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Tajikistan diagnostic

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Kamilla Mamatova, Associate Regional Economist for the Central Asia and Mongolia region on the Regional Policy and Strategy (RPS) team, prepared this report, under the supervision of Ana Kresic (Regional Policy Lead, Central Asia and Mongolia, RPS). Edoardo Pontecorvi (Analyst. Economics and Policy, RPS) and Aida Rysbekova (Analyst, Economics and Policy, Central Asia and Mongolia, RPS) contributed to the document.

We are grateful for the guidance and comments provided by Artur Radziwill (previously Director, Country Economics, Strategy and Policy, CESP), Peter Sanfey (Deputy Director, RPS) and Eric Livny (Associate Director, Head of Turkmenistan).

Valuable contributions were provided by David Lewis (Senior Political Counsellor, RPS), Jonathan Aves (previously Senior Political Counsellor on the Competition, Governance and Political Affairs (CGPA) team), Aruzhan Meirkhanova (SR Analyst, CGPA), Khamidulla Marmorated (Principal, Policy, RPS), Rishata Sabir Ragazzi (Acting Principal, RPS), John Gordon (Associate, Capital and Financial Markets Development), Anvar Nasritdinov (Principal, Policy, RPS), Anar Nurbayeva (Principal, Gender and Economic Inclusion), and Yulia Shapovalova (Legal Transition Team), as well as Holger Wiefel (Associate Director, Head of Tajikistan) and staff of the Dushanbe Regional Office. Editor: Poilin Breathnach. The report is based on data available as of September 2025.

Country diagnostics are a European Bank for Reconstruction and Development (EBRD) tool for identifying the main obstacles to entrepreneurship and private-sector development in the economies where it operates. They also help to shape the Bank's priorities and project selection in formulating new country strategies. Each diagnostic informs the EBRD's policy engagement with the authorities in that country.

Country diagnostics assess national progress and challenges in developing a sustainable market economy. Private-sector development and entrepreneurship are at the heart of the Bank's mandate, but in all of the Bank's investee economies, the private sector faces a range of problems and obstacles. They highlight the key challenges facing private companies and shows where each economy stands relative to its peers on the Bank's six transition qualities – competitive, well governed, green, inclusive, resilient and integrated – highlighting the main deficiencies and gaps in each.

The diagnostics draw on a range of methodologies and best practices for assessing how big certain obstacles are. Extensive use is made of the Bank's in-house expertise and surveys, such as the Business Environment and Enterprise Performance Survey (BEEPS) and the Life in Transition Survey, as well as other cross-country surveys and reports from institutions such as the World Bank, the World Economic Forum and the Organisation for Economic Co-operation and Development (OECD). For some larger countries, the diagnostics also draw on specially commissioned studies of selected issues that are critical to private-sector development.

The EBRD's Regional Policy and Strategy team lead the diagnostics, drawing substantially on the expertise of sectoral, governance and political experts in the Policy Strategy and Delivery Department and consulting widely with experts across the Bank in preparing the final product. The diagnostics are shared with the EBRD Board during the country strategy process and published during the public consultation period.

The views expressed in the diagnostic papers are those of the authors alone and not of the EBRD, and are not endorsed by the government in question.

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Executive summary

Tajikistan has demonstrated robust economic growth and resilience. Despite being the poorest country in Central Asia, Tajikistan's economy has expanded rapidly over the past decade. Real gross domestic product (GDP) growth averaged 7.3 per cent annually between 2014 and 2024, outpacing regional peers. Strong remittance inflows, public investment in large infrastructure projects – notably the Rogun hydropower project, which is expected to transform the country's electricity market and export potential in the medium term – and a stable macroeconomic framework have underpinned this performance. Engagement with the International Monetary Fund (IMF) and World Bank has supported fiscal consolidation, debt transparency and structural reform, while recent credit-rating upgrades reflect improved macroeconomic performance and management.

Deep structural vulnerabilities are constraining the country's transition to a sustainable, market-oriented economy, however. Economic diversification remains limited, productivity is low and income convergence with regional comparators has been slow. The economy is dominated by low-value-added agriculture and services, with remittances (almost exclusively from Russia) accounting for around half of GDP. This dependence on single-source external income makes Tajikistan vulnerable to external shocks and demographic pressures from a rapidly growing population. Sustained structural reform focused on improving governance, strengthening market institutions, modernising the private sector and promoting inclusive and green growth will be essential in order to ensure that Tajikistan's strong growth translates into higher living standards.

Political stability is underpinning the current economic model, but centralised decision-making and weak institutional quality and capacity are hindering competition and private-sector growth. Enterprises face persistent governance barriers, including weak rule of law, high perceived levels of corruption and regulatory uncertainty. Governance challenges, particularly in state-owned enterprises (SOEs), the judiciary, and public administration, continue to deter investment. SOEs remain a major source of inefficiency and fiscal risk, though oversight and reporting are improving under the IMF-supported reform agenda. While digitalisation and e-governance reforms are progressing, further improvements in accountability, corporate governance and policy transparency are needed.

Private-sector development is further hindered by an uneven playing field, heavy regulation and limited access to finance. Small and medium-sized enterprises (SMEs) dominate the economy, but face high and unpredictable tax burdens, weak infrastructure and restricted market access. Productivity and innovation remain low, with persistently high informality, a weak labour market and skills gaps. Simplifying business regulation and improving market competition are essential to fostering entrepreneurship and investment.

Human capital development remains a key constraint. Despite declining poverty and rising education enrolment, quality job creation has not kept pace with population growth. Labour migration to Russia remains the main safety valve, while female labour-force participation and youth employment are low due to traditional gender norms and skills mismatches. Expanding vocational education, supporting entrepreneurship and improving access to finance for women and young people are critical to inclusion and productivity.

Tajikistan's abundant hydropower resources give it one of the cleanest energy mixes in the region, but the country's climate vulnerability is high. Floods, landslides, and droughts threaten agriculture, infrastructure and livelihoods. The authorities have taken steps to strengthen climate resilience and mobilise green finance, but additional investment and capacity are needed to meet Nationally Determined Contribution targets.

The country's integration into regional and global markets is improving, supported by stronger ties with Uzbekistan and the Kyrgyz Republic, as well as gradual progress on trade and transport connectivity. However, Tajikistan's weak logistics, landlocked geography, high transportation costs, ageing infrastructure, inefficient border-crossing procedures and narrow export base continue to limit competitiveness and integration with external markets.

1. Political and economic overview

Political economy

Tajikistan experienced a devastating civil war in the 1990s, but since a peace agreement with opposition groups in 1997, the country has seen relative political stability. President Emomali Rahmon, who became de facto head of state in 1992 and president in 1994, has steadily consolidated authority over the political system and the economy. While this has ensured continuity and stability, it has led to constraints on political pluralism and limited economic competition.

The political leadership has emphasised domestic security and nation-building, often through a narrative highlighting the historical heritage of the Tajik nation. This vision of nation-building has been reinforced through major infrastructure and industrial projects, most notably the Rogun hydroelectric dam, the country's strategic energy initiative.

Political succession is a key issue. President Rahmon's eldest son, Rustam Emomali, is Chairman of the National Assembly (Majlisi Milli), the upper house of parliament and second-highest constitutional office. He is widely regarded as the president's intended successor, although no timetable for transition has been announced. Meanwhile, the United Nations and other international bodies have raised concerns about growing restrictions on civil society and independent media. No opposition parties were permitted to contest the country's parliamentary elections in March 2025.

On the foreign policy front, Russia remains a key economic and security partner, and the primary destination for labour migrants from Tajikistan. Tajikistan is a member of the Collective Security Treaty Organisation and hosts a Russian military base, but has resisted joining the Eurasian Economic Union. China has become an important economic partner, investing heavily in transport infrastructure and mining. Security cooperation with China has also increased. Tajikistan has continued to diversify its foreign relations, including with the European Union (EU) and the United States of America, as well as Middle Eastern states, including Iran.

Tajikistan has benefited from improved regional cooperation within Central Asia. Difficult relations with Uzbekistan improved markedly after 2018, while a border agreement with the Kyrgyz Republic in 2025 ended several years of conflict. The Khujand Declaration, signed by the leaders of Tajikistan, Uzbekistan and the Kyrgyz Republic in March 2025, resolved long-standing border disputes in the Fergana Valley, opening up the prospect of increased trade and improved transport links. The lengthy border with Afghanistan has continued to pose a security challenge. Relations with the Taliban regime have been strained, but in 2024-25, Tajikistan adopted a more pragmatic approach, aiming to improve cross-border cooperation with Afghanistan on economic and energy issues.

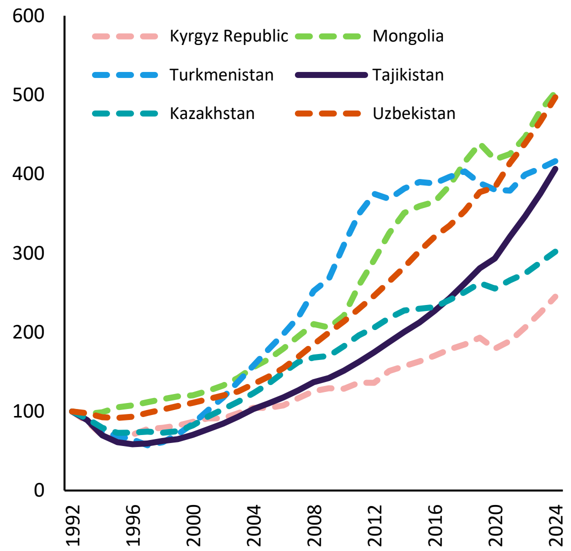
1.1. Economic background and outlook

Tajikistan was among the poorest Soviet republics even prior to independence. After plunging into civil war (1992-97), the country lost most of the industrial capacity it had inherited from the Soviet era (which was already far more limited than in the larger Soviet republics). By 1997, Tajikistan had lost 40.5 per cent of its 1992 output. The economy attained its pre-war output levels only in 2004 (Figure 1). Chronic underinvestment in physical infrastructure and the complete collapse of public services relegated the bulk of Tajikistan's population to survival on subsistence agriculture or emigration. Unsurprisingly, in 1998-99, Tajikistan had the second-highest population percentage living in extreme poverty in the Central Asian region, with 79.6 per cent living on less than US$ 3.00 a day (at 2021 purchasing power parity (ppp)).[1]

Over the last decade, growth has outpaced the regional average. In 2014-24, Tajikistan's real GDP grew by an average 7.3 per cent annually, compared with just 4.3 per cent in Central Asia and Mongolia (simple average). Moreover, Tajikistan managed to avoid a pandemic-induced recession and has demonstrated particularly strong resilience to Russia's war on Ukraine.[2]

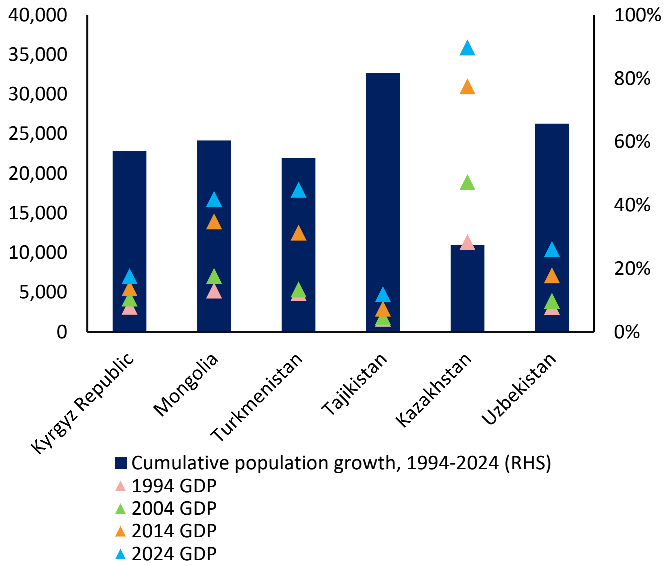
Nevertheless, income convergence remains rather slow. As of 2024, Tajikistan's real income per capita (in ppp, constant prices) stood at 67 per cent of the Kyrgyz Republic's and only 13 per cent of Kazakhstan's, making it the poorest country in the region.[3] This is in part explained by the country's strong population growth. From 1994 to 2024, Tajikistan's population growth averaged 2 per cent annually, compared with 1.7 per cent in Uzbekistan, 1.6 per cent in Mongolia, 1.5 per cent in the Kyrgyz Republic and Turkmenistan, and 0.6 per cent in Kazakhstan.

Figure 1. Real GDP (1992=100),1992-2024



Source: IMF data, authors' calculations.

Figure 2. GDP per capita (ppp, constant 2021 international $) and cumulative population growth, 1994-2024



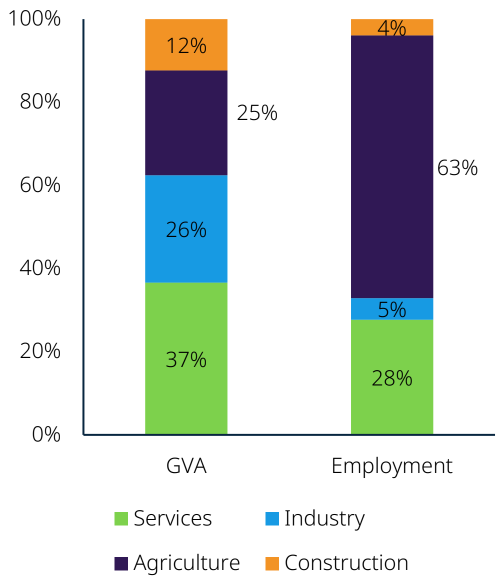
Source: World Bank and IMF data, author's calculations.

The country's slow income convergence can also be explained by its reliance on the highly informal and low-productivity agriculture and services sectors. Gross value added (GVA) is dominated by services, but services' share of GVA (around 37 per cent as of 2022) is much lower than in the Kyrgyz Republic (about 51 per cent) and Kazakhstan (around 53 per cent).[4] Agriculture continues to employ a disproportionately large share of the workforce. As of 2022, it accounted for 25 per cent of total GVA, but absorbed 63 per cent of the registered labour force, despite being the lowest-paying sector, reflecting the lack of development in other sectors (Figure 3).[5] This stands in stark contrast to neighbouring Uzbekistan and the Kyrgyz Republic, where agriculture accounts for only 14 and 25 per cent of total employment, respectively.[6]

1 See World Bank (n.d.a).
2 See IMF (2025).
3 See EBRD (n.d.r).
4 See World Bank (n.d.b).
5 See Agency on Statistics Under the President of the Republic of Tajikistan (n.d.a).
6 See World Bank (n.d.c).

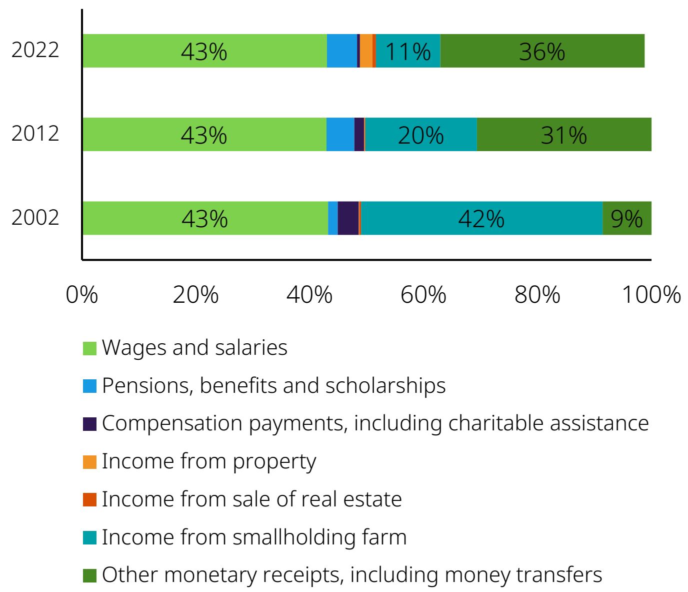
The seasonal nature of agricultural activities and the lack of decent jobs are pushing workers into migration. Consequently, personal remittances have become the backbone of the Tajik economy, accounting for about 50 per cent of GDP in 2024 (up from 6.4 per cent in 2002). The value of personal remittances has been growing gradually, with incoming money transfers reaching US$ 6.8 billion (€6.3 billion) in 2024.[7] Currently, remittances account for a considerable portion of household income. Back in 2002, in addition to wages, the population relied mostly on income from smallholdings. Since then, the share of farming income has shrunk, while the contribution of remittances has increased significantly (Figure 4).

Figure 3. Gross value added and employment by sector, 2022



Source: Agency on Statistics under the President of the Republic of Tajikistan data, World Bank data and authors' calculations.

Figure 4. Share of average monthly aggregate income by source, 2002-22



Source: Agency on Statistics under the President of the Republic of Tajikistan data and authors' calculations.

On the expenditure side, private consumption dominates GDP, similarly to regional peers. Fuelled by migrant earnings, private consumption accounts for the largest share of GDP, at around 89.6 per cent in 2023, up from 80.4 per cent in 2021.[8]

Tajikistan's investment as a share of GDP has been one of the highest in Central Asia. While it decreased to 31.7 per cent in 2023, Tajikistan's investment as a share of GDP averaged 34.3 per cent in 2019-23, larger than that of Kazakhstan (27.6 per cent) and the Kyrgyz Republic (31.2 per cent), through lower than Uzbekistan's 36.8 per cent.[9] Moreover, the share has more than tripled since the early 2000s, reflecting government investment in the Rogun hydropower plant and other infrastructural projects. While fixed capital investment is mainly financed by the government (40 per cent as of 2023), the share of foreign (28 per cent) and private (29 per cent), investment is also considerable.[10] Some 56.5 per cent of capital investment goes to production facilities, including transport and energy infrastructure, while the rest goes to the construction of public buildings, schools, hospitals and the like (Figure 5).

