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Tajikistan: Building Resilience with Active Countercyclical Expenditures Program

Project Name

Building Resilience with Active Countercyclical Expenditures Program

Project Number

56147-001

Country / Economy

- Tajikistan

Project Status

Active

Project Type / Modality of Assistance

- Grant
- Technical Assistance

Source of Funding / Amount

Grant 0857-TAJ: Building Resilience with Active Countercyclical Expenditures Program

| Source | Amount |
|---------------|---------------|
|---------------|---------------|

| | |
|------------------------|--------------------|
| Asian Development Fund | US\$ 50.00 million |
|------------------------|--------------------|

TA 6975-TAJ: Preparing the Building Resilience with Active Countercyclical Expenditures

| Source | Amount |
|---------------|---------------|
|---------------|---------------|

| | |
|-----------------------------------|-----------------|
| Technical Assistance Special Fund | US\$ 400,000.00 |
|-----------------------------------|-----------------|

Operational Priorities

- OP1: Addressing remaining poverty and reducing inequalities
- OP2: Accelerating progress in gender equality
- OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
- OP6: Strengthening governance and institutional capacity
- OP7: Fostering regional cooperation and integration

Sector / Subsector

- **Public sector management** / Public expenditure and fiscal management - Social protection initiatives

Gender

Effective gender mainstreaming

Description

The BRACE program will support the implementation of the government's countercyclical

measures, targeting the poor and vulnerable while meeting financing needs. The program is

aligned with the overarching development objective: social inclusion promoted by strengthening

the support to poor and vulnerable groups, and economic resilience improved.²⁴ The effect of the

program will be: adverse socioeconomic effects of the shocks mitigated, and resilience of poor

and vulnerable groups enhanced. The program will contribute to the government's efforts to

contain inflation within reasonable limits through fiscal interventions. It targets the provision of

social assistance and protection until March 2023 to ensure that more than 500,000 poor and

vulnerable households (of whom at least 40% are headed by women) benefit from at least one

economic assistance program under the government's Anti-Crisis Action Plan, and therefore

prevent them from falling deeper into poverty because of a higher cost of living. At least 186,000

MSMEs are expected to remain in business, of which at least 20% are owned by women. The

program has three reform areas: (i) increased social assistance measures implemented, (ii)

increased food security measures implemented, and (iii) enhanced support for business entities

and measures to safeguard employment implemented.

Project Rationale and Linkage to Country/Regional Strategy

Tajikistan is experiencing significant adverse economic and social impacts from the

Russian invasion of Ukraine. Rising global food and oil prices, disrupted trade and revenue

shortfalls, stressed financial sector, returning migrants, and diminishing remittances are causing

economic growth to decelerate sharply, and unemployment and poverty to increase. The

Government of Tajikistan adopted the Plan of Actions to Prevent the Impact of Potential Risks to

the National Economy (Anti-Crisis Action Plan) .2 Given its limited fiscal space and international

gross reserves, the government is exploring sources to fund its urgent pro-poor countercyclical

measures and expenditures(i) a social protection response package to assist poor and vulnerable groups; (ii) measures to ensure food security; and (iii) support to micro, small, and

medium-sized enterprises (MSMEs) prone to experiencing severe effects. In the short term, the

BRACE program will support the government's countercyclical responses and financing needs to

help mitigate the adverse social and economic impacts of the crisis, while targeting women, the

poor, and other vulnerable groups and ensuring gender mainstreaming.3 To be implemented in

2022, the program supports fiscal sustainability in the medium term as well as economic recovery.

It is aligned with Strategy 2030 of the Asian Development Bank (ADB), including its operational

priorities of (i) addressing remaining poverty and reducing inequalities, (ii) accelerating progress

in gender equality, (iii) tackling climate change, building climate and disaster resilience and

enhancing environmental sustainability, (iv) strengthening governance and institutional capacity,

and (v) fostering regional cooperation and integration. 4 Moreover, the program supports the

Central Asia Regional Economic Cooperation (CAREC) Strategy 2030, particularly its Operational

Cluster B on trade.5 It aligns with these priorities by strengthening the government's capacity for

executing the countercyclical responses; and targeting social assistance at women, the poor, and

other vulnerable groups.

