February 2006
IMF Country Report No. 06/63

Republic of Tajikistan—Ex Post Assessment of Longer-Term Program Engagement

This Ex Post Assessment of Longer-Term Program Engagement for the **Republic of Tajikistan** was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on **January 13, 2006.** The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of the Republic of Tajikistan or the Executive Board of the IMF.

The policy of publication of staff reports and other documents by the IMF allows for the deletion of market-sensitive information.

To assist the IMF in evaluating the publication policy, reader comments are invited and may be sent by e-mail to publicationpolicy@imf.org.

Copies of this report are available to the public from

International Monetary Fund ● Publication Services
700 19th Street, N.W. ● Washington, D.C. 20431
Telephone: (202) 623 7430 ● Telefax: (202) 623 7201
E-mail: publications@imf.org ● Internet: http://www.imf.org

Price: $15.00 a copy

International Monetary Fund
Washington, D.C.

INTERNATIONAL MONETARY FUND

REPUBLIC OF TAJIKISTAN

Ex Post Assessment of Longer-Term Program Engagement

Prepared by a Staff Team from the Middle East and Central Asia, Fiscal Affairs, and Policy Development and Review Departments[1]

Authorized by Middle East and Central Asia and Policy Development and Review Departments

January 13, 2006

Executive Summary 3

I. Introduction 4

II. Overview of Program Objectives and Performance 6
- A. Program Strategy 6
- B. Macroeconomic Performance and Record of Implementation 7
- C. Fiscal Policy 8
- D. Monetary and Exchange Rate Policy 11
- E. External Position 12
- F. Structural Reform 13

III. Collaboration with the World Bank 15

IV. Assessment and Lessons 16
- A. Program Effectiveness and Fund Engagement 16
- B. Lessons 18

V. Considerations for Future Involvement 19

Boxes

1. Misreporting and Noncomplying Purchases 6
2. Bank-Fund Collaboration 17

[1] The team comprised C. Piñerúa (head), R. Zytek, M. Sumlinski, and J. Matovu (all MCD), Z. Brixiova (PDR) and D. Jacobs (FAD).

Tables

1. History of Lending Arrangements, 1996–2005 4
2. Real GDP Growth and Inflation, 1998–2004 5
3. Cases of Misreporting and Noncomplying Disbursements 21
4. Overview of Compliance Under IMF Arrangements 22
5. Compliance with Prior Actions Performance, Criteria, and Structural Conditions Under EASF/PRGF, 1998-2001 23
6. Compliance with Prior Actions, Quantitative and Structural Performance Criteria, Indicative Targets, and Structural Conditions Under PRGF, 2002–05 24

Figure

1. Projected and Actual Performance Under Fund Arrangements, 1998–2005 9

Executive Summary

The Fund's financial involvement with Tajikistan started in late 1996 with the approval of a Stand-by Arrangement (SBA). The SBA (1996) was followed by Emergency Post-Conflict Assistance in the last quarter of 1997, an Enhanced Structural Adjustment Facility/Poverty Reduction and Growth Facility arrangement (ESAF/PRGF) covering the period of 1998–2001, and then by a second PRGF arrangement that originally covered the period of 2002–05. This assessment covers Tajikistan's performance under the last two arrangements. It provides a broad picture of the lessons emerging from this experience and points to potential areas for future Fund engagement in Tajikistan.

Tajikistan's macroeconomic performance during 1998–2005 has been robust, albeit with occasional lapses. Economic growth during this period has far exceeded program projections, but inflation performance has been at times volatile, and often overshot program targets. Macroeconomic stabilization was mainly driven by a strong fiscal consolidation. In contrast, monetary policy has occasionally undermined inflation performance.

Initial progress in implementing structural reforms was uneven. The broad and ambitious structural agenda in the first ESAF/PRGF arrangement, coupled with weak institutions, led to persistent underperformance, numerous requests for waivers, and eventually the program going off track in each of the last two years of the first arrangement. Performance has improved significantly since then, with stronger program ownership of the second PRGF and a much more streamlined policy agenda.

There are a few key lessons that emerge from the experience in Tajikistan: (a) weak institutional capacity posed a major constraint to reform; (b) the peace agreement introduced a number of constraints that ex-ante limited the ability of the authorities to move more quickly and effectively in many areas of structural reforms; (c) early programs clearly tried to reach too far in the area of structural conditionality. Moreover, a number of the structural measures included in the programs were not only out of the Fund's areas of expertise but were difficult to monitor; (d) programs should have been more forceful in addressing the public financing of the cotton sector. In particular, they should have ensured that any public financial assistance was channeled in a transparent way through the budget; and (e) programs have failed to address institutional weaknesses in the design and implementation of monetary policy.

Given the still low level of per-capita income, the low level of reserves, lack of access to capital markets, and the high probability of financing gaps in the medium term, a return to a regular surveillance relationship or engagement under the policy support instrument (PSI) would not seem to be appropriate at this point. Rather, there is likely to be a strong case for a successor PRGF arrangement.

I. Introduction

1. **The Fund has been involved in Tajikistan's transition from command to market economy since its independence in 1991**. However, due to the onset of civil war in 1992, it was not until the second half of 1996 that Tajikistan started to benefit from financial assistance from the Fund, initially in the form of a Stand-by Arrangement (SBA). The SBA (1996) was followed by Emergency Post-Conflict Assistance in the last quarter of 1997, an Enhanced Structural Adjustment Facility/Poverty Reduction and Growth Facility arrangement (ESAF/PRGF) covering the period of 1998–2001, and then by a second PRGF arrangement that originally covered the period of 2002–05 (Table 1).[2, 3] This assessment covers Tajikistan's performance under the last two arrangements. It provides a broad picture of the lessons emerging from this experience and points to potential areas for future Fund engagement in Tajikistan.

Table 1. History of Lending Arrangements, 1996–2005

(In thousands of SDRs)

Facility	Date of Arrangement	Date of Expiration or Cancellation	Amount Agreed	Amount Drawn
PRGF Commitments	December 11, 2002	February 10, 2006	65,000	55,200
PRGF Commitments	June 24, 1998	December 24, 2001	100,300	78,280
Emergency Post-Conflict Assistance	December 19, 1997	March 31, 1998	15,000	15,000
Standby Arrangement	May 08, 1996	December 07, 1996	15,000	15,000

Source: IMF, FIN Department.

2. **Tajikistan's transition from central planning was considerably more costly than in the case of other ex-Soviet countries.** At the time of the breakup of the Soviet Union, Tajikistan was the largest relative recipient of federal budget transfers in the Union, which accounted for almost fifty percent of its total budget revenues. The breakup also led to the disruption of traditional trade links (an important issue in Tajikistan because of its landlocked geographical position), sharp increases in input costs (most critically energy), and loss of implicit subsidies on food imports. The effect of these negative factors was compounded by the start of the civil war in 1992, which ended when a peace agreement was signed in June 1997.[4] These factors contributed to a prolonged decline in GDP, as industrial production (mainly aluminum) collapsed by nearly 70 percent during this period.

