

MONITORING OF RUSSIA'S ECONOMIC OUTLOOK

trends and challenges of socio-economic development

7(180) APRIL 2025

CENTRAL ASIAN STATES IN THE SYSTEM OF INTERNATIONAL DEVELOPMENT ASSISTANCE PROGRAMS

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The total volume of official development assistance (ODA) for the Central Asian countries – Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, Turkmenistan – for the period 2013–2023 comes to around \$21.12 bn in absolute terms. The dependence of the countries of the region on foreign aid is decreasing due to changes in the socio-economic situation in the countries. There is a certain “division of labor” between OECD Development Assistance Committee (DAC) member countries and other donors. For example, Uzbekistan cooperates with OECD countries, while Kyrgyzstan cooperates more with non-OECD donors and Eurasian development institutions.

As of January 2024, the share of Central Asia (CA) in global multilateral aid is about 12.48%, while the share of CA countries in total bilateral official development assistance (ODA) does not exceed 5.74%. This is due to the countries' successes in socio-economic development (e.g., in 2014, Kyrgyzstan moved from the low-income group of countries to the low middle-income group of countries)¹ and with the decreasing dependence of a number of states on foreign economic assistance (for example, the government of Kazakhstan is transitioning from the status of “recipient” to “donor”).² Nevertheless, the importance of economic aid for some countries remains relatively high. For example, in Tajikistan and Kyrgyzstan, the share of ODA in the country's GDP is 4.4% and 3%, respectively.

Moreover, according to the Asian Development Bank (ADB), the CA region lacks about \$1.7 bn per year to finance infrastructure projects (ADB, 2020).³ External assistance can help support the required level of investment in the region's infrastructure.⁴ In this regard, more than 60 sovereign and multilateral donors continue to be present in CA, including 17 international organizations, of which 10 are multilateral financial institutions (MFIs).

1 The World Bank (2014). 2014 World Bank Income Classifications: Kyrgyz Republic Becomes Lower Middle Income Country. URL: <https://www.worldbank.org/en/news/press-release/2014/07/24/kyrgyz-republic-becomes-lower-middle-income-country>

2 KT (2014). Kazakhstan is changing its status from a recipient country to the donor one. 26.12.2014. URL: https://www.kt.kz/rus/politics/kazakhstan_menjaet_svoj_status_ot_stranipoluchatelja_pomoshti_k_stranedonoru_1153597735.html

3 ADBI (2020). “Infrastructure in Central Asia and Caucasus”. ADBI Working Paper. URL: <https://www.adb.org/publications/infrastructure-central-asia-caucasia>

4 US Congressional Research Service (2023). Central Asia: Implications of Russia's War in Ukraine. 09.06.2023. URL: <https://sgp.fas.org/crs/row/R47591.pdf>

Monitoring of Russia's economic outlook

Global development aid statistics

Over the past 63 years, from 1960 to 2023, global ODA has increased from \$39.43 bn to \$223.3 bn.¹ Over the last 20 years, multilateral ODA has averaged about 34.78% of total ODA, while bilateral ODA flows accounted for about 65% (Fig. 1). After the end of the Cold War, aid flows increased steadily until 1992. However, in the 1990s, the US reduced its aid volumes. In the 2000s, with the emergence of the UN Millennium Development Goals (MDGs) initiative, the US returned to the global arena of international development assistance (IDA) policy. The growth in ODA figures was maintained until 2024, with a significant jump in the two years of COVID-19 and during the Ukraine and Middle East crises in 2022–2024 (Fig. 1).

An important measure of ODA is its share in gross national income (GNI), with a Pearson Commission target of 0.7%. This indicator for OECD DAC countries has fluctuated considerably, reaching a historic low of 0.22% in 1997. The situation improved dramatically from 1998 to 2005 and later, with the adoption of commitments on IDA at the G8 Summit in Gleneagles in 2005. In 2023, the average for all OECD DAC countries is 0.7%, in line with the UN target.²

The US, Germany, Japan, France and France are traditional DAC leaders in providing ODA, and the US has sharply increased its foreign aid due to the COVID-19 pandemic and the crisis in Ukraine (Fig. 2). Nevertheless, recent statements by D. Trump to reduce aid to Ukraine, as well as the closure of programs of the U.S. Agency for International Development cast doubt on the possibility of maintaining the traditionally high level of funding for U.S. international aid programs in the future.

