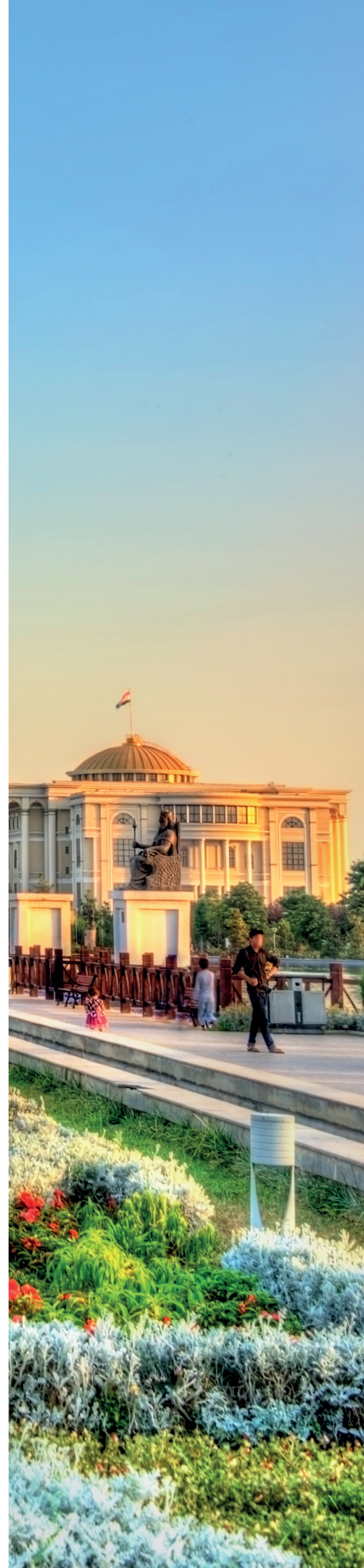




Eurasian
Development
Bank

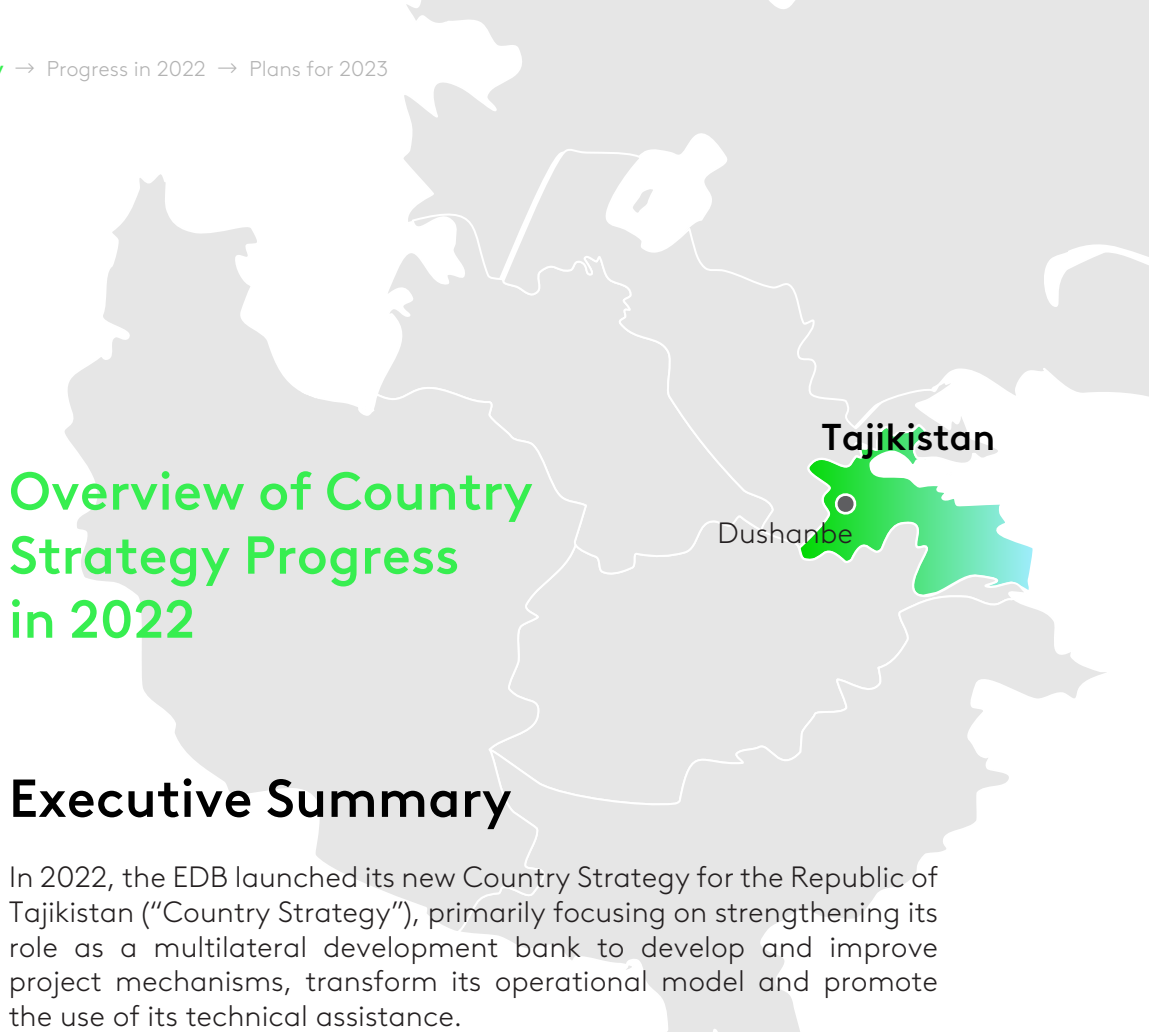
Progress Report on the EDB Country Strategy for the Republic of Tajikistan: 2022



