



Eurasian Development Bank

Investing in the future: projects of international financial institutions in Eurasia

Report 25/8

Almaty — 2025

NON-SOVEREIGN FINANCING DATABASE

2024 | Eurasian Development Bank

NSF database —

a tool for systematizing information on approved non-sovereign operations of international financial institutions (IFIs) in the Eurasian region.

Non-sovereign operations —

financing of corporate sector entities by IFIs.

IFIs —

multilateral development banks, corporations, funds, and other international development institutions.

Project selection tool based on 54 parameters



Long-term development trend analysis tool



11 COUNTRIES: CLOSE ECONOMIC TIES DUE TO GEOGRAPHICAL PROXIMITY IN THE EURASIAN REGION

Central Asia



South Caucasus



Northern Eurasia



16 IFIs: MAIN ORGANIZATIONS PROVIDING NON-SOVEREIGN FINANCING IN THE REGION



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The world financial system is facing a serious challenge — there is a growing shortage of resources to finance the growth of developing countries. The answer may be non-sovereign financing of international financial organizations, which has long remained in the shadows. Who is investing billions in the corporate sector of the Eurasian region and why? This report reveals ten key trends characterizing the dynamics and structure of such investments from 2008 to 2024 by country, IFI, industries, instruments and financing mechanisms. The analysis is based on the EDB's unique NSF Database covering operations in 11 countries in the region. The report sheds some light on how approaches to financing for development are changing. The trends noted in the report demonstrate new vectors of activity of international financial organizations.

Keywords: financing, development banks, international organizations, Eurasia, Central Asia, investment, sustainable finance, developing countries.

JEL: F33, F36, F65, G15, G24, P33, P45.

The report presents public data collected from official websites and reports of international financial organizations. The data are provided for informational purposes only and cannot be considered exhaustive.

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SUMMARY

International Financial Institutions (IFIs) provide two main types of financing: sovereign and non-sovereign. Non-sovereign financing has a number of advantages for recipient economies: it does not increase public debt, stimulates private sector development, and offers more flexible terms and conditions.

This report draws on the EDB's extensive and systematized database on non-sovereign financing covering the period since 2008 (Vinokurov et al., 2024a). The analysis of the accumulated data on approved transactions allows us to identify key trends of non-sovereign financing provided by IFIs in the countries of the Eurasian region. As a result, ten main trends have been identified, reflecting the dynamics and structural shifts in this area.

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

The total amount of approved non-sovereign financing of IFIs in the Eurasian region for the period 2008–2024 amounted to \$74.1 billion. Nominal financing increased by 17.5% from \$4.6 billion in 2008–2010 to \$5.5 billion in 2022–2024¹.

Real volumes of non-sovereign financing of IFIs showed negative dynamics. The reduction amounted to 17.4% — from \$4.6 billion to \$3.8 billion. The main reasons are the acceleration of dollar inflation and low rates of nominal growth of financing. There was a decline in the dynamics of non-sovereign financing in relation to the aggregate GDP of the region's countries — from 0.24% of GDP to 0.19% of GDP.

The dynamics with regard to individual countries and IFIs vary greatly. Kazakhstan and Uzbekistan were the main recipients of IFI investments in 2022–2024. The EDB, EBRD and IFC were the largest investors in non-sovereign financing in 2022–2024.

¹ Hereinafter, to analyze the dynamics over 17 years, we compare the average annual volumes for the three-year periods in 2008–2010 and 2022–2024, taking into account the volatility of annual volumes.

