



THE WORLD
BANK GROUP

The World Bank Group - Tajikistan 20 Years of Partnership

«Working for a World Free of Poverty»



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Dear Reader,

Join us in celebrating 20 years of partnership between the World Bank Group and the people of Tajikistan.

Tajikistan joined the World Bank in 1993 and the International Finance Corporation in 1994. During this time, the World Bank Group invested over US\$ 900 million to support Tajikistan's efforts to reduce poverty and improve people's lives. We invest and monitor resource use carefully, to catalyze bigger changes that unleash economic growth, and to address the underlying constraints that impede development.

For example, rural households have more opportunities to produce food and earn income because farmers now have the freedom to farm and can register land use rights. Schools can allocate funds according to student needs, with input from the parent-teacher associations. One million households now have access to clean water, which lowers their risk for infectious diseases. Nine million new textbooks are helping create new skills and over 100,000 children now study in better classrooms. Civil service rules now require competitive selection for new positions. Investors have more protection and better regulations to encourage more investment in the country. Banks and microfinance organizations have adopted better risk management and operational practices, reducing costs for borrowers. Entrepreneurs have fewer steps to take to open a business. The private sector, civil

society, and government will become partners in decisions on mining investments.

At the same time, we respond quickly to the needs on the ground. Rehabilitation of torn infrastructure and restoring livelihoods was our priority after the civil war. Following the global financial crisis in 2009, we provided emergency fuel to keep schools heated. During the spring floods in 2012, our emergency funding protected 1,000 households.

But most importantly, we share international knowledge and best practices. Our analytical products - over 40 publications since 2000 and advisory services on private sector development - bring global expertise in areas such as health, education, energy, agriculture, investment strategies and climate change.

Looking forward, we are committed to further support Tajikistan as it strives to improve the lives of people and meet the aspirations of its young and growing population. We invite you to examine the results in this brochure, to visit our webpages www.worldbank.org/tj and www.ifc.org, and to learn more about the World Bank Group's work in the country. Let us know how we can do it even better!

The World Bank Group Program

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Tajikistan joined the **World Bank** in 1993 and the **International Development Association (IDA)** in 1994. Since 1996, the World Bank has provided approximately US\$ 843 million in IDA credits, grants, and trust funds to improve people's lives in Tajikistan. Around 34% of these funds have been committed for agriculture and the rural development sector. Other major sectors are economic policy and public sector – 17%, energy – 15%, water and urban development – 15%, education – 10% and health and social protection – 9%. The active World Bank portfolio in Tajikistan consists of 16 projects with net commitments of US\$ 272 million.

Tajikistan became a member of the **International Finance Corporation (IFC)** in 1994. IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries. Since 1997, IFC invested US\$ 81 million to support 32 private sector projects in the financial, hydropower, retail, tourism, and manufacturing sectors.

IFC's program includes annual technical assistance of approximately US\$3 million in: improving the investment climate, promoting corporate governance, reforming tax administration, supporting the

development of credit bureaus, supporting the microfinance transformation processes and improving the business environment for agribusiness. As of March 31, 2013, IFC's investment portfolio in Tajikistan stands at US\$ 24.4 million. The current portfolio is split, with 61% in financial market and 39% in manufacturing, agribusiness, and services.

The **World Bank Group's** current partnership strategy aims to increase private investment for sustainable growth while addressing human development needs such as food security, access to drinking water, improved health and education services.

IDA. As a low-income country, Tajikistan qualifies for International Development Association grants. Financing to Tajikistan doubled from US\$ 75 million in fiscal years 2009-2011 to US\$ 150 million in fiscal years 2012-2014.

Trust Funds and Bilateral Donor Funding. Tajikistan's trust fund portfolio - one of the largest in Europe and Central Asia - is a critical complement to IDA resources, accounting for about 30% of total portfolio. Some of the World Bank Group's technical assistance in Tajikistan is financed directly by the country's development partners including the European Union, the UK Government, and the Swiss Government.