Since 2017, imports have been increasing steadily, reflecting stronger consumer demand, financed by growing remittances and wages. Generally, import dynamics reflect trends in domestic purchasing power, the currency movements of large import partners and infrastructure investments that require imported equipment (Figure 6). In terms of import composition, petroleum products accounted for 11.3 per cent of all imported goods in 2023, highlighting the country's dependence on imported fuels.[11] Due to ongoing works on the Rogun hydropower plant, machinery and equipment also make up a sizeable proportion of imported goods, accounting for almost 10.9 per cent in

7 See National Bank of Tajikistan (n.d.a). The average 2024 exchange rate has been used for conversions from US dollars to euros throughout this report.

8 See World Bank (n.d.d).

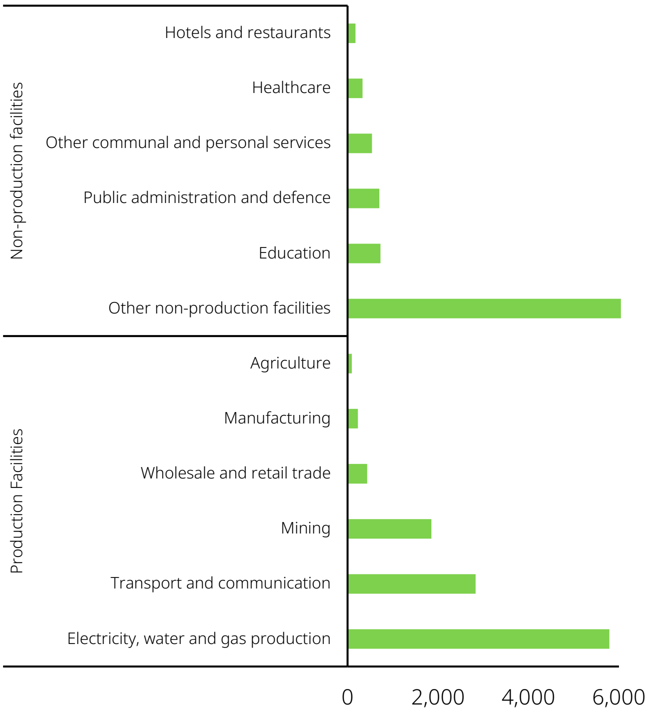
9 See World Bank (n.d.e).

10 See Agency on Statistics under the President of the Republic of Tajikistan (n.d.b).

11 See Agency on Statistics under the President of the Republic of Tajikistan (n.d.b).

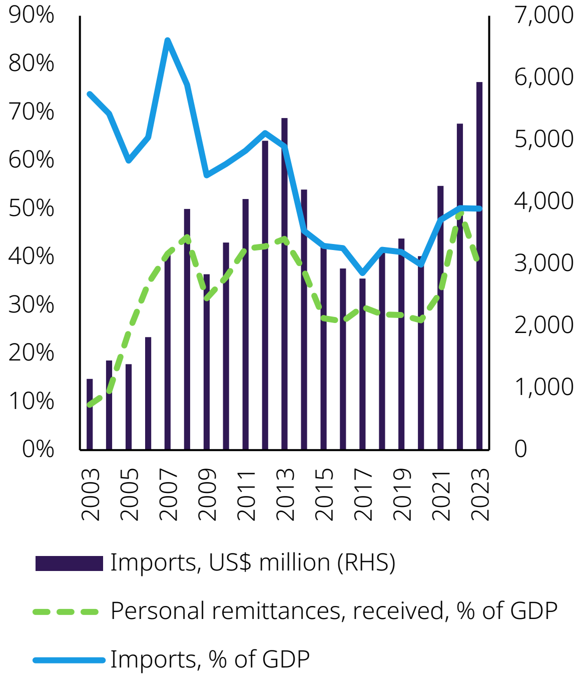
2023. Goods are mainly sourced from China, Russia, Kazakhstan and Uzbekistan, which together accounted for 67 per cent of all good imports in 2023.[12]

Figure 5. Use of fixed capital investment, 2023 (TJS million)



Source: Agency on Statistics under the President of the Republic of Tajikistan and authors' calculations.

Figure 6. Import dynamics and remittances, 2003-23



Source: World Bank data, IMF (2025) and author's calculations.

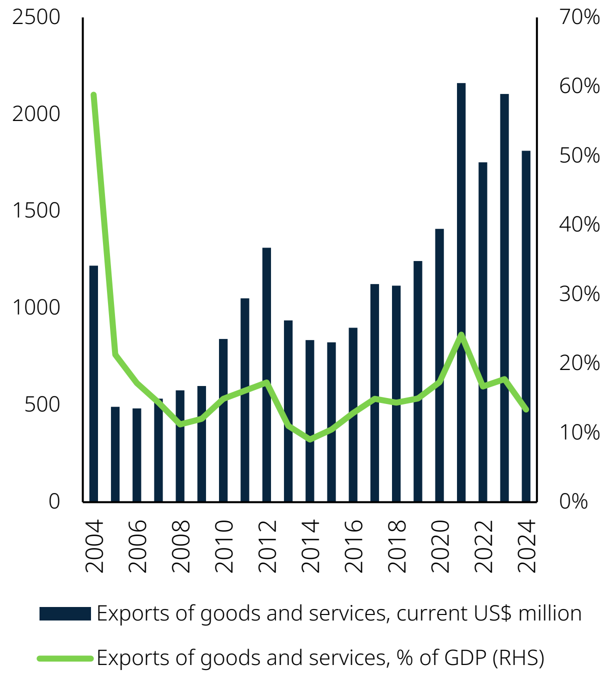
Since 2014, exports have been increasing steadily, both as a share of GDP and in nominal terms.[13] Tajikistan's exports are of relatively low complexity and dominated by commodities. Precious and semi-precious metals and stones, mineral products and non-precious metals account for more than 60 per cent of the country's exports (Figure 8), bringing in revenues, but not creating sufficient employment opportunities. Exports are concentrated geographically, with around 22 per cent of exports going to Switzerland (gold) in 2023. Overall, Switzerland, Russia, Central Asia (mostly Kazakhstan and Uzbekistan) and China are the key destinations for the country's goods.[14]

12 See IMF (n.d.).

13 See World Bank (n.d.f and n.d.g).

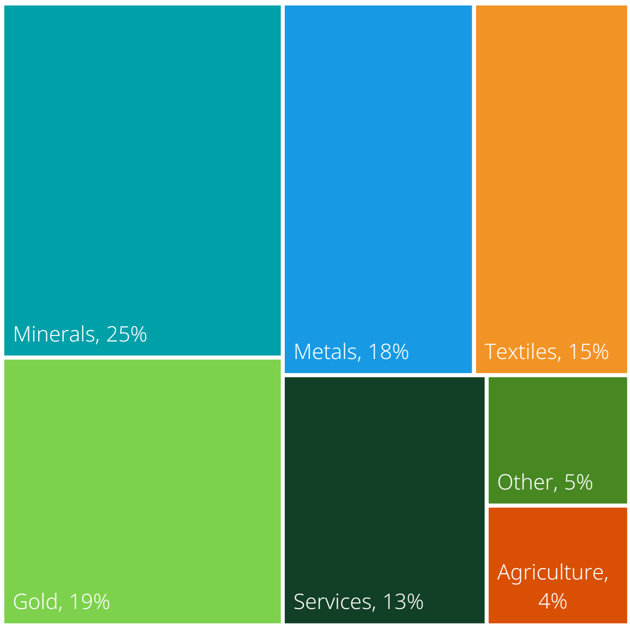
14 See Harvard Growth Lab (2023).

Figure 7. Export dynamics, 2004-24



Source: IMF (2025) and authors' calculation.

Figure 8. Export composition, 2023



Source: Harvard Growth Lab (2023).

At about US$ 3.3 billion (€3 billion) in 2023, Tajikistan's total inward stock of foreign direct investment (FDI) is the lowest in the region.[15] FDI is mainly concentrated in the extractive industries, with China the main source, particularly since the early 2010s. In 2023, FDI from China more than halved compared with 2022, while FDI from Russia, Türkiye and Kazakhstan gained momentum. However, China still accounted for half of all FDI flows into the country in 2023.[16] Concurrently, the authorities are exploring opportunities to attract FDI outside of the extractive sector and are giving preference to investment in processing, though the extractive sector still accounts for the majority of FDI (Figure 9).

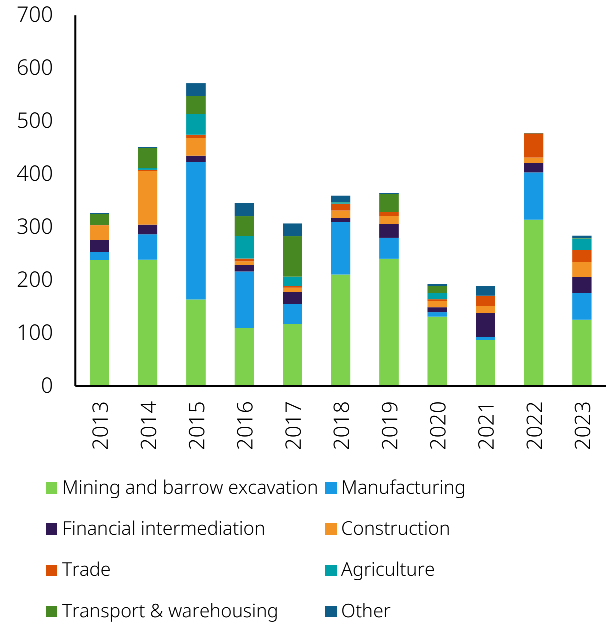
Tajikistan maintains the lowest inflation rate in the region, at just 3.1 per cent year on year in August 2025.[17] In 2020, pandemic-induced border closures and the depreciation of the currency, the somoni, led to higher transportation and import costs, putting pressure on domestic prices. Concurrently, the economic slowdown has limited the Central Bank's scope for monetary tightening, driving inflation slightly above the target range (of 4-8 per cent) in 2020-21. In contrast, following Russia's full-scale invasion of Ukraine, Tajikistan managed to keep inflationary pressures under control in 2022. In fact, inflation in Tajikistan has been well below the Central Asian average, thanks to several factors: a) effective and timely macroeconomic management by the National Bank of Tajikistan (that is, an elevated policy rate); b) after a spike in March 2022, the somoni quickly gained value against the US dollar and has been stable or appreciating slightly, helping to contain import costs; and c) unconventional measures, including informal price controls, hosting food fairs with local products (Figure 10).

15 See UNCTAD (n.d.).

16 See National Bank of Tajikistan (n.d.b).

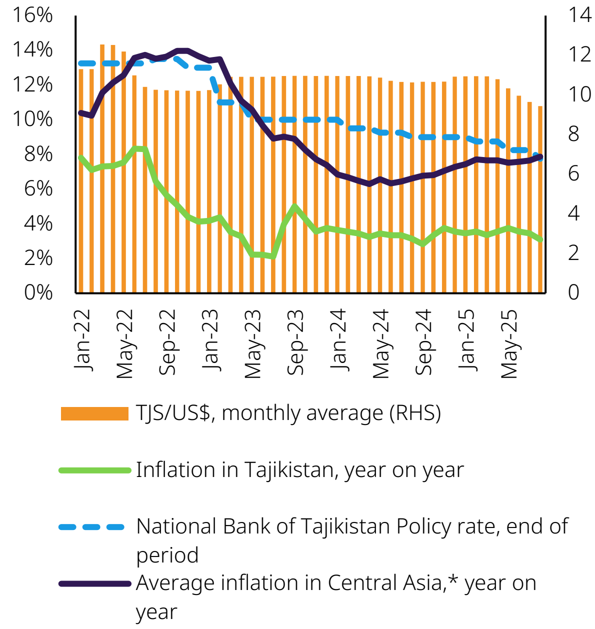
17 Based on CEIC and national statistical office data.

Figure 9. FDI inflows by sector (US$ million), 2013-23



Source: National Bank of Tajikistan and authors' calculations.

Figure 10. Inflation, policy rate and exchange-rate dynamics, 2022-25



Source: National Bank of Tajikistan and CEIC.
*Simple average, excludes Turkmenistan.

The trade deficit has widened on import growth, but the current account deficit remains positive. Historically, the country has had a negative trade balance. However, in recent years, the trade deficit has widened, driven by higher import values resulting from the construction of the Rogun hydropower plant. Consequently, the current account balance has shrunk, but remains positive thanks to high remittances.[18]

Debt sustainability has improved on the back of strong growth and effective revenue mobilisation. Gross external debt peaked in 2020 at US$ 6.9 billion (€6.4 billion). It decreased to US$ 6.6 billion (€6.1 billion) in 2021, before increasing again to US$ 6.87 billion (€6.3 billion) in 2023. Meanwhile, both gross external debt and public-sector external debt have been declining as a share of GDP, with the public debt-to-GDP ratio decreasing by more than 20 percentage points in 2020-24. While the IMF views Tajikistan's public debt as sustainable, its external and overall risk of debt distress is considered high, as Tajikistan breaches the 21 per cent debt service-to-export indicator threshold, with a ratio of 27 per cent in 2023. Once Tajikistan completes its Eurobond repayments, scheduled semi-annually for 2025-27, with a first payment successfully completed in March 2025, its debt-servicing costs will gradually decrease, contributing to debt sustainability and lowering the risk of distress.[19]

Renewed close engagement with the World Bank, the IMF and other international partners under the umbrella of ensuring funding for the Rogun hydropower project has reenergised the reform agenda. In December 2024, the World Bank board approved the first stage of the Multiphase Programme Approach to help finance Rogun, allocating US$ 350 million (€323 million), with total planned funding of US$ 650 million (€600 million) over 2025-35. The World Bank is also considering budget support financing, subject to the successful fulfilment of prior conditions. The Second Review of the IMF's Policy Coordination Instrument (PCI), initiated in February 2024, was successfully completed in June 2025. These programmes aim to help maintain fiscal discipline (particularly important in the light of the high projections for Rogun spending, which is expected to stay within 3 per cent to 3.5 per cent of GDP annually), support macroeconomic stability and address structural imbalances, while providing a clear signal to international partners and markets on Tajikistan's enhanced policy credibility. So far, fiscal governance, debt transparency and energy sector management have been improved. Continued uninterrupted access to multilateral development bank financing requires further reforms to boost competition and improve governance in the telecoms, digital and aviation sectors, to enhance the connectivity and safety of airport services, reform investment entry and tax incentives, strengthen competition law, modernise SOE governance, increase transparency in the energy sector and on Rogun revenues, improve public procurement oversight and ensure the fair delivery of social services.

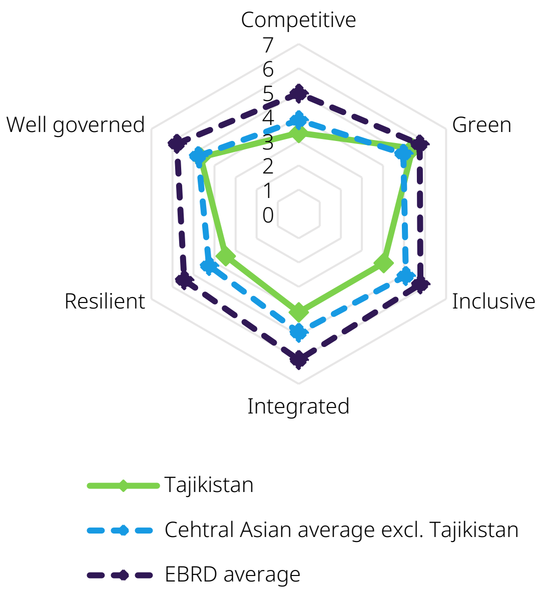
18 See IMF (2025).
19 See World Bank (n.d.h).

Tajikistan's sovereign credit ratings have recently been upgraded by the major rating agencies. S&P Global Ratings upgraded Tajikistan to B/B stable in August 2025, while Moody's affirmed its B3/positive rating in April 2025. The agencies' evaluations were based on robust real GDP growth, supported by infrastructural developments, low debt-servicing costs due to the high share of concessional borrowing, improved foreign-exchange reserves and sustained IMF engagement. These developments are tempered by structural vulnerabilities, including weak institutional effectiveness, low economic diversification and high reliance on workers' remittances. Furthermore, fiscal risks, including contingent liability risk from financially underperforming SOEs, continue to weigh on the rating. Nevertheless, the positive outlook awarded by Moody's reflects confidence that improving engagement with international partners and access to concessional funding will reduce medium-term fiscal liquidity and Rogun project completion risks, and that the government will be able to sustain fiscal discipline and structural reform momentum.

2. Assessment of the market economy

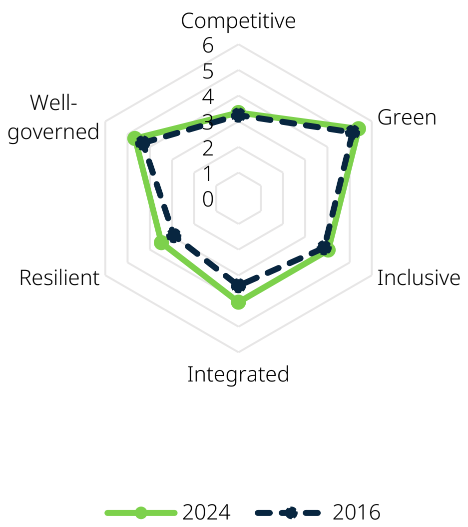
Tajikistan has one of the lowest transition scores of the economies in which the EBRD operates, based on a simple average of the different qualities the EBRD uses to assess a successful transition to a market economy. Tajikistan's average assessment of transition qualities (ATQ) score increased slightly from 3.81 in 2016 to 4.16 in 2024. However, it still had the second-lowest score in Central Asia, above Turkmenistan. Improvement was evident across the board, though, with most progress being made on the "integrated", "well governed" and "resilient" dimensions.

Figure 11. 2024 Assessment of transition qualities (ATQ) (on a scale of 0-10)



Source: EBRD (2024b).