Statistical analysis allows us to identify the main forms of financial participation of international donors: 1) general budget support; 2) support to national NGOs; 3) investment projects; 4) debt relief; 5) administrative and other donor expenses (Fig. 3).

The category “other expenditures” often includes grants allocated to countries on a non-reimbursable basis. It should be emphasized that grants are one of the main instruments of cooperation between donors such as the AsDB and the World Bank (IBRD and IDA). At the same time, the Asian Infrastructure Investment Bank (AIIB) and the BRICS New Development Bank (NDB) support

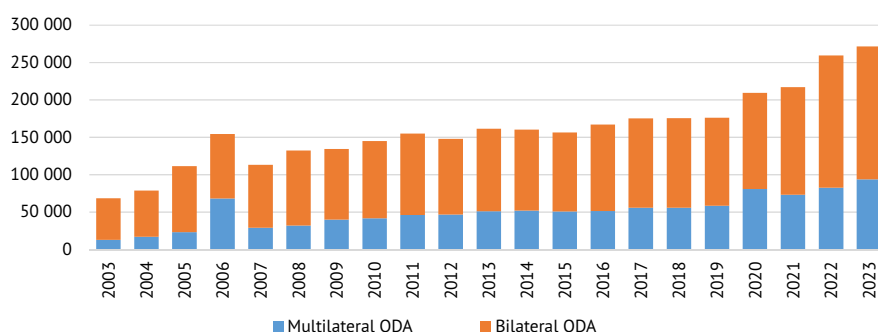


Fig. 1. Volumes of multilateral and bilateral aid in 2003–2023, \$ mn, in current prices

Source: DAC OECD.

1 DAC OECD (2025). ODA Trends and Statistics. URL: <https://www.oecd.org/en/topics/oda-trends-and-statistics.html>

2 Ibid.

Central Asian states in the system of international development programs

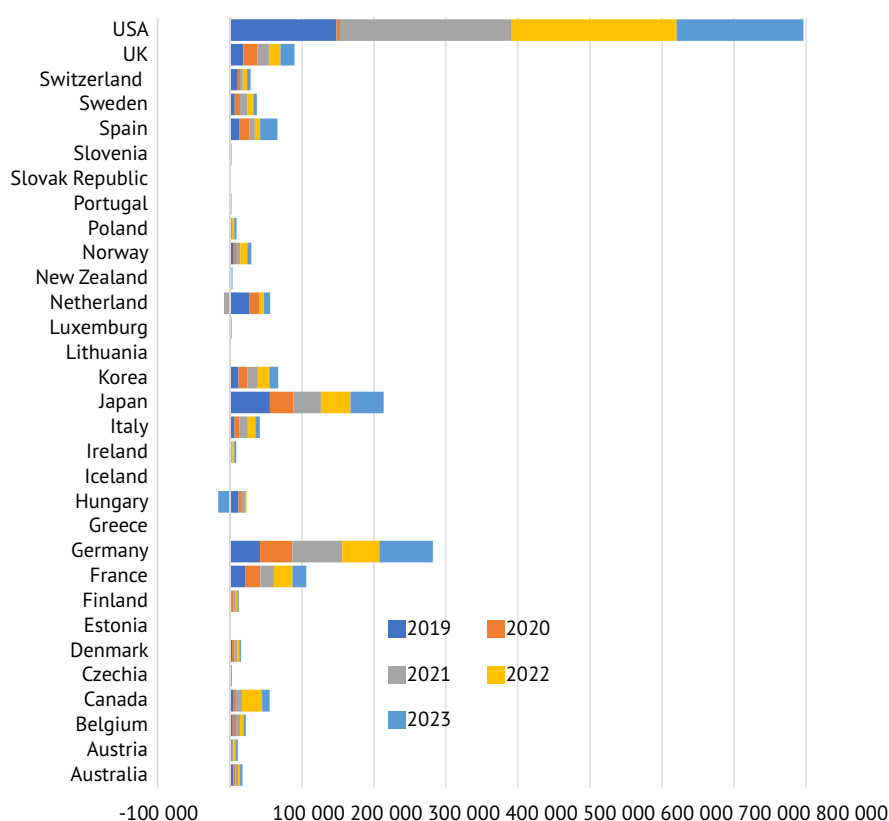


Fig. 2. ODA provided by OECD Development Assistance Committee countries, 2019–2023, \$ mn, in current prices