Empowering Rural Households and Improving Food Security

Contributing 21% to GDP and 64% to employment, agriculture is currently the largest sector in the World Bank Group's overall portfolio.

- Over 44,000 land-use certificates issued to individual and family farms from 2006 to 2012, increasing incentives for investment in land
 - Improved irrigation access to 45,000 hectares of land through rehabilitation of canals, pump stations, and drainage wells, with 74% of farmers reporting an increase in crop yields in 2011
 - As part of food emergency interventions 150,000 households increased their domestic food production and reduced livestock loss
 - With EU support, in 2011, over 10,500 low-income farmers implemented public irrigation works in the most food insecure districts. With higher income, they bought food for their families and inputs for a larger harvest
 - Over 132,000 people have been trained in land use rights and farmland restructuring
 - New legislation improving conditions for agricultural leasing along with training for microfinance organizations is improving access to agriculture equipment for rural farms
- 



Access to Quality Drinking Water and Better Sanitation

Improvements in municipal services have benefitted over 1 million people in Tajikistan. Safe drinking water is critical to reduce disease and sustain life.

In 8 secondary towns:

- Water supply and sanitation services were improved to connect 100,000 households to water through new and rehabilitated pipes
- Number of people with at least 16 hours of water supply a day almost doubled
- Access to regular solid waste management services has increased from 30% to 80% of the residents

For 800,000 residents of Dushanbe:

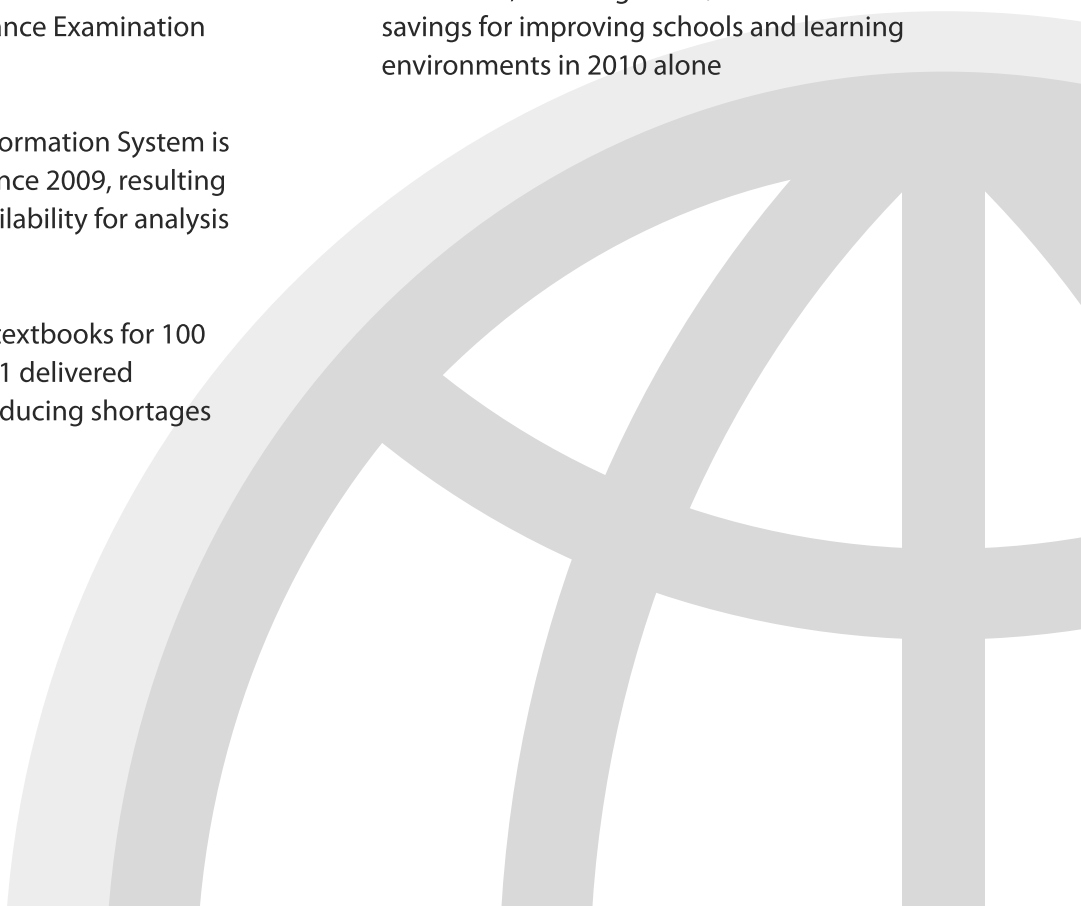
- Better coagulation, sedimentation and disinfection of water has led to near elimination of “brown water” to customer taps, with 76% of surveyed customers reporting satisfaction with the quality





