

**ASIAN DEVELOPMENT BANK**

**COUNTRY ASSISTANCE PLAN  
(2000-2002)**

**TAJIKISTAN**

**December 1999**

## FOREWORD

The Country Assistance Plan describes the planned program of assistance by the Asian Development Bank for [Tajikistan](#) covering the three-year period 2000-2002. It includes loan and technical assistance projects, as well as possible cofinancing from other donors. The CAP was prepared by the ADB between April and June 1999, in close consultation with the Government of [Tajikistan](#), and other stakeholders, including non-government organizations. The CAP was discussed with the Board of Directors in October 1999. The assistance plan described in the CAP is only indicative and may be revised to reflect more recent developments.

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## **CURRENCY EQUIVALENTS**

(as of 30 November 1999)

Currency Unit	—	Tajik ruble (TJR)
TJR1.00	=	\$0.00070
\$1.00	=	TJR1,436

## **ABBREVIATIONS**

ADB	-	Asian Development Bank
ADF	-	Asian Development Fund
ADTA	-	advisory technical assistance
CARs	-	Central Asian republics
COS	-	Country Operational Strategy
EBRD	-	European Bank for Reconstruction and Development
ESAF	-	Enhanced Structural Adjustment Facility
FSU	-	former Soviet Union
GDP	-	gross domestic product
IFC	-	International Finance Corporation
IMF	-	International Monetary Fund
IOS	-	Interim Operational Strategy
IPF	-	indicative planning figure
MOU	-	Memorandum of Understanding
RETA	-	regional technical assistance
SOEs	-	state-owned enterprises
TA	-	technical assistance
UN	-	United Nations
UNDP	-	United Nations Development Programme
UTO	-	United Tajik Opposition

## **NOTES**

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this Report, "\$" refers to US dollars.

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**TAJKISTAN**

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## TAJIKISTAN

### I. Country Performance Assessment

#### A. Economic Performance Assessment

1. Unlike the other former Soviet Union (FSU) republics in Central Asia, Tajikistan suffered a five-year civil war after it attained independence in 1991. The breakup of the FSU and the civil war caused an economic crisis. Real gross domestic product (GDP) contracted by 60 percent during 1991-1996, worse than the declines in Kazakhstan, the Kyrgyz Republic, and Uzbekistan. Fiscal deficits rose sharply to an average 21 percent of GDP during 1992-1994 as the Government's military expenditure increased, revenue collection fell, and budget support from Moscow ceased. The financing of the large fiscal deficits by the banking system resulted in hyperinflation that exceeded 2,000 percent in 1995. A peace agreement, signed on 27 June 1997, provides a basis for national reconciliation and establishes a framework for creating the necessary political, legal, and security conditions for holding new parliamentary elections. While the peace process has progressed, the security situation remains uncertain. Close coordination between the Government and the United Tajik Opposition (UTO) is essential for achieving the country's economic agenda and the link between continued progress in implementing the peace accord and progress in economic recovery is critical. In September 1999, a constitutional referendum extended the presidential term from five to seven years, legalized religious-based parties, and established a bicameral legislature. In November, President Rakhmanov was re-elected to a new seven-year term, and parliamentary elections are scheduled for February and March 2000.

2. Since the formal end to the civil conflict, Tajikistan has made impressive gains in achieving macroeconomic stability and, to a lesser degree, introducing structural reforms. The Government's post-conflict program is supported by the Asian Development Bank (ADB), World Bank and International Monetary Fund (IMF) under its three-year enhanced structural adjustment facility (ESAF) approved in June 1998. In 1997, economic growth turned positive (1.7 percent) for the first time since independence; the economy expanded further in 1998 with GDP increasing by 5.3 percent. Price stability was achieved, as inflation dropped to 2.7 percent in 1998. Although major efforts have been made to improve fiscal management by raising revenues and rationalizing public expenditure, which has resulted in a substantial reduction in the fiscal deficit, the budget position remains weak and limits the Government's spending on social services, protection for vulnerable groups and capital investment. Economic performance indicators are shown in Appendix 1.

3. The macroeconomic stabilization and structural adjustment program supported by the IMF's three-year ESAF remained largely on track through the end of 1998. However, the government has struggled to meet program targets in 1999 as a result of several external shocks, including the Russian financial crisis, the continued fall in cotton export prices, and the increase in imported fuel prices. In the first nine months of 1999, GDP grew by only 0.9 percent, reflecting a mixed performance across sectors of the economy. Industrial production grew by 6.8 percent, but agricultural output declined by 15 percent, and transportation declined by 8 percent. Inflation has also returned, registering 22.7 percent in the first nine months of 1999. However, the external balance improved during the first nine months of 1999, as exports were boosted due to the currency devaluation and the rebound in world aluminum prices. Significant efforts have been made to improve fiscal management. Reflecting the recent introduction of a new Tax Code and improved tax and customs administration, the fiscal deficit is expected to fall

to 3.2 percent of GDP in 1999 from 3.8 percent in 1998. However, the budget deficit continues to limit the Government's ability to finance and provide social services and to undertake capital investment and rehabilitation of infrastructure destroyed or damaged during the five-year civil war.

4. Some progress on structural reform has also been achieved. Price liberalization has been virtually completed as controls on almost all commodities were eliminated and the State orders system (of mandatory sales to the Government at State-determined prices) was abolished. A liberal trade and exchange system has been established. Trade restrictions were dismantled as most trade licensing requirements were phased out, export duties removed, and import duties were unified at a rate of 5 percent. This rate was raised to 8 percent in 1999 when Tajikistan joined the customs union of the CIS. Land reform has been undertaken as farmers are permitted to have transferable land use rights. However, privatization and enterprise restructuring have proceeded slowly. The privatization of small State-owned enterprises (SOEs) has accelerated after some delays and work has begun on the privatization of medium-size and large SOEs. A bank-restructuring program has begun, and legal and institutional reforms have been initiated. The Government recognizes the importance of deepening the reforms and extending them to other key economic sectors to consolidate the economic progress made so far.

## **B. Assessment of Socio-Environmental Performance**

### **1. Poverty Issues**

5. Tajikistan is one of the poorest countries in the world. Even prior to independence, it was the poorest of the FSU republics and was dependent on large budgetary support from Moscow, which accounted for 40 percent of the country's GDP. With the breakup of the FSU, Moscow's fiscal assistance was terminated. The economy was further devastated by the civil war and natural disasters. As a result, unemployment increased sharply and poverty became a serious problem. About 80 percent of the population lives below the poverty line. Virtually everybody in Tajikistan is poorer today than ten years ago. According to the World Bank, three poverty groups can be distinguished: the poor, the extremely poor, and the destitute. The poor (4 million or about 60 percent of the population) including most teachers, doctors, and farm workers, have incomes inadequate to meet basic food needs and other household expenditure. The extremely poor face chronic food insecurity or malnutrition and have no regular source of income except for a pension. They include pensioners, returned refugees, internally displaced people, and the long-term unemployed; and number between 700,000 and 800,000 people (15 percent of the population). The destitute comprising mainly the war handicapped, orphans, and street children are unable to care for themselves due to chronic illness or disability. This group, numbering between 200,000 and 300,000 people (about 5 percent of the population), need substantial social assistance to keep them alive.

### **2. Gender Issues**

6. Like the other Central Asian republics of the FSU, Tajikistan's legal and administrative systems do not discriminate against women. Equal access to education, child care, and maternity benefits enabled women to achieve a high level of participation in the work force. The economic and social disruption since independence has eroded this situation. The civil war has resulted in a steep rise in the number of female-headed households, almost all of whom live in poverty. The process of transition in other FSU republics has shown that in the initial difficult

transition period, women are likely to be first laid off and suffer greater cuts in wages than men. While data are unavailable, it is likely that this process is also occurring in Tajikistan.

