



**ASIAN DEVELOPMENT BANK &  
TAJIKISTAN**  
www.adb.org/tajikistan

**A F A C T S H E E T**

Tajikistan broke away from the vicious cycle of political instability and economic decline after the cessation of a long civil conflict and has now made a substantial progress in recent years. Gross domestic product (GDP) grew, on average, by 9.2% over the last 6 years, and the inflation has come down to a single digit. Poverty incidence has declined to 56.6% in 2004 as the real income has picked up.

Key challenges include inefficient and inequitable delivery of public sector services; infrastructure bottlenecks; and slow implementation of reforms in key economic sectors, particularly energy and agriculture. A weak climate for private investment poses challenges for sustainable growth and poverty reduction.

The focus of Tajikistan's poverty reduction strategy (PRS) is to improve productivity in the economic and social sectors, solve governance issues that hinder private sector development and delivery of social services to the poor, and rationalize public expenditure allocations for equitable distribution of essential social services.

## Relationship with ADB

Tajikistan has received \$307.33 million in total assistance since joining the Asian Development Bank (ADB) in 1998.

Tajikistan joined ADB after the cessation of a long civil conflict and is classified as a category A developing member country (DMC), eligible only for assistance from the concessionary Asian Development Fund (ADF). The first Country Strategy and Program (CSP) to guide ADB activities in Tajikistan covered 2004–2008. Recognizing the weak institutional capacities and limited fiscal room for borrowing, the CSP emphasized rural development, regional cooperation, and a sharper focus on governance and social sectors. Tajikistan's allocation for 2007–2008 is \$46.5 million. Tajikistan is also eligible for grants up to 40% of its ADF allocation. In addition, the regional projects are funded from the subregional window of the ADF.

The CSP for 2006–2008 can be found at [www.adb.org/Documents/CSPs](http://www.adb.org/Documents/CSPs).

**Table 1. Tajikistan:  
Development Indicators**

• Population	6.8 million (2005) 1.7% growth per annum (1990–2005)
• National poverty rate	64% (2006)
• Population living on less than \$1 a day	83% (2003)
• Under-5 mortality rate per 1,000 live births	118 (2004) 128 (1990)
• Adult literacy rate	99.5% (2000–2004)*
• Population in urban areas	26.4% (2004) 31.3% (1990)
• Population with access to improved drinking water sources	58% (2002)

\* No single-year data is available. Data taken from UNESCO Institute for Statistics website.  
Sources: ADB. 2006. *Basic Statistics 2006*. Manila. ADB Statistical Database System.  
UNICEF, Tajikistan Statistics, 2006.

**Table 2. Tajikistan:  
Economic Indicators, 2001–2005**

Economic Indicator	2001	2002	2003	2004	2005
Per capita GNI (\$)	170	180	210	280	...
GDP growth (% change per year)	10.2	9.1	10.2	10.6	6.7
CPI (% change per year)	38.6	10.2	17.1	7.1	7.1
Unemployment rate (%)	2.3	2.5	2.4	2.2	2.1
Fiscal balance (% of GDP)	0.1	0.7	1.1	0.7	-0.3
Export growth (% change per year)	-17.3	7.3	14.3	36.2	3.3
Import growth (% change per year)	-7.3	6.5	21.9	23.5	13.2
Current account (% of GDP)	-6.7	-2.7	-1.3	-4.0	-3.7
External debt (% of GNI)	104.6	97.0	78.0	...	...

... = data not available, CPI = consumer price index,  
GDP = gross domestic product, GNI = gross national income.  
Sources: ADB. 2006. *Basic Statistics 2006*. Manila. ADB Statistical Database System.

