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The Effect of Foreign Aid and Governance on Economic Growth[1]

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Dış Yardım ve Yönetişimin Büyüme Üzerindeki Etkileri[2]

Abstract

Foreign aid is essential in meeting the capital needs of countries that need more resources. However, in the literature, besides the view that foreign aid encourages economic performance, opinions suggest that it has adverse effects on recipient countries. Some ideas argue that the positive impact of foreign aid in recipient countries depends on the institutional quality level of the nations. We examine the relationships between foreign aid, the quality of governance, and economic growth using the dynamic panel data analysis method. The empirical analysis includes samples of 78 low-income countries that used foreign aid from 2000-2019. According to the findings, foreign aid affects economic growth negatively in sample countries. In addition, we find a positive relationship between the quality of governance and economic growth. In line with these findings, we can state that improvements in governance quality will positively impact economic development in the sample nations.

Keywords : Dynamic Panel Data Analysis, Foreign Aid, Economic Growth, Governance.

JEL Classification Codes : C23, F35, O40, O43.

Öz

Yeterli kaynağa sahip olmayan ülkelerde sermaye ihtiyacının karşılanmasında dış yardımlar önemli rol oynamaktadır. Ancak literatürde dış yardımların ekonomik performansı teşvik ettiği görüşü yanında, alıcı ülkelerde olumsuz etkileri olduğunu öne süren görüşler de mevcuttur. Bazı görüşler ise dış yardımların alıcı ülkelerdeki olumlu etkisinin ülkelerin kurumsal kalite düzeyine bağlı olduğunu savunmaktadır. Çalışmada dış yardımlar, yönetişimin kalitesi ve ekonomik büyüme arasındaki ilişkiler incelenmiştir. Söz konusu ilişkinin incelenmesinde dinamik panel veri analiz yönteminden yararlanılmıştır. Ampirik analizde 2000-2019 dönemini kapsayan dönemde dış yardım kullanan 78 düşük gelirli ülke örneklemi kullanılmıştır. Elde edilen bulgulara göre, örneklem ülkelerde dış yardımlar ekonomik büyümeyi negatif etkilemektedir. Ayrıca yönetişimin kalitesi ile ekonomik büyüme arasında pozitif yönlü bir ilişki tespit edilmiştir. Bu bulgular doğrultusunda, örneklem ülkelerde yönetişimin kalitesindeki iyileşmenin ekonomik performansı pozitif etkileyeceğini söyleyebiliriz.

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[2] *Bu makale 25-26 Aralık 2021 tarihlerinde Diyarbakır'da düzenlenen Anadolu 8. Uluslararası Sosyal Bilimler Kongresi'nde sunulan bildirinin gözden geçirilmiş ve İngilizceye çevrilmiş halidir.*

Anahtar Sözcükler : Dinamik Panel Veri Analizi, Dış Yardım, Ekonomik Büyüme, Yönetişim.

1. Introduction

Economic growth, the main target of countries, has always been discussed. Theoretical approaches that deal with the determinants of growth in the economics literature have changed in the historical process. Mainstream economics schools put forward capital accumulation, public expenditures, and technological development to ensure growth. Institutional economic thought, which emerged at the beginning of the 20th century and whose pioneer is Thorstein B. Veblen, states that the mentioned factors should be considered the result of growth, not the cause. According to this idea, which has entered the growth literature with the work of Daron Acemoglu since the 1990s, the institutional structure of a country influences economic factors such as production, consumption, and investment and directs economic performance. According to the theory, economic growth occurs faster and more sustainably in countries with a high-quality institutional structure.

Low-income countries continue to see foreign aid as an essential source of finance. We know that low-income countries resort to foreign aid for reasons such as the need for more capital and infrastructure they experience during the growth process. These aids are essential in promoting economic development and welfare in countries with insufficient resources. In addition to the studies in the literature that show that foreign aid has a positive effect on the growth of the recipient country (Sachs, 2005; Karras, 2006; Gitaru, 2015; Moolio & Kong, 2016), studies that reveal its adverse effects (Easterly, 2003; Easterly et al., 2004; Mallik, 2008) are also available. Although there is no consensus on this issue, foreign aid to low-income countries has increased continuously.