### 3. Human Development

7. The sharp contraction of the economy following independence resulted in large-scale unemployment and underemployment. Hyperinflation eroded real wages and social allowances to a fraction of the pre-independence values. Public sector wage payments arrears increased rapidly and the Government's social expenditures were sharply reduced because of the loss of budget support from Moscow and the need to allocate resources for military purposes. As a result, the living conditions of the majority of the people declined as the incidence of poverty rose, the quality of social services deteriorated, and the social safety net faced serious financing problems. The human development index for Tajikistan fell from 0.63 in 1992 to 0.58 in 1995 and Tajikistan's ranking fell from 97 to 118.<sup>1</sup>

8. Tajikistan's education and health indicators have deteriorated since independence. School enrollment declined and a large number of children quit school because of damaged buildings, lack of heating and transport facilities, and security problems. Government expenditure on education was sharply reduced because of budgetary constraints. As a result, many schools were closed, many qualified teachers left the country or their profession, teaching hours were reduced, and school supplies became scarce. The country lost a huge amount of human capital.

9. The health status of the population also worsened. Infectious and poverty-related diseases such as typhoid, diarrhea, and tuberculosis increased and infant and maternal mortality rates rose rapidly. Many clinics were closed and by 1995 the supply of medicine had dropped to 30 percent of the 1989 level. Major factors contributing to the decline in health status include widespread malnutrition among the population, a reduction in Government expenditure on health, migration of health workers due to low wages and poor conditions, lower levels of immunization, destruction of hospitals during the civil war, and lack of safe drinking water

### 4. Environment

10. Achieving environmentally sustainable development is a challenge for Tajikistan given the past environmental damage and the present competing demands in the economy. The environmental problems confronting Tajikistan could not be addressed while the civil war was raging. Now that peace is being restored and the economy has started recovering, there are opportunities to tackle the pressing environmental concerns. Efforts will have to be carefully focused as resources continue to be scarce for the foreseeable future and institutional capacity can be built up only gradually.

11. Tajikistan's most serious environmental problems are increasing levels of soil salinity, massive soil erosion, deforestation, industrial pollution, and poor solid waste disposal. Other environmental issues include the deteriorating sewerage systems, vehicle emissions, and lack of appropriate treatment of waste from mining operations.

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<sup>1</sup> United Nations Development Programme (UNDP). 1997. *Human Development Report*. New York. Oxford University Press. UNDP's human development index summarizes the socioeconomic status of a country on the basis of per capita income, and major education and health indicators.

### **C. Governance: Sound Development Management**

12. The peace process has continued to advance despite occasional disputes. An Amnesty Law has pardoned UTO fighters, but progress has been slower than planned in resolving disputes over proposed constitutional amendments and in making some key appointments of UTO members to the Government, although the Cabinet positions allocated to the UTO (about one third) have been filled. UTO leaders announced on 3 August 1999 that the process of disarming opposition fighters and of their absorption into the Tajik army or Interior Ministry forces has been completed, making the transformation of the opposition from a military into a political force.

13. Tajikistan's President was re-elected on 6 November 1999 following a referendum held in September 1999, which approved an amendment to the country's constitution extending the presidential term from five to seven years. Parliamentary elections for a new bicameral legislature are scheduled for February and March 2000.

14. In August 1999 the ADB and the United Nations (UN) signed a Memorandum of Understanding (MOU) under which ADB staff and consultants will avail of the UN's security and evacuation arrangements in Tajikistan. This is a unique, formal undertaking by the UN with a non-member institution and reflects the high priority given by the UN for ensuring that the peace process is supported by the development assistance which the ADB proposes to provide. The MOU will allow ADB missions to consider travel to areas outside Dushanbe.

15. Initial steps have been taken to develop a legal framework necessary for a market economy. For that purpose a number of new laws and other legal acts were adopted. Among the laws that were recently approved by Parliament are the law on Privatization of State Property (November 1995 and revised in May 1997), Foreign Investment Law (revised in 1996), Central Bank Law (December 1996), and Law on Banks and Banking Activities (May 1998). In the first half of 1998, Parliament approved amendments to laws concerning collateral, joint stock companies, the stock market, and bankruptcy. Amendments will be made to laws on property, foreign trade, and foreign direct investment. The laws mentioned above have introduced new concepts into the legal system of Tajikistan. However, while they addressed a number of important specific problems and contributed to the transition to a market-based economy, their overall implications for the legal system were frequently not sufficiently evaluated. New laws and other legal acts frequently lack consistency with other legal acts and have to be amended for that reason after a short period. A Law Reform Commission has been established which has the task to review the consistency of laws currently in force, make appropriate amendments, where required, and publish a collection of laws of Tajikistan in both the Tajik and Russian languages. ADB is supporting the work of the Law Reform Commission through advisory technical assistance (ADTA). These reforms will increase transparency and predictability and thereby encourage growth in private investment. Under ADB's Postconflict Infrastructure Program Loan (1998), substantial reforms are also being undertaken in the legal and regulatory framework in the transport and energy sectors.

### **D. Implementation Assessment**

16. Prior to 1998, the ADB had no experience in Tajikistan. However, experience in the ADB's other FSU countries indicate that Tajikistan's capacity to absorb ADB assistance will be

limited by: the difficult fiscal situation and the resultant scarcity of local counterpart funds; weak administrative structures with limited policy formulation and implementation capacities; lack of exposure and inadequate experience with policies, procedures and practices of external donors; and communication, cultural and language barriers. Tajikistan's capacity to absorb ADB's loans will be enhanced by technical assistance, which will familiarize senior Government officials with ADB's operational policies and procedures, and provide on-the-job training and human resource development component for the key entities.

17. The ADB also draws on the experiences of the World Bank, which has provided a significant share of its resources for postconflict operations. The World Bank's findings indicate that successful implementation of programs and projects need to include: early involvement in defining a post-conflict reconstruction strategy; a good assessment of needs; an active role in post-conflict aid coordination; flexible and expeditious programming; a willingness to help local authorities with program and project preparation; diversification of programming into various sectors; and the use of pilot projects in community-based activities and in programs to support local initiatives. Additional findings indicate that effective assistance requires a proactive involvement of senior management in key decisions, a strong commitment by staff with adequate staffing and delegation of authority. The multilateral and bilateral agencies have shared with ADB their experiences in implementing programs and projects in Tajikistan, and their lessons learned will be incorporated into developing and operationalizing ADB's program.

## **II. Country Operational Strategy**

18. The ADB's Interim Operational Strategy (IOS) for Tajikistan, endorsed by the Board of Directors in October 1998, has the objectives of (i) facilitating the country's transition to a market economy, (ii) assisting in the postconflict rehabilitation and reconstruction, and (iii) providing support for natural disaster rehabilitation. ADB operations will promote development of small and medium-size enterprises and assist in reducing poverty, particularly for female-headed households and communities in remote mountainous areas. To maximize the development impact of ADB's assistance, and taking into account ADB's experience in other Central Asian republics, its available resources, the activities of other donors and the Government's priorities, the IOS focuses on three priority areas: (i) agriculture and agroprocessing; (ii) infrastructure rehabilitation, especially roads and power; and (iii) education.

19. Since the IOS was prepared, the ADB has undertaken a detailed social sector review. In response to the Government's request, and to assist in mitigating the continued deterioration in social indicators, support has been broadened to include health and social protection, besides education.

