

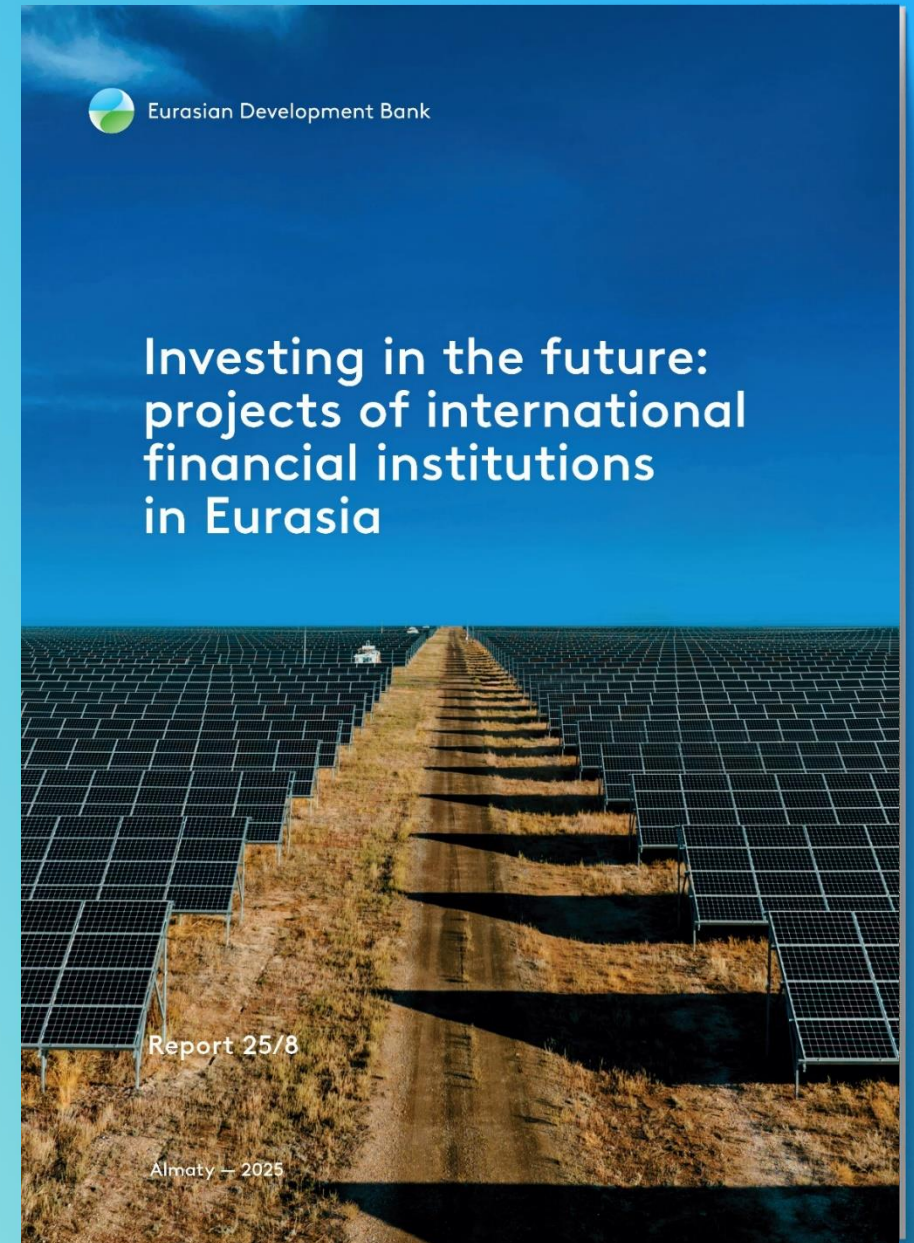


Eurasian Development Bank

# Investing in the Future: Projects of International Financial Organizations in Eurasia

Analytical Report

Center for Analysis of International Finance  
Research Department



# Methodology of the EDB Non-Sovereign Financing (NSF) Database

Tool for analyzing trends in development project financing



**2000+** approved operations

Updated quarterly

Sources – public data from IFIs

Project selection tool based on

**50+** parameters

- financial products
- currencies
- sectors
- stages of implementation
- green projects