Figure 12. Tajikistan's ATQ scores over time (on a scale of 0-10)



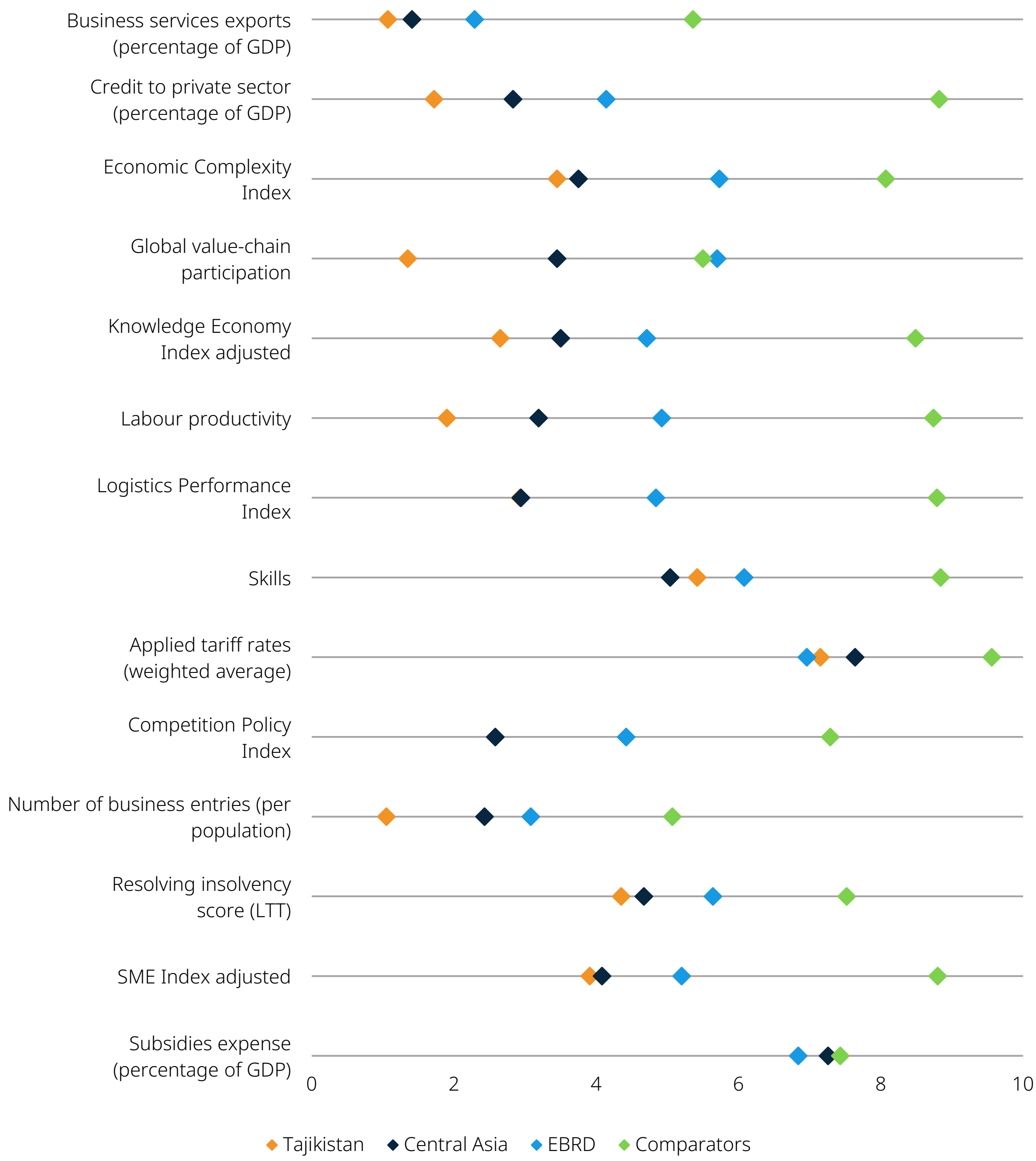
Source: EBRD (2024b).

2.1. Competitive

Competitive transition quality score = 3.34/10

Tajikistan's score on the "competitive" dimension improved from 3.24 in 2016 to 3.34 in 2024, behind both the Central Asian and EBRD averages. The country is catching up with the region as a whole, however, with a shrinking gap between Tajikistan's score and the Central Asian average. SMEs play an important role in the economy, but face a variety of challenges that constrain their development and competitiveness, including limited market access, inadequate infrastructure, a challenging regulatory environment and an unlevel playing field. Improving the business environment will require switching to a more business-friendly mindset and developing an effective public-private dialogue to ensure private-sector feedback is taken into account when developing new business policies and regulations. The country's productivity has increased, but is low compared with other Central Asian countries. Capacity for innovation is subdued by the lack of high-tech industries and limited investment in research and development (R&D).

Figure 13. Competitive transition quality, 2024 (on a scale of 0-10)



Source: EBRD (2024b).

SMEs play an important role in the economy, but face various challenges that limit their development and competitiveness. As of 2023, 32,800 SMEs operated in Tajikistan, up from 26,700 in 2019.[20] SMEs accounted for almost 99 per cent of all registered enterprises, accounting for 62 per cent of GDP and 26 per cent of employment. The SME landscape was dominated by small firms (with fewer than 30 employees), while growth-oriented medium-sized enterprises made up just 15.6 per cent of SMEs. Most SMEs operated in services (55.6 per cent), followed by agriculture (13.9 per cent) and trade (13.1 per cent).[21] Interviews for the EBRD Life in Transition Survey IV suggest that the sector remains underdeveloped due to several obstacles hindering its growth and productivity: i) the lack of a level playing field due to the presence of protected industries; ii) lengthy administrative procedures, delays in service delivery and excessive paperwork; iii) taxes and inspections; iv) limited market access; v) inadequate infrastructure, particularly in remote and rural areas; vi) a lack of judicial independence and the weak rule of law, which undermine competitiveness by creating an unpredictable legal environment; and vii) a lack of financial literacy among entrepreneurs and a lack of access to finance.[22]

The World Bank's Enterprise Survey for Tajikistan, conducted between April and October 2024, highlights taxes, access to finance, infrastructure reliability and regulatory burdens as key issues for domestic firms.[23] Almost 37 per cent of firms identify tax rates as the biggest obstacle (Figure 14). Small businesses with 5 to 19 employees face difficulties with electricity outages and delays in obtaining permits, increasing operating costs. Medium and large firms struggle with workforce skills and access to financial services, impacting their ability to scale up. The informal economy remains a persistent issue, with many firms citing competition from unregistered businesses, which undermines fair market practices. Many of these issues have remained unchanged since the previous wave of the survey conducted in 2018-20.

The share of the informal economy has declined, but remains high. According to World Bank Informal Economy Database estimates, the share of the informal economy in Tajikistan had declined from 43.3 per cent in 1993 to 37.7 per cent of GDP in 2020.[24] Still, despite the authorities' intentions to formalise economic activity, informal activities continue to hinder business operations. A recently introduced electronic tax system and cashless payments may help to combat the shadow economy.

Despite some improvement, governance, integration and inclusion challenges continue to affect private-sector development. Although corruption has declined, a significant share of firms continues to receive bribe requests during transactions such as tax payments and permit approvals. Regulatory inefficiencies, such as the time spent by senior management on compliance, remain a burden, particularly for small firms. While female participation in firm ownership and employment is on the rise, it still trails regional averages, limiting broader economic inclusion. Tajikistan's firms face higher barriers when it comes to international trade, with lengthy customs processes for exports and imports. Inefficiencies in customs procedures and high compliance costs continue to hinder Tajikistan's private-sector growth compared with regional peers in Europe and Central Asia.

20 See World Bank (n.d.h).

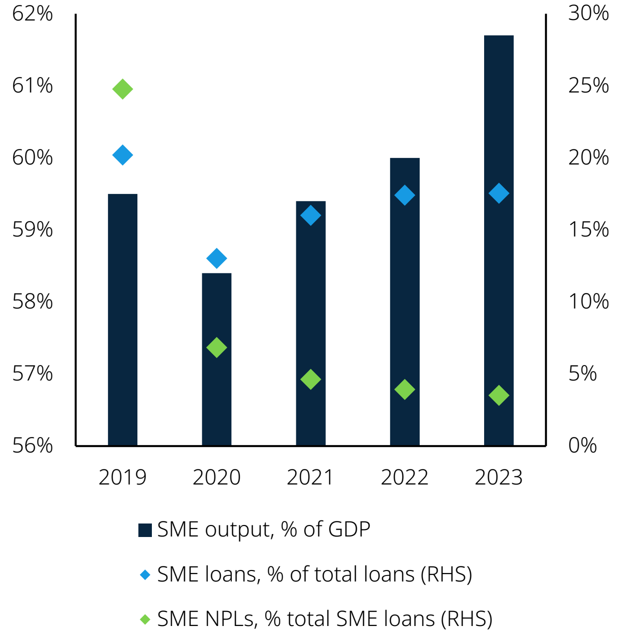
21 See ADB (2024).

22 See EBRD (2024a).

23 See World Bank (2024a).

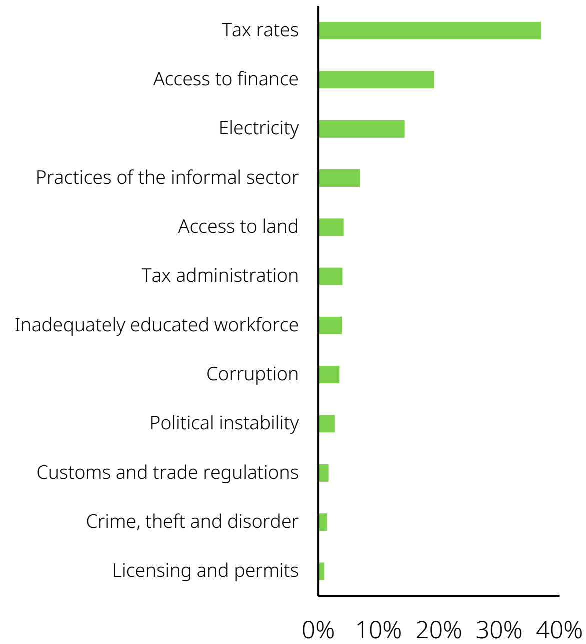
24 See World Bank (2024b).

Figure 14. Selected SME indicators, 2019-23



Source: Asian Development Bank (2024).

Figure 15. Main obstacles faced by firms, 2024 (percentage of firms)



Source: World Bank (2024b).

Tajikistan has made some progress on improving its business environment in recent years, but challenges persist. Between 2016 and 2020, Tajikistan's "ease of doing business" score improved, but the country ranked poorly overall (Figure 16).[25] Complex regulations, high tax rates and frequent inspections by government agencies create additional costs for businesses. While the percentage of firms reporting informal payments to public officials had declined significantly from 69 per cent in 2002 to 12 per cent in 2019, it still exceeded the levels recorded in Kazakhstan (8 per cent) and Uzbekistan (7 per cent).[26] Interviews with the business community for the World Bank's Ease of Doing Business survey suggest that there are often illegal checks by government agencies, disrupting work and reducing the incentive to run a business.[27]

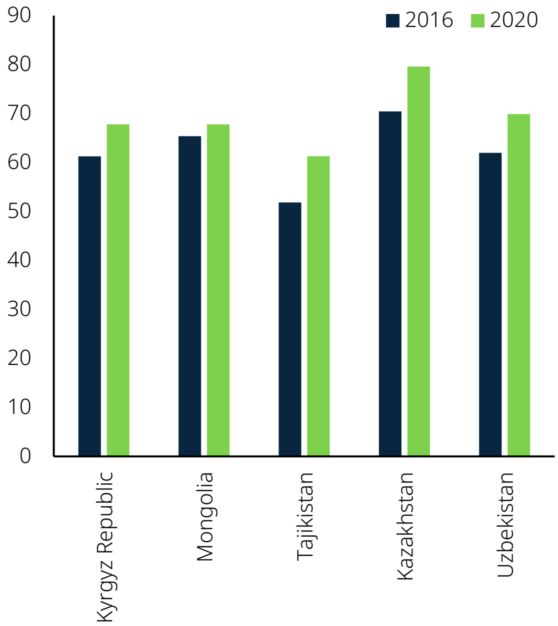
The recently introduced Business Support Programme for 2023-27, as well as reforms to the tax administration and construction licensing, are steps in the right direction. To improve the business environment and ensure that the voice of the private sector is heard by policymakers, more systematic dialogue should be established between the public and private sectors. Effective public policy dialogue is crucial for the country to facilitate domestic and foreign investment.

25 See World Bank (2016 and 2020).

26 See World Bank (n.d.i).

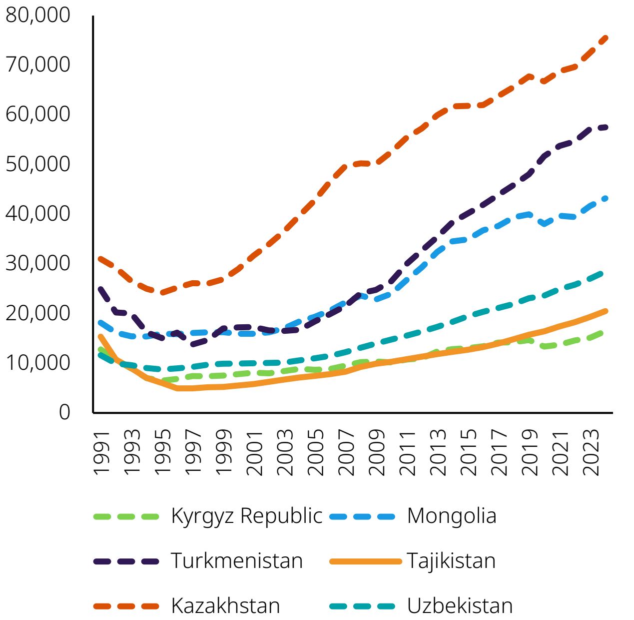
27 See World Bank (2020).

Figure 16. World Bank Ease of Doing Business scores (0 = worst performance, 100 = best performance)



Source: World Bank (2016 and 2020).

Figure 17. Productivity measured as GDP per person employed (constant 2021 ppp international $), 1991-2024



Source: World Bank (n.d.j).

Tajikistan's productivity is low by regional standards. Once the country's civil war had ended in 1997, productivity started to increase, but it continues to lag that of most neighbouring countries. In 2024, GDP per person employed was around $ 20,000 in constant 2021 ppp international dollars, up slightly from $ 15,300 in 1991, but significantly behind productivity levels in Kazakhstan ($ 75,500), Mongolia ($ 43,200) and Uzbekistan ($ 28,500) (Figure 16).[28] The only sector where productivity has been increasing steadily is industry. Nonetheless, the concentration of the country's industrial base in low-value-added activities, coupled with inefficient production processes, limited access to modern technology and a lack of investment in manufacturing, are hindering industrial productivity. Agriculture and the services sector are the least productive. Agricultural productivity is hampered by high fragmentation, poor irrigation systems, limited access to modern equipment and outdated practices, while services suffer from informality, limited access to finance and skills shortages.

Tajikistan's capacity for innovation is low. As of 2022, high-technology exports as a share of manufacturing exports stood at less than 2 per cent, in line with Uzbekistan, but far behind the Kyrgyz Republic (10.6 per cent) and Kazakhstan (32.3 per cent).[29] The absence of digital infrastructure and a competitive telecommunications sector, the lack of technical skills and low internet penetration remain major obstacles to investment in R&D and high-tech industries. Unsurprisingly, Tajikistan ranks 107th out of 133 countries in the 2024 Global Innovation Index.[30] The following measures, if properly implemented, could support modernisation and productivity enhancement in the economy: i) agricultural modernisation and investment in agri-processing industries; ii) investment in digital, transport and energy infrastructure to enhance productivity across all sectors; iii) human capital development, including reform of the education system to align it with labour-market needs, and the expansion of vocational training programmes; iv) business environment reforms to encourage businesses to invest in productivity-enhancing technologies and processes; v) the promotion of innovation and technology, including the adoption of digital tools, the fostering of R&D activities, and support for startups in high-tech industries.

28 See World Bank (2016 and 2020).

29 See World Bank (n.d.k).

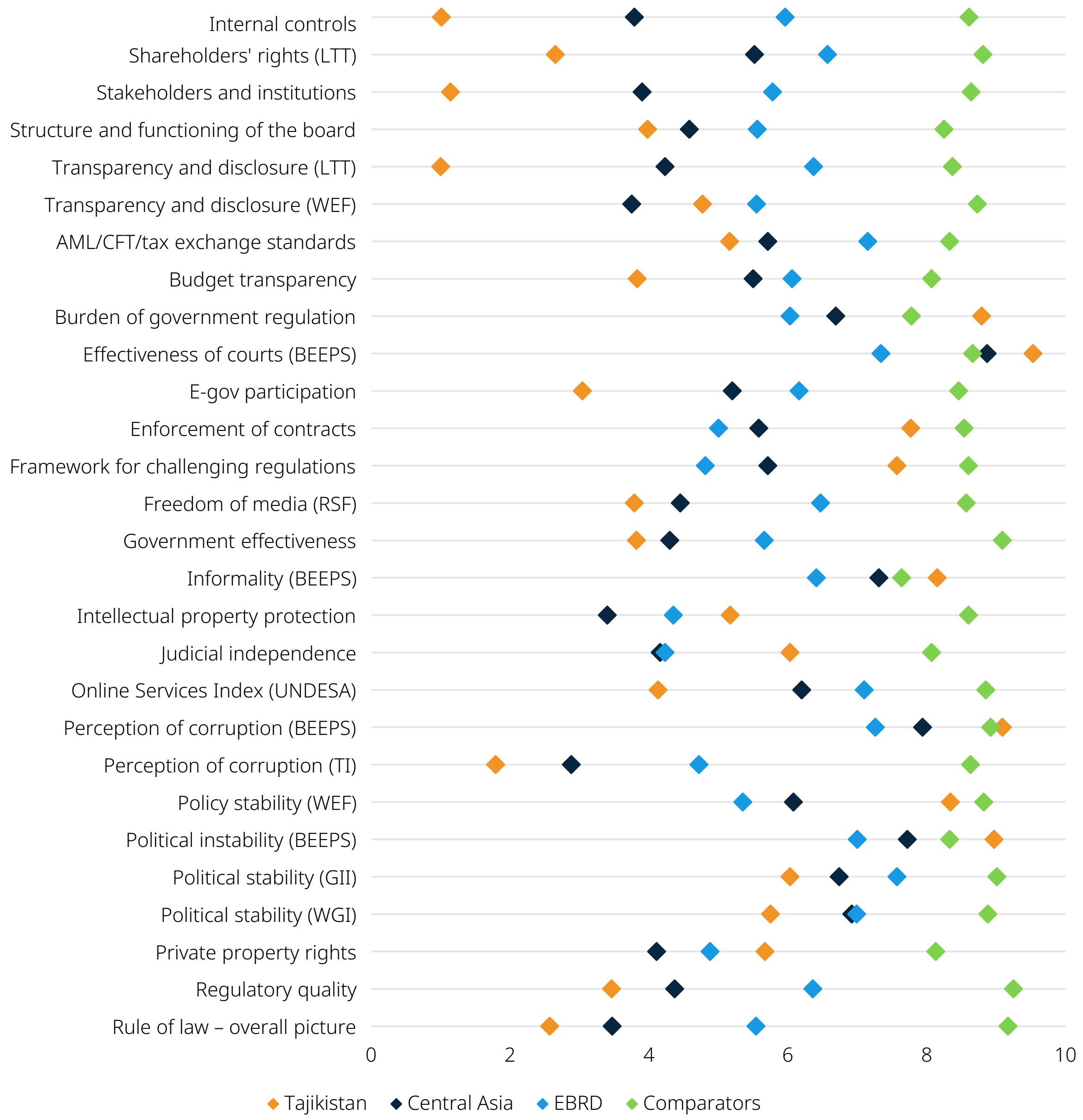
30 See WIPO (2024).

