



Asian Development Bank & Tajikistan

FACT SHEET

Table 1. Tajikistan: Development Indicators

Non-MDG	
Population in millions	7.28 (2008)
Annual population growth rate (%)	2.0 (2006–2008)
Adult literacy rate (%)	99.6 (2007)
Percent of population in urban areas	26.4 (2007)
MDG	
Percent of population living on less than \$1.25 a day	21.5 (2004)
Percent of population living below the national poverty line	44.4 (2003)
Under-5 mortality rate per 1,000 live births	67 (2007)
Percent of population using an improved drinking water source	67 (2006)

MDG = Millennium Development Goal.

Sources: ADB. 2009. *Basic Statistics 2009*. Manila.
UNESCO. 2009. Institute for Statistics Data Centre.
World Bank. 2009. World Development Indicators Online.

After a period of political instability and economic decline following the end of Tajikistan's long civil conflict, the country has made substantial progress with gross domestic product growth averaging about 8% per year over the last 5 years. Poverty incidence fell to 44.4% in 2003, from 81% in 1999.

However, the growing economy has encountered accelerating inflation, driven by higher food and energy prices over the last 2 years. The recent global slowdown has mixed implications for the country. Lower food and fuel prices will ease inflationary pressures, but stagnation of remittances will hit growth and spending by the poor.

Key obstacles to poverty reduction include the inefficient and inequitable delivery of public services, infrastructure bottlenecks, and the slow implementation of reforms in key economic sectors, particularly agriculture. A weak climate for private investment is a significant constraint to pro-poor growth.

The focus of Tajikistan's medium-term poverty reduction strategy is to improve productivity in the economic and social sectors, solve governance issues hindering private sector development and delivery of social services to the poor, and rationalize public expenditure allocations for more equitable distribution of essential social services.

Relationship with ADB

The Asian Development Bank (ADB) began operations in Tajikistan in 1998 and has enjoyed a stable partnership during the past decade. ADB's main task was to channel financial and technical resources to help the country improve the overall economic situation, reduce poverty, and rehabilitate infrastructure. As of the end of 2008, Tajikistan has received \$372.54 million in loans, \$33.89 million in technical assistance (TA), and \$100.77 million in grants.

Tajikistan has been solely an Asian Development Fund (ADF) borrower because of its poverty level and relatively low socioeconomic indicators. Starting from 2008, the country is eligible for grants up to 100% of its entire ADF allocation. The first Country Strategy and Program (CSP) to guide ADB activities in Tajikistan ended in 2008 and covered the period 2004–2008. Promoting regional cooperation through improving road and energy infrastructure remains the priority crosscutting theme of current and future ADB assistance. These interventions are in line with the country's poverty reduction and national development strategies.

ADB currently preparing a new Country Partnership Strategy for 2009–2012 for Board consideration in 2009.

Impact of Assistance

In 2008, ADB completed its first full-fledged Country Partnership Strategy in Tajikistan. ADB is one of the largest development partners in the country. The assessment of ADB's activities is satisfactory. Key strengths have been continued focus on transport and energy sectors within

the regional cooperation context and a series of rehabilitation projects in agriculture and irrigation infrastructure.

The ADB transport portfolio consists of the completed Post-Conflict Infrastructure Program (\$20 million loan) that supported reforms in the transport and power sectors; a completed Dushanbe–Kurgan–Tyube–Dangara–Kulyab road rehabilitation project (\$20 million loan); three ongoing projects to rehabilitate the Dushanbe–Kyrgyz Border–People’s Republic of China road corridor (a total of \$97.9 million loan/grant); and a number of TA and grant projects funded by the Japan Fund for Poverty Reduction (JFPR).

The energy sector has also been continuously receiving support from ADB, starting with the above-mentioned completed Post-Conflict Infrastructure Program: the Power Rehabilitation Project (\$34 million loan) to further strengthen the power sector; the completed Baipaza Landslide Stabilization Project (\$5.3 million loan); a \$21.5 million loan for the Regional Power Transmission Interconnection Project to facilitate the export of clean energy from Tajikistan to Afghanistan; the most recent grant of \$54.77 million for the Nurek 500-kilovolt Switchyard Reconstruction Project was approved in November 2008 to rehabilitate an ageing facility in Tajikistan’s electricity supply network in danger of collapse; and a number of smaller grants and TA projects.

