



Central Asia Regional Economic Cooperation Program

CAREC in

TAJIKISTAN

BUILDING A GLOBAL FUTURE





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In this publication, "\$" refers to US dollars.

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TAJIKISTAN

Landlocked Tajikistan, with its more than 8 million people, is bordered by the People's Republic of China (PRC) to the east, Uzbekistan to the west, Afghanistan to the south, and the Kyrgyz Republic to the north. It is also home to the highest mountain ranges in Central Asia (among them the Pamir and Alay), which make up 93% of the country's land area.

Since 1998, Tajikistan has seen steady growth in production and services, which has sped up socioeconomic development and economic growth. From 1997 to 2012, average annual growth was 7.6%.

Tajikistan is committed to expanding mutually beneficial economic cooperation with all countries and has actively participated in the Central Asia Regional Economic Cooperation (CAREC) Program since 1998.

CAREC meets the key objectives of Tajikistan's National Development Strategy, which gives high priority to reducing poverty. Since joining CAREC, Tajikistan has made impressive strides: it has reduced poverty from 81.0% in 1999 to 46.7% in 2009 and to 38.0% in 2012. Between 2000 and 2011, GDP per capita (at purchasing power parity) has almost doubled and reached \$2,083.

CAREC seeks to boost prosperity further by increasing access to trade and transport services. By enabling people and goods to move freely and at low cost within Tajikistan and across borders, CAREC will increase trade and improve access to essential services and jobs. CAREC has six transport corridors linking markets within the region and beyond; and

of these, four go through Tajikistan. These corridors have helped Tajikistan's merchandise exports grow to \$1.36 billion in 2012, from just \$597 million in 1998. During the same period, Tajikistan's imports multiplied five times, reaching \$3.78 billion.

CAREC also supports the expansion of Tajikistan's energy sector, which is critical for industrial development and for building foreign currency reserves. The program's energy projects are transforming aging transmission facilities, some of which were built in the Soviet era. CAREC's energy strategy aims to ensure that people have continuous access to the country's energy resources and to build new cross-border power transmission lines, which will allow importing of seasonal electricity surplus from neighboring countries.

CAREC's overriding objective is to create a global future for Eurasia, linking people and markets seamlessly from the PRC to Azerbaijan, in the Caucasus, and farther to Europe; and from Kazakhstan to Pakistan's sea ports and beyond. Given its long-time and active membership in the program and its strategic location, crisscrossed by four CAREC transport corridors, Tajikistan is key in achieving this goal.

CAREC MEMBER STATES

- Afghanistan
- Azerbaijan
- People's Republic of China
- Kazakhstan
- Kyrgyz Republic
- Mongolia
- Pakistan
- Tajikistan
- Turkmenistan
- Uzbekistan

MULTILATERAL DEVELOPMENT PARTNERS

Asian Development Bank
European Bank for Reconstruction and Development
International Monetary Fund
Islamic Development Bank
United Nations Development Programme
World Bank

Good Neighbors. Good Partners. Good Prospects

CAREC is a partnership of 10 countries supported by six multilateral institutions. The institutions work through the program to promote cooperation among the member states in the common pursuit of economic development.

Initiated in 1997 and formalized in 2001, CAREC is managed and administered through a comprehensive institutional framework that guides all aspects of planning, prioritization, and implementation. The framework includes annual ministerial conferences that set the program's overall direction and determine policies and strategic decisions. The program is supervised by the Asian Development Bank (ADB), which takes the lead in organizing CAREC gatherings. The ADB headquarters, in Manila, has been home to the CAREC Secretariat since its official establishment in 2001.



TRANSPORT, TRADE, AND ENERGY

CAREC is committed to making effective investments and implementing projects on time and according to international standards, which will ultimately improve people’s lives. The program focuses on four priority areas—transport, trade policy, trade facilitation, and energy—by providing financial resources and technical assistance.

Connectivity among the CAREC economies is a condition for market expansion and for links with other regions. Strategic infrastructure investment will drive an influx of foreign direct investments and the creation of joint cross-border ventures, which will help integrate the CAREC member states. The result will be new opportunities for greater specialization of production in the CAREC countries, through vertical and horizontal product differentiation in markets inside and outside the CAREC region.

Between 2001 and 2013, CAREC backed 146 projects totaling about \$22.4 billion, facilitating socioeconomic development in general and progress the priority areas.

TRANSPORT

To integrate transport links in Central Asia, CAREC has provided over \$17.7 billion in loans and grants for 98 projects to build or renovate roads, railways, and border-crossing points. Through the program, 4,487 kilometers (km) of roads along the six corridors have been constructed and another 3,700 km are being built, and 3,190 km of railways have been completed and another 2,500 km are being built. CAREC has also supported the development of airports and seaports throughout the region.



TRADE

The program aims to simplify and liberalize national trade regimes and to reduce trade barriers. To this end, the program conducts studies and experience and knowledge sharing on trade policy reform, and backs capacity-building initiatives for the accession of CAREC member states to the World Trade Organization (WTO).

To promote trade facilitation across the region, CAREC member countries are working together to freely move people, goods, and vehicles across borders and at less cost. To support their efforts, the program has provided \$268 million in loans and grants for 13 projects to help forge and implement agreements facilitating cross-border transport, as well as measures to reform and modernize customs systems. These projects have helped reduce the time and cost required to clear border-crossing points along the CAREC corridors.

ENERGY

ADB has supported regional projects to ensure full access to energy resources, which could provide significant opportunities for trade that can overcome the uneven distribution of resources and their seasonal variations. CAREC has provided \$4.2 billion in loans and grants to finance 33 such projects. In particular, since 2009, 2,322 km of power transmission lines have been built in the region. The CAREC Power Sector Regional Master Plan has been completed, and will guide investments in Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan.

