



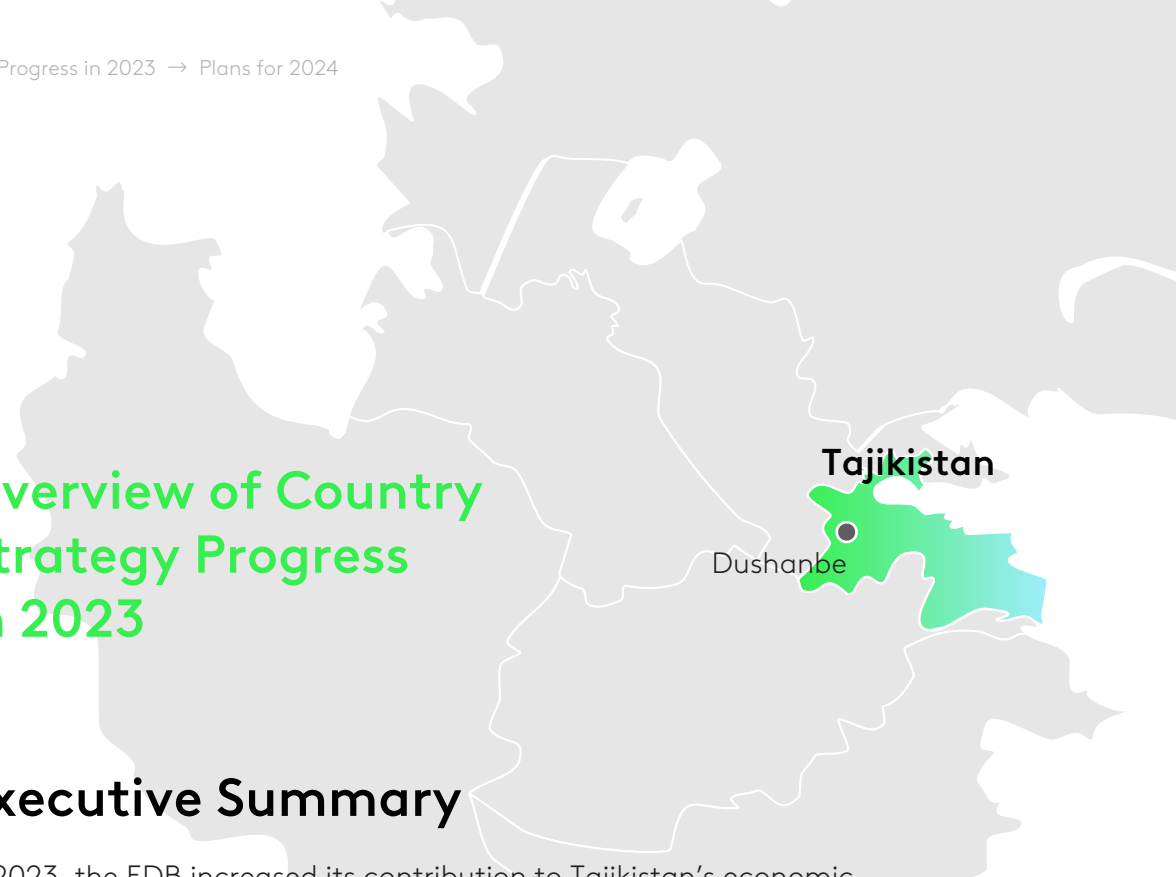
Eurasian  
Development  
Bank

# **Progress Report on the EDB Country Strategy for the Republic of Tajikistan: 2023**



# 1

## Overview of Country Strategy Progress in 2023



Tajikistan  
Dushanbe

### Executive Summary

In 2023, the EDB increased its contribution to Tajikistan's economic development, aligning with the goals and objectives of its 2022–2026 Country Strategy for the Republic of Tajikistan ("Country Strategy"). Efforts to scale up investments in real sector projects, expand the project pipeline, utilise technical assistance to prepare projects and enhance their bankability, and improve the institutional environment yielded significant outcomes from the Bank's operations in Tajikistan during the second year of the Country Strategy's implementation.