Improving the Educational Environment

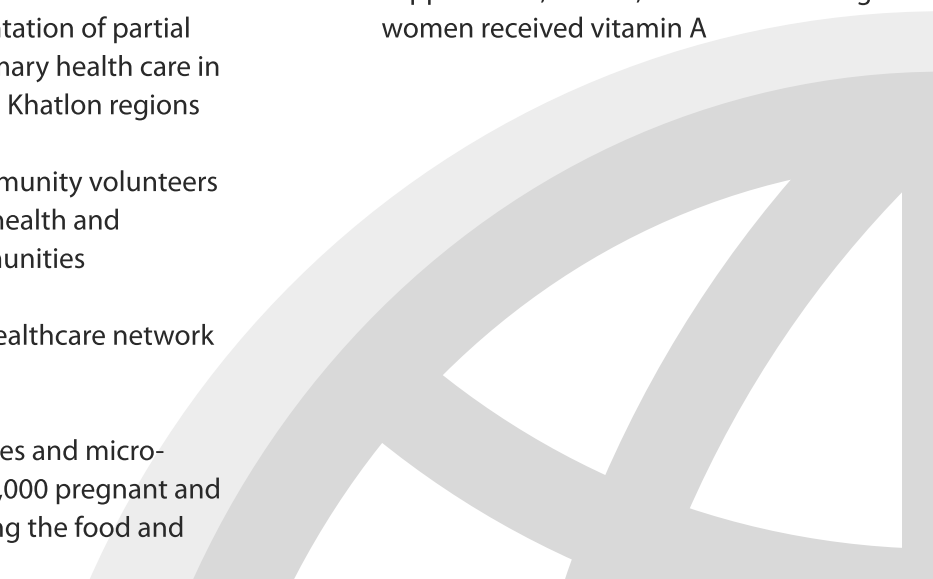
Education is a powerful driver of development and one of the strongest instruments for reducing poverty and improving health, gender equality, peace, and stability.

- Since 2000, qualification training for over 5,500 teachers provided
 - Through support from Russia and in partnership with the Open Society Institute, a National Testing Center was established and the Unified University Entrance Examination to roll out in 2014
 - Education Management Information System is operational countrywide since 2009, resulting in basic education data availability for analysis and policy decisions
 - Around 9 million copies of textbooks for 100 key subjects for grades 1–11 delivered between 2002 and 2011, reducing shortages by more than 40%
 - Over 100,000 schoolchildren benefited from rehabilitation of 2,600 classrooms in 320 schools and provision of school equipment
 - Per capita financing rolled out countrywide since 2010, resulting in US\$ 1.5 million in savings for improving schools and learning environments in 2010 alone
- 



Providing Better Healthcare Services

Access to quality healthcare and citizen satisfaction with services are low. From strengthening institutional capacity to addressing child malnutrition, the programs aim to promote better health services for the population.