2.2. Well governed

Well-governed transition quality score = 4.66/10

Tajikistan's score on the "well-governed" dimension improved from 4.31 in 2016 to 4.66 in 2024, though this still lagged the Central Asian and EBRD averages. Despite a small amount of progress in recent years, Tajikistan posted the second-lowest score in the region on the World Bank's Worldwide Governance Indicators in 2023.[31] Corruption perceptions have worsened, too, with the country ranked 163 out of 180 countries by Transparency International in 2023 – the country's lowest ranking in the past decade.[32] Many SOEs remain inefficient and loss-making. Comprehensive efforts are required to improve their performance. On the positive side, Tajikistan improved on the e-governance dimension. Further efforts in this direction are vital to reduce bureaucracy and corruption and strengthen government efficiency.

Figure 18. Well-governed transition quality, 2024 (on a scale of 0-10)



Source: EBRD (2024b).

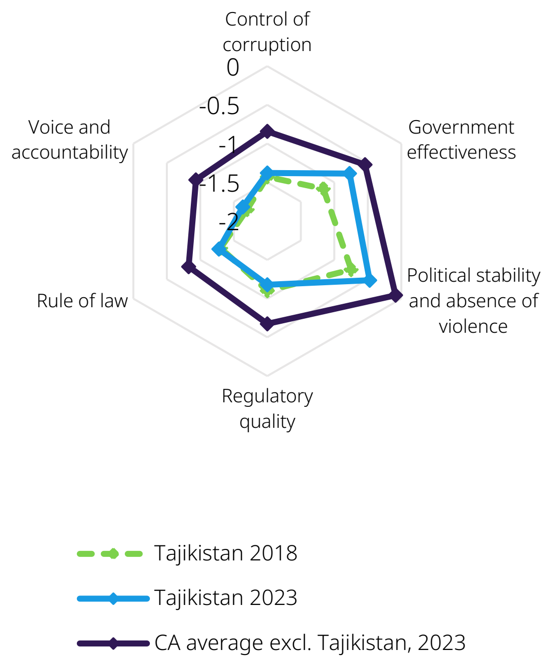
31 See World Bank (n.d.l).

32 See Transparency International (n.d.).

Despite some slight progress in recent years, Tajikistan has the second-lowest score in the region on the World Bank's Worldwide Governance Indicators.[33] In 2023, Tajikistan scored lower than Uzbekistan on all six World Bank Worldwide Governance Indicators and lower than the Kyrgyz Republic on four out of the six. Since 2018, the country's score on regulatory quality has decreased slightly, while control and corruption, voice and accountability, and rule of law have seen limited improvements. Political stability and government effectiveness, meanwhile, have improved notably (Figure 19).

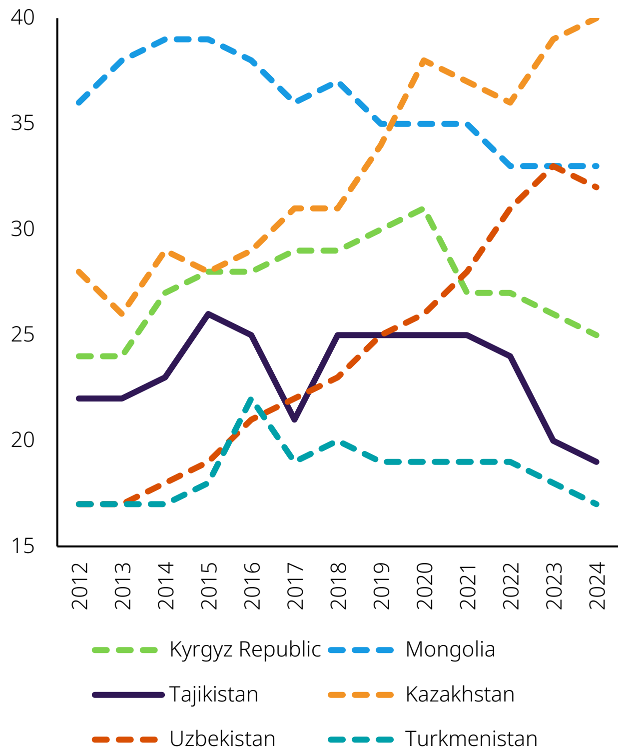
Corruption continues to pose a significant obstacle to Tajikistan's development. The country's score on the World Bank's Control of Corruption indicator remained effectively unchanged from -1.43 in 2018 to -1.38 in 2023. Moreover, Transparency International's Corruption Perceptions Index ranked Tajikistan 164th out of 180 countries in 2024: its lowest ranking for the past decade, suggesting that corruption perceptions have worsened (Figure 20). According to Transparency International, a low score reflects a lack of independent oversight, with corruption being used to evade accountability.[34] These allegations are in line with Tajikistan's weak World Bank rating on transparency, accountability and corruption in the public sector, which assesses government accountability for the use of funds and public employees' accountability for administrative decisions, use of resources and results obtained.[35] The National Anticorruption Strategy for 2021-30 focuses on eradicating corruption in several areas, including public service, education and healthcare, taxes and customs, and public procurement. Though the strategy covers all spheres, its proper implementation is the main challenge ahead.

Figure 19. World Bank Governance Indicators
(-2.5 = worst, 2.5 = best)



Source: World Bank (n.d.l).

Figure 20. Corruption Perceptions Index, 2012-24
(0 = corrupt, 100 = very clean)



Source: Transparency International (n.d.).

SOEs remain inefficient and loss making. SOEs play an integral role in Tajikistan's economy, as they operate in critical industries and are responsible for the delivery of essential public services. According to the IMF, SOE employment accounted for 24 per cent of the labour force and 17 per cent of GDP in 2018, while the World Bank suggests it accounted for 3 per cent of formal employment in 2023. [36, 37] Assets are highly concentrated in the three largest SOEs: energy company Barki Tojik (BT), Tajik Railways and the Tajik Aluminium Company (TALCO). Despite some progress in recent years, BT remains the primary source of losses due to its inadequate cost recovery and foreign-currency borrowing from the government and commercial banks. Its outstanding arrears to domestic banks and energy suppliers

33 See World Bank (n.d.l).
34 See Transparency International (n.d.).
35 See World Bank (n.d.m).
36 See World Bank (2023a).
37 See IMF (2021).

also pose fiscal risk. Many SOEs have low productivity and profitability (or are loss-making), and face higher administrative costs due to the absence of clear performance measurement, strategic key performance indicators (KPIs) and a results-oriented approach by SOE management. Until recently, SOEs in Tajikistan were not subject to any systematic mechanism of performance management and monitoring, leading to inefficiencies and underperformance. The state ownership policy in Tajikistan is vague and the legislation surrounding SOEs is fragmented and regulated by numerous (sometimes conflicting) legal instruments.

While steps are being taken to improve the transparency of SOEs, comprehensive efforts are needed to improve their performance. Recently, the Ministry of Finance was assigned additional oversight responsibility for large SOEs, an important first step in ensuring transparency, efficiency and accountability in the use of public funds. In parallel, the number of SOEs monitored by the ministry has increased to from 27 to 77 as part of the country's commitment under the IMF PCI. All companies with at least 20 per cent state ownership are now required to submit monthly expenditure reports to the Ministry of Finance SOE monitoring division, which is also working on incorporating the expanded SOE list into the Statement of Fiscal Risks. The authorities have further approved new financing measures, including budgetary transfers, to support the resolution of BT's cross-debts – at the core of the IMF programme – whose arrears to suppliers and creditors were estimated at 7.5 per cent of GDP in 2023. However, the following areas still require improvement: i) the mitigation of fiscal risks, including energy sector reform and better monitoring/control practices; ii) streamlining the legal framework for SOEs; iii) improving corporate governance; iv) developing an ownership policy and performance management tools; v) strengthening accountability and transparency; and vi) capacity building.

Tajikistan has seen improvements in e-governance and digitalisation. The decree "on measures to expand non-cash payments", which came into effect on 1 August 2023, mandates that payments of taxes, state, communal and medical fees, as well as other budgetary payments, be made electronically.[38] In addition, in August 2023, Tajikistan signed a memorandum of understanding (MoU) with Kazakhstan to cooperate on digitalisation. The MoU envisages experience sharing, training opportunities and assistance in designing e-government infrastructure. Tajikistan is also digitalising the civil registry with support from the European Union (EU), Switzerland and the United Nations Development Programme (UNDP).[39] The country's ambitions are also evident in the Dushanbe SMART city initiative, which aims to transform the capital into a smart city.[40] Consequently, Tajikistan has seen a slight increase in its UN E-Government Development Index (EGDI) score over the past decade, with its rank increasing from 129th out of 192 countries in 2014 to 123rd in 2024. Still, at 0.53, its performance is relatively poor compared with peers, for example, 0.73 in the Kyrgyz Republic, 0.79 in Uzbekistan, 0.84 in Mongolia and 0.9 in Kazakhstan, due to the limited availability and affordability of internet, as well as its low digital literacy.[41] In addition to addressing these challenges, the country could also prioritise: i) e-government platform development; ii) expanding the use of e-procurement systems; and iii) the digitalisation of the economic courts to enhance access to justice for people residing in rural and remote areas.

38 See National Bank of Tajikistan (2023a).

39 See UN Tajikistan (2025).

40 See Smart City Dushanbe (n.d.).

41 See UN E-Government Knowledgebase (n.d.).

2.3. Inclusive

Inclusive transition quality score = 4.04/10

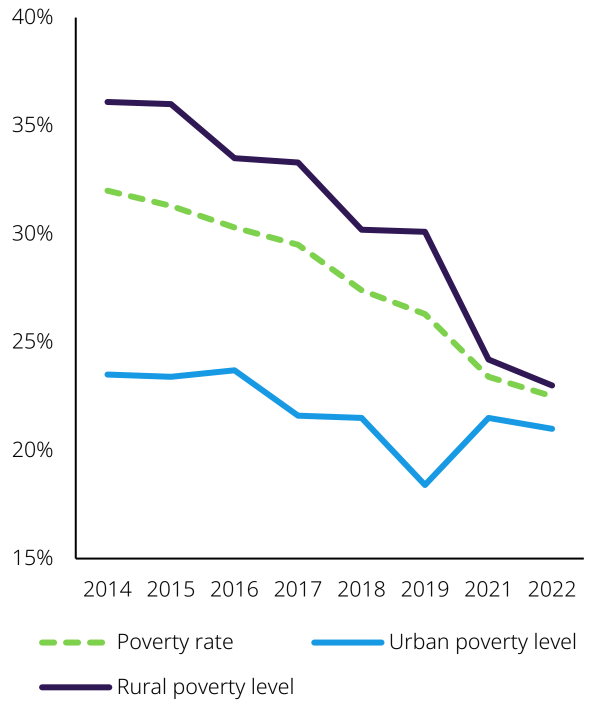
Tajikistan's score on the "inclusive" transition quality improved from 3.86 in 2016 to 3.04 in 2024, behind both the Central Asian and EBRD averages. Urban and rural poverty rates have declined on a rise in remittances and GDP growth. Job creation has not kept up with population growth, however, and many young workers have been forced to migrate due to a lack of decent jobs. The formal educational enrolment rate is high, but many workers remain under-skilled for technically demanding services and manufacturing jobs. Women are underrepresented in the labour market due to traditional gender stereotypes and a lack of childcare facilities. Access to finance remains a challenge and is particularly acute for women and young entrepreneurs.

Figure 21. Inclusive transition quality, 2024 (on a scale of 0-10)

Source: EBRD (2024b).

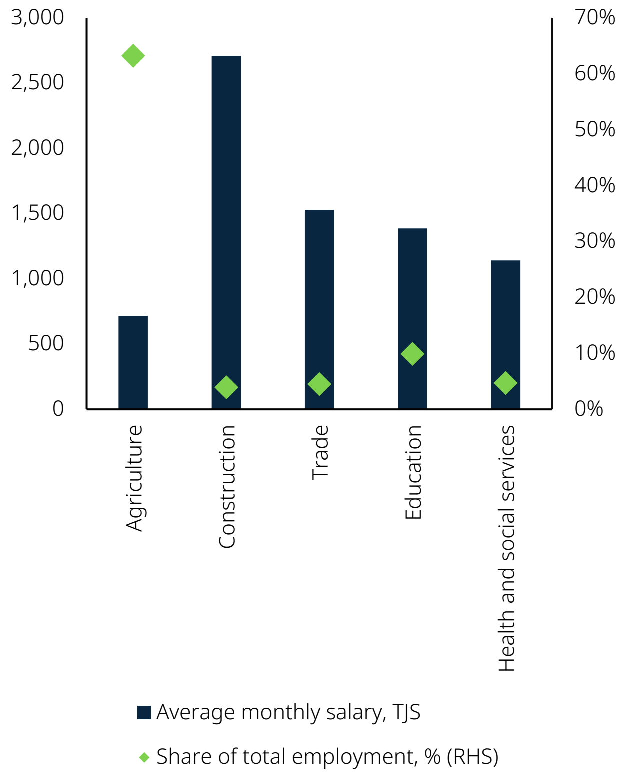
Tajikistan's national poverty rate fell from 34.3 percent in 2013 to 22.5 percent in 2022, thanks to high remittances and strong GDP growth. The urban poverty rate pretty much stagnated, decreasing from 23.5 per cent in 2014 to 21 per cent in 2022. Rural poverty, in contrast, declined continuously from 36.1 per cent in 2014 to 21 per cent in 2022, significantly reducing the poverty incidence gap to just 2 percentage points in 2022 (Figure 22). Sectoral employment distribution is one of the factors limiting the further decline in poverty rates. As of 2022, 63.2 per cent were employed in the agricultural sector, which is highly seasonal and pays the least. At the same time, the highly paid financial services sector accounted for less than 1 per cent of employment (Figure 23).

Figure 22. National poverty estimates (percentage of total population), 2014-22



Source: Agency on Statistics under the President of the Republic of Tajikistan and authors' calculations; data for 2020 are not reported.

Figure 23. Wages and sectoral employment in selected sectors, 2022



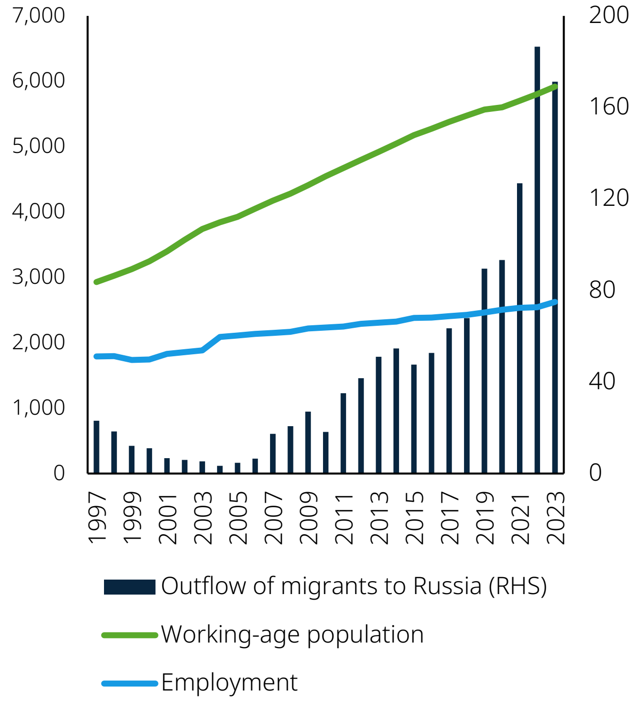
Source: Agency on Statistics under the President of the Republic of Tajikistan and authors' calculations.

The labour market is unable to provide sufficient jobs for the country's working-age population. As of 2023, the working-age population comprised 5.9 million people, while the number of employed people stood at just 2.6 million. At the same time, only 48,300 people were officially registered as unemployed at end 2003 and merely 2,600 people were receiving unemployment benefits.[42] The EBRD Life in Transition Survey IV (2024) suggests that most respondents could not find an adequate job due to low wages (40 per cent of respondents), a lack of (decent) job opportunities (16 per cent) and difficulties associated with getting to the workplace (14 per cent). Yet, 46 per cent of all respondents said they were not actively looking for a job, with 44 per cent of them citing care and household responsibilities as the main reason.[43] The lack of employment opportunities in Tajikistan is pushing workers into migration, with most migrating to Russia (Figure 24).