Source: OECD DAC. URL: <https://data-explorer.oecd.org/>

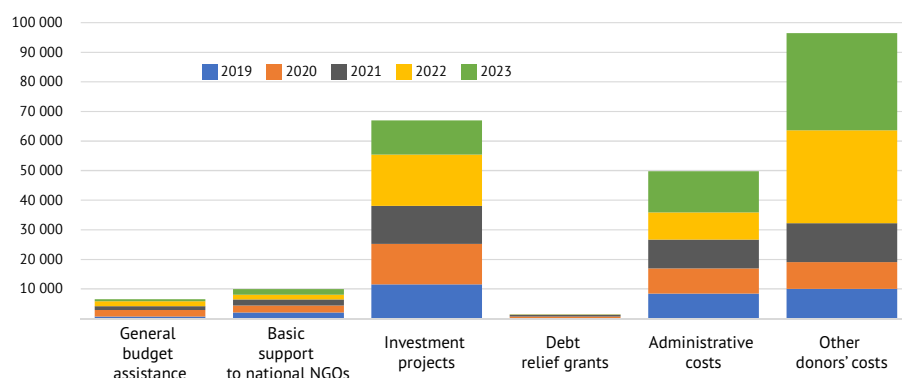


Fig. 3. ODA volumes by financing instruments, \$ mn

Источник: OECD DAC. URL: <https://data-explorer.oecd.org/>

investment projects through commercial loans on a concessionary basis. It should be noted that projects implemented by non-governmental organizations on behalf of OECD DAC member countries are considered bilateral aid, as the funding for these projects is provided by donor countries.¹

It is important to note that some OECD DAC donors, such as Sweden, Norway and Finland, channel aid through multilateral institutions that provide more than 60% of their ODA. In contrast to the US, Germany and the UK use bilateral

¹ DAC OECD (2011). DAC Report on Multilateral Assistance. URL: <http://www.oecd.org/dataoecd/5/61/49014277.pdf>

Monitoring of Russia's economic outlook

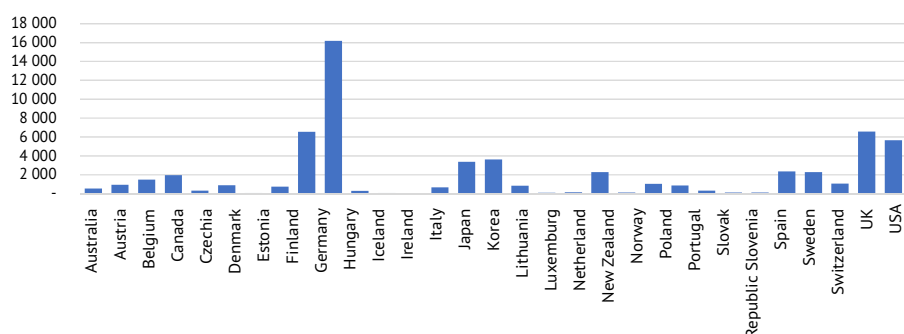


Fig. 4. OECD countries' assistance to international organizations

Source: OECD DAC. URL: <https://data-explorer.oecd.org/>

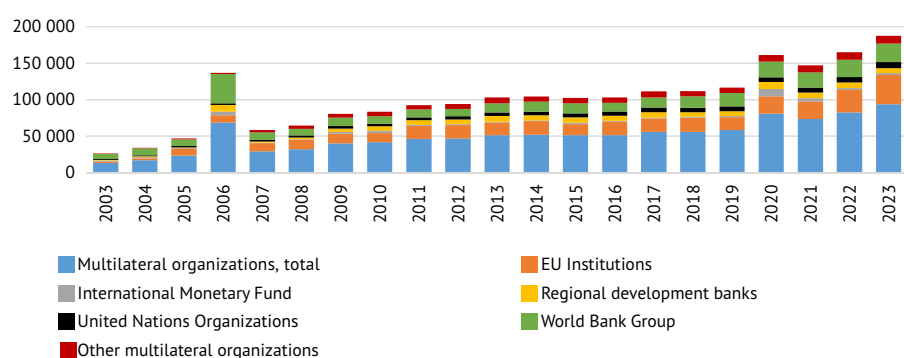


Fig. 5. Distribution of ODA from multilateral institutions for the period 2003–2023, \$ mn, in current prices

Source: OECD DAC. URL: <https://data-explorer.oecd.org/>

instruments. Nevertheless, Germany remains the leading OECD DAC donor providing the highest amount of ODA (in absolute terms) through international organizations, followed by the UK, the US and France (Fig. 4).