On the other hand, besides the positive effect of institutional structure on economic performance, there are also opinions that it affects the effectiveness of development aid in developing countries receiving foreign aid (Fayissa & El-Kaissy, 1999; Wako, 2016; Maruta et al., 2020). According to these views, which emphasise the intermediary role of institutions, the quality of the institutional structure in a country increases aid effectiveness. Factors such as a favourable political environment, level of political and civil liberties, and good governance increase the positive effect of foreign aid on economic growth. While these elements prepare a suitable environment to encourage growth and development, they also ensure sustainable growth. According to Bayar (2016), a higher level of public governance in countries will encourage domestic private and foreign direct investment by reducing uncertainty, creating an investment environment for domestic and foreign firms, and contributing positively to economic growth. In his study examining the relations between aid, institutions, and governance, Booth (2011) emphasised the studies suggesting that when aid is managed without considering the institutional characteristics of the recipient country, the probability of real damage may be high. Adedokun (2017) states that aid may be more effective in countries with good governance and good institutions than in countries with poor

governance and weak institutions because good governance and institutions create an enabling environment for aid effectiveness. If there is good governance, institutions are solid, and appropriate controls are in place to assist fund management. However, in economies where the government is weak, institutions are weak, and corruption is high, aid funds fall into the hands of only a few.

The concept of good governance for donor organisations emerged between the late 1980s and early 1990s and has since become one of the most used terms in academic and policy debates (Carbone, 2010: 15). The first use of this concept began in 1989 study of the World Bank (WB). The WB emphasised the underlying reason for its weak economic performance despite the increasing amount of aid in Sub-Saharan Africa during the 1980s was the 'governance crisis' (WB, 1989: 60-61). Thus, the concept of governance was placed on the development plan. Then, first, international economic organisations started to define the concept of governance and develop indicators that would make it measurable and pave the way for the emergence of important literature in the academic field (Barış, 2018: 416).

Moreover, Dijkstra (2018) shows different estimation results that aid flows weaken internal accountability in recipient countries, perpetuate authoritarian regimes, increase political instability, weaken government capacities, and increase corruption. On the other hand, there are also opinions suggesting that aid positively affects governance in the recipient country, such as improving the level of education in the country or encouraging global changes that lead to the adoption of higher accountability and integrity standards. Therefore, the overall impact of aid on good governance remains controversial.

In light of the above discussions, we aim to reveal the effect of foreign aid and governance on economic growth in this study. The study will contribute to the literature in various fields. While discussions on the impact of aid on economic growth continue, determining how the quality of governance will shape this impact will fill an important gap in the literature. In addition, revealing this relationship in low-income countries is important for implementing the right development policy. In this direction, we examine the relations between foreign aid, governance, and economic growth in 78 developing countries. We exploit the dynamic panel data analysis method, covering 2000-2019. We organise parts of the study as follows: In the second part, empirical studies dealing with the relations between foreign aid, governance, and economic growth in the sample countries are summarised. The methodology and data are first introduced in the third part of the study; then, the empirical findings are presented. In the last section, a general evaluation of the study is made, and policy recommendations for the sample country group are included.

2. Literature Review

Studies in the literature dealing with the relationship between foreign aid and economic growth are controversial regarding their results. There are opinions suggesting that aids have both positive and negative effects. On the other hand, researchers have started to focus on various factors (such as macroeconomic policies, institutional structure, and

geographical structure) that have determined the effectiveness of aid in recent years (Burnside & Dollar, 2000; Hansen & Tarp, 2001; Easterly, 2003; Easterly et al., 2004; Dalgaard et al., 2004; Rajan & Subramanian, 2005; Martinez, 2015). When the findings of these studies are evaluated, there is no consensus on the effects of foreign aid and institutional structure on economic growth. In this study, besides the aid and economic growth relationship, we examine the role of the institutional system in the aid-growth relationship. Since we use the study's governance variable as an indicator of institutional structure, we emphasise the studies examining the relationship between foreign aid, governance, and economic growth in the literature.