Figure 1: Volume of Approved CAREC-Related Projects, by Sector, Cumulative since 2001

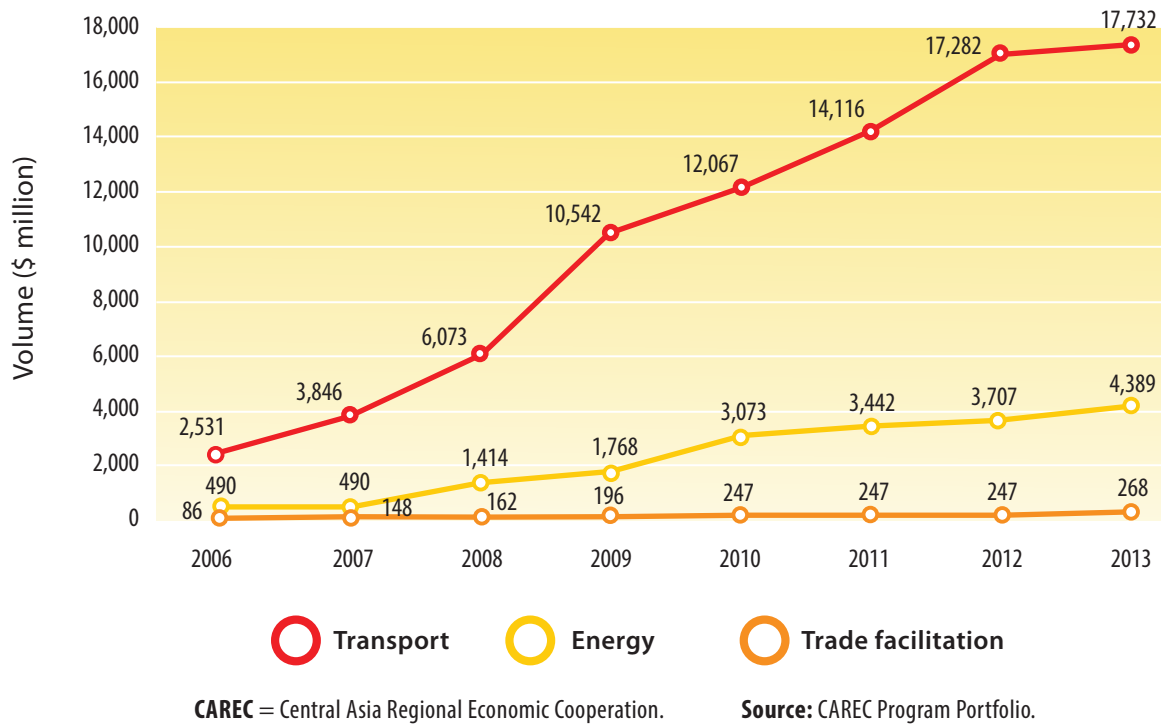


Figure 2: Loans and Grants: Amount by Source, 2001 to 2013
(\$ million)

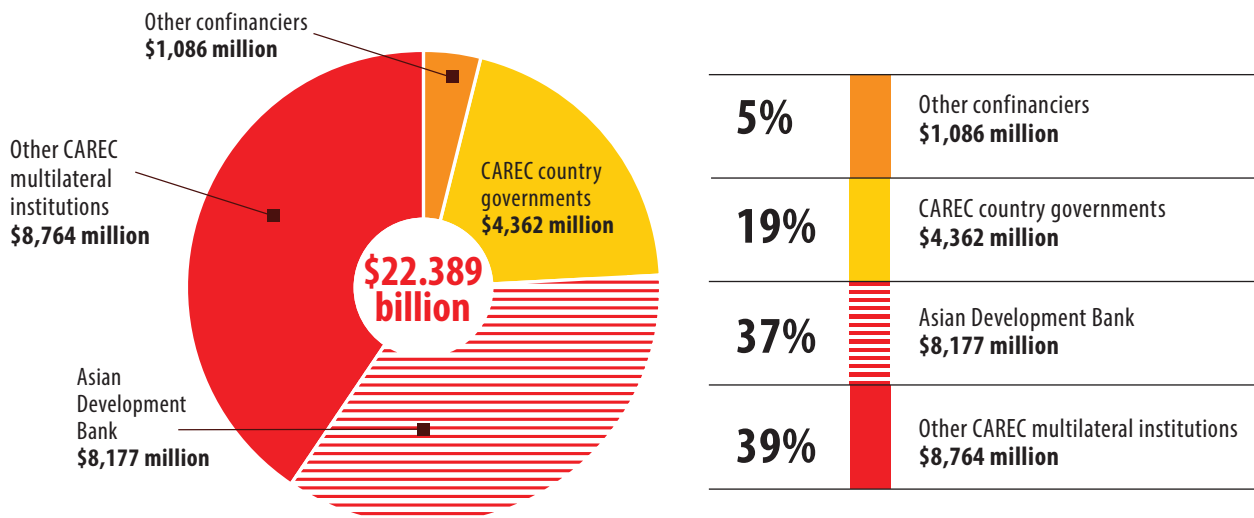
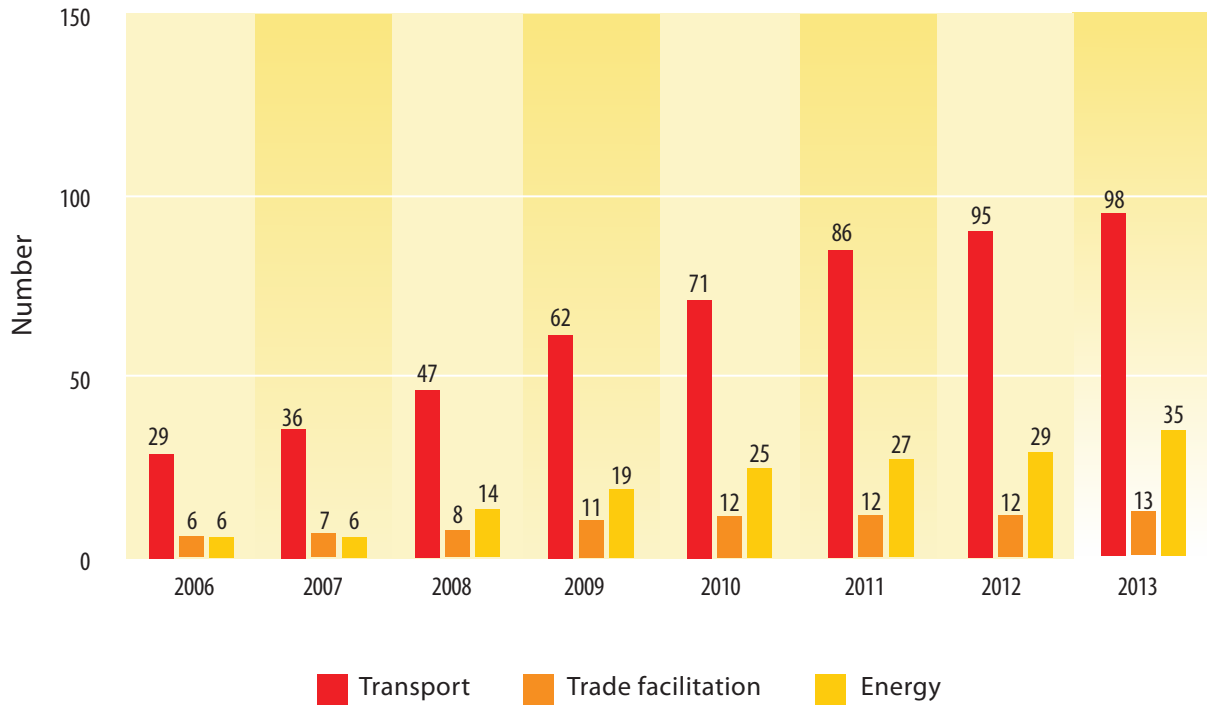