The share of financing through international organizations remains at the traditional level of 30–40%. Allocations from multilateral development institutions have increased over the past 20 years from \$13.15 bn to \$93.91 bn. Three groups of international organizations responsible for international development assistance can be distinguished. These are international financial institutions (World Bank, IMF, regional development banks), UN bodies and other global institutions (G7 and G20) and other international organizations (including NGOs) (Fig. 5). Multilateral development assistance is concentrated within the cluster of institutions: about 80% of multilateral aid is provided through such international organizations as IDA, EU institutions, UN programs and funds, Asian Development Bank, African Development Bank, Global Fund.

Statistics of international assistance to Central Asian countries

Central Asian (CA) countries account for a small share of international ODA flows. In absolute terms, total ODA to these countries for the period 2013–2023 amounted to \$21.12 bn. Nevertheless, international donors continue to play a crucial role in the socio-economic development of the region. Let us consider the main directions of ODA flows to CA.

Central Asian states in the system of international development programs

Multilateral assistance to CA countries

According to the OECD DAC, in 2023, multilateral assistance to CA countries from international organizations exceeded \$1.3 bn. At the same time, for the period 2013–2023, this indicator was more than \$11.72 bn (Fig. 6).

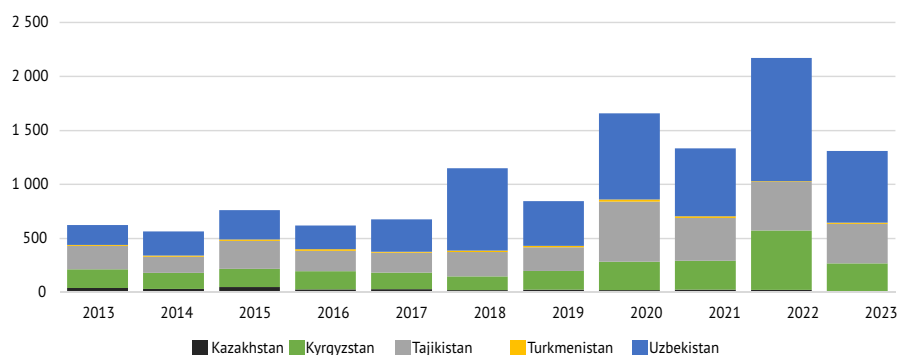


Fig. 6. Multilateral official development assistance, \$ mn

Source: OECD DAC. URL: <https://data-explorer.oecd.org/>

For example, several IFIs are currently operating in Kyrgyzstan, including the EDB, the ADB, the AzDB, the Russian-Kyrgyz Development Fund (RKDF), the European Bank for Reconstruction and Development (EBRD), and the International Finance Corporation (IFC). The volume of their financing for this period amounted to more than \$965 mn.¹ While the total amount of multilateral assistance for 2013–2023 exceeded \$2.45 bn, the total amount of multilateral aid to the country for 2013–2023 exceeded \$2.45 bn.²

Table 1 presents examples of the largest ongoing projects of IFIs such as the World Bank, EBRD, EDB, ADB, AzDB and RCFD in CA countries. It should be noted that Eurasian development institutions cooperate with all countries in the region, except Turkmenistan.

In Tajikistan, grant support remains the main instrument of external assistance. In particular, the Eurasian Fund for Stabilization and Development (EFSD) funded a \$2 mn grant project in the health sector, the Health Caravan, which increased access to health services.³

Bilateral assistance to CA countries

When analyzing bilateral assistance, it is important to note the different roles of OECD DAC member countries and other donors for different countries in the CA region. Overall, over the period 2013–2023, OECD DAC countries provided \$7.16 bn in bilateral ODA, while non-OECD DAC donors provided about \$3 bn.

As in the case of multilateral aid, Uzbekistan is the largest recipient of bilateral assistance in the region (Fig. 7). However, the share of ODA relative to the country's GDP is only 1.13%. It should be noted that Uzbekistan receives the largest amount of assistance in the CA region from OECD DAC member countries.