1

Overview of Country Strategy Progress in 2022

Tajikistan
Dushanbe



Executive Summary

In 2022, the EDB launched its new Country Strategy for the Republic of Tajikistan ("Country Strategy"), primarily focusing on strengthening its role as a multilateral development bank to develop and improve project mechanisms, transform its operational model and promote the use of its technical assistance.

As of 1 December 2022, the following results had been achieved:

→ **The Bank intensified its efforts to align project priorities with the development objectives outlined in the Country Strategy.**
In 2022, the Bank worked with government stakeholders, agencies and businesses in Tajikistan to present its Country Strategy and focus efforts on the Bank's priority areas.

→ **The EDB signed a new project agreement in Tajikistan's financial sector.**
The work done by the EDB resulted in the agreement to finance IMON International's initiative to implement microfinance support programme in Tajikistan.

→ **The Bank’s digital transformation efforts earned international recognition.**

The Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) awarded the COVID-19-Free Travel app, developed by the EDB Fund for Digital Initiatives and listing 267 labs across Tajikistan, with its Sustainable Awards 2022. In early 2023, the EDB Fund for Digital Initiatives plans to launch Tajikistan’s national segment in its “Work in the EAEU” app.

→ **In 2022, the EDB worked intensely on technical assistance projects in Tajikistan.**

The Bank provided technical assistance to engage an external consultant to develop a business plan and a financial model for agricultural companies. Work is in progress to prepare a technical assistance project to introduce an electronic document management system and lay the groundwork for interdepartmental electronic exchange at Tajikistan’s Ministry of Economic Development and Trade.

Year 2022 in Figures

As of 1 December 2022



\$51.4m

Cumulative portfolio



The indicative financing targets for 2022 outlined in the Country Strategy were achieved

↓ Cumulative expected results for 2022

\$2.6m

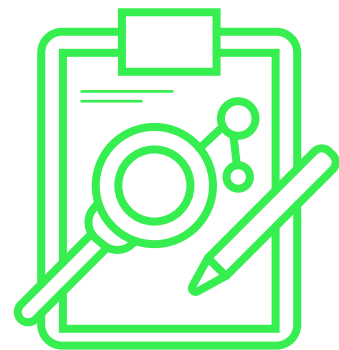
New signings

↓ Result

By the end of 2022, the EDB’s investment in Tajikistan is projected to grow significantly

2

Progress on Strategic Objectives in 2022



In 2022, Tajikistan’s economic growth was primarily driven by trends in exports and remittances. Industrial and agricultural output significantly increased – by 17.4% and 7.5%, respectively, during the first eight months of the year. Retail activity and fixed asset investments rose by 10.1% and 7.7%, respectively, over the same period. The growth in consumer and investment demand was fuelled by rising exports across all key product categories, benefitting from high metal and cotton prices and growing cash inflows due to the appreciation of the Russian ruble. By the end of 2022, Tajikistan’s GDP is projected to grow by 7.5%.

Objective 1



Energy security

↓ What we do



↓ Achievements



Our focus: hydropower and energy conservation projects

1.1 Developing small hydropower and solar energy

Exploring the EDB's participation in a large interstate project to construct two HPPs on the Zarafshon River

- | | | |
|---|--|--|
| → working in cooperation with the Ministry of Energy and Water Resources and the project operator | → the EDB's potential participation in financing the preparation of a feasibility study utilising its TAF, as well as the project as a whole | → the project can be part of the Bank's KIMP |
|---|--|--|

1.2 Reconstructing the grid infrastructure of the Central Asian Energy System

Exploring an initiative to expand the automated electricity control and metering system in Dushanbe

The initiative aims to:

-  reduce electricity losses
-  introduce state-of-the-art control and metering systems

The Bank laid the groundwork for further negotiations with governmental authorities and stakeholders on its participation in the major hydropower infrastructure project to construct two HPPs on the Zarafshon River

Objective 2



Food security and agricultural development

↓ What we do



2.1 Developing the agricultural processing sector

The EDB continued exploring promising areas of cooperation within the initiatives implemented by Tajikistan's businesses

2.2 Developing the commodity distribution network and establishing wholesale logistics centres, including storage (cold storage)

→ the Bank explored the possibility to finance a project to construct a wholesale logistics centre based on an existing farm in the Gissar District