Figure 3: Number of Approved CAREC-Related Projects, Cumulative since 2001



CAREC = Central Asia Regional Economic Cooperation.

Source: CAREC Program Portfolio, including all multilateral institution partners.



INSTITUTIONAL STRUCTURE OF CAREC

CAREC is guided by an institutional framework that enables the effective coordination of various government agencies of the member states, both within countries and across borders.

The goals of this institutional framework are to (i) facilitate broad dialogue and consensus, thereby building trust among all participating stakeholders; (ii) identify and prioritize economic-cooperation initiatives involving two or more countries, and assist in preparing and implementing these actions; and (iii) promote regional economic cooperation, which will involve mobilizing financial and technical resources to speed up progress.

The institutional framework has a policy level and an operational level.

POLICY

A ministerial-level mechanism (i) provides general guidance and makes policy decisions, which include decisions on new regional programs, projects, and activities that involve two or more countries; (ii) makes policy decisions on implementing the approved projects; (iii) oversees and guides the work's operations; and (iv) holds discussions on regional initiatives with the international investment and donor community. The 1st Ministerial Conference took place in Manila, Philippines in 2002. Tajikistan was the host of the 6th Ministerial Conference, in Dushanbe in 2007, and it actively participates in broad-based dialogue and consensus building within the institutional framework.



OPERATIONS

The senior officials' meetings ensure the effective implementation of policy decisions made at the ministerial conferences, review operational issues, and make recommendations to the next ministerial conference. The 1st CAREC Senior Officials' Meeting was held in Manila in 2001.

Coordinating committees are established as needed to coordinate responses to sectoral issues. For each CAREC priority sector, there is a committee comprising representatives from CAREC member countries and multilateral development partners. These sector committees report their results to the CAREC senior officials' meetings and ministerial conferences. The operational level also includes working groups that prepare and implement priority regional projects.

Every member country appoints a senior government official to be its CAREC national focal point. The national focal points have to ensure the effective coordination of all concerned agencies and stakeholders in matters relating to regional economic cooperation. They must also ensure coordination between their governments and the CAREC Secretariat.

At the 10th Ministerial Conference, one of the themes was the role of knowledge sharing in advancing economic cooperation. The program identified the CAREC Institute as one of its seven operational priorities in the pursuit of trade expansion and improved competitiveness.

Since its founding in 2006, the CAREC Institute has provided web-based information and products, and supported training sessions at CAREC events. The institute is regarded as an important component of the program, and was identified as one of the three main areas of action in the Wuhan Action Plan (Box, CAREC Action Plans).

The CAREC Institute has adopted the 5-Year Strategic Knowledge Framework to guide its operations and help it become a knowledge-solutions hub for economic cooperation. The institute aims to (i) generate knowledge by conducting research on regional, multisector, and general issues regarding economic integration; (ii) provide capacity-building services by sharing knowledge through regional learning programs, seminars, and workshops; and (iii) manage knowledge by organizing and processing information and transforming it into knowledge products for wide dissemination.

CAREC ACTION PLANS

In 2006, CAREC adopted the **CAREC Comprehensive Action Plan** to clarify and simplify the program's objectives. The plan stated that CAREC's overarching goal was to pursue development through cooperation as a means of accelerating economic growth and reducing poverty. The plan included the following key themes:

- strategic direction and ownership by participating countries;
- the mainstreaming of regional cooperation by CAREC member countries and multilateral development partners;
- cooperation to provide business enterprises access to regional and global markets;
- knowledge sharing and capacity building to facilitate consensus and cooperation; and
- new approaches to development that emphasize cooperation on policy initiatives, new sectors, and innovative concepts.

The framework of the CAREC Comprehensive Action Plan, fully implemented by 2010, sought to broaden and deepen the CAREC Program while maintaining a focus on regional initiatives in support of transport, trade, and energy linkages. Sector-focused action plans were implemented subsequently, starting with the Transport and Trade Facilitation Strategy and Action Plan, which was endorsed at the 6th Ministerial Conference, in 2007, and the action plan at the 7th Ministerial Conference, the following year. The Trade Policy Strategy Action Plan was also endorsed at the 7th Ministerial Conference, as was the Strategy for Regional Cooperation in the Energy Sector of CAREC Countries. The Energy Action Plan was endorsed at the following ministerial conference, in 2009.

In 2011, the CAREC Program initiated **CAREC 2020**, which provides the strategic framework for the program up to 2020. This framework is focused on two related strategic objectives: expanding trade and improving competitiveness (Box).

CAREC 2020: The Big Picture

The strategy aims to have the CAREC Program

- become more focused, with clearly defined operational priorities;
- broaden its geographic and strategic interests, given that the CAREC region has expanded;
- establish a sequence of planned actions to achieve a 5-year priority list of regional projects and initiatives with greater efficiency;
- indicate specific responsibilities for implementation at the regional and country levels;
- introduce measurements through a results-monitoring framework; and
- serve as a mechanism for reviewing second-tier areas (e.g., agriculture, public health) in light of emerging regional and global developments.

Read the CAREC 2020 Strategic Framework

www.carecprogram.org/index.php?page=carec2020-strategic-framework

At the 11th Ministerial Conference at Wuhan, PRC in 2012, the ministers endorsed the Wuhan Plan of Action to ensure that the strategic objectives laid out in CAREC 2020 were achieved (Box).