42 See Agency on Statistics under the President of the Republic of Tajikistan (n.d.c).

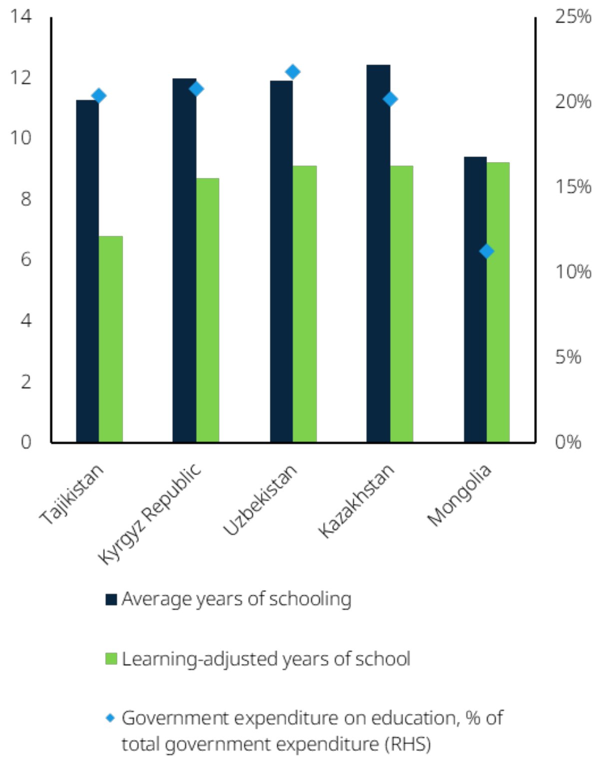
43 See EBRD (2024a).

Figure 24. Employment, working-age population and migration to Russia (thousands of people), 1997-2023



Source: Agency on Statistics under the President of the Republic of Tajikistan and Rosstat data.

Figure 25. Educational outcomes and spending, 2020



Source: World Bank (n.d.s), UNDP (2025) and World Bank (n.d.t).

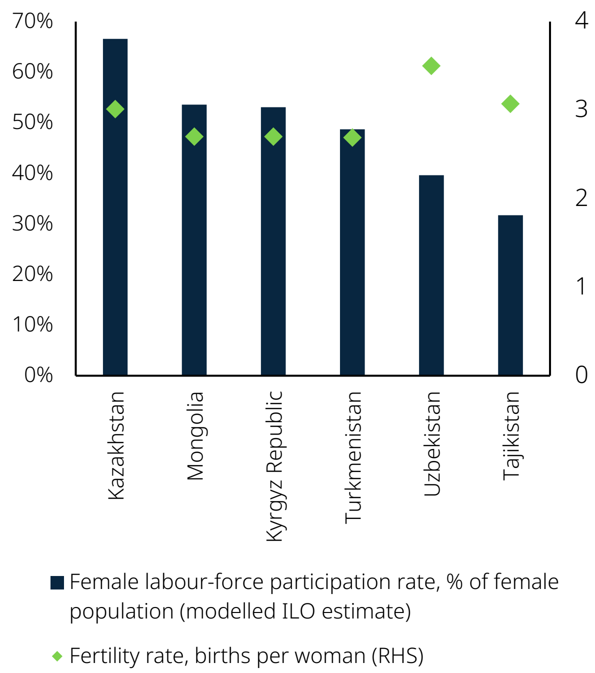
The formal educational enrolment rate is high, but many workers remain underskilled for technically demanding jobs. As in neighbouring countries, the actual learning outcomes of students in Tajikistan do not reflect the number of years they spend in education. In other words, learning-adjusted years of schooling fall significantly short of students' formal educational attainment (Figure 25). According to the World Bank, the skills shortage is largely attributable to outdated university learning environments, including curricula, staff expertise, obsolete equipment and technologies.[44] The authorities are eager to improve the situation, however. The e-Donish platform, for instance, launched in 2020 by the City of Dushanbe, was designed to enable parents to monitor their children's school learning outcomes.[45] In addition, the digital learning platform, TOMAKTABI.TJ, introduced by the United Nations Children's Fund (UNICEF) in 2022, aims to support teaching and parental capacity, as well as to provide access to educational content for preschool children.[46] Furthermore, Germany's Gesellschaft für Internationale Zusammenarbeit provided the Government of Tajikistan with guidance on introducing a national qualifications framework and national occupational skills standards (NOSS).[47] The latter are currently being piloted by various projects, and the relevant legislation and regulations are being updated. Also in 2024, the Law on Vocational Education and Training and Higher Education was amended. However, skills deficiencies remain a challenge. Potential solutions could involve the development of a dual learning system, offering internship opportunities, vocational orientation and career guidance. Concurrently, partnerships between technical and vocational education and training (TVET) institutions and companies must be strengthened, including closer involvement of employers in the development of NOSS, and the design and delivery of training programmes.

Despite efforts by the authorities, gender disparities remain. Women are underrepresented in the labour market. According to International Labour Organization modelled estimates, in 2024, female labour-force participation stood at only 32 per cent, compared with 51 per cent among males.[48] In 2023, Tajikistan's female labour-force participation rate was the lowest in Central Asia, while its fertility rate was among the highest (Figure 26).[49] Gender disparities are also evident in sectoral employment distribution. Women are mostly employed in low-paying public-sector jobs (education, healthcare), resulting in

44 See World Bank (2023b).
45 See e-Donish (n.d.).
46 See UNICEF (2022).
47 See GIZ (2013).
48 See ILOSTAT (2024).
49 See ILOSTAT (2024) and World Bank (n.d.u).

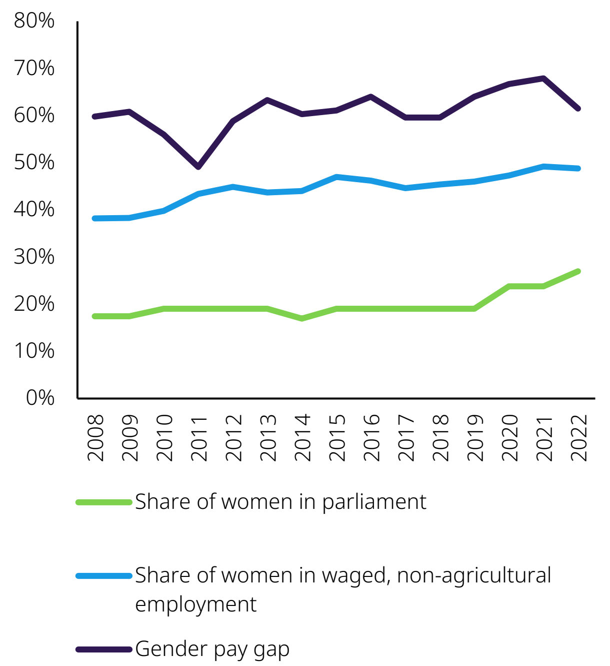
an overall 60 per cent gender pay gap. At the same time, women made up close to 50 per cent of waged, non-agricultural employment in 2022, while their share of parliamentary seats increased to 25 per cent (Figure 27).

Figure 26. Female labour-force participation rate and fertility, 2023



Source: World Bank (n.d.v) and World Bank (n.d.u).

Figure 27. Gender disparities: selected indicators, 2008-22



Source: Agency on Statistics under the President of the Republic of Tajikistan, World Bank (n.d.v) and authors' calculations.

Traditional gender roles are limiting female employment opportunities. A survey conducted by the Tajikistan statistical agency in September-December 2023, suggests that employed (19.1 per cent) and unemployed (23.8 per cent) women spend more time on household duties than both employed (10.3 per cent) and unemployed (12 per cent) men.[50] Rising male labour migration over the past 20 years has contributed to low female workforce participation, with women remaining full-time homemakers (which is also a traditional cultural preference) instead of seeking employment.[51]

Limited childcare facilities exacerbate the situation. While more than 70 per cent of Tajikistan's population resides in rural areas, only 34 per cent of all preschools are located there, creating additional obstacles for rural women. Overall, the preschool enrolment rate stood at 9.3 per cent in 2023, with no improvement over the previous decade (Figure 28).[52] Pre-school institutions are close to full capacity, with an average load of 98 children per 100 places, making it difficult to accommodate continuous demographic growth. In the current circumstances, reaching the national target of increasing the enrolment of children aged 3-6 years to 50 per cent by 2030 remains challenging.[53]

Preschool institutions are scare and their quality is a concern. As of 2023, only 38.8 per cent of preschool teachers had received higher education. According to UNICEF early childhood educational research, children that have not received high-quality early education are 25 per cent more likely to drop out of school and 60 per cent more likely to never attend college. Therefore, a lack of decent childcare options not only limits female employment opportunities, but also negatively impacts the opportunities of younger generations.[54]

Women are less likely to open or run businesses and often face difficulties in accessing finance. The number of female entrepreneurs has been growing steadily, although at a much slower pace in the post-pandemic period. Still, women account for just 27.4 per cent of Tajikistan's individual entrepreneurs (Figure 29). According to the EBRD Life in Transition IV survey (2024), only 3.28 per cent of women surveyed have set up their current business, compared with 11.5 per cent

50 See Agency on Statistics under the President of the Republic of Tajikistan (n.d.d).

51 See World Bank (2021a).

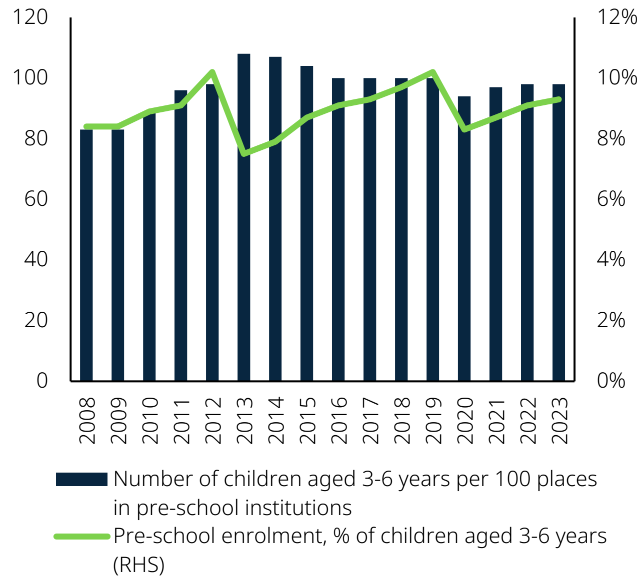
52 See Agency on Statistics under the President of the Republic of Tajikistan (n.d.e).

53 See Government of the Republic of Tajikistan (2016).

54 See UNICEF (2021).

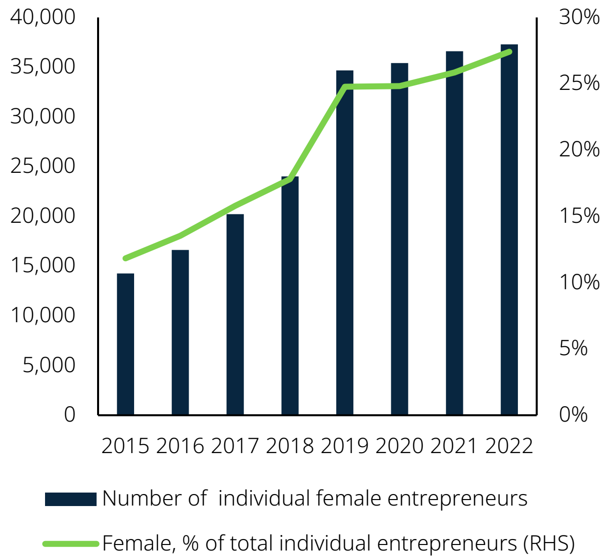
of men, while 91.5 per cent of female respondents have never tried to set up a business.[55] An Asian Development Bank (ADB) report suggests that in 2020, almost 25 per cent of women were involved in unpaid work in family businesses compared with 13 per cent of men.[56] Women often found themselves supporting family-run businesses rather than establishing their own. In addition to societal gender norms, access to finance presents another significant challenge. According to the Word Bank Enterprise Survey 2024, women-led businesses are less likely to identify access to finance as their biggest obstacle (9.1 per cent of women compared with 20.1 per cent of men), but are more likely to identify customs and trade regulations, as well as the education of the workforce as their main obstacles. Women-led businesses are also less likely to use banks to finance their working capital needs (8.2 per cent compared with 13.3 per cent of men).[57]

Figure 28. Pre-school education, 2008-23



Source: Agency on Statistics under the President of the Republic of Tajikistan.

Figure 29. Female entrepreneurship



Source: Agency on Statistics under the President of the Republic of Tajikistan, Committee on Women and Family Affairs.

Youth entrepreneurs face similar problems. The youth segment appears to be underserved by the financial sector. According to the 2021 World Bank Global Findex database, only 17 per cent of respondents aged 15-24 had an account at a financial institution in Tajikistan, compared with the Central Asian average of 48 per cent (Figure 30).[58] Similarly, only 6.1 per cent of respondents aged 15-24 reported borrowing from a financial institution using a mobile money account, while the average for Central Asia stood at 10.5 per cent (Figure 30). According to the EBRD's market assessment for the Youth in Business programme, Tajikistan's young entrepreneurs need greater financial inclusivity, as 35 per cent of young people engaged in small-sized businesses do not have a professional bank account, so have no access to related beneficial business offers. Young entrepreneurs in Tajikistan (aged 18-29) hold a very limited number of loans, but there is a pronounced desire to be offered more business credit products. Young entrepreneurs aged 24-29 have particularly high unmet demand for loans, with 50 per cent wanting a loan, but only 14 per cent saying they have access to one. In addition, a large majority (80 per cent) of young people with small businesses say that the loan process needs to be improved, especially in terms of accessibility and speed.[59]

Government-led initiatives may improve the status quo. The National Financial Inclusion Strategy of Tajikistan for 2022-26 aims to ensure effective and active use of financial services, especially by young people, women and SMEs, and to increase financial literacy.[60] In addition, Tajikistan's State Committee for Investment has developed, with the support of the EBRD, a state programme for the development of women's entrepreneurship through 2027. A programme for the development of youth entrepreneurship is in the works.

55 See EBRD (2024a).

56 See ADB (2020).

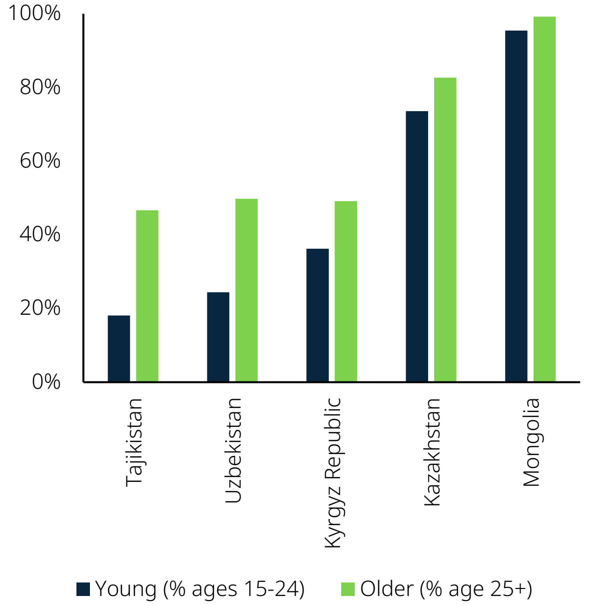
57 See World Bank (2024a).

58 See World Bank (2021b).

59 See EBRD (2023).

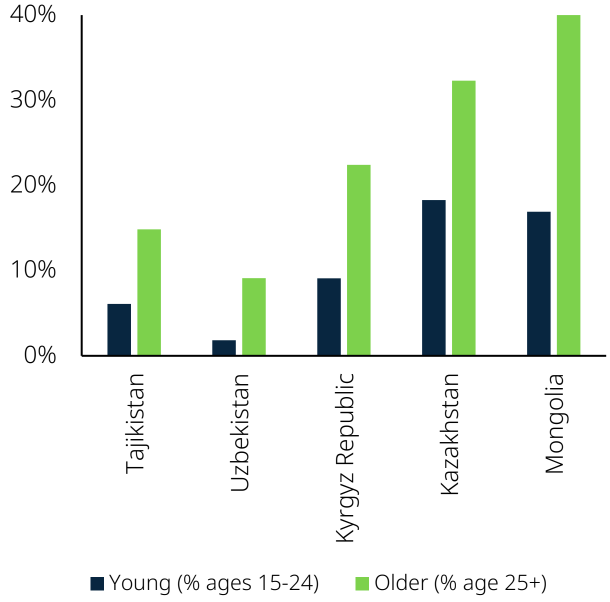
60 See Government of the Republic of Tajikistan (2022a).

Figure 30. Percentage of respondents with an account at a financial institution, 2021



Source: World Bank (2021b).

Figure 31. Percentage of respondents that borrowed from a financial institution or used a mobile money account, 2021



Source: World Bank (2021b).

2.4. Green

Green transition quality score = 5.41/10

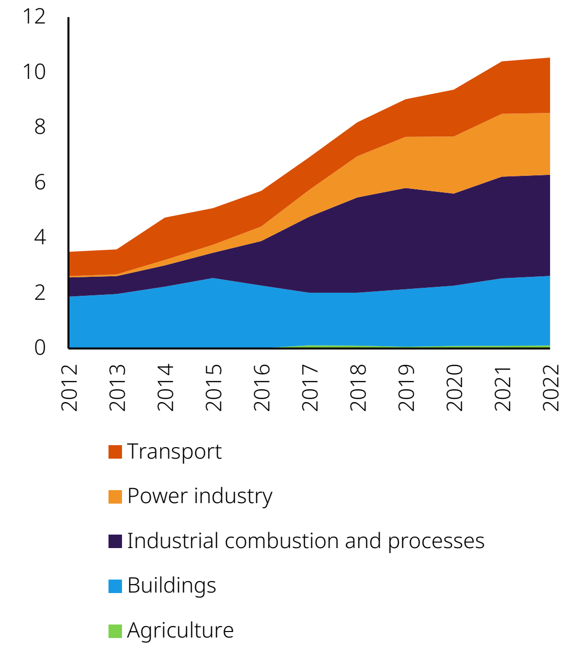
Tajikistan's score on the "green" transition quality improved from 5.14 in 2016 to 5.41 in 2024, above the Central Asian average and below the EBRD average. The country accounts for just 0.04 per cent of global greenhouse gas (GHG) emissions, but over the last decade, total emissions have increased significantly due to a rise in the use of fossil fuels for power and heat generation. The country's energy intensity has been trending downwards, but the energy consumption of the residential and transport sectors has increased significantly since the early 2000s. Being prone to flooding, earthquake, landslide and heatwave hazards, Tajikistan is the most vulnerable country in Central Asia in terms of future climate change risks. The authorities are actively working to strengthen climate resilience across Tajikistan and foster low-carbon development, but achieving the country's unconditional 2030 Nationally Determined Contribution (NDC) commitments requires ample financial resources, with an estimated overall gap of around US$ 1.65 billion (€1.5 billion) in funding for investment projects.