In the agriculture and natural resources sector, ADB provided support through a range of activities. Closed in 2004, the \$3.6 million loan for the Emergency Restoration of Yavan Water Conveyance System project helped restore household and irrigation water supply to 56,000 people and 11,750 hectares of land, leading to enhanced and protected living conditions for the rural poor in the area. Two major loans for agriculture rehabilitation (\$35 million) and irrigation rehabilitation (\$22.7 million) projects are being implemented to enhance crop yields and improve the living conditions of farming communities. A \$12 million loan/grant provided for the Sustainable Cotton Subsector Project in 2006 improves cotton market development. A Rural Development Project,

approved in 2007, aims to facilitate private investments in cash crops other than cotton, as well as downstream and upstream activities that focus on poverty reduction. In 2007, ADB also provided a \$22 million loan for the Khatlon Province Flood Risk Management Project to help address recurring flood risks in four districts in the province. A major part of the project is the rehabilitation of 8.3 kilometers of flood protection embankment along Pyanj River, which borders Tajikistan and neighboring Afghanistan.

As part of its assistance to social sectors, ADB successfully completed the \$20 million Social Sector Rehabilitation Project in 2005, which was designed to rehabilitate health and education facilities damaged or destroyed during the civil conflict. ADB is also nearing completion of education and health sector reform loans and related TA and JFPR grants, which support improvement of equitable access to and quality of services, and efficiency and management in these sectors.

Future Directions

Tajikistan’s lending program for 2009–2010, based on the country performance assessment exercise, is about \$103 million. In addition, regional projects are funded from subregional resources under the ADF. In 2008, Tajikistan became eligible for 100% grants of its entire ADF allocation up to 2012.

ADB is currently preparing the next phase of its development agenda for 2009–2012. The upcoming multi-year Country Partnership Strategy will conform to the priorities set forth in ADB’s forward-looking document, Strategy 2020, a long-term strategic framework for promoting development in the Asia and Pacific region. ADB’s program

Table 2. Tajikistan: Economic Indicators, 2004–2008

Economic Indicator	2004	2005	2006	2007	2008
Per capita GNI, Atlas method (\$)	280	330	390	460	...
GDP growth (% change per year)	10.6	6.7	7.0	7.8	7.9
CPI (% change per year)	7.2	7.3	10.0	13.2	20.7
Unemployment rate (%)	2.0	2.0	2.3	2.6	...
Fiscal balance (% of GDP)	-2.4	-2.9	1.7	-6.2	-7.2
Export growth (% change per year)	20.9	-68.2	1.2	10.0	10.0
Import growth (% change per year)	23.5	-21.9	38.0	54.0	43.8
Current account balance (% of GDP)	-4.0	-2.7	-2.8	-11.2	-9.3
External debt (% of GNI)	52.2	47.7	37.5	34.0	...

... = data not available, CPI = consumer price index, GDP = gross domestic product, GNI = gross national income.

Sources: ADB. 2009. *Asian Development Outlook 2009*. Manila.
ADB staff estimates.
World Bank. 2009. World Development Indicators Online.

Table 3. Tajikistan: 2008 Loan, TA, and Grant Approvals (\$ million)

Loans		TA	Grants ^a	Total
Sovereign	Nonsovereign			
–	–	0.9	61.3	62.2

– = nil.

^a JFPR grant for \$3.0 million, ADF IX grant for \$54.77 million, and GEF grant for \$3.5 million.

Cumulative Lending (as of 31 Dec 2008) : \$372.5 million
Cumulative Disbursements (as of 31 Dec 2008) : \$223.1 million

Table 4. Tajikistan: Cumulative ADB Lending as of 31 December 2008

Sector	Loans (no.)	Amount (\$ million)	% ^a
Agriculture and Natural Resources	6	99.34	26.67
Education	1	7.50	2.01
Energy	3	75.50	20.27
Finance	2	8.00	2.15
Health, Nutrition, and Social Protection	1	7.50	2.01
Industry and Trade	2	20.70	5.56
Multisector	3	45.00	12.08
Transport and Communications	4	105.40	28.29
Water Supply, Sanitation, and Waste Management	1	3.60	0.97
Total	23	372.54	100.00

^a Total may not add up because of rounding.