Kaufmann and Kraay (2002) analyse the causality between per capita income growth and Latin America and Caribbean governance. In the study covering 175 countries for the 2000-2001 period, world governance indicators are used, and they determine strong positive causality from governance to economic growth. Mehanna et al. (2010) investigate the relationship between governance and economic development in 23 Middle East and North African (MENA) countries from 1996 to 2005. Generalised Method of Moments (GMM) results show that economic development negatively impacts governance, especially in oil-rich countries. In addition, among the six governance indicators used in the study, they find that the variables of voice and accountability, government effectiveness, and control of corruption show the highest economic impact on economic development.

Fayissa and Nsiah (2013) investigated the relationship between governance and growth in 39 sub-Saharan African countries. The panel data analysis used in the study covers 1995-2004. The Worldwide Governance Indicators (WGI) index is a governance indicator. WGI index data is used as a governance indicator, and according to the results obtained, there is bidirectional causality between governance and economic growth. The results show that good governance has a positive effect on growth. It has also been argued that the role of government in economic growth depends on countries' income levels. Accordingly, the quantile regression results show that the effect of good governance is more pronounced in the lower- and upper-income levels than in the middle-income groups. Emara and Jhonsa (2014) find out the impact of governance on per capita income for a sample of 197 countries by exploiting two-stage least squares (2SLS) regression analysis. In addition, they use the study results to interpret the relationship between governance and growth for 22 MENA countries. Accordingly, although most of the MENA countries surveyed underperformed on the six governance indicators, the per capita income of these MENA countries is relatively higher than the other countries in the sample.

Bayar (2016) estimates the relationship between governance and economic growth in the European Union transition economies sample in 2002-2013 using WGI index data as the governance indicator. The results show that all governance indicators except regulatory quality have a statistically significant positive effect on economic growth. He also finds that control of corruption and the rule of law have the highest impact on economic growth, while political stability has the lowest impact. Abdelbary and Benhin (2019) examine the effect of governance on economic growth in 97 countries, 19 of which are from the Arab Region. The

regulation quality variable obtained from Kaufmann and Kraay (2003) is used as a governance indicator in the study, in which the panel data analysis covered 1995-2014. According to the analysis results obtained for the whole country sample and the Arab region, while governance positively affects economic growth in the entire piece, it negatively impacts Arab countries.

Studies in the literature examine the relationship between foreign aid and governance. Knack (2001) examines the relationship between aid dependency and governance quality for 1982-1995 with cross-sectional data analysis. Bureaucratic quality, corruption, and the rule of law indices obtained from the International Country Risk Guidelines (ICRG) are used as indicators of the quality of governance. According to the results, a higher level of aid has a negative effect on the governance variables. Similarly, Busse and Gröning (2010) use the dynamic panel data analysis method in their studies. Three sub-components (corruption, law and order, and bureaucracy quality) obtained from ICRG are used for the quality of governance. The analysis covers the period between 1984 and 2004 in 106 countries. In the study, they determine that the effect of aid on governance is negative. Asongu and Nwachukwu (2015) investigate the impact of foreign aid on governance in 52 African countries from 1996 to 2010 by using a two-stage (2SLS) analysis method for considering the internality problem. Also, Kaufmann et al. (2010) discuss three different dimensions of governance: political governance (voice and accountability and political stability), economic governance (regulation quality and government effectiveness), and institutional governance (the rule of law and control of corruption). The findings reveal that development aid disrupts economic and corporate governance but has an insignificant effect on political governance.

Yoon and Kim (2015) examine the impact of aid on governance at a macro level by considering administration in three dimensions: political, administrative, and judicial sectors. They use data from 90 developing countries for the period 2002-2011. The panel data analysis results show that aid helps improve political and administrative governance, not judicial power. Brays (2016), using the quantile regression technique, finds a Laffer curve relationship between foreign aid and governance. Accordingly, he argues that aid can improve and reduce the quality of governance. According to the results obtained in the study, there is a non-linear relationship between aid and governance, and excessive amounts have diminishing returns on the quality of governance.