20. The program for 2000-2002 will support the economy's transition to a market-based system by improving incentives for greater private participation; enhancing support for those adversely affected by the transition by supporting retraining and appropriate educational skills, as well as through an improved social safety net; and improving physical infrastructure services. Following on from ADB's first intervention, the Postconflict Infrastructure Program (1998), which addressed key policy, legal and institutional issues in the power and roads sectors, the program for 2000-2002 includes project loans to meet the urgent rehabilitation needs of the two sectors. ADB's assistance for reducing poverty will be provided mainly in the agriculture sector through projects for community-based services and rural financial systems, although job creation will be an important part of the infrastructure rehabilitation projects in the power and roads sectors.

21. The strategic development objectives of human development, gender and environment will be explicitly addressed as part of ADB assistance in each of the priority sectors. Strengthening human resources will be achieved by developing training programs and skills that fulfill the needs of a market economy. In view of the steep rise in the number of households headed by women living in poverty, ADB's efforts for women in development in the near term will concentrate on mitigating the poverty problems of these households. Given its limited resources, ADB will confine its environment-oriented interventions to water management issues. These environmental issues will be addressed through investment and technical assistance projects in the agriculture sector.

### **III. Sector Strategies**

#### **A. Agriculture**

22. The principal objective is to support the Government's efforts for sector reforms and postconflict agricultural rehabilitation and reconstruction. An ADB-financed agriculture study will be undertaken to examine the critical sector issues and lay the basis for ADB's medium-term involvement in the sector. ADB will assist the Government to implement major sector reforms that include (i) facilitating land reform and farm restructuring to improve the incentive structure and farm management, (ii) encouraging competition in agricultural marketing, and (iii) developing a framework for providing the necessary financial services. ADB assistance will be provided to help policy formulation, strengthen institutional capacities, support small rural enterprise development, reduce rural poverty, and address environment-related water management issues. Community-based agricultural rehabilitation will be the focus of ADB's near-term sector intervention.

23. The focus of ADB's short-term assistance will be on community-based agricultural rehabilitation, which will promote employment generation, increase food security, and reduce rural poverty. The pilot project will also provide ADB with a window to better understand the rural sector, and build up implementation capacity at the local level.

#### **B. Infrastructure**

24. ADB's strategy is to strengthen the transport sector to promote sustainable economic development, providing more employment opportunities and generating additional incomes in poor areas, thus contributing to poverty reduction. ADB will assist the Government to (i) undertake sector reforms to remove policy and institutional impediments to the delivery of efficient services, and (ii) rehabilitate the deteriorating and damaged infrastructure. ADB operations will concentrate on the road subsector. ADB support will include (i) developing a policy and regulatory framework appropriate for a market economy; (ii) commercializing and privatizing operations of SOEs to improve operational efficiency; (iii) promoting competition and private sector participation in the provision of services; (iv) raising funding by improving collection of tariffs, introducing user charge practices, and removing subsidy-induced distortions in the pricing of services; (v) rehabilitating crucial infrastructure; (vi) improving maintenance and safety standards; and (vii) developing human resources and strengthening institutions.

25. ADB's interim operational strategy for the energy sector is aimed at promoting economic growth by removing policy, institutional and financing impediments to the delivery of efficient services. This will be achieved by supporting the Government's sector reform agenda and providing financial resources to rehabilitate rapidly deteriorating and damaged infrastructure. ADB's strategy will also support the Government's ongoing economic transition to a market economy by assisting in (i) developing an enabling policy and regulatory framework to foster

economic development; (ii) commercializing and privatizing State-owned enterprises to improve efficiency; (iii) promoting competition and private sector participation in the provision of energy services; (iv) improving cooperation with neighboring countries; (v) increasing funding for the energy sector by improving collection of tariffs and charges; (vi) developing a user-pay approach and removing subsidy-induced distortions in the pricing of services; (vii) rehabilitating basic infrastructure and improving operations, maintenance and safety standards; and (viii) developing human resources.

### **C. Social Infrastructure and Environment**

26. The very serious deterioration in living standards and the massive problem of poverty which has emerged since independence, indicate that ADB should attempt to alleviate this situation with an early intervention in the social sectors. It was in this context that the Social Sector Rehabilitation Project was developed and approved by the Board in 1999. The project will re-activate delivery of essential social services, by rehabilitating existing infrastructure, providing essential supplies, strengthening the delivery of services and improving targeting and access to services by vulnerable groups at the local level. By focusing on rural districts and promoting local construction work, the Project will contribute to reducing poverty. The Project will strengthen local governments and community participation in the new context of reconstruction and peace-building of the Republic of Tajikistan. The Project will focus on Leninabad and Khatlon areas for the training and rehabilitation components, but will also bring nation-wide benefits for the distribution of textbooks, medical equipment and supplies, public information campaigns, and management information systems for the Social Fund. The social sector program will be pursued in close coordination with the World Bank, which is also active in the sector.

27. The interim operational strategy for Tajikistan acknowledges that ADB will not provide assistance for stand-alone environmental projects. As solutions to many of the Tajikistan's environmental problems are related to better management of water resources, ADB will focus its environment-oriented activities on water management issues. An ADTA for improving water resources management in agriculture is proposed for 2001. At a minimum, all ADB projects will be designed to have no negative environmental impact, or if they do will incorporate mitigating measures; wherever possible, proactive environmental components will be included in ADB-financed projects.

28. The IOS includes a focus on disaster management to address Tajikistan's particular susceptibility to natural disasters. ADB provided a \$5 million Emergency Flood Rehabilitation loan in 1999 supported by TA. Further TA is planned for 2000 to assist the Government to address disaster preparedness, management and prevention issues.

### **D. Governance Dimensions of ADB Operations**

29. ADB operations in Tajikistan will focus on supporting the transition from the former central planning structures to the institutions necessary to support the emerging market economy. Both loan and TA operations in the agriculture, energy and transport, and social sectors will incorporate a substantial program of institution building. In addition to improving the organizational structures of sector agencies, assistance will strengthen analytic and policy development capacity. ADB will also provide support for improved corporate governance and enterprise reform. ADB's first loan to Tajikistan, the Post Conflict Infrastructure Program Loan, addresses a range of governance issues including reform of the legal framework and government structures, improved management efficiency of key institutions, separation of the

regulatory and operational functions, and implementation of market pricing and user pays principles.

30. A major theme in the IOS is to assist Tajikistan in its transition to a market economy. Reform of the legal and administrative systems is a key element in encouraging private sector development. With ADB assistance, the Government will establish a Law Reform Commission which will have the task of reviewing the consistency of laws and other legal acts, propose appropriate amendments to such laws and legal acts where required, and publish a collection of laws of Tajikistan in the Tajik and Russian languages. In this context the Government has indicated that further assistance towards law reform, dissemination of laws and development of a modern legal information system is a priority. TA to assist this work was therefore included in the program.

#### **E. Gender Dimensions of ADB Operations**

31. Work on a gender and development strategy for Tajikistan was initiated in 1999 and the study will be finalized in early 2000. The impact of policy reforms on women was analyzed in the preparation of the Postconflict Infrastructure Program. The Social Sector Rehabilitation Project, approved in 1999, included components which will specifically benefit women.

#### **F. Private Sector Operations**

32. ADB's public sector operations will support, where appropriate, improvement of incentives for private investment by enhancing the policy, legislative, regulatory, and institutional framework. To date, ADB has not undertaken any direct private sector operations in the Central Asia Republics (CARs). This reflects the earlier arrangement between ADB and the European Bank for Reconstruction and Development (EBRD) that there would be a division of labor between the two institutions such that private sector operations would be the responsibility of the latter. However, it is now felt by all parties that ADB has a relevant role to play in direct support to the private sector. Consequently, in consultation with the governments of the CARs and the EBRD, ADB has prepared a Private Sector Strategy for Central Asia, which was circulated to the Board of Directors in March 1998. The strategy, which has subsequently been welcomed by the Government of Tajikistan, proposes that ADB respond to the region's needs by (i) focusing on private sector operations that would be directly complementary to public sector programs; (ii) developing programs in those sectors that can have a direct impact on reducing the costs of transition, particularly in the social sectors; and (iii) seeking the maximum involvement of other investors or participants. The Strategy recognizes that, given the existing programs of the ADB and other funding agencies, there are likely opportunities for ADB to provide direct assistance to the private sector in (i) the financial sector, especially to encourage good corporate governance; (ii) infrastructure, especially in rehabilitation and operation projects; (iii) company towns facing difficulties; (iv) agriculture, to encourage farm restructuring; (v) small- and medium-scale enterprise assistance; and (vi) social infrastructure, to help create private sector service providers.