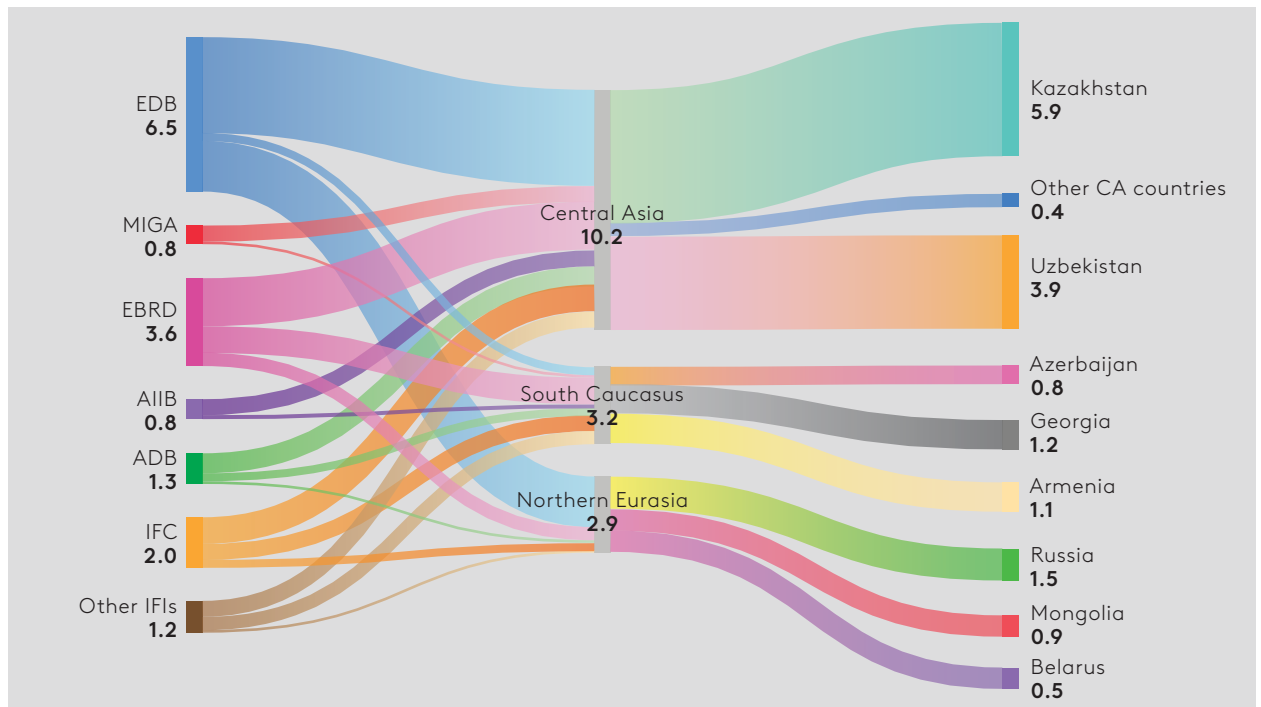
Trend 2. Changing structure of leaders among IFIs

The main IFIs by the volumes of non-sovereign financing provided in the Eurasian region in 2008–2024: the EBRD, EDB, IFC, ADB, MIGA, EIB.

The EBRD was leading in approved financing among all IFIs until 2014, when it suspended operations in Russia. It was followed by the IFC, EDB and EIB. Starting in 2018, the EDB became the leader in non-sovereign financing in the region. The EDB’s leadership among IFIs was strengthened in 2022–2024.

Approved non-sovereign financing by IFIs in the Eurasia region amounted to \$16.4 billion over 2022–2024. The EDB’s share was 40% (\$6.5 billion), the EBRD 23% (\$3.6 billion), and the WB Group, including IFC and MIGA, 17% (\$2.8 billion) (Figure A).

↓ Figure A. Approved non-sovereign financing in 2022–2024 by major IFIs, \$ billions



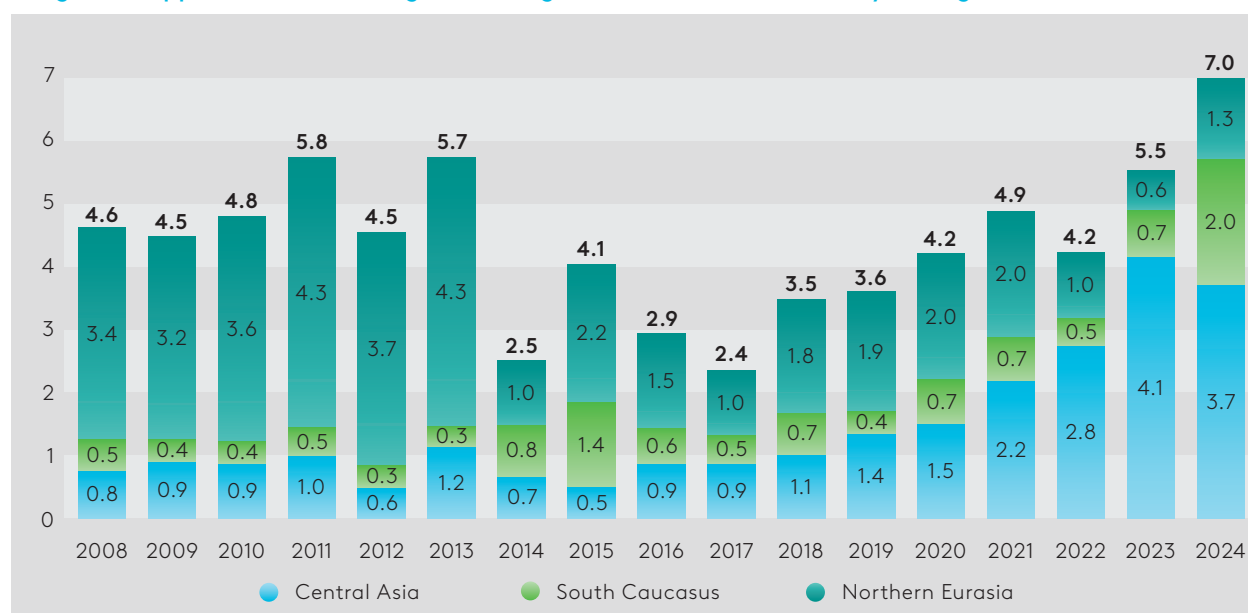
Source: authors’ calculations based on the EDB database.