**11** countries: close economic ties due to geographical proximity in the Eurasian region

## Central Asia



Kazakhstan



Kyrgyzstan



Tajikistan



Uzbekistan



Turkmenistan

## South Caucasus



Armenia



Azerbaijan



Georgia

## Northern Eurasia



Russia



Belarus



Mongolia

**16** IFIs: key organizations providing non-sovereign financing in the region



# Analysis of non-sovereign financing from 2008 to 2024: scale, dynamics, structure

## Scale

Assessment of the scale of financing for the entire period

2008-2024

## Dynamics

Analysis of long-term dynamics in conditions of volatility of annual volumes

Comparison of average annual volumes 2008-2010 with 2022-2024

## Structure

Analysis of current trends in the region's financing structure

2022-2024

Analysis of non-sovereign financing by IFIs in the Eurasian region

# Trends of non-sovereign financing in the Eurasian region in 2008-2024

Decrease in real volumes of non-sovereign financing by IFIs over a 17-year period

1

Changing structure of leaders among IFIs

2

Concentration of new projects in Central Asia

3

Dynamic growth of non-sovereign investments in the South Caucasus

4

Renewable energy — new sectoral priority for IFIs

5

Boom in green projects in the energy and financial sectors

6

Onlending — a mechanism for investment in SMEs

7

Reduction in co-financing

8

Strengthening the role of bonds in the financing system

9

Increasing importance of financing in national currencies

10

# Trend 1. Decrease in real volumes of non-sovereign financing by IFIs over a 17-year period

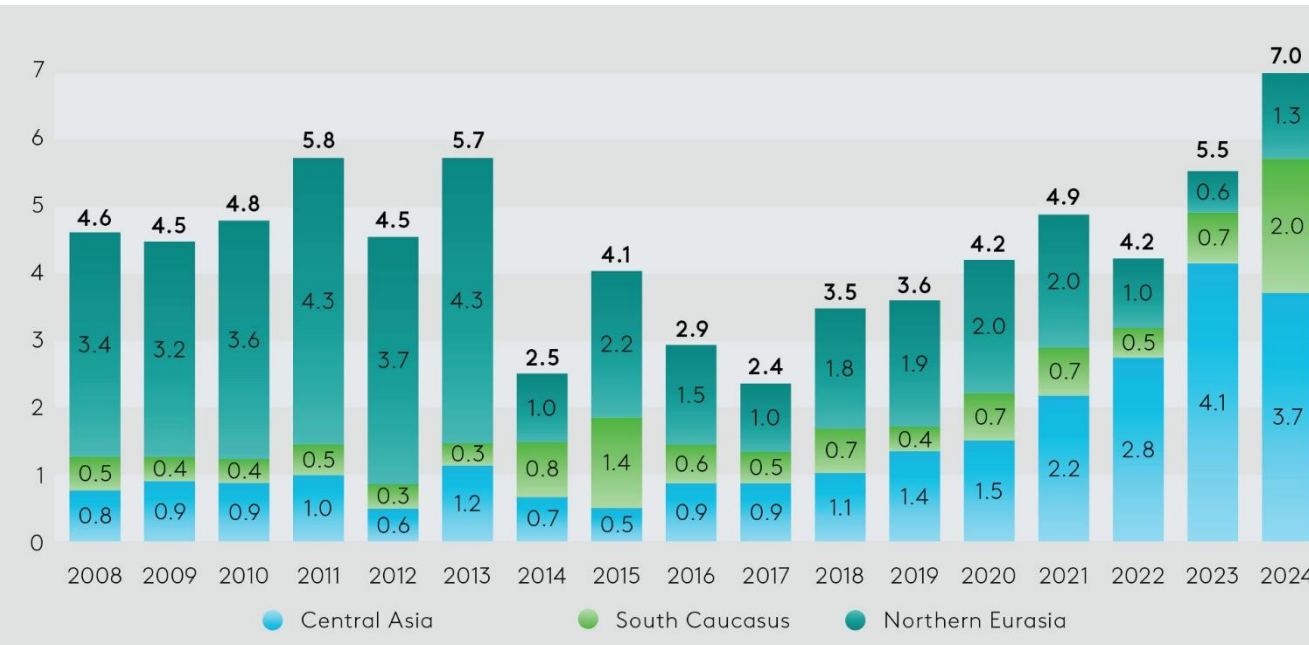
↓ 17.4

Real decrease in average annual volumes from 2008-2010 to 2022-2024 (-\$0.8 billion).

High dollar inflation - 1.5x from 2008 to 2024

Global stagnation in financing of MDBs (G20 agenda)

Nominal volumes of non-sovereign financing by IFIs in the Eurasian region in 2008-2024, \$billion.