As of 31 December 2023, the following results were achieved:

→ **In 2023, the EDB significantly increased its investments in Tajikistan.**

The Bank's cumulative investments for 2022 and 2023 amounted to US \$18.6 million, or 41% of the five-year investment target under the 2022–2026 Country Strategy.

→ **The most notable progress in Tajikistan was made in the areas of food security and agricultural development.**

The EDB approved US \$15.7 million in financing to support investment projects in agriculture and the ongoing operations of the Grain Company and Mevahoi Sugd. As an international development institution, the Bank provided financing on terms unavailable in the market, including through technical assistance.

- The EDB's pipeline of potential projects in Tajikistan is valued at approximately US \$230 million. The Bank is exploring financing opportunities for large transport and energy infrastructure projects and potential initiatives to establish and modernise industrial enterprises.

- Substantial progress was achieved in improving the EDB's contribution to the institutional environment. In 2023, the EDB continued to collaborate with Tajikistan's Ministry of Economic Development and Trade to digitise the electronic document management system. Furthermore, for the first time in its operations in Tajikistan, the Bank organised a training session for over 30 government officials on preparing and launching public-private partnership projects in priority sectors.

## The Reporting Year in Figures

As of 31 December 2023



**\$70m**

The EDB's cumulative portfolio in Tajikistan



**\$15.7m**

Current investment portfolio



A record-high increase in the portfolio of grants for technical assistance projects in Tajikistan



The EDB's current investment portfolio in Tajikistan includes the Bank's investments in a new agricultural project

**\$1.1m**

Approved grants from the Bank's Technical Assistance Fund (TAF) for five projects

**100%** of the EDB's investments in Tajikistan were directed to the real sector

### The EDB's current portfolio investments contribute to:

- ✓ Increased outputs in Tajikistan's economy

**\$53m**  
per annum

- ✓ Additional tax revenues of

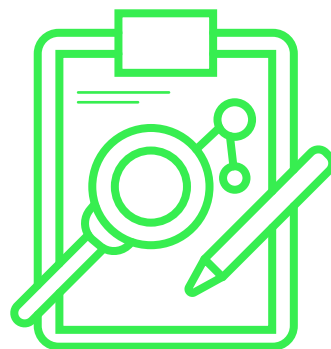
**\$0.3m**  
per annum

- ✓ Job creation

**>200**  
jobs

# 2

## Progress in Strategic Objectives



In 2023, Tajikistan's economy demonstrated strong growth. Between January and September, the country's GDP increased by 8.3% year-on-year, with significant contributions by sectors catering to domestic consumer and investment demand, including trade (2.5%) and construction (1.1%). Industry also contributed significantly (1.3%), supported by increased manufacturing outputs, largely due to strong growth in the food and mining sectors. By the end of 2023, Tajikistan's GDP is projected to grow by 8.2%.



Objective 1



# Energy security

↓ What we do



Focus: hydropower and energy conservation projects

1.1 **Developing small hydropower and solar energy**

Exploring potential financing for the construction of the Rogun HPP, the largest hydropower plant in Central Asia

**3,600 MW**  
Installed capacity

Major multilateral development banks, including the Asian Infrastructure Investment Bank, the Islamic Development Bank and the World Bank, are also considering participation in this landmark project

↓ Achievements



Laid groundwork for further negotiations with the government on the EDB’s potential involvement in financing the Rogun HPP, a major energy infrastructure project

Objective 2



# Food security and agribusiness development

↓ What we do



In 2023, the Bank achieved significant results in advancing food security and agricultural development.