---

[2] An extension of the arrangement period, to early 2006, was approved by the Executive Board at the time of fifth review under the arrangement.

[3] A staff-monitored program (covering the first half of 2002) was agreed with authorities after the third annual arrangement under the first PRGF went off track in late 2001.

[4] However, even after the peace accord was signed, political instability and small-scale fighting continued for some time.

3. **After the civil war, Tajikistan's transition was hindered by a number of exogenous factors**, including the Russian crisis, the Afghanistan conflict, a series of natural disasters, and the imposition of trade barriers by nonreforming neighboring countries. Despite these challenges, economic growth resumed in the late 1990s—albeit from a low base—and has accelerated since 2000 to rates that compare favorably even with other fast-growing countries in the region (Table 2).[5] The return of growth has been led by the industrial sector, but in recent years economic activity has become more diversified, aided by a significant increase in remittances from abroad. Inflation performance, while also significantly improved, has been less than stellar, mostly due to lapses in the conduct of monetary policy but also owing to adverse external shocks (mainly intermittent periods of drought and flood).

Table 2. Real GDP Growth and Inflation, 1998–2004

(Average annual change; in percent)

	Real GDP	CPI
Armenia	9.0	3.4
Azerbaijan	10.1	0.7
Georgia	5.6	6.7
Moldova	2.7	16.1
Kyrgyz Republic	4.3	11.1
Tajikistan	8.5	22.8
Uzbekistan	4.7	30.2

Sources: CIS Statistics; and Fund staff estimates.

4. **Tajikistan's performance under the last two Fund-supported programs has been mixed.** The first ESAF/PRGF arrangement brought clear gains in macroeconomic performance, but the implementation of structural reforms was particularly disappointing, with the last two reviews in each of the last two years of the first arrangement not being completed.[6] While this lackluster implementation record is partially explained by preexisting institutional and administrative limitations and weak ownership—the latter mostly tied to the political rigidities imposed by the power-sharing agreement that ended the civil war—it is clear that the extent and detail of structural conditionality contained in the original program

[5] The level of real output remains, however, below its estimated pre-independence level. There are nevertheless questions about the reliability of the earlier official figures.

[6] Both, the second and third annual arrangements under the first ESAF/PRGF called for quarterly reviews of the program, perhaps reflecting early concerns by staff about the authorities' commitment to the program.

was just too broad and ambitious for a country emerging from civil conflict and at an early stage of development. Moreover, it is also evident that compliance with a number of these conditions was very difficult to monitor.[7]

5. **This shortcoming was recognized by staff at the time of the request for approval of the second PRGF arrangement**.[8] As a result, structural conditionality was significantly streamlined and, aided by a consolidation of the political process, performance under the second PRGF arrangement has improved significantly, with macroeconomic gains preserved and enhanced, particularly regarding growth performance. Nevertheless, there are persistent concerns about the quality and speed of reforms in key structural areas (mainly agriculture and governance), and lingering problems with weak institutional capacity. Similarly, problems in the area of foreign debt management have caused implementation problems to persist, which have led to several episodes of misreporting (Box 1).

Box 1. Tajikistan: Misreporting and Noncomplying Purchases

During the two PRGF arrangements, the Executive Board discussed seven cases of misreporting altogether, which resulted in ten noncomplying disbursements. All cases of misreporting have been related to the country's limited capacity to manage external debt. Initial incidences of misreporting stemmed from the authorities' lack of experience with IMF procedures. Subsequently, misreporting cases were caused by weak institutional capacity, in particular poor debt management capacity. The amounts of nonconcessional borrowing and arrears on debt service payments that caused the incidences of misreporting were quickly repaid or cleared. Waivers were granted in most cases (as the deviations were minor and temporary, and/or the country took additional policy steps to remedy the situation). In several instances Tajikistan was requested to make an early repayment of the outstanding amounts resulting from noncomplying purchases.

II. Overview of Program Objectives and Performance

A. Program Strategy

6. **The first ESAF/PRGF-supported program was centered on an export led growth strategy, building on a liberal foreign trade and investment regime.** The strategy aimed at addressing the pressing problem of high external debt accrued during the conflict years.

[7] Examples include the privatization of an increasing (and large number) of public enterprises; the conversion of state and collective farms, "in their entirety," into private farms; introduction of a "black book" mechanism to monitor government interference in production decisions; and the sale of the government's trucking fleet, among others.

[8] See Box 3 in IMF Country Report No. 03/10 dated January 2003.

The program envisioned a significant fiscal consolidation (a reduction in the fiscal deficit from 3.3 percent of GDP in 1998 to 0.3 percent of GDP in 2001); tight monetary policy, with no central bank financing of the budget after mid-1999; an asymmetric exchange rate policy, whereby appreciation of the currency would not be resisted but downward pressure on it would be counteracted with a tightening of financial policies; a broad menu of structural reforms, including a comprehensive reform of the banking system, an ambitious privatization program, public enterprise reform, trade liberalization, energy sector reform, public administration reform, legal framework reform, and the acceleration of land reform.

7. **Conditionality under the second PRGF arrangement was significantly streamlined.** Structural conditionality, in particular, was refocused to cover areas that were considered crucial for sustaining economic growth and with public finance implications: banking restructuring, energy sector reform (gas sector only), and farm privatization.[9] In terms of macroeconomic policy, the program focused on limiting the fiscal deficit to the level that could be financed from concessional external sources, thereby limiting budgeted expenditures to projected revenue gains; called for the central bank to follow a "cleaner" managed float regime (i.e., intervention only to limit unwarranted fluctuations in the exchange rate); and intensified efforts to resolve Tajikistan's external debt problems.[10]

B. Macroeconomic Performance and Record of Implementation

8. **Tajikistan's macroeconomic performance during 1998–2005 has been robust, albeit with occasional lapses.** Economic growth during this period has far exceeded program projections, but inflation performance has been at times volatile, and often overshot program targets (Figure 1). Macroeconomic stabilization was mainly driven by a strong fiscal consolidation, which in turn supported the conduct of monetary policy. The programs' quantitative fiscal targets have been met, often by wide margins. In contrast, monetary policy has occasionally undermined inflation performance. At times, particularly early in the period of engagement, the central bank issued directed credit to state enterprises and cotton producers which, together with frequent external shocks, contributed to periodic episodes of exchange rate volatility, high inflation, and led to delays in the completion of program reviews and numerous requests for waivers.

---

[9] Efforts to streamline structural conditionality had already started in the third year of the first arrangement and during the staff monitored program that was put in place in early 2002, which focused on strengthening the financial condition and independence of the central bank; tax and customs administration reform; and improving the efficiency of public spending.