There are also studies on the relationship between foreign aid, governance, and economic growth in the literature, albeit only a few. For example, Awan and Mustafa (2015) examine the relationship between corporate governance, aid, and economic growth in six South Asian countries (Bangladesh, Bhutan, India, Nepal, Pakistan, and Sri Lanka) from 1996 to 2012. In the study, in which the generalised least squares estimation method is used, they use six governance indicators obtained from WGI to measure the quality of governance. The empirical results show that the institutional governance quality index, consisting of the whole set of governance and individual governance indicators, positively affects economic growth. Also, in the study, Kaufmann et al. (2005) examine the relationship between three dimensions of governance (political, economic and institutional governance) and economic

growth. The analysis results reveal that better political, economic, and social governance positively affects growth. In addition, no connection is found between good institutions and aid effectiveness.

On the other hand, it has been determined that aids have a negative effect on economic growth in all growth equations. Adedokun (2017), on the other hand, investigates the relationship between foreign aid, governance, and economic growth in 47 countries in Sub-Saharan Africa, among the poorest regions of the world, between 1996 and 2012. The study results using the system GMM estimation show that foreign aid has a meaningless and adverse effect on economic growth. However, since the study has heterogeneity among aid recipients, aid effectiveness varies according to country groups. Moreover, governance and aid size complement each other to improve growth in Sub-Saharan Africa.

3. Dataset and Methodology

3.1. Data

In the study, we analyse the effects of foreign aid and governance on economic growth for a sample of 78 low-income countries covering the years 2000-2019. Table 1 shows that we use which variables in the model to analyse relationships between them and which source we obtain them.

Table: 1
Variables Used in Models

Variable	Definition	Source*
Gdp	GDP per capita (Constant 2010, US$)	WB, WDI
Wgi	World Governance Indicator	WB, WGI
Aid	Net Official Development Assistance (Constant 2015, US$)	WB, WDI
Pop	Population Growth (Annual %)	WB, WGI
Life	Life Expectancy at Birth, Total (Years)	WB, WDI
Gross	Gross Domestic Income (Constant LCU)	WB, WDI
Trade	Trade (% of GDP)	WB, WDI
Dem	Democracy Level	Freedom House
Fdi	Foreign direct investment, net inflows (% of GDP)	WB, WDI

** Sources: World Bank, 2022a; WDI Database; World Bank, 2022b; WGI Database; Freedom House, 2022.*

Gdp, which we use as a dependent variable in the empirical analysis, expresses the level of GDP per capita, and its logarithmic form is included in the model. We obtain the variable from the WB World Development Indicators (WDI) database. The Worldwide Governance Index is expressed in *Wgi* from the WB's WGI database. We get the variable by averaging the six indicators (voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, the rule of law, and control of corruption) that measure the level of governance of countries, and it takes index value between -2.5 and +2.5. On the other hand, *Aid* indicates the net official development assistance received by the countries, and we include it in the model by taking the logarithm. We use *Pop* as a control variable, the annual change of the population; *Life* is life expectancy and gross domestic income in gross national currency. We include the *Gross* variable in the model by taking its logarithm. We have three instrumental variables; *Trade* represents the

share of trade in goods and services in GDP, and *Fdi* represents the share of foreign direct investments in GDP. The index, expressed with *Dem* and shows the level of democracy, is obtained by averaging the Political Rights and Civil Liberties data of Freedom House. This index takes values between 1 and 7.

3.2. Descriptive Statistics

We show the descriptive statistics of the variables in Table 2. The lowest value of the Wgi variable used as a governance indicator is -1.9, while the highest value is 0.6. Considering that this variable takes values between -2.5 and +2.5, the level of governance in the sample countries is low. On the other hand, the highest and lowest values of the log Aid variable, which shows the net official development assistance in the sample countries, are 23.937 dollars and 15.817 dollars, respectively. Accordingly, the average log Gdp per capita in the sample countries between 2000 and 2019 is 7.43 dollars.