Trend 3. Concentration of new projects in Central Asia

Total non-sovereign IFI financing in Central Asia for 2008–2024 amounted to \$24.9 billion (33% of the total). Central Asia’s share of IFI financing increased from 18% in 2008–2010 to 63% in 2022–2024.

The average annual volume of financing to Central Asian countries roughly quadrupled from \$0.8 billion in 2008–2010 to \$3.5 billion in 2022–2024 (Figure B). This dynamic is largely due to the pace of development in Central Asia, a large, fast-growing and promising economic region.

↓ Figure B. Approved non-sovereign financing between 2008 and 2024 by subregion, \$ billions



Source: authors’ calculations based on the EDB database and the RKDF annual reports.

Financing in Central Asia in 2022–2024 amounted to \$10.6 billion. The EDB leads in approved financing with a share of 41% (\$4.2 billion), followed by the EBRD — \$2 billion and the IFC — \$1 billion.

The largest recipients of non-sovereign investments were Kazakhstan (\$5.9 billion) and Uzbekistan (\$3.9 billion). Uzbekistan has seen a particularly sharp increase in IFI financing.

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

Approved non-sovereign financing by IFIs in the countries of the South Caucasus (Armenia, Azerbaijan, Georgia) amounted to \$11.3 billion. The share of South Caucasus countries in total non-sovereign operations of IFIs in the Eurasian region increased from 9% in 2008–2010 to 20% in 2022–2024.

Average financing in the South Caucasus increased from \$0.4 billion in 2008–2010 to \$1.1 billion in 2022–2024. The main areas of financing coincide with the priority areas for Central Asia – energy and the financial sector.

The overall dynamics of attracted investments of IFIs is not as active as in Central Asia, which is probably due to the scale of the economies, less investment potential and weak regional connectivity within the South Caucasus countries.

Trend 5. Renewable energy is a new sectoral priority for IFIs

IFIs have significantly increased their financing of the energy sector. The share of energy in the financing mix increased from 8.4% in 2008–2010 to 29.4% in 2022–2024.

Investments in renewable energy sources showed the highest growth. IFI financing in this sector amounted to \$3 billion in 2022–2024. The share of the renewable energy in the financing structure increased from 0% to 18.2%. At the same time, financing of the financial sector, mechanical engineering, agro-industry, and digital infrastructure declined.

The active increase in investment in the renewable energy sector in the region is explained by the global agenda. In particular, the ADB and the AIIB have raised their green project targets in their portfolios to 50%.

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

The growth in financing for renewable energy projects is reflected in the overall momentum of green projects. The share of green projects in total volume of financing increased from 8% in 2008–2010 to 32% in 2022–2024.

The largest amounts of financing for green projects in 2022–2024 were approved by the EBRD (\$2.1 billion), ADB (\$0.8 billion) and EDB (\$0.8 billion). The main recipients were Uzbekistan (\$1.9 billion) and Kazakhstan (\$1.2 billion). The key areas were energy (\$3.8 billion) and the financial sector (\$1.0 billion), in particular, issuance of green bonds and loans to commercial banks for green projects.

Trend 7. Onlending — a mechanism for investment in SMEs

Onlending is the provision of credit lines by IFIs to other financial institutions to finance companies, mainly small and medium enterprises (SMEs).

