Uzbekistan and the New Development Bank: Development Finance Sovereignty or Wall Street Consensus 2.0?

A briefing for civil-society advocates, development-finance researchers, and South-South co-operation networks following Uzbekistan's accession to the BRICS New Development Bank

1. Does membership buy autonomy, or just re-flag the de-risking state?

When Uzbekistan's President Shavkat Mirziyoyev signed the law ratifying his country's accession to the New Development Bank on 22 May 2026, the bank's official communications framed the moment as a deepening of South-South cooperation. Uzbek Senate readouts emphasized that NDB membership "expands our country's opportunities to attract foreign investment and finance large infrastructure and sustainable development projects." From a development-finance-sovereignty perspective, the question is sharper. Does NDB membership give Uzbekistan more autonomy from Western-aligned conditionality, more policy space to build productive capabilities in cotton, mining, agriculture, and energy — or does it replicate the same Wall Street Consensus de-risking architecture under a different flag, with the same risk transfer from private investors to the public balance sheet, the same public-private-partnership templates, the same securitization plumbing?

The answer matters because Uzbekistan is at a structural inflection point. Mirziyoyev's reform decade has rebuilt the country's external creditworthiness, lifted reserves to US$66 billion, and brought multilateral lenders back into the market. The next development-finance chapter will be written under conditions of choice that did not exist under the Karimov government. NDB membership is one of the choice variables. It deserves serious civil-society scrutiny — neither uncritical celebration nor reflexive dismissal.

2. What the NDB offers that the Bretton Woods institutions do not — or do not adequately

The standard NDB pitch is fourfold. Equal voting rights — each founding member holds an equal capital share with no IMF-style weighted voting and no single-member veto. No IMF-style policy conditionality. Use of national environmental and social standards rather than imposed international templates. Faster loan approval and a "nimble" institutional culture. To this list, the NDB under President Dilma Rousseff has added an explicit local-currency lending push — at the 9th NDB Annual Meeting in Cape Town on 30 August 2024, Rousseff stated that the bank "aims to provide 30 percent of total financing in the local currencies of borrowing members." The NDB has also made an explicit climate-finance commitment. The NDB 2024 Annual Report, published 10 December 2025, confirms in President Rousseff's Message: *"Climate finance also reached new heights, comprising 55.3% of the year's lending"* — exceeding the 40% target set for the 2022-2026 strategy period.

These are non-trivial differentiators. The IMF Extended Fund Facility framework that has structured Egypt's stabilization since 2022 imposes exchange-rate flexibility, fiscal consolidation, divestment of state assets, banking-sector governance reform, and explicit reduction of the

Differentiators: NDB vs. World Bank vs. IMF

Feature	NDB	World Bank	IMF
Voting weight	Equal (no IMF-style weighting)	Weighted by share (US holds veto on key items)	Weighted by share (US holds effective veto)
Policy conditionality	None of IMF-EFF type	Project-level safeguards; no macro conditionality	Programme conditionality (EFF/SBA/RSF)
Env/social standards	National standards of borrower country	World Bank ESF (international template)	n/a (programme-level)
Loan-approval speed	Markets self as "nimble"	Multi-stage appraisal cycle	Multi-stage review cycle
Local-currency target	30% portfolio target (Rousseff, Aug 2024)	Limited local-currency lending	Programme-currency typical (SDR / USD)
Climate-finance share	55.3% of 2024 lending (per 2024 AR)	~35% (varies by year)	Indirect via RSF / CDM

Sources: NDB 2024 Annual Report (10 Dec 2025); Rousseff Cape Town address (30 Aug 2024); World Bank Environmental and Social Framework; IMF Articles of Agreement; comparative analysis (Eurodad / BWP / TWN governance briefs).

Figure 1: NDB vs. World Bank vs. IMF on six structural features: voting weight, policy conditionality, environmental and social standards, loan-approval speed, local-currency lending target, and climate-finance share. The genuine differentiation is real but bounded.

state's economic footprint — a conditionality package that is consequential, contested in Egyptian civil society, and outside what the NDB has ever attached to its lending. The World Bank's Maximizing Finance for Development framework — and the broader Wall Street Consensus that Daniela Gabor identifies — operationalizes a de-risking state, with the public balance sheet absorbing demand risk, political risk, climate-regulation risk, and bond-market liquidity risk so that institutional investors can be "escorted" into development assets. The NDB has not adopted this framework explicitly.