Table: 2
Descriptive Statistics

Variables	Mean	Std. Dev.	Min	Max
LGdp	7.43	0.933	5.272	9.62
Wgi	-0.591	0.477	-1.957	0.63
LAid	19.976	1.099	15.817	23.937
Pop	1.753	1.178	-9.081	7.786
Life	64.697	8.985	39.441	78.875
LGross	27.561	3.232	20.129	35.979
Trade	75.14	34.487	0.167	311.354
Dem	4.15	1.531	1	7
Fdi	4.193	6.683	-37.155	103.337

We present the correlation matrix in Table 3. According to the table, there is a positive correlation between the *Gdp* levels of countries and *Wgi*, while there is a negative correlation with *Aid*.

Table: 3
Correlation Matrix

Variables	LGdp	Wgi	Laid	Pop	Life	LGross	Trade	Dem	Fdi
LGdp	1.000								
Wgi	0.428	1.000							
LAid	-0.298	-0.114	1.000						
Pop	-0.452	-0.192	0.259	1.000					
Life	0.621	0.272	-0.104	-0.410	1.000				
LGross	-0.057	-0.064	0.385	0.147	0.013	1.000			
Trade	0.159	0.163	-0.342	-0.236	0.175	-0.359	1.000		
Dem	-0.251	-0.690	0.108	0.137	-0.141	0.085	-0.084	1.000	
Fdi	-0.043	0.047	-0.020	0.056	0.017	-0.168	0.315	-0.059	1.000

3.3. Method and Analysis

In the study, we use dynamic panel data estimators proposed by Arellano & Bover (1995) and Bundell & Bond (1998) to examine the effects of foreign aid and governance on economic growth. The effective instrumental variable estimator proposed by Arellano & Bover (1995) by using the "orthogonal deviations" method in dynamic panel data models is

not taken as different from the current period as in the first difference method. Still, instead, the average of all possible future values of a variable is taken as distinct. This minimises the data loss caused by the first difference method in unbalanced panel data sets. Bundell & Bond (1998) emphasise the importance of the extra moment condition used to obtain the efficient estimator of the dynamic panel data model in case the time dimension is small (N>T) (Yerdelen-Tatoğlu, 2013: 85-88).

In this direction, we analyse the effects of foreign aid and governance on economic growth using the two-stage system GMM method, which is one of the dynamic panel data estimators, with the help of the following model:

$$LGdp_{it} = \alpha L.LGdp_{it-1} + \beta X'_{it} + \gamma Z'_{it} + \lambda_t + \varepsilon_{it}$$

X_{it} set of explanatory variables (*Wgi*, *LAid*); Indicates the Z_{it} control variables (*Pop*, *Life*, *LGross*). λ_t is the year dummy variable, and ε_{it} is the error term. $LGdp_{it}$, an independent variable in the model, represents logarithmic *Gdp*, and $L.LGdp_{it-1}$ represents the logarithmic *GDP* of the previous period.

Also, the internal instrument variables are logarithm *Gdp* (*L.LGdp*) and Governance (*Wgi*); the external instrumental variables are *LAid*, *Pop*, *Life*, *Trade*, *Dem*, *Fdi*, Year dummy, and Group dummy. We create the Group dummy variable according to their geography; it is classified as Asia, America, Europe, and Africa and takes a value between 1 and 4.

3.4. Estimation Results

We indicate the results of the two-stage system GMM analysis conducted to examine the effects of foreign aid and governance on growth in Table 4. The coefficients and t-statistics show the significance and direction of the impact of the explanatory variables on economic growth; the table also includes tests showing the accuracy and consistency of the model. Accordingly, the Arellano-Bond test, Hansen test, and F-test were applied to test the consistency of the two-stage system GMM estimators. As seen in the F-test result, the model is significant. The AR (2) test, used to test whether there is autocorrelation in the model, shows no second-order autocorrelation. We use the Hansen test to test the suitability of the instrument variables used in the model. As Roodman (2009) stated, the Hansen probability value (p-value) is expected to be between 0.10 and 0.25; otherwise, if the probability value is above 0.25, this finding indicates a potentially weak instrument variable. In this direction, the Hansen test result shows that we use appropriate instrumental variables in the model.

