



# REPUBLIC OF TAJIKISTAN

## THIRD REVIEW UNDER THE POLICY COORDINATION INSTRUMENT—PRESS RELEASE; AND STAFF REPORT

January 2026

In the context of the, the following documents have been released and are included in this package:

- A **Press Release**.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on lapse-of-time basis following discussions that ended on November 7, 2025, with the officials of Republic of Tajikistan on economic developments and policies underpinning the IMF arrangement under the Policy Coordination Instrument. Based on information available at the time of these discussions, the staff report was completed on December 2, 2025.

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## IMF Executive Board Concludes Third Review Under the Policy Coordination Instrument for Tajikistan

### FOR IMMEDIATE RELEASE

**Washington, DC – December 18, 2025:** The Executive Board of the International Monetary Fund (IMF) concluded the Third Review under the [Policy Coordination Instrument \(PCI\)](#) for Tajikistan on December 18, 2025, and endorsed the staff appraisal without a meeting on a lapse-of-time basis.

Tajikistan's twenty-two-month program under the Policy Coordination Instrument (PCI) was approved in February 2024 (see [Press Release No. 24/60](#)). The PCI aims to anchor macroeconomic policies and support structural reform implementation to maintain macro-financial stability and foster more sustainable and inclusive growth. Program implementation has remained on-track, with all but one of the quantitative targets for the Third Review met.

Tajikistan's economy has continued to perform favorably. Real GDP growth amounted to 8.2 percent in the first three quarters of 2025, while inflation remained well contained at 2.8 percent (y/y) in September. The external position has continued to benefit from strong remittance inflows that offset higher imports, leading to a further increase in the current account surplus in the first half of 2025, with gross reserves rising to about eight months' import coverage. The fiscal outturn overperformed the program target in the first half of 2025 on the back of strong revenue collection and supported the continued decline in public debt.

The near-term outlook remains positive. The outlook remains vulnerable to weaker external conditions, particularly slower growth in major destination countries for Tajikistan's migrant workers. Economic growth is projected at 6 percent for 2026, while inflation is expected to remain within the central bank's target range. As inflows of remittances gradually normalize, the current account balance is projected to shift into a small deficit over the medium to long term, while gross reserves are expected to remain at comfortable levels.

Addressing structural bottlenecks remains essential for fostering stronger, more job-rich growth and strengthening resilience to external shocks. Safeguarding financial stability will require further strengthening of supervisory practices, including broader use of macroprudential tools and tighter oversight of lending standards. Fiscal policy should focus on mobilizing revenue to create space for priority social and development spending and enhancing expenditure efficiency. Sustained progress in governance, SOE oversight, and the anticorruption framework will be essential for maintaining strong and inclusive medium-term growth. Broader improvements in transparency and the business environment will also be important to support more diversified private sector-led activity and expand employment opportunities for Tajikistan's young population.

## Executive Board Assessment

In concluding the Third Review under the Policy Coordination Instrument for Tajikistan, Executive Directors endorsed the staff's appraisal, as follows:

### **Tajikistan's favorable macroeconomic performance has continued in**

**2025.** Strong growth has been supported by development of the mining sector and robust aggregate demand, and inflation remains close to 3 percent (y/y). Large financial inflows have contributed to a supportive external position and comfortable levels of FX reserves, while prudent fiscal policy has resulted in low fiscal deficits and anchored a continued reduction in public debt.

**Policies should aim to build on recent progress to address structural vulnerabilities to growth and support domestic job creation.** The economy has benefited from large remittance inflows in recent years, but the outlook remains vulnerable to a less favorable external environment. Broad-based governance and transparency reforms are central to improving the business climate to support more diversified private sector-led growth and increase domestic job opportunities for Tajikistan's young and fast-growing population.

**Inflation remains well-contained, but large FX inflows and strong credit growth warrant caution.** Greater exchange rate flexibility and liquidity operations have helped to manage the impact of financial inflows in 2025; FX operations by the NBT should be limited only to smooth disorderly market conditions to facilitate development of the FX market and further enhance exchange rate flexibility. Meanwhile, financial stability can be further strengthened by expanding the use of macroprudential tools, monitoring lending standards more closely and aligning off-site and on-site supervision practices with international standards.

**Enhanced monitoring is needed to manage risks posed by the recent introduction of EU sanctions.** Large financial inflows have contributed to strong growth in bank deposits, but the volatile external environment and any reversal of recent inflows could pose challenges to the banking system. The recent introduction of EU sanctions on three domestic banks increases downside risks to the outlook. Supervisors should require more frequent and granular reporting on liquidity and capital positions of sanctioned institutions to ensure early identification of vulnerabilities. Enhanced on-site inspections should focus on evaluating the effectiveness of banks' compliance frameworks and their adherence to sanctions-related obligations. The authorities are also advised to develop contingency plans and to expand the use of stress testing to assess system- wide risks under adverse scenarios.

**Improved revenue mobilization and spending efficiency are key to increasing fiscal space for priority social and development projects.** Fiscal performance during 2025 has remained favorable and there have been encouraging results from efforts to improve tax administration through digitalization and improved compliance. Improved appraisal, selection and oversight of internally financed capital projects is crucial for enhancing the efficiency of public investment in line with the PIMA recommendations. The fiscal deficit target of 2.5 percent of GDP remains an important anchor to ensure that debt remains on a favorable medium-term trajectory. Domestic issuance through market-based auctions of government securities has continued to advance in 2025, establishing a robust secondary market for these instruments will help to expand the investor base and further deepen the market.

**Further efforts are needed to strengthen collections from several state-owned electricity consumers and bring electricity tariffs to cost recovery.** There has

been a welcome improvement in Barki Tojik's payment discipline during 2025, and the roll-out of smart metering and efforts to reduce electricity theft have showed encouraging results. The collection rate from several large state-owned consumers remains low, however, and undermines the financial position of the electricity sector. Reducing quasi-fiscal losses will require greater efforts to improve collection rates for these large electricity consumers, as well as further increases to bring tariffs to cost recovery.

**Broad-based structural reforms, including further efforts to strengthen governance, are key to sustaining high growth rates over the medium-term.** Reform efforts should continue to focus on improving governance and transparency of SOEs, improving the anti-corruption framework, and strengthening institutional oversight. Transparent governance and policy frameworks are key to improving the business environment and creating space for private sector-led investment to support domestic job creation and unlock the economy's long-term potential.

**Staff support the completion of the Third Review under the PCI, which is the final review under this arrangement, notwithstanding the missed QT on targeted social assistance spending.** The non-observance was minor as the QT was missed by a small margin due to revised eligibility criteria to better target vulnerable groups. Following the completion of the PCI, it is proposed that the next Article IV consultation will be conducted on the standard 12-month cycle.



# REPUBLIC OF TAJIKISTAN

## THIRD REVIEW UNDER THE POLICY COORDINATION INSTRUMENT

December 2, 2025

### EXECUTIVE SUMMARY

**Context.** Strong growth has continued during 2025 as large financial inflows have contributed to robust domestic demand, but the medium-term outlook remains vulnerable to a less favorable external environment in the context of regional and global uncertainty. Tajikistan's favorable economic performance creates an opportunity to deepen reforms to address structural vulnerabilities and support domestic job creation.

**Program Implementation.** All but one of the quantitative targets for June 2025 were met and all standard continuous targets were observed. The floor on targeted social assistance was missed by a small margin, reflecting the introduction of revised eligibility criteria aimed at better targeting the most vulnerable groups. All the reform targets were implemented except for the target on strengthening the asset declaration regime. The authorities have finalized amendments for submission to Parliament that require filing of asset declarations by high-level officials and civil servants and introduce sanctions for noncompliance, but publication was not included. Staff recommends completion of the Third Review under the PCI.

#### Policy Recommendations.

- **Strengthening fiscal resilience:** The fiscal deficit target of 2.5 percent of GDP remains an important anchor to keep public debt on a favorable medium-term trajectory. Improved revenue mobilization and spending efficiency are key to increasing fiscal space for social spending and development projects.
- **Modernizing the monetary policy framework:** Inflation remains well contained, but strong credit growth in the context of large financial inflows requires continued vigilance. Exchange rate flexibility is essential to help manage external shocks, with FX operations limited to smoothing disorderly market conditions.
- **Financial sector:** Strong growth in lending to households warrants careful oversight to ensure prudent lending standards. In addition, the recent announcement of sanctions on three banks by the EU calls for enhanced monitoring of AML/CFT compliance and stress testing to assess system-wide risks under adverse scenarios.
- **Enhancing governance and transparency:** Broad-based governance and transparency reforms are key to improving the investment climate to support more diversified private sector-led growth.

**Approved By**  
**Subir Lall (MCD) and**  
**Cemile Sancak (SPR)**

Discussions with the authorities were held during October 27–November 7, 2025, in Dushanbe. The staff team comprised Matthew Gaertner (head), Emine Hanedar, and Tongli Zhang (all MCD); Alexander Amundsen (SPR); Emrah Sagkol (MCM); Gazi Shbaikat (Resident Representative); and Jami Chiniev and Nailya Menlasheva (both Resident Representative office). The mission was supported by Desislava Hineva (IMF-HQ) and Takhmina Kamolova (Resident Representative Office). Patryk Loszewski (Executive Director) and Pairav Amirzoda (Advisor, OED) participated in some of the discussions.

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## CONTEXT

**1. Tajikistan's economy has continued to perform favorably, with strong economic growth accompanied by an improved public debt trajectory and a favorable external position.**

The economy has benefited from increased remittance inflows in recent years (48 percent of GDP in 2024), but the outlook remains vulnerable to a less favorable external environment in the context of considerable regional and global uncertainty. Structural reforms are essential to improve the business environment and increase private sector investment to support domestic job creation, develop a more diversified export base and improve resilience. Completing the Rogun Hydropower Project (HPP) by 2033 is a key part of Tajikistan's strategy to achieve energy independence and ensure a stable domestic electricity supply.<sup>1</sup>

**2. This is the third and final review under the Policy Coordination Instrument (PCI)<sup>2</sup>, which expires at the end of 2025.** The PCI aimed to support macroeconomic stability and foster diversified and more inclusive growth. It focused on three main pillars: (i) increase fiscal resilience through improved revenue mobilization and spending efficiency and oversight of state-owned enterprises (SOEs); (ii) modernize monetary, exchange rate and financial sector policy frameworks to enhance resilience to external shocks; and (iii) enhance governance and transparency in the SOE sector and more broadly to foster sustainable and more inclusive growth.

**3. The authorities have made considerable progress in advancing measures to strengthen policy frameworks and support program objectives throughout the program period (Text Figure 1).** The authorities have shown strong ownership in implementation of program reform targets, with almost all targets met. Notable achievements include the approval of a medium-term revenue plan and a strategy to streamline tax exemptions and customs preferences, enhanced fiscal transparency through regular publication of budget data and assessment of the financial position of SOEs, improved public debt management with the adoption of an updated medium-term strategy, progress toward monetary policy modernization through new operational tools, initial steps to strengthen the financial sector's regulatory framework, and changes to strengthen the asset declaration framework.

**4. Macroeconomic outcomes under the program have been favorable, with strong performance against program quantitative targets (QT).** Almost all QTs were met throughout the program period, reflecting prudent budget implementation, deepening of the domestic government bond market, improved liquidity management and greater exchange rate flexibility. The PCI has also helped catalyze external support, including for the Rogun HPP. Strong ownership and continued implementation of these measures going forward will be essential to ensure that the benefits are fully realized over the medium-term, safeguarding against exogenous shocks and domestic financial stability risks.

<sup>1</sup> The Rogun HPP is a 3,780MW hydroelectric power facility under construction in Tajikistan. Upon completion, it would be the largest hydropower station in Central Asia with average annual generation of around 14,400 GWh.

<sup>2</sup> The PCI was approved in February 2024.

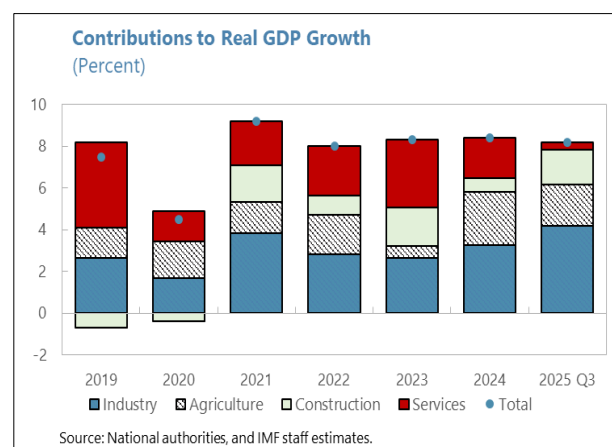


**Text Figure 1. Achievements Under the 2024-2025 PCI**

<b>Fiscal Reforms</b>	<ul style="list-style-type: none"> <li>• Publish a report quantifying revenue losses from tax exemptions/incentives.</li> <li>• Approve a Medium-Term Revenue Plan.</li> <li>• Publish quarterly budget data for 2022 and 2023 in line with <i>GFSM2014</i>.</li> <li>• Prepare an updated Debt Management Strategy for the period 2024-2026.</li> <li>• Begin market-based issuance of government securities at positive real rates.</li> <li>• Adopt a medium-term action plan to streamline tax exemptions and customs preferences.</li> </ul>
<b>Monetary and Exchange Rate Policies</b>	<ul style="list-style-type: none"> <li>• Adopt amendments to introduce required reserve averaging.</li> <li>• Develop an improved mechanism to execute government and other public sector FX transactions.</li> <li>• Introduce price-based auctions for NBT FX interventions.</li> <li>• Stop conducting ruble auctions of NPCR transfers.</li> </ul>
<b>Financial Sector</b>	<ul style="list-style-type: none"> <li>• Issue an NBT regulation for usage of ultimate beneficial ownership information in banking supervision.</li> <li>• Approve a plan for phasing in new macroprudential tools.</li> <li>• Approve an NBT regulation introducing liquidity stress tests.</li> </ul>
<b>Structural Reforms</b>	<ul style="list-style-type: none"> <li>• Include all companies with a minimum of 20 percent state ownership in the list of SOEs monitored by the Ministry of Finance and the Statement of Fiscal Risks.</li> <li>• Complete a report assessing the financial viability of OJSC Tajik Air.</li> <li>• Publish an updated list of SOE and joint stock companies with state shareholding of at least 10 percent and complete a sectorization exercise for the 27 large SOEs.</li> <li>• Enact a regulation to ensure all SOE supervisory board appointments are done through transparent and competitive procedures.</li> <li>• Introduce legislation to strengthen the asset declaration regime.</li> </ul>

## RECENT ECONOMIC DEVELOPMENTS

**5. Strong growth has continued in 2025, supported by development of the mining sector and robust aggregate demand.** Real GDP increased by 8.2 percent (y/y) in the first three quarters of 2025, after increasing 8.4 percent during 2024 (Text Figure). Tajikistan has continued to experience strong growth in the mining sector, boosted by rising gold prices. Steady growth in construction, services and agriculture has been underpinned by public investment and strong household consumption driven by remittances.