### **IV. Subregional Economic Cooperation**

33. ADB will support subregional cooperation in Central Asia. The four ADB members in the region (Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan) share a common institutional history and face similar policy and reform challenges. Moreover, the infrastructure inherited upon independence was designed to meet the needs of the FSU, not the requirements of the present independent countries.

34. In response to strong requests from the governments, ADB assistance has been provided to help resolve cross-border and subregional issues. Under a regional technical assistance (RETA) approved in 1997, ADB has supported subregional cooperation among Kazakhstan, the Kyrgyz Republic, Uzbekistan, and the Xinjiang Uygur Autonomous Region of the PRC in the areas of energy, transport, and trade and payments systems. During a series of workshops, high-priority policy reforms and investments were identified. Under the second phase of the RETA which was approved in December 1998, (i) the dialogue will be intensified to support policy reform and sector analysis; (ii) active private sector involvement will be sought; (iii) steps will be taken to improve the institutional capacity of public agencies involved and to enhance the legal and regulatory framework; and (iv) assistance will be provided to implement priority regional infrastructure investments. The second phase of the RETA will provide the opportunity to involve Tajikistan. Under the ADB-financed RETA: Rural Financial Systems Workshop in Central Asia, a workshop was held which aimed at contributing to capacity building for developing a sustainable rural financial system by gaining better insights on the role of rural finance, by exposing policy makers to best international practices, and by learning from rural finance experiences in the region.

## V. Donor Activities and Aid Coordination

35. Tajikistan has received limited external assistance since independence. By July 1998, assistance totaling \$454 million was committed for the country (Appendix 2). The multilateral agencies, particularly IMF and the World Bank, are the major sources accounting for 88 percent of the total. World Bank operations began in 1994 and six loans totaling \$137 million have been approved.<sup>2</sup> A new World Bank country assistance strategy envisages total lending of \$220 million to Tajikistan during FY1999-FY2001 and focuses its operation on privatization, agriculture, finance, social services and protection, and capacity building. While assistance has been provided by several countries such as Germany, the Netherlands, and the United States, funds from bilateral sources were limited to \$46 million (10 percent of the total). The balance was covered by non-government organizations. During the Second Consultative Group Meeting for Tajikistan in May 1998, the multilateral agencies accounted for more than 90 percent of total assistance of \$280 million committed for 1998-1999.<sup>3</sup> The perceived high risks to project implementation and personal safety are the principal factors for the slow entry of much bilateral assistance.

36. External assistance has consisted mainly of balance of payments support reflecting the country's severe economic difficulties. Of the \$454 million total commitments by July 1998, balance of payments support accounted for nearly 50 percent of the total. Emergency rehabilitation and reconstruction and humanitarian relief accounted for a further 26 percent, while conventional development projects accounted for only 18 percent of total assistance. Tajikistan's external sector is expected to remain under pressure in the near term, so the bulk of external assistance will continue to be required for balance of payments support. As further progress on the peace process and macroeconomic stabilization is achieved and the economic recovery continues, more external resources are expected to shift from balance of payments

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<sup>2</sup> These include a \$5 million Institution Building Technical Assistance Loan approved on 16 May 1996; a \$50 million Policy-based Agricultural Recovery and Social Protection Credit approved on 2 September 1996; a \$12 million Pilot Poverty Alleviation Project approved on 10 April 1997; a \$10 million policy-based Postconflict Rehabilitation Credit approved on 16 December 1997; a \$10 million Postconflict Emergency Reconstruction Project approved on 29 January 1998; and a \$50 million policy-based Structural Adjustment Credit approved on 31 July 1998.

<sup>3</sup> IN. 126-98: Tajikistan: Second Consultative Group Meeting, 22 June 1998.

support to conventional project assistance. A summary of overall external assistance to Tajikistan is given in Appendix 2.

37. During 1998 commitments by both the IMF and the World Bank in response to progress in macroeconomic stabilization and policy reform have substantially increased the volume of external financing. The IMF provided its first assistance to Tajikistan in May 1996 under a standby arrangement amounting to \$22 million. It also approved a postconflict assistance of \$20 million in December 1997. Satisfactory progress under the postconflict program has resulted in the approval on 24 June 1998 of an ESAF totaling \$128 million over a three-year period.

38. The World Bank has been the major source of development assistance to Tajikistan in the post-independence period. In July 1998 the World Bank approved a \$50 million Structural Adjustment Credit. The credit will contribute to achieving the following objectives: (a) restoring macroeconomic stability; (b) implementing a transparent privatization program; (c) reforming the financial sector and restructuring the banking system; and (d) lessening the adverse impact of reforms on the poor by protecting budgetary provisions for health, education, and the social safety net. The World Bank's country assistance strategy envisages lending totaling \$220 million during FY1999-2001. World Bank operations are focused on privatization, agriculture, social services and protection and capacity building. The International Finance Corporation (IFC) has made equity investments in and provided loans to a gold mining company. Its current main work is assisting in the assessment of the future of the large TADAS aluminium smelter, an issue which the IMF's ESAF requires the Government to address. Studies are underway to assess the plant's viability and associated power supply considerations; the latter is being coordinated with ADB's technical assistance for institutional strengthening in the power sector (1998). The IFC is considering assistance for restructuring some commercial banks and providing lines of credit.

39. As of 31 December 1998, the EBRD had approved five projects approximately equivalent to \$17 million. An SME credit line project of \$8.6 million was approved in December 1996 and a loan of \$1.7 million was approved in July 1997 to a private food packaging company. In addition EBRD, utilizing a grant from the Netherlands, has provided assistance to resurface the runway at Dushanbe Airport and conducted several technical cooperation projects to prepare investment projects in the financial, gold mining and telecommunications sectors. The Islamic Development Bank has approved two loans totaling \$12.5 million dollars for a Cardio-Vascular Surgery Center (\$3 million) and Schools Reconstruction (\$9.5 million).

## **VI. Cofinancing and Catalyzing External Resources**

40. While it will be difficult to project the levels of cofinancing at this stage, given the infancy of ADB operations in Tajikistan, the ADB will actively explore avenues of mobilizing cofinancing. Given the Government's fiscal difficulties, cofinancing will be important to help reduce the share of counterpart financing in total project costs. The lending program includes projects in agriculture and agro-processing, energy and transport sectors. In this context, ADB will explore official cofinancing for such projects. With bilateral donors currently under-represented in Tajikistan, due largely to the security situation, there is scope to attract them to support developmental efforts in Tajikistan through cofinancing of projects processed by ADB and other multilateral agencies. In view of the country's extremely limited debt servicing capacity, Government policy agreed with the IMF seeks to limit external borrowing to concessional sources. In these circumstances there will be very limited prospects for export credit financing and commercial financing.

## VII. ADB's Operational Program

41. The proposed lending program for 2000-2002 is for \$120 million, which corresponds to the assessment of the absorptive capacity of the Government and the current indicative planning figure (IPF) for Tajikistan of \$40 million. Due to ADF resource constraints since 1998, the annual IPFs for Asian Development Fund (ADF) DMCs have been compressed. However, in the medium term Tajikistan is expected to have the demand for, and the capacity to absorb, a higher level of ADB concessional assistance to meet its development needs. Thus, although the programmed levels of assistance reflect the resource constraints, IPFs for 2001 and 2002 could be increased should circumstances permit.