Impact

Social inclusion promoted by strengthening the support to poor and vulnerable groups, and economic resilience improved

Project Outcome

Description of Outcome

Adverse socio-economic effects of the shocks mitigated, and resilience of poor and vulnerable groups enhanced

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

Increased social assistance measures implemented

Increased food security measures implemented

Enhanced support for business entities and measures to safeguard employment implemented

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Nation-wide

Safeguard Categories

Environment

C

Involuntary Resettlement

C

Indigenous Peoples

C

Summary of Environmental and Social Aspects

Environmental Aspects

No environmental impact is expected.

Involuntary Resettlement

No involuntary land acquisition and resettlement is expected.

Indigenous Peoples

No adverse impacts on indigenous peoples is expected.

Stakeholder Communication, Participation, and Consultation

During Project Design

The wide range of stakeholders, including (i) Ministry of Finance; (ii) Ministry of Health and Social Protection; (iii) Agency for State Material Reserves under the Government of Tajikistan; and (iv) Ministry of Labor, Employment of Population and Migration were consulted to identify the impacts of the pandemic and the Russian Invasion of Ukraine, and align ADB's assistance with government's needs and the support by development partners.

During Project Implementation

The civil society will be consulted through the TA during program implementation.

Business Opportunities

Consulting Services

ADB will engage the consultants under the technical assistance following the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.

Procurement

None

Contact

Responsible ADB Officer

Israr, Anjum

Responsible ADB Department

Sectors Group

Responsible ADB Division

Public Sector Management and Governance Sector Office (SG-PSMG)

Executing Agencies

Ministry of Finance

Timetable

Concept Clearance

-

Fact Finding

10 May 2022 to 18 May 2022

MRM

29 Jul 2022

Approval

21 Oct 2022

Last Review Mission

-

Last PDS Update

21 Oct 2022

Funding

Grant 0857-TAJ

Milestones

| Approval | Signing Date | Effectivity Date | Closing | | |
|-------------|--------------|------------------|-------------|---------|-------------|
| | | | Original | Revised | Actual |
| 21 Oct 2022 | 04 Nov 2022 | 08 Nov 2022 | 30 Apr 2023 | - | 30 Apr 2023 |

Financing Plan

Total (Amount in US\$ million)

| | |
|--------------|-------|
| Project Cost | 50.00 |
| ADB | 50.00 |
| Counterpart | 0.00 |
| Cofinancing | 0.00 |

Grant Utilization

| | Date | ADB | Others | Net Percentage |
|----------------------------|-------------|-------|--------|----------------|
| Cumulative Contract Awards | 20 Jun 2024 | 0.00 | 0.00 | 0% |
| Cumulative Disbursements | 20 Jun 2024 | 50.00 | 0.00 | 100% |

TA 6975-TAJ

Milestones

| Approval | Signing Date | Effectivity Date | Closing | | |
|-------------|--------------|------------------|-------------|-------------|--------|
| | | | Original | Revised | Actual |
| 21 Oct 2022 | 15 Nov 2022 | 15 Nov 2022 | 31 Dec 2023 | 31 Dec 2024 | - |

Financing Plan/TA Utilization

| ADB | Cofinancing | Counterpart | | | | Total |
|------------|-------------|-------------|---------------|-----------------|--------|------------|
| | | Gov | Beneficiaries | Project Sponsor | Others | |
| 400,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 400,000.00 |

Cumulative Disbursements

| Date | Amount |
|-------------|------------|
| 20 Jun 2024 | 237,366.15 |

Project Page <https://www.adb.org/projects/56147-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=56147-001>

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