[10] With trade policy objectives achieved in the first PRGF, there was no explicit conditionality included in this area during the course of the second PRGF arrangement.

9. **Initial progress in implementing structural reforms was uneven**. The broad and ambitious structural agenda in the first ESAF/PRGF arrangement (there were 113 structural performance criteria, benchmarks, and prior actions), coupled with weak institutions, led to persistent underperformance, numerous requests for waivers, and eventually the program going off track in each of the last two years of the first arrangement. Performance has improved significantly since then, with stronger program ownership of the second PRGF and a much more streamlined policy agenda.[11] However, there are lingering concerns about the quality of some reforms, particularly in the agricultural sector.

C. Fiscal Policy

10. **Fiscal consolidation under the Fund-supported programs has been notable.** In line with program projections, the overall fiscal balance, excluding the externally financed Public Investment Program (PIP), turned from a deficit of about 4 percent of GDP in 1998 to small surpluses in 2002–05. This degree of fiscal consolidation is quite remarkable considering the external shocks in the late 1990s and, more crucially, the need to increase expenditures to ameliorate poverty conditions. In this context, the authorities have also faced persistent pressure to increase wages in the public sector from their very low level. After a period of relative wage compression led to problems in the retaining of qualified personal and corruption in the delivery of key social services, the authorities have, without jeopardizing the fiscal targets under the program, increased public sector wages significantly during the last two years.[12] Moreover, with expenditures increasing over the period (from 16.6 percent to 20.7 percent of GDP), the authorities have made good progress in reprioritizing expenditures towards social sectors, such as education and health care. The successful consolidation of the fiscal accounts, as well as the signing of a series of debt cancellation and restructuring agreements, have allowed Tajikistan to improve its medium-term fiscal and external sustainability positions.

---

[11] Still, so far only one review under the second PRGF arrangement has been completed without the need for a structural or quantitative performance compliance waiver from the Executive Board.

[12] Fund staff, in consultation with the World Bank, have partially addressed this issue by emphasizing, in the second PRGF arrangement, the need to implement a comprehensive civil service reform program (started in early 2005) and a broad reform of the health and education sectors

Figure 1. Tajikistan: Projected and Actual Performance Under Fund Arrangements, 1998–2005

Figure 1a. Real GDP Growth
(In percent per annum)

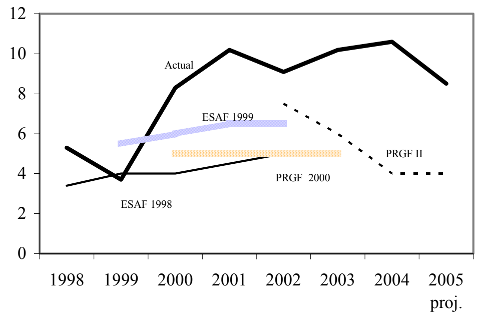


Figure 1b. CPI Inflation
(In percent, end of period)

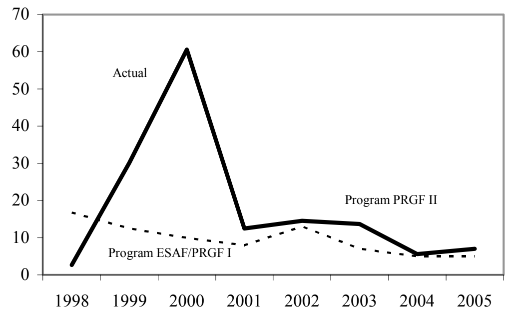
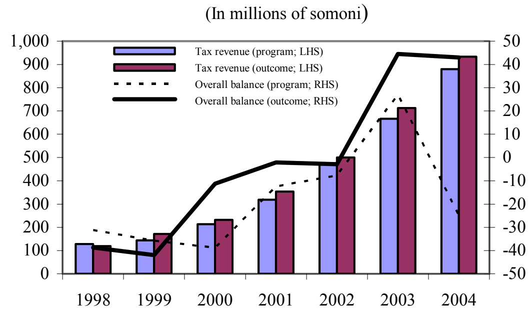


Figure 1c. Tax Revenue and Overall Deficit 1/, 1998–2004
(In millions of somoni)



1/ Excluding PIP.

Figure 1d. External Current Account Balance, 1998–2005
(In percent of GDP)

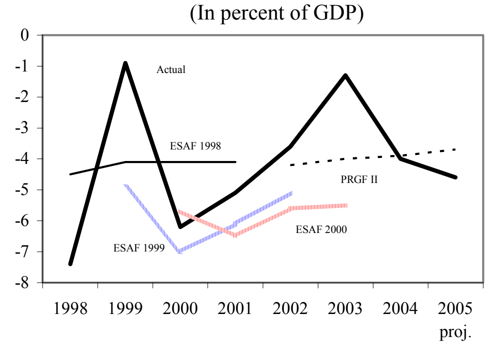


Figure 1e. Gross International Reserves
(In months of imports)

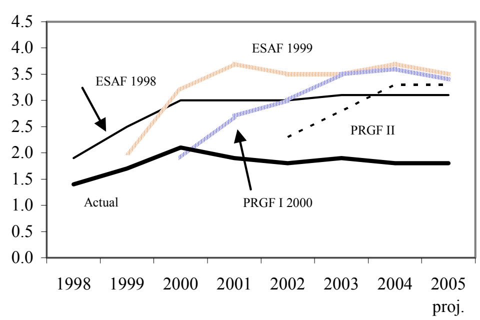
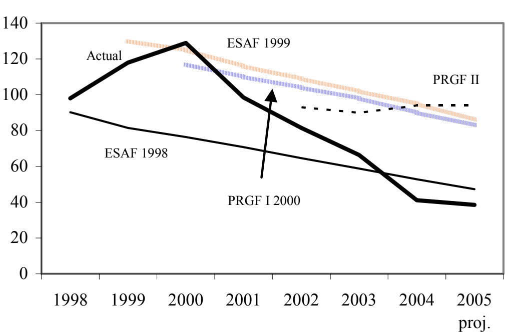


Figure 1f. External Public Debt
(In percent of GDP)



Sources: Tajikistan authorities; and Fund staff estimates.

11. **The persistence of quasi-fiscal activities early in the assessment period limited broader efforts at fiscal consolidation.** A particular example was the practice of "tax offsets"—an arrangement under which Tajik Rail serviced the government's debt to Uzbekistan on behalf of the Tajik Government with a subsequent reduction in their tax obligations. The government also resorted to directed credits (to Tajik Rail and cotton exporters) from the central bank and state banks, instead of providing funding directly and transparently through the budget. These specific activities have now been for the most part eliminated.