Figure 1. Tajikistan: Loans and Disbursements, 1995–2005



**Cumulative Lending**  
(as of Dec 2005) \$273.8 million

**Cumulative Disbursements**  
(as of Dec 2005) \$99.6 million

Figure 2. Tajikistan: Grants, Technical Assistance, and Loans, 1998–2005

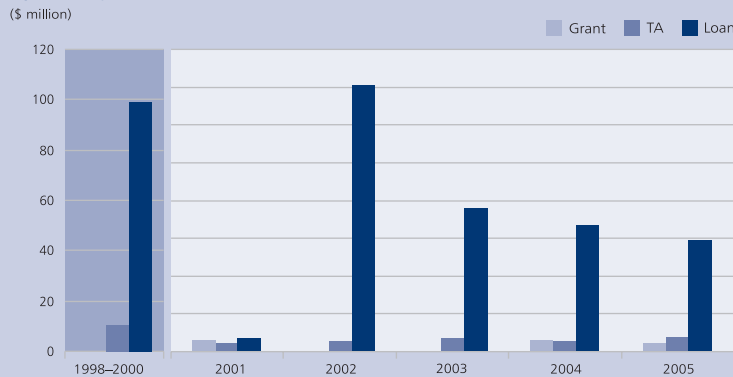


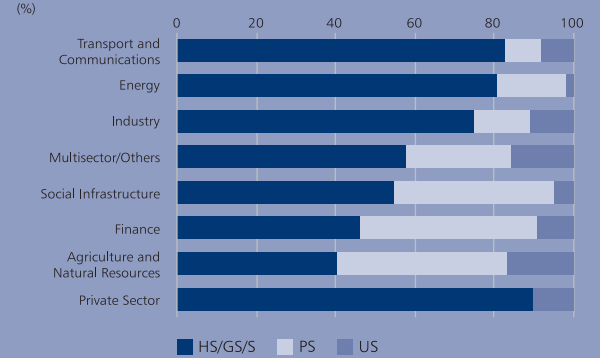
Table 3. Tajikistan: Cumulative ADB Lending as of 31 December 2005

Sector	Loans (no.)	Amount (\$ million)	% <sup>a</sup>
Transport and Communications	3	64.5	23.6
Agriculture and Natural Resources	3	63.0	23.0
Energy	2	54.0	19.7
Multisector	3	45.0	16.4
Industry and Trade	2	20.7	7.6
Finance	2	8.0	2.9
Education	1	7.5	2.7
Health, Nutrition, and Social Protection	1	7.5	2.7
Water Supply, Sanitation and Waste Management	1	3.6	1.3
<b>TOTAL<sup>b</sup></b>	<b>18</b>	<b>273.8</b>	<b>100.0</b>

<sup>a</sup> Total may not add due to rounding.

<sup>b</sup> Includes loan components of regional projects in Tajikistan.

Figure 3. Evaluation Results by Sector, 2005



GS = generally successful, HS = highly successful, PS = partly successful, S = successful, US = unsuccessful  
Data Source: Project/program performance audit/evaluation reports containing a rating circulated as of 31 December 2005.

**Cumulative Assistance: \$307.33 million\***

\* Includes loans, technical assistance, and grants (as of 31 December 2005).

## Impact of Assistance

To date, of the 18 loans given to Tajikistan, five loans have closed. ADB provided a \$3.6 million assistance for the Emergency Restoration of Yavan Water Conveyance Project in 2001. This emergency assistance was provided upon the Government's request to restore the irrigation and potable water supply system damaged after the May 2001 earthquake in the country. The project restored 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. It was rated highly successful by both the Government and ADB.

ADB also successfully completed the \$20 million Social Sector Rehabilitation Project in 2005. The project was designed to rehabilitate health and education facilities damaged or destroyed during the civil conflict. The Government considers the project as having contributed to economic development by providing the poor greater access to health and education services.

ADB approved a \$20 million Road Rehabilitation Project in 2000 to upgrade the road from Dushanbe to Kurgan Tyube and Kulyab in the south of Tajikistan. Both towns are important commercial centers and were the center of the civil conflict. Under the project, several rural roads were developed

and rehabilitated, providing poor communities living in remote areas access to local markets and towns.

In 2005, ADB approved a \$29.5 million loan project for rehabilitating the second phase of the Dushanbe–Kyrgyz Border Road Rehabilitation Project. The project, to be completed in three phases, is a vital component of the regional road network connecting Tajikistan with markets of large neighboring countries. The third phase of the project is in ADB's assistance pipeline for 2008. Technical assistance funds in 2005 amounted to \$4.0 million for six advisory and project preparatory services. Additional grant funding of \$1.8 million from the Japan Fund for Poverty Reduction was provided for the Community-Based Local Road Maintenance Project.

In 2005, ADB also implemented a Trade Finance Facilitation Program with a local commercial bank. This was ADB's first private sector investment in Tajikistan, and discussions regarding additional private sector investments in the financial and energy sectors are ongoing.

## Future Directions

Tajikistan's lending program for 2007–2008 based on the country performance assessment exercise is \$46.5 million. In addition, regional projects under the Central Asia Regional

Economic Cooperation (CAREC) program are funded from subregional resources under the ADF.

In the agriculture sector, ADB will provide assistance under a Sustainable Cotton Development Project to support Tajikistan's four major cotton-growing districts in 2006. In Tajikistan, cotton contributes about 20% of exports, occupies more than 75% of irrigated farmland, supports 75% of farm households, and is the dominant income source for 75% of poor and extremely poor households.

In addition, a Rural Development Project in 2006 will facilitate private investments in cash crops other than cotton as well as downstream (agro-processing) and upstream (input development) activities focusing on poverty reduction.

ADB and other donors are working closely with the Government to facilitate institutional, pricing, and commercial reforms in the energy sector. In the context of regional cooperation, ADB is discussing participation in the proposed regional Central Asia–South Asia Electricity Trade Project to export electricity from Tajikistan to Afghanistan and Pakistan. ADB is also studying the Tajikistan–Afghanistan power interconnection for exporting electricity to Afghanistan.