Dynamics vary greatly in specific countries and IFIs



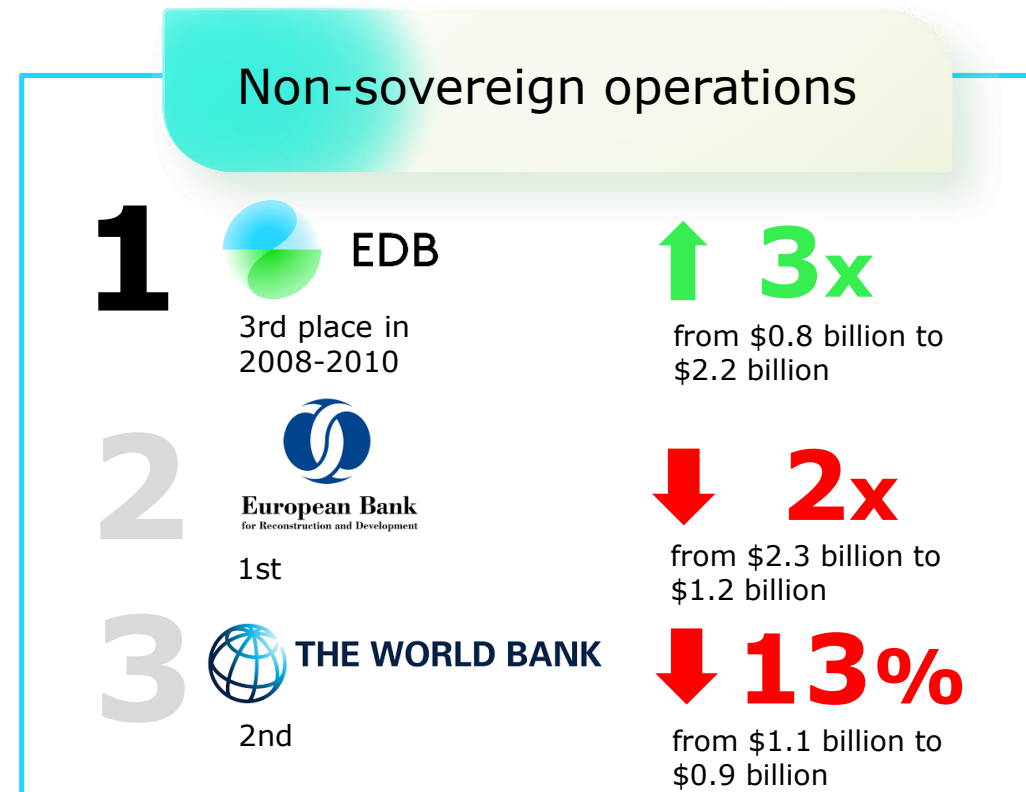
Note: change in financing volumes from 2008-2010 to 2022-2024, adjusted for inflation (real growth).

Note: Northern Eurasia — Russia, Belarus, Mongolia.

Source: EDB NSF database and annual reports of the RKDF.

# Trend 2. Changing structure of leaders among IFIs

Leading financiers among IFIs in 2022-2024 in the Eurasian region



**Note:** change in average annual financing volumes from 2008-2010 to 2022-2024.  
**Source:** EDB NSF database and EFSD SFD database.

