

Russian Government Approves Giving \$1 Billion to Kyrgyz Development Fund

By [The Moscow Times](#)

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Russia's Vladimir Putin and his Kyrgyz counterpart Almazbek Atambayev in St. Petersburg in March

The Russian government has approved a bill to create a Russian-Kyrgyz development fund to the tune of \$1 billion, with \$500 million to come from Russia's federal budget, the government said in a statement issued late last week.

The fund's purpose is to promote economic cooperation between the two countries, the modernization of the Kyrgyz economy and "the effective use of opportunities associated with the two countries' participation in Eurasian economic integration," the statement said.

Kyrgyzstan is set to join the Eurasian Economic Union on May 1, following post-Soviet neighbors Belarus, Kazakhstan and Armenia in signing onto the economic alliance spearheaded by Russian President Vladimir Putin.

As envisioned by Russia, the union is to become a counterbalance to the economic and

political weight of the European Union in the West. In practice, Russia has had to offer its neighbors significant economic incentives, such as low gas prices, to get them on board.

According to the draft bill, \$500 million of capital for the fund will go straight from Russia's strained federal budget to the fund's account in the National Bank of Kyrgyzstan. Russia has already handed over \$100 million, with another \$250 million to be paid this year and a further \$150 million in 2016.

Russia will also lend an additional \$500 million to the fund.

The bill will now be submitted to the State Duma, Russia's lower house of parliament, the statement said.

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