But the differentiators have limits. The NDB's project pipeline overlaps directly with World Bank, ADB, and AIIB pipelines. The NDB's local-currency lending is concentrated in renminbi and South African rand, not in the obligor's domestic currency in most cases. NDB lending in 2024 was 55.3% climate-aligned — laudable, but achieved through the same green-bond and climate-asset-class instruments the WSC critique targets. NDB private-sector lending channels through state-owned banks and through MDB-style PPP structures. The honest reading: NDB is a partially differentiated institution, not an alternative paradigm.

3. Where the public balance sheet still ends up holding the risk

Who absorbs which risk? Project structure determines WSC alignment

Cherry = public balance sheet absorbs the risk (the WSC de-risking pattern).

Type of risk	Sovereign loan	Non-sovereign loan	PPP
Demand risk	Sovereign	Borrower SOE + MDB partial	PPP company but state-guaranteed
Political risk	Sovereign	Borrower SOE	Public balance sheet (WSC pattern)
Climate-regulation risk	Sovereign	Borrower SOE or MDB	Public balance sheet (WSC pattern)
Bond-market liquidity risk	Sovereign	MDB partial guarantee	Public guarantee (WSC pattern)

Framework: Gabor (2021, Development and Change) — the de-risking state. Project-structure typology per Eurodad / BWP / TWN governance analyses. Civil society should demand publication of the project-level risk-allocation matrix.

Figure 2: Risk-distribution matrix across sovereign, non-sovereign, and PPP project structures. Cherry shading marks where the Uzbek public balance sheet absorbs the risk — the Wall Street Consensus de-risking pattern.

Three substantive applications carry weight.

First, risk distribution. Whether NDB substitutes for or replicates WSC de-risking depends not on the flag on the project but on how risks are distributed across the project structure. If NDB project finance for Uzbek irrigation modernization is structured as a sovereign loan to the Uzbek government, the risk-distribution differs from WSC. If it is structured as a PPP with the Uzbek state providing demand guarantees — off-take agreements, capacity payments, regulatory commitments — and the public balance sheet absorbing political and climate-regulation risk, it replicates WSC. Civil society should track, for each NDB Uzbekistan project: the legal structure (sovereign, non-sovereign, or PPP); the explicit risk-allocation matrix; the role of guarantees from the Uzbek state.

Second, local financial-system transformation. The Wall Street Consensus promotes structural transformation of local financial systems toward US-style market-based finance. The NDB's panda-bond ambitions and its push to develop local-currency lending in member countries are compatible with this trajectory rather than counter to it. If NDB lending in Uzbekistan catalyzes development of a deeper soum-bond market and securitization infrastructure, the civil-society question becomes who benefits — Uzbek households accessing longer-term mortgage finance, or global asset managers gaining new asset classes. Both can be true simultaneously; the distributional question is empirical.

Third, the conditionality-conditionality complementarity. The single most important fact about the Egypt-NDB-Gulf-IMF triangulation is that NDB membership did not substitute for IMF conditionality — it operated alongside an US$8 billion IMF EFF with all its policy conditions and a US$35 billion bilateral Gulf SWF deal (ADQ Ras El Hekma). Uzbekistan is not currently in an IMF programme — it is an Article IV country — but it operates under a US$5.5 billion (2025) external-borrowing ceiling agreed with the Fund, and the Fund's policy recommendations on exchange-rate flexibility, monetary-policy tightening, and state-owned-enterprise governance shape the broader policy frame.