# Trend 3. Concentration of new projects in Central Asia



**From 18% to 63%**



Change in Central Asia's share in regional financing from 2008-2010 to 2022-2024

**↑ 4.3x**

from \$0.8 billion to \$3.4 billion

Increase in average annual financing volumes

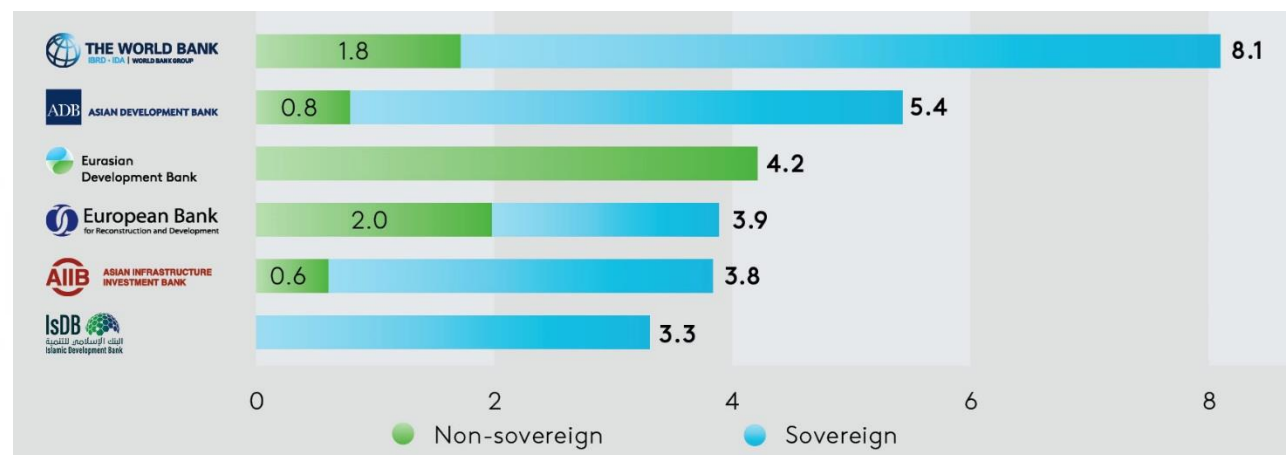


**Kazakhstan** is the main recipient of non-sovereign IFI investments in Central Asia

**\$5.9 billion**

Approved operations in 2022-2024 (58% in Central Asia)

**Largest IFIs by volume of approved financing in Central Asia in 2022-2024, \$billion.**



Source: EDB NSF database and EFSD SFD database.

# Trend 4. Dynamic growth of non-sovereign investments in the South Caucasus

**\$11.3**  
billion

Volume of non-sovereign financing by IFIs in the South Caucasus in 2008-2024

## Main IFIs



1.2



0.7



0.4

**Note:** figures for 2022-2024, in \$billion.

## Largest non-sovereign project in the South Caucasus

**Borrower:** Ameriabank

Provision of loans to micro, small, and medium-sized enterprises on condition that up to 50% of the loans is used for climate finance projects.


**IFC financing:** \$250 million

**Instrument:** investment loan

**Year:** 2024



**↑ 2.8x**  
from \$0.4 to \$1.1 billion

Increase in average annual financing volumes 

Share of South Caucasus countries in regional financing

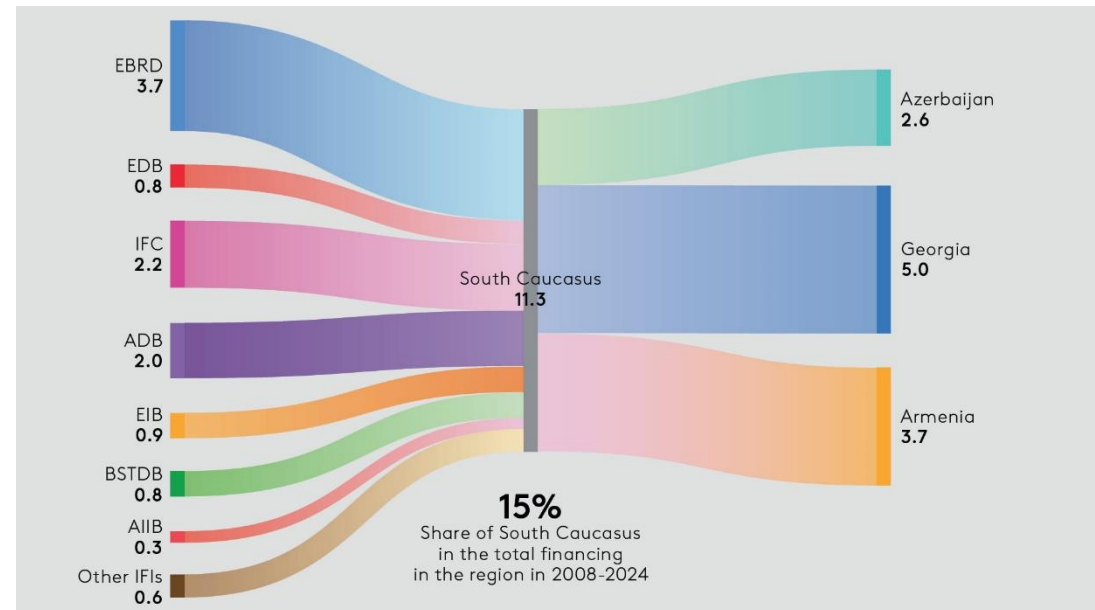
9%

20%

2008-2010

2022-2024

**Approved non-sovereign financing in the South Caucasus in 2008-2024, \$billion.**



Source: EDB NSF database.