42. The focus of ADB's operations in Tajikistan will be maintained during 2000-2002, with the six proposed firm projects providing support in the agriculture, infrastructure and social sectors. Special emphasis will be given to enhancing the policy reform agenda in these sectors to ensure that the development impact of ADB assistance is maximized through a contribution to the sustainability of the transition to a market economy. By project mix, economic growth projects account for 33 percent, while 67 percent are aimed at projects with social concerns as primary or secondary objectives.

43. Technical assistance is programmed at over \$4 million a year (with the program for 2002 expected to be further developed) and will be directed to the three priority areas. The program has seven PPTAs and 12 ADTAs. The ADTAs are planned to support capacity-building initiatives to strengthen the Government's ability to implement its development agenda in a more effective manner.

44. The proposed loan and technical assistance pipeline for 2000-2002 is summarized in Table 1. Details of the pipeline and its strategic development objective orientation are provided in Appendices 3 and 4. Project profiles for firm 2000 loans are attached as Appendix 5.

**Table 1: Lending and Technical Assistance Program, 2000-2002**

A. Public Sector Lending Program

	1998 (Actual)		1999 (Actual)		2000		2001		2002	
	(No.)	(\$ million)	(No.)	(\$ million)	(No.)	(\$ million)	(No.)	(\$ million)	(No.)	(\$ million)
Lending Program (ADF) <sup>a</sup>	1	20.0	2	25.0	2	40.0	2	40.0	2	40.0
ADF	1	20.0	2	25.0	2	40.0	2	40.0	2	40.0
OCR	-	-	-	-	-	-	-	-	-	-
Lending Pipeline (ADF) <sup>b</sup>	-	-	-	-	3	60.0	3	60.0	3	70.0
ADF	-	-	-	-	3	60.0	3	60.0	3	70.0
OCR	-	-	-	-	-	-	-	-	-	-

B. Technical Assistance Program

	1998 (Actual)		1999 (Actual)		2000		2001		2002	
	(No.)	(\$ '000)	(No.)	(\$'000)	(No.)	(\$'000)	(No.)	(\$'000)	(No.)	(\$'000)
TA Program <sup>a</sup>	2	1,650.0	7	3,840.0	7	4,400.0	8	4,800.0	4	3,200.0
TA Pipeline <sup>b</sup>	-	-	-	-	9	5,800.0	8	4,800.0	4	3,200.0

<sup>a</sup> The Program is comprised of the firm projects.

<sup>b</sup> The Pipeline consists of the Program (firm projects) and standby projects.

### **VIII. Economic and Sector Work Program**

45. The proposed economic and sector work program will include assisting the Government in addressing cross-cutting issues in the social sector, especially on gender-related concerns. An environmental profile of Tajikistan and a Gender and Development Strategy will be produced to guide ADB operations in these areas. A Country Economic Review will be updated yearly. In addition, ADB will support the Government in its efforts to carry out policy and institutional reforms in agriculture, education, and transport and energy sectors. In this regard sector studies in both agriculture and education are planned. ADB is contributing to the joint World Bank-UNDP living standards measurement survey, the results of which will be the basis for developing a more comprehensive strategy for poverty reduction.

### **IX. Local Cost Financing**

46. As a Group A country, Tajikistan is eligible for an 80 percent standard financing limit. To improve fiscal management, the Government has undertaken measures to raise revenues and rationalize public expenditures. However, resource availability in the public sector will be extremely tight for the foreseeable future and it is expected that Tajikistan will borrow from ADB for financing local costs.

**TAJIKISTAN**  
**COUNTRY PERFORMANCE INDICATORS**

Item	1994	1995	1996	1997	1998	1999
<b>ECONOMIC INDICATORS</b>						
<b>A. Income and Growth</b>						
1. GNP per capita (US\$, current) <sup>a</sup>	–	–	340.0	330.0	–	
2. GDP Growth (% , constant prices)	-18.9	-12.5	-4.4	1.7	5.3	0.9 <sup>c</sup>
a. Agriculture and Forestry	–	–	–	6.5	–	–
b. Industry and Construction	–	–	–	-2.8	–	–
c. Services	–	–	–	–	–	–
<b>B. Money and Inflation</b>						
	<b>(annual percent change)</b>					
1. Consumer Prices (end of period)	1.1	2,131.9	40.6	159.8	2.7	22.7 <sup>c</sup>
2. Broad Money (M2)	159.4	–	93.2	110.7	30.7	–
<b>C. Government Finance</b>						
	<b>(percent of GDP)</b>					
1. Revenue	42.8	15.2	12.1	13.7	12.1	13.3 <sup>c</sup>
2. Expenditure	52.9	26.5	17.9	17.0	15.8	18.0 <sup>c</sup>
3. Overall Surplus / Deficit (-)	-10.1	-11.2	-5.8	-3.3	-3.8	-4.7 <sup>c</sup>
<b>D. Balance of Payments</b>						
	<b>(percent of GDP)</b>					
1. Merchandise Trade Balance	-15.3	-9.7	-1.5	-5.8	-11.2	–
2. Current Account Balance	-20.5	-14.6	-7.4	-5.4	-8.8	–
3. Export (\$) growth (%)	22.6	39.2	-1.1	-3.1	-21.4	–
4. Import (\$) growth (%)	7.4	22.2	-6.2	3.0	-9.7	–
<b>E. External Payments Indicators</b>						
1. Gross Official Reserves (\$ million, end-period)	1	4	14	30	65	41 <sup>c</sup>
- (months of Imports)	0.0	0.1	0.3	0.6	1.5	1.0 <sup>c</sup>
2. External Debt Service (% of exports)	9.9	29.4	33.0	11.1	9.9	7.4 <sup>d</sup>
3. External Debt (% of GDP)	91.7	133.6	80.9	101.2	89.8	130.0 <sup>d</sup>
<b>Memorandum Items:</b>						
GDP (billion rubles, current prices) <sup>b</sup>	1,786.5	64.8	308.5	632.0	1,025.0	835.5 <sup>c</sup>
Exchange Rate (annual average; TJR ruble per \$)	–	135	298	564	773.3	1211.5 <sup>e</sup>
Population (million, end of period)	5.76	5.86	5.95	6.04	6.16	

– = Not available; GNP = Gross National Product; GDP = Gross Domestic Product.

<sup>a</sup> World Bank estimates, using Atlas methodology based on a three-year average of inflation-adjusted exchange rates.

<sup>b</sup> GDP for 1994 in Russian ruble, for 1995-1997 in Tajik ruble (TJR).

<sup>c</sup> Refers to the first three quarters of 1999.

<sup>d</sup> Projection for 1999

<sup>e</sup> Average for January to November 1999.

Sources: Tajikistan authorities, International Monetary Fund and World Bank.