In the financial sector, about 68% of transactions (\$25.4 billion over 2008–2024) are onlending projects. Key IFIs by approved onlending operations: EBRD (\$1.2 billion), IFC (\$1 billion), EIB (\$0.6 billion) and ADB (\$0.3 billion). The average annual volume of such transactions increased by 31% from \$917 million in 2008–2010 to \$1.2 billion in 2022–2024.

Trend 8. Reduction in co-financing

Co-financing is a process of pooling resources of IFIs and other financial institutions to reduce risks, attract more capital, and increase investor confidence in projects.

Co-financing in the Eurasian region amounted to \$13.9 billion in 2008–2024. Average annual IFI co-financing decreased by 33% — from \$1.2 billion in 2008–2010 to \$0.8 billion in 2022–2024. This is mainly due to a decline in EBRD financing. The IFC and ADB have increased their average annual co-financing

Co-financing was mainly present in the renewable energy sectors of Uzbekistan, Azerbaijan and Kazakhstan, as well as in the financial sectors of Mongolia and Uzbekistan in 2022–2024.

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

The total volume of bond financing in 2008–2024 amounted to \$2.1 billion (3% of the total). The share of such financing in the total mix of financial instruments increased from 0.5% to 7.0%. The increased interest in bonds can be attributed to the growing market of green and social bonds in the region.

In 2022–2024, bond financing was particularly used for projects in Kazakhstan's power sector, Georgia's municipal infrastructure, and the financial sector in Belarus, Mongolia, and Georgia. The main IFIs were the EDB (\$0.6 billion), IFC (\$0.3 billion), ADB and EBRD (\$0.1 billion each).

Trend 10. Increasing importance of financing in national currencies

World currencies (dollar, euro, and yuan) continue to hold leading positions in IFI operations. In 2024, they accounted for 66% of the total financing volume.

Non-sovereign financing approved partially or fully in local currencies amounted to \$22.9 billion in 2008–2024 (31% of the total). Projects approved entirely in local currencies of the region's countries amounted to \$17.2 billion in 2008–2024. Average annual volume of such operations increased by 50% — from \$0.8 billion in 2008–2010 to \$1.2 billion in 2022–2024.

In 2022–2024, the main IFIs providing financing in local currencies were the EDB (\$1.9 billion), EBRD (\$0.7 billion), and ADB (\$0.4 billion). The main recipients of such financing were Kazakhstan (\$1.5 billion), Russia (\$1.1 billion) and Georgia (\$0.3 billion).

Looking ahead: priorities and projects in Eurasia

The activities of international financial organizations, particularly multilateral development banks, have been actively discussed in recent years and are the focus of attention of the international community. This is due to geopolitical factors and increased global challenges.

The scale of global challenges is too great for the resources and capabilities of IFIs. A serious adjustment of their priorities, instruments, and working mechanisms — which are currently inadequate to address the growing investment deficit in developing countries — is required.

In the context of global challenges, it is extremely important to take into account the specific characteristics of individual regions. Doing so is key to effective economic strategies. When projecting global goals onto the local level, it is necessary to take into account the unique needs and constraints of a particular region.

The Eurasian region has its own distinguishing characteristics. The region faces three key challenges that are important for IFIs to consider: (1) achieving not only sustainable but also rapid economic growth; (2) transport accessibility; (3) access to water.

Addressing these challenges requires, among other things, the development and cooperation of countries across the region on a broad basis. IFI projects could gradually connect the countries of the Eurasian region, especially Central Asia and Afghanistan, through the implementation of cross-border projects in areas such as transport, water, and energy.

Cross-border projects can be implemented, including on the basis of public-private partnerships (PPPs). Their organization is one of the most important tasks of IFIs and MDBs in particular.

Overall, the following actions by IFIs could significantly increase their positive impact on the future of the countries of the Eurasian region.

1. Shifting financing from sovereign to non-sovereign projects.
2. More active increase in IFI investments in industry and agriculture.
3. Investments in traditional low-carbon energy.
4. Investments in water security in Central Asia.
5. Investments in cross-border transport infrastructure in the Eurasian region.
6. Increasing the volume and share of financing in the national currencies of the Eurasian region.
7. Promoting data center infrastructure in the Eurasian region.
8. Comprehensive cooperation and partnership between IFIs.