THE WUHAN ACTION PLAN: From Strategy to Reality

The Wuhan Action Plan embodies CAREC's aim to seamlessly connect countries and create greater prosperity through the following:

- Expand trade and improve competitiveness.
- Implement more than \$23 billion in new regional transport infrastructure projects, together with energy and trade initiatives.
- Improve border and customs service, allowing people and goods to move faster and at least cost between nations.
- Build energy assets and security, and increase intra-regional energy trade.
- Establish a base for the CAREC Institute in Urumqi, PRC to support projects through knowledge generation, provision, and management.
- Pursue a practical, results-oriented, and corridor-based approach to facilitate cross-border transport.
- Remove nonphysical barriers to interstate and transit transport in the region and facilitate trade.

CAREC multilateral development partners and bilateral donor agencies from France, Japan, the United Kingdom, and the United States pledged support for the plan.

At the 12th Ministerial Conference, in Astana, Kazakhstan, the refined CAREC Transport and Trade Facilitation Strategy 2020 was approved. It calls for an integrated approach encompassing multimodal transport and improved logistics, more links with gateway ports, and better border-crossing services. The Transport and Trade Facilitation Strategy Implementation Action Plan comprises 108 investment projects of \$38.8 billion. The Trade Policy Strategic Action Plan 2013–2017 was also approved; it focuses on continued liberalization, accession to WTO, and greater trade in services.

TAJIKISTAN: AN ACTIVE CAREC MEMBER STATE

As of late 2013, 8 CAREC projects involving Tajikistan were completed and 11 were ongoing, with \$869 million invested in transport, trade, and energy. Of the completed projects, four were in transport, three in trade facilitation, and one in energy; and of the ongoing projects, six are in transport, one in trade facilitation, and four in energy.¹

Tajikistan's admission to the WTO, in March 2013, created the urgent need to expedite reforms in diverse sectors. This is especially true in transport, which is essential to Tajikistan's connectivity and access to other markets. The country's transport costs are among the highest in the world.

CAREC has been developing six regional transport corridors, four of which run through Tajikistan (corridors 2, 3, 5, and 6). One CAREC initiative that is improving the condition of roads there is the CAREC Corridors 3 and 5 Enhancement Project, which is helping build network connectivity in the region and augment regional economic cooperation. It will also promote inclusive economic growth in Tajikistan.

The project utilizes technical assistance to strengthen the 88 km road between Sayron and Karamik and to rehabilitate the 87 km Vose–Hovaling road. The project will improve road safety by installing street lights powered by solar energy installations, which will help roadside communities as well.

Another initiative that has improved connectivity in Tajikistan is the Dushanbe–Kyrgyz Border Road Rehabilitation Project. Phase I of this project, completed in 2009, improved a 140 km section of road between Dushanbe and Nurobod, in the Rasht Valley, through a combination of (i) rehabilitation and minor works; (ii) an upgrade of 77 km of rural roads in the project area; and (iii) consulting services for construction supervision, monitoring and evaluation, the implementation of road-safety measures, auditing, and project management.

Phase II of this project, also completed in 2009, upgraded the two-lane central and border sections of the Dushanbe–Kyrgyz Border Road, as well as some rural roads. This phase included consulting services for project management and supervision, auditing, and training for the Ministry of Transport's Accounting Department.

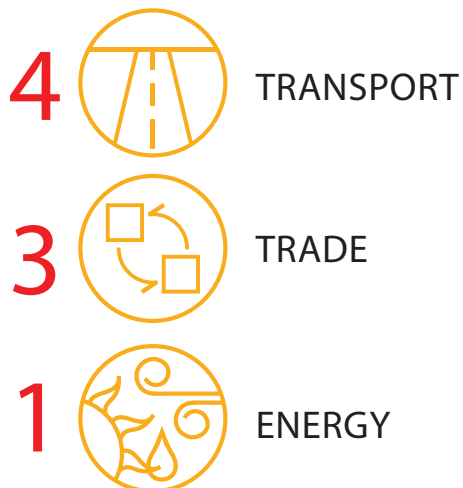
A supplement to Phase II, which is ongoing, is expanding the scope of the project, with the rehabilitation of 77 km of the central section of the Dushanbe–Kyrgyz Border Road, including 9 km of the border section at Karamik and 41 km of the section between Obigarm and Nurobod, in addition to improvements on the 7 km emergency bypass road.

Phase I has reduced poverty in Tajikistan by lowering the cost of transport and improving access to markets that had historically been inaccessible. Phase II has helped increase trade in the region, as well as economic growth in the Rasht Valley and Dushanbe, and create a sustainable regional and national road network. The supplement to Phase II will focus on strengthening the project's impact.

¹ See the Appendix for a list of all CAREC projects that involve Tajikistan.



COMPLETED PROJECTS



ONGOING PROJECTS



Source: CAREC Project Portfolio, as of September 2013.

Another important transport project is a completed upgrade of the fleet of Tajik Air, the national air carrier. Under this project, CAREC leased two planes to Tajik Air and financed pre-operation costs. The project increased the capacity of Tajikistan's aviation industry, helped build closer economic ties between Tajikistan and other states, and increased the mobility of people and goods.

A second aviation project has been completed. It replaced Tajik Air's aging air navigation equipment, and helped finance the corporate restructuring of Tajik Air and reform the aviation sector.

Improvements only in transport infrastructure, without corresponding advances in trade facilitation, would not allow Tajikistan and other CAREC member states to realize their potential in expanding economic cooperation. CAREC's focus on trade facilitation aims to integrate the region economically so that products can be transported more quickly and efficiently between countries, and at lower cost and more competitively.

Collaboration on energy among CAREC member states is driven by (i) the consolidation of energy markets to balance the uneven distribution of energy resources among CAREC countries, (ii) the expansion of existing collaborative activities among these countries, and (iii) the development of ways to cut costs. The CAREC Strategy for Regional Cooperation in the Energy Sector, approved in November 2008, aims to achieve energy independence in the region by developing the necessary infrastructure and institutions, further consolidating energy markets to make commercial energy available to all CAREC states, and by supporting economic growth through energy trade.