## Operational Challenges

Tajikistan has made significant progress in terms of economic growth and poverty reduction. ADB, together with other development partners, is working closely with the Government to develop road maps for reforms in the agriculture and energy sectors and to develop a national education strategy.

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. The focus of the 2005 CPPRs was on specific issues identified at the Paris Declaration on Aid Effectiveness. ADB also supports Tajikistan's efforts to improve portfolio management and

**Table 4. Tajikistan: Improvement in Portfolio Quality Indicators, 2004 and 2005**

Portfolio Quality Indicator	2004	2005
Disbursement ratio (%)		
All loans	15.7	15.3
Project loans	12.6	11.1
Implied average implementation period for project loans (years) <sup>a</sup>	5.1	5.5
Undisbursed loan balance (\$ million)	194.4	161.4
Active loans (no.)	14	12
Projects at risk—(no.) <sup>b</sup>	3	0
% of loans in portfolio	21.4	0.0

<sup>a</sup> Based on approval to revised closing date. Excludes program loans only.

<sup>b</sup> Refers to the number of loans.

donor coordination under an ongoing technical assistance project.

## Partnership

ADB and the World Bank undertook joint missions in the energy and agriculture sectors and agreed with the Government on road maps to reforms in these sectors. Also, ADB worked closely with key development partners and the Government in the preparation of a national education strategy for Tajikistan. In 2005, the Resident Mission arranged and conducted a first ever press tour to ADB project sites.

ADB cooperates with civil society organizations in Tajikistan to strengthen the effectiveness, quality, and sustainability of the services it provides. For example, ADB provided a grant to the Association of Women of Science Tajikistan to raise rural women's legal literacy through a series of workshops and publications.

## Cofinancing and Procurement

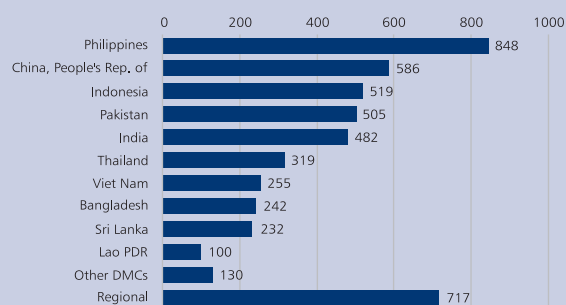
For every US dollar lent by ADB in Asia and the Pacific during 2005, cofinancing operations brought in an additional \$1.27. ADB's cofinancing operations enable its development partners—governments or their agencies, multilateral financing institutions, commercial organizations, and export credit agencies—to join ADB in financing its lending to developing members. Such additional funds are provided in varying forms of grants, guarantees, or loans.

A summary of loan projects with cofinancing is available at [www.adb.org/Documents/Fact\\_Sheets/Tajikistan/cofinancing.asp](http://www.adb.org/Documents/Fact_Sheets/Tajikistan/cofinancing.asp).

A summary of procurement contracts awarded to companies and consultants from Tajikistan for goods and related services, civil works, and consulting services can be found at [www.adb.org/Documents/Fact\\_Sheets/Tajikistan/procurement.asp](http://www.adb.org/Documents/Fact_Sheets/Tajikistan/procurement.asp).

**Figure 4. Private Sector Operations Portfolio Distribution by Top Countries, 1983–2005**

(\$ million)



Total: \$4.9 billion

## About Tajikistan and ADB

Tajikistan is the 24<sup>th</sup> largest shareholder among regional members and the 32<sup>nd</sup> largest overall.

### ADB Membership

Joined	1998
Shares held	10,134 (0.287%)
Votes	23,521 (0.532%)

**Ashok Saikia** is the Executive Director and **Nima Wangdi** is the Alternate Director representing Tajikistan on the ADB Board of Directors.

**Neeraj Jain** 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 dedicated to reducing poverty in the Asia and Pacific region through pro-poor sustainable economic growth, social development, and good governance. Established in 1966, it is owned by 66 members—47 from the region. In 2005, ADB operations totaled \$7.4 billion in loans, equities, guarantees, grants, and technical assistance. With headquarters in Manila, ADB has 26 offices around the world and more than 2,000 staff from over 50 countries.

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### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Country website  
[www.adb.org/tajikistan](http://www.adb.org/tajikistan)

Asian Development Outlook  
[www.adb.org/Documents/Books/ADO/2006/documents/taj.pdf](http://www.adb.org/Documents/Books/ADO/2006/documents/taj.pdf)

Annual Report  
[www.adb.org/Documents/reports/annual\\_report/2005/](http://www.adb.org/Documents/reports/annual_report/2005/)