- Over 4,000 healthcare system workers have been provided with training to improve their skills in provision of primary health care services
 - Introduction and implementation of partial per capita financing for primary health care in all 42 districts of Sughd and Khatlon regions
 - Training of 300 female community volunteers who serve as resources on health and nutrition within their communities
 - 20% of country's Primary Healthcare network completely renovated
 - Distribution of food packages and micro-nutrient supplements to 50,000 pregnant and breastfeeding women during the food and fuel price crisis in 2008
 - With support from Japan, from early 2011 to end-2012, 46,000 children under the age of five and 85,000 pregnant and breast-feeding women in Khatlon received micro-nutrient supplements, and 40,000 breast-feeding women received vitamin A
- 



Protecting the Poorest Households

Strong growth over the past decade has helped reduce poverty from 47% in 2009 to 39.6% in 2012, or by almost half since 2003. In spite of this progress, Tajikistan remains the poorest country in Europe and Central Asia.

- In cooperation with EU, a more effective targeted social assistance program piloted for the poorest 20% of the population
- Supported the development and promotion of regulations to protect legal rights of labor migrants
- The new method is more than twice as effective in identifying poor households. The pilot is being expanded from 2 into 8 additional districts
- The Programmatic Development Policy Grant series helped the Government of Tajikistan maintain public spending on social protection, education and health, at 42% of the budget during the global financial crisis





ОГРАНИЧИТЕЛЬ
ОТКРЫТИЯ

ЗАДАНИЕ
НАСТОЯЩ

Меню

Температура	23.3 °C
Влажность	33.3 %

Меню

ПОДКАЧКА
ВОЗДУХА

НАСОС МНУ
№1

НАСОС МНУ
№2

50

РЕЖИМ
"НАСТОЯЩ"

РЕЖИМ
"ВЫЖИВЛЕНИЕ"

ОТКЛ
ВКЛ

ОТКЛ
АВТ

РЕЖИМ
"ВОЗДУХ"

РЕЖИМ
"ОТ"

КОНТРОЛЬ
ЛАМП

НАСОС МНУ
№1

НАСОС МНУ
№2

НЕСТАБИЛЬНЫЙ
РЕЖИМ

АВАРИЙНОЕ
ОСТАНОВИТЬ

Ensuring Reliable Energy Supply

The Public Private Partnership Project “Pamir Energy” – a World Bank and IFC project, co-financed by the Aga Khan Fund for Economic Development and supported by the Government of Switzerland, is providing round the clock electricity to one of the remotest areas of Tajikistan.

- 74% of residents of Badakhshan enjoy 24 hours of electricity a day, year-round
- Energy losses reduced from 39% to 15%
- High consumer satisfaction rates and sustainable collections averaging over 100%
- Impact of tariff increases reduced by subsidies – a lifeline support for poorest consumers
- Employment opportunities for over 600 local residents and 200 seasonal jobs annually
- Energy being exported across the border to Afghanistan, supporting homes, businesses, and a local hospital





Efficiency and Self-Sustainability of the Energy Sector

Reliable energy supply is central to everyday needs of the population and development of the private sector. Transparent financial management in the energy sector will enable access to greater investment resources.

- Installation of 167,800 electricity meters in Dushanbe, together with distribution network rehabilitation, resulted in an increase in billed consumption by around 50% within the last two years
- Barqi Tojik energy company completed and published its first international financial audit in 2011
- An energy efficiency audit of the TALCO aluminum plant, which accounts for 40% of the country's electricity consumption, shows that the plant can save up to 20% of energy through efficiency measures
- Advisory support being provided to the Government of Tajikistan on the proposed CASA 1000 Project on export of summer excess power to Afghanistan and Pakistan
- Projects to increase private investment in Small Hydro Power for commercial use being piloted
- Between 2009 and 2011, emergency funds provided energy to households and businesses in critical winter months, increasing the availability of power by 730 million kilowatt hours and heat energy by 14,755 Gigacalories
- Feasibility studies for the rehabilitation, safety, and sedimentation management of the Nurek Hydro Power Plant is underway
- The Study "Tajikistan's Winter Energy Crisis: Electricity Supply and Demand Alternatives" examines a range of options to meet Tajikistan's winter electricity needs through 2020
- A study on the impact of potential energy tariff increases on the poor is ongoing in order to design a better social protection mechanism



Effective Management of Public Resources

Strengthening transparency and accountability for public resources is a key foundation for all World Bank Group programs in Tajikistan. Combined with a more effective public administration system this is aimed at using funds as intended to improve services for citizens.

