



# 39<sup>TH</sup> ANNUAL MEETING

## BOARD OF GOVERNORS

ASIAN DEVELOPMENT BANK

Hyderabad, India

4–6 May 2006

**GS-02**

### **TAJIKISTAN**

**Davlatov Matlubkhon**, Governor

Let me thank President Kuroda and the Asian Development Bank (ADB) team for this opportunity to greet all the participants at this Annual Meeting, in a country characterized by such warm hospitality. I would like to express special gratitude to the Indian Government for its support in organizing and conducting today's meeting.

On behalf of Tajikistan, we welcome the new ADB members, Armenia and Brunei Darussalam. We consider the meeting to be a further important step in strengthening mutual cooperation and enhancing the solid relationship between Tajikistan and ADB.

I am very happy to acknowledge that ADB is one of Tajikistan's major donors, and its support has allowed our country to achieve a great deal in its economic reforms. We have been able to stabilize the economy. The annual average GDP increase in recent years was 9.4%.

The external debt situation has improved. In the past, this problem limited Tajikistan's capacity to accelerate economic growth and reduce poverty. Our progress was possible with the assistance of the donor community, and with its support we will continue to further improve external debt management. In the medium term, we aim to implement more economic reforms in order to ensure more sustainable growth.

We greatly appreciate the efforts of ADB as a major partner in formulating the long-term national development and medium-term poverty reduction strategies of Tajikistan. Cooperation with the Bank within the on-going programs will be expanded in line with our priorities.

We very much support ADB's new experimental activity on the multitranche financing facility (MFF) and hope that this will be replicated for ADF operations.

However, although lending for Tajikistan currently amounts to US\$262 million so far, this still does not satisfy the development needs of the country. Let me express our appreciation of ADB's commencement of operations in Tajikistan's private sector through trade development programs. Your efforts to extend financing for private sector development and enhance public-private partnerships would be highly appreciated.

It is no secret that at present developing countries feel the need for extended financing to maintain a strong growth and further development. These countries are at risk from unstable



financial markets, fluctuations in world prices for energy products, natural calamities, and, recently, avian influenza.

Taking into account the Government's shortage of internal resources and delays in development project implementation, I would like to propose that the Board of Directors of the Bank consider the possibility of financing projects in developing countries without counterpart financing by the Government. In this context, we welcome the timely multilateral initiative by the international community to increase grant financing.

These measures should improve the economic conditions of beneficiary countries and speed up implementation of development projects. ADB should take the lead role and do its best to eliminate deficit financing through extended grant assistance.

I also wish to acknowledge ADB's contribution towards developing regional cooperation under its current projects, and to express our thanks for its promotion of solutions to many inter-state issues that frequently arise because of lack of coordination.

In this period of economic globalization, we consider that ADB's initiatives need to be expanded, using the economic capacity in the region. The activities of ADB in realizing regional programs in Central Asia may be expanded for the generation of ecologically clean energy, transport and communication projects.

Tajikistan could take the lead in establishing new economic relations for regional cooperation in Central Asia. If we are to do that, we need the support of both individual countries and of international financial institutions, especially ADB.

From our side, I want to assure you that the Government of Tajikistan will follow the policy of economic reforms, greater transparency, and further development of free markets.