



Completion Report

Project Number: 44073-012
Technical Assistance Number: 8380
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Tajikistan: Strengthening Tajikistan's Trade and Investment Regime

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TA Number, Country, and Name:			Amount Approved: \$225,000	
TA 8380-TAJ: Strengthening Tajikistan's Trade and Investment Regime			Revised Amount: N/A	
Executing Agency: Ministry of Economic Development and Trade (MEDT)		Source of Funding: TASF-V	Amount Undisbursed: \$32,726.56	Amount Utilized: \$192,273.44
TA Approval Date: 24 May 2013	TA Signing Date: 24 May 2013	Fielding of First Consultant: 25 April 2014	TA Completion Date Original: 31 May 2015 Actual: 15 Dec 2015	Account Closing Date Original: 31 May 2015 Actual: 14 Dec 2015
Description				
<p>Tajikistan became a full-pledged member of the World Trade Organization (WTO) in March 2013. However, Tajikistan is faced with issues in legal, regulatory and administrative impediments to trade; low foreign direct investment (FDI); and poor performance and internal untenable conflicts of interests of the Standards Agency (Tajikstandart). The government made a commitment to the WTO to conduct a policy research and analysis on organizational reform of Tajikstandart for rationalizing and reducing technical barriers to trade. Along with this, building the capacity of the officials through training, raising public awareness and highlighting the reforms through an international conference were also part of the government's commitments to WTO. The government requested ADB to provide support in the delivery of its three major commitments. ADB responded by providing a technical assistance (TA) and, together with the government, outlined the major outputs of the TA. This support envisioned the country to fully benefit from its accession through an increased and improved trade and investment in the country.</p>				
Expected Impact, Outcome, and Outputs				
<p>The expected impact of the TA was to foster a more competitive trade and investment environment in Tajikistan. The envisioned outcome was that technical requirements for exports and import are more streamlined and customer-friendly. To help achieve the intended impact and outcome, three key outputs were envisaged:</p> <p>Output 1: <i>Policy research and analysis on organizational reforms of the Standards Agency (Tajikstandart).</i></p> <p>Output 2: <i>Executive training on policy and regulatory reforms.</i></p> <p>Output 3: <i>An international trade and investment conference.</i></p>				
Delivery of Inputs and Conduct of Activities				
<p>TA activities were relevant and successfully conducted in terms of effectiveness, client satisfaction and timeliness. The TA activities were consistent with the strategic framework of the Tajikistan Country Partnership Strategy (2010–2014). TA resources have been efficiently utilized. Although consultant recruitment was delayed by about 10 months due to change of ADB staff, the TA was not affected owing to the implementation efficiency and effectiveness. The TA provided for the engagement of 8 person-months of international consulting services and 10 person-months of national consulting services. The TA utilized approximately 5.81 person-months and 4.63 person-months of international and national consulting services, respectively. During implementation, it was determined that a national conference organizer was not needed as originally specified in the TA owing to the effective support of the resident mission and headquarter staff. All consultants met the terms of reference and their performances were rated excellent. A computer procured under the TA has been turned over to the Government.</p>				
<p>The TA was originally scheduled for completion by 31 May 2015 but had to be extended to 15 December 2015 mainly due to the postponement of the International Trade and Investment Conference (originally scheduled in April 2015) upon request of the Government. The Government envisioned to hold the conference back to back with the Third China Round Table in June 2015 so as to attract more participants and high-level attendance. Major activities were conducted as following: (i) two missions were fielded to identify the scope of the policy research and consult with key stakeholders. A "Policy Research and Analysis on Organizational Reforms of the Standards Agency" to the Government of Tajikistan was submitted in March 2015 and subsequently approved in April 2015; (ii) a 2-day Executive Training on Quality Infrastructure Reforms was conducted in Dushanbe, Tajikistan in January 2015; (iii) an International Trade and Investment Conference was convened in Dushanbe in June 2015; and (iv) two government officials were sent to Geneva to join a workshop on the Revised WTO Agreement on Government Procurement (GPA): An Emerging Pillar of Twenty-First Century Trade and Development.</p>				
<p>The Ministry of Economic Development and Trade (MEDT) and Tajikstandart as the implementing agencies of the TA performed satisfactorily during its implementation. The project team led by ADB was highly commended by the Government as well as WTO for ADB's strong support for newly-acceded WTO member.</p>				
Evaluation of Outputs and Achievement of Outcome				
<p>The TA outcome was effectively realized through satisfactory delivery of abovementioned activities. Further, the number of days to process export and import documents was reduced to 10 days from 20 days according to the Law of Permissions which exceeds the target of 15 days.</p>				
<p><u>Output 1.</u> The report on "Policy Research and Analysis on Organizational Reforms of the Standards Agency" was submitted on time and approved by the Government of Tajikistan. The report evaluated Tajikstandart and proposed</p>				