## 6. Inflation remains well contained.

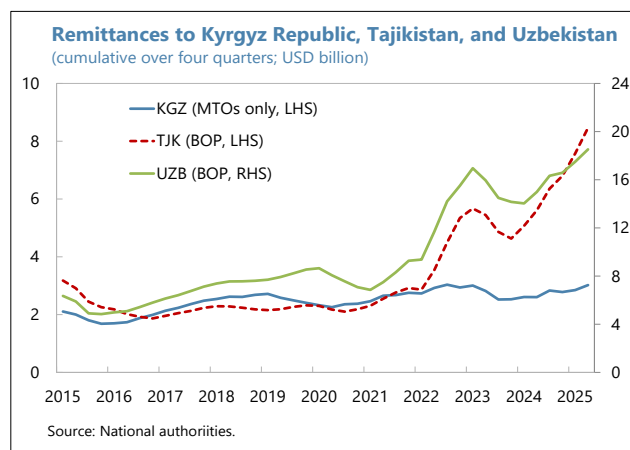
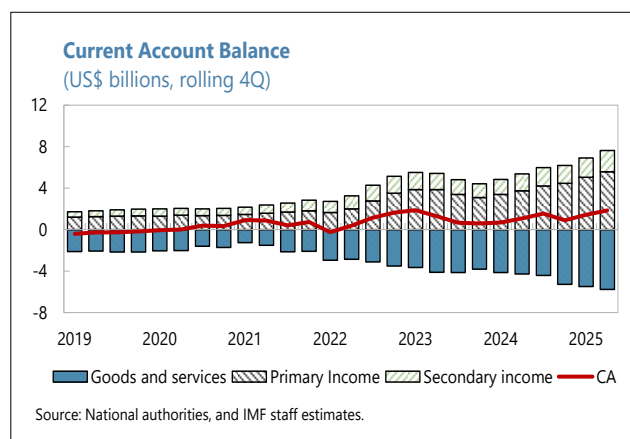
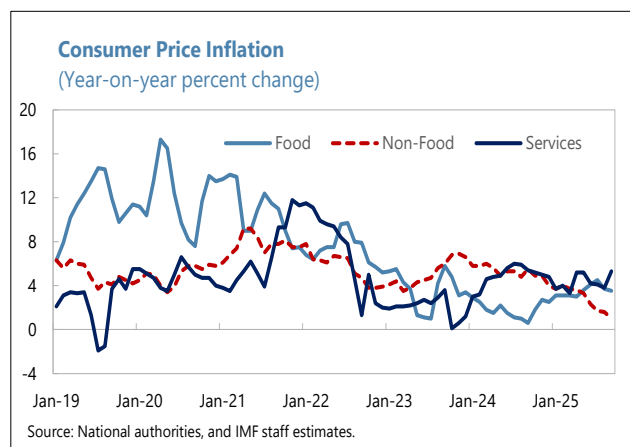
Twelve-month inflation (y/y) slowed to 2.8 percent in September from 3.6 percent in December 2024, as somoni appreciation contributed to stable prices for key imported commodities.<sup>3</sup> Twelve-month inflation remained close to the lower bound of the NBT's target range, which was lowered from 6 to 5 ( $\pm 2$ ) percent in 2025.

## 7. The external position has continued to benefit from strong remittance inflows.

The current account surplus increased further in H1 2025, as larger remittances more than offset higher imports. Remittances have remained well above pre-2022 levels, in line with developments in the Central Asia region, reflecting strong demand for migrant labor in host countries (Text Figure). Large inflows resulted in somoni appreciation of 18 percent against the dollar during January-October. The NBT's FX purchases and monetization of gold purchased from domestic producers, together with higher gold prices, have contributed to a further increase in gross reserves to \$5.5 billion in September 2025 from \$4.4 billion at end-2024, about 8 months' import coverage<sup>4</sup>.

## 8. The fiscal outturn overperformed the program target in the first half of 2025, as strong revenue collection contributed to a surplus of 1 percent of GDP. Tax revenues increased by 28 percent (y/y) during H1, as strong domestic consumption contributed to

an increase in VAT receipts, while CIT also recorded strong growth. The favorable tax performance has been underpinned by measures to improve tax administration through digitalization and a



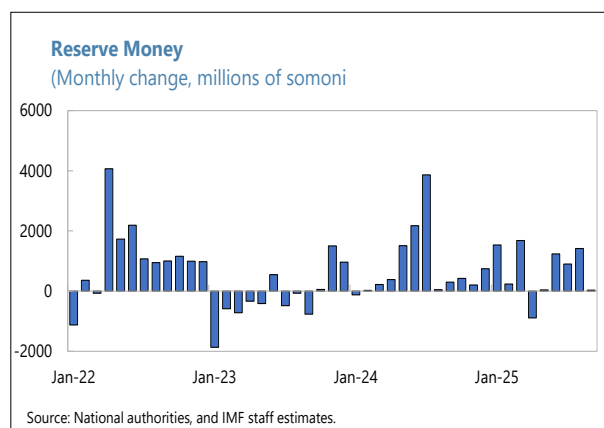
<sup>3</sup> Food imports constitute more than 50 percent of the consumption basket.

<sup>4</sup> Monetary gold is not a high-quality liquid asset and entails balance sheet risks. Monetary gold accounted for about 27 percent of gross reserves in September 2025. The NBT has also purchased about 6 tons of non-monetary gold domestically during January-September, increasing their total holdings of non-monetary gold to nearly 10 tons at end-September 2025. Non-monetary gold is recorded as 'other non-financial assets' and not included in gross reserves until it has been refined.

rollback of some tax incentives. On the spending side, capital spending was lower than planned but is expected to accelerate in H2 2025 as disbursements for externally financed projects move ahead. The fiscal deficit for the full year 2025 is expected to remain within the medium-term anchor of 2.5 percent of GDP, with the possibility of a smaller-than-planned deficit depending on the pace of external disbursements. Domestic issuance through market-based auctions of government securities has continued to pick up in 2025, with issuance at maturities of up to 5 years.

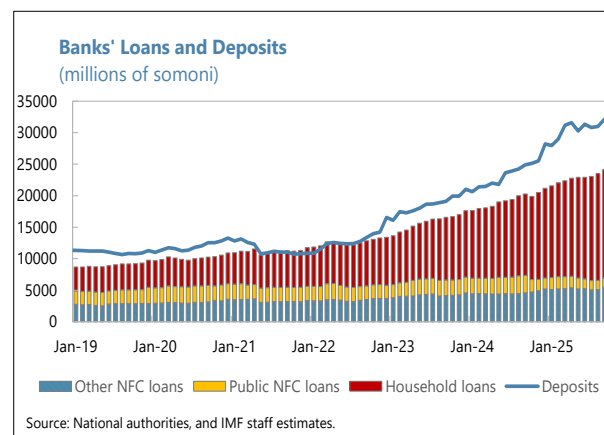
**9. Reserve money growth has moderated as the NBT stepped up its sterilization effort and slowed FX market intervention.**

Reserve money growth slowed to 17 percent (y/y) in September from 27 percent in December as the NBT increased liquidity absorption, helping to offset liquidity injections from the NBT's purchases of FX and gold from domestic producers in local currency.



**10. Lending to households has continued to increase at a strong pace in 2025.**

Total outstanding loans of the banking system increased 19 percent (y/y) in September, supported by continued growth in deposits (Text Figure). Credit expansion is primarily driven by the fast-growing retail segment, with household loans increasing 34 percent (y/y) in September. This is the third consecutive year of strong growth in household loans, following increases of 35 percent in 2024 and 39 percent in 2023. Household loans accounted for 70 percent of total bank loans outstanding in September, compared to 55 percent at the end of 2022. The NPL ratio<sup>5</sup> stood at 6.7 percent in September as banks continued to clean up their balance sheets, largely through write-offs of legacy NPLs.



**11. Three banks from Tajikistan were included in the latest round of EU sanctions against Russia that went into effect in mid-November.** The three domestic banks, which account for about 20 percent of total banking system assets, will be subject to a transaction ban with EU counterparties.

## OUTLOOK AND RISKS

**12. The near-term outlook remains positive.** Real GDP is projected to increase by 8 percent in 2025 and 6 percent in 2026, retaining the current strong momentum, with inflation expected to

<sup>5</sup> Tajikistan's reported NPL definition is based on 30 days past due.

remain within the NBT's target range. Real GDP growth is projected to moderate to 4.5 percent over the medium term, with remittances expected to normalize toward their pre-war trend as demand for migrant labor eases, heightening the importance of further structural reforms to unlock the economy's growth potential. The current account balance is projected to shift to a small deficit over the medium- to long-term as remittances normalize, but gross reserves are projected to remain at comfortable levels.

**13. Risks to the outlook are tilted to the downside.** The outlook remains vulnerable to less favorable external conditions, including a potential slowdown in key destination countries for migrant workers from Tajikistan, that could contribute to a more significant fall in remittances. The recent introduction of EU sanctions on three domestic banks increases downside risks. The sanctions may jeopardize the three banks' correspondent banking relationships and reduce their capacity to process foreign-currency transactions, with potential sector-wide spillovers. A pronounced decline in financial inflows would adversely affect growth, fiscal performance, and the banking sector, with possible spillovers to financial stability and fiscal sustainability. More frequent and severe natural disasters, shocks to agriculture, gradual glacier melt affecting hydropower and heightened security risks can also strain budget resources and the external balance. On the upside, continued strength in gold prices will boost external buffers, while rising demand for rare earth metals could attract increased FDI in the mining sector.

## POLICY DISCUSSIONS

*The authorities' economic reforms under the PCI program have aimed to: (i) improve fiscal resilience to create space for priority social and development spending; (ii) modernize monetary, exchange rate and financial sector policy frameworks to enhance resilience to external shocks; and (iii) advance governance and transparency reforms to foster sustainable and inclusive growth. Discussions focused on the monetary policy challenges posed by the strength of financial inflows, the macroprudential response to strong credit growth, steps to improve SOE oversight and strengthen the financial performance of the electricity sector, and reforms to improve institutional transparency.*

### A. Pillar I. Improving Fiscal Resilience

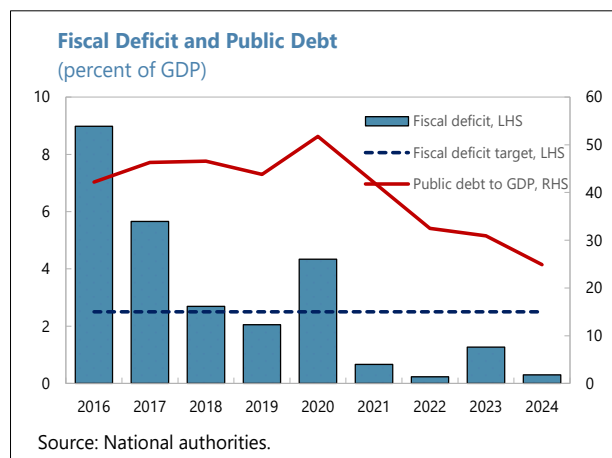
**14. The authorities have continued to adhere to the medium-term fiscal deficit target of 2.5 percent of GDP.** The fiscal deficit will likely remain well within the target in 2025, and the 2026 budget envisages a fiscal deficit of up to 2.5 percent of GDP, conditional on available financing. Further increases in public sector wages will require current expenditure reprioritization in the event of revenue underperformance to protect fiscal space for social assistance and development spending. The authorities' contingency plan envisions a deferral of domestic capital spending if revenues underperform to ensure that the fiscal deficit target is met.

**15. External financing for the Rogun HPP has continued to progress but disbursements have not yet taken place.** The project will require additional spending of about \$6.4 billion (45 percent of 2024 GDP), of which about \$3 billion will be financed externally through loans and

grants from a group of IFIs and bilateral development partners on broadly concessional terms<sup>6</sup>. The World Bank approved a \$350 million grant for Rogun project financing in December 2024, but disbursement is still pending completion of the remaining effectiveness conditions, and most of the other participants are also waiting for the WB's disbursement to move forward. External financing would help ensure that domestic Rogun spending remains within a sustainable envelope of 3-3.5 percent of GDP to provide space for critical social and development projects. In addition, Tajikistan has committed to contributing 3 percent of Rogun's revenue for pro-poor social policies during the construction phase and 5 percent upon project completion.