12. **The quasi-fiscal deficit of the energy sector remains high.** Economic losses due to large under pricing of electricity were estimated at about 10 percent of GDP in early 2005. Low prices have contributed to inefficient electricity usage, frequent shortages, and massive underinvestment in the sector's transmission and distribution infrastructure. Low rates remain a major obstacle to attracting foreign investment to harness Tajikistan's vast hydropower potential and support exports and the development of energy intensive manufacturing.

13. **Revenue collection and tax administration improved steadily during the program period.** Tax revenues rose from 12 percent of GDP in 1998 to about 16 percent in 2005. Most of the improved revenue performance came as a result of a change in the basis of the VAT from the origin to destination principle and reform efforts to streamline taxation by reducing exemptions and eliminating "nuisance taxes." Nevertheless, the tax base remains narrow, as a large proportion of revenues is still linked to the performance of the cotton and aluminum sectors, both very vulnerable to international price volatility. Through the provision of extensive Fund technical assistance, substantial progress has been made in reshaping the legal and institutional frameworks for tax and customs administration. In particular, new tax and customs codes, prepared with Fund assistance, were approved in late 2004. The tax code introduces a two-tier income tax, reduces tax concessions, and reduces the number of taxes for agricultural producers. The authorities have also restructured the tax department along functional lines, and established a large taxpayer inspectorate.

14. **Public financial management reform has not proceeded as fast as envisaged**. The slow pace of reforms mostly reflects weak institutional capacity and a lack of funding and technical support. In recent years, however, reforms have gained more momentum and have been focused on improving the budget process and the establishment of a proper treasury. Progress has been made in improving the scope and quality of budget documentation, and broadening the public availability of fiscal information. However, basic treasury systems are not yet firmly established or well-developed. Due to a lack of financing, the computerization of the public financial management system is at an early stage and many budget and treasury operations, especially at the local level, are still manual, which significantly reduces the effectiveness of the reform effort.

D. Monetary and Exchange Rate Policy

15. **Monetary and exchange rate policy under both arrangements aimed at reducing inflation and restoring confidence in the national currency.** The implementation of monetary policy was aided by the rapid fiscal consolidation. Nevertheless, implementation of the monetary program suffered from frequent performance lapses, particularly during the first PRGF arrangement. On several occasions the central bank exceeded NDA and reserve money targets as it lent to public enterprises and cotton growers, even after such lending was explicitly prohibited in Fund-supported programs. The uneven implementation of the monetary program may have been linked to the central bank's inability to resist pressures from powerful vested interests.

16. **The implementation of monetary policy improved significantly in the second PRGF program, as policy recommendations were simplified and program ownership improved.** The explicit conditionality barring central bank from issuing directed loans was supplemented with the withdrawal of the central bank from the primary monetary market (credit auctions), which removed an additional channel for possible credit creation. Fiscal surpluses, which resulted in government deposit accumulation at the central bank, facilitated foreign exchange accumulation and monetary sterilization. Nevertheless, external pressures on the central bank to lend to the agriculture sector (cotton) and public entities continued to linger in the background.

17. **The effectiveness of monetary policy is still constrained by a lack of appropriate instruments and weak institutional capacity**. While both PRGF arrangements included a broad commitment to diversifying the range of monetary policy instruments, only limited progress has been made in this area. A major hurdle is that the central bank is financially insolvent, which limits its ability to conduct monetary operations, particularly to restrain monetary expansion. Moreover, both programs have focused on implementing monetary measures that lack flexibility and have proven difficult to implement, such as the collection of loans from the private sector and the sale of collateral tied to such loans.[13] This lack of operational flexibility could eventually pose a problem under the current NFA/NDA program framework, as higher-than-programmed foreign reserves accumulation could not be easily sterilized by the central bank, except through the sale of foreign exchange. Moreover, this situation is also likely to be a source of confusion for foreign exchange market participants, as the central bank is relying on foreign exchange interventions (its only monetary policy instrument) to adjust monetary conditions, even though it has committed to such interventions only in the event of unwarranted fluctuations in the market.

[13] Another important constraint here is the unwillingness of the ministry of finance to make its obligations to the central bank more marketable by agreeing to pay market interest rates on them.

18. **While committed under the second PRGF arrangement to a flexible exchange rate regime, in practice, the central bank's foreign exchange strategy has often been asymmetrical, apparently with the aim of limiting nominal appreciation**. Interventions have generally been unsterilized, reflecting limited instruments and cost concerns (see above), and have sometimes led to deviations from the indicative reserve money targets in the program.

E. External Position

19. **Tajikistan has generally exhibited much larger trade deficits than projected under the programs, but the recent significant transfer inflows have mitigated their impact on the current account balance.** A comparison of the projections of trade deficit-to-GDP ratios with actual outcomes suggests that the projections were mostly optimistic. Especially under the first ESAF/PRGF arrangement, the terms of trade were more negative and exports growth generally slower and more volatile than projected. While export performance improved during the second PRGF program, Tajikistan's integration into the world economy, and in particular with the CIS and Russia, has occurred mainly through the "export" of labor. This has led to massive inflows of remittances, which have partly financed the trade deficits. Over the years, some diversification has occurred, with shares of both exports and imports of nontraditional products increasing. However, progress has been limited, mainly due to the absence of structural reforms that would facilitate such diversification, including measures to make more flexible production decisions in the agricultural sector.

20. **As a result of improved policies (and the end of conflict) there has been a substantial improvement in the current account balance, but the accumulation of reserves has remained well below targets throughout both programs.** The current account exhibited an improving trend between 2000 and 2003, with some deterioration since then. The reduction in the current account deficit during the first program reflected an increase in the domestic savings rate (resulting from fiscal consolidation), while the main factor behind the improvement in later years was linked to a rapid increase in the inflow of remittances, which partly offset large trade deficits. As foreign direct investment (FDI) inflows have been very low, current account deficits have been financed almost entirely by grants and concessional loans.[14] The accumulation of reserves has been well below targets throughout both programs, as concessional borrowing has financed an increased level of imports for consumption and investment.

---

[14] According to the EBRD, at the end of 2004, Tajikistan had the third lowest level of (cumulative) FDI per capita among CIS countries, after Turkmenistan and Uzbekistan. While the first annual arrangement was overly optimistic on FDI flows, the outcomes matched the projections in the following programs.

21. **Improved debt management and successful negotiations with bilateral creditors have been central to bringing the debt to a more manageable level**. Tajikistan's debt reached a level of about 100 percent of GDP by the mid-1990s, as a result of the discontinuation of fiscal transfers from Russia and the costs of the civil war, a lack of fiscal adjustment after independence, and poor growth performance. By the end of the Russian crisis, the external debt-to-GDP ratio had increased to 130 percent. Fund programs encouraged negotiations with bilateral creditors, and results have exceeded expectations. These negotiations, in particular the debt/equity swap with Russia in 2004 ($260 million), combined with fast economic growth and restraint on borrowing, brought the debt-to-GDP ratio to a much more manageable level of 40 percent of GDP by the end of 2004. Fund programs were also instrumental in achieving this significant reduction in foreign indebtedness by discouraging the government from acquiring (and guaranteeing) new nonconcessional loans or accumulating external arrears.