4. Comparative lessons — Egypt under IMF EFF, UAE as non-borrower, Kazakhstan abstaining

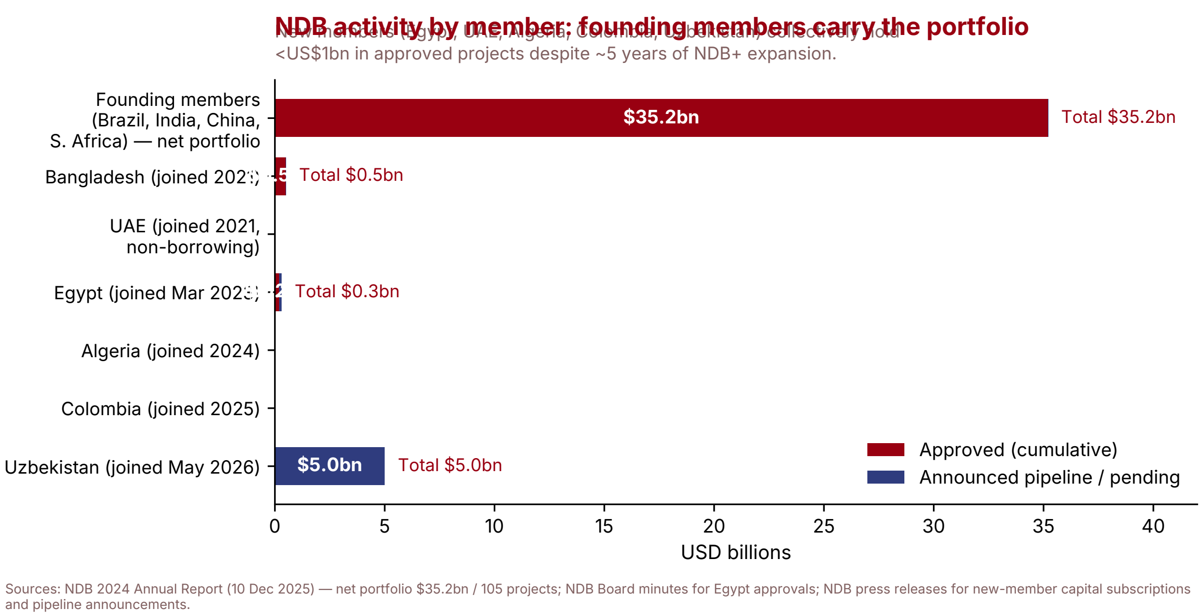

Figure 3: NDB activity by member country. Founding members carry the bulk of the $35.2 bn net portfolio; new members (Egypt, UAE, Algeria, Colombia, Uzbekistan) collectively hold under $1 bn in approved projects despite five years of NDB+ expansion. Uzbekistan's $5 bn pipeline (coral) is announced, not yet approved.

The Egypt case is the central test for the development-finance-sovereignty hypothesis. Joining the NDB in March 2023 generated significant expectations of development-finance diversification. The realized trajectory through 2024-2025 was that the dominant macro driver remained the IMF EFF (augmented from US$3 billion to US$8 billion in March 2024) plus the ADQ Ras El Hekma deal plus the Resilience and Sustainability Facility plus EU and World Bank facilities. NDB approved one Egypt project (US$200 million Afreximbank facility) and had one pending (US$100 million Suez Wind). The structural reforms required under the IMF programme — exchange-rate flexibilization, fiscal consolidation, divestment of state assets including parastatal restructuring, banking-sector governance reform — were Western-aligned by content, not BRICS-aligned. **NDB membership was a marginal additive layer on a Western-aligned stabilization frame.** For civil-society organizations that view IMF conditionality as the central development-finance issue, the Egypt case shows that NDB membership does not, on its own, change the conditionality landscape.

The UAE case shows the reverse — a creditor-positioned state for which NDB membership is governance and access, not borrowing. UAE does not borrow from NDB. UAE's role is shareholder, host of the 42nd Board of Directors meeting, and Nasdaq Dubai listing venue for the NDB's US$50 billion EMTN programme. For Uzbekistan, which does need project finance, this model is not directly applicable.

The Kazakhstan abstention case is most relevant. Kazakhstan has explicitly declined BRICS full membership and is not an NDB member. President Tokayev described the bloc as having "no charter, no secretariat, no programs" and accepted only partner status from 1 January 2025. Kazakhstan continues to receive development finance from the World Bank, ADB, AIIB, EBRD, Chinese policy banks, and European DFIs without NDB. The opportunity-cost lesson for civil society in Uzbekistan: a Central Asian state can finance its development trajectory without NDB membership; what NDB membership adds is institutional optionality and political-economy positioning, not financing access that is otherwise unavailable.

5. Capability formation in Uzbekistan's productive sectors

The Reinert-Andreoni-Chang capability-formation framework asks whether development finance builds productive capabilities — tacit knowledge, organizational routines, skill complementarities, supplier networks — or whether it locks in primary-product specialization and capability shallowness.