Figure 32. Green transition quality, 2024 (on a scale of 0-10)

Source: EBRD (2024b).

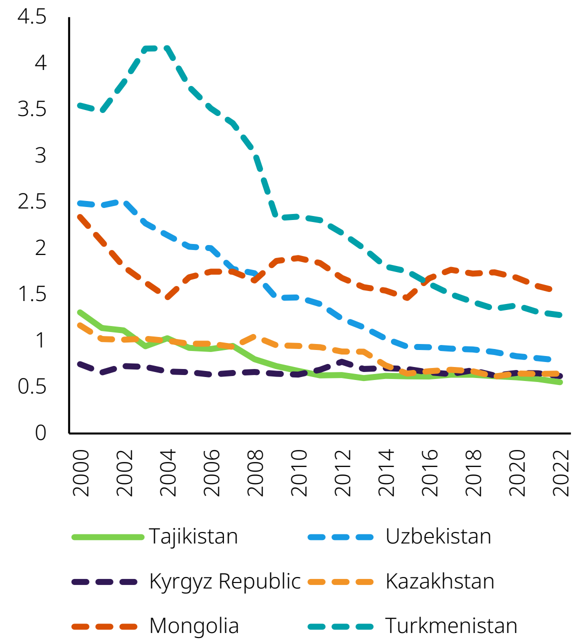
Between 2012 and 2022, Tajikistan's total GHG emissions increased 200 per cent, though its overall emissions intensity has been on a declining trend since 2000. In 2022, industrial combustion and industrial processes were the main sources of GHG emissions. The highest increases in emissions over the 2012-22 period were observed in the industrial and power sectors (Figure 33). The increase in emissions is mainly the result of a rise in the share of fossil fuels used for power and heat generation since 2015. However, Tajikistan's GHG emissions are relatively insignificant in the greater scheme of things, amounting to just 0.04 per cent of global emissions, with the country ranking 120th on the list of the world's largest emitters. In 2022, Tajikistan's emission intensity was 0.55 tCO_2e per US$ 1,000 of GDP, the lowest in Central Asia (Figure 34). Moreover, the country's GHG emissions per capita (2.3 tCO_2e in 2022) are lower than the EBRD (7.3 tCO_2e) and Central Asian averages (11.6 tCO_2e).[61]

Figure 33. GHG emissions by sector, 2021-22 ($MtCO_2e$)



Source: European Commission (n.d.).

Figure 34. GHG emissions, 2000-22 (tCO_2e per US$ 1,000 of GDP per year)



Source: European Commission (n.d.).

Tajikistan was the 14th most energy-intensive economy in the EBRD regions in 2021, but its energy intensity has been trending downwards.[62] As of 2022, the total energy supply mix was dominated by hydropower (42.4 per cent), followed by oil (30 per cent), coal (23.6 per cent) and natural gas (4 per cent). The residential and transport sectors have seen their biggest increases in energy consumption since the early 2000s. In 2022, the residential sector accounted for 27 per cent of total final energy consumption, followed by transport (22.9 per cent) and industry (22 per cent). In the same year, services accounted 7.5 per cent of total final energy consumption and agriculture for 6.6 per cent. [63]

Road transport has seen dramatic growth over the last decade and is the main cause of poor air quality in the country. The average age of the vehicle fleet is around 15-18 years, for both light-duty vehicles and freight vehicles. In October 2022, the government approved the Programme for Development of Electric Transport in the Republic of Tajikistan for 2023-28, which plans to transition the entire public transport sector to electric vehicles (EVs) by 2028. Concurrently, all taxis in Dushanbe are to be replaced with EVs by the end of 2025. Furthermore, the country plans to develop the National Electric Mobility Action Plan as part of the EBRD-backed Dangara-Guliston road construction project.[64] Effective implementation of these plans will be key to reaching the climate target.

Tajikistan has some of the lowest absolute GHG emissions worldwide, but its landlocked, mountainous topography presents a significant challenge in terms of coping with climate risks. The country has been assessed as the most vulnerable in Central Asia in terms of future climate change risks. Tajikistan is prone to flooding, earthquake, landslide and heatwave hazards. Its heavy reliance on hydropower further exacerbates its vulnerability to climate change. It is

61 See European Commission (n.d.).

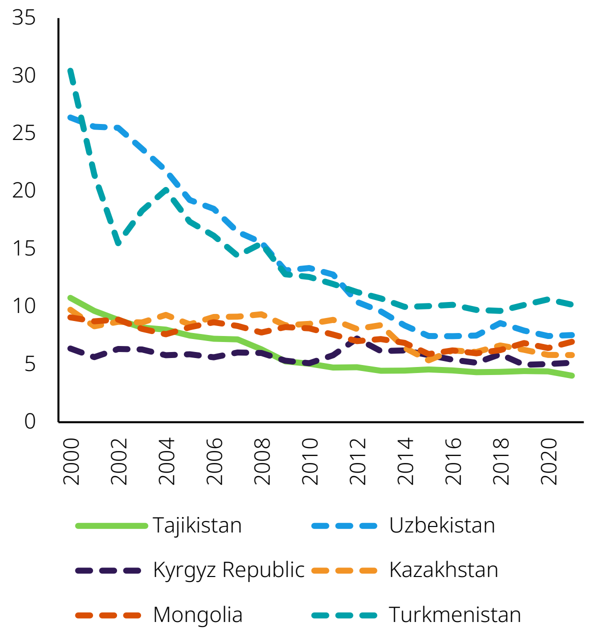
62 Energy intensity is defined as the ratio between the energy supply and GDP, measured at purchasing power parity. Data from World Bank (n.d.n). Data for Egypt, Kosovo and Türkiye are not available.

63 See IEA (n.d.).

64 See EBRD (n.d.).

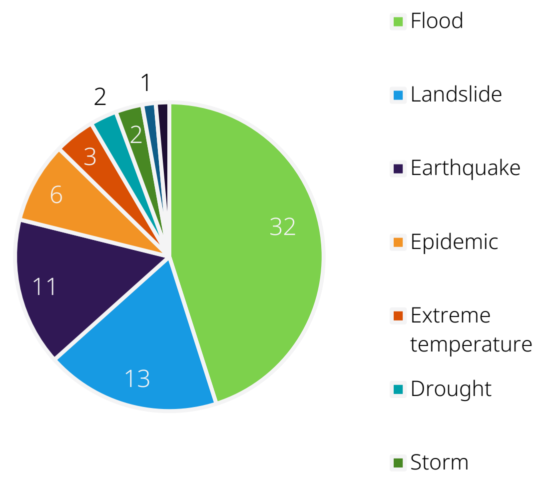
likely that, in the coming years, the country will experience a rise in average temperature, resulting in accelerated glacial melting, reducing the regularity of water flows. Lower precipitation levels and the increased likelihood of droughts will affect agricultural yields. Flood risks also remain high, and the country has experienced an average of 32 floods per year over the 1980-2020 period, more than any other natural hazard (Figure 36).

Figure 35. Energy intensity level of primary energy, 2000-21 (MJ/US$ 2017 ppp GDP)



Source: World Bank (n.d.n).

Figure 36. Average annual natural hazard occurrence, 1980-2020



Source: World Bank (n.d.o).

To address the socioeconomic impact of climate change, the authorities are working to strengthen climate resilience across the country and to foster low-carbon development. The Government of Tajikistan has issued several critical policy documents relating to climate issues in recent years, including the National Development Strategy of the Republic of Tajikistan to 2030,[65] the Green Economy Development Strategy in the Republic of Tajikistan for 2023-37,[66] and the National Strategy for Adaptation to Climate Change of the Republic of Tajikistan for the period up to 2030.[67] In 2022, the government also approved its NDC Implementation Plan, committing to an ambitious programme of climate mitigation and adaptation-related investments to achieve its NDC targets.[68] The plan indicates that around US$ 1 billion (€924 million) a year is needed to achieve the country's climate targets. However, there is an overall gap of US$ 1.65 billion (€1.5 billion) in funding for investment projects to achieve the unconditional 2030 NDC commitments, corresponding to about 32 per cent of total abatement. An analysis by the ADB shows that in 2021, only 29 per cent of total investment flows into Tajikistan were NDC related, with the Rogun hydropower plant accounting for 41 per cent of all domestic capital investment. Of those NDC-related investment flows, 61 per cent were to the energy sector, 36 per cent were to agriculture and 3 per cent were to build the resilience of water supplies.[69]

Greening the financial sector will require substantial, coordinated effort and Tajikistan has already taken meaningful steps in the right direction. In 2024, the National Bank of Tajikistan joined the Network for Greening the Financial System and, with EBRD support, is currently developing guidance for financial institutions on climate risk disclosure. The adoption of a green taxonomy is also being discussed. Lastly, the EBRD's partner financial institutions in the country plan to adopt green transition plans and implement climate-related corporate governance standards. While there is no robust pipeline of green bond issuance, the first such issue was successfully brought to market by Eskhata Bank in 2024 with International Finance Corporation support.

65 See Government of the Republic of Tajikistan (2016).

66 See Government of the Republic of Tajikistan (2022b).

67 See Government of the Republic of Tajikistan (2019).

68 See Government of the Republic of Tajikistan (2022c).

69 See ADB and Committee for Environmental Protection under the Government of the Republic of Tajikistan (2024).

2.5. Integrated

Integrated transition quality score = 4.05/10

Tajikistan's score on the "integrated" transition quality improved from 3.41 in 2016 to 4.05 in 2024, but still fell short of both the Central Asian and EBRD averages. As a landlocked and mountainous country, Tajikistan faces significant connectivity challenges due to its limited market access, high transportation costs, ageing infrastructure and inefficient border-crossing procedures. While road is the main mode of transport, the road sector is largely underfunded. Rail transport would also benefit from greater connectivity and enhanced efficiency, while the development of air transport requires better connectivity and airport infrastructure, and greater competition in the aviation sector. Tajikistan's Logistics Performance Index (LPI) score has increased,[70] but the country has plenty of room for improvement, including streamlining border-crossing procedures and developing multimodal transport corridors.

Figure 37. Integrated transition quality, 2024 (on a scale of 0-10)

Source: EBRD (2024b).

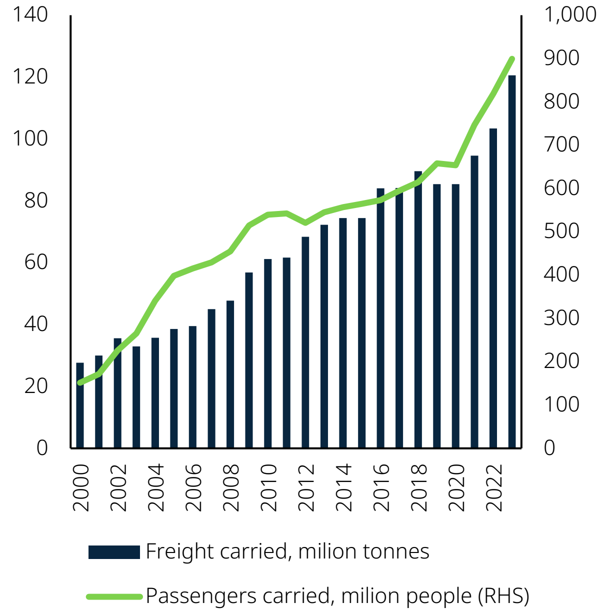
70 See World Bank (n.d.p).

As a landlocked and mountainous country Tajikistan faces significant connectivity challenges and transport-sector growth has been slow. Without direct seaport access, Tajikistan relies on east-west routes through Uzbekistan, Kazakhstan and the Caspian Sea, or towards China. These routes tend to be costly and circuitous. The mountainous terrain complicates railway development, while air transit, which could enhance connectivity, struggles to compete with road transport. Road remains the dominant mode of transportation for both passengers and freight, accounting for 99 per cent and 95 per cent, respectively, of total turnover in 2023. The transport share of GDP was around 8 per cent in 2024, down from 91per cent in 2023.[71]

Despite Tajikistan's heavy reliance on road networks, the road sector is largely underfunded. According to the ADB, the country's road network covers around 27,000 km, with about 70 per cent of the roads under the Ministry of Transport's jurisdiction being paved. The road density, at 187km per 1,000 square kilometres, is among the lowest in the region, highlighting the need for substantial investment.[72] The main challenges in the road sector are the weak performance of maintenance companies, where outdated equipment, poor planning and low capacity abound, and a lack of funding, as road-user charges go to the national budget and are not earmarked for maintenance, resulting in funding that is 20 per cent below actual needs. Poor maintenance also raises safety concerns; Tajikistan has the second-highest road traffic mortality rate in the region (Figure 39).[73]

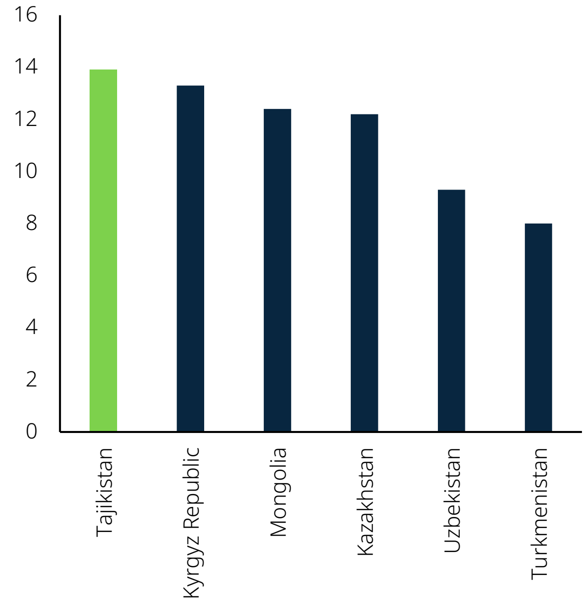
To reverse years of underinvestment and systemic inefficiencies in the road sector, Tajikistan's authorities are undertaking comprehensive reforms to improve road maintenance funding and asset management practices. The Ministry of Transport, with assistance from international development partners including the EBRD, is preparing to implement an integrated road asset management system to support evidence-based decision-making for road investment and maintenance. The recently established Road Maintenance Fund is a central element of these reforms and is expected to ensure adequate maintenance budgets, potentially contributing an additional TJS 300 million (€ 25.7 million) annually to the sector's maintenance needs.

Figure 38. Total freight and passenger turnover, 2000-23



Source: Agency on Statistics under the President of the Republic of Tajikistan (2024).

Figure 39. Estimated road traffic deaths per 100,000 population, 2021



Source: World Health Organization (n.d.).

Rail transport accounts for a minority of total transport for both freight and passengers and could benefit from greater connectivity and enhanced efficiency. Passenger traffic on the railway has increased in recent years, partly due to seasonal workers travelling to Russia, but remains below pre-Covid levels (Figure 40). Freight transport constitutes about 95 per cent of railway traffic, with modest growth in rail-based cargo transport. Tajikistan Railways is responsible for

71 See National Bank of Tajikistan (2024).

72 See ADB (2018).

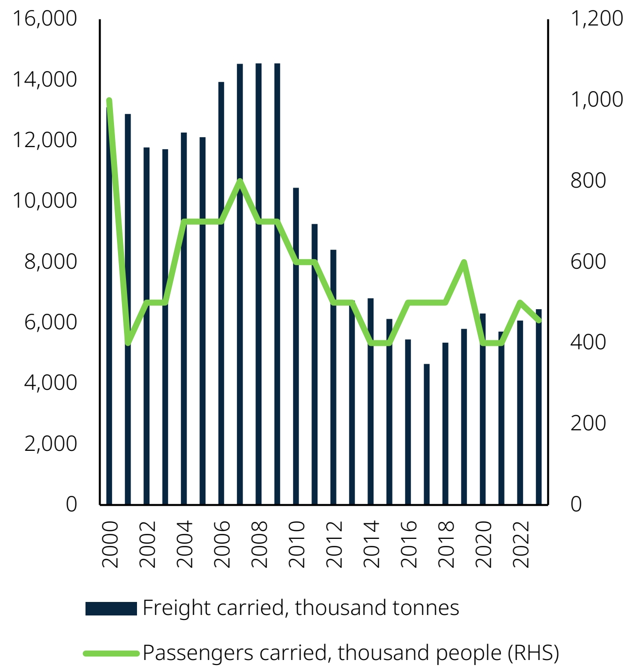
73 See World Health Organization (n.d.).

maintaining the railway network, but the company struggles to secure the necessary infrastructure investment due to its low profit levels.

Greater corporatisation improved operational efficiency and better corporate governance are needed. After the dissolution of the Soviet Union, Tajikistan was left with three isolated railway sections (northern, central and southern), each connected to Uzbekistan's railway network. In 2016, the central and southern railway networks were linked, but the northern network remains accessible solely through Uzbekistan, underscoring the country's reliance on its north-westerly neighbour for accessing third markets. At the same time, enhancing rail connectivity with Uzbekistan, investing in faster railway networks and improving customs services could lower transaction costs and integrate Tajikistan into cross-border value chains.

