



Tajikistan: Financial Sector and Fiscal Management Improvement Program, Subprogram 1

Project Name	Financial Sector and Fiscal Management Improvement Program, Subprogram 1					
Project Number	51066-001					
Country	Tajikistan					
Project Status	Proposed					
Project Type / Modality of Assistance	Grant					
Source of Funding / Amount	<table border="1"> <tr> <td>Grant: Financial Sector and Fiscal Management Improvement Program</td> <td></td> </tr> <tr> <td>concessional ordinary capital resources lending / Asian Development Fund</td> <td>US\$ 50.00 million</td> </tr> </table>		Grant: Financial Sector and Fiscal Management Improvement Program		concessional ordinary capital resources lending / Asian Development Fund	US\$ 50.00 million
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Strategic Agendas	Inclusive economic growth					
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development					
Sector / Subsector	Finance - Banking systems and nonbank financial institutions - Central banking systems - Finance sector development - Money and capital markets Public sector management - Economic affairs management - Public expenditure and fiscal management					
Gender Equity and Mainstreaming	Some gender elements					
Description	The proposed Financial Sector and Fiscal Management Improvement Program aims to support the Government of Tajikistan with reforms to create a more stable financial system, enhance access to financial services, and improve fiscal management to accelerate sustainable private sector growth. The program will (i) enhance banking sector stability, (ii) improve the enabling environment for the financial sector, and (iii) strengthen public financial management.					
Project Rationale and Linkage to Country/Regional Strategy	<p>Private investment in Tajikistan declined from 6.2% of GDP in 2014 to 4.5% of GDP in 2017, below the regional average of 15.6% of GDP. Domestic credit to the private sector fell from 23% to 12% of GDP over 2015-2018, far below the regional average of 63% of GDP, and is identified as a top constraint to private sector development. Empirical analysis shows financial sector development has a statistically significant and relatively high impact on private investment. Insufficient public investment, including in critical infrastructure (e.g. energy and water) and a skilled workforce, also limits private investment. Poor public investment management practices, e.g. project appraisal and costing and absence of suitable resource allocation plans, including a medium term budget framework, create gaps in infrastructure and services needed for private investment and supporting economic growth.</p> <p>The program is consistent with the Asian Development Bank (ADB) country partnership strategy for Tajikistan, 2016-2020 and ADB's Strategy 2030, aligned with strengthening governance and institutional capacity. The program will support the government's reform agenda in the national development strategy up to 2030. The policy-based financing will be a programmatic approach that includes two subprograms to be implemented during 2020-2021.</p>					
Impact	Sustainable economic development improves the standard of living of the population (National Development Strategy of the Republic of Tajikistan for the Period up to 2030)					
Outcome	Private sector investment increased					
Outputs	<ol style="list-style-type: none"> Banking sector stability enhanced Enabling environment for financial sector improved Public financial management strengthened 					
Geographical Location	Nation-wide					
Safeguard Categories						
Environment		C				
Involuntary Resettlement		C				
Indigenous Peoples		C				
Summary of Environmental and Social Aspects						
Environmental Aspects						
Involuntary Resettlement						
Indigenous Peoples						
Stakeholder Communication, Participation, and Consultation						
During Project Design						
During Project Implementation						
Responsible ADB Officer	Alexander Julian					
Responsible ADB Department	Central and West Asia Department					

Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD
Executing Agencies	Ministry of Finance 3, Academic Rajabovs Dushanbe Tajikistan

Timetable	
Concept Clearance	10 Dec 2019
Fact Finding	06 Aug 2019 to 06 Aug 2019
MRM	03 Sep 2019
Approval	-
Last Review Mission	-
Last PDS Update	10 Dec 2019

Project Page	https://www.adb.org/projects/51066-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51066-001
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