Table 5. Tajikistan: Project Success Rates

By Sector	Percentage ^a	No. of Rated Projects/ Programs
Agriculture and Natural Resources	100.0	1
Industry and Trade	100.0	1
Multisector	66.7	3
Transport and Communications	100.0	1
Water Supply, Sanitation, and Waste Management	100.0	1
Total	85.7	7
By Year of Approval		
1990s	66.7	3
2000s	100.0	4

^a Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PCRVRs), and project/program evaluation reports (PPERs) using PCRVR or PPER ratings in all cases where PCR and PCRVR/PPER ratings are available.

Sources: PCRs, PCRVRs, and PPERs containing a rating circulated as of 31 December 2008.

in Tajikistan is expected to continue supporting regional cooperation, the energy and transport sectors, and provide policy support for improving the investment climate.

Operational Challenges

Tajikistan has made significant progress in growing its economy and reducing poverty in recent years. ADB, together with other development partners, is working closely with the Government to implement wide-ranging reforms in various sectors of the national economy.

Efforts to increase the effectiveness of foreign assistance in Tajikistan through annual portfolio performance and project review meetings with the Government are also being made. Since 2004, ADB and the World Bank have been holding joint Country Portfolio Performance Review (CPPR) meetings to address generic issues affecting portfolio performance. On 23 September 2008, ADB and the World Bank undertook the fourth joint CPPR, which led to a joint action plan for improvements in portfolio performance.

ADB also supported Tajikistan's efforts to improve portfolio management and donor coordination under a recently completed TA project.

Partnership

Regionally, ADB is involved in developing regional energy policy and regional energy trading projects under the framework of the Central Asia Regional Economic Cooperation Program. It has also worked closely

Table 6. Tajikistan: Portfolio Performance Quality Indicators for Sovereign Lending, 2007–2008

	2007 (\$ million)	2008 (\$ million)
Number of Ongoing Loans (as of 31 Dec 2008)		13
Contract Awards/Commitments	57.90	66.83
Disbursements	38.33	50.01
Loans at Risk (%)	–	7.7

– = nil.

Table 7. Cumulative Nonsovereign Operations Portfolio Distribution by Top Countries, 1983–2008^{a,b}

Country	No. of Projects	Total ADB Approvals (\$ million)
India	37	2,268
People's Republic of China	21	1,694
Indonesia	15	879
Philippines	28	768
Pakistan	27	721
Kazakhstan	5	550
Thailand	10	319
Viet Nam	8	305
Sri Lanka	13	280
Bangladesh	8	242
Afghanistan	6	208
Lao People's Democratic Republic	1	100
Other DMCs	13	87
Azerbaijan	4	66
Nepal	4	59
Regional	36	930

DMC = developing member country.

^a Includes nonsovereign projects processed by the Private Sector Operations Department and various regional operations departments of ADB. Regional operations departments started nonsovereign operations in 2007.

^b Net of facilities cancelled in full before signing.

Source: Private Sector Operations Department.

with key development partners and the Government to prepare a national education strategy for Tajikistan and to reform the health sector. ADB is leading the Central Asian Countries Initiative for Land Management, a partnership of five Central Asian countries and development partners dedicated to combating land degradation and improving rural livelihoods.

The United Kingdom's Department for International Development and ADB proceeded with joint implementation of the TA on Implementation Support for Private Sector Development Strategy in Tajikistan, and the European Union and ADB continued progress on the coordinated implementation of the TA on Strengthening Results Management in Support of Poverty Reduction Strategy in Tajikistan, cofinanced by the Government of Sweden.

Twelve donors (including ADB) are currently preparing a joint country support strategy for Tajikistan for 2009–2012 for finalization in 2009, which is expected to be managed through a results-based framework.

Table 8. Tajikistan: Contractors/suppliers involved in ADB loan projects, 1 January 2004–31 December 2008

Contractor/Supplier	Sector	Contract Amount (\$ million)
Rohat, Ltd.	Agriculture and Natural Resources	4.41
Obi Toza Company	Agriculture and Natural Resources	4.03
Yokut	Multisector	2.32
Obshoron Company	Agriculture and Natural Resources	1.78
Neki, Ltd.	Agriculture and Natural Resources	1.75
OJSC Tajikgidroelectromontaj	Energy	1.64
Sugdien Represented by Nonpaz, Ltd.	Agriculture and Natural Resources	1.56
CJSC Sharora	Agriculture and Natural Resources	1.31
Firuz 1 Company	Agriculture and Natural Resources	1.30
Easteco International	Agriculture and Natural Resources	1.26