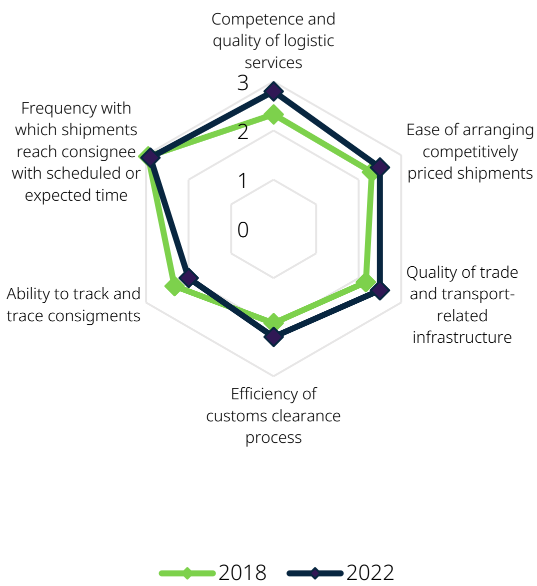
Air transport as a share of overall passenger turnover is less than 1 per cent due to weak domestic air connectivity, inadequate airport infrastructure and unaffordable air services. Tajikistan's aviation sector was liberalised in 2008 with World Bank support, resulting in the division of Tajik Air into separate entities – national airline, airport operations and air-traffic control. The Civil Aviation Agency oversees policy, regulation and planning, while Tajik Air Navigation manages air traffic control. The country has four international airports in Dushanbe, Khujand, Bokhtar and Kulob.

Figure 40. Rail transport passenger and turnover, 2000-23



Source: Agency on Statistics under the President of the Republic of Tajikistan (2024).

Figure 41. LPI components [1 = low to 5 = high]



Source: World Bank (n.d.p).

Tajikistan's LPI score has increased, but there is plenty of room for improvement. The country aims to strengthen its transit potential and integrate better with global and regional value chains. Tajikistan's LPI score rose to 2.5 in 2022 from 2.34 in 2018 (Figure 41), placing it higher than the Kyrgyz Republic, but lower than Kazakhstan and Uzbekistan.[74] The government is working with neighbouring countries to develop multimodal transport corridors, focusing on routes such as China-Tajikistan-Afghanistan-Pakistan, China-Tajikistan-Iran-India and China-Tajikistan-Uzbekistan-Turkmenistan-Iran-Türkiye to transform Tajikistan into a transit hub. At the end of 2023, President Rahmon unveiled a plan that includes priority investment projects worth US$ 2.4 billion (€2.2 billion) for the construction and modernisation of highways, railways and capacity building. Lack of warehouse and storage capacity creates additional logistical challenges. The country is one of the least developed markets in the region for quantity and quality of warehouse space. Its mountainous territory significantly reduces the available area for construction, as flat acreage is mainly designated for agriculture.

An EBRD-led connectivity study identified three priority hard-infrastructure investments in the country totalling €229.1 million. A 2023 EU-EBRD study on sustainable connections between Europe and Central Asia identified critical infrastructure projects that could significantly improve connectivity among Central Asian nations, underscoring how certain areas of the country, including Dushanbe, were located in the catchment area of the Trans-Caspian Corridor and,

74 See World Bank (n.d.p).

therefore, key to enhancing transit capability via east-west routes.[75] In the short term, developing a one-stop border post and joint logistics centre in Fatehabad on the border with Uzbekistan would reduce delays and enhance trade facilitation. In the medium term, Tajikistan needs to expand its northern railway line to Sughd Economic Zone and the northern regions to boost opportunities for regional exporters, including agribusinesses. A more costly, long-term investment involves electrifying the northern railway section to reduce operational costs and decrease emissions. The digitalisation of transport documents upon ratification, including the full implementation of measures such as electronic transactions, the Electronic Transit Information Registration (e-TIR) system and the e-CMR electronic consignment note, would further streamline logistics and bolster the country's connectivity with the rest of the region.

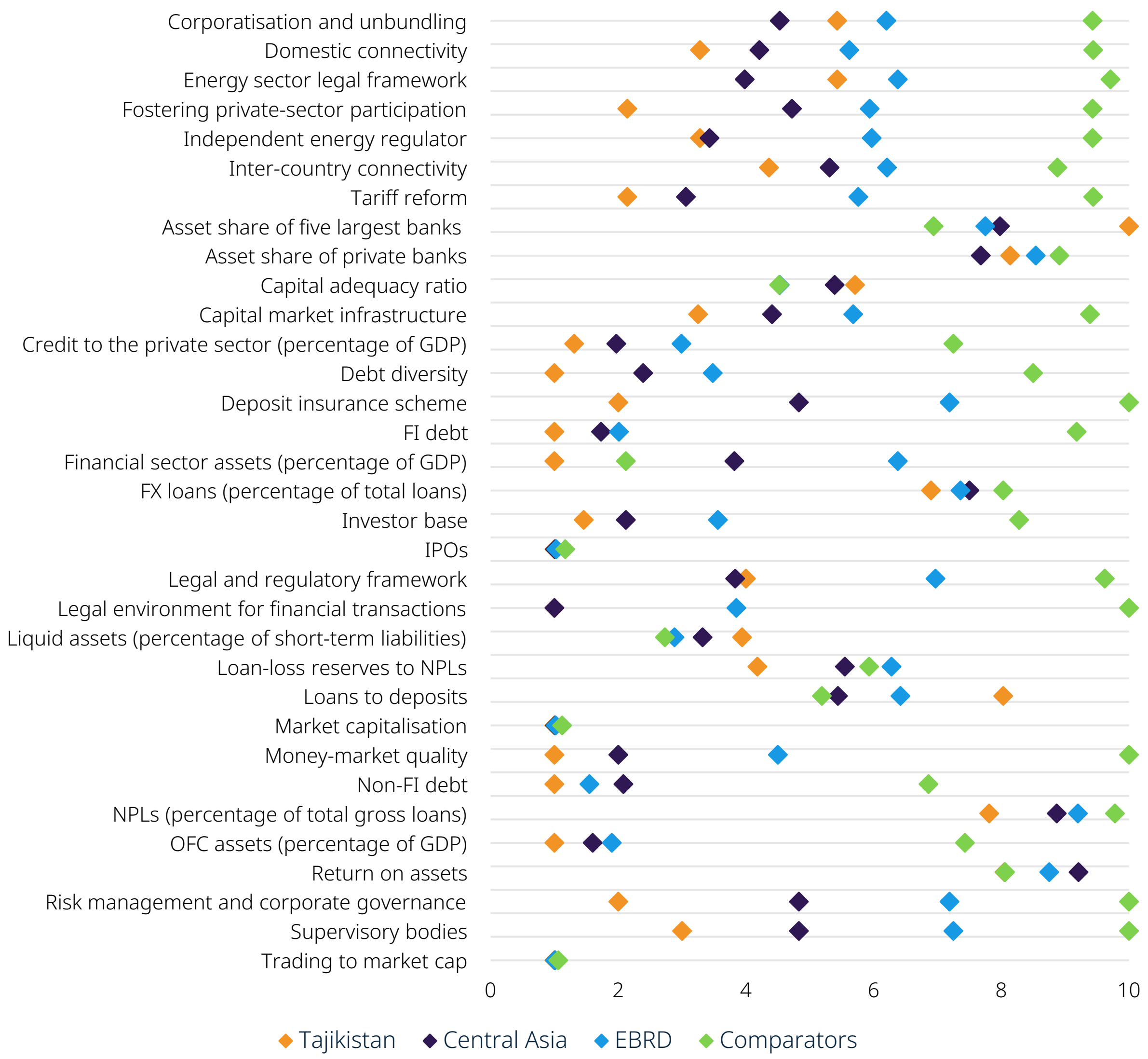
75 See EU and EBRD (2023).

2.6. Resilient

Resilient transition quality score = 3.47/10

Tajikistan's score on the "resilient" transition quality improved from 2.91 in 2016 to 3.47 in 2024, though it continued to lag both the Central Asian and EBRD averages. Since 2021, the banking sector has been posting healthier indicators, but non-performing loan (NPL) and dollarisation levels remain elevated. Overall, the risks to financial stability are relatively contained, but the financial sector requires significant development and growth. Notable progress was made on the development of the government securities market, but corporate bonds are almost non-existent. The water and energy sectors face multiple challenges, meanwhile, including ageing infrastructure, high losses, low metering rates, inadequate financing and governance issues. Addressing these obstacles to improve resilience requires a combination of capital investment, regulatory reform, capacity building and enhanced financial sustainability.

Figure 42. Resilient transition quality, 2024 (on a scale of 0-10)



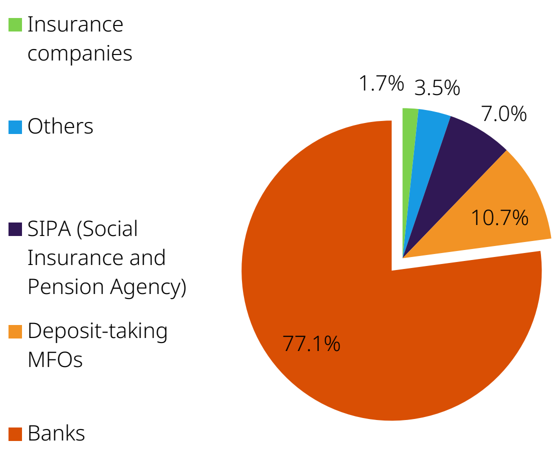
Source: EBRD (2024b).

Financial sector resilience

Tajikistan's financial system has been growing in recent years, but it remains small and underdeveloped, at only 34.2 per cent of GDP. The structure of the financial sector has undergone significant change over the past decade, notably since the country's 2016 financial-market crisis and the resulting sectoral clean-up and restructuring. The number of financial institutions halved between 2015 and 2024, from 123 to 65, as a result of consolidation and liquidation in the microfinance and banking sector.[76] Major multi-family offices have obtained banking licences, while certain foreign-linked banks have seen their licences revoked. Following their insolvency in 2016, two major banks in Tajikistan were finally liquidated in 2021. While their attempted recapitalisation ultimately failed due to the magnitude of their problems and an inadequate bank resolution framework, the efforts enabled the gradual reduction of their systemic importance. Consequently, the market for banking services started to rebalance towards commercial and independent players, including the EBRD's partner financial institutions. Two state-owned banks remain, including Amonat Bank, the former savings bank serving the country's fiscal institutions and the largest bank by assets.

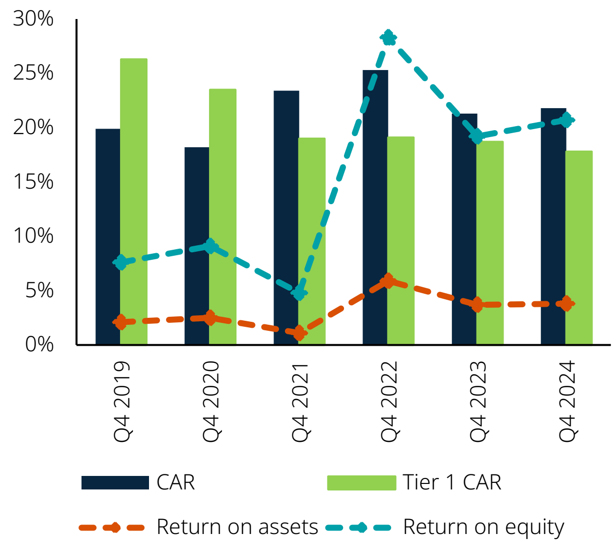
The banking system demonstrates profitability and capital adequacy. Both profitability and capital adequacy are stable and strong, with capital buffers well in excess of regulatory requirements, despite a reduction in 2023 due to strong credit growth. Its capital adequacy ratio increased from 21.3 per cent in the fourth quarter of 2023 to 21.8 per cent in the fourth quarter of 2024, while their return on assets increased slightly from 3.7 per cent to 3.8 per cent over the same period. Both ratios are above their 2019 levels (Figure 44).

Figure 43. Financial-sector assets by type of institution at end 2024



Source: National Bank of Tajikistan data.

Figure 44. Capital adequacy and profitability, 2019-24



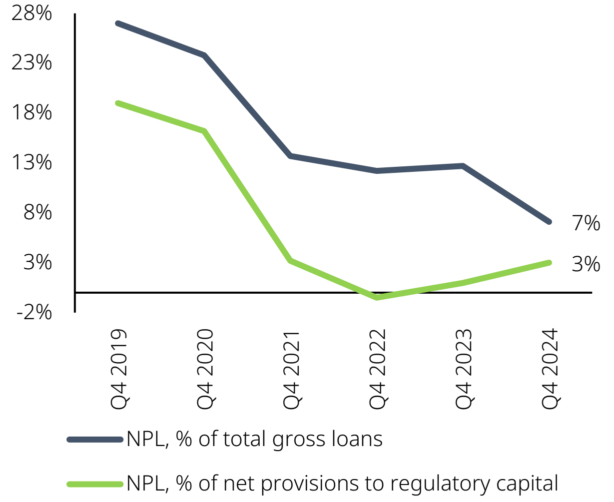
Source: National Bank of Tajikistan data.

Since 2021, the banking sector has been posting healthier indicators overall, but NPL and dollarisation levels remain high. Legacy NPLs declined substantially following the bank liquidations and have been on a downward trajectory since 2019 (Figure 45). However, the NPL level remains high compared with regional peers. At end of 2024, it stood at 7 per cent, higher than in Uzbekistan (4.3 per cent) and Kazakhstan (3.2 per cent), though lower than in the Kyrgyz Republic (11.3 per cent).[77] Dollarisation remains high, though banks have improved their management of currency mismatches as a result of tighter regulation. Deposit and liability dollarisation has remained stable since 2019, at 40 per cent and 27 per cent at end 2024, respectively, while loan dollarisation was on a decreasing trend until 2023, when the appreciation of the somoni increased demand for foreign-currency loans. However, the downward trend resumed in 2024 (Figure 46).

76 See National Bank of Tajikistan (2025).

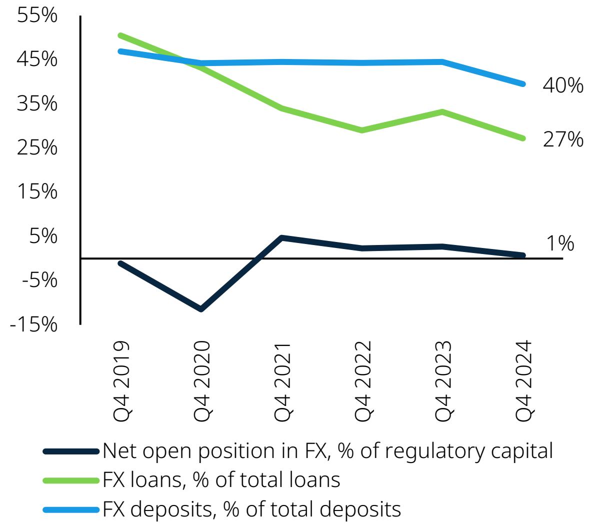
77 Based on data from the Central Bank of the Republic of Uzbekistan (2025), National Bank of the Kyrgyz Republic (2025) and CEIC Data.

Figure 45. Asset quality: non-performing loans, 2019-24



Source: National Bank of Tajikistan data.

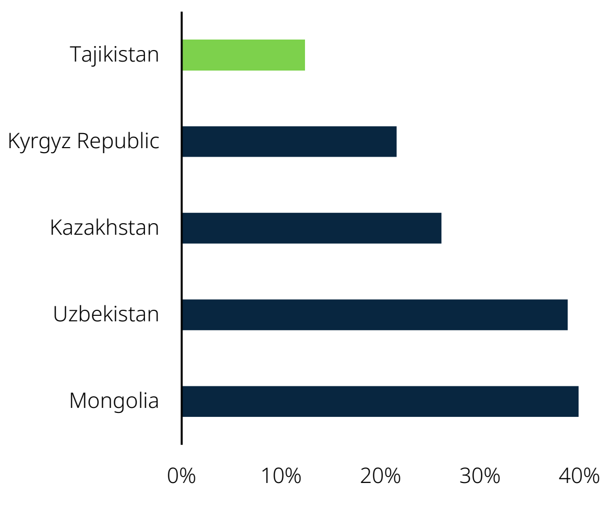
Figure 46. Dollarisation and foreign-currency exposure, 2019-24



Source: National Bank of Tajikistan data.

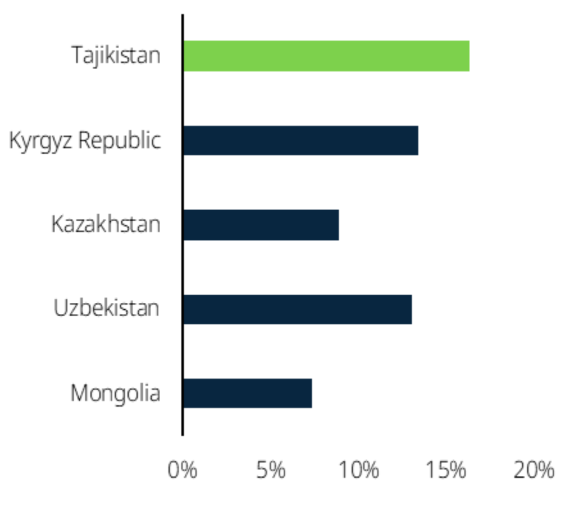
While current risks to financial stability are relatively contained, the banking sector requires significant development and growth. Despite strong credit growth in recent years (32 per cent in 2023 and 19 per cent 2022), credit to the private sector accounted for only 12.3 per cent of GDP in 2023, the lowest in the region (Figure 47).[78] In addition, the strong credit growth was largely channelled towards consumption rather than productive investments, as consumer lending increased by 42 per cent in 2023, in contrast to 23 per cent for private businesses.[79] The good performance of consumer loans poses little risk to financial stability, with NPLs well below average, but the imbalance may indicate some level of unsustainability in the current growth dynamics. The main barriers to growth are high collateral requirements, prohibitive interest rates, the high cost of funds and a legacy of state interference.

Figure 47. Domestic credit to the private sector as a percentage of GDP, 2023



Source: World Bank (n.d.q).

Figure 48. Real bank lending rate as at April 2024



Source: CEIC Data, authors' calculations.

Tajikistan's financial markets are nascent. On the internal 2023 EBRD Financial Market Development Index, Tajikistan recorded a low average score, despite a strong score for overall macroeconomic conditions thanks to its low inflation, and recent improvements in the banking sector and the government's fiscal standing (Figure 49).