22. **In meeting Tajikistan's substantial financing needs, more weight should have been given to grant financing.** While at the outset of the ESAF/PRGF arrangement most of the Tajikistan's external debt was with bilateral creditors, the share of multilaterals has significantly risen since then, mainly as a result of the financing of the PIP (and efforts to reach rescheduling agreements with bilaterals). As programs such as the PIP raised not only issues of sustainability but also of effectiveness and transparency, quite appropriately indicative annual ceilings were introduced during the arrangements.[15] Nevertheless, the relative exposure to multilateral institutions is now quite high, and servicing this debt still imposes a substantial burden on domestic resources.

23. **As evidenced by frequent incidences of misreporting, weaknesses in debt monitoring capacity continued for a number of years**. While the first misreporting case (discovered in 1999) brought early attention to weaknesses in debt data monitoring and collection, progress with establishing a solid database of public sector debt has been slow. Work on the external debt database—to include external private sector debt—is ongoing and further and faster progress should be a priority in the future.

F. Structural Reform

24. **Banking sector reform has been high on the reform agenda.** The first ESAF/PRGF arrangement included a number of measures and benchmarks to lay the foundations for the development of an efficient and solvent banking sector. The measures focused on strengthening the capital base of the banks to allow them to meet prudential requirements, and included the development of a comprehensive bank restructuring program.

---

[15] The PIP borrowing ceiling is only indicative, and was raised during the second PRGF arrangement from 3 percent to 4 percent of GDP. Although some donors have expressed concern about the rigidities introduced by this ceiling, the authorities have indicated a preference for an explicit ceiling, reflecting their own concerns about a lack of appropriate projects and worries about their own debt management capacity.

Initially, the restructuring program included the five biggest banks, which accounted for more than ¾ of the total assets of the banking system. Subsequent reform measures focused on the gradual withdrawal of the central bank from the retail banking business, streamlining of the operations of the interbank foreign exchange market, strengthening of the central bank's banking supervision department, and opening the sector to more foreign competition.

25. **The banking sector is now more efficient and profitable, but much remains to be done.** There are 12 commercial banks operating in the country (compared with 33 at the beginning of reforms). The banks are profitable and liquid. The banking system is now largely privately owned, but despite rapid growth in credit and deposits in the past eight years it remains small relative to GDP and its ownership is still concentrated. Deposits (and loans) account for less than 10 percent of GDP and are heavily dollarized. Although nonperforming loans have been declining steadily from 32 percent in 2000 to about 10 percent in early 2005, they are still high by international standards. The majority of banks currently comply with prudential regulations on a regular basis.

26. **SME privatization was completed rapidly, while large-scale enterprise privatization has been slow.** The ESAF/PRGF arrangement was loaded with structural conditionality in this area, including the sale of most SMEs in the public sector. While the measures in this area appear to have been implemented fully, there was no proper monitoring mechanism for assessing compliance. The process has also been plagued with problems of asset valuation and nontransparency. A new privatization strategy, which envisaged the sale through auction or international tenders of a significant number of large-scale enterprises, was put in place in mid-2003. The plan included the restructuring of large strategic companies, such as the aluminum smelter (TadAZ) and the electricity holding company (Barki Tajik).

27. **The government made significant headway on land reform under both programs, at least on paper**, **but the quality of farm restructuring has been called into question**. Even though more than half of the state and collective farms were dismantled and a significant number of land share certificates were issued to private farmers, restructured farms are still subject to implicit state control over production and harvesting decisions, particularly in the cotton sector. Moreover, many of the restructured farms have been leased or transformed into joint-stock companies only on paper, and remain under the administrative control of former state farm bosses. The cotton sector is also suffering from an external debt overhang accrued when foreign institutions lent to farmers in the form of production inputs. As cotton prices dropped, farmers were not able to honor their payments and the debt is currently in arrears. With assistance from the Asian Development Bank, the government is working on possible options for the restructuring of this debt.

28. **There was some progress in implementing structural conditionality to reduce the quasi-fiscal activities in the energy sector, but a large agenda still remains**. During the second PRGF arrangement, measures to increase gas tariffs to the estimated cost recovery levels and to improve collection rates for most groups of consumers were implemented.

Consequently, the quasi-fiscal deficit of the gas sector declined to 1 percent of GDP as of end-2004, compared to 3 percent at end-2002. However, weaknesses in the electricity sector continue to be a drag on the economy. There was not enough progress in increasing electricity tariffs, which in principle would have to be adjusted by more than 400 percent (to the equivalent of $0.02 per KWh) to make the electricity sector financially viable. The authorities are considering a World Bank proposal for quarterly increases in electricity tariffs to reach this level over a period of five years. The development of an appropriate regulatory framework for the electricity sector is crucial to allow the country to take full advantage of its substantial hydroelectric resources, particularly as much needed foreign investment (mostly from Russia) is likely to depend on the development of such framework.

29. **To reduce vulnerability to shocks in the years ahead, further diversification of exports away from primary products is needed.** While Tajikistan has a relatively liberal trade regime, trade restrictions by neighboring countries hinder Tajikistan's exports.[16] Future efforts in this area could aim at lowering nontrade barriers by supporting improvements in business environment and private sector development. This would need to be accompanied by efforts to develop infrastructure and to increase regional integration. While Central Asian countries have signed numerous trade agreements with this goal in mind, implementation has been lacking. Further progress would require simplification of border procedures, improving transit mechanisms with the neighboring countries, and increasing cooperation on joint infrastructure projects

30. **Governance has improved in recent years, but much more remains to be done.** Fund-supported programs have addressed governance issues by promoting legislative changes, mostly in core areas of Fund competencies, including greater transparency in the budget, streamlining and eliminating distortionary taxes, enforcing audits of large enterprises. However, progress is still lacking in addressing the bureaucratic and complex regulatory and licensing procedures that are major obstacles for the establishment and operation of businesses. Finally, the State Financial Control Committee continues to conduct its activities in a nontransparent manner and the availability of its quarterly audit reports to the legislature is still limited.