**16. The fiscal deficit target of 2.5 percent of GDP remains an important anchor to ensure that debt remains on a favorable medium-term trajectory.**

Prudent fiscal policy coupled with strong GDP growth has contributed to a notable reduction in the public debt ratio since 2020, with public debt declining to 25 percent of GDP at the end of 2024. Public debt is assessed as sustainable but remains at high risk of distress due to amortization of the outstanding Eurobond falling due during 2025-2027 (see DSA in the 2025 Article IV



Consultation).<sup>7</sup> The first two semi-annual Eurobond repayments were completed on schedule in 2025, and the first RCF repayment took place in November. Strong fiscal buffers and adequate contingency plans are key to mitigating fiscal risks from potential shocks to revenue and expenditure; a possible shock to remittances would lower growth and decrease imports with knock-on effects on tax revenue and social spending to support affected households and returning migrants (see Annex V in the 2025 Article IV Consultation).

**17. The electricity generation company's arrears position improved in H1 2025, but further efforts are needed to strengthen collections and bring tariffs to cost recovery.** Barki Tojik's total arrears to suppliers and private creditors decreased by 0.1 percent of GDP during H1 2025, which was well below the program target for June. The improved performance reflected an agreement to lower the price at which Barki Tojik purchases electricity from independent suppliers from the beginning of 2025 and has been supported by enforcing stricter penalties for electricity theft. The authorities have also continued to move forward with the roll-out of smart metering to help reduce commercial losses, and an additional tariff increase is expected to take effect in 2026 as

<sup>6</sup> See the Debt Sustainability Annex in the 2025 Article IV Consultation. IFI participants include the WB, ADB, AIIB, EIB, and IsDB. Loan agreements have already been signed with the Islamic Development Bank (US\$150 million), OPEC (US\$25 million), the Kuwait Fund for Development (US\$17 million) and the Asian Infrastructure Investment Bank (US\$270 million). A separate agreement with the Qatar Fund for Development was signed in August 2025 for US\$50 million.

<sup>7</sup> The Eurobond will be repaid in six semi-annual installments of US\$83.5 million each using a combination of budget resources, domestic debt issuance, and a drawdown of the MOF's FX deposits at the NBT. Repayment of the RCF disbursed in May 2020 will take place during 2025-2030.

part of their effort to reach cost recovery by 2027. The collection rate from two large state-owned entities that account for about one-third of total electricity consumption remained low, however, and continued to undermine payment discipline in the electricity sector. A fiscal backstop for nonpayment by SOEs would improve transparency around the implicit subsidies to these entities.

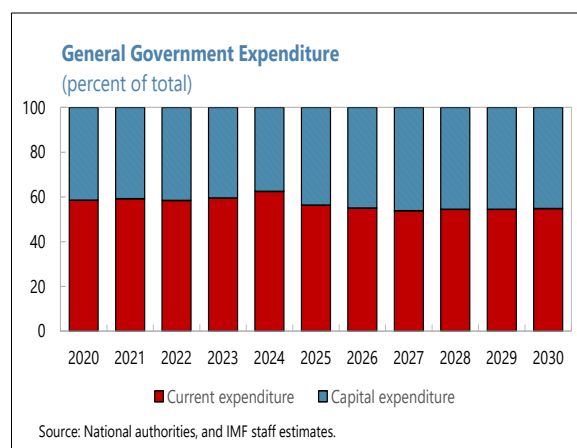
### **Revenue Mobilization**

**18. Continuing to streamline tax expenditures is critical to achieving the authorities' medium-term revenue targets.** Sizable expenditures for construction of the Rogun HPP present a significant constraint on the budget, while revenue collection will be impacted by a reduction in the VAT rate from 14 percent to 13 percent in 2027 (in line with the schedule approved in the 2022 Tax Code). Improved revenue mobilization and spending efficiency are key to increasing fiscal space for social and development projects; the Medium-Term Revenue Plan (MTRP) for 2024-2029 aims to raise the share of tax revenue in GDP to 26 percent by 2026. To support implementation of the MTRP, the authorities have adopted a medium-term action plan to streamline tax exemptions and customs preferences based on an updated tax expenditure analysis conducted with support from Fund CD (November RT). The plan envisages a phased reduction and cancellation of various tax and customs privileges and revisions to preferential rates beginning in 2025 in order to broaden the tax base, alongside other measures to increase VAT revenues. Tax Committee (TC) reforms will be further guided by the new TC Strategic Plan (2026–2030).

**19. The recent analysis of tax administration using the Tax Administration Diagnostic Assessment Tool (TADAT) noted significant advances in operational effectiveness since 2019.** The October 2025 TADAT report assessed Tajikistan with an 'A' rating in 24 of 32 performance indicators<sup>8</sup> and observed a modern integrated management system with an impressive range of e-services, a strong commitment to transparency, and application of a structured process to identify and mitigate operational risks. Key areas for further improvement include developing a compliance improvement plan covering all taxes, core obligations and key market segments, with particular emphasis on the large taxpayer segment.

### **Spending Efficiency**

**20. Efficient public investment is critical to safeguard medium-term debt sustainability.** Tajikistan's development strategy emphasizes infrastructure investment as essential to achieve sustainable green growth. Capital spending, including spending on priority sectors such as hydropower, transportation infrastructure, education and health, has consistently accounted for nearly half of public capital expenditures (Text Figure). Although the public capital stock (in percent of GDP) is relatively high compared to



<sup>8</sup> Final TADAT ratings are pending validation by the TADAT Secretariat.

peers, overall infrastructure quality remains below the average for emerging markets. Swift implementation of the updated PIMA roadmap is key to improving public investment efficiency.

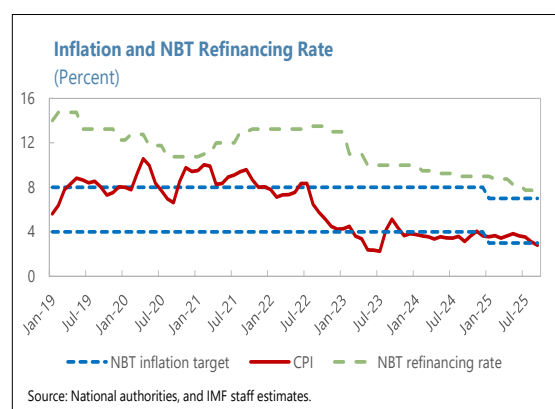
**21. Improved targeting of social assistance programs is essential for enhancing the efficiency of social spending.** A new means testing formula, developed with World Bank support, has expanded coverage of the poorest decile of the population from 38 to 63 percent. In addition, social assistance amounts have been aligned with the number of children per household.<sup>9</sup> Under the PCI, the TSA allocation in 2024 doubled relative to 2022, benefiting close to 380,000 families. The authorities have continued efforts to enhance household targeting by implementing revised eligibility criteria in 2025 aimed at better reaching the most vulnerable groups with scope to further expand coverage, although this resulted in the June target being missed by a small margin (32 million somoni).

### **Public Debt Management**

**22. Deepening the domestic debt market is crucial for reducing reliance on external debt.** Under the program, the authorities started clearing the accumulated arrears to NBT (Table on QT). To improve budget flexibility, the MOF launched government security auctions in 2024, raising 580 million somoni from commercial banks (Table on QTs). The auctions have seen increased investor traction, with gross issuance in 2025 expected to increase to close to 900 million somoni. Expanding the investor base to include insurance companies and the pension fund (in addition to banks and the Deposit Insurance Fund)<sup>10</sup> and further extending debt maturities can help diversify domestic financing sources and improve market efficiency while mitigating rollover risk. The authorities have initiated efforts to allow the pension fund to invest in domestic government securities and develop a secondary market for government securities, which are important steps towards expanding the investor base and deepening the market.<sup>11</sup>

## **B. Pillar II. Modernizing Monetary, Exchange Rate and Financial Policies**

**23. Inflation remains near the lower bound of the NBT's target range, but strong credit growth and robust consumption warrant caution.** The policy rate has been lowered by a cumulative 150 basis points during 2025 to 7.5 percent as inflation fell below the lower bound in September (Text Figure). Although the real policy rate is still relatively high at about 4.5 percent (based on realized inflation), a cautious monetary policy stance is warranted given



<sup>9</sup> Previously, TSA represented a fixed amount per household regardless of the number of children in the household.

<sup>10</sup> The Deposit Insurance Fund has participated in government securities auctions in 2024-2025 and holdings of government securities account for a significant part of its assets.

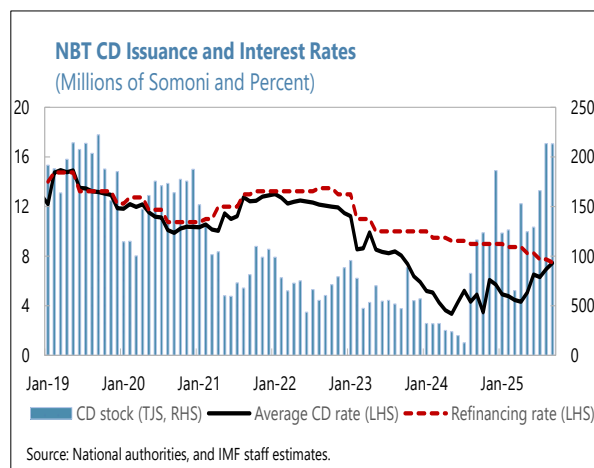
<sup>11</sup> The first three secondary market transactions in domestic government securities took place in the second half of 2025.



that the full impact of this year's rate cuts is still unfolding, while strong credit growth and continued large financial inflows could contribute to upward demand pressure on inflation.

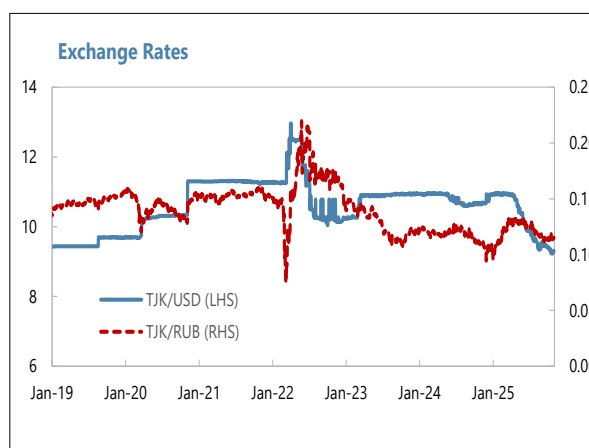
**24. Proactive liquidity management is essential to manage monetary conditions and improve monetary policy transmission.**

Increased NBT sterilization has helped to moderate reserve money growth during 2025, and the interest rates on NBT CDs have become more closely aligned with the NBT refinancing rate (Text Figure). While excess reserve accumulation has moderated, elevated levels continue to weaken effective transmission of monetary policy and blur the policy stance. Liquidity injections resulting from the NBT's purchases of gold from domestic producers in local currency and FX purchases should be fully sterilized; ensuring that issuance amounts are aligned with liquidity forecasting estimates and adopting a concrete plan to implement fixed-rate full allotment operations at the NBT policy rate would help absorb excess liquidity and improve monetary policy transmission. It is also important to continue to refrain from monetary financing of the fiscal deficit, in line with the amended NBT Law.



**25. Enhancing exchange rate flexibility is essential to help the economy to adjust to financial inflows and build resilience to external shocks.**

The somoni has appreciated 18 percent against the dollar from January to October 2025, reflecting increased demand for somoni in the context of large financial inflows and reduced FX interventions by the NBT. (Text Figure). The NBT should continue to limit its FX operations only to avoid disorderly market conditions to facilitate development of the FX market and support greater exchange rate flexibility as a shock absorber. During the program, the NBT has taken several measures to modernize the local FX market, including ending auctions of inward ruble transfers; improving the mechanism for executing public sector FX transactions; enhancing the dissemination of information on FX rates; and introducing price-based auctions for FX interventions.<sup>12</sup> The NBT has also updated the procedures for calculating official exchange rates, and remittance transfer rates to better reflect market conditions.



<sup>12</sup> The FX RTs under the program are based on Fund TA and are intended to improve the FX market, therefore changes to the FX system arising from the implementation of these RTs are carved out from the standard continuous target on the non-introduction or modification of MCPs (TMU, ¶19).



**26. Strong macroprudential oversight and financial sector regulation and supervision are key to managing risks posed by strong credit growth.** While the level of total bank lending remains comparatively low (about 15 percent of GDP), the growth in household lending warrants close monitoring of lending standards and introduction of macroprudential norms to control systemic risks. The NBT has approved a plan to expand the macroprudential toolkit over the next three years, including the introduction of borrower-based measures, credit to stable funding ratio and countercyclical capital buffer (June 2025 RT) and forward-looking liquidity stress tests (June 2025 RT); timely introduction of these measures is essential. In addition, the authorities are advised to closely monitor maturity mismatches and funding- and asset-side concentration risks and develop risk indicators to monitor potential deterioration in the new lending portfolio and differentiate NPLs resulting from new versus legacy loans. Supervisory on-site inspections should prioritize banks' lending practices and institutional capacity, given the rapid expansion of credit and the growing inclusion of first-time borrowers newly exposed to formal banking products.

**27. Enhanced monitoring of the financial system is warranted to manage risks posed by the recent EU sanctions on several domestic banks.** Large financial inflows have contributed to strong growth in bank deposits, but any reversal of recent inflows could pose challenges to the banking system. Supervisors should require more frequent and granular reporting on liquidity and capital positions of sanctioned institutions to ensure early identification of vulnerabilities. Enhanced on-site inspections should focus on evaluating the effectiveness of banks' compliance frameworks and their adherence to sanctions-related obligations. The authorities are also advised to develop contingency plans and to expand the use of stress testing to assess system-wide risks under adverse scenarios. A comprehensive stocktaking of banks' correspondent relationships should be undertaken to evaluate potential disruptions in cross-border payments.

### C. Pillar III. Enhancing Governance and Transparency

**28. Broad-based governance and transparency reforms are key to fostering a favorable business climate to support more diversified private sector-led growth.** Structural reforms to close existing governance gaps across the public and private sectors would contribute to stronger macroeconomic outcomes (see Annex VI in the 2025 Article IV Consultation). The authorities' structural reform agenda under the PCI aims to: (i) improve public sector efficiency; (ii) foster financial and private sector development; and (iii) promote an enabling investment climate for private sector-led growth. Transparent governance and policy frameworks are key to promoting trust in public institutions and confidence in macro-financial stability (see Annex VII in the 2025 Article IV Consultation).