Table 9. Tajikistan: Top consultants (individual consultants and consulting firms) involved in ADB loan projects, 1 January 2004–31 December 2008

Consultant	Number of Times Contracted	Contract Amount (\$ million)
O'zbekkommunalloyiha	1	0.35
Individual Consultants from Tajikistan*	10	0.14
CSC NPSO Techno-Invest	1	0.03
PricewaterhouseCoopers	1	0.03
Professional Qualification Institute (PQI)	1	0.02
State Research Institute Giintiz	1	0.02
LLC RPKB Invest Project	1	0.01
National Health Life Style Center	1	0.01
Shodmon LLC	1	0.01
LLC Story Invest 2000	1	0.00
State Research and Design Institute	1	0.00

* Consultant may have one or more contracts within the period covered.

Table 10. Tajikistan: Top consultants (individual consultants and consulting firms) involved in ADB technical assistance projects, 1 January 2004–31 December 2008

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Individual Consultants from Tajikistan*	61	1.00
Open Society Institute Assistance Foundation	1	0.26
Finconsult, Ltd.	1	0.07
Public Association (NGO) Nakukor	1	0.05

* Consultant may have one or more contracts within the period covered.

ADB cooperates with civil society organizations to strengthen the effectiveness, quality, and sustainability of the services it provides. Starting from 2005, ADB's Resident Mission in Tajikistan has been arranging media briefings and consultations with civil society groups.

Cofinancing and Procurement

Cofinancing operations enable ADB's financing partners—governments or their agencies, multilateral financing institutions, and commercial organizations—to participate in the financing of ADB projects. The additional funds are provided in the form of grants, official loans, or credit enhancement products.

In 2008, the Global Environment Facility provided \$3.5 million grant cofinancing for the Rural Development project.

As of year-end 2008, cumulative direct value-added cofinancing for Tajikistan amounted to \$25.5 million for five investment projects, and \$6.60 million for 10 TA projects.

A summary of projects with cofinancing from 1 January 2004 to 31 December 2008 is available at www.adb.org/Documents/Fact_Sheets/Tajikistan/cofinancing.asp.

As of 31 December 2008, 10,330 consultant contracts were awarded under ADB loan projects worth \$4.17 billion, of which 71 contracts were awarded to consultants from Tajikistan worth \$1.8 million.

From 1 January 1985 to 31 December 2008, 18,104 consultant contracts were awarded under ADB technical assistance projects worth \$2.33 billion, of which 102 contracts were awarded to consultants from Tajikistan worth \$1.49 million.

A summary of procurement contracts awarded to companies and consultants from Tajikistan for goods and works, and consulting services can be found at www.adb.org/Documents/Fact_Sheets/Tajikistan/procurement.asp.

About Tajikistan and ADB

Tajikistan is the 25th largest shareholder among regional members and the 33rd largest overall.

ADB Membership

Joined	1998
Shares held	10,134 (0.29%)
Votes	23,366 (0.53%)

Ashok Lahiri is the Executive Director and **Md. Aminul Islam Bhuiyan** is the Alternate Director representing Tajikistan on the ADB Board of Directors.

Makoto Ojiro is the ADB Country Director for Tajikistan. The Tajikistan Resident Mission (TJRM) was opened in 2003 and provides the primary operational link between ADB and the government, private-sector, and civil-society stakeholders in its activities. TJRM engages in policy dialogue and acts as a knowledge base on development issues in Tajikistan.

The Tajikistan government agency handling ADB affairs is the Executive Office of the President.

About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2008, lending volume was \$10.49 billion (86 projects), with TA at \$274.5 million (299 projects) and grant-financed projects at \$811.4 million (49 projects). This also generated \$1.65 billion in direct value-added cofinancing from financing partnerships operations. Over the last 5 years (2004–2008), ADB's annual lending volume averaged \$7.70 billion, with TA averaging \$231.5 million and grant-financed projects \$655.1 million. As of 31 December 2008, the cumulative totals were \$143.53 billion in loans for 2,147 projects in 41 countries, \$4.08 billion for 263 grant projects, and \$3.55 billion for 6,599 TA projects.

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Useful ADB websites

Asian Development Bank
www.adb.org

Country website
www.adb.org/tajikistan

Asian Development Outlook
www.adb.org/Documents/Books/ADO/2009/documents/TAJ.pdf

Annual Report
www.adb.org/Documents/reports/annual_report/2008/