When we examine the model results, we can see that the lagged period value of the dependent variable economic growth is statistically significant at the 1% level. There is a positive relationship between them. A positive and statistically significant 5% relationship exists between the explanatory variable, *Wgi*, and the dependent variable. A statistically significant and negative 10% correlation exists between another explanatory variable, *LAid*, and the dependent variable. This finding is in line with the literature suggesting that foreign

aid may have a negative effect on low-income countries. As seen in the results of the control variables, there is a negative relationship between *Pop* and *Gdp* in the sample countries; it is seen that there is a positive relationship between *Life* and *LGross* and *LGdp*.

Table: 4
Estimation Results

Dependent Variable: LGdp	**Coefficient**	**t-statistic**
L.LGdp	0.9438*** (0.020)	48.23
Wgi	0.0240** (0.012)	2.01
Laid	-0.0095* (0.005)	-1.85
Pop	-0.0162*** (0.004)	-3.80
Life	0.0024* (0.001)	1.97
LGross	0.0039* (0.002)	1.75
Constant	0.4175** (0.187)	2.23
Tests and Statistics	**Year Dummy** **F Test (22,77)** **AR (1)** **AR (2)** **Hansen Test Statistic** **# Countries/Instruments** **# Observation**	Yes 339071.34 [0.000] [0.203] [0.469] [0.242] 78/63 1192

*Note: *, ** and *** indicate statistical significance at 10%, 5% and 1% levels, respectively. Values in parentheses indicate standard deviation, and values in square brackets indicate significance levels.*

4. Conclusion

Low-income countries can meet their capital needs, which arise in the growth and development process, with foreign aid, due to low savings. Although the amount of foreign aid used by these countries has gradually increased in recent years, the effect of this aid on the countries' economic growth is controversial. Besides the studies revealing the positive impact of foreign aid on growth in the literature, many studies emphasise its adverse effects.

On the other hand, there are different views in the historical process regarding the determinants of growth, and the growth literature has continued to expand. While mainstream economics schools emphasise savings and investments, public expenditures, and technological development in the growth process, the institutional economic thought that has come to the fore in recent years has emphasised the quality of institutional structure in countries. According to this view, a well-functioning institutional structure creates a suitable environment to encourage growth and development.

In line with this information, we examine the effect of the quality of governance, one of the elements of foreign aid and institutional structure, on economic growth for a sample of 78 low-income countries from 2000-2019. Thus, we aim to determine the effects of foreign aid and institutional structure on economic growth in developing countries using foreign aid. We exploit the two-stage system GMM, one of the dynamic panel data estimators developed by Arellano & Bover (1995) and Blundell & Bond (1998), to

empirically examine the relationship in question. The findings show a negative relationship between foreign aid and economic growth in the sample countries[3]. In addition, we conclude that the effect of governance on economic growth is positive. In light of this information, improvements in the quality of governance in the sample countries will positively affect economic growth. Increasing the quality of governance, a multidimensional concept is possible by improving more than one element. In other words, improvements in areas such as voice and accountability, political stability and absence of violence, the effectiveness of government, regulatory quality, the rule of law, and control of corruption, which are sub-components of governance, will have a positive impact on economic growth performance in these countries. Comprehensive arrangements for improvement in these components and stable policies to be implemented will help increase the level of governance in countries.

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[3] *Sample countries are shown in Table A1 of the Appendix.*