1 EDB (2024). Non-sovereign financing of international financial organizations in the Kyrgyz Republic. The role of the Russian-Kyrgyz Development Fund. Joint report. Report 24/9. Almaty, Bishkek, 2024. URL: <https://eabr.org/analytics/special-reports/nesuverennoe-finansirovanie-mezhdunarodnykh-finansovykh-organizatsiy-v-kyrgyzskoy-respublike-rol-ros/>

2 DAC OECD (2025). ODA Trends and Statistics. URL: <https://www.oecd.org/en/topics/oda-trends-and-statistics.html>

3 EDB (2020). Economic effects of Tajikistan's accession to the Eurasian Economic Union. URL: https://eabr.org/upload/iblock/97a/EABR_Analytical_Report_RT_11_2020_RU_1.pdf?%20ysclid=l9zppi50u732714779

Monitoring of Russia's economic outlook

Table 1

Examples of the largest ongoing IFI projects in Central Asian countries

	Kyrgyzstan	Kazakhstan	Turkmenistan	Tajikistan	Uzbekistan
RKFR	Construction of a cement plant in Chui oblast (2023, \$46 mn) The goal is to reduce the country's dependence on cement imports	-	-	-	-
EDB	Construction of OJSC Kant Cement Plant (\$48 mn, 2023) Goal is to improve the environmental friendliness of cement production	Expansion and modernization of Almaty International Airport. (2021 – loan of \$38.88 mn to TAV Kazakhstan LLP and Venus Trading LLP) ¹	-	Development of a pre-feasibility study for the construction of a hydroelectric power plant in Tajikistan (\$0.208 mn) ²	Technical assistance for the development of cooperative business linkages in Uzbekistan (\$0.049 mn) ³
EBRD	Risk sharing of Demir Kyrgyz International Bank CJSC (\$15 mn, 2017)	Construction of high-voltage transmission lines and related infra-structure. (Credit €297 mn, 2024) ⁴	Provision of a soft secured loan in the amount of \$2.8 mn to IE Touch Hill, a manufacturer of hygienic products. FE "Touch Hill", a manufacturer of hygienic products and plastic bags (\$2.8 mn, 2021) ⁵	Sovereign loan to co-finance the reconstruction of the Dangara-Guliston road section jointly with the ADB (€38.0 mn, 2025) ⁶	A guarantee of up to \$24 mn to support the obligations of JSC National Electricity Networks of Uzbekistan (NENU or the buyer) as a buyer under power purchase agreements for wind power projects in Uzbekistan. (2022) ⁷
World Bank (IFC)	Microenterprise financing of Kyrgyz Investment and Credit Bank CJSC (\$15 mn, 2023)	Investing up to \$50 mn in KMF to stimulate micro and small business funding (2024) ⁸	-	Investment of up to \$10 mn in the country's first green bonds issued by Eshkata Bank (2024) ⁹	Financing for UZ SOLAR 3, an Uzbek company, to build and operate a 250 MW AC solar photovoltaic power plant in Bukhara Province (\$96 mn, 2023) The objective is to reduce carbon dioxide emissions and improve access to electricity ¹⁰
ADB	Financing for SMEs and to stimulate women entrepreneurship (\$5 mn, 2023)	Soft loan to RG Brands, a Kazakhstani agro-industrial company (\$40.2 mn) ¹¹	Technical Assistance – Assessment of wind potential of various sites for public wind energy investments (2024, \$750,000) ¹²	Technical Assistance – Implementation of the Central Asia Regional Economic Cooperation Integrated Trade Agenda 2030 (Phase 2) (2024, \$2.28 mn) ¹³	Program to improve economic governance by strengthening fiscal management, improving the management and performance of public enterprises and enhancing public sector accountability (2023, \$150 mn) ¹⁴
World Bank (IBRD, IDA)	Sustainable Rural Water Supply and Sanitation Development Project (ECPDEV, 2016–2030, \$59.5 mn)	Enhance the effectiveness of the Emissions Trading Scheme and support the expansion of carbon prices to help meet the updated targets for Kazakhstan's nationally determined contribution by 2030 and carbon neutrality goals by 2060 (2022, \$4.8 mn) ¹⁵	COVID-19 Response Project: preventing, detecting and responding to COVID-19, strengthening national public health systems (\$20 mn) ¹⁶	Tajikistan Sustainable Development Policy (SDP) Operations for Tajikistan (2023, \$50 mn) ¹⁷	The project aims to strengthen the capacity of the national statistical system of Uzbekistan to produce and disseminate statistics (2023, \$50 mn) ¹⁸

Source: Own compilations.