Improved road helps transform lives for the better

The Asian Development Bank (ADB) is funding improvements on a regional 354-kilometer (km) road corridor from Dushanbe to the Kyrgyz Republic border in three phases, for a total loan and grant amount of \$88.1 million under the CAREC Program. With the development of more CAREC corridors, Tajikistan could emerge as a regional transportation hub linking the huge markets of the People's Republic of China (PRC) to Afghanistan and Pakistan. It could also become a gateway to the Middle East. "The benefits can already be seen," said Farrukh Nuriddinov, ADB project implementation officer.

Near the town of Fayzabad, in a valley lying 500 meters from a stretch of road rehabilitation, which was completed in the first phase, Odinaev Muhamadali manages one of the biggest egg factories in Central Asia. The 34.5-hectare egg farm has 576 employees tending 750,000 chickens, and supplies 55% of Dushanbe's egg market. After transporting 400,000 eggs 46 km to the capital city daily, 20 trucks return loaded with 74 tons of chicken feed. Mr. Muhamadali said that the \$30 million investment to modernize the plant would never have been considered without the road improvements. He added his company would have lost at least 25% of its eggs to breakage on the rutted and potholed old road, and there would have been substantial truck maintenance costs and lost time. "Without this new road, our business would have been severely damaged," he said.

New businesses are opening as traffic increases on completed sections of the road, and locals are finding jobs in gas stations, cafés, and repair shops. The manager of Zargar Transport Service Complex said that he hired 20 unemployed local people. Nearby communities are also benefitting, as they can buy cooking gas and other supplies closer to home and at lower prices.

At one roadside truck stop, Gulomov Saidjafar wrestled a blown tire from a rim with the help of Aliev Islamiddin. The pair drive their 10-wheelers loaded with 16 tons of cargo back and forth from northern Tajikistan through the Kyrgyz Republic to the PRC, a grueling 1,720 km trip that takes about 12 days. "This ADB stretch is the best on the whole trip; the weather means nothing here," said Mr. Saidjafar. Similarly, the customs and border controls that have been modernized under CAREC are smooth and fast, said Mr. Islamiddin.

Tajikistan seeks energy independence. Its long-term strategy has been to promote energy exports because the country's supply of energy is uneven and seasonal, as it is derived from hydropower. During summer, demand for electricity is low, but production is high because runoff from glacial melt is high. During winter, electricity demand is high but production is low, and this impedes full-fledged economic activity.

The expansion and modernization of the electric power system under CAREC will help Tajikistan fully supply domestic households and businesses with energy in winter. It will also boost Tajikistan's energy trade with neighboring countries and augment regional connectivity.

All in all, Tajikistan needs to (i) increase the efficiency of its facilities that generate and distribute electricity; (ii) expand energy trade with neighboring countries; and (iii) attract private investment to develop its coal, gas, and hydropower resources. CAREC is instrumental in helping Tajikistan maximize its energy potential.

Powering Tajikistan

In 2008, the Asian Development Bank (ADB) approved a \$54.8 million grant under the CAREC Program for the Nurek 500-Kilovolt (kV) Switchyard Reconstruction Project, which is installing a new switchyard on a stable site, scheduled to open in 2014.

The Nurek Hydropower Plant is Tajikistan's main source of power, producing over 70% of the country's electricity; reaching roughly 6 million people; and powering the textile, aluminum, food processing, and agricultural sectors, which facilitate the country's economic development.

This power supply, however, is vulnerable. The switchyard of the 3,000-megawatt plant, located 75 kilometers east of Dushanbe, literally sits on shaky ground, and must be completely reconstructed. About 40% of the switchyard has already sunk by 5 meters. Today, some areas of the switchyard are sinking by about 0.8 millimeter per day."

The Nurek Hydropower Plant has been functional for over 40 years, and most of its equipment has already outlived its usefulness, according to Saidshoh Abdulloev, deputy technical director. As Erovo Salimon, switchyard rehabilitation engineer, inspected wide cracks in the unstable soil around the switchyards, he said, "If the ground suddenly gives way, we risk losing almost three-quarters of the power in the country. That would be a national catastrophe."

"The switchyard performs important functions: receiving power from a generating facility; regulating its distribution; adjusting voltage up and down; limiting power surges; and converting power from direct current to alternating current, or vice versa," said Mr. Abdulloev.

The completion of this project is critical, as it will result in a more reliable energy supply, and thus support steadier economic growth in Tajikistan by ensuring energy independence.

"ADB's primary focus is to help improve the performance of the power sector by pursuing a reform agenda and investing in physical infrastructure," said C.C. Yu, ADB's country director for Tajikistan. According to Mr. Yu, "ADB's investment will not only stabilize the Nurek Hydropower Plant's switchyards, it will also upgrade the plant's technology."

THE ROAD AHEAD

Tajikistan has witnessed impressive economic growth over the first decade of the 21st century, but many of its people (38%) are still poor. Improving their lives will require sustained economic growth, which will be driven largely by the export of commodities such as cotton and aluminum, and by the generation and export of hydroelectricity.

Export growth will depend on better transport infrastructure and trade facilitation. These are key goals of CAREC. Future transport projects under the program will encourage intraregional cooperation. The program aims to improve living standards, particularly in the countryside, by reducing the cost of transporting farm produce to markets and of traveling to health and education centers.

CAREC energy interventions in Tajikistan will target poor regions. Improved access to electricity, which is proposed under the Golovnaya 240-Megawatt Hydropower Plant Rehabilitation Project and the Power Sector Development Project, will benefit poor and vulnerable consumers by allowing hospitals, schools, and other social services—often the hardest hit by inadequate power supplies—to operate more efficiently.

Given Tajikistan's hydropower potential, CAREC must push for its development. Besides boosting domestic industry, hydropower could also become a major source of foreign exchange. In 2010, Tajikistan produced 16.4 billion kilowatt-hours (kWh) of electricity, only marginally higher than the 14.4 billion kWh of electricity generated in 1998, and less than the 18.1 billion kWh of electricity produced in 1990. CAREC's support for Tajikistan's energy sector, in the form of funding and expertise, could make hydroelectricity an important pillar of the economy.

There are 11 CAREC projects under way in Tajikistan across three priority areas. These projects will have a direct impact on the economy and living standards and enable the country to become a thriving economy.