**29. The authorities have continued to make progress in expanding SOE financial oversight and fiscal risk management.** The authorities have published an updated list of SOE and joint stock companies with state shareholding of at least 10 percent, specifying sector and legal basis; and completed a sectorization exercise for 77 large SOEs to distinguish those that are part of the public sector from those that are general government entities (June 2025 RT). Further efforts to enhance the quality of SOE financial oversight should focus on consistent enforcement of legislative

requirements for SOE financial reporting, disclosure and independent audits, prioritizing the 27 largest SOEs.

**30. Strong control over corruption is crucial for increasing trust in public institutions, protecting property rights and improving the investment climate.** To strengthen the anti-corruption regime, the authorities have finalized amendments to the anti-corruption law for submission to Parliament which require filing of asset declarations by high-level officials and civil servants and introduce sanctions for noncompliance, but modalities for publication remain under consideration and were not included at this stage (November 2025 RT). The authorities have implemented almost all of the measures in the first phase of their National Anti-Corruption Strategy (covering 2021-2025). To date, 66 out of 70 measures under the first phase action plan have been completed, including reforms in public procurement processes, harmonizing national legislation and regulations, and transitioning state services from cash-based to non-cash transactions. The remaining four measures will be incorporated into the new action plan for the second phase (covering 2026-2030), which is expected to be approved by the end of the year. Additional steps to strengthen the independence and capacity of oversight institutions, enforce conflict-of-interest rules more effectively, enact a law penalizing illicit enrichment, and ensure greater transparency in the management of public resources would also help promote an enabling investment climate for private sector-led growth.

**31. Enhancing extractive sector transparency will help to foster a favorable investment climate and ensure these resources are utilized to support the authorities' development goals.** The June 2025 EITI validation report acknowledges Tajikistan's efforts to revitalize the EITI process and strengthen stakeholder engagement and identifies additional steps required to reach full EITI compliance, including: broadening stakeholder engagement, improving systematic data disclosure, clarifying the process for allocating licenses, and creating robust mechanisms to implement recommendations. A comprehensive assessment of the framework for natural resource management could also be considered to ensure that the future development of the mining sector contributes to fiscal revenues to fund public services, infrastructure projects, and social programs.

## PROGRAM MODALITIES

**32. Program implementation is satisfactory.**

- *All but one of the QTs for June 2025 were met.* The authorities comfortably met the QTs for NIR, reserve money, the fiscal balance, while the NBT's outstanding credit to the government was further reduced as planned and the increase in Barki Tojik's (BT) arrears to the private sector was well below the program ceiling. The QT on TSA spending was missed by a small margin, however, due to refinements in eligibility criteria to better target the most vulnerable. All other standard continuous targets were observed.
- *The reform targets for the third review were broadly implemented.* To enhance revenue mobilization and support implementation of their Medium-Term Revenue Plan, the authorities have adopted a medium-term action plan to streamline tax exemptions and customs

preferences based on an updated tax expenditure analysis conducted with support from Fund TA. To strengthen macroprudential oversight, the NBT has approved a plan for phasing in new macroprudential tools<sup>13</sup> and countercyclical capital buffers (CCB). To enhance banking supervision, the NBT has also approved a regulation introducing liquidity stress tests. To improve governance and transparency of SOEs, the authorities have published an updated list of SOE and joint stock companies with state shareholding of at least 10 percent, specifying sector and legal basis; and complete a sectorization exercise for the 27 large SOEs monitored by the SOEMD to distinguish SOEs that are part of public sector from those that are general government entities. To strengthen the anti-corruption regime, the authorities have finalized for submission to Parliament amendments to the existing anti-corruption legislation that strengthen asset declaration requirements by expanding coverage of persons and assets and introducing sanctions for noncompliance, in line with the reform target. However, the reform target was not met as the amendments are still awaiting Parliamentary approval and did not also make declarations publicly available.

- Tajikistan's prospective policies are expected to deliver a post-program performance that will ensure good financing prospects and a sustainable debt path in the post-program period.

## STAFF APPRAISAL

**33. Tajikistan's favorable macroeconomic performance has continued in 2025.** Strong growth has been supported by development of the mining sector and robust aggregate demand, and inflation remains close to 3 percent (y/y). Large financial inflows have contributed to a supportive external position and comfortable levels of FX reserves, while prudent fiscal policy has resulted in low fiscal deficits and anchored a continued reduction in public debt.

**34. Policies should aim to build on recent progress to address structural vulnerabilities to growth and support domestic job creation.** The economy has benefited from large remittance inflows in recent years, but the outlook remains vulnerable to a less favorable external environment. Broad-based governance and transparency reforms are central to improving the business climate to support more diversified private sector-led growth and increase domestic job opportunities for Tajikistan's young and fast-growing population.

**35. Inflation remains well-contained, but large FX inflows and strong credit growth warrant caution.** Greater exchange rate flexibility and liquidity operations have helped to manage the impact of financial inflows in 2025; FX operations by the NBT should be limited only to smooth disorderly market conditions to facilitate development of the FX market and further enhance exchange rate flexibility. Meanwhile, financial stability can be further strengthened by expanding the use of macroprudential tools, monitoring lending standards more closely and aligning off-site and on-site supervision practices with international standards.

<sup>13</sup> The NBT plan will introduce macroprudential tools including debt service to income (DSTI), loan to value (LTV) and credit to stable funding (CSFR) ratios.

**36. Enhanced monitoring is needed to manage risks posed by the recent introduction of EU sanctions.** Large financial inflows have contributed to strong growth in bank deposits, but the volatile external environment and any reversal of recent inflows could pose challenges to the banking system. The recent introduction of EU sanctions on three domestic banks increases downside risks to the outlook. Supervisors should require more frequent and granular reporting on liquidity and capital positions of sanctioned institutions to ensure early identification of vulnerabilities. Enhanced on-site inspections should focus on evaluating the effectiveness of banks' compliance frameworks and their adherence to sanctions-related obligations. The authorities are also advised to develop contingency plans and to expand the use of stress testing to assess system-wide risks under adverse scenarios.

**37. Improved revenue mobilization and spending efficiency are key to increasing fiscal space for priority social and development projects.** Fiscal performance during 2025 has remained favorable and there have been encouraging results from efforts to improve tax administration through digitalization and improved compliance. Improved appraisal, selection and oversight of internally financed capital projects is crucial for enhancing the efficiency of public investment in line with the PIMA recommendations. The fiscal deficit target of 2.5 percent of GDP remains an important anchor to ensure that debt remains on a favorable medium-term trajectory. Domestic issuance through market-based auctions of government securities has continued to advance in 2025, establishing a robust secondary market for these instruments will help to expand the investor base and further deepen the market.

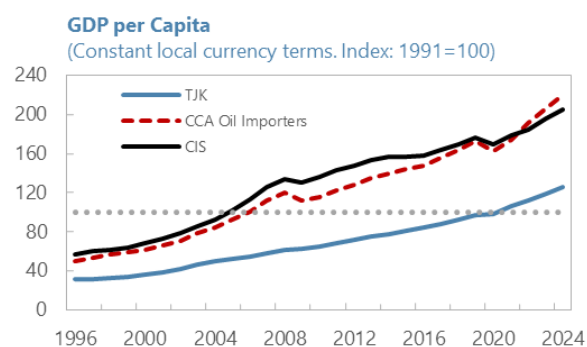
**38. Further efforts are needed to strengthen collections from several state-owned electricity consumers and bring electricity tariffs to cost recovery.** There has been a welcome improvement in Barki Tojik's payment discipline during 2025, and the roll-out of smart metering and efforts to reduce electricity theft have showed encouraging results. The collection rate from several large state-owned consumers remains low, however, and undermines the financial position of the electricity sector. Reducing quasi-fiscal losses will require greater efforts to improve collection rates for these large electricity consumers, as well as further increases to bring tariffs to cost recovery.

**39. Broad-based structural reforms, including further efforts to strengthen governance, are key to sustaining high growth rates over the medium-term.** Reform efforts should continue to focus on improving governance and transparency of SOEs, improving the anti-corruption framework, and strengthening institutional oversight. Transparent governance and policy frameworks are key to improving the business environment and creating space for private sector-led investment to support domestic job creation and unlock the economy's long-term potential.

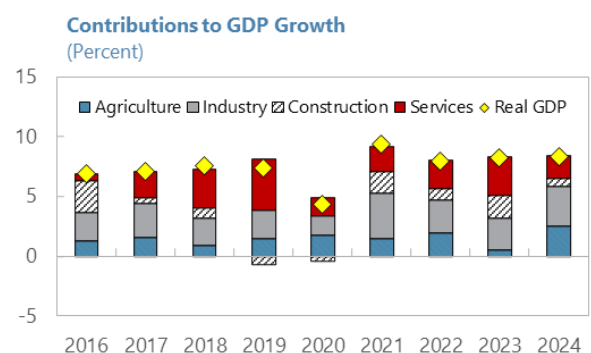
**40. Staff support the completion of the Third Review under the PCI, which is the final review under this arrangement, notwithstanding the missed QT on targeted social assistance spending.** The non-observance was minor as the QT was missed by a small margin due to revised eligibility criteria to better target vulnerable groups. Following the completion of the PCI, it is proposed that the next Article IV consultation will be conducted on the standard 12-month cycle.

**Figure 1. Tajikistan: Growth and Inflation**

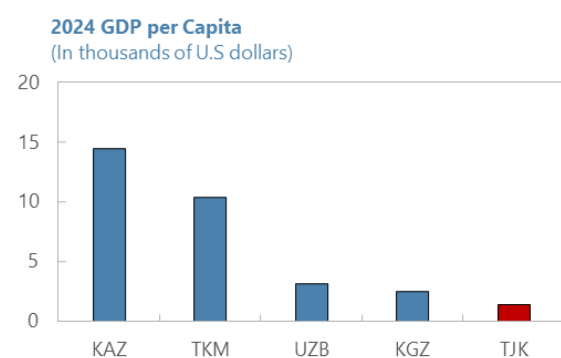
*Strong economic growth since the COVID-19 shock...*



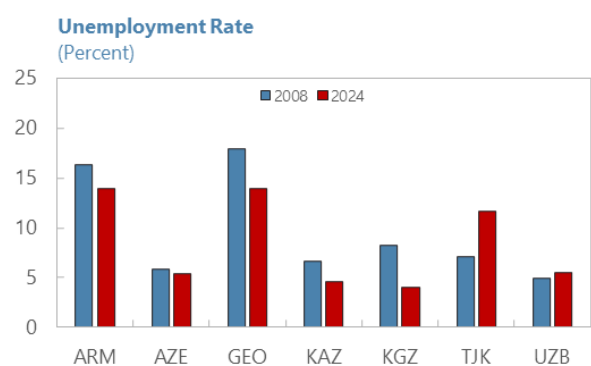
*...has been driven by industry, services and agriculture.*



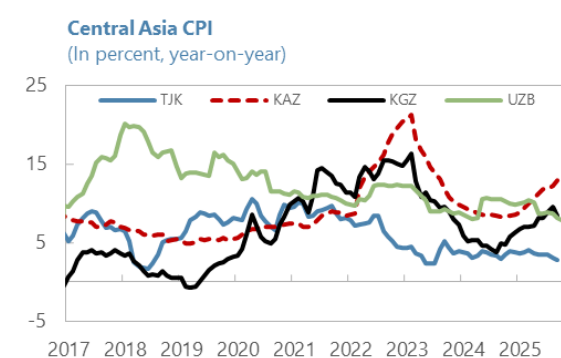
*However, per capita income is still low...*



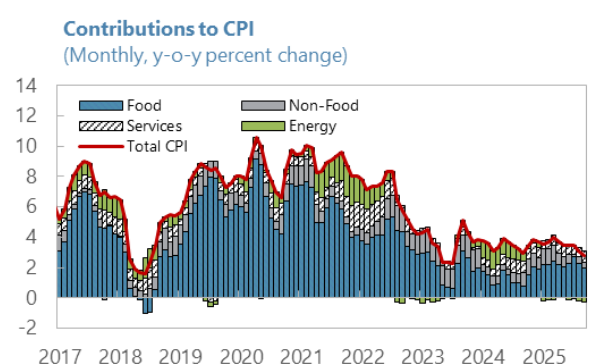
*...and unemployment elevated.*



*Inflation has trended downwards...*



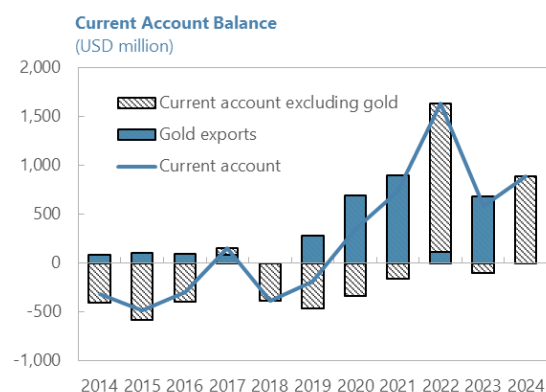
*...as food price inflation has been subdued.*



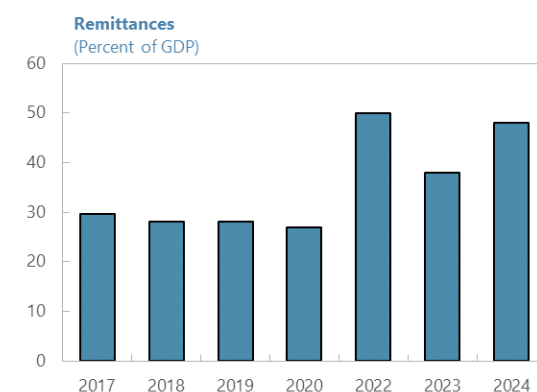
Sources: National authorities, Haver Analytics, and IMF staff estimates.