2.1 **Developing the agricultural processing sector**

Preparing a major investment project to expand orchards in the Sughd Region

The EDB subsidised the interest rate with TAF resources



2.2 **Developing the commodity distribution network and establishing wholesale logistics centres, including storage**

Reviewing a project to provide guarantees for Ozon Group companies, involving a resident of Tajikistan

**up to \$65m**  
Total risk limit

Objective

securing property lease agreements and payments under contracts with suppliers

↓ Achievements



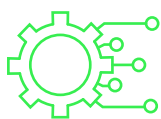
**Approved financing for an investment project to expand existing orchards in the Sughd Region**

The project will increase the area of orchards to 150 hectares and finance the purchase of necessary equipment and vehicles

**\$15.7m**  
Amount

Approved US \$0.8 million in financing from the TAF to subsidise the interest rate on a loan for a local borrower

## Objective 3



# Diversifying industry and developing the private sector and entrepreneurship

↓ What we do



↓ Achievements



### 3.1 **Establishing and developing industrial enterprises in the country**

Reviewing initiatives undertaken by businesses in Tajikistan, including the production of polyethylene terephthalate (PET) products, upgrades to food enterprises and the construction of a building material plant

### 3.2 **Supporting small and medium-sized enterprises**

Continued collaboration with IMON International  
Preparing an investment project to finance a business lending programme in Tajikistan

**Progressed in reviewing a project worth approximately US \$2 million to finance IMON International's micro-lending programme for businesses in Tajikistan**

## Objective 4



## Digital transformation

↓ What we do



### The EDB Fund for Digital Initiatives remained active in promoting digital transformation goals

#### 4.1 Helping to develop digital solutions to strengthen integration and promote interoperability between the countries

In 2023, the Fund for Digital Initiatives worked on the following digital projects:

##### E-government in Tajikistan

- o Partner: Kazakhstan Agency for International Development
- o Focus: exploring the possibility of extending Kazakhstan's experience in e-government development to Tajikistan

##### E-map of Dushanbe

- o Partner: Ministry of Finance of Tajikistan
- o Focus: implementing urban asset/land management systems and enhancing cooperation between public institutions in Dushanbe under the Smart City urban development concept

##### Digitalisation in agriculture

- o Partners: Ministry of Agriculture of Tajikistan and the United Nations Food and Agriculture Organisation
- o Focus: exploring a mechanism for implementing digital agriculture projects in Tajikistan, leveraging experiences in deploying digital solutions from other EDB member countries

#### 4.2 Supporting governmental digital projects

Digitising document management and laying the groundwork for interdepartmental electronic exchange at Tajikistan's Ministry of Economic Development and Trade

- o The project is financed by the Bank's TAF



#### 4.3 **Supporting digital projects in the corporate sector**

Promoting the inclusion of new participants/factories from Tajikistan on BEE-ONLINE.ru, an international digital platform designed to promote and scale light industry businesses

#### ↓ Achievements



**Established conditions to enable continued work on the Fund for Digital Initiatives' projects in the coming years**



**Reached agreements to attract 20–30 participants/factories from Tajikistan to join the BEE-ONLINE.ru digital platform**



**Completed the first phase of the technical assistance project to digitise document management at the Ministry of Economic Development and Trade of Tajikistan, along with its communications with other government agencies**

# 3

## Strategic Objectives for the Next Period



## Plans

In 2024, Tajikistan's GDP growth is forecast to remain robust at 7.3%. The slowdown compared to 2023 reflects challenging external conditions, including slower growth in Russia and other major global economies. Tajikistan's GDP growth will continue to be driven by capacity expansion in industry (primarily metallurgy, energy, textiles and food) alongside sustained investment activity, including as part of the Government's economic development programme.

In 2024, the Bank will pursue the following objectives:

### **Developing the EDB's project pipeline in Tajikistan.**

The Bank plans to expand financing for investment projects in Tajikistan. The EDB will continue to review current pipeline projects and identify new initiatives from the private sector. Special attention will be given to a major project in transport: increasing passenger aircraft fleet of Somon Air, Tajikistan's national air carrier.

### **Increasing investment diversification.**

Beyond financial sector and agricultural projects, the Bank aims to explore new opportunities in industry and logistics infrastructure, including those explored throughout 2023.