Appendix: CAREC Program Projects in Tajikistan

1. Energy Sector Projects

Project Name	Summary	Amount of funding, funders
<p>Regional Power Transmission Interconnection Project (Tajikistan Component)</p>	<p>The project consisted of four parts:</p> <p>A. TRANSMISSION LINES</p> <ol style="list-style-type: none"> 1) Construction of a new 220-kilovolt (kV) double-circuit river crossing at Karadum village over the Pianj River to the territory of Afghanistan. 2) Construction of approximately 118 kilometers (km) of a new double-circuit 220 kV transmission line, from the Karadum border crossing to Sangtuda substation. <p>B. SUBSTATION</p> <ol style="list-style-type: none"> 1) Supply and installation of high-accuracy export-import metering equipment at the Sangtuda substation. 2) Construction of two-line bays to connect the new 220 kV transmission line with the Sangtuda substation. <p>C. GENERATION</p> <ol style="list-style-type: none"> 1) Replacement of transformer T3 at the Golovnaya Hydroelectric Power Plant. 2) Dredging of canals at the Prepadnaya and Centralnaya hydropower plants. 3) Rehabilitation and upgrading of unit 3 at the Golovnaya hydropower plant. 4) Rehabilitation of the excitation system at the Baipaza Hydroelectric Power Plant. 5) Optimization of the operation of the Vakhsh Cascade. <p>D. METERING</p> <ol style="list-style-type: none"> 1) Supply of bulk metering systems for other transmission substations. 	<ul style="list-style-type: none"> • \$21.5 million (Asian Development Bank[ADB]). • \$8.5 million (Organization of the Petroleum Exporting Countries [OPEC] Fund for International Development) • \$10.0 million (Islamic Development Bank). • \$14.0 million (Barki Tajik [Tajikistan National Power Company]).
<p>Energy Emergency Recovery Assistance Project</p>	<p>The project consists of three parts:</p> <p>A. REHABILITATION OF THE ELECTRICITY, GAS, AND HEAT TRANSMISSION SYSTEMS</p> <ol style="list-style-type: none"> 1) Installation of an odorizing system to detect gas leaks in the gas network. 2) Rehabilitation of the gas transmission system. 3) Rehabilitation of the electrical transmission system. 4) Provision of low sulfur residual fuel oil to the Dushanbe combined heat and power plant. 5) Rehabilitation of heat-supply systems in the city of Khujand. 6) Restoration of coal-based heat-supply systems at selected settlements. 	<p>\$6.5 million (World Bank).</p>

Funding Type	Expected outcome(s)	Date	Status
LOAN	<p>The project has enhanced cooperation in the energy sector between Afghanistan and Tajikistan by interconnecting the power grids of the two countries. In Tajikistan, the project has increased the country's power export and income-generating capacity by increasing the capacity of the Southern Grid hydroelectric power plants.</p>	19 December 2006	COMPLETED
GRANT	<p>The project will immediately increase the amount and reliability of the national energy supply, especially in winter, by supporting the implementation of Tajikistan's Energy Emergency Mitigation Action Plan.</p>	1 May 2008	ONGOING

1. Energy Sector Projects

Project Name	Summary	Amount of funding, funders
	<p>B. PROJECT MANAGEMENT, CAPACITY BUILDING, AND SUPPORT FOR IMPLEMENTATION OF TAJIKISTAN'S ENERGY EMERGENCY MITIGATION ACTION PLAN (EEMAP)</p> <ol style="list-style-type: none"> 1) Strengthening of Tajikistan's capacity for project management and monitoring and evaluation, covering environmental management and safety, procurement, disbursement, and financial management activities. 2) Support for the implementation of medium-term actions under the EEMAP for electricity and gas systems. <p>C. PROVISION OF ENERGY RESOURCES</p> <ol style="list-style-type: none"> 1) Provision of power to areas covered by Barki Tajik but not connected to the grid. 2) Provision of power to Barki Tajik from the Sangtuda-1 power plant. 	
<p>Nurek 500 kV Switchyard Reconstruction Project</p>	<p>This project has two parts:</p> <ol style="list-style-type: none"> 1) The construction of a new 500 kV switchyard connected to Tajikistan's national grid and to the Nurek Hydroelectric Power Plant. 2) Project management support, including consulting services for construction supervision, procurement, project monitoring, and evaluation. 	<ul style="list-style-type: none"> • \$54.8 million (ADB). • \$12.1 million (Government of Tajikistan, Barki Tajik) (Shared).
<p>Energy Emergency Recovery Assistance Project — Additional Financing</p>	<p>The additional financing serves two purposes:</p> <ol style="list-style-type: none"> 1) Help cover the costs of scaling up project activities to provide critically needed power. 2) Ensure a corresponding scale-up of project management support. 	<p>\$15.0 million (World Bank).</p>
<p>Regional Power Transmission Project</p>	<p>This project encompasses the following:</p> <ol style="list-style-type: none"> 1) Construction of the 220 kV Kairakum–Asht transmission line, approximately 70 km; rehabilitation of the Kairakum 220 kV substation; and construction of a new bay in the Asht 220 kV substation. 2) Construction of the 220 kV Geran–Rumi transmission line, approximately 69 km; rehabilitation of the 220 kV Rumi substation; and the rehabilitation and expansion of the 220 kV Geran substation. 3) Rehabilitation of the Regar 500 kV and Baipaza 220 kV substations. 4) Installation of the Supervisory Control and Data Acquisition (SCADA) system at the national control center and at 32 key substations. 5) Support for project implementation, including supervision, procurement, and project monitoring and evaluation. 6) Implementation of a power sector operational performance improvement program. 	<ul style="list-style-type: none"> • \$122.0 million (ADB). • \$19.0 million (Government of Tajikistan, Barki Tojik) (Shared).