**Figure 2. Tajikistan: External Sector Developments**

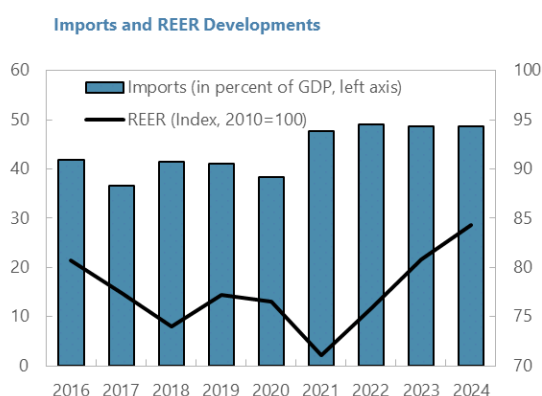
*The current account has remained in surplus ...*



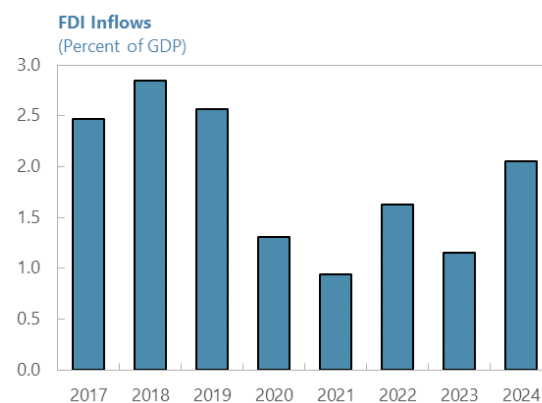
*... as the economy has benefitted from large remittance inflows.*



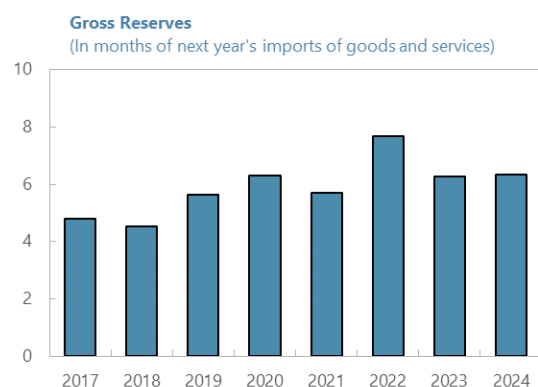
*Imports have picked up in recent years ...*



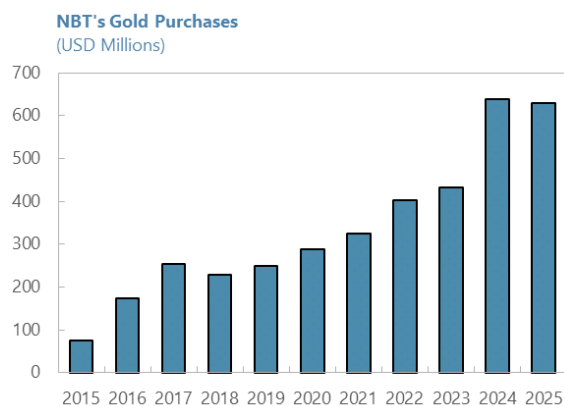
*...while FDI inflows remain below pre-pandemic levels.*



*Reserves are above adequacy metrics...*



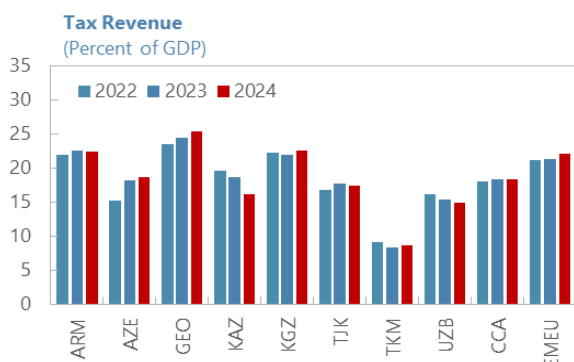
*...supported by NBT's domestic gold purchases.*



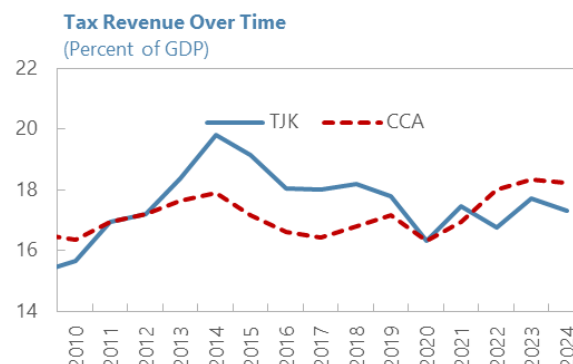
Sources: Tajikistan authorities, Haver Analytics, and IMF staff estimates.

**Figure 3. Tajikistan: Fiscal Developments**

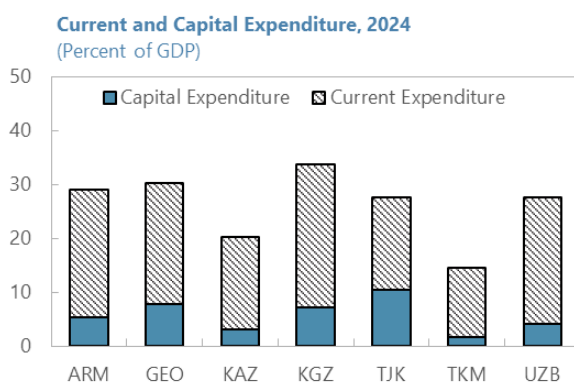
*Tax revenues are close to the regional average...*



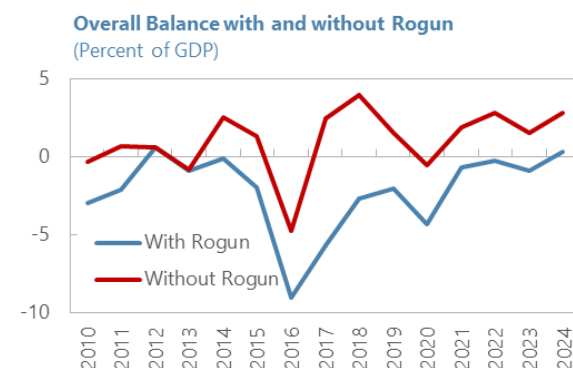
*...and have stabilized over the last several years.*



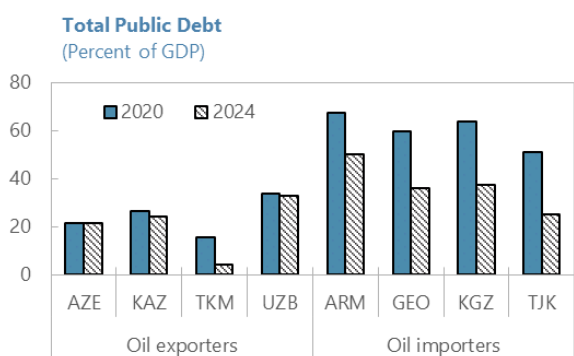
*Capital expenditures are high relative to peers...*



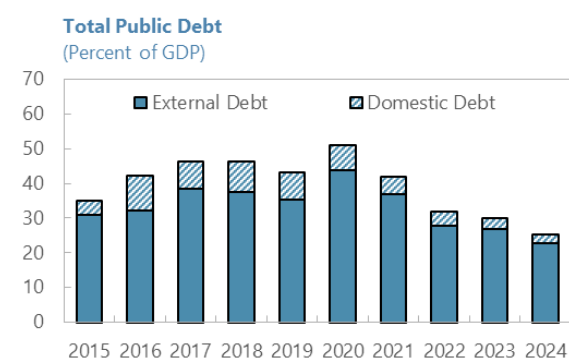
*...and a major contributor to the overall fiscal position.*



*Public debt-to-GDP has declined from the Covid period...*



*...driven by repayment of external debt.*

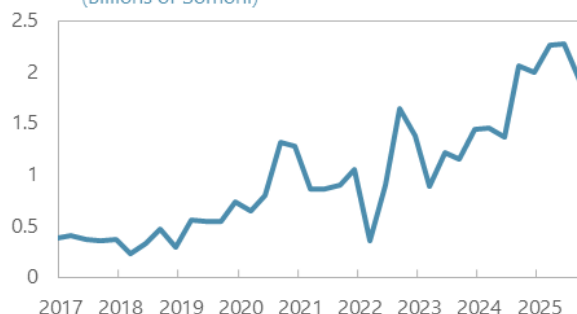


Sources: Tajikistan authorities, IMF World Economic Outlook, and IMF staff estimates.

**Figure 4. Tajikistan: Monetary Developments**

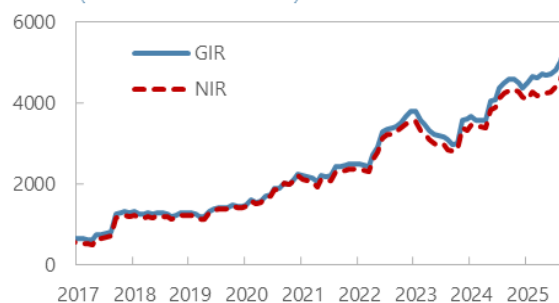
*NBT gold purchases have increased in recent years...*

**NBT Gold Purchases**  
(Billions of Somoni)



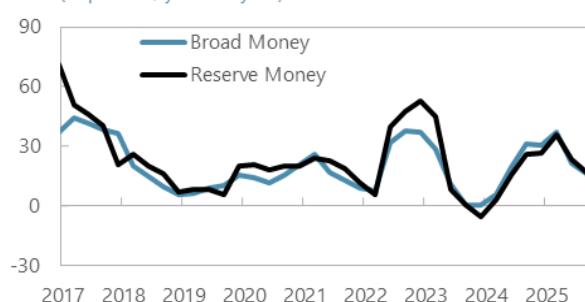
*...supporting reserve accumulation.*

**International Reserves Position**  
(In millions of U.S. dollars)



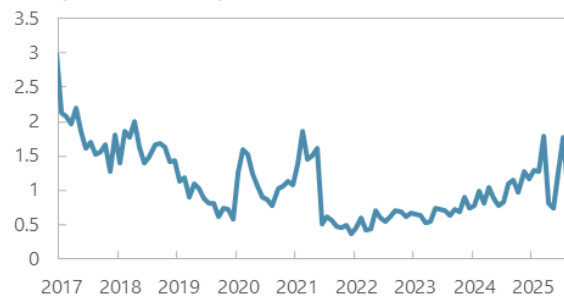
*Gold purchases and FX inflows have contributed to a pickup in monetary aggregates...*

**Monetary Aggregates**  
(In percent, year-on-year)



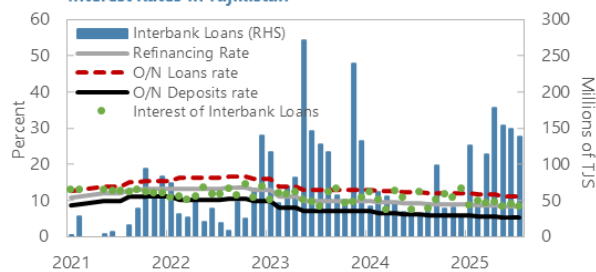
*...and higher excess systemic liquidity.*

**Excess Liquidity**  
(Billions of somoni)



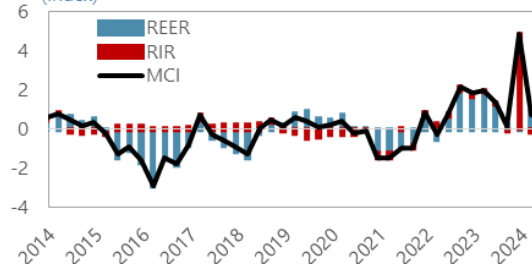
*Despite a reduction in the refinancing rate...*

**Interest Rates in Tajikistan**



*...monetary conditions have remained in balance.*

**Monetary Conditions Index**  
(Index)



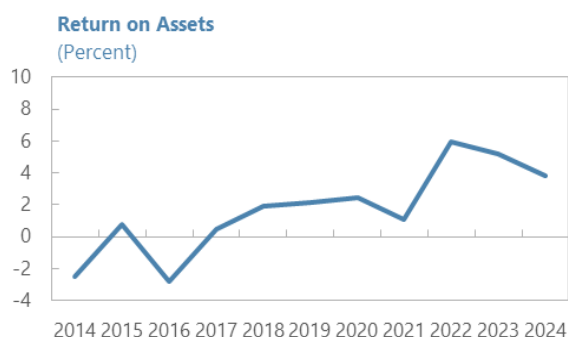
Note: Increase denotes tightening.

Sources: Tajikistan authorities, Haver Analytics, and IMF staff estimates.