- 1 EADB (2021) Kazakhstan: Expansion and Modernisation of Almaty International Airport. Available at: <https://eabr.org/en/projects/in-process/expansion-and-modernisation-of-almaty-international-airport/>
- 2 EADB (2025). EDB Technical Assistance Fund. URL: https://eabr.org/en/to-clients/technical-assistance/index.php?sphrase_id=135612
- 3 Ibid.
- 4 EBRD (2024). KEGOC Integration of the West Zone. URL: <https://www.ebrd.com/work-with-us/projects/psd/55284.html>
- 5 EBRD (2024). DFF Tach Hil Expansion. URL: <https://www.ebrd.com/work-with-us/projects/psd/52031.html>
- 6 EBRD (2025). Dangara-Guliston Road. URL: <https://www.ebrd.com/work-with-us/projects/psd/55329.html>
- 7 IMF (2025) Technical Assistance Reports. URL: <https://www.imf.org/en/Publications/SPROLLS/Technical-assistance-country-reports#sort=%40imfdate%20descending>
- 8 IFC (2024) IFC Helps Boost Financing for Micro and Smaller Businesses in Kazakhstan. URL: <https://www.ifc.org/en/pressroom/2024/ifc-helps-boost-financing-for-micro-and-smaller-businesses-in-kazakhstan>
- 9 IFC (2024). IFC Invests in Tajikistan's First Green Bond to Support Climate-Smart Projects, Build Resilience. URL: <https://www.ifc.org/en/pressroom/2024/ifc-invests-in-tajikistans-first-green-bond-to-support-climate-s>
- 10 IFC (2023) IFC project information & data portal – UZ Solar 3. Available at: <https://disclosures.ifc.org/project-detail/SII/uz-solar-3>.
- 11 ADB (2018) Kazakhstan: RG Brands Agribusiness Project. Available at: <https://www.adb.org/projects/46944-014/main> (Accessed 22 June 2024).
- 12 Asian Development Bank. Turkmenistan: Evaluation of Wind Potential for Renewable Energy Development. URL: <https://www.adb.org/projects/58422-001/main>
- 13 Asian Development Bank. Implementing the Central Asia Regional Economic Cooperation Integrated Trade Agenda 2030 (Phase 2). URL: <https://www.adb.org/projects/58082-001/main>
- 14 Asian Development Bank. Uzbekistan: Economic Management Improvement Program, Phase 2 (Subprogram 1) URL: <https://www.adb.org/projects/51350-004/main>
- 15 World Bank Kazakhstan Partnership for Market Implementation. URL: <https://projects.worldbank.org/en/projects-operations/project-detail/P177785>
- 16 World Bank COVID-19 Response Project. URL: <https://projects.worldbank.org/en/projects-operations/project-detail/P175131>
- 17 Resilient and Sustainable Tajikistan DPO. URL: <https://projects.worldbank.org/en/projects-operations/project-detail/P177930>
- 18 Strengthening the Statistical System of Uzbekistan. URL: <https://projects.worldbank.org/en/projects-operations/project-detail/P173450>