Funding Type	Expected outcome(s)	Date	Status
GRANT	The project will promote economic development and help reduce poverty by ensuring sustainable and reliable electricity supply. It will also reduce the risk of catastrophe if the switchboard were to be disabled by a natural disaster.	17 November 2008	ONGOING
GRANT	The additional financing for the Energy Emergency Recovery Assistance Project will quickly increase the volume and reliability of the national energy supply, especially in winter, by supporting the implementation of the Energy Emergency Management Action Plan.	6 May 2010	ONGOING
	The project will help Tajikistan achieve energy security, and will provide an adequate and reliable power supply to domestic households and businesses. It will also improve energy efficiency and the overall performance of the power sector. On the regional level, it will enhance connectivity and promote energy trade among Central Asian countries and with Afghanistan.	13 August 2010	ONGOING

2. Trade Facilitation Projects

Project Name	Summary	Amount of funding, funders
Regional Trade Facilitation and Customs Cooperation Program (Tajikistan Component)	<p>This program served four main purposes:</p> <ol style="list-style-type: none"> 1) Strengthened governance, increased transparency, and improved the institutional capacity of customs administrations. 2) Strengthened the legal and regulatory framework for customs operations in line with international standards and conventions. 3) Improved the operational efficiency of customs administrations to facilitate trade and enhance revenue collection. 4) Developed an effective mechanism for cooperation among the region's customs administrations. 	\$10.00 million (ADB).
Regional Customs Modernization and Infrastructure Development Project (Tajikistan Component)	<p>The project was implemented in the Kyrgyz Republic and Tajikistan. It included two main components:</p> <ol style="list-style-type: none"> 1) The development of a unified automated information system, including core application systems and communications structures, human resources, and a focus on public awareness. 2) Development of border-post infrastructure through improvements of customs border posts and facilities, provision of customs-operations and anti-smuggling equipment, and the promotion of capacity building and border interagency cooperation. 	<ul style="list-style-type: none"> • \$10.7 million (ADB). • \$2.7 million (Government of Tajikistan). • \$1.6 million (Government of the United States).
Central Asia Regional Economic Cooperation (CAREC) Regional Improvement of Border Services Project (RIBS)	<p>The project is supporting the construction and renovation of border-crossing points in the Kyrgyz Republic and Tajikistan.</p>	<ul style="list-style-type: none"> • \$17.6 million (ADB). • \$3.4 million (governments of the Kyrgyz Republic and Tajikistan)(Shared).
TSA Air Fleet Upgrade Project	<p>The project had two components:</p> <ol style="list-style-type: none"> 1) Upgrading of the Tajikistan State Air Company's air fleet by leasing two aircraft and financing pre-operation costs. 2) Provision of an aviation consultant for the project implementation unit. 	\$6.7 million (European Bank for Reconstruction and Development [EBRD]).

Funding Type	Expected outcome(s)	Date	Status
LOAN	The program helped integrate the economies of the Kyrgyz Republic and Tajikistan into the world trading system by setting up a regional framework with an effective cooperation mechanism; providing critical funding for the reform and modernization of their customs systems; and strengthening the legal and regulatory frameworks, in conformity with international treaties and agreements.	29 October 2002	COMPLETED
LOAN	The project increased the efficiency and transparency of customs services, reinforced ongoing customs-related legal reforms, and simplified customs procedures. It also facilitated regional trade and promoted regional customs cooperation through concerted customs reforms and modernization in the region.	26 November 2004	COMPLETED
GRANT, LOAN	The project is improving the working conditions and performance of border management personnel. It is also reducing the processing time and costs, resulting in better regional transport connections, improved trade and transit infrastructure, and reduced cross-border barriers.	27 March 2013	ONGOING
LOAN	The project increased the capacity of Tajikistan's aviation industry and promoted closer economic links with the rest of the world. It also enhanced labor mobility and the exchange of goods and services.	30 November 2004	COMPLETED

3. Transport Projects

Project Name	Summary	Amount of funding, funders
<p>Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase I</p>	<p>The project comprised the following:</p> <ol style="list-style-type: none"> 1) Improvement of about 140 km of the mostly two-lane highway between Dushanbe and Nurobod, through a combination of rehabilitation of the km 22–km 95 section, minor rehabilitation of km 95–km 150, and minor work on the km 9–km 22 section. 2) Improvement of 77 km of rural roads in the project area. 3) Consulting services for construction supervision, monitoring and evaluation, implementation of road-safety measures, auditing, and project management. 4) Procurement of equipment for use in routine and periodic maintenance of all of the improved road sections. 	<ul style="list-style-type: none"> • \$15.0 million (ADB). • \$6.0 million (OPEC Fund for International Development). • \$2.6 million (Government of the Kyrgyz Republic).
<p>Dushanbe-Kyrgyz Border Road Rehabilitation Project, Phase II</p>	<p>The project involved the following:</p> <ol style="list-style-type: none"> 1) Rehabilitation and improvement of the two-lane central and border sections of the Dushanbe–Kyrgyz Border Road, and of certain rural roads (km 140–km 150 section, km 150–km 200 section, km 200–km 217 section, a 12 km section adjacent to the Tajikistan–Kyrgyz Republic border, and approximately 60 km of rural roads in the project area). 2) Procurement of road maintenance equipment and vehicle-weighing systems. 3) Consulting services for project management and supervision, auditing, and training for the accounting department of the Ministry of Transport. 4) Consulting services on HIV/AIDS and sexually transmitted illnesses, migration, and other social and environmental impacts (this subcomponent was grant-financed). 	<ul style="list-style-type: none"> • \$29.5 million loan (ADB). • \$0.5 million grant (ADB). • \$9.5 million (Government of Tajikistan).
<p>Tajikistan State Air (TSA) Navigation Systems</p>	<p>The project involved the following:</p> <ol style="list-style-type: none"> 1) Replacement of aging air-navigation equipment. 2) Implementation of reforms in the aviation sector. 3) Corporate restructuring of TSA. 	<ul style="list-style-type: none"> • \$5.5 million loan (EBRD). • \$2.0 million grant (Japan Fund for Post-Conflict Support, Japan-Europe Cooperation Fund) (Shared).

Funding Type	Expected outcome(s)	Date	Status
LOAN	The project (i) helped reduce poverty by reducing the cost of road transport and improving access to markets; and (ii) increased regional trade and cooperation by rehabilitating the road linking Dushanbe to Nurobod (formerly called Darband), in the Rasht Valley, and on to the Kyrgyz Republic and the People's Republic of China (PRC).	18 December 2003	COMPLETED
LOAN, GRANT	The project helped increase trade in Central Asia and economic growth in Dushanbe and the Rasht Valley. It also contributed to the creation and improvement of sustainable national and regional road networks.	17 November 2005	COMPLETED
LOAN, GRANT	The project modernized Tajikistan's aging air-navigation equipment and supported the restructuring of the aviation sector.	4 September 2001	COMPLETED