III. Collaboration with the World Bank

31. **Collaboration between the Bank and the Fund has been close.** Conditionality in the area of privatization was established jointly to reinforce implementation and ensure continued monitoring. On bank restructuring, the staffs of the World Bank and the Fund worked closely with the central bank to deepen banking reforms. However, the first ESAF/PRGF arrangement was full of structural conditions on privatization, land and energy sector reforms that were beyond the expertise of Fund staff. Coordination and division of

---

[16] Tajikistan has not retaliated to the imposition of these trade barriers.

responsibilities was streamlined under the second PRGF arrangement, with the Bank taking the lead in key structural reform areas including health, education and infrastructure development. The Bank has also taken the lead in other areas of direct relevance to the PRGF arrangement, including private sector development, privatization and enterprise reforms. Currently, the Bank and the Fund continue to work jointly in the areas of public sector management, budget planning and execution, budgetary aspects of civil service reforms, financial sector reforms and utility reforms (Box 2). Nonetheless, there is scope for further improvement and streamlining of collaboration efforts.

32. **The Bank continues to play a key role in assisting Tajikistan in furthering its development agenda**. The Bank is focusing its work on: improving business opportunities in rural and urban areas; enhancing and preserving the quality of human capital; and exploiting Tajikistan's hydropower potential. In July 2005, the Bank approved a new country assistance strategy (CAS) for Tajikistan for the period 2006–09. The CAS contemplates financial assistance worth a total of $120 million.

IV. Assessment and Lessons

A. Program Effectiveness and Fund Engagement

33. **The staff's record in projecting key macroeconomic variables has been, perhaps not surprisingly, mixed.** The Russian crisis threw off many of the original projections that were included in the original ESAF/PRGF arrangement, particularly those related to the external sector. After that, macroeconomic projections have been relatively accurate, except when policy deviations have led to the missing of program objectives. In addition, the staff appears to have made proper adjustments to program targets and parameters in response to exogenous shocks. On balance, the staff has been consistently cautious about growth prospects (particularly when taking into account the starting low base); similarly, fiscal performance has exceeded expectations, with the fiscal consolidation effort supporting macro stability while allowing for resources to be prioritized to key sectors; inflation performance has been uneven, with inflation surging (particularly in 2000) when the authorities have deviated from agreed monetary targets; current account deficits have essentially mirrored the use of concessional debt inflows; while the accumulation of external reserves has fallen short of the targeted import coverage.[17] A major factor in explaining this relatively mixed performance has been the difficulty of accounting for the effects on macroeconomic performance of the surge in recent years in migrants' remittances, which have not yet been fully and appropriately registered in macroeconomic accounts.

---

[17] The use of the months-of-imports measure is somewhat misleading here given that the actual *nominal* accumulation of gross reserves during the second PRGF has exceeded program targets—the surge in imports tied to the marked increase in remittances in recent years has distorted the ratio in this regard. Still, it is clear that the current ratio (1.7 months of imports) is relatively low given the vulnerability of the country to external shocks.

Box 2. Bank-Fund Collaboration

Area	Fund Involvement and Instruments	Bank Involvement and Instruments
Macroeconomic framework	Fiscal policy, monetary and exchange rate policies, trade policy; selected tax, customs, and banking sector reforms, and economic statistics. Instruments: quantitative and structural performance criteria and benchmarks.	Economic growth, PRSP-related expenditure allocations, financial sector reforms, and economic statistics. Instruments: Macroeconomic monitoring, SAC, and PBC.
Budget	Formulation and execution, tax policy and administration, customs, debt management. Instruments: performance criteria on overall fiscal balance, limits on borrowing from the banking system, and benchmarks on revenue collection and overall fiscal balance.	Public expenditure review, development budget formulation, especially in the social and infrastructure allocation areas, country procurement, and financial accountability assessments. Instruments: public expenditure review updates, PRSP support updates, SAC, and PBS.
Public sector reform	Public sector management, quasi-fiscal deficits, selected civil service and energy sector reforms. Instruments: ESAF/PRGF structural performance criteria and benchmarks in fiscal and energy sector areas.	Civil service reform, public administration reforms, strengthening financial control office responsible for auditing the budget. Instruments: PBC
Poverty and social sectors	...	Poverty analysis; education, health, social protection reforms; and community-driven development support. Instruments: Poverty studies and assessments, education modernization project, primary health care project, community and basic health project, SAC, and PBC.
Private sector and infrastructure development	...	Measures for financial transparency, improving regulatory framework, reviews on investment climate, privatization of medium and large enterprises. Instruments: business surveys, IBTA2, and farm privatization support project.

34. **Early in the period of engagement, structural conditionality was poorly focused and too ambitious, particularly for a country emerging from civil conflict and with very weak institutional capacity**. The use of structural conditionality, in particular, was clearly excessive, with close to 120 specific measures included in the original program (of which only about a third were met).[18] The staff acknowledged the failure of this strategy and proceeded to significantly streamline conditionality for the second PRGF arrangement. For their part, in a sign of increased ownership, the authorities have in many instances acknowledged that their reform efforts in some key structural areas (agricultural, energy, public sector management, and governance) have been lagging. Nevertheless, while emphasizing their commitment to completing the process of making Tajikistan a full market economy, they have also emphasized the need for caution in pushing ahead too quickly with some of these reforms, owing to social sensitivities and political complexities.

35. **Despite these problems, Tajikistan's engagement with the Fund is on balance a success story**. Despite a number of external shocks, growth performance has been remarkable and inflation outcomes, while not as good as envisaged, are still commendable. This performance has translated into a marked improvement in poverty indicators, with poverty rates declining from 81 percent of the population in 1999 to 64 percent in 2003. After some initial "growing pains," the authorities have broadly followed Fund advice and have bought into program conditionality. While initial progress in implementing structural reforms was mixed, which caused two annual programs to go off track, the authorities' implementation record has improved significantly since then. However, sustaining these gains will require persistence and commitment in addressing lingering problems in the areas of agricultural reform, energy sector reform, and private sector development, including addressing governance problems. The capacity to design and implement monetary policy will also need to be strengthened.

B. Lessons

36. **There are a few key lessons that emerge from the experience in Tajikistan**, some of which have been already absorbed by staff:

- **The foremost lesson is that weak institutional capacity posed a major constraint** to reform, and therefore that a balance had to be found between the need for speedy reform and the authorities' ability to meet the requirements of reform. Many of the measures included in the programs with the Fund would have been very difficult to implement even for a country with stronger institutions, particularly at the pace suggested in those programs.

[18] On top of this, there were a number of policy commitments (not strictly conditionality) in a diverse number of areas.

- **The peace agreement clearly introduced a number of constraints** that ex-ante limited the ability of the authorities to move more quickly and effectively in many areas of structural reforms. While this may have been a "necessary evil" to bring about the end of the conflict, early programs should have been more candid about the limitations imposed by the lack of a politically cohesive environment. The agreement entailed a division of power that entrenched vested interests and limited the quality of reforms, particularly in the areas of agricultural and land reforms, and governance.