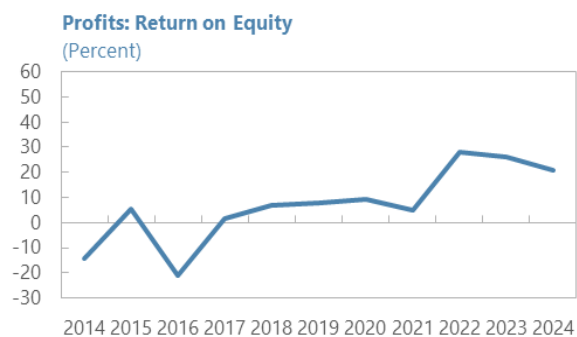


**Figure 5. Tajikistan: Financial Sector**

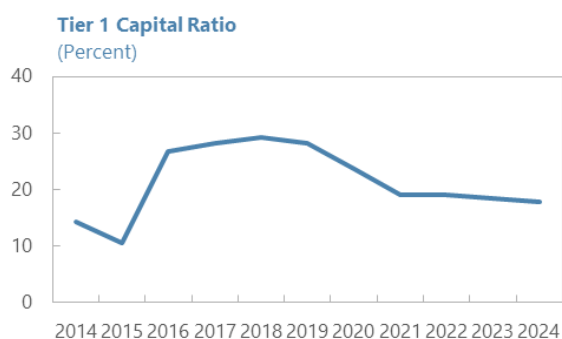
*The banking system remains profitable ...*



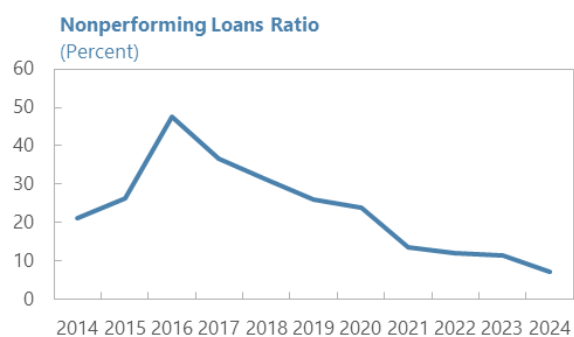
*...as illustrated by ROA and ROE indicators...*



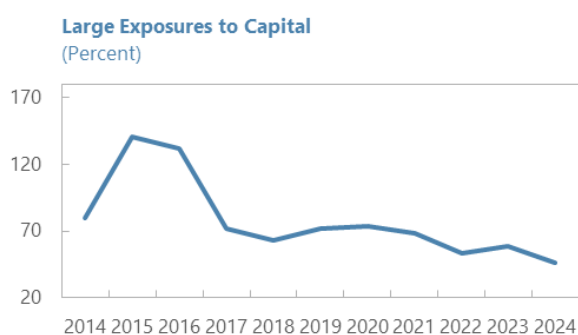
*...allowing banks to retain comfortable capital buffers.*



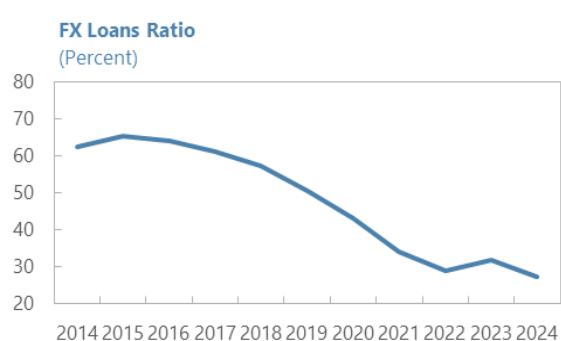
*NPLs have steadily declined as banks have written off legacy NPLs.*



*Large exposures are trending down...*



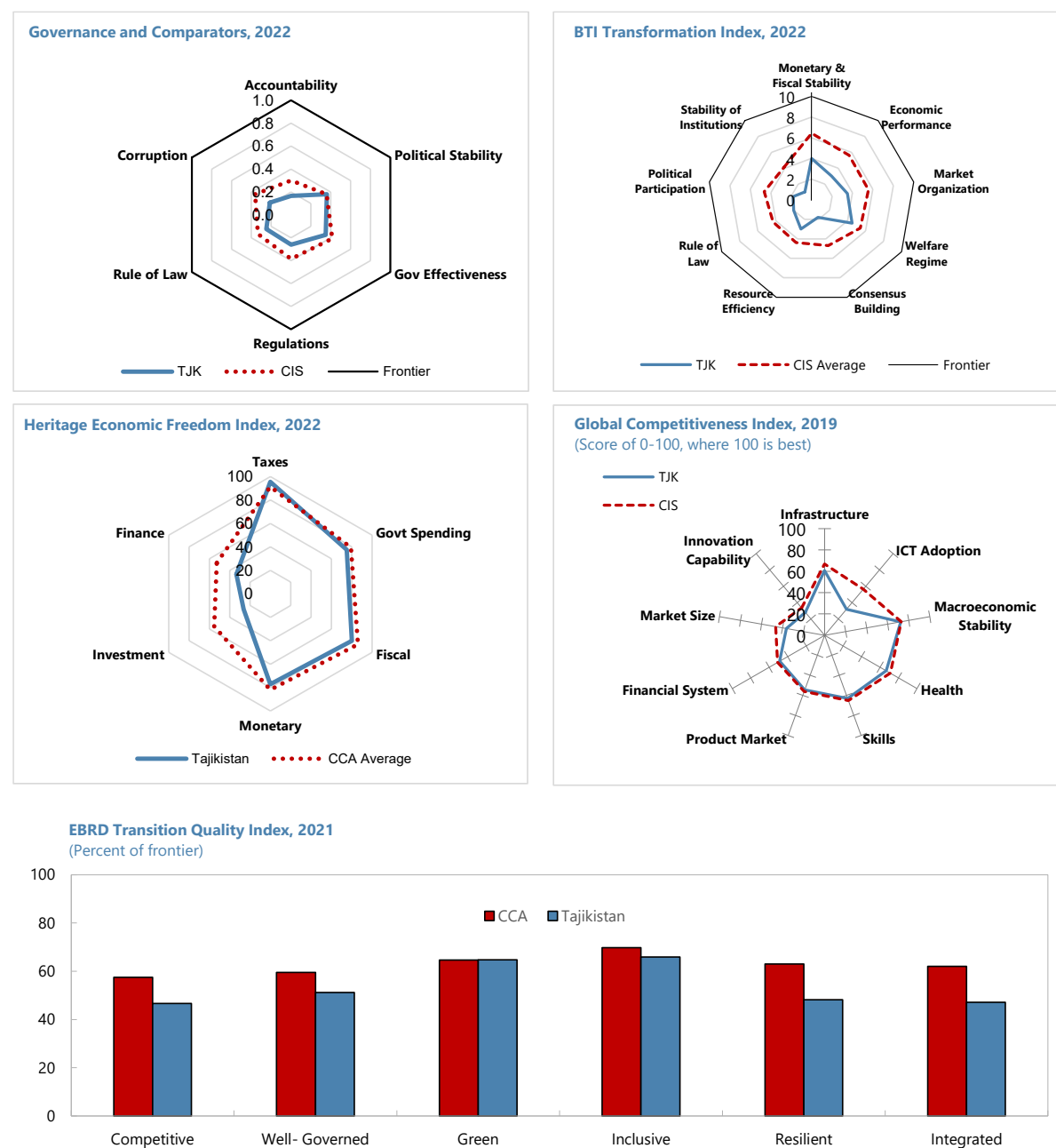
*...as is the degree of financial sector dollarization.*



Sources: Tajikistan authorities and IMF staff estimates.

**Figure 6. Tajikistan: Structural Characteristics**

Despite some recent progress, Tajikistan still scores below peers on governance, business environment, competitiveness, and transition quality indicators.



Sources: World Governance Indicators, Bertelsmann Transformation Index, The Heritage Foundation, World Economic Forum, EBRD, and IMF staff estimates. Some of the indicators used in the figure are survey-based and hence reflect responders' perception rather than actual data (for example Global Competitiveness Index). Other partially contain expert judgment (for example, EBRD transition quality index) and reported with uncertainty bounds (for example, World Governance Indicators).

**Table 1. Tajikistan: Selected Economic Indicators, 2021–30**

(Quota: SDR 174 million)  
 (Population: 10 million; 2022)  
 (Per capita GDP: US\$1055; 2022)  
 (Poverty rate: 23 percent; 2021)  
 (Main exports: aluminum, gold, cotton)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					2nd Review	3rd Review		Proj.		
(Annual percent change; unless otherwise indicated)										
<b>National accounts</b>										
Real GDP	9.4	8.0	8.3	8.4	7.0	8.0	6.0	4.8	4.5	4.5
GDP deflator (cumulative)	10.0	6.0	3.0	4.7	4.7	4.0	4.7	5.0	5.0	5.0
Headline CPI inflation (end-of-period)	8.0	4.2	3.8	3.6	4.5	3.5	4.5	4.8	5.0	5.0
Headline CPI inflation (period average)	9.0	6.7	3.7	3.5	4.1	3.6	4.0	4.8	5.0	5.0
(In percent of GDP; unless otherwise indicated)										
<b>General government finances</b>										
Revenue and grants	27.0	27.1	27.1	27.9	28.0	28.0	27.5	27.8	27.2	27.2
Tax revenue	19.5	18.5	19.4	19.0	19.4	20.1	20.2	20.5	21.3	21.4
Expenditure and net lending	27.6	27.4	28.0	27.6	30.5	29.9	30.0	30.3	29.7	29.7
Current	16.4	16.0	16.7	17.2	17.2	17.6	18.1	17.4	16.9	16.9
Capital	11.3	11.4	11.3	10.4	13.3	12.3	11.9	12.9	12.8	12.8
Overall balance (excl. PIP and stat. discrepancy)	0.0	1.5	0.7	1.4	1.9	0.7	0.5	0.7	0.2	0.1
Overall balance (incl. PIP and stat. discrepancy)	-0.6	-0.2	-0.9	0.3	-2.5	-1.9	-2.5	-2.5	-2.5	-2.5
Domestic financing	-0.1	0.0	0.7	0.1	0.7	1.6	2.1	1.6	1.0	0.9
External financing	0.8	0.2	0.2	-0.5	1.8	0.2	0.4	0.9	1.5	1.6
Total public and publicly-guaranteed debt	42.0	31.8	29.9	25.3	24.7	20.3	20.7	21.2	22.4	23.5
<b>Monetary sector</b>										
Broad money (12-month percent change)	8.2	40.4	-0.8	28.8	17.0	16.0	12.0	11.3	11.3	11.3
Reserve money (12-month percent change)	11.6	52.9	-5.6	27.0	18.2	18.0	12.0	10.0	10.0	10.0
Credit to private sector (12-month percent change)	-5.2	18.6	31.9	27.4	15.0	20.0	15.0	11.0	10.0	10.0
Velocity of broad money (eop)	3.6	3.0	3.4	3.0	2.9	2.9	2.9	2.9	2.8	2.7
Refinancing rate (in percent, eop/ latest value)	13.3	13.0	10.0	9.0	...	...	...	...	...	...
<b>External sector</b>										
(In percent of GDP; unless otherwise indicated)										
Exports of goods and services (U.S. dollar, percent change)	53.4	-18.9	20.1	-23.2	19.5	25.8	14.2	5.4	6.4	7.5
Imports of goods and services (U.S. dollar, percent change)	36.2	23.5	12.7	16.4	8.7	19.9	5.1	5.9	7.6	8.1
Current account balance	8.2	15.3	4.8	6.2	2.5	9.0	3.0	1.6	0.1	-1.0
Trade balance (goods)	-19.2	-27.6	-27.1	-31.8	-30.5	-31.0	-27.8	-28.1	-28.6	-29.3
FDI (net)	0.4	1.5	0.8	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Total public and publicly guaranteed external debt	37.0	27.8	26.7	22.7	22.2	17.7	17.4	17.3	17.9	18.4
Exports of goods and services, in millions of U.S. dollars	2,161	1,753	2,105	1,618	1,933	2,034	2,324	2,449	2,606	2,776
Imports of goods and services, in millions of U.S. dollars	-4,258	-5,261	-5,931	-6,907	-7,505	-8,279	-8,699	-9,214	-9,918	-10,718
Current account balance, in millions of U.S. dollars	736	1,635	584	887	392	1,541	583	324	23	-223
Total public and publicly guaranteed external debt (US dollar, 1	3,306	3,224	3,239	3,181	3,416	3,220	3,306	3,490	3,825	4,192
Gross official reserves (in millions of U.S. dollars)	2,499	3,803	3,607	4,383	4,575	5,628	6,066	6,491	6,912	7,325
In months of next year's imports	5.7	7.7	6.3	6.4	6.8	7.8	7.9	7.9	7.7	7.6
In percent of broad money	99.6	97.3	99.9	94.1	85.7	90.2	92.3	91.9	90.9	89.5
<b>Memorandum items:</b>										
Nominal GDP (in millions of somoni)	101,076	118,182	132,782	153,402	171,855	172,301	191,223	210,422	230,886	253,339
Nominal effective exchange rate (Index 2010=100)	54.1	60.0	65.6	67.2	...	...	...	...	...	...
Real effective exchange rate (Index 2010=100)	71.2	76.0	79.2	75.0	...	...	...	...	...	...
Average exchange rate (somoni per U.S. dollar)	11.3	11.0	10.8	10.8	...	...	...	...	...	...

Sources: Data provided by the Tajik authorities, and Fund staff estimates.