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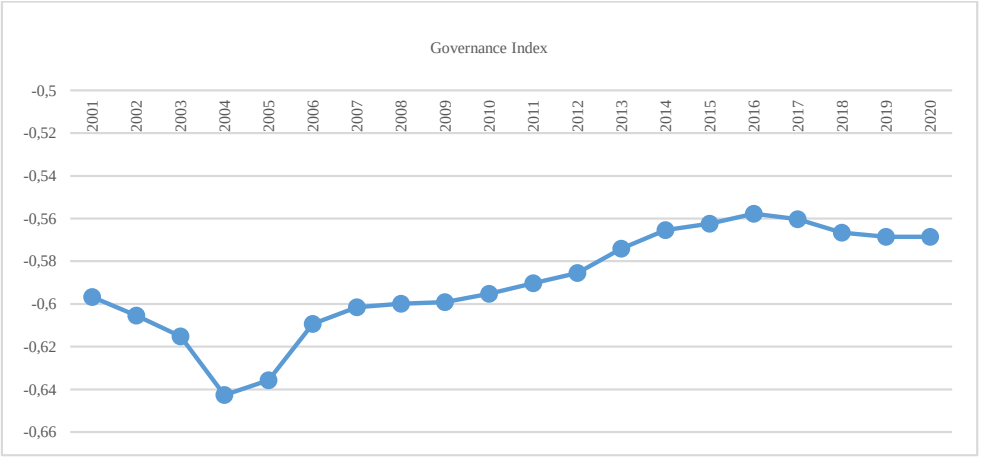
Appendix

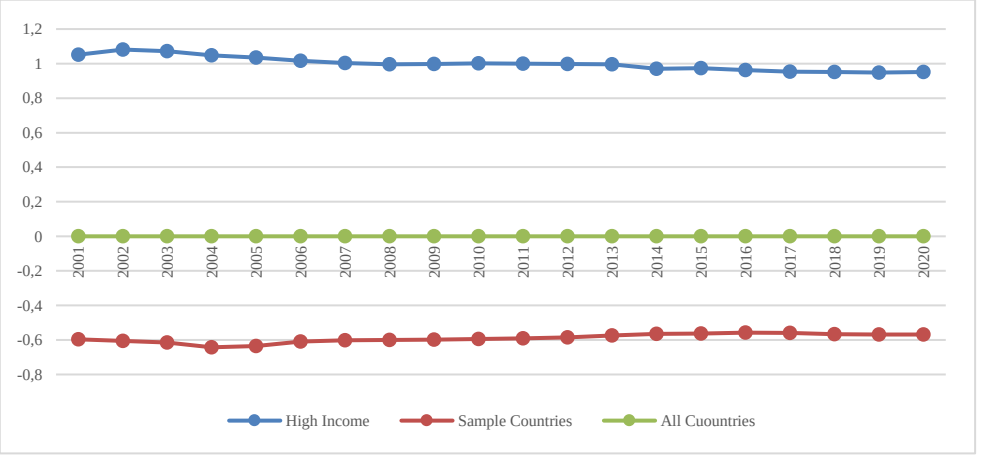
Figure: A1
Sample Countries by WGI Index (2000-2020)



Source: World Bank (2022b), WGI Database.

Figure A1 shows the average level of governance in the countries between 2000 and 2020. The WGI index values in Figure A1 were obtained by averaging the six governance components. The figure shows that the governance index takes negative values in the sample countries. The year with the lowest WGI score is 2004, while the highest is 2016. This indicates that the quality of governance could be better in these countries.

Figure: A2
Countries by WGI Index (2000-2020)



Source: World Bank (2022b), WGI Database.

Figure A2, which we create to reveal the place of sample countries in the whole world economy, compares country groups according to their governance scores. The figure shows the 2000-2020 WGI index score average of the 78 sample countries, developed countries (67), and all the countries with available data (214). According to the graph, the average WGI value in the sample countries for 2000-2020 is lower than both developed countries and the whole country group.

Table: A1
Sample Countries

Europe	Bosnia and Herzegovina, North Macedonia, Moldova, Serbia, Türkiye, Ukraine
Africa	Algeria, Egypt, Libya, Morocco, Tunisia, Benin, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Ivory Coast, Ethiopia, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Eswatini, Tanzania, Togo, Uganda, Zambia, Zimbabwe
America	Belize, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Bolivia, Colombia, Ecuador, Guyana, Paraguay
Asia	Cambodia, Lao People's Democratic Republic, Mongolia, East Timor, Vietnam, Armenia, Azerbaijan, Bangladesh, Bhutan, Georgia, India, Kyrgyzstan, Myanmar, Nepal, Pakistan, Tajikistan, Uzbekistan, Iraq, Jordan, Lebanon