→ preliminary steps were taken to intensify subsequent work in this area

Exports to EAEU member states

The wholesale logistics centre will focus on cultivating:



figs



grapes



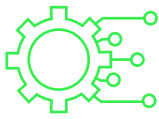
apples

↓ Achievements



The EDB approved financing from its TAF to engage an external consultant to develop a business plan and a financial model for a project to expand stone fruit production using intensive horticulture technology

Objective 3



Diversifying industry and developing the private sector and entrepreneurship

↓ What we do



3.1 Establishing and developing industrial enterprises in the country

The EDB continued exploring promising areas of cooperation within the initiatives implemented by Tajikistan's businesses

Special focus

→ exploring a project to expand LED lighting production by a joint venture using state-of-the-art technology



3.2 Supporting small and medium-sized enterprises

Exploring initiatives of Tajikistan's commercial banks to finance their targeted programmes

↓ Achievements



The EDB signed an agreement with IMON International to finance its microfinance support programme in Tajikistan

Objective 4



Digital transformation

↓ What we do



↓ Achievements



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

The EDB conducted consultations with national and regional executive authorities on the prospects of digital transformation in public administration.

The Bank holds a Digital Project Competition to promote collaboration between the Bank's member countries through digital projects implementation.

4.2 **Supporting state digital projects**

The Bank worked on an initiative to digitise electronic document management at Tajikistan's Ministry of Economic Development and Trade, with an increased focus on using TAF resources to develop promising areas of operations in Tajikistan

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

The Bank took preliminary steps to intensify subsequent work in this area

Tajikistan joined the EDB Fund for Digital Initiatives' COVID-19-Free Travel project

267

labs connected to the app in Tajikistan

> 1 million

times used by country residents

The EDB prepared a technical assistance project to implement an electronic document management system and laid the groundwork for interdepartmental electronic exchange

- o Project beneficiary:
Ministry of Economic Development and Trade



The Bank conducted a workshop on digital transformation in public administration

- o The event brought together experts from Russia, Belarus and Kazakhstan (working at national and regional levels) and Tajikistan's public authorities

3

Strategic Objectives for the Next Period



Plans

In 2023, Tajikistan's GDP is projected to grow by 6.5%. This slowdown compared to 2022 can be attributed to the end of the post-pandemic economic recovery, the ongoing economic recession in the region and a reduction in remittances due to the expected depreciation of the Russian ruble. Economic growth will be supported by capacity expansions in leading industries and the government's economic development programmes.

The EDB will pursue the following plans in 2023:

Increased investment diversification.

In addition to projects in the financial sector, the Bank will seek to prepare new projects in industry and agriculture, which were explored throughout 2022.

Potential use of TAF resources for promising real-sector projects.

The Bank will continue preparing and reviewing projects with TAF resources as a tool for investment project preparation. In addition, it plans to use technical assistance to subsidise the interest rate on investment projects and expand its investment activities in Tajikistan.

Activities to Achieve Strategic Objectives

Objective 1



Energy security

↓ What we do



1.1

The EDB plans to continue working on its potential participation in hydropower projects, including the construction of two HPPs on the Zarafshon River and the Rogun HPP

Special focus

Exploring an initiative to improve energy efficiency in Dushanbe by implementing the automated electricity control and metering system

Objective 2



Food security and agribusiness development

↓ What we do

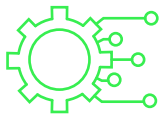


2.1

The Bank plans to continue searching for and reviewing initiatives in agriculture and logistics

Focus: projects that enhance Tajikistan's potential as an exporter of agricultural produce to EAEU member countries and create jobs

Objective 3



Diversifying industry and developing the private sector and entrepreneurship

↓ What we do



- 3.1 Searching for partner commercial banks to on-lend to small and medium-sized businesses, including organisations involved in the establishment and development of industrial enterprises in Tajikistan

Objective 4



Digital transformation

↓ What we do



- 4.1 In early 2023, the EDB Fund for Digital Initiatives plans to launch Tajikistan’s national segment in its “Work in the EAEU” app



- 4.2 Conducting the EDB Fund for Digital Initiatives’ Digital Project Competition

Competition objectives: promoting cooperation between Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan through digital projects



- 4.3 The Bank plans to continue working on key digital transformation initiatives and implementing the Fund for Digital Initiatives’ ongoing projects

Objective: supporting Tajikistan’s integration with Eurasian countries and fostering digital development



4.4 The EDB plans to continue working on its technical assistance project to implement an electronic document management system and lay the groundwork for interdepartmental electronic exchange

→ Financed by the EDB
TAF

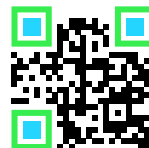
→ Project beneficiary:
Ministry of Economic
Development and Trade

TELEGRAM



✉ INFO@EABR.ORG

🌐 EABR.ORG



Sozidaniye Business Centre, 48 Aini St.
Dushanbe, 734024
Tajikistan
Tel.: + 992 (43) 3773 333
Email: rep_dushanbe@eabr.org