**Table 2. Tajikistan: General Government Operations, 2021–30**  
(In millions of somoni, unless otherwise indicated)

	2021	2022	2023	2024	2025		2026	2027	2028	2029	2030
					2nd Review	3rd Review	Proj.				
Overall revenues and grants	27,292	32,083	35,988	42,853	48,110	48,258	52,575	58,409	62,846	68,797	75,530
Total revenues	24,162	28,102	31,417	37,555	42,535	42,978	47,781	52,972	59,614	65,454	72,097
Tax revenues	19,692	21,814	25,767	29,125	33,277	34,590	38,571	43,137	49,072	54,138	59,786
Income and profit tax	4,700	5,660	6,861	7,975	9,134	10,257	11,183	12,506	14,181	15,560	17,073
Payroll taxes	2,035	1,990	2,251	2,554	2,662	2,869	3,184	3,504	3,982	4,370	4,795
Property taxes	457	612	1,019	1,170	851	1,222	1,320	1,425	1,571	1,696	1,832
Taxes on goods and services	11,542	12,126	14,087	15,959	18,977	18,559	21,257	23,843	27,251	30,171	33,489
International trade and operations tax	958	1,426	1,548	1,465	1,653	1,683	1,626	1,859	2,088	2,342	2,598
Nontax revenues	4,470	6,288	5,650	8,430	9,257	8,389	9,210	9,835	10,541	11,316	12,311
Grants	3,130	3,981	4,572	5,297	5,576	5,280	4,794	5,438	3,232	3,342	3,434
Total expenditures and net lending	27,940	32,360	37,204	42,356	52,407	51,477	57,356	63,670	68,618	75,130	82,480
Current expenditures	16,543	18,895	22,157	26,445	29,514	30,302	34,600	36,559	39,036	42,798	46,844
Expenditures on goods and services	11,134	12,237	16,321	19,142	21,138	21,291	24,911	25,811	27,131	29,491	31,994
Interest payments	874	825	1,001	1,019	1,136	971	981	1,167	1,392	1,771	2,192
Transfers and subsidies	4,534	5,833	4,835	6,284	7,240	8,040	8,708	9,582	10,514	11,536	12,658
Capital expenditures	11,397	13,465	15,047	15,911	22,893	21,175	22,756	27,111	29,582	32,332	35,636
Externally financed (PIP and Rogun)	5,174	4,904	6,126	6,276	12,549	8,813	9,983	11,471	9,353	10,002	10,294
Domestically financed	6,223	8,560	8,921	9,635	10,344	12,361	12,773	15,640	20,229	22,330	25,342
Net lending	0	0	0	0	0	0	0	0	0	0	0
Overall balance (incl. PIP)	-648	-277	-1,216	497	-4,296	-3,219	-4,781	-5,261	-5,772	-6,333	-6,949
Overall balance (excl. PIP and PIP-related grants)	0	1,749	881	2,171	3,276	1,255	1,008	1,373	349	327	-89
Overall balance (incl. PIP and excl. bank recapitalizati	-648	-277	-1,216	497	-4,296	-3,219	-4,781	-5,261	-5,772	-6,333	-6,949
Total financing (incl. PIP)	648	277	1,216	-497	4,296	3,219	4,781	5,261	5,772	6,333	6,949
Net external	791	268	267	-711	3,135	392	844	1,881	3,562	4,020	4,428
Disbursements	2,281	2,026	2,097	1,674	7,273	4,474	5,189	6,233	6,121	6,660	6,861
Amortization	-1,490	-1,758	-1,830	-2,285	-4,137	-4,081	-4,345	-4,353	-2,559	-2,640	-2,432
Net domestic	-143	8	949	214	1,161	2,827	3,937	3,380	2,210	2,313	2,521
Deposits with commercial banks	554	-503	-875	-571	0	0	0	0	0	0	0
Deposits with the NBT	-306	-786	1,233	42	911	2,378	2,110	1,383	0	0	0
New net credit	50	100	50	305	676	875	2,127	2,297	2,510	2,613	2,821
Other 1/	-441	1,198	542	439	-426	-426	-300	-300	-300	-300	-300

Sources: Tajikistan authorities, and Fund staff estimates.

1/ Includes privatization proceeds and repayment of debt toward NBT through sales of repossessed bank assets.

**Table 3. Tajikistan: General Government Operations, 2021–30**  
(In percent of GDP, unless otherwise indicated)

	2021	2022	2023	2024	2025		2026	2027	2028	2029	2030
					2nd Review	3rd Review	Proj.				
Overall revenues and grants	27.0	27.1	27.1	27.9	28.0	28.0	27.5	27.8	27.2	27.2	27.2
Total revenues	23.9	23.8	23.7	24.5	24.8	24.9	25.0	25.2	25.8	25.8	25.9
Tax revenues	19.5	18.5	19.4	19.0	19.4	20.1	20.2	20.5	21.3	21.4	21.5
Income and profit tax	4.6	4.8	5.2	5.2	5.3	6.0	5.8	5.9	6.1	6.1	6.1
Payroll taxes	2.0	1.7	1.7	1.7	1.5	1.7	1.7	1.7	1.7	1.7	1.7
Property taxes	0.5	0.5	0.8	0.8	0.5	0.7	0.7	0.7	0.7	0.7	0.7
Taxes on goods and services	11.4	10.3	10.6	10.4	11.0	10.8	11.1	11.3	11.8	11.9	12.0
International trade and operations tax	0.9	1.2	1.2	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9
Nontax revenues	4.4	5.3	4.3	5.5	5.4	4.9	4.8	4.7	4.6	4.5	4.4
Grants	3.1	3.4	3.4	3.5	3.2	3.1	2.5	2.6	1.4	1.3	1.2
Total expenditure and net lending	27.6	27.4	28.0	27.6	30.5	29.9	30.0	30.3	29.7	29.7	29.7
Current expenditures	16.4	16.0	16.7	17.2	17.2	17.6	18.1	17.4	16.9	16.9	16.9
Expenditures on goods and services	11.0	10.4	12.3	12.5	12.3	12.4	13.0	12.3	11.8	11.6	11.5
Interest payments	0.9	0.7	0.8	0.7	0.7	0.6	0.5	0.6	0.6	0.7	0.8
Transfers and subsidies	4.5	4.9	3.6	4.1	4.2	4.7	4.6	4.6	4.6	4.6	4.6
Capital expenditures	11.3	11.4	11.3	10.4	13.3	12.3	11.9	12.9	12.8	12.8	12.8
Externally financed (PIP and Rogun)	5.1	4.1	4.6	4.1	7.3	5.1	5.2	5.5	4.1	3.9	3.7
Domestically financed	6.2	7.2	6.7	6.3	6.0	7.2	6.7	7.4	8.8	8.8	9.1
Overall balance	-0.6	-0.2	-0.9	0.3	-2.5	-1.9	-2.5	-2.5	-2.5	-2.5	-2.5
Overall balance (excl. PIP and PIP-related grants)	0.0	1.5	0.7	1.4	1.9	0.7	0.5	0.7	0.2	0.1	0.0
Overall balance (incl. PIP and excl. bank recapitalizatio	-0.6	-0.2	-0.9	0.3	-2.5	-1.9	-2.5	-2.5	-2.5	-2.5	-2.5
Total financing (incl. PIP)	0.6	0.2	0.9	-0.3	2.5	1.9	2.5	2.5	2.5	2.5	2.5
Net external	0.8	0.2	0.2	-0.5	1.8	0.2	0.4	0.9	1.5	1.6	1.6
Disbursements	2.3	1.7	1.6	1.1	4.2	2.6	2.7	3.0	2.7	2.6	2.5
Amortization	-1.5	-1.5	-1.4	-1.5	-2.4	-2.4	-2.3	-2.1	-1.1	-1.0	-0.9
Net domestic	-0.1	0.0	0.7	0.1	0.7	1.6	2.1	1.6	1.0	0.9	0.9
Deposits with commercial banks	0.5	-0.4	-0.7	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits with the NBT	-0.3	-0.7	0.9	0.0	0.5	1.4	1.1	0.7	0.0	0.0	0.0
New net credit	0.0	0.1	0.0	0.2	0.4	0.5	1.1	1.1	1.1	1.0	1.0
Other 1/	-0.4	1.0	0.4	0.3	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1

Sources: Tajikistan authorities, and Fund staff estimates.

1/ Includes privatization proceeds and repayment of debt toward NBT through sales of repossessed bank assets.

**Table 4. Tajikistan: Central Bank Survey, 2021–30**  
(End-year stocks, unless otherwise indicated)

	2021	2022	2023	2024	2025		2026	2027	2028	2029	2030
					2nd Review	3rd Review			Proj.		
(In millions of somoni)											
Net foreign assets	24,798	35,646	36,340	47,048	49,486	51,731	59,804	66,774	74,034	81,536	88,328
Gross assets	28,792	39,074	40,035	50,618	52,939	54,922	62,812	69,490	76,431	83,586	89,986
Gross liabilities	3,994	3,427	3,695	3,570	3,454	3,191	3,008	2,717	2,397	2,050	1,658
Net international reserves	26,977	36,315	36,585	45,383	46,677	48,659	55,769	61,811	68,092	74,568	80,374
Gross international reserves	28,236	38,797	39,523	47,919	51,090	53,289	61,076	67,692	74,571	81,663	88,022
Gross reserve liabilities	1,259	2,481	2,938	2,536	4,413	4,630	5,307	5,881	6,479	7,095	7,648
Net domestic assets	339	2,800	-53	-980	4,952	2,607	1,063	200	-340	-447	897
Net claims on general government	-1,356	-2,579	-1,651	-2,070	-1,585	-118	1,692	2,775	2,475	2,175	1,875
Net claims on financial corporations	-1,027	-828	-444	-1,726	-1,146	-2,086	-2,086	-2,086	-2,086	-2,086	-2,086
Credit to the private sector	480	482	423	542	456	477	477	477	477	477	477
Other items net	2,243	5,725	1,619	2,273	7,227	4,334	980	-966	-1,206	-1,013	631
Reserve money	25,138	38,447	36,287	46,068	54,438	54,338	60,867	66,974	73,694	81,089	89,225
Reserve money in domestic currency	23,612	35,767	33,204	43,101	49,306	49,569	55,524	61,095	67,226	73,971	81,393
Currency in circulation	22,110	32,460	30,053	38,801	44,179	44,825	50,211	55,249	60,792	66,892	73,604
Bank reserves	2,553	5,824	6,112	7,208	10,218	9,477	10,615	11,681	12,853	14,142	15,561
Bank deposits in domestic currency	1,254	3,155	3,045	4,263	5,105	4,727	5,295	5,826	6,411	7,054	7,762
Bank deposits in foreign currency	1,299	2,669	3,067	2,945	5,113	4,750	5,320	5,854	6,442	7,088	7,799
Other deposits	474	163	122	59	41	37	41	45	50	54	60
Other deposits in domestic currency	248	152	106	37	23	17	19	20	23	25	27
Other deposits in foreign currency	226	10	16	22	19	20	22	25	27	30	33
(12-month growth in percent)											
Reserve money	11.6	52.9	-5.6	27.0	18.2	18.0	12.0	10.0	10.0	10.0	10.0
Net foreign assets	2.3	43.7	1.9	29.5	5.2	10.0	15.6	11.7	10.9	10.1	8.3
Gross international reserves	11.6	37.4	1.9	21.2	6.6	11.2	14.6	10.8	10.2	9.5	7.8
Net international reserves	8.0	34.6	0.7	24.0	2.8	7.2	14.6	10.8	10.2	9.5	7.8
(12-month growth in percent of reserve money)											
Reserve money (12-month percent change)	11.6	52.9	-5.6	27.0	18.2	18.0	12.0	10.0	10.0	10.0	10.0
Net foreign assets	2.5	43.2	1.8	29.5	5.3	10.2	14.9	11.5	10.8	10.2	8.4
Gross international reserves	13.1	42.0	1.9	23.1	6.8	11.7	14.3	10.9	10.3	9.6	7.8
Net international reserves	8.9	37.1	0.7	24.2	2.7	7.1	13.1	9.9	9.4	8.8	7.2
Net domestic assets	9.1	9.8	-7.4	-2.6	12.9	7.8	-2.8	-1.4	-0.8	-0.1	1.7
Net credit to general government	-3.2	-4.9	2.4	-1.2	1.1	4.2	3.3	1.8	-0.4	-0.4	-0.4
Credit to the private sector	-1.1	0.0	-0.2	0.3	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0
NBT bills	3.3	0.7	1.1	-3.8	1.2	-0.6	-0.1	-0.1	-0.1	-0.1	-0.1
Other items net	10.7	13.9	-10.7	1.8	10.7	4.5	-6.2	-3.2	-0.4	0.3	2.0
<i>Memorandum items:</i>											
Net international reserves (in millions of U.S.dollars)	2,383.1	3,559.5	3,339.0	4,151.2	4,179.9	5,139.2	5,539.1	5,927.2	6,311.6	6,688.7	7,057.6
Net international reserves (percent of broad money)	95.0	91.1	92.5	89.1	78.3	82.3	84.3	83.9	83.0	81.7	79.1
Official exchange rate (somoni/U.S. dollars; eop)	11.3	10.2	11.0	10.9	...	...	...	...	...	...	...

Sources: National Bank of Tajikistan, and Fund staff estimates.

