



Tajikistan: Building Resilience with Active Countercyclical Expenditures Program

Project Name	Building Resilience with Active Countercyclical Expenditures Program								
Project Number	56147-001								
Country / Economy	Tajikistan								
Project Status	Approved								
Project Type / Modality of Assistance	Grant Technical Assistance								
Source of Funding / Amount	<table border="1"> <tr> <td>Grant 0857-TA: Building Resilience with Active Countercyclical Expenditures (BRACE)</td> <td></td> </tr> <tr> <td>Asian Development Fund</td> <td>US\$ 50.00 million</td> </tr> <tr> <td>TA 6975-TAJ: Building Resilience with Active Countercyclical Expenditures (BRACE)</td> <td></td> </tr> <tr> <td>Technical Assistance Special Fund</td> <td>US\$ 400,000.00</td> </tr> </table>	Grant 0857-TA: Building Resilience with Active Countercyclical Expenditures (BRACE)		Asian Development Fund	US\$ 50.00 million	TA 6975-TAJ: Building Resilience with Active Countercyclical Expenditures (BRACE)		Technical Assistance Special Fund	US\$ 400,000.00
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Asian Development Fund	US\$ 50.00 million								
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Technical Assistance Special Fund	US\$ 400,000.00								
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth								
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Private sector development								
Sector / Subsector	Public sector management / Public expenditure and fiscal management - Social protection initiatives								
Gender Equity and Mainstreaming	Effective gender mainstreaming								
Description	<p>The BRACE program will support the implementation of the government's countercyclical measures, targeting the poor and vulnerable while meeting financing needs. The program is aligned with the overarching development objective: social inclusion promoted by strengthening the support to poor and vulnerable groups, and economic resilience improved.²⁴ The effect of the program will be: adverse socioeconomic effects of the shocks mitigated, and resilience of poor and vulnerable groups enhanced. The program will contribute to the government's efforts to contain inflation within reasonable limits through fiscal interventions. It targets the provision of social assistance and protection until March 2023 to ensure that more than 500,000 poor and vulnerable households (of whom at least 40% are headed by women) benefit from at least one economic assistance program under the government's Anti-Crisis Action Plan, and therefore prevent them from falling deeper into poverty because of a higher cost of living. At least 186,000 MSMEs are expected to remain in business, of which at least 20% are owned by women. The program has three reform areas: (i) increased social assistance measures implemented, (ii) increased food security measures implemented, and (iii) enhanced support for business entities and measures to safeguard employment implemented.</p>								
Project Rationale and Linkage to Country/Regional Strategy	<p>Tajikistan is experiencing significant adverse economic and social impacts from the Russian invasion of Ukraine. Rising global food and oil prices, disrupted trade and revenue shortfalls, stressed financial sector, returning migrants, and diminishing remittances are causing economic growth to decelerate sharply, and unemployment and poverty to increase. The Government of Tajikistan adopted the Plan of Actions to Prevent the Impact of Potential Risks to the National Economy (Anti-Crisis Action Plan) .² Given its limited fiscal space and international gross reserves, the government is exploring sources to fund its urgent pro-poor countercyclical measures and expenditures(i) a social protection response package to assist poor and vulnerable groups; (ii) measures to ensure food security; and (iii) support to micro, small, and medium-sized enterprises (MSMEs) prone to experiencing severe effects. In the short term, the BRACE program will support the government's countercyclical responses and financing needs to help mitigate the adverse social and economic impacts of the crisis, while targeting women, the poor, and other vulnerable groups and ensuring gender mainstreaming.³ To be implemented in 2022, the program supports fiscal sustainability in the medium term as well as economic recovery. It is aligned with Strategy 2030 of the Asian Development Bank (ADB), including its operational priorities of (i) addressing remaining poverty and reducing inequalities, (ii) accelerating progress in gender equality, (iii) tackling climate change, building climate and disaster resilience and enhancing environmental sustainability, (iv) strengthening governance and institutional capacity, and (v) fostering regional cooperation and integration. ⁴ Moreover, the program supports the Central Asia Regional Economic Cooperation (CAREC) Strategy 2030, particularly its Operational Cluster B on trade.⁵ It aligns with these priorities by strengthening the government's capacity for executing the countercyclical responses; and targeting social assistance at women, the poor, and other vulnerable groups.</p>								
Impact	Social inclusion promoted by strengthening the support to poor and vulnerable groups, and economic resilience improved								
Project Outcome									
Description of Outcome	Adverse socio-economic effects of the shocks mitigated, and resilience of poor and vulnerable groups enhanced								
Progress Toward Outcome									
Implementation Progress									

Description of Project Outputs	Increased social assistance measures implemented Increased food security measures implemented Enhanced support for business entities and measures to safeguard employment implemented
Status of Implementation Progress (Outputs, Activities, and Issues)	
Geographical Location	Nation-wide
Safeguard Categories	
Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C
Summary of Environmental and Social Aspects	
Environmental Aspects	No environmental impact is expected.
Involuntary Resettlement	No involuntary land acquisition and resettlement is expected.
Indigenous Peoples	No adverse impacts on indigenous peoples is expected.
Stakeholder Communication, Participation, and Consultation	
During Project Design	The wide range of stakeholders, including (i) Ministry of Finance; (ii) Ministry of Health and Social Protection; (iii) Agency for State Material Reserves under the Government of Tajikistan; and (iv) Ministry of Labor, Employment of Population and Migration were consulted to identify the impacts of the pandemic and the Russian Invasion of Ukraine, and align ADB's assistance with government's needs and the support by development partners.
During Project Implementation	The civil society will be consulted through the TA during program implementation.
Business Opportunities	
Consulting Services	ADB will engage the consultants under the technical assistance following the ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.
Procurement	None
Responsible ADB Officer	Shah, Syed Ali-Mumtaz H.
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD
Executing Agencies	Ministry of Finance
Timetable	
Concept Clearance	17 Mar 2024
Fact Finding	10 May 2022 to 18 May 2022
MRM	29 Jul 2022
Approval	21 Oct 2022
Last Review Mission	-
Last PDS Update	21 Oct 2022

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Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	50.00	Cumulative Contract Awards			
ADB	50.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

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Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
400,000.00	0.00	0.00	0.00	0.00	0.00	400,000.00	-	0.00

Project Page	https://www.adb.org/projects/56147-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=56147-001
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