**TAJIKISTAN**  
**COUNTRY PERFORMANCE INDICATORS**

Item	1985	1990	Latest Year	
<b>POPULATION INDICATORS</b>				
Total Population ('000, end of period)	4631	5342	6044	(1997)
Rural Population (percent)	-	-	72.6	(1997)
Annual Population Growth Rate (% change over the previous year)	-	3.0	2.4	(1997)
<b>SOCIAL INDICATORS</b>				
Total Fertility Rate (births per woman)	-	-	4.9	(1996)
Maternal Mortality Rate (per hundred thousand live births)	-	-	87.8	(1996)
Infant Mortality Rate (below 1 year; per '000 live births)	38.9 (1989)	-	53.4	(1997)
Life Expectancy at Birth (years)	-	66.3 (1994)	69.6	(1996)
Female	-	-	71.0	
Male	-	-	65.0	
Adult Literacy (%)	97.7 (1989)	-	-	
Percent of population below the poverty line	30.0 (1989)	-	80.0	(1996)
Population with Access to Safe Water (%)	-	-	60.0	(1996)
Population with Access to Sanitation (%)	-	-	-	
Education Expenditure as % of GDP	-	10.4 (1992)	2.1	(1997)
Health Expenditure as % of GDP	-	5.3 (1992)	1.3	(1997)
Human Development Index	-	0.629 (1992)	0.575	(1995)
Human Development Ranking	-	97	118	
<b>ENVIRONMENTAL INDICATORS</b>				
Forestry				
Total Forest Area (thousand hectares)	-	410 (1990)	410	(1995)
Annual deforestation	-	-	-	
Biodiversity				
Nationally protected area				
Area (thousand hectares)	-	-	587	(1997)
Number	-	-	18	(1997)
As % of land area	-	-	4.2	(1997)
Biosphere reserves				
Area (thousand hectares)	-	-	-	
Number	-	-	-	
World Heritage sites (number)				
Area (thousand hectares)	-	-	-	
Number	-	-	-	
Wetlands of international importance				
Area (thousand hectares)	-	-	-	
Number	-	-	-	
Land Use (thousand hectares)				
Cropland	-	-	846	(1992-94)
Permanent pasture	-	-	3,533	(1992-94)
Global Environmental Problems				
Total CO <sub>2</sub> emissions (thousand metric tons)	-	-	3,741	(1995)
Per capita CO <sub>2</sub> emissions (metric tons)	-	-	0.7	(1995)

- = not available; GDP = Gross domestic product; CO<sub>2</sub> = carbon dioxide.

Source: Tajikistan authorities and UNDP, Tajikistan Human Development Report.

**TAJIKISTAN**  
**PORTFOLIO PERFORMANCE**  
**Table 1 : Implementation, Disbursement Performance and Postevaluation Results**  
**Public Sector Projects only**  
(as of 31 December 1998)

A. Project Portfolio	Net Loan Amount \$ million    %		Rating (No.) <sup>a</sup>									
			Total		Implementation Progress				Development Objectives			
			No.	%	HS	S	PS	U	HS	S	PS	U
Agriculture and Natural Resources	-	-	-	-	-	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-	-	-	-	-	-
Finance and Industry	-	-	-	-	-	-	-	-	-	-	-	-
Social Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Transport and Communications	-	-	-	-	-	-	-	-	-	-	-	-
Others/Multisector	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>20.0</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>	-	<b>1</b>	-	-	-	-	<b>1</b>	-

B. Disbursements	OCR	ADF	Total
(1) Total funds available for withdrawal (\$ mn, active loans only)	-	-	-
(2) Disbursed amount (\$ mn, cumulative, active loans only)	-	-	-
(3) Percentage disbursed [(2)/(1)] (%)	-	-	-
(4) Disbursements (\$mn, active loans only, latest year)	-	-	-
(5) Disbursement ratio (%) <sup>b</sup>	-	-	-

  

C. Net Transfer of Resources (\$ million)	OCR	ADF	Total
Net transfer in 1995	-	-	-
Net transfer in 1996	-	-	-
Net transfer in 1997	-	-	-
Net transfer in 1998	-	-	-

D. Post-Evaluated Projects	1968 - 1977		1978 - 1987		1988 - 1998		1968 - 1998	
	No.	%	No.	%	No.	%	No.	%
<b>1. Postevaluation Rating</b>								
Rated Generally Successful (GS)	-	-	-	-	-	-	-	-
Rated Partly Successful (PS)	-	-	-	-	-	-	-	-
Rated Unsuccessful (US)	-	-	-	-	-	-	-	-
No Rating	-	-	-	-	-	-	-	-
<b>Total</b>								
<b>2. Postevaluation Rating by Sector</b>								
1968-1998								
	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	-	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-	-
Finance and Industry	-	-	-	-	-	-	-	-
Social Infrastructure	-	-	-	-	-	-	-	-
Transport and Communications	-	-	-	-	-	-	-	-
Others/Multisector	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

<sup>a</sup> HS: Highly satisfactory; S: Satisfactory; PS: Partially satisfactory; U: Unsatisfactory

<sup>b</sup> Ratio of disbursement during the year over the undisbursed net loan balance less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

**TAJKISTAN**  
**PORTFOLIO PERFORMANCE**

**Table 2 : Status of Project Implementation**  
**Public Sector Projects Only**  
**(as of 31 December 1998)**

Sector <sup>a</sup>	Project Title	Net Loan Amount		Approval Date (mm/yy)	Effectivity Date (mm/yy)	Closing Date		Physical Progress (% complete)	Cum. Contract Awards (\$ million)	Cumulative Disbursement (\$ million)	Project Performance Rating <sup>b</sup>	
		OCR	ADF			Original	Revised				Implementation Progress	Development Objective
		(\$ million)				(mm/yy)						
OTH	Postconflict Rehabilitation Program	-	20.00	Dec-98	pending	Dec-00	-	-	-	-	S	S
	<b>Total</b>	-	<b>20.00</b>						-	-		

<sup>a</sup> Sector:

AGR: Agriculture & Natural Resources

ENE: Energy

SOC: Social Infrastructure

I&F: Industry and Finance

T&C: Transport and Communications

OTH: Multisector/Others

<sup>b</sup> HS: Highly satisfactory; S: Satisfactory; PS: Partially satisfactory; U: Unsatisfactory

**TAJIKISTAN**  
**OVERALL EXTERNAL ASSISTANCE**

External Source (\$ million)	As of 31 July 1998 (Commitments)	
	Amount	Percent of total
<b>A. Multilateral Assistance</b>		
International Monetary Fund	171.0	37.7
World Bank	143.6	31.6
European Union/European Community	49.1	10.8
Islamic Development Bank	12.8	2.8
United Nations	11.3	2.5
European Bank for Reconstruction and Development	10.9	2.4
Subtotal	398.7	87.8
<b>B. Bilateral Assistance</b>		
Finland	2.1	0.5
Germany	5.0	1.1
Japan	1.8	0.4
Netherlands	7.7	1.7
United Kingdom	1.6	0.4
United States	26.2	5.8
Others	1.8	0.4
Subtotal	46.2	10.2
<b>C. Nongovernment Organizations</b>		
Aga Khan Foundation	4.1	0.9
Central Asian American Enterprise Fund	1.0	0.2
Others	3.9	0.9
Subtotal	9.0	2.0
<b>Total</b>	<b>453.9</b>	<b>100.0</b>

Source : Aid Coordination Unit of the Government of Tajikistan.

