

Data Sheet

USAID Mission:	Tajikistan
Program Title:	Energy and Water
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	119-0161
Status:	Continuing
Planned FY 2005 Obligation:	\$1,470,000 FSA
Prior Year Unobligated:	\$2,000 FSA
Proposed FY 2006 Obligation:	\$1,350,000 FSA
Year of Initial Obligation:	2001
Estimated Year of Final Obligation:	2007

Summary: USAID's energy and water program is helping Tajikistan improve economic policy and governance, increase private sector growth, and expand and improve access to economic and social infrastructure. The Clean Energy and Water for Poor Presidential Initiatives are supported via activities noted below.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Economic Policy and Governance (\$105,000 FSA, \$2,000 FSA carryover). In Central Asia, the Aral Sea Basin system includes rivers and associated hydropower facilities that are shared across several neighboring states. With independence, each of these countries has developed policies and practices that favor its own national interests at the expense of regional cooperation in the areas of water and energy. Tajikistan is an active participant in USAID's programs to improve transboundary water and energy cooperation in these vital sectors. Developments in the energy sector over the past year, primarily in countries outside of Central Asia that have shown interest in making large investments in Tajikistan's hydropower facilities, could mean a major shift in the Government of Tajikistan's policy toward energy trading and the timing of associated water releases. Proper use of these facilities, with consideration of regional priorities, is important for reducing tensions and stimulating economic growth in Central Asia. Through a program for regional cooperation in energy and water, USAID will continue to work with Tajikistan authorities on bilateral and multilateral agreements for regional energy markets and water-sharing. Principal contractor/grantee: TBD (prime).

Increase Private Sector Growth (\$610,000 FSA). Agricultural Finance Plus (AgFin+) is a program launched in FY 2004 to stimulate economic growth throughout the farm-to-market value chain. Agriculture plays a significant role in the economy of Tajikistan, including over 50% of employment. AgFin+ will increase production and income of Tajikistan's farmers by linking targeted groups of farmers to specific markets. Through training and technical assistance, AgFin+ will assist farmers to overcome constraints they face in delivering products to targeted markets and to capture a return on their investment. The AgFin+ program, complementing USAID's economic development activities such as small business development, will also stimulate agriculture-related businesses such as agri-services, agri-trade, and agri-processing, which are critical to the farm-to-market chain. Through improved production tied to specific markets, AgFin+ will link farmers to underserved markets, address financial constraints, provide on-farm support, and coordinate with other agricultural sector programs and institutions. Principal contractors: Development Alternatives, Inc. (DAI) (prime) and Winrock International (sub).

Expand and Improve Access to Economic and Social Infrastructure (\$755,000 FSA). The growth of rural economies in Central Asia depends on local control of resources and increased citizen participation in decision making. Local management of water resources is critical to the agricultural economy of Tajikistan, which represents over 40% of GDP. USAID will increase its assistance to Water User Associations (WUA) in Tajikistan to: promote and stimulate WUA policy and procedural reforms; develop irrigation system demonstration models; increase incomes through improved agricultural production; conduct public outreach campaigns; and implement a

competitive small grants program to assist WUAs. Increased income and agricultural productivity results of this activity are linked to increased private sector growth. Principal contractor/grantee: Winrock International (prime).

FY 2006 Program: Improve Economic Policy and Governance (\$105,000 FSA). Through a program for regional cooperation in energy and water, USAID will continue to work with Tajik authorities on bilateral and multilateral agreements to support the development of regional energy markets and water-sharing. This may include activities related to energy efficiency and participation in the Central Asia Cooperation Organization's Water and Energy Consortium. Same implementer as above.

Increase Private Sector Growth (\$510,000 FSA). USAID will continue to invest in agricultural development through AgFin+ by expanding the number of target groups, and assist them to identify opportunities and overcome constraints in the farm-to-market value chain. Same implementer as above.

Expand and Improve Access to Economic and Social Infrastructure (\$735,000 FSA). USAID will continue assistance to WUAs in Tajikistan, through replication of efficient irrigation demonstration models; increasing production on land managed by WUAs; expanding public outreach to farmers, the government, and other donors, and continued implementation of a competitive small grants program. Same implementer as above.

Performance and Results: In FY 2004, as in the previous year, USAID programs met or exceeded targets for nearly every indicator. USAID's program assisted Tajikistan and neighboring countries to develop improved methods for collecting, analyzing, forecasting, and sharing data in relation to transboundary water management. The program installed an upgrade of the Tajikistan National Weather Center's main communication station, making it possible for water data to be exchanged throughout the region and bringing Tajikistan's weather and water forecasting agency to a level that meets the standards of the World Meteorological Organization. The transboundary data sharing is fostering a level of cooperation in the water sector not seen since the breakup of the Soviet Union. Results of USAID programs were also strong in the area of irrigation improvements. The economy of Tajikistan is highly dependent on the nation's agricultural sector, which in turn, is dependent on water from irrigation systems. More than 70% of the six million Tajiks live in rural areas that are heavily dependent on agriculture. Technical training through the Ministry of Land Reclamation and Water Resources has enabled Tajik specialists to collect more accurate data in a timely manner, significantly improving the Ministry's quality of analysis and decision making. Critical equipment was procured for rehabilitation of irrigation infrastructure and as a result, the lives of 93,000 people have been improved and more than 24,000 hectares have been brought into production. Recent economic analyses estimate that the value of USAID's assistance in the area of improved water delivery, depending on actual crop yields, is between \$250,000 and \$1 million annually. USAID's Natural Resource Management Program which implemented these activities will end in FY 2005.

By program completion, a greater number of WUAs will be in place using improved water management practices and operating in a more favorable legislative environment. The resulting increases in crop yields, productivity, and income will contribute to overall economic growth. Several of these WUAs will be operating in the irrigation areas where USAID has made substantial investments in the irrigation infrastructure as a result of FY 2002 supplemental funding. Also, an improved system of collecting, analyzing, and transmitting water data will be fully implemented. Tajik water and energy specialists and policy makers will have implemented policies and practices aimed at improving regional cooperation over shared water and energy resources through the use of internationally-recognized agreements and standards. The results of the SO will also support those in the area of democracy and private sector development.

US Financing in Thousands of Dollars

Tajikistan

119-0161 Energy and Water	FSA
Through September 30, 2003	
Obligations	8,240
Expenditures	5,151
Unliquidated	3,089
Fiscal Year 2004	
Obligations	1,543
Expenditures	2,831
Through September 30, 2004	
Obligations	9,783
Expenditures	7,982
Unliquidated	1,801
Prior Year Unobligated Funds	
Obligations	2
Planned Fiscal Year 2005 NOA	
Obligations	1,470
Total Planned Fiscal Year 2005	
Obligations	1,472
Proposed Fiscal Year 2006 NOA	
Obligations	1,350
Future Obligations	1,380
Est. Total Cost	13,985