For Uzbekistan, the high-stakes sectoral mapping:

Cotton-textile vertical. Uzbekistan is the world's sixth-largest cotton producer (3.51 million tonnes in 2022) and seventh-largest cotton consumer (584,000 tonnes of yarn). Cotton yarn is 6.2% of merchandise exports. The capability test for NDB project finance is whether it funds ginning, spinning, weaving, knitting, dyeing, finishing, and garment-assembly capacity — capability-deepening — or whether it funds raw-cotton infrastructure and primary-commodity export logistics. Civil society should ask: domestic-content requirements? skill-transfer commitments? procurement from Uzbek SMEs? wage and labour-standard safeguards? Uzbekistan's cotton sector has been a site of historic forced-labour concerns; the international cotton boycott was lifted in 2022 after decade-long reforms driven by sustained civil-society pressure, including the Cotton Campaign coalition and ILO monitoring. The labour-standard discipline that emerged from those reforms is the model for NDB-financed project oversight.

Mining-downstream processing. Uzbekistan is the world's seventh-largest gold producer (approximately 105 tonnes per year) and a significant copper, uranium, and rare-earths state.

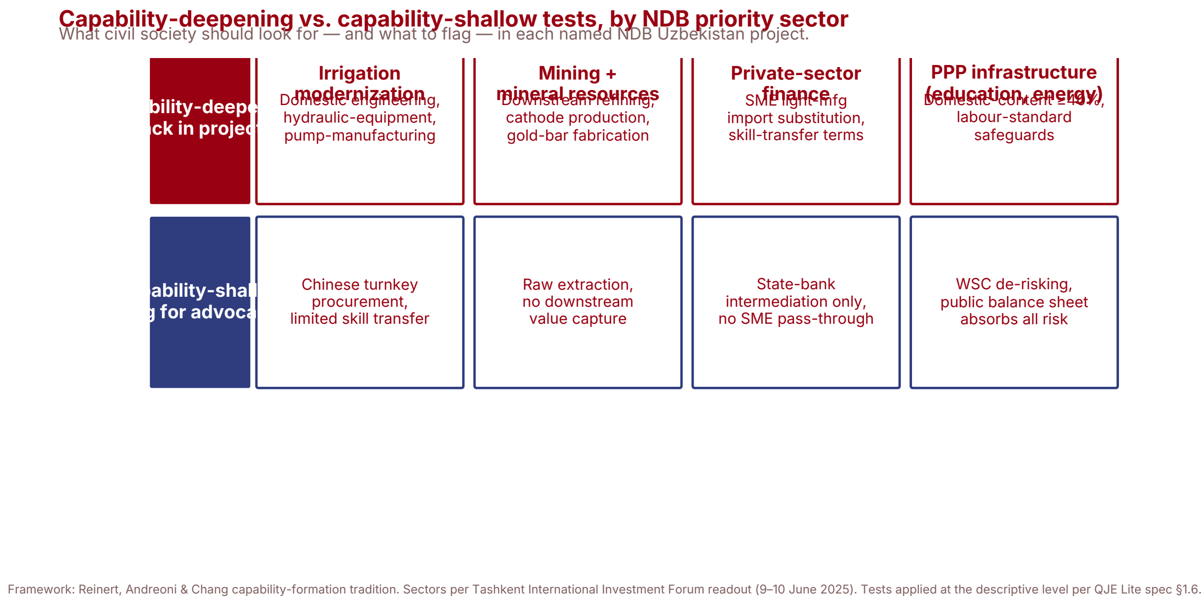

Figure 4: Capability-deepening vs. capability-shallow tests, by NDB priority sector. The capability-formation question is settled project-by-project, not by the institutional flag. Civil society should track the specific tests in each cell for every named NDB Uzbekistan project.

Capability-deepening means refining, cathode production, gold-bar fabrication, copper-wire and copper-tube manufacturing — sectors already at 1.6–2.4% of exports each per UN Comtrade 2024 (refined petroleum 2.6%, refined copper 2.4%, petroleum gases 2.3%). The NDB pipeline's "mining and mineral-resources development" framing is ambiguous; civil society should press for downstream processing commitments rather than extraction expansion.

Irrigation and water-energy-agriculture bundles. The Fergana Valley, Karakalpakstan, Bukhara, Kashkadarya, Namangan, and Surkhandarya regions are the locus of irrigation modernization. The World Bank's 21 May 2025 US$200 million project targets 540 million cubic meters annual water savings and 165 million kWh annual electricity savings; NDB co-financing could extend this. The capability question is whether the projects build domestic engineering, hydraulic-equipment, and pump-manufacturing capacity, or whether they default to Chinese turnkey procurement with limited skill transfer.