# Trend 5. Renewable energy – new sectoral priority for IFIs

from **0%** to **18.2%**

Change in the share of renewable energy in total financing from 2008-2010 to 2022-2024



Global trend (increase in target share in ADB and AIIB investment portfolios)

**\$4.4**  
billion

renewable energy financing in 2008-2024



## Main IFIs



European Bank  
for Reconstruction and Development

**1.4**



**0.43**



**0.39**

## Main recipient countries



**1.8**



**0.7**



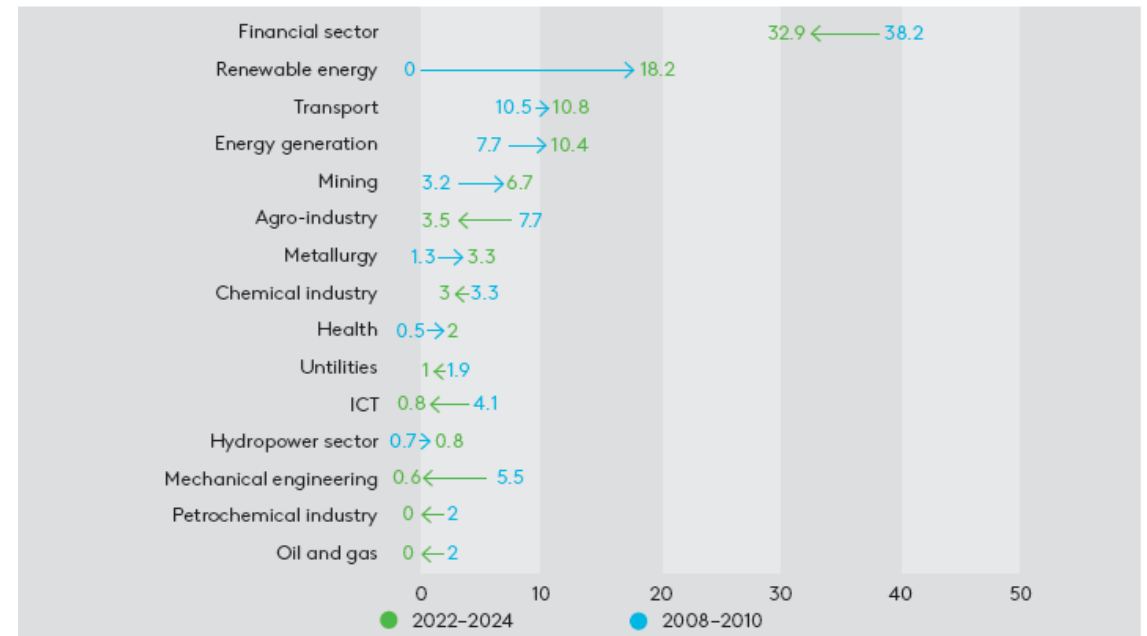
**0.3**

**Note:** figures for 2022-2024, in \$billion.

## the price of the issue:


- financial sector (-5.3 p.p.),
- mechanical engineering (-4.9 p.p.),
- agro-industry (-4.2 p.p.),
- digital infrastructure (-3.3 p.p.).

## Sectoral structure of approved non-sovereign financing by IFIs from 2008-2010 to 2022-2024.



Source: EDB NSF database.

# Trend 6. Boom in green projects in the energy and financial sectors

 **Green projects have positive environmental or climate effects**  
 (improvement of the environmental conditions, rational use of natural resources, increased energy efficiency, reduction of negative impact on the environment and climate).