**TAJKISTAN**  
**LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2000-2002**  
(Amounts in \$ million)

Sector/Project Name	Strategic Dev't Objectives <sup>a</sup>		Responsible Division	Year of PPTA	PROJECT COST					
	Primary	Secondary			TOTAL	Bank		Gov't	Cofinancing (Others)	
						OCR	ADF			Total
<b>2000 FIRM LOANS</b>										
<b>Energy</b>										
1. Power Distribution Rehabilitation	ECO	-	IEEN	1999	25.0	-	20.0	20.0	TBD	TBD
<i>Subtotal</i>					25.0	0.0	20.0	20.0	TBD	TBD
<b>Transport and Communications</b>										
1. Road Rehabilitation	ECO	-	IETC	1999	25.0	-	20.0	20.0	TBD	TBD
<i>Subtotal</i>					25.0	0.0	20.0	20.0	TBD	TBD
<b>Total</b>					<b>50.0</b>	<b>0.0</b>	<b>40.0</b>	<b>40.0</b>	<b>TBD</b>	<b>TBD</b>
<b>2000 STANDBY LOANS</b>										
<b>Agriculture and Natural Resources</b>										
1. Community-Based Agricultural Rehabilitation	POV	ENV	AEFN	1999	25.0	-	20.0	20.0	TBD	TBD
<i>Subtotal</i>					25.0	0.0	20.0	20.0	TBD	TBD
<b>Total</b>					<b>25.0</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>TBD</b>	<b>TBD</b>
<b>2001 LOAN PIPELINE</b>										
<b>FIRM</b>										
<b>Agriculture and Natural Resources</b>										
1. Community-Based Agricultural Rehabilitation	POV	ENV	AEFN	1999	25.0	-	20.0	20.0	TBD	TBD
<i>Subtotal</i>					25.0	0.0	20.0	20.0	TBD	TBD
<b>Social Infrastructure</b>										
1. Active Labor Retraining	HD	-	AEEH	2000	25.0	-	20.0	20.0	TBD	TBD
<i>Subtotal</i>					25.0	0.0	20.0	20.0	TBD	TBD
<b>Total (Firm)</b>					<b>50.0</b>	<b>0.0</b>	<b>40.0</b>	<b>40.0</b>	<b>TBD</b>	<b>TBD</b>
<b>STANDBY</b>										
<b>Social Infrastructure</b>										
1. Decentralized Social Sector Development	HD	-	AEEH	2001	25.0	-	20.0	20.0	TBD	TBD
<i>Subtotal</i>					25.0	0.0	20.0	20.0	TBD	TBD
<b>Total (Standby)</b>					<b>25.0</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>TBD</b>	<b>TBD</b>
<b>2002 LOAN PIPELINE</b>										
<b>FIRM</b>										
<b>Agriculture and Natural Resources</b>										
1. Rural Financial Systems Development	POV	-	AEAR	2001	25.0	-	20.0	20.0	TBD	TBD
<i>Subtotal</i>					25.0	0.0	20.0	20.0	TBD	TBD
<b>Social Infrastructure</b>										
1. Decentralized Social Sector Development	HD	-	AEEH	2001	25.0	-	20.0	20.0	TBD	TBD
<i>Subtotal</i>					25.0	0.0	20.0	20.0	TBD	TBD
<b>Total (Firm)</b>					<b>50.0</b>	<b>0.0</b>	<b>40.0</b>	<b>40.0</b>	<b>TBD</b>	<b>TBD</b>
<b>STANDBY</b>										
<b>Transport and Communications</b>										
1. Road Rehabilitation and Maintenance	ECO	-	IETC	2001	38.0	-	30.0	30.0	TBD	TBD
<i>Subtotal</i>					38.0	0.0	30.0	30.0	TBD	TBD
<b>Total (Standby)</b>					<b>38.0</b>	<b>0.0</b>	<b>30.0</b>	<b>30.0</b>	<b>TBD</b>	<b>TBD</b>

<sup>a</sup> ECO = Economic Growth; ENV = Environmental Protection; HD = Human Development; and POV = Poverty Reduction.  
TBD = to be determined.

**TAJKISTAN**  
**LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2000-2002**

Sector/Project Name	Responsible Division	Type of TA	Amount (\$'000)		
			Bank	Others	Total
<b>2000 TECHNICAL ASSISTANCE PROGRAM</b>					
<b>FIRM</b>					
<b>Agriculture and Natural Resources</b>					
1. Community-based Agricultural Rehabilitation	AEFN	PP	600.0	-	600.0
2. Strategy for Improved Flood Management	AEFN	AD	600.0	-	600.0
	<b>Subtotal</b>		<u>1,200.0</u>	<u>0.0</u>	<u>1,200.0</u>
<b>Energy</b>					
1. Strategic Options for Power Sector <sup>a</sup>	IEEN	AD	600.0	-	600.0
	<b>Subtotal</b>		<u>600.0</u>	<u>0.0</u>	<u>600.0</u>
<b>Social Infrastructure</b>					
1. Active Labor Retraining	AEEH	PP	700.0	-	700.0
2. Social Sector Financing Study	AEEH	AD	600.0	-	600.0
	<b>Subtotal</b>		<u>1,300.0</u>	<u>0.0</u>	<u>1,300.0</u>
<b>Transport and Communications</b>					
1. Road Rehabilitation <sup>a</sup>	IETC	AD	600.0	-	600.0
	<b>Subtotal</b>		<u>600.0</u>	<u>0.0</u>	<u>600.0</u>
<b>Others</b>					
1. Improving Aid Coordination	PE3	AD	700.0	-	700.0
	<b>Subtotal</b>		<u>700.0</u>	<u>0.0</u>	<u>700.0</u>
	<b>Total (Firm)</b>		<u><b>4,400.0</b></u>	<u><b>0.0</b></u>	<u><b>4,400.0</b></u>
<b>STANDBY</b>					
<b>Agriculture and Natural Resources</b>					
1. Capacity Building for Agricultural Rehabilitation <sup>a</sup>	AEFN	AD	700.0	-	700.0
	<b>Subtotal</b>		<u>700.0</u>	<u>0.0</u>	<u>700.0</u>
<b>Social Infrastructure</b>					
1. Decentralized Social Sector Development	AEEH	PP	700.0	-	700.0
	<b>Subtotal</b>		<u>700.0</u>	<u>0.0</u>	<u>700.0</u>
	<b>Total (Standby)</b>		<u><b>1,400.0</b></u>	<u><b>0.0</b></u>	<u><b>1,400.0</b></u>
<b>2001 TECHNICAL ASSISTANCE PROGRAM</b>					
<b>Agriculture and Natural Resources</b>					
1. Rural Financial Systems Development	AEAR	PP	700.0	-	700.0
2. Capacity Building for Agricultural Rehabilitation <sup>a</sup>	AEFN	AD	700.0	-	700.0
3. Water Resources Management in Agriculture	AEFN	AD	600.0	-	600.0
	<b>Subtotal</b>		<u>2,000.0</u>	<u>-</u>	<u>2,000.0</u>
<b>Social Infrastructure</b>					
1. Decentralized Social Sector Development	AEEH	PP	700.0	-	700.0
2. Education Sector Capacity Building	AEEH	AD	600.0	-	600.0
	<b>Subtotal</b>		<u>1,300.0</u>	<u>-</u>	<u>1,300.0</u>
<b>Transport and Communications</b>					
1. Road Rehabilitation and Maintenance	IETC	PP	800.0	-	800.0
	<b>Subtotal</b>		<u>800.0</u>	<u>-</u>	<u>800.0</u>
<b>Others</b>					
1. Legal System Capacity Building	OGC	AD	100.0	-	100.0
2. Environmental Assessment and Monitoring Capacity Building	ENVD	AD	600.0	-	600.0
	<b>Subtotal</b>		<u>700.0</u>	<u>-</u>	<u>700.0</u>
	<b>Total</b>		<u><b>4,800.0</b></u>	<u><b>0.0</b></u>	<u><b>4,800.0</b></u>
<b>2002 TECHNICAL ASSISTANCE PROGRAM</b>					
<b>Agriculture and Natural Resources</b>					
1. Agribusiness Development	AEAR	PP	800.0	-	800.0
	<b>Subtotal</b>		<u>800.0</u>	<u>0.0</u>	<u>800.0</u>
<b>Social Infrastructure</b>					
1. Basic Education	AEEH	PP	800.0	-	800.0
	<b>Subtotal</b>		<u>800.0</u>	<u>0.0</u>	<u>800.0</u>
<b>Transport and Communications</b>					
1. Capacity Building for Transport Sector	IETC	AD	800.0	-	800.0
	<b>Subtotal</b>		<u>800.0</u>	<u>0.0</u>	<u>800.0</u>
<b>Others</b>					
1. Capacity Building in Corporate Governance	IEFI	AD	800.0	-	800.0
	<b>Subtotal</b>		<u>800.0</u>	<u>0.0</u>	<u>800.0</u>
	<b>Total</b>		<u><b>3,200.0</b></u>	<u><b>-</b></u>	<u><b>3,200.0</b></u>

<sup>a</sup> Piggy-backed to a loan.