- **Early programs clearly tried to reach too far in the area of structural conditionality**. Moreover, a number of the structural measures included in the programs were not only out of the Fund's areas of expertise but were difficult to monitor.[19] However, by the time of the second PRGF, more of the conditionality had been shifted to programs with other IFIs, although some of the conditionality in the energy (gas) sector maybe was arguably still beyond our areas of expertise and capacity to monitor.[20]

- **Programs should have been more forceful in addressing the public financing of the cotton sector.** In particular, they should have ensured that any public financial assistance was channeled in a transparent way through the budget. Safeguarding the central bank from external pressures to lend to nongovernmental entities would have increased the chances of more consistent implementation of monetary programs.

- **Programs have failed to address institutional weaknesses in the design and implementation of monetary policy**. The structural weakness of the central bank's balance sheet has not yet posed a problem for macroeconomic stability because of the strong fiscal performance, but this risk cannot be ignored for long.

V. CONSIDERATIONS FOR FUTURE INVOLVEMENT

37. **The authorities are interested in a new PRGF arrangement.** Fund engagement and financial assistance could clearly be beneficial for a country that, despite recent gains, remains among the poorest in the world. The authorities have broadly followed Fund advice and appear more committed to reform than in the early years of engagement. Also, the political process has been consolidated, which augurs well for the acceleration of effective structural reforms. A new arrangement is also seen by the authorities as a key element for catalyzing international financial and technical assistance support, and as a tool to strengthen internal support for reform. The Fund can continue to play a critical role in helping the

---

[19] The introduction of a "black book" mechanism to reduce inappropriate government intervention in private enterprises (a structural benchmark in the third annual arrangement under the first PRGF) is a glaring example.

[20] For example, the setting of a structural performance criterion on the collection rates of Tajikgas, which was followed by a structural benchmark requiring the installation of 15,000 gas meters.

authorities design an appropriate policy framework, including tackling the outstanding structural reform agenda and dealing with the macroeconomic policy implications of high remittances. Given the still low level of per–capita income, the low level of reserves, lack of access to capital markets, and the high probability of financing gaps in the medium term (pending further debt relief), a return to a regular surveillance relationship or engagement under the policy support instrument would not seem to be appropriate at this point. Rather, there is likely to be a strong case for a successor PRGF arrangement, with access to be determined on the basis of the strength of the underlying program and the balance of payments need at the time of the expected request.

38. **Based on the lessons learned from experience, a new Fund arrangement, supported by additional technical assistance, would need to continue to focus on the reform of *narrow* institutions**, particularly in the areas of tax policy and revenue administration, financial management, and monetary policy and the banking sector reform.[21] In particular, on revenue administration (to enhance the ability to increase social expenditures); on public financial management (to reinforce transparency and address governance issues); and on financial sector reform (to foster and sustain high rates of growth).

39. **It is difficult to predict at this point whether an exit from Fund support will be possible at the end of a new three-year successor arrangement.** Even if growth continues at its fast pace of recent years, the country's income level is unlikely to exceed IDA thresholds any time soon. Also, given the need to build up foreign reserves (and pending further debt relief), it is likely that financing gaps will continue to materialize in the coming years, although additional resources from bilateral donors should help address, at least partly, any future financing needs.

40. **The major risk in continued financial engagement with Tajikistan is the potential detrimental effect on reforms of entrenched vested interests**. While this was more of a problem early in the period of engagement, it remains clear that the quality of reforms, particularly in the area of land and agricultural reform, has been affected by these factors. In particular, there is a risk that macroeconomic stability may be endangered by continuing political pressures to deviate from agreed monetary programs. In this connection, the Fund should remain vigilant over these potential pressures and, if necessary, be ready to disengage if implementation in this area falters.

[21] The expectation would be that the World Bank, European Development Bank, and the Asian Development Bank would continue to support the authorities in the areas of land, energy sector, civil service, business climate, and social sectors reform, as well in the provision of basic infrastructure.

Table 3. Tajikistan: Cases of Misreporting and Noncomplying Disbursements

Year(s) of misreporting:	1998	2001	1999–2001	2001	2001, 2002
Relevant arrangement(s):	1st Annual ESAF arrangement	3rd Annual PRGF Arrangement	2nd and 3rd Annual PRGF Arrangement	3rd annual PRGF Arrangement	3rd annual PRGF Arrangement; and first year of the second PRGF Arrangement
Number of non-complying purchases	1	1	3	2	3
Amount of non-complying purchase(s):	SDR 22 million	SDR 6 million	SDR 25.32 million	SDR 12 million	SDR 20 million
Date(s) of non-complying purchase(s)	December 30, 1998	April 1, 2001	January 2000, April 2001, and July 2001	April 2001 and July 2001	April 2001, July 2001, and December 2002
Misreporting Board date:	July 2, 1999	July 11, 2001	February 13, 2002	December 11, 2002	July 18, 2003
Type of measure(s) affected:	PC on the ceiling for government guaranteeing or contracting nonconcessional loans. 1/	Continuous PC on nonaccumulation of new external arrears.	Continuous PC on nonaccumulation of new external arrears.	Continuous PC on nonaccumulation of new external arrears.	Continuous PC on nonaccumulation of new external arrears (for April and July 2001). Prior action on clearance of all external arrears (December 2002).
Measure(s) originally:	0	0	0	0	0
Measure(s) after revision:	$14.4 million	$455,000	Euro 4.3 million	$2,333	Arrears $6,790 as of Jan. 4, 2001
Nature of misreporting:	Authorities have not informed staff about government guarantee granted on loan for cotton crop financing from Credit Suisse First Boston Co. (PC)	Authorities have not informed staff about arrears on loan from Pakistan (PC).	Authorities have not informed the staff about arrears on two government guarantees for German loans (PC).	Authorities have not informed the staff about arrears with respect to loan from Iran (PC).	Authorities have not informed the staff about arrears with respect to two loans from USAID (PC and prior action).
Remedies:	(i) Most of the loan repaid by June 1999; (ii) corrective action taken to create a transparent framework for foreign borrowing and government guarantees (through drafting of Law on Foreign Borrowing and Government Guarantees that would be submitted later to the Parliament).	(i) Arrears repaid; (ii) the authorities committed to strengthening their debt management and reporting. Specifically, they committed to creating computerized database for monitoring the debt stock; TA from Swiss government would facilitate debt management.	Arrears cleared. Authorities agreed to: (i) develop inventory of the stock and status of debt; (ii) provide additional training and equipment for debt monitoring; (iii) report to Parliament on quarterly basis; (iv) the authority to extend external loans constrained to MOF.	Arrears were incurred because of week debt management capacity (no centralized record of debt inventory existed). Arrears were cleared quickly (payment was due on February 15, 2000 and paid on March 20, 2001).	For April and July 2001, early repayments have already been made earlier. With regard to December 2002 disbursement, the arrears were attributed to communication problems and subsequently cleared.
Board decision:	Waiver of nonobservance of performance criterion, in light of (i) the small size of deviation; (ii) low gross foreign reserves; (iii) limited experience with IFIs.	Waiver of nonobservance of PC, because (i) the amount of arrears was small; (ii) the arrears have been cleared.	Tajikistan was asked to repay SDR 25.32 million together with any interest accrued.	Early repayment established in previous decision , no additional remedy action warranted.	Waiver for a breach of prior action for December 2002 disbursement.