### **Increased use of TAF resources to develop Tajikistan's institutional environment.**

With its lasting experience in utilising technical assistance to finance training programmes and implement new technologies for Tajikistan's government agencies, the EDB, as a development institution, will continue to seek and implement initiatives that contribute to institutional development.

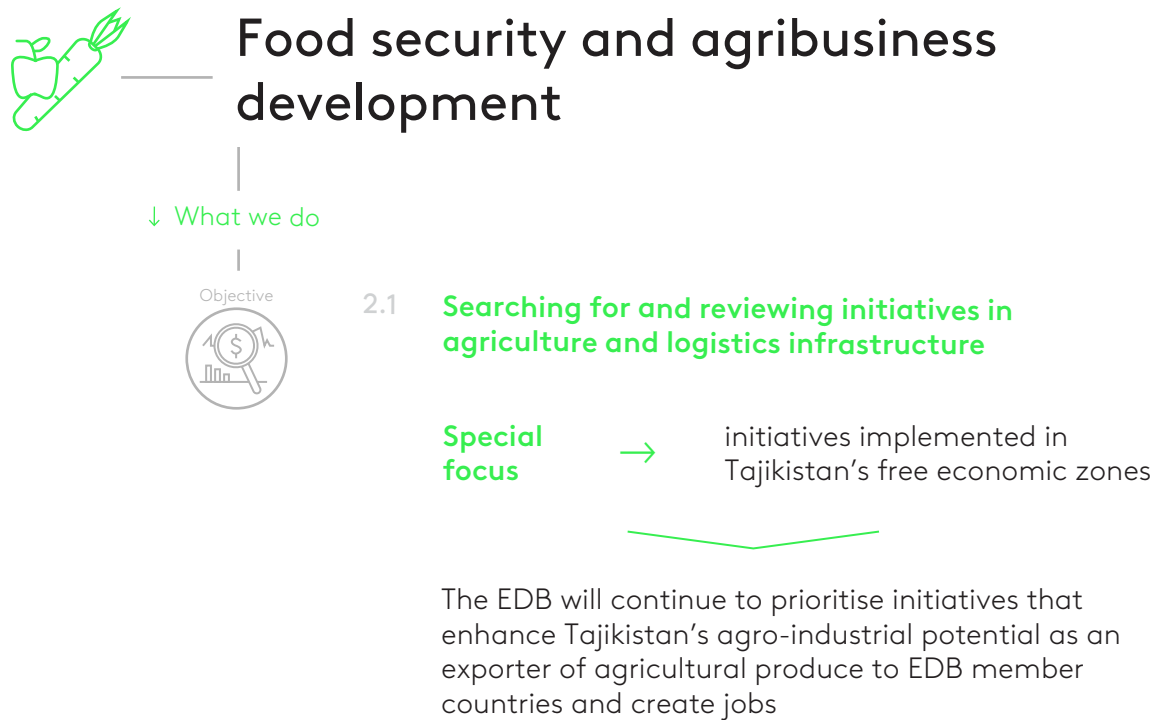


# Activities to Achieve Strategic Objectives

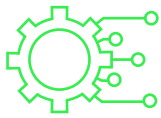
## Objective 1



## Objective 2



### Objective 3



## Diversifying industry and developing the private sector and entrepreneurship

↓ What we do

Objective



The EDB will review initiatives in industry included in its current pipeline

Objective



Searching for partner commercial banks to on-lend to small and medium-sized businesses in Tajikistan

### Objective 4



## Digital transformation

↓ What we do

Objective



Working on key digital transformation initiatives in Tajikistan and implementing the Fund for Digital Initiatives' ongoing projects initiated in 2023

- o In collaboration with Tajikistan's government agencies

Objective



Implementing the second phase of the technical assistance project to digitise document management at the Ministry of Economic Development and Trade of Tajikistan and its communications with other government agencies

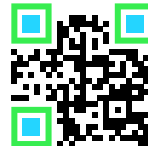
- o The project will be implemented using TAF resources

TELEGRAM



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