Notable progress was made on developing the government securities market, which saw its first domestic marketable security issuance in January 2024. The sovereign securities market has so far been constrained by the government's

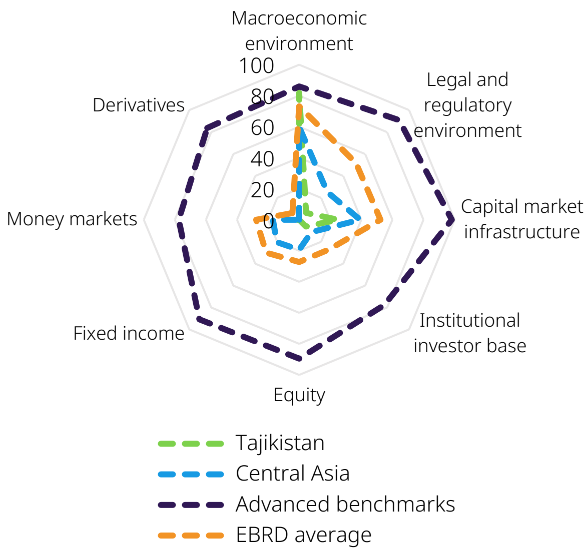
78 See World Bank (n.d.q).

79 See National Bank of Tajikistan (2023b).

reliance on external and concessional financing. To diversify sources of funding and reduce the share of foreign-currency debt, the Ministry of Finance's new debt management strategy for 2024-26 targets the development of a local government securities market. Following the necessary legal reforms, the first domestic marketable security was issued in 2024, alongside a calendar of regular issuance for the year (Figure 50). The recent auctions have been taking place through the stock exchange, facilitating access to non-bank investors. Infrastructure improvements are necessary for the government securities to be used in repurchase (repo) transactions and in National Bank of Tajikistan operations, which will increase demand by banks and enable the market to fulfil its role within the wider financial system.

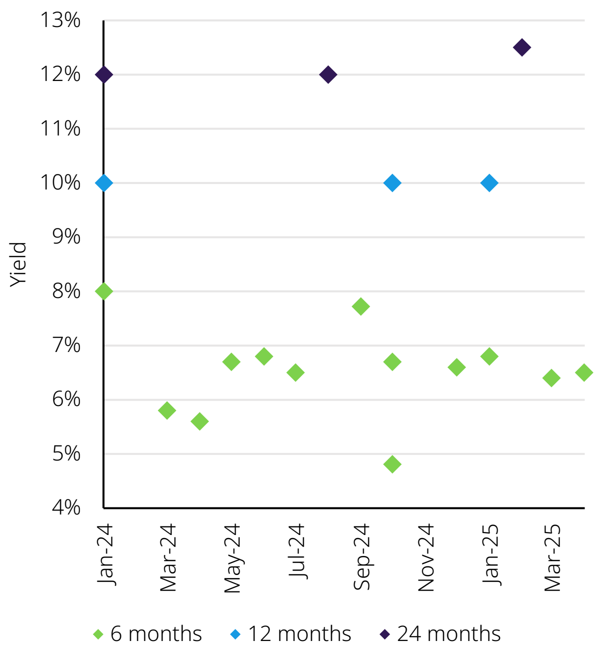
Corporate bonds, in contrast, remain almost non-existent, with Eskhata Bank the only active bond issuer. Eskhata Bank issued its first bond in 2017 and currently has two outstanding issues, including its first green bond, issued in Q1 2024. More corporate securities, including several bonds, are categorised as admitted to trading on the stock exchange, but these are not publicly issued; instead, trade is prearranged and there are no disclosure requirements. Corporate bond development requires capacity building, regulatory incentives and the development of a domestic investor base.

Figure 49. Financial Market Development Index, 2023



Source: EBRD Financial Market Development Index (2023, internal data).

Figure 50. Results of government securities auctions by maturity, 2024-25



Source: Ministry of Finance of the Republic of Tajikistan data.

Energy and water resilience

Tajikistan relies heavily on hydropower to meet its energy needs, but only uses 4 per cent of its vast hydropower potential, which is estimated at 527 billion kWh annually.[80] In 2023, hydropower accounted for 94 per cent of total electricity generation. While still relatively low, thermal power generation has been growing, with the commissioning of a 400 megawatt (MW) coal-fired co-generation plant in 2013 and the reintroduction of natural gas to the electricity mix in 2019 (Figure 51). Tajikistan is a net electricity exporter on an annual basis, with its primary export destinations being Afghanistan, Uzbekistan and Kazakhstan. Because of seasonal supply shortages driven by its reliance on hydroelectricity, in winter, Tajikistan imports electricity from neighbouring Uzbekistan and the Kyrgyz Republic. However, electricity shortages in winter have led to regular load shedding.

Rogun hydropower plant

Currently under construction, the Rogun hydropower plant is expected to become the world's tallest dam and have an installed capacity of 3.6 GW upon completion. Of the six planned 600 MW turbines, two are already operational. However, the total project cost has been increasing over the years due to funding challenges, which remain a significant obstacle to project completion. The mega-project is central to achieving the country's strategic objectives, including economic growth, increased revenue from electricity exports, and uninterrupted access to electricity for the population. According to 2024 IMF estimates, the remaining construction cost is likely to be about US$ 6.4 billion (€5.9 billion), up from an estimated US$ 5 billion (€4.6 billion) in 2023 (World Bank, 2024c).

Energy resilience is also undermined by high energy losses and inadequate maintenance, partly due to low tariffs. Losses amounted to 18.2 per cent in 2022, which are likely to be understated due to the lack of a proper metering system. Nearly 80 per cent of generation and transmission assets need to be replaced, as they were designed and built in the 1960s and 1970s. Tariffs are set by the Antimonopoly Committee of the Ministry of Economic Development and Trade, which introduced a new tariff methodology in 2017, which aims to achieve cost recovery with gradual tariff increases. The most recent tariff increase in April 2025 saw a 15 per cent hike for households, from 30.75 to 35.36 dirams (around €0.03) per KWh, and this was preceded by a 16 per cent tariff increase in January 2024. However, pumping-station operators and TALCO (the largest industrial enterprise in the country, absorbing around 12 per cent of total electricity in 2023)[81] have continued to pay lower tariff rates than other consumer groups. Even with gradual tariff increases, the sector remains unattractive for infrastructure investment. With donor support, the authorities aim to bring electricity tariffs to cost-recovery levels and improve state energy company BT's financial standing.

Reforms in the electricity sector are gradually ongoing, driven by the need to strengthen financial sustainability, improve service delivery and attract investment. As part of its updated Programme for Financial Recovery of the Electricity Sector, the Government of Tajikistan has committed to accelerating the move towards cost-reflective tariffs, aiming for cost recovery by 2027, four years earlier than initially planned. Structural reforms are also underway: in 2022, the vertically integrated BT was unbundled into separate transmission and distribution entities to improve operational efficiency and accountability. A management contractor was brought in to enhance distribution performance and an escrow account mechanism was introduced to improve the transparency and predictability of cash flows and revenue distribution across the sector. In parallel, the government has taken steps to improve corporate governance across the three entities. The authorities are also pursuing measures to ensure that TALCO contributes more effectively to electricity-sector revenues.[82]

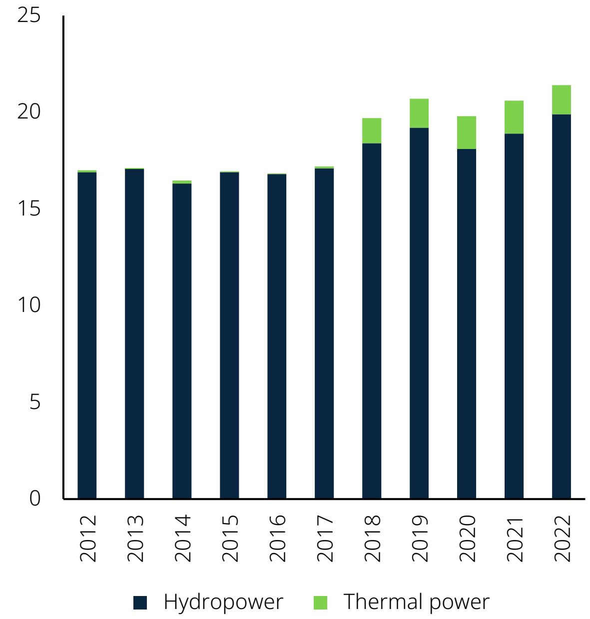
The major issues in the electricity sector are: (i) the financial distress of the sector due to its below-cost-recovery tariff and unsustainable levels of debt; (ii) the outdated infrastructure and dilapidation of the main power-generation assets; (iii) seasonal fluctuations in water levels, leading to shortages in winter, exacerbated by climate change; (iv) high levels of electricity losses; (v) limited regional connectivity; and (vi) limited electricity export opportunities.

80 See IEA (2022).

81 See World Bank (2024c).

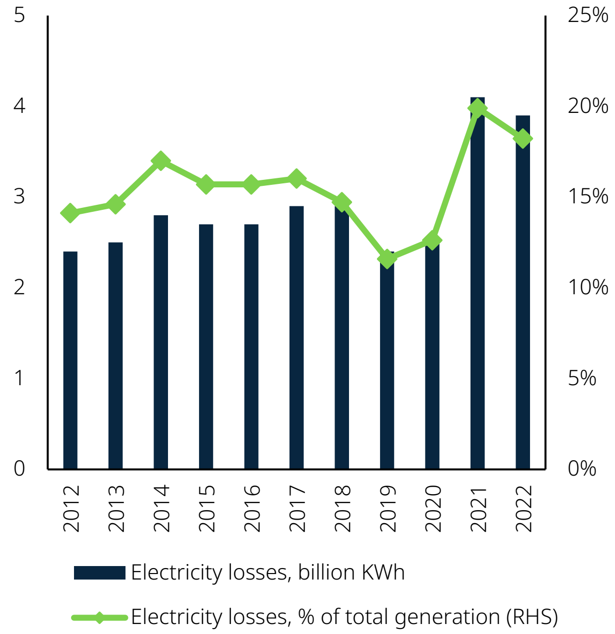
82 Ibid.

Figure 51. Electricity production by source (billion KWh), 2012-22



Source: Agency on Statistics under the President of the Republic of Tajikistan.

Figure 52. Electricity losses, 2012-22



Source: Agency on Statistics under the President of the Republic of Tajikistan.

Tajikistan envisages the broad transformation of its electricity sector, guided by the National Development Strategy and supported by ongoing rehabilitation programmes and international partnerships. Under the National Development Strategy of the Republic of Tajikistan to 2030,[83] the first of the four national strategic goals is to ensure energy security and the efficient use of electricity. In the electricity sector, the strategy envisages development based on the "10/10/10/10 concept": (i) installed capacity increased to 10 gigawatts (GW); (ii) annual electricity exports boosted to 10 Terawatt hours (TWh); (iii) electric power-system capacity diversified by at least 10 per cent through the use of coal, oil, gas and renewable sources other than hydro; and (iv) electricity-system losses reduced to 10 per cent. Rehabilitation programmes are ongoing at the Nurek, Golovnaya and Qairokkum hydropower plants, leaving only 13 per cent of installed generation capacity uncovered by the rehabilitation programme. Lastly, the government is aiming to scale up renewable generation and add around 1,500 MW of renewable generation capacity by 2027. To this end, there are ongoing negotiations with Masdar, Aqua Power and PowerChina.

Tajikistan currently faces a medium risk of water scarcity, however, climate change will affect the entire water sector. While the country faces a medium risk of water scarcity, it is still vulnerable to the effects of climate change such as heightened risk of glacial melting, moderate levels of flood exposure and increased frequency of drought. In 2024, the government adopted the National Water Strategy for the period to 2050, which sets out policy principles and strategic guidelines for the sustainable use and the protection of water resources. According to the strategy, agriculture accounts for around 85 per cent of water consumption in the country, followed by drinking water and industry at 5 per cent each.[84]

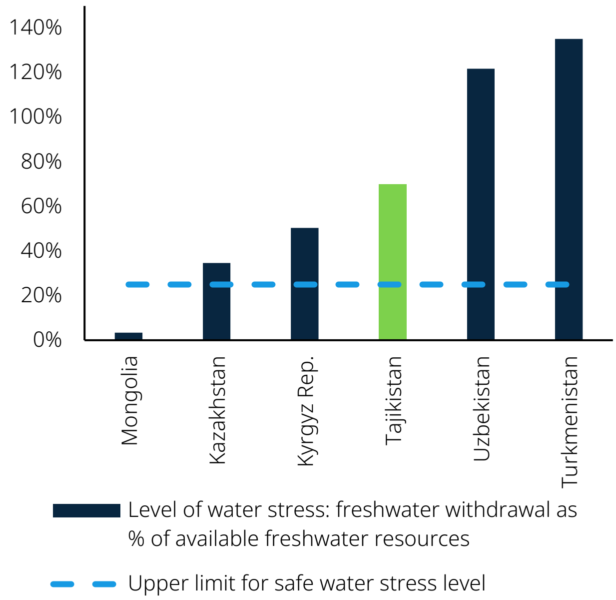
The country's irrigation infrastructure and water management system face serious challenges due to ageing equipment, inefficiencies and financial constraints. Most of the pumping stations were built in the 1960s to 1980s and require upgrading. Modernisation is also needed for mains and on-farm canals, where water losses are around 50 per cent.[85] Water user associations suffer from inadequate equipment, poor maintenance of on-farm networks and an inability to pay membership fees. Their number has decreased significantly in recent years following their consolidation into larger entities as part of state efforts to increase efficiency. Existing water tariffs are set below cost-recovery levels and do not cover operation and maintenance costs. In 2024, the tariff for irrigation water was increased from 2 dirams (€0.002 to 5 dirams (€0.004) per cubic metre, though the cost-recovery level is 12 dirams (€0.01) per cubic metre. Payment collection rates are low, but a recently introduced e-billing system may help to address the issue.

83 See Government of the Republic of Tajikistan (2016).

84 See Government of the Republic of Tajikistan (2024).

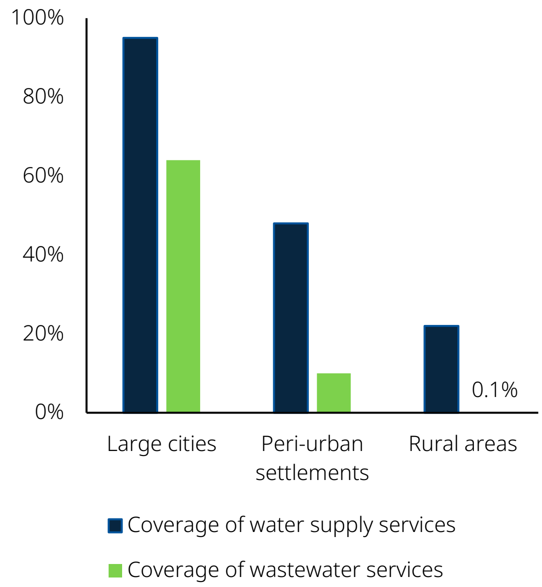
85 Ibid.

Figure 53. Level of water stress, 2022



Source: FAODATA (n.d.).

Figure 54. Percentage of population with access to water and wastewater services, 2024



Source: Government of the Republic of Tajikistan (2024).

Persistent disparities in access to safe water and sanitation in Tajikistan, especially in rural areas, highlight the urgent need for policy reform and sustained investment to meet national and global development goals. According to UNICEF, 89 per cent of the population had access to basic drinking water services in 2024.[86] However, the National Water Strategy says that around 41 per cent of the country's population has access to drinking water supply systems operated by water utilities.[87] While coverage is high in large cities (around 95 per cent), rural areas have significantly lower coverage, at 22 per cent. Furthermore, centralised wastewater services coverage is low in peri-urban settlements and practically non-existent in rural areas. Most of the infrastructure for drinking-water supply and wastewater disposal dates back to the Soviet period and is deteriorating or dilapidated. Data suggest that 32 per cent of systems in urban areas are unusable, while in rural areas, the figure rises to about 60 per cent.[88] Tajikistan's water supply systems also exhibit high levels of non-revenue water (up to 60 per cent in some areas), attributed to leakages due to ageing infrastructure, low metering coverage leading to inaccurate water usage measurement, widespread illegal tapping and low collection rates. Despite being slightly higher than in other Central Asian countries, drinking-water tariffs in Tajikistan do not reflect the true cost of service provision. According to government estimates, achieving Sustainable Development Goal 6 of ensuring the availability and sustainable management of water and sanitation for all by 2030 could require an annual investment of about US$ 220 million (€203 million) for the development of drinking-water supplies and sanitation, much higher than current overall investment in the sector.[89]

86 See UNICEF (2025).

87 See Government of the Republic of Tajikistan (2024).

88 Ibid.

89 Ibid.

Acronyms and abbreviations

ADB	Asian Development Bank
ATQ	assessment of transition qualities
BT	Barki Tojik (energy company)
CESP	Country Economics, Strategy and Policy team
EBRD	European Bank for Reconstruction and Development
EGDI	UN E-Government Development Index
e-TIR	Electronic Transit Information Registration
EU	European Union
EV	electric vehicle
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
GDP	gross domestic product
GHG	greenhouse gas
GVA	gross value added
GW	gigawatt
ILO	International Labour Organization
IMF	International Monetary Fund
KWh	kilowatt hour
LPI	Logistics Performance Index
MJ	megajoule
MW	megawatt
NDC	Nationally Determined Contribution
NOSS	national occupational skills standards
NPL	non-performing loan
OECD	Organisation for Economic Co-operation and Development
ppp	purchasing power parity
PSD	Policy Strategy and Delivery Department
R&D	research and development
SMEs	small and medium-sized enterprises
SOE	state-owned enterprise
TALCO	Tajik Aluminium Company
tCO_2e	tonnes of carbon dioxide equivalent
TJS	Tajikistan somoni

TVET	technical and vocational education and training
TWh	terawatt hour
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WHO	World Health Organization

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Five Bank Street
London E14 4BG
United Kingdom
ebrd.com

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