Board Meeting of July 30, 1998
Statement by Surendra Singh

Tajikistan - Country Assistance Strategy and Structural Adjustment Credit.

We welcome this opportunity to discuss the CAS for Tajikistan. We would like to complement the staff for having presented this high quality document prepared in consultation with all concerned particularly the civil society. The report is analytical and objective in describing the state of the economy and very positive in its approach to the development of Tajikistan.

We would like to express our appreciation of the impressive manner in which the Government of Tajikistan has made significant progress in achieving macro-economic stability during the past year.

Notwithstanding Tajikistan’s recent fiscal performance, economic growth and fall in inflation, a lot remains to be done to relieve the people of that country from the grip of intense poverty. We are glad to note that Bank staff has diagnosed the problems correctly and are focusing their attention to alleviating poverty and bringing succor to the most vulnerable groups.

It is distressing to note that the best brains of Tajikistan working at universities, institutions of learning and academies of science are on the verge of starvation; at the same time there is scarcity of skilled professionals for implementing development programs. Adequate steps need to be taken to reorient and train these professionals and deploy them at appropriate places so that the weak institutions can be strengthened to meet the demands of the market economy. The Bank has a significant role in this.

Similarly, it is very disturbing to note the sharp deterioration in school attendance and enrollment due to the fall in government expenditure in health and education. If this situation is not reversed quickly, it will have a far-reaching effect on the future development of the country. We would like to hear from the staff as to what they have planned for addressing these issues.

Major export revenue comes from cotton, and reform of the agricultural sector should therefore merit high priority. Impediments to the free market operations for the production and sale of agricultural commodities need to be removed so that adequate
incentives become available to the farmers and the agricultural enterprises for improving their efficiency.

The Bank’s plan to support the Government’s anti corruption strategy by strengthening legal enforcement agencies and institutions responsible for implementing civil service and tax reforms is a welcome strategy. The law-enforcing agency has to be adequately strengthened within the ambit of the legal framework so that peace can be restored and at the same time abuse of authority can be minimized.

Since the flow of bilateral assistance to Tajikistan is very small, the Bank should play a greater role in aid coordination so that more donors can participate in the reconstruction of Tajikistan with confidence. Government of Tajikistan also should send strong positive signals to the international donor community and ensure full protection to the safety and security of aid workers.

We appreciate IFC’s role in establishing an international commercial bank and a leasing company for Tajikistan. This will be a landmark in the economic history of the country.

We would like to draw the attention of the Management to the Report of CODE on “World Bank’s Experience with Post-Conflict Reconstruction”. In this context we would emphasize the importance of the Bank formulating an operational policy to guide staff in responding to post conflict situations quickly and more effectively.

On the whole, this CAS contains a number of positive approaches to the development of the strife-torn Tajikistan. We once again congratulate the staff members working under difficult circumstances in the field for having prepared this excellent document. We agree with the strategies proposed in the report and also extend our support to the proposed structural adjustment credit.