Renewable energy. Uzbekistan announced a 73-project, US$5.8 billion hydropower expansion for 2026-2032, with 3.6 gigawatts of new capacity. ACWA Power and Masdar are anchor private developers. NDB co-financing in solar, wind, and pump-storage hydropower is capability-relevant. Civil society should track domestic-component shares.

Light manufacturing. Uzbekistan's machinery-import deficit (US$8.7 billion in 2024) signals the import-substitution opportunity. NDB private-sector lending for SME light manufacturing is one of the highest-capability-return uses of multilateral finance.

6. Accountability and conditionality questions

The NDB's lighter conditionality is presented as a feature. From a civil-society perspective, it is also a risk. The IMF and World Bank, for all their flaws, have evolved formal accountability mechanisms — the World Bank Inspection Panel, the IFC Compliance Advisor Ombudsman —

Accountability mechanisms: NDB has no equivalent to WB Inspection Panel or IFC CAO
Cherry shading flags NDB cells where an accountability gap exists vs. comparator institutions.

Feature	World Bank Inspection Panel	IFC Compliance Advisor Ombudsman (CAO)	NDB Independent Evaluation Office (IEO)
Independent from management	Yes (reports to Board)	Yes (reports to Board)	Yes — but evaluation, not grievance
Project-affected community access	Yes — direct request channel since 1993	Yes — complaint channel since 1999	No equivalent grievance channel
Public findings	Yes (Board approval)	Yes (with consent)	First comprehensive report 2025 (13 evaluations)
Compliance review	Yes — investigates policy non-compliance	Yes — dispute resolution or compliance review	Programmatic evaluation, not project-level compliance
Year operationalized	1993	1999	IEO 2018; first comprehensive report 2025

Sources: World Bank Inspection Panel and IFC CAO institutional documents; NDB IEO Report on Development Results (2025) — first comprehensive evaluation report. Eurodad / BWP / TWN governance analyses.

Figure 5: Accountability mechanisms: NDB has no equivalent to the WB Inspection Panel or IFC CAO. Cherry shading flags NDB cells where an accountability gap exists vs. comparator institutions. The IEO 2025 Report on Development Results is evaluation, not grievance.

through decades of pressure from advocacy organizations. The NDB does not have an equivalent independent accountability mechanism with comparable transparency. The NDB Independent Evaluation Office published its first comprehensive Report on Development Results in 2025, covering 13 evaluation reports — a useful start but not a substitute for an independent grievance and complaint mechanism for project-affected communities.

For Uzbekistan, where civil-society space has expanded under Mirziyoyev but remains constrained, NDB project finance without robust independent accountability creates risk of project-level harms in irrigation, mining, and infrastructure that affected communities have limited channels to contest. Eurodad, the Bretton Woods Project, and Third World Network analyses of NDB governance have consistently flagged this gap.

7. The strategic instruments — Multilateral Guarantee Fund, BRICS-Pay, mBridge alignment

Three forward-looking strategic questions for Uzbekistan and for the civil-society networks engaged with BRICS+ development finance.

First, NDB Multilateral Guarantee Fund participation. The NDB has been developing a guarantee platform that, if capitalized at scale, could underwrite private capital flows into member-country projects — replicating, in BRICS+ form, the MIGA (Multilateral Investment Guarantee Agency) model the World Bank Group has operated since 1988. For Uzbekistan, participation in this platform would deepen private-investment optionality. The civil-society question: is the platform structured to subordinate guarantees to environmental, social, and labour safeguards, or is it WSC de-risking under a BRICS flag?

Second, BRICS-Pay and BRICS Clear alignment. The BRICS Clear cross-border payments architecture is in early stages. mBridge — the BIS-incubated multi-CBDC pilot involving the People's Bank of China's Digital Currency Institute, the HKMA, the Bank of Thailand, the CBUAE, and from June 2024 the Saudi Central Bank — settled US$55.49 billion in cross-border transactions across 4,047 transactions per Atlantic Council GeoEconomics Center associate director Alisha Chhangani's 15 January 2025 analysis, with e-CNY making up over 95 percent of total settlement volume. The BIS handed operational control to participating central banks in October 2024. Uzbekistan is not currently a participant. The civil-society question: as Uzbekistan considers payments-architecture alignment, what are the cross-border financial-stability, money-laundering-compliance, and household-finance implications?