- Single Treasury Account has been established at the republican level and will be extended nationwide, so that state resources are managed and monitored properly
- An independent external audit body has been established in the Government to improve performance management of budget funds
- A new salary grid for all central government employees introduced in 2012 budget, aimed at improving the transparency of pay in the civil services, while increasing salary levels for junior professional staff, where attraction and retention had been most problematic
- A Public Finance Management (PFM) Secretariat established under the PFM Council to monitor reforms in the sector





Improving the Environment for Private Investment

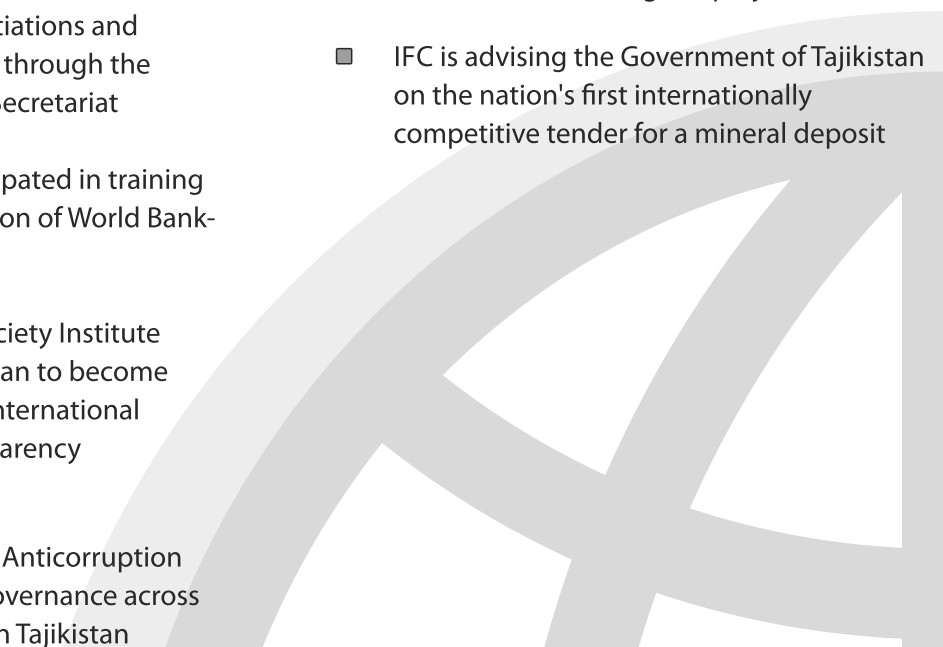
Tajikistan improved its ranking in the *Doing Business* Report, twice earning distinction as a global top 10 reformer in the past five years. IFC and World Bank continue to support the Government of Tajikistan in further improving the investment climate and creating better opportunities for businesses to invest and grow.

- Business permits reduced from 609 down to 85, which has the potential to help the private sector save around US\$ 18 million annually
- Days that it takes to start a business reduced from 62 days to 24 days as a result of amendments to the Law on Business Registration
- Custom Code amended to reduce number of documents required for trade
- A new tax code and risk-based audit selection reduce time and burden for SMEs to pay taxes
- Establishment of one stop shops for business registration, enabling entrepreneurs to receive information, forms, and other services needed to start a business
- The nation's first credit reporting bureau has been established and has begun operations
- Public Private Partnership law adopted to promote greater investment in infrastructure and social service
- New Banking Law, Central Bank Law and bank regulations adopted to strengthen governance in the banking sector and to enhance the central bank's independence
- New laws adopted to improve protection for investors including the Investment Agreement Law and the accession to the New York Convention