an array of options for reforms both short and long run. The MEDT commended the recommendations in the report for its cognizance of the technical and political constraints related to the reform process in Tajikstandart. The representatives from Tajikstandart showed willingness to implement the government's reform program. A key suggestion from the report "transfer of the standard agency's accreditation functions to a separate body to reduce conflict of interests" were taken into the action matrix in another Investment Climate Reforms Program funded by ADB which Subprogram 1 was approved in December 2015. There is therefore strong linkage and follow through between outputs and outcome of this TA to that of a longer term program of support for Tajikistan.

Output 2. Executive Training on Quality Infrastructure Reforms. The training was held in Dushanbe on 27–28 January 2015. The training was attended by 44 participants from government agencies including key officials from MEDT led by the First Deputy Minister, private sector and international organizations. It was successful in deepening the understanding of the participants on the basic quality infrastructure concepts, raising the awareness on Tajikistan's commitments on the technical regulations in the WTO, and in discussing the recommended reforms to address Tajikistan's need for quality infrastructure development. It also served as a venue to share experiences and lessons from other countries on quality infrastructure reform. The training made its contribution towards achievement of the expected TA outcome. In addition, the workshop held in Geneva helped build the capacity of the government officials in implementing the revised GPA, acquire first-hand experience on the actual work of the committee relating to the implementation and administration of the GPA, and provide a venue to discuss procurement issues.

Output 3. International Trade and Investment Conference. The conference aimed to assess Tajikistan's progress in fulfilling its WTO commitments, providing a platform for public-private dialogue and discussing possible technical assistance in partnership with donors. It served as a venue for in-depth discussions of the post-accession benefits; the relative roles of further multilateral trade liberalization in Tajikistan's economic development strategy in the medium and longer term; main features and benefits of the Trade Facilitation Agreement; analysis on the low level of FDI in Tajikistan; strategies to facilitate export-led growth, and experience sharing among member countries of Central Asia Regional Economic Cooperation (CAREC) in post accession adaptation. It was attended by over 80 representatives from 20 government agencies, 12 donor institutions, 15 nongovernment organizations and private enterprises. The Government highly commended the success of this event. WTO Deputy Director General attended the conference and commended ADB for the timely and necessary support and featured this important event in its official website for demonstration effect.

All training and handbook materials were approved by the government. The report, training, and conference materials were made available in the CAREC website for easy access and wider dissemination. All outputs were timely shared in the CAREC Trade Policy Coordinating Committee meetings and were highly welcomed by CAREC member countries and development partners.

Overall Assessment and Rating

Overall, the TA was *successful*. The TA was highly relevant and timely as it was able to respond to the need of the Government of Tajikistan, MEDT in particular, to meet its WTO accession commitments. Although there were some delays that led to extending the TA closing date to meet the Government's requirements, the TA was effective in delivering the outputs. The TA provided the necessary research and evaluation of the present set-up of Tajikstandart and the recommended reforms which was the basis in streamlining the technical requirements for exports and imports and making it customer-friendly.

The sustainability of the TA is assured with the organizational reforms in place and by the strong commitment of the government to progressively improve Tajikistan's trade and investment climate, gradually dismantle domestic trade impediments, and to formulate and implement policies consistent with WTO rules. The government has promulgated new laws on technical regulations, conformity assessment and standardization, amended regulatory acts, and maintains an active interaction with the development partners. However, it is acknowledged that additional resources are needed to build on the momentum and further move Tajikistan's post-accession agenda.

Major Lessons

The lessons learned include: (i) timeliness in delivering the outputs and effective selection and management of consultants would allow ADB to respond efficiently to the need of the government; (ii) the implementation period was sufficient to deliver the envisioned outputs, however, the full implementation of the organizational reforms of Tajikstandart requires more time; (iii) ADB's prompt response to the government's request for post WTO accession adaptation demonstrates ADB's capacity to take on this new area of program in future; and (iv) timely sharing of the TA outputs through the CAREC platform, notably the Trade Policy Coordinating Committee, can benefit more countries to generate positive spillover effect.

Recommendations and Follow-Up Actions

With the report in place and trainings provided, the Government of Tajikistan is in the position to fully comply with its commitments to WTO. In the short term, it is recommended that (i) further capacity support be provided to assist Tajikstandart in implementing its organizational reforms; and (ii) ADB may consider a follow up technical assistance to help the government prepare its first Trade Policy Review which can be envisaged in March 2019 in accordance to WTO member's transparency obligations.