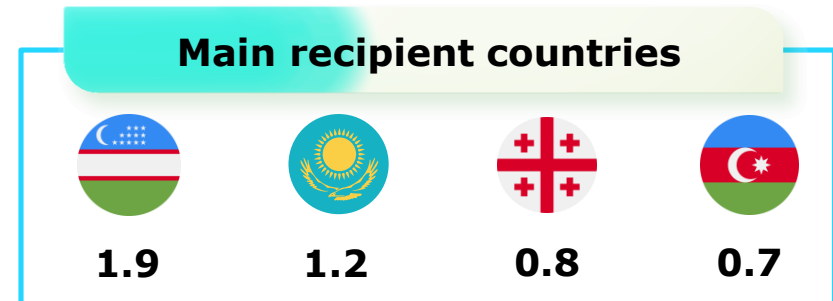
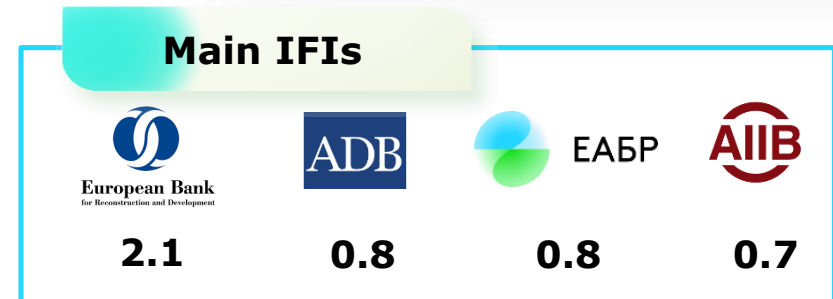
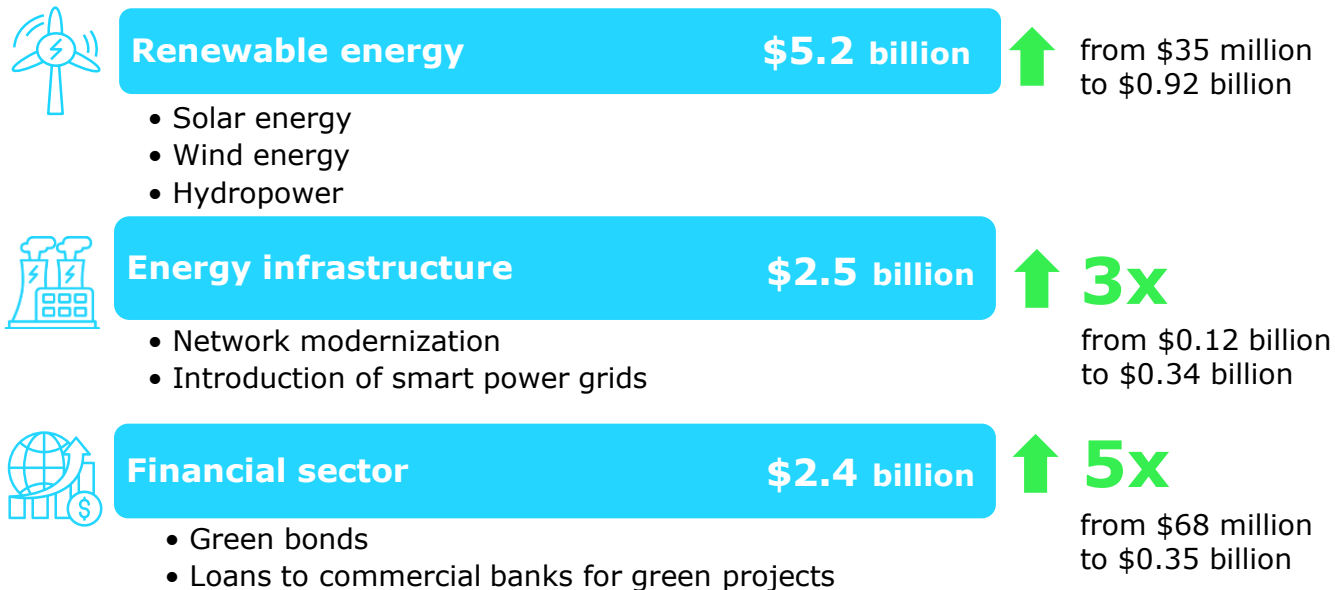
**From 8% to 32%**  
 change in the share of green projects from 2008-2010 to 2022-2024

**\$12.3 billion**

Green non-sovereign financing by IFIs in 2008-2024



Green project financing in 2008-2024:



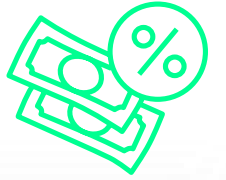
Note: figures for 2022-2024, in \$billion.

Note: change in average annual financing from 2008-2010 to 2022-2024.

# Trend 7. Onlending – a mechanism for investment in SMEs



Onlending is the provision of credit lines by IFIs to other financial institutions for the purpose of lending to private sector entities, mainly to small and medium-sized enterprises.



**↑ 31%**

Growth in average annual financing volumes from \$0.9 billion to \$1.2 billion (2008-2010 and 2022-2024).  
**Real reduction of 4.5%.**



**\$17.2**  
billion

Volume of online lending projects in the financial sector in 2008-2024 (68% of all transactions in the sector)

IFIs' mandates to increase investment in SMEs

Way of transferring SME lending risks to commercial banks

## Main IFIs



**1.2**



**1.0**



**0.6**



**0.3**

## The largest SME financing project through the onlending mechanism in 2022-2024.

**Borrower:** TBC Bank

Provision of loans to small and medium-sized enterprises, with up to 40% of the loans going to renewable energy projects.

