series of ensuing projects	
20	Second Livestock Sector Development Project	WB	IFL	150	20.04.2023	Agriculture	The development objective of the project is to support the development of a productive, market-oriented, sustainable and inclusive livestock sub-sector in Uzbekistan.	
21	Second Livestock Sector Development Project	WB	IFL	90	20.04.2023	Agriculture		
22	Syrdarya Efficient Power Generation Project	WB	IFL	29	09.05.2023	Energy	The project development goal is to support efficient power generation and reduce greenhouse gas emissions through private investment in Uzbekistan.	
23	Integrated Rural Development Project	IsDB		260	26.04.2023	Regional development	The project will empower local communities, improve their access to quality and resilient infrastructure, and strengthen knowledge of climate-smart agriculture practices. By reducing rural poverty and increasing the resilience of the target population, this project will contribute to achieving sustainable development in the country.	

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
24	Reconstruction and Upgrading of the M39 Road in Uzbekistan	IsDB		106.7	26.04.2023	Transport	This project will improve the efficiency of the road transport infrastructure and ensure the safe movement of goods and people along the project road section. This will not only benefit the local economy but also promote regional integration and trade.	
25	Enhancing Access to Quality Early Childhood Education Project	IsDB		30	26.04.2023	Education	The project will support the Government of Uzbekistan's target of achieving universal pre-school enrollment. It aims to enhance access to quality early childhood education facilities and improve the quality of early learning environments in Uzbekistan.	
26	Uzbekistan REPO market development	IMF		n/a	03.04.2023	Finance	The hybrid mission assisted the Central Bank of Uzbekistan in its efforts to develop the interbank repo market.	
27	Introduction to the Integrated Learning and Teaching Models” Training in Uzbekistan	TIKA		n/a	june 2023	Education	Training of 152 teachers in Uzbekistan	
Regional projects								
28	Sustainable Safeguard Policy Applications in the Central and West Asia Region (Armenia, Azerbaijan, Georgia, Kyrgyzstan, Tajikistan, Kazakhstan, Turkmenistan, Uzbekistan)	ADB	TA	1	09.06.2023	Multisector	The goal of the project: to promote the effective development of infrastructure in Central and Western Asia	

	Programme title	Creditor	Type of financing	Amount, USD million	Approval date	Sector	Description	Link to the project
29	Subproject 10: Mainstreaming Gender in Project Preparation for Armenia, Azerbaijan, Georgia, Kyrgyz Republic, and Turkmenistan	ADB	TA	0.35	22.06.2023	Public management	The objectives are: (i) production of gender information at the country level; (ii) preliminary gender profiles of projects in priority sectors identified; and (iii) developed the capacity of government agencies to integrate gender perspectives into project design.	

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.