

THE EBRD IN TAJIKISTAN

Growth of small and medium-sized enterprises

2015-20

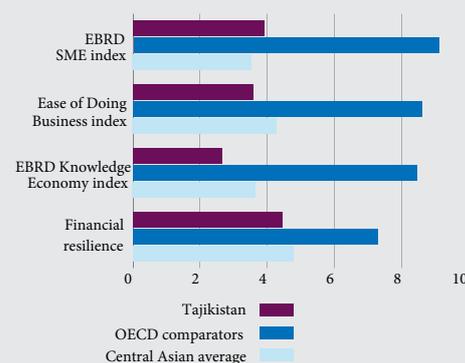
Tajikistan's business environment is improving, rising from 126th in 2019 to 106th in the World Bank's *Doing Business 2020* report. One notable area of improvement over the years has been access to credit, an area the EBRD also supports. Nevertheless, the country's competitiveness is limited by constrained access to foreign currency liquidity and the challenges that SMEs face in finding personnel with adequate skills. SMEs play a key role in the Tajik economy but are hindered by regulatory shortcomings, which lead to high levels of informality. There is also a significant gender gap, as women are 38 per cent less likely to participate in the labour force than men. Although the banking sector has been recapitalised, central bank should continue exercising strong oversight of the banking sector to ensure confidence in the banking system. Banking penetration would increase in line with improvements of the overall business climate.

Related SDGs



EBRD score

(1-worst, 10-best)



How we work

The EBRD provides support for businesses through targeted instruments, such as: our award-winning Women in Business (WiB) programme, which provides first-loss risk cover, advice to financial institutions and to women entrepreneurs; the Small Business Initiative; the SME Local Currency Programme; the Enhanced Competitiveness of Tajik Agribusiness Programme; or the Advice for Small Businesses programme. We support the Tajik Investment Council, which is the government body facilitating public-private dialogue and includes the participation of high-level government officials, business associations and multilateral agencies. The Emergency Legal Advice webinars, providing practical emergency legal advice to ensure business resilience of SMEs during the pandemic, were attended by 149 participants and recordings had 1,092 views.

In numbers

€17 million

Net cumulative investment in SMEs

€4.8 million

Total volume of Women in Business programme funding provided to local banks

Over 1 million

Number of SME loans disbursed via EBRD partner banks

356

Number of SME advisory projects delivered

1,200

Number of beneficiaries from the emergency legal guidance due to the pandemic

Quick links

- > [Advice for Small Businesses \(ASB\) programme](#)
- > [Blue Ribbon programme](#)
- > [Trade Facilitation Programme \(TFP\)](#)
- > [EBRD Star Venture programme](#)

Women in Business

The EBRD's Women in Business (WiB) programme provides finance, business advice, training and mentoring to female-led SMEs.



Achievements and results: Small and medium-sized enterprises

We help improve SME skills, standards and access to finance by:

- ▶ providing business advice and skills training to more than 350 SMEs that have benefited from the Bank's advisory projects
- ▶ providing financing via local partner banks under our WiB programme to support women-led entrepreneurs and address the gender gap
- ▶ opening opportunities for local firms, for example through investing in the first hypermarket (Auchan) in Tajikistan.

We help to improve the business environment by:

- ▶ supporting the Investment Council (for example through reduced inspections/improved taxation)
- ▶ facilitating coordination with other IFIs and donor support in the country as the Vice-Chair of Tajikistan's Development Coordination Council
- ▶ contributing to legislative changes to promote women's entrepreneurship through tax incentives for those on maternity leave or a streamlined business registration process for those based at home
- ▶ introducing a gender-responsive regulatory impact assessment for 24 members of the task force on women's entrepreneurship
- ▶ facilitating better commercial dispute resolution by creating a mediation centre at the Chamber of Commerce and Industry and by training mediators.

We help strengthen the resilience of the banking sector by:

- ▶ supporting local banks' capacity to lend by providing a range of financial products related to trade, women-led entrepreneurs, local currency or microfinance
- ▶ helping to improve corporate governance of financial institutions, in partnership with the National Bank of Tajikistan
- ▶ providing independent assessment of two historically systemic banks (TSB and AIB) to help overcome weaknesses in the banking sector.

SME growth

Forty-seven per cent of SMEs advised by the EBRD hired more people and 79 per cent of them increased turnover. In total, 1,653 new jobs and €609 million of additional turnover were created.*

More exports

Fourteen per cent of SMEs advised by the EBRD grew their exports. In total, the Bank's advisory projects contributed to €10.9 million of new exports.*

Higher productivity

Sixty-five per cent of SMEs advised by the EBRD became more productive.*

Women entrepreneurship

A total of 340 women-led SMEs received loans through our WiB programme.

Better business environment

The number of days it takes to start a business in Tajikistan has been reduced by 14 days, supported by EBRD policy dialogue efforts.

Better skills

Fifty policymakers received training on gender-responsive policy formulation. Fourteen commercial mediators trained on SME contractual disputes

Local currency financing

The EBRD supported local businesses by reducing their currency mismatch through increased lending in local currency, which is typically not readily available.

Better skills

The EBRD trained local banks to provide new financial products, including those for women.



Read how the EBRD supported the first hypermarket in Tajikistan.



Read how the EBRD supports the work of Investment Councils (ICs) in a number of countries, including Tajikistan. ICs have become respected platforms for public-private dialogue, where businesses and policymakers come together to tackle issues such as climate-related investment challenges.



*within a year after the advisory project ended.