

The Department for International Development (DFID) leads the UK's global efforts to end extreme poverty, deliver the Global Goals for Sustainable Development (SDGs) and tackle a wide range of global development challenges. The UK's focus and international leadership on economic development is a vital part of Global Britain - harnessing the potential of new trade relationships, creating jobs and channelling investment to the world's poorest countries. Throughout history, sustained, job-creating growth has played the greatest role in lifting huge numbers of people out of grinding poverty. This is what developing countries want and is what the international system needs to help deliver. Whilst there is an urgent need for traditional aid in many parts of the world, ultimately economic development is how we will achieve the Global Goals and help countries move beyond the need for aid.

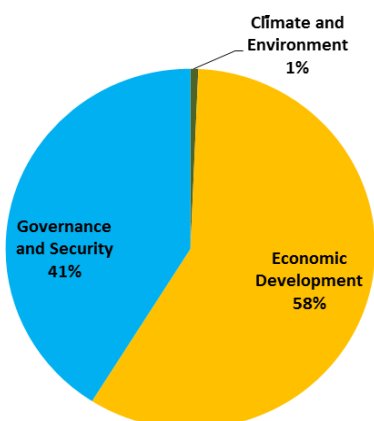
**Planned Budget for 2017/18**

**£10m**

**Planned Budget for 2018/19**

**£8m**

**Sector breakdown of 2017/18 bilateral plans**



**Top 3 planned spending programmes in 2017/18 (as at June 2017)**

Support to Public Finance Management (PFM) in Tajikistan	£4.6m
Central Asia Economic Development Programme	£2m
Governance in Action	£1.7m

**Contribution to the Global Goals and other government commitments (achieved as at March 2017)**

Our work will contribute directly to Global Goals 8, 9 and 16: We are promoting sustainable economic growth by contributing to economic development and mutual prosperity; we help to foster innovation” through supporting enterprise development; and we are working to improve public financial management and help establish more open political systems.

**Headline deliverables**

- Economic development:** We will support shared prosperity. We have improved the way government regulates businesses and helped 35,000 farmers to increase their income and resilience. Over the past four years we have helped farmers and entrepreneurs invest over £3 billion, and over the last six years we have helped companies save millions of pounds by making it easier to do business. Our future focus will develop a stronger, more diverse and inclusive private sector in a more favourable business environment. This will also lead to increased opportunities for UK business and a reduction in risks from external shocks.
- Building institutions:** We will support these governments' ability to improve public financial management. Our work has modernised public financial management and public administration in Kyrgyzstan and Tajikistan. In future we will continue to focus on improving the effectiveness, accountability, oversight and transparency of the public financial management system in Tajikistan and improve the public sector's ability to plan, budget and provide public policies and services in Kyrgyzstan.
- Building stability:** We will support government reforms to develop their economies and have more open political systems. Our work is supporting countries' progress towards political diversity and stronger economic development. In both countries we will strengthen the public sector's capability to respond to citizens' needs and manage the economy. We will also support Kyrgyzstan's continued transition to a parliamentary democracy, working closely with the Foreign and Commonwealth Office.

**Why DFID is investing in Kyrgyzstan and Tajikistan in Central Asia**

Tajikistan and Kyrgyzstan face many challenges in what is a fragile region. These include inter-ethnic tensions, conflict over water resources, and deteriorating security along the Tajik-Afghan border. The region is strategically placed between Russia and China. It is in the UK's interests that these fragile states

are supported to be successful, prosperous and stable. In 2014, 30% of Kyrgyzstan's population and 32% of Tajikistan's population still lived below the poverty line. Since then, both countries' economies have been adversely affected by internal and external shocks, including the economic downturn in Russia. Reliance on remittances, lack of economic diversity and the slow pace of reform threaten growth and risk economic and political reversal.

#### **How will the UK respond to opportunities and challenges?**

The UK will help the region, and these two countries in particular, to develop more open and integrated economies, strengthen their governance institutions, and reduce vulnerability to internal and external threats. Our work is supporting co-ordinated international and national responses to the threats faced by the region. The UK is leading work on economic development and good governance. DFID support is playing an influential role in areas requiring major investment such as the infrastructure deficits and tackling corruption.

#### **What is being achieved for the UK?**

The UK Government's objectives for Central Asia guide DFID's programmes in Kyrgyzstan and Tajikistan. Our support is helping both countries to develop their economies and have open political systems and transparent public administrations. It also helps to build stability along international borders and in fragile communities, mitigating the risk of conflict within the region. National and regional stability is critical for trade, investment and economic development and as their economies develop there will be more commercial opportunities for UK businesses.

#### **Partners**

- DFID works closely with the Foreign and Commonwealth Office and other UK Government departments to achieve the UK's objectives in Tajikistan, Kyrgyzstan and Central Asia.
- We do not provide funds directly to the governments in the two countries. We work with a wide range of partners to maximise value for money.
- DFID carries out programmes through multilateral organisations, private sector suppliers and Civil Society Organisations. We use contracts which specify what our project partners need to achieve, before they are paid. We have rigorous systems and processes to ensure aid reaches intended beneficiaries and delivers results.