3. Transport Projects

Project Name	Summary	Amount of funding, funders
<p>CAREC Regional Road Corridor Improvement Project (Tajikistan Component)</p>	<p>This regional road corridor improvement project covers the 263 km two-lane road from Sary-Tash (Kyrgyz Republic) to Nimich (Tajikistan). The Tajikistan component of the project includes the following:</p> <ol style="list-style-type: none"> 1) Improvement of 121 km of the road from the Tajikistan–Kyrgyz Republic border at Karamik to Nimich, reinforcement of embankment and protection measures, rehabilitation of slopes, and installation of drainage systems and road safety measures; replacement of five seriously deteriorated bridges, repair of four bridges, and construction of three new bridges. 2) Construction and rehabilitation of the Karamik border post (Tajikistan–Kyrgyz Republic border). 3) Strengthening of sustainability and capacity of road subsectors by outsourcing maintenance operations to the private sector in Tajikistan. A cross-border agreement among the PRC, Kyrgyz Republic, and Tajikistan. 	<ul style="list-style-type: none"> • \$40.9 million loan (ADB). • \$12.5 million grant (ADB). • \$23.1 million (Government of Tajikistan).
<p>Dushanbe–Kyrgyz Border Road Rehabilitation Project, Phase II —Supplementary</p>	<p>The supplementary grant expands the scope of the original project with the following:</p> <ol style="list-style-type: none"> 1) Rehabilitation of 127 km of the project corridor—77 km of the central section (km 140–km 217); the 9 km border section (km 337–km 346) at Karamik; and the 45 km section from Obigarm to Nurobod s(km 95–km 140). 2) Improvement of the 7 km emergency bypass road (km 110–km 117). 	<ul style="list-style-type: none"> • \$20.0 million (ADB). • \$5.0 million (Government of Tajikistan).
<p>CAREC Corridor 3 (Dushanbe-Uzbekistan Border) Improvement Project</p>	<p>The ADB-funded portion of the project involves the following:</p> <ol style="list-style-type: none"> 1) Improvement of the 62 km highway linking Dushanbe with the Uzbekistan border. 2) Improvement of Dusti border-crossing-point facilities. 3) Connection of the Dusti border-crossing point to a reliable power source. 4) Construction of modern customs buildings. 5) Installation of new information technologies to help increase trade and cut waiting times at the border. <p>In addition, EBRD will fund the 5 km Avicenna Monument–West Gate section, close to Dushanbe.</p>	<ul style="list-style-type: none"> • \$120.0 million (ADB). • \$27.0 million (EBRD). • \$39.0 million (Government of Tajikistan).

Funding Type	Expected outcome(s)	Date	Status
LOAN, GRANT	The project will help reduce transport costs and foster regional trade and cooperation among the PRC, Kyrgyz Republic, Tajikistan, and other CAREC member countries by improving sections of the regional road corridor between Tajikistan and the Kyrgyz Republic. This project will also improve access to social services for people living along the road corridor.	24 October 2007	ONGOING
GRANT	The supplementary grant will reinforce the original project's impact and outcomes, contributing to integrated and efficient regional road transport and trade, and improving access to markets and social services.	24 July 2009	ONGOING
GRANT	The project will increase national and regional trade, and boost economic growth through improved connectivity and mobility along the Tajikistan sections of CAREC Corridor 3.	18 January 2011	ONGOING

3. Transport Projects

Project Name	Summary	Amount of funding, funders
Dushanbe-Uzbekistan Border Road Improvement Project	The project involves improvement of a 4.6 km section of the 62 km M41 highway between Dushanbe and the border of Uzbekistan. This includes widening the road from three lanes to four, constructing a flyover and underpass, and building a new asphalt road.	<ul style="list-style-type: none"> • \$27 million (EBRD). • \$120 million (ADB). • \$39 million (Government of Tajikistan).
CAREC Corridor 6 (Ayni-Uzbekistan Border Road) Improvement Project	<p>This road improvement project includes the following:</p> <ol style="list-style-type: none"> 1) Rehabilitating and reconstructing approximately 113 km of the road through Ayni and Panjakent districts to the Uzbekistan border, and 31 bridges. 2) Promoting community road safety awareness and strengthening the Ministry of Transport's road safety management capacity. 3) Upgrading the Sarazm border-post infrastructure and improving living standards in local communities. 	<ul style="list-style-type: none"> • \$100 million grant (ADB). • \$14 million loan (OPEC Fund for International Development). • \$22 million (Government of Tajikistan).
CAREC Corridors 3 and 5 Enhancement Project	<p>The project is important for national road connectivity, particularly in Khatlon Province. It will do the following:</p> <ol style="list-style-type: none"> 1) Strengthen the 88 km Sayron-Karamik road. 2) Rehabilitate the 87 km Vose-Haveling sub-network connecting road. 3) Improve road safety and provide roadside communities with solar energy installations. 	<ul style="list-style-type: none"> • \$70 million (ADB). • \$19 million (Government of Tajikistan).

Funding Type	Expected outcome(s)	Date	Status
LOAN	The project will improve the transport of goods and services domestically and internationally. It will help reduce traffic congestion and harmful emissions, and will improve road safety.	24 July 2012	ONGOING
GRANT, LOAN	The improved road will increase regional connectivity, reduce transport costs, and strengthen Tajikistan's competitiveness. The road will also improve access to markets and social services for impoverished local communities; stimulate the development of agriculture, tourism, and mining; create jobs; and contribute to improved living standards in the region.	11 September 2012	ONGOING
GRANT	The project will improve regional network connectivity (CAREC Corridors 3 and 5 and associated sub-networks). It will also promote regional economic cooperation and inclusive economic growth in Tajikistan.	29 May 2013	ONGOING

CAREC in Tajikistan: Building a global future

Tajikistan is committed to expanding mutually beneficial economic cooperation with all countries and has actively participated in the Central Asia Regional Economic Cooperation (CAREC) Program since 1998. CAREC seeks to boost the country's prosperity by increasing access to trade and transport services and supporting the expansion of the energy sector.

The Central Asia Regional Economic Cooperation Program

The Central Asia Regional Economic Cooperation (CAREC) Program is a practical, project-based, and results-oriented partnership that promotes and facilitates regional cooperation in transport, trade, and energy. CAREC comprises 10 countries: Afghanistan, Azerbaijan, the People's Republic of China, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. Six multilateral institution partners support the work of the CAREC member countries: the Asian Development Bank (ADB), European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and World Bank. ADB serves as the CAREC Secretariat.

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