

 Early Warning System

ADB-53161-003

Financial Markets Development Program (Subprogram 2)



Quick Facts

Countries	Uzbekistan
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2024-07-31
Borrower	Government of Uzbekistan - Ministry of Economy and Finance
Sectors	Finance, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 100.00 million
Project Cost (USD)	\$ 4,142.00 million



Project Description

According to the Bank's website, the program will support regulatory and institutional reforms, including enhancements to financial market infrastructure, by focusing on three key areas: (i) improving market facilitation to streamline financial transactions and services, (ii) increasing demand measures to boost consumer and institutional engagement with financial services, and (iii) enhancing supply measures to ensure a more robust provision of financial products and services. It will contribute to the acceleration of the country's transition toward a market economy by developing its financial market to finance the real economy, which is moving from a state-led and -dominated model to one oriented on the market and the private sector. The program supports the development of capital market instruments to mobilize private sector and sustainable finance.

The government adopted its medium-term plan, Development Strategy for the New Uzbekistan 2022-2026, and its long-term plan, Uzbekistan 2030 Strategy, which prioritizes the country's transition toward a social market economy. Both strategies recognize the central role played by the banking sector and financial markets in fostering this transition, reinforcing the policy actions achieved under subprograms 1 and 2, and ADB's non-sovereign operations that support micro, small and medium-sized enterprises, agriculture borrowers, microfinance institutions, and trade and supply chain finance. The Uzbekistan 2030 Strategy tasks the government with modernizing and developing financial markets to better address the financing needs of the real economy, which is moving away from an economy led and dominated by the state toward a model that is market-oriented and led by the private sector.



Early Warning System Project Analysis

Reforms under the program do not anticipate any direct or indirect environmental impacts, will not cause involuntary resettlement, and will have no impacts on indigenous peoples. The program is classified category C for environment, involuntary resettlement, and indigenous peoples.



Investment Description

- Asian Development Bank (ADB)

The government has requested a regular loan of \$100 million from ADB's ordinary capital resources to help finance subprogram 2. The loan will have a 15-year term, including a grace period of 3 years; an interest rate determined in accordance with ADB's Flexible Loan Product; a commitment charge of 0.15% per year; and such other terms and conditions set forth in the draft loan agreement. Based on the straight-line method, the average maturity is 9.25 years, and there is no maturity premium payable to ADB.

According to the MOEF, the government's financing requirement (overall fiscal deficit) is projected to be \$4,142 million (4.0% of GDP) in 2024.



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [Financial Markets Development Program \(Subprogram 2\): Report and Recommendation of the President](#)

Media

- [ADB Approves Programs to Support Reforms in Uzbekistan's Energy, Financial Markets](#)



Other Related Projects

- ADB-53161-002 Financial Markets Development Program
- ADB-53161-001 Financial Markets Development Program (Subprogram 1)