Central Asian states in the system of international development programs

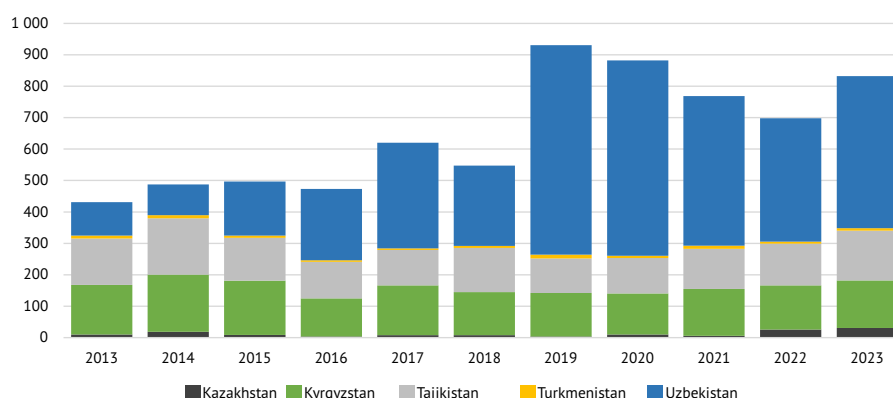


Fig. 7. Bilateral assistance from OECD DAC member countries, \$ mn

Source: OECD DAC. URL: <https://data-explorer.oecd.org/>

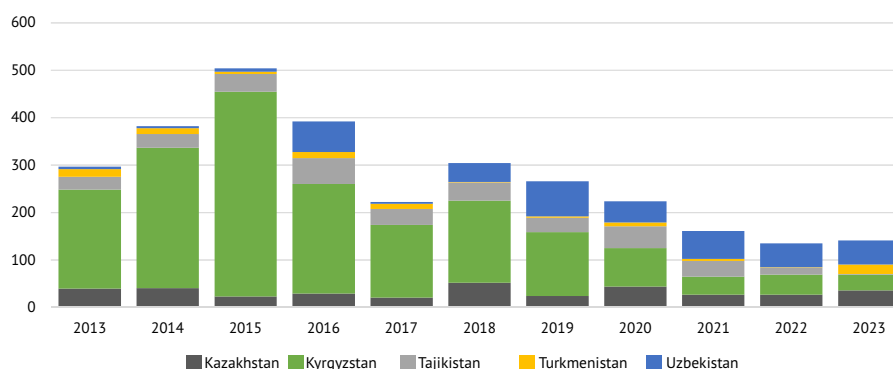


Fig. 8. Bilateral assistance from non-member countries of the OECD DAC, \$ mn

Source: OECD DAC. URL: <https://data-explorer.oecd.org/>

Kyrgyzstan is traditionally the largest regional recipient of economic assistance from non OECD DAC countries (Fig. 8). In particular, the most significant development partners for the country are China and Russia. For example, in 2022, the Government of the Russian Federation approved the financing of the Naryn Production Enterprise LLC project for the construction and operation of the Kulanak HPP in the Kyrgyz Republic in order to improve the energy efficiency of the economy and ensure energy security of the country. The funding amounted to \$44 mn.¹

China also remains the largest donor in the region. In 2023, the Chinese government, through the Asian Infrastructure Investment Bank (AIIB), approved financing of \$40 mn for Kazakhstan's Shokpar Wind Power Plant LLC to build and operate a 100 MW wind farm. The total project size amounted to \$128 mn. The project was co-financed by several private sponsors (China Power International Holding Ltd., Visor International DMCC).²

1 EDB (2022) Construction and operation of Kulanak HPP with capacity of 100 MW. URL: <https://eabr.org/projects/in-process/stroitelstvo-i-ekspluatatsiya-ges-kulanak-moshchnostyu-100-mvt/>

2 AIIB (2023) Kazakhstan: Shokpar 100 MW Wind Power Project. Available at: <https://www.aiib.org/en/projects/details/2023/approved/Kazakhstan-Shokpar-100-MW-Wind-Power-Project.html>.

Monitoring of Russia's economic outlook

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In recent years, the share of CA countries in international ODA flows has been declining due to changes in socio-economic environment in these countries and the emergence of new geopolitical challenges for international donors. At the same time, it is worth noting different directions of partnerships of different CA countries with international donors in the region. Thus, Uzbekistan cooperates to a greater extent with donors from the OECD DAC member countries. While Kyrgyzstan cooperates more with non-OECD DAC donors (primarily Russia and China), as well as with multilateral Eurasian development institutions.

In connection with the decreasing dependence of countries on foreign economic assistance programs, the question of its effectiveness for CA states remains important in order to determine further ways and directions of cooperation. There are some limitations to such an assessment. Firstly, allocated ODA funds may not reach actual projects due to possible inefficiencies in the economies of the countries, including market failures and externalities. Secondly, there is often a lack of information on the implementation of projects for different segments of the population on the ground.¹ This makes it difficult to assess the effectiveness of aid programs.² ▲

1 Kilby, C. (2013) "The political economy of project preparation: An empirical analysis of World Bank projects." *Journal of Development Economics*, No. 105, 211–225.

2 Canning, D., and P. Pedroni (2008): "Infrastructure and long-run economic growth", *The Manchester School*, No. 76(5), 504–527.