Governance and Anti-Corruption

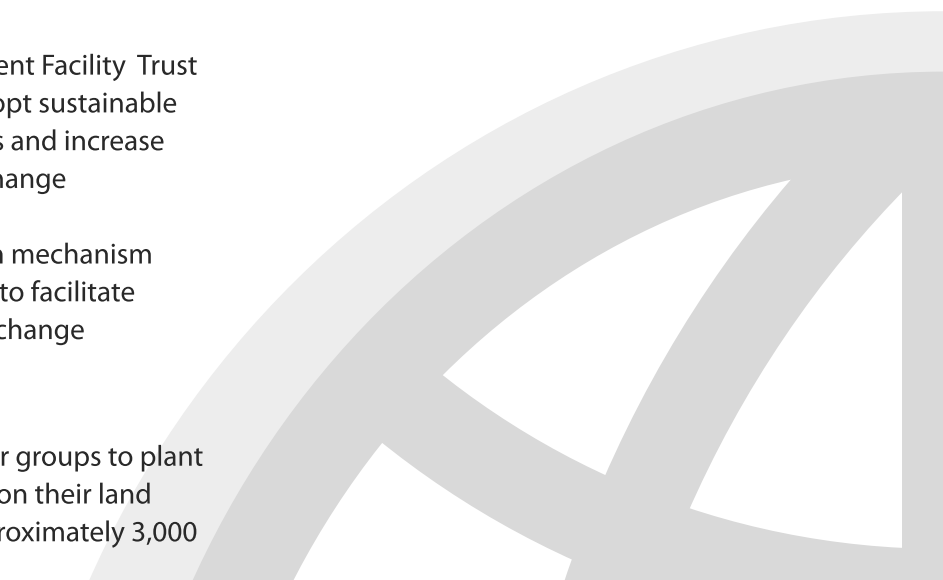
Improved governance will be essential for reaching Tajikistan's development goals. Governance is thus an integral, cross-cutting theme for the World Bank's Country Partnership Strategy in Tajikistan, supported by a Governance Partnership Facility grant.

- A nationwide survey on access to and quality of basic public services completed through citizen feedback
 - Improved capacity of Parliament to participate in budget negotiations and budget execution activities through the creation of the Parliament Secretariat
 - Over 100 local NGOs participated in training on monitoring and evaluation of World Bank-financed projects
 - Together with the Open Society Institute support provided to Tajikistan to become candidate country for the International Extractive Industries Transparency Initiative (EITI)
 - A Country Governance and Anticorruption Framework mainstreams governance across the World Bank's portfolio in Tajikistan
 - A Governance Checklist is applied to all new investments and helps identify sector-specific governance risks as well as opportunities to scale up governance measures in the design of projects
 - IFC is advising the Government of Tajikistan on the nation's first internationally competitive tender for a mineral deposit
- 



Better Management of Natural Resources

Already highly prone to natural disasters, Tajikistan is assessed as the most vulnerable country to the impacts of future climate change in the Europe and Central Asia region.

- Tajikistan is a recipient of the Pilot Program for Climate Resilience of the Strategic Climate Fund (PPCR), which is supported by the World Bank, the European Bank for Reconstruction and Development, and the Asian Development Bank
 - PPCR and Global Environment Facility Trust Fund help communities adopt sustainable land management practices and increase their resilience to climate change
 - A government coordination mechanism established in August 2011 to facilitate implementation of climate change adaptation initiatives
 - Small grants enabled farmer groups to plant more than 1.3 million trees on their land covering a total area of approximately 3,000 hectares
 - In 2011–2012, severe winter weather raised the risk of higher-than-average spring floods. Emergency funding was allocated for river bank reinforcement. An estimated 1,000 households were spared as a result
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