Source: IMF.

1/ PC stands for performance criterion.

Table 4. Tajikistan: Overview of Compliance Under IMF Arrangements

	Prior Actions			Quantitative Performance Criteria			Structural Performance Criteria			Structural Benchmarks		
	Met (Mod)	Not Met (W)	Total	Met (Mod)	Not Met	Total	Met (Mod)	Not Met	Total	Met (Mod)	Not Met	Total
ESAF/PRGF (1998–2001)												
Program	8	0	8	...	...	...	...	...	...	...	...	...
Midterm Review	11	0	11	5	4	9	1	1	2	8	2	10
Second annual arrangement	8	0	8	10	3	13	...	...	...	6	2	8
First and Second Review	14	1	15	9	4	13	1	2	3	7	1	8
Third annual arrangement	5	0	5	8	0	8	1	1	2	6	2	8
First Review	11	0	11	10	1	11	1	0	1	3	2	5
Second Review	11	0	11	9	1	10	1	0	1	7	1	8
PRGF (2002–05)												
Program	5	0	5	...	...	...	...	...	...	...	...	...
First Review	1	0	1	8	1	9	2	1	3	3	1	4
Second Review	2	0	2	9	0	9	3	1	4	1	1	2
Third Review	0	0	0	9	0	9	2	1	3	2	3	5
Fourth Review	1	0	1	9	0	9	3	0	3	4	0	4
Fifth Review	0	0	0	8	1	9	3	0	3	1	1	2

Sources: MONA and Fund staff reports.

Table 5. Tajikistan: Compliance with Prior Actions, Performance Criteria and Structural Conditions Under ESAF/PRGF, 1998–2001

	First Annual Arrangement 1/		Second Annual Arrangement		Third Annual Arrangement 2/				
	Approval	Mid-Term Review	Approval	First and Second Reviews	Approval	First Review	Second Review	Third Review	Fourth Review
Prior Actions	8	11	8	15	5	11	11	...	...
Quantitative Performance Criteria									
Domestic Credit	...	W	M	M	M	W	M	...	...
Credit to Government/Public Sector	...	M	M	M	M	M	M	...	...
BOP/Reserve Test	...	W	M	M	M	M	M	...	...
Med/Long-term Ext Debt Ceiling	...	M	M	M	M	M	M	...	...
Med/Long-term Ext Debt-Sub Ceiling	...	M	M	M	M	M	M	...	...
Short-term Debt	...	M	M	M	M	M	M	...	...
No New External Arrears	...	W	W	W	...	M	NM	...	...
Fiscal Deficit	...	M	M	NM	M	M	M	...	...
General govt wage, compensation payments and pension arrears	...	W	W	W	...	M	M	...	...
Tax collection of STC and SCC	...	...	M	M	M	Mod	M	...	...
All NBT credit via auctions	...	...	W	W	...	M	...	...	...
Sign sale contracts for all cotton ginneries	...	...	M	M	...	...	...	...	...
Govt resolution on external debt limits	...	...	M	M	...	...	...	...	...
Structural Performance Criteria									
Exchange system	...	...	...	...	...	...	...	...	...
Financial sector	...	NM (1)	...	NM (1)	NM (1)	M (1)	M (1)	...	...
Public enterprises	...	...	...	...	...	...	...	...	...
Systemic and ownership reform	...	M (1)	...	M (1)	...	...	...	...	...
Tax/expenditure reform	...	...	...	NM (1)	M (1)	...	...	...	...
Structural Benchmarks									
Exchange system	...	MM (1), M (1)	...	M (1)	NM (1)	...	...	...	...
Financial sector	...	M (2), MM(1)	MP (1)	...	MD (1)	...	M (2)	...	...
Pricing & Marketing Policies	...	NM (1)	M (1)	...	NM(1)	...	...	...	...
Systemic and ownership reform	...	MM (2), M (1), NM (1)	MM (1), NM (2), M (3)	M (5), NM (1)	M (5)	M (1), NM (2)	M (2), NM (1), MP (1), C (1)	...	...
Tax/expenditure reform	...	...	...	M (1)	...	M (1), MD (1)	M (1), MD (1)	...	...

Sources: MONA and Fund staff reports.

1/ Abbreviations: M=Conditionality was met; NM=not met; C=cancelled; MP=partially met; W=waived.
2/ The third and fourth reviews of the Third Annual Arrangement were not concluded.

Table 6. Tajikistan: Compliance with Prior Actions, Quantitative and Structural Performance Criteria, Indicative Targets and Structural Conditions Under PRGF, 2002–05

	Program Approval	First Review 1/ Review	Second Review Review	Third Review Review	Fourth Review Review	Fifth Review Review
Number of prior actions	5	1	2	0	1	0
Quantitative Performance Criteria						
Net domestic assets of the central bank		M	M	M	M	M
Banking sector credit to government		M	M	M	M	M
Fiscal deficit		M	M	M	M	M
Domestic arrears on wages and pensions		M	M	M	M	M
Tax collections		M	M	M	M	M
Net international reserves		M	M	M	M	NM/W
Disbursements of short-term external debt		M	M	M	M	M
Disbursement of medium and long-term external debt		M	M	M	M	M
New external payments arrears		NM/W	M	M	M	M
Indicative targets						
Reserve money		NM	NM	NM	M	M
Floor on social spending		M	NM	...	...	...
New arrears of budget entities and key state enterprises		M	NM	M	NM	NM
Structural Performance Criteria						
Pricing and marketing		MD (1)	M (1), NM/W (1)	M (1)	M (1)	M (1)
Financial sector		M (1), W (1)	M (2)	M (1), W (1)	M (2)	M (2)
Prohibit NBT from issuing direct credits		NM/W	M	NM/W	M	M
Prohibit the NBT from making noncore expenditure		M	M	M	M	M
Structural Benchmarks						
Pricing and marketing		MD (2)	...	M (1)	...	...
Privatization		...	...	M (1)	...	...
Civil service reform		NM (1)	...	...	...	...
Treasury system		...	...	...	M (1)	...
Education sector		...	...	NM (1)	MD (1)	...
Central bank reform		MD (1)	MD (1)	...	...	...
Restructuring & privatization of financial institutions		...	NM (1)	...	...	...
Monetary statistics		...	...	...	...	...
Bank regulation and supervision		...	...	...	M (1)	...
Economic management and statistics		...	...	...	...	NM (1)
Public enterprises, reform, restructuring, and control		...	...	NM (2)	MD (1)	M (1)