Third, soum-denominated NDB lending capacity. Soum-denominated NDB lending is currently not feasible at scale. Development of a soum-NDB bond facility would require either deepening of the domestic Uzbek bond market (currently only US$7.03 billion outstanding domestic public debt) or NDB issuance in offshore soum-linked instruments. Civil society should track whether NDB and CBU jointly develop this capability, since soum-denominated lending materially reduces currency-mismatch risk on the Uzbek public balance sheet.

8. What civil society should demand, in order of urgency

1. **Demand project-level transparency.** Publication of NDB Uzbekistan project documents — environmental and social impact assessments, procurement plans, financial structuring — before approval and during implementation. *Priority: high. Implementation horizon: pre-first-project (2026).*
2. **Push for an Independent Accountability Mechanism.** Coordinate with NDB members from Brazilian, South African, and Indian civil society to press for an NDB grievance and complaint mechanism comparable to the World Bank Inspection Panel. *Priority: high. Implementation horizon: 2026-2027 NDB governance cycle.*
3. **Require local-content and skill-transfer commitments** in NDB project finance for irrigation, mining-downstream, light manufacturing, and renewable-energy projects. *Priority: high. Implementation horizon: project-by-project, beginning with the first named NDB Uzbekistan approval.*
4. **Monitor PPP risk-distribution.** For any NDB PPP project, demand publication of the risk-allocation matrix and the Uzbek state's contingent liabilities. *Priority: medium-high. Implementation horizon: ongoing.*
5. **Engage on labour standards.** Cotton-sector forced-labour concerns were addressed through sustained civil-society pressure; the same discipline should be applied to NDB-financed projects in mining and infrastructure. *Priority: medium-high.*
6. **Track conditionality complementarity.** Document the relationship between NDB lending, IMF Article IV recommendations, and World Bank / ADB / AIIB co-financing conditions. *Priority: medium.*
7. **Advocate for soum-denominated lending.** Currency-mismatch risk falls on the Uzbek state and ultimately on Uzbek households when soum depreciates against the loan currency. *Priority: medium. Implementation horizon: 3-5 year market-development project.*

9. Where this critique could be too harsh — and what would prove it

A counter-reading of this brief is available and should be acknowledged. Three points, each with a specific signal that would change the reading.

First, the framing that NDB membership is "Wall Street Consensus 2.0" understates the genuine differentiation. Equal voting rights, the absence of IMF-style policy conditionality, the use of national environmental and social standards, and the explicit local-currency lending push are non-trivial features that civil-society actors have been demanding from the Bretton Woods institutions for decades. Dismissing the differentiation reproduces a reflexive critique that more nuanced analysis avoids. *Signal that would change the reading:* the first named NDB-Uzbekistan project is structured without PPP / state-guarantee architecture and includes domestic-content requirements of ≥40% with explicit skill-transfer terms.

Second, the "capability formation versus capability shallowness" frame, while analytically useful, can produce a counsel of perfection in which no actual financing is acceptable. The realistic counterfactual to NDB project finance in Uzbekistan may be Chinese policy-bank lending on tighter geopolitical terms, or no project at all. Civil society should advocate for capability-deepening project structures while acknowledging that constrained-best may be better than the alternatives. *Signal that would change the reading:* an NDB project with domestic-content ≥40% and explicit skill-transfer terms approved in 2026.

Third, the Kazakhstan abstention case is held up as the opportunity-cost benchmark but is not directly comparable. Kazakhstan has substantially larger sovereign-wealth resources (the National Fund of Kazakhstan), a different export structure (heavy oil), and a different geopolitical posture (closer EU energy integration). The Uzbek choice to join NDB while preserving C5+1, WTO, and EU optionality may be the optimal multivector posture for a country of Uzbekistan's size and structure. *Signal that would change the reading:* Kazakhstan accedes to BRICS full membership or NDB before end-2026.

10. Neither sovereignty nor Wall Street Consensus 2.0 — the verdict depends on the projects

The honest civil-society reading of Uzbekistan's NDB accession is that it is neither development-finance sovereignty nor Wall Street Consensus 2.0 in pure form. It is a partial differentiation from Western-aligned multilateral finance, operating alongside that finance rather than replacing it, with real but limited new optionality in lending conditionality, currency denomination, and political-economy positioning. Whether the differentiation translates into genuine development gains — capability formation in productive sectors, accountability for project-affected communities, currency-mismatch reduction — depends on how Uzbekistan and the NDB structure individual projects and on whether civil-society pressure on transparency, accountability, and labour-and-environmental standards is sustained. The Egypt precedent suggests modest expectations; the trajectory is not foreordained.