**TAJKISTAN**  
**LENDING PROGRAM BY TYPE AND SECTOR, 2000-2002**

Classification	2000 (Firm)		2001-2002	
	No.	% <sup>a</sup>	No.	% <sup>a</sup>
<b>I. By Type</b>				
A. Economic Growth	2	100.0	-	-
B. Projects Directly Aimed at Social Concerns	-	-	4	100.0
C. Projects Directly Aimed at Environmental Concerns	-	-	-	-
D. Economic Growth-oriented Projects with Social and/or Environmental Concerns	-	-	-	-
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>
<b>II. By Sector</b>				
A. Agriculture and Natural Resources	-	-	2	50.0
B. Energy	1	50.0	-	-
C. Finance and Industry	-	-	-	-
D. Transport and Communications	1	50.0	-	-
E. Social Infrastructure	-	-	2	50.0
F. Others/Multisector	-	-	-	-
<b>Total</b>	<b>2</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>

<sup>a</sup> rounded off.

## TAJIKISTAN

PROJECT PROFILE					
1. <b>Project Name:</b> Power Distribution Rehabilitation			2. <b>Sector/Subsector:</b> Energy		
3. <b>Dev. Objective:</b> Primary: ECO Secondary: ENV					
4. <b>Rationale &amp; Objectives:</b>			5. <b>Beneficiary Participation/Consultation Needs:</b>  The ultimate beneficiaries of the Project will be end-users in Dushanbe who will have improved quality and reliable supply of electricity.		
6. <b>Scope:</b>  The proposed Project will comprise of rehabilitating transmission and distribution systems and expansion of existing substations.					
7. <b>Estimated Cost &amp; Financing Plan (\$):</b>			(c) Remarks		
(a) PPTA: Amount - \$ 0.85m Source - JSF					
(b) Loan Project Cost (\$m)					
<b>Financing (Source)</b>	<b>FC</b>	<b>LC</b>			<b>Total</b>
Bank	TBD	TBD			20.0
Cofinancing	TBD	TBD			TBD
Borrower	TBD	TBD			TBD
Sub-borrowers	TBD	TBD	TBD		
Total	TBD	TBD	25.0		
8. <b>Estimated Benefits and Beneficiary Groups:</b>  Electricity end-users in Dushanbe.					
9. <b>Executing Agency:</b>  Barki Tajik (State Power Enterprise)			11. <b>Project Implementation Period:</b>  Start: End:		
10. <b>Previous Bank Experience with EA (Good, Fair, Poor):</b>					
12. <b>Portfolio Feedback:</b>			13. <b>Expected Issues:</b>		
14. <b>Environmental Category:</b> A			16. <b>Processing Year:</b>		
15. <b>Input Date:</b> 05-Aug-99			TA 1999		
			Loan 2000		

## TAJIKISTAN

PROJECT PROFILE					
1. <b>Project Name:</b> Road Rehabilitation			2. <b>Sector/Subsector:</b>  Transport and Communication (Road Subsector)		
3. <b>Dev. Objective:</b> Primary: ECO Secondary:					
4. <b>Rationale &amp; Objectives:</b>  Infrastructure in the transport sector has been severely damaged by the effects of the civil conflict, natural disasters and inadequate maintenance due to lack of funds. The main objective of the Project is to undertake rehabilitation in priority areas and support recovery of the economy after the civil conflicts.			5. <b>Beneficiary Participation/Consultation Needs:</b>  N/A		
6. <b>Scope:</b>  The scope will comprise rehabilitation of part of Tajikistan's road network to be identified by the ongoing PPTA and improvement of road maintenance including maintenance financing and administration. Training will be provided as necessary to improve institutional capacity in road facility management.					
7. <b>Estimated Cost &amp; Financing Plan (\$):</b>			(c) <b>Remarks</b>		
(a) TA: Amount - \$850,000 for PPTA (TA 3168) Source - JSF					
(b) <b>Loan Project Cost (\$m)</b>					
<b>Financing (Source)</b>	<b>FC</b>	<b>LC</b>			<b>Total</b>
Bank	20.0	0.0			20.0
Cofinancing	TBD	0.0			TBD
Borrower	TBD	TBD			TBD
<b>Total</b>	<b>25.0</b>	<b>0.0</b>	<b>25.0</b>		
8. <b>Estimated Benefits and Beneficiary Groups:</b>  The Project will improve the quality and efficiency of the road network and implement the policy reforms under the Program Loan financed by the ADB.					
9. <b>Executing Agency:</b>  Ministry of Transport			11. <b>Project Implementation Period:</b>  Start: 2001 End: 2004		
10. <b>Previous Bank Experience with EA (Good, Fair, Poor):</b> Good					
12. <b>Portfolio Feedback:</b>  N/A			14. <b>Expected Issues:</b>  Policy dialogue/social concerns/capacity building		
14. <b>Environmental Category:</b> TBD			16. <b>Processing Year:</b>		
15. <b>Input Date:</b> 16-Jul-1999			TA	Loan	
			1999	2000	

## TAJIKISTAN

PROJECT PROFILE				
<b>1. Project Name:</b> Community-Based Agricultural Rehabilitation			<b>2. Sector/Subsector:</b>  Agriculture and Natural Resources/ Agricultural Support Services	
<b>3. Dev. Objective:</b> Primary: POV      Secondary: ENV				
<b>4. Rationale &amp; Objectives:</b>  The Project is expected to generate the following outputs in the project area: (i) improved agricultural production and reduced food deficiency; (ii) increased private farming; (iii) improved marketing network by private input suppliers and traders; and (iv) initiated development of agricultural extension systems.			<b>5. Beneficiary Participation/Consultation Needs:</b>  Extensive consultation with project area communities will be required during project preparation in order to ensure that the Project addresses the key sector issues and is implementable. By building upon NGO experiences, the Project will take a participatory approach in its design and implementation.	
<b>6. Scope:</b>  The project design will be based on the successful experiences of agricultural rehabilitation activities currently carried out by international communities, particularly NGOs. The Project will complement their efforts by injecting funds and utilizing their project implementation capacities.				
<b>7. Estimated Cost &amp; Financing Plan (\$):</b>				<b>(c) Remarks</b>
(a) TA: Amount      - \$600,000 Source      - TBD				
<b>(b) Loan Project Cost (\$m)</b>				
<b>Financing (Source)</b>	<b>FC</b>	<b>LC</b>	<b>Total</b>	
Bank	TBD	TBD	20.0	
Cofinancing	TBD	TBD	TBD	
<b>Total</b>	<b>TBD</b>	<b>TBD</b>	<b>25.0</b>	
<b>8. Estimated Benefits and Beneficiary Groups:</b>  Expected beneficiaries of the proposed Project will be the rural poor in Khatlon and Leninabad Oblasts. Project support to these areas will facilitate agricultural rehabilitation, reduce food deficit, alleviate poverty, and generate rural employment.				
<b>9. Executing Agency:</b>  Ministry of Agriculture			<b>11. Project Implementation Period:</b>	
<b>10. Previous Bank Experience with EA (Good, Fair, Poor):</b>			Start: <u>PPTA</u> <u>Loan</u> 1999      2001	
End:      2000				
<b>12. Portfolio Feedback:</b>  N/A			<b>13. Expected Issues:</b>	
<b>14. Environmental Category:</b> B			<b>16. Processing Year:</b>	
<b>15. Input Date:</b> 16-Jul-1999			TA	Loan
			1999	2000