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Federal Departement of Economic Affairs,
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POSITION PAPER

Switzerland's Macroeconomic Support in Central Asia

Switzerland has supported reforms implemented in the Kyrgyz Republic, Tajikistan, and Uzbekistan since the early 1990s, as these countries became independent and joined—together with Switzerland—the Bretton Woods Institutions.

Country/region
Central Asia (Kyrgyz Republic, Tajikistan, Uzbekistan)

Key partner agencies
European Bank for Reconstruction and Development, Graduate Institute Geneva, International Monetary Fund, UNCTAD, World Bank

WEMU-supported programs
Bilateral Assistance and Capacity Building for Central Banks (BCC), Debt Management and Financial Accounting System (DMFAS), EBRD Money Market Development Program, Finance for Development (F4D) Umbrella Trust Fund, Caucasus, Central Asia, and Mongolia Technical Assistance Center (CCAMTAC), Strengthening Fiscal Risk Analysis, Management and Disclosure Funding Program

Indicative SECO contribution 2025-2028
CHF 21 million

Background

Switzerland and the central Asian countries have a long-standing partnership dating back to the early 1990s when these countries gained independence. Since then, Switzerland has provided expertise—among other things—to help Central Asian countries develop modern monetary and banking systems, financial regulations, and public financial governance structures with a view to supporting their structural transition from centrally planned economies to market-oriented systems.

Switzerland also acts as a trusted partner who helps these countries navigate global financial institutions. As part of the Swiss-lead constituencies in the International Monetary Fund (IMF) and the World Bank, Central Asian countries have a facilitated access to the technical assistance facilities of these institutions, which are partly sponsored by Switzerland—through SECO's macroeconomic support.

Reforms over the years have promoted significant progress in institutional frameworks and macroeconomic stabilization, with the Kyrgyz Republic, Tajikistan, and Uzbekistan graduating from low to middle-income status in the early 2020s. While important productivity gains have driven positive economic outturns, low economic diversification, limited industrialization, undersized infrastructure, a still significant role of state-owned enterprises, the high cost of finance, and important income inequalities have constrained further gains and the sustainability of the achievements.

SECO as partner for growth-promoting macroeconomic reforms

SECO's macroeconomic support aims at supporting Central Asian countries in reaching further economic gains through strengthening their public financial governance, their monetary policy frameworks, access to finance, and their policy framework for financial stability and integrity. Technical support is provided by working with a variety of implementing partners.

- In the **Kyrgyz Republic**, SECO supports the National Bank of the Kyrgyz Republic in assessing its ability to transmit monetary policy decisions. It supports modernizing banking regulation and supervision, enhancing financial consumer protection, and improving crisis preparedness. To lower financing costs for start-ups and small and medium businesses (MSMEs), SECO aids in establishing a guarantee fund and modernizing frameworks for collateralized transactions and credit information bureaus. Financial inclusion is promoted through technical assistance for a fast payment system and open finance regulations. SECO also enhances public financial management by improving fiscal risk monitoring and tax policy modernization, leveraging broader digitalization efforts in the public administration. SECO supports also the modernization of the public debt management information system and the production of reliable debt data and analysis.
- In **Tajikistan**, SECO supports strengthening financial system oversight, financial consumer protection, the bank resolution framework, and the emergency liquidity assistance framework. It supports access to finance and financial development through technical assistance on the establishment of a guarantee fund for MSMEs. SECO supports the National Bank of Tajikistan (NBT) improving monetary policy transmission with a view to aiding the transition to inflation targeting. In public financial management, SECO supports strengthening public sector accounting as well as improving fiscal transparency and access to financial information of state-owned enterprises. It further supports enhancements in fiscal risk identification, analysis, monitoring, management, and reporting. SECO supports also the modernization of the public debt management information system and the production of reliable debt data and analysis. SECO supports modernizing tax policy and administration, leveraging ongoing efforts to digitalize the broader public administration. Finally, SECO supports capacities of the Ministry of Finance, Ministry of the Economy, and NBT around macroeconomic forecasting.
- In **Uzbekistan**, SECO supports strengthening financial consumer protection and financial education, the macroprudential framework, financial crisis preparedness, payment system oversight, and the AML/CFT framework. SECO supports the Central Bank of Uzbekistan improving monetary policy analysis and transmission. SECO further supports enhancements in public financial management through fiscal risk identification, analysis, monitoring, management, and reporting. Finally, SECO supports capacities of the Ministry of the Economy and Finance around macroeconomic forecasting.

At the regional level, Switzerland—through SECO—is a key partner of the IMF's regional technical assistance center, the Caucasus, Central Asia and Mongolia Technical Assistance Center (CCAMTAC). This center provides capacity building in macroeconomic analysis and forecasting, public financial and revenue administration, central bank operations, and macroeconomic statistics.

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Growth-promoting economic policy

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Annex 1: Examples from SECO's macroeconomic support portfolio in Central Asia

GENERAL

The Bilateral Assistance and Capacity Building for Central Banks (BCC) Program supports partner central banks in building-up technical and institutional capacities to perform their mandate and contribute effectively to macroeconomic stability. BCC helps building the analytical and technical expertise to conduct effective monetary policy, promote stable and efficient financial sector, and be more operationally sustainable.

Active in: Uzbekistan

Implementing partner: The Geneva Graduate Institute (IHEID)

Project name: Bilateral Capacity Building for Central Banks (BCC)

The Debt Management and Financial Analysis System (DMFAS) Program provides a specialized software and technical assistance to ministries of finance and central banks in 61 countries to improve their capacity to produce reliable public debt data for debt management and policymaking purposes.

Active in: Kyrgyz Republic and Tajikistan

Implementing partner: United Nation Conference on Trade and Development (UNCTAD)

Project name: Debt Management and Financial Accounting System (DMFAS)

The Money Market Development Program (MMDP) strengthens economic growth and resilience in EBRD and SECO partner countries through supporting the development of their short-term financial markets (money markets). Well-developed money markets are instrumental to increase local currency lending, improve liquidity management in the public and private sector and allow central banks to effectively implement their monetary policy. This, in turn, improves public and private debt sustainability, access to finance, financial sector stability, and inflation control.

Active in: all three countries

Implementing partner: European Bank for Reconstruction and Development

Project name: Money Market Development Program (MMDP)

The Strengthening Fiscal Risk Analysis, Management and Disclosure Funding Program assist selected SECO priority countries to strengthen fiscal risk identification, analysis, monitoring, management, and reporting. Better understanding of fiscal risks and sound management of them contribute to macroeconomic stability and fiscal sustainability and credibility.

Active in: all three countries

Implementing partner: International Monetary Fund

Project name: Strengthening Fiscal Risk Analysis, Management and Disclosure Funding Management

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The Finance for Development (F4D) Umbrella Trust Fund strengthens financial systems in low- and middle-income countries by building resilient, diverse, and inclusive financial sectors. It supports economic growth, financial inclusion, and crisis resilience through technical assistance in MSME finance, regulation, insolvency, and digital finance. By consolidating financial sector reforms under one framework, F4D enhances coordination and addresses emerging challenges like climate risks and digital finance, ensuring adaptability in a changing global landscape.

Active in: all three countries

Implementing partner: World Bank

Project name: Finance for Development (F4D)