**IFC financing:** \$200 million

**Instrument:** investment loan

**Year:** 2024



## Main recipient countries



**0.9**



**0.7**



**0.7**



**0.6**

**Note:** figures for 2022-2024, in \$billion.

# Trend 8. Reduction in co-financing

**↓ 33%**

Decrease in cofinancing from \$1.2 to \$0.8 billion (2008-2010 and 2022-2024)



Reduction in EBRD financing and reorientation from Russia to Central Asia, where the market is smaller

**\$13.9**  
billion

Volume of non-sovereign cofinancing by IFIs in 2008-2024 (19% of all operations)

## The largest project cofinanced by several MDBs in 2022-2024.

**Borrower:** Banka Solar & Bilasuvar Solar

Construction, operation, and maintenance of two solar power plants – Banka Solar and Bilasuvar Solar.

The project was cofinanced by other financial institutions, including the EBRD.

**Total project cost:** \$666 million

**AIIB financing:** \$170 million

**EBRD financing:** \$161 million

**Instrument:** investment loan

**Year:** 2024



### Main IFIs



**IFC**

**0.8**



**ADB**

**0.5**



**European Bank  
for Reconstruction and Development**

**0.4**



**AIIB**

**0.4**

### Main recipient countries



**1.2**



**0.4**



**0.4**



**0.2**

**Note:** figures for 2022-2024, in \$billion.

# Trend 9. Strengthening the role of bonds in the financing system

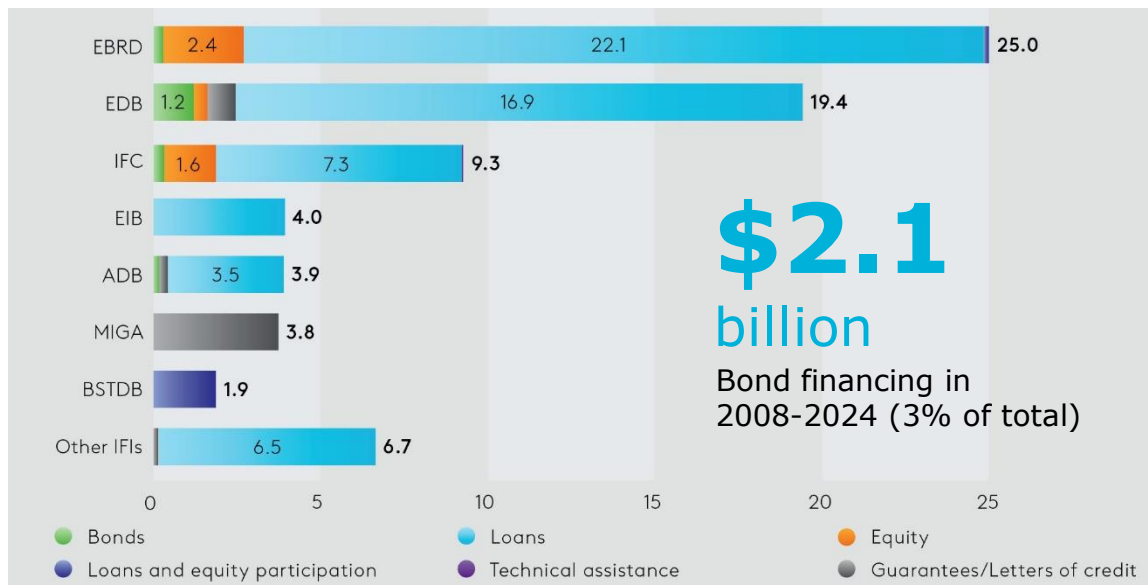


from **0.5%** to **7.0%**

Change in the share of bonds among all financing instruments (participation in the placement of client bonds)



Approved non-sovereign financing instruments of IFIs in 2008-2024, \$billion.



Source: EDB NSF database.

Advantage — possibility of trading on the secondary market

Growing market of green and social bonds

A tool for mobilizing private investment

Main recipient countries



0.46



0.28



0.17



0.15

Main IFIs



0.63



0.27



0.14



0.13

Note: figures for 2022-2024, in \$billion.

## Case on the acquisition of social bonds

**Borrower:** Khan Bank

Expansion of Khan Bank's social finance portfolio

**IFC financing:** \$100 million

**Instrument:** social bonds

**Year:** 2024



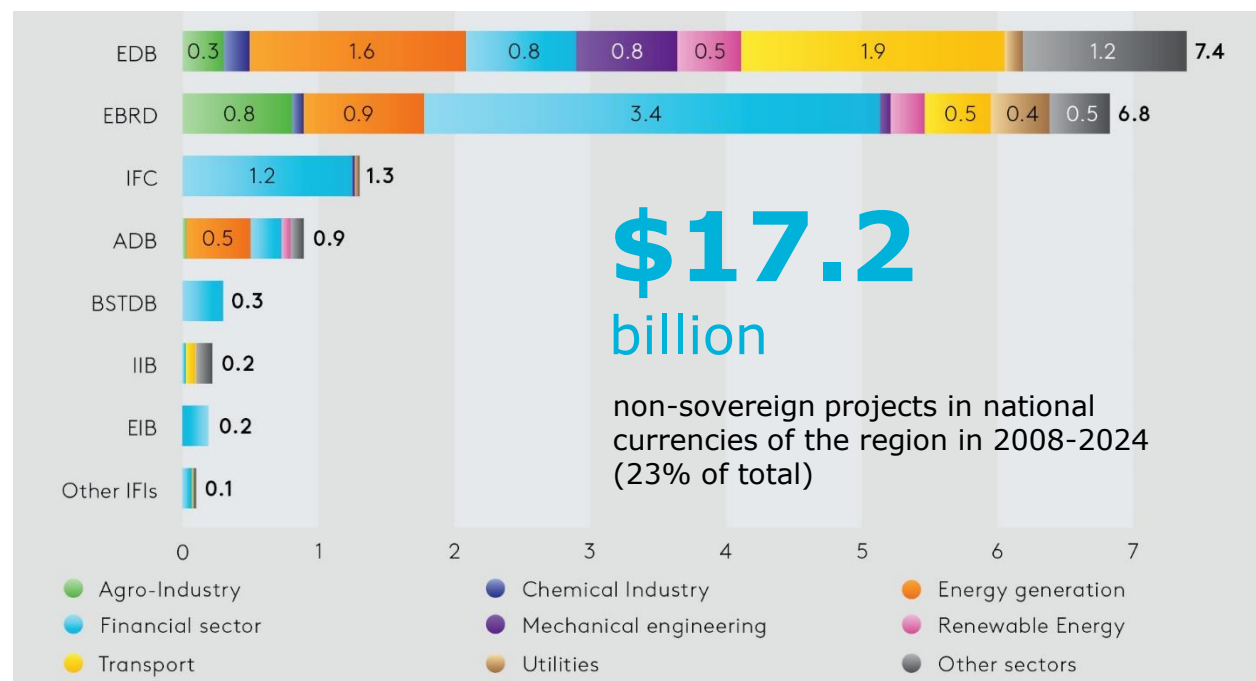
# Trend 10. Increasing importance of financing in national currencies

**↑ 50%**

Growth in financing in national currencies from \$0.8 billion to \$1.2 billion (2008-2010 and 2022-2024)



**Sectoral structure of non-sovereign operations approved in borrowers' national currencies, in 2008-2024, in \$billion.**



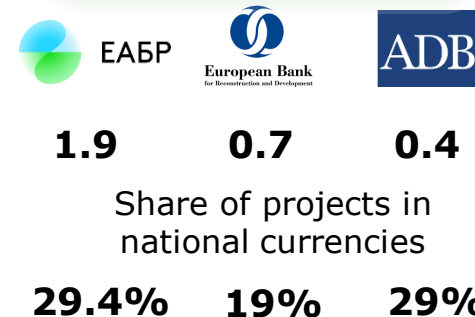
Source: EDB NSF database.

High demand from countries in the region

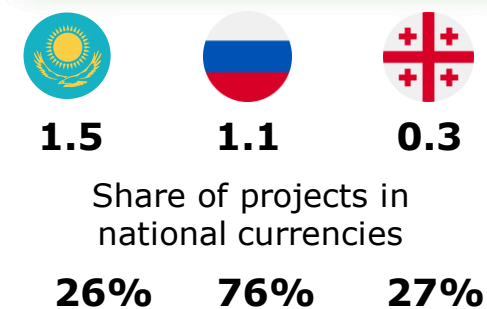
Active financing by the EDB in national currencies

G20 agenda on improving access to MDB financing in national currencies (10x - ADB, IFC, and EIB)

## Main IFIs



## Main recipient countries



Note: figures for 2022-2024, in \$billion and %

\* Data based on projects in the national currencies of borrowing countries. The share of projects in the currencies of EDB member countries is 46.8%.

# Priorities and projects of IFIs in Eurasia

Shifting financing from sovereign to **non-sovereign projects**

1



More active increase in IFI investments in **industry and agriculture**

2



Investments in **traditional low-carbon energy**

3



Investments in **water security** in Central Asia

4



LOOKING AHEAD

Investments in **cross-border transport infrastructure** in the Eurasian region

5



Increasing the volume and share of **financing in the national currencies** of the Eurasian region

6



Promoting **data center infrastructure** in the Eurasian region

7



Comprehensive **cooperation and partnership** between IFIs

8



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