**Table 5. Tajikistan: Monetary Survey, 2021–30**  
(End-year stocks, unless otherwise indicated)

	2021	2022	2023	2024	2025		2026	2027	2028	2029	2030
					2nd Review	3rd Review	Proj.				
(In millions of somoni, end-of-period stock)											
Net foreign assets	25,038	35,096	34,996	45,492	47,841	50,337	58,351	65,301	72,542	80,028	86,822
National Bank of Tajikistan	24,798	35,646	36,340	47,048	49,486	51,731	59,804	66,774	74,034	81,536	88,328
Commercial banks	240	-550	-1,344	-1,555	-1,645	-1,394	-1,453	-1,473	-1,492	-1,508	-1,506
Net domestic assets	7,671	9,170	9,463	12,491	20,000	16,924	16,981	18,544	20,777	23,837	28,779
Net credit to general government	-2,320	-4,046	-3,997	-4,769	-4,184	-4,317	-2,407	-1,224	-1,424	-1,624	-1,824
National Bank of Tajikistan	-1,356	-2,579	-1,651	-2,070	-1,585	-118	1,692	2,775	2,475	2,175	1,875
Commercial banks	-964	-1,468	-2,346	-2,699	-2,599	-4,199	-4,099	-3,999	-3,899	-3,799	-3,699
Net credit to public non-financial corporations	2,294	2,088	2,406	1,699	1,802	1,804	1,903	1,999	2,096	2,198	2,305
Credit to the private sector	10,108	11,985	15,805	20,130	23,150	24,156	27,780	30,836	33,919	37,432	41,175
Net credit to other financial corporations	-142	-167	-188	-149	-129	-149	-149	-149	-149	-149	-149
Other items net	-2,719	-690	-4,563	-4,414	-638	-4,570	-10,145	-12,917	-13,665	-14,020	-12,727
Broad money	28,400	39,884	39,549	50,948	59,609	59,099	66,191	73,671	81,996	91,261	101,574
Somoni broad money	25,266	36,224	34,681	45,667	53,098	52,974	59,331	66,035	73,497	81,803	91,046
Currency outside banks	20,874	32,460	26,974	34,736	40,641	40,294	45,129	50,229	55,905	62,222	69,253
Deposits	4,392	6,592	7,708	10,931	12,456	12,680	14,202	15,806	17,593	19,580	21,793
Foreign currency deposits	3,134	3,660	4,867	5,280	6,511	6,125	6,860	7,636	8,498	9,459	10,528
Non-liquid liabilities	3,859	4,382	4,910	7,036	8,232	8,162	9,141	10,174	11,324	12,603	14,027
(12-month growth in percent of broad money)											
Broad money	8.2	40.4	-0.8	28.8	17.0	16.0	12.0	11.3	11.3	11.3	11.3
Net foreign assets	2.8	37.0	-0.3	26.5	4.6	9.5	13.6	10.5	9.8	9.1	7.4
National Bank of Tajikistan	2.1	38.2	1.7	27.1	4.8	9.2	13.7	10.5	9.9	9.1	7.4
Commercial banks	2.4	-2.8	-2.0	-0.5	-0.2	0.3	-0.1	0.0	0.0	0.0	0.0
Net domestic assets	7.1	5.3	0.7	7.7	14.7	8.7	0.1	2.4	3.0	3.7	5.4
Net credit to general government	-0.6	-6.1	0.1	-2.0	1.1	0.9	3.2	1.8	-0.3	-0.2	-0.2
Credit to the private sector	-2.1	6.6	9.6	10.9	5.9	7.9	6.1	4.6	4.2	4.3	4.1
Other items net	8.8	7.1	-9.7	0.4	7.4	-0.3	-9.4	-4.2	-1.0	-0.4	1.4
Memorandum items:											
Deposit dollarization (in percent)	46.1	45.9	46.4	43.3	...	...	...	...	...	...	...
Velocity	3.6	3.0	3.4	3.0	2.9	2.9	2.9	2.9	2.8	2.8	2.7
Credit to the private sector (percent of GDP)	10.0	10.1	11.9	13.1	13.5	14.0	14.5	14.7	14.7	14.8	14.8
Money multiplier	1.0	1.2	1.2	1.3	1.2	1.2	1.2	1.3	1.3	1.3	1.3

Sources: National authorities and Fund staff estimates.

**Table 6. Tajikistan: Balance of Payments, 2021–30**

	2021	2022	2023	2024	2025		2026	2027	2028	2029	2030
					2nd Review	3rd Review			Proj.		
(In millions of U.S. dollars, unless otherwise indicated)											
Current account	736	1,635	584	887	392	1,541	583	324	23	-223	-502
Balance on goods and services	-2,097	-3,508	-3,826	-5,289	-5,571	-6,245	-6,376	-6,765	-7,312	-7,942	-8,599
Balance on goods	-1,712	-2,960	-3,322	-4,513	-4,749	-5,326	-5,433	-5,765	-6,232	-6,770	-7,331
Exports	2,015	1,615	1,861	1,423	1,701	1,789	2,044	2,154	2,292	2,442	2,625
Of which: gold	897	119	684	0	...	...	...	...	...	...	...
Imports	3,727	4,576	5,183	5,936	6,450	7,116	7,477	7,919	8,524	9,212	9,956
Balance on services	-385	-548	-505	-776	-822	-919	-943	-1,000	-1,080	-1,172	-1,269
Balance on income	1,822	3,497	3,083	4,455	4,290	5,597	5,026	5,125	5,338	5,654	5,977
Balance on transfers	1,011	1,645	1,327	1,721	1,674	2,189	1,933	1,964	1,998	2,066	2,120
Capital and financial account	470	-583	258	33	-201	-296	-145	101	398	636	906
Capital transfers	267	283	482	426	402	442	404	322	155	76	78
FDI	36	162	101	190	195	215	245	257	272	289	309
Portfolio Investment	1	-1	-2	1	-167	-167	-167	-167	0	0	0
Other capital flows	166	-1,026	-322	-585	-631	-787	-628	-312	-29	271	520
Errors and omissions	207	96	91	231	...	...	...	...	...	...	...
Overall balance	998	956	751	688	192	1245	438	425	421	413	404
(in percent of GDP, unless otherwise indicated)											
Current account	8.2	15.3	4.8	6.2	2.5	9.0	3.0	1.6	0.1	-1.0	-2.0
Balance on goods and services	-23.5	-32.7	-31.3	-37.2	-35.8	-36.4	-32.6	-32.9	-33.6	-34.4	-34.9
Balance on goods	-19.2	-27.6	-27.1	-31.8	-30.5	-31.0	-27.8	-28.1	-28.6	-29.3	-29.7
Exports	22.5	15.1	15.2	10.0	10.9	10.4	10.4	10.5	10.5	10.6	10.6
Of which: gold	10.0	1.1	5.6	0.0	...	...	...	...	...	...	...
Imports	41.7	42.7	42.3	41.8	41.5	41.5	38.2	38.6	39.2	39.9	40.4
Balance on services	-4.3	-5.1	-4.1	-5.5	-5.3	-5.4	-4.8	-4.9	-5.0	-5.1	-5.1
Balance on income	20.4	32.6	25.2	31.4	27.6	32.6	25.7	25.0	24.5	24.5	24.2
Balance on transfers	11.3	15.4	10.8	12.1	10.8	12.8	9.9	9.6	9.2	8.9	8.6
Capital and financial account	5.3	-5.4	2.1	0.2	-1.3	-1.7	-0.7	0.5	1.8	2.8	3.7
Capital transfers	3.0	2.6	3.9	3.0	2.6	2.6	2.1	1.6	0.7	0.3	0.3
FDI	0.4	1.5	0.8	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Portfolio Investment	0.0	0.0	0.0	0.0	-1.1	-1.0	-0.9	-0.8	0.0	0.0	0.0
Other capital flows	1.9	-9.6	-2.6	-4.1	-4.1	-4.6	-3.2	-1.5	-0.1	1.2	2.1
Errors and omissions	2.3	0.9	0.7	1.6	...	...	...	...	...	...	...
Overall balance	11.2	8.9	6.1	4.8	1.2	7.3	2.2	2.1	1.9	1.8	1.6
<i>Memorandum items:</i>											
Nominal GDP (In millions of U.S. dollars)	8,934	10,716	12,242	14,205	15,553	17,161	19,576	20,532	21,765	23,097	24,669
Remittances, inflows (In millions of U.S. dollars)	2,922	5,346	4,634	6,802	6,740	8,589	7,897	8,069	8,269	8,491	8,784
(in percent of GDP)	32.7	49.9	37.9	47.9	43.3	50.1	40.3	39.3	38.0	36.8	35.6
Current account balance (In percent of GDP)	8.2	15.3	4.8	6.2	2.5	9.0	3.0	1.6	0.1	-1.0	-2.0
Net international reserves (In millions of U.S. dollars)	2387	3559	3339	4151	4,180	5,139	5539	5927	6312	6689	7058
Gross reserves	2499	3803	3607	4383	4,575	5,628	6066	6491	6912	7325	7729
(in months of next year's imports of goods and services)	5.7	7.7	6.3	6.4	6.8	7.8	7.9	7.9	7.7	7.6	7.4
Total Public and Publicly Guaranteed (PPG) external debt	3,306	3,224	3,239	3,181	3,416	3,220	3,306	3,490	3,825	4,192	4,585
(in percent of GDP)	37.0	27.8	26.7	22.7	22.2	17.7	17.4	17.3	17.9	18.4	18.8
Debt service on PPG external debt (In millions of U.S. dollar)	204	233	255	300	468	494	529	505	321	332	321
(in percent of exports of goods and services)	9.4	13.3	12.1	18.5	24.2	24.3	22.8	20.6	12.3	12.0	10.8

Sources: Tajik authorities; and Fund staff estimates.



**Table 7. Tajikistan: Financial Soundness Indicators, 2019–2024**  
(In percent unless otherwise indicated)

	2019	2020	2021	2022	2023	2024
<b>Capital adequacy</b>						
Regulatory capital to risk-weighted assets	21.4	18.2	23.4	25.3	21.3	21.8
Regulatory Tier 1 capital to risk-weighted assets	28.2	23.5	19.0	19.1	17.1	17.8
<b>Asset quality 1/</b>						
Nonperforming loans net of provisions to regulatory capital	17.0	16.2	3.2	-0.5	1.0	3.0
Nonperforming loans to total gross loans	26.1	23.8	13.7	12.2	12.7	7.1
<b>Earnings and profitability</b>						
Return on assets (ROA) 2/	2.1	2.5	1.1	5.9	3.7	3.8
Return on equity (ROE) 2/	7.7	9.1	4.8	28.3	19.2	20.7
Interest margin to gross income	66.4	73.5	60.9	42.6	62.0	57.5
Noninterest expenses to gross income	60.3	61.9	64.6	49.3	54.7	54.6
<b>Liquidity</b>						
Liquid assets to total assets	27.7	30.0	31.9	43.4	37.2	40.0
Liquid assets to short-term liabilities	67.4	70.5	87.7	94.9	81.0	78.3
<b>Sensitivity to market risk</b>						
Net open position in foreign exchange to regulatory capital	-1.7	-11.5	4.7	2.3	2.7	0.7
<b>Additional</b>						
Capital to total assets	27.4	26.3	20.9	19.5	18.3	17.8
Large exposures to regulatory capital	71.4	73.5	68.0	53.5	58.4	45.9
Trading income to total income	14.4	6.1	7.8	1.0	0.3	19.5
Personnel expenses to noninterest expenses	60.0	58.6	58.7	55.0	59.8	57.9
Customer deposits to gross customer loans	102.5	107.6	87.2	117.0	111.5	122.1
Foreign-currency-denominated loans to total gross loans	50.5	43.2	34.0	29.0	33.2	27.2
Foreign-currency-denominated liabilities to total liabilities	46.7	48.2	49.4	46.2	47.6	43.3

Source: National Bank of Tajikistan.

Note: There is a statistical break starting from 2021Q2 when two large banks (AIB and TSB) were closed and removed from the banking system totals.

1/ Nonperforming loans include customer and interbank loans overdue more than 30 days.

2/ Annualized net income before tax to average assets or capital.

Table 8. Tajikistan: Inclusive Growth Indicators

	Indicator	LICs Average		Indicator	LICs Average
<b>Growth</b>			<b>Labor Markets (ILO estimates)</b>		
GDP per capita growth (percent; 2020-23 average)	5.1	1.9	Unemployment rate (% of total labor force, 2021)	7.7	7.0
Gross Fixed Capital Formation (percent of GDP; 2018-20 average)	31.5	24.3	Female (% of female labor force, 2020)	6.3	8.3
			Youth (% of total labor force ages 15-24, 2020)	17.0	13.3
<b>Poverty and Inequality</b>			Labor force participation (% of total population ages 15+, 2020)	41.2	61.6
Poverty headcount ratio at \$3.20/day (percent of population; 2015)	25.7	40.5	Female (% of female population ages 15+, 2020)	31.3	54.2
Multidimensional poverty (percent of population)	n.a.	n.a.	Youth (% of population ages 15-24, 2020)	25.5	41.7
Prevalence of stunting (% of children under 5, 2017)	17.5	30.2			
GINI Index (2021)	34.0	37.6	<b>Governance<sup>1</sup></b>		
Child mortality (per 1,000, 2021)	31.4	54.7	Government Effectiveness (WGI, 2022)	-0.8	-0.8
Growth in mean consumption (growth, %, bottom 40th percentile)	n.a.	n.a.	Regulatory Quality (WGI, 2022)	-1.2	-0.7
			Rule of Law (WGI, 2022)	-1.3	-0.7
<b>Human Development and Access to Services</b>			Control of Corruption (WGI, 2022)	-1.4	-0.7
Human Development Index (2020)	0.7	0.5	Corruption Perceptions Index (2022)	24.0	29.5
Life expectancy at birth (years, 2020)	68.0	64.1			
Access to electricity (% of population, 2020)	99.8	60.2	<b>Gender Equity and Inclusion</b>		
Net school enrollment, secondary, total (% population, 2011)	83.2	59.6	Account at a financial institution (female vs male, %, 2021)	99.6	80.2
Individuals using internet (% population, 2017)	22.0	22.2	Female employment to population ratio (%; 2021)	29.3	50.5
Literacy rate (% population, 2014)	99.8	70.2	Literacy rate (female vs male, %, 2014)	n.a.	n.a.
			Net school enrollment, secondary (female vs male, %, 2011)	90.1	101.2
<b>Government</b>			Gender Gap Index (2021)	0.6	0.7
Commitment to reducing inequality index (2020)	0.41	0.33	Female seats in Parliament (share of total seats, 2021)	23.8	23.4
Government spending on social safety net programs (percent of GDP, 2018)	0.8	1.3			
Coverage of social safety net programs in poorest quintile (% population, 2011)	13.0	22.5	<b>Access to Finance</b>		
Government expenditure on education, total (% GDP, 2020)	5.9	4.2	Account at a financial institution (% age 15+, 2021)	39.5	45.6
Health expenditure, domestic general government (% of GDP, 2019)	1.9	1.7	Domestic credit to private sector (% GDP, 2020)	11.8	26.1
<b>Better than LICs Average</b>			<b>Worse than LICs Average</b>		
<b>Improvement since previous observation</b>			<b>Deterioration since previous observation</b>		

Sources: IMF World Economic Outlook, World Bank, World Economic Forum, International Labour Organization, Transparency International, UNDP, Oxfam International.

1 / Indicators use official sources and surveys to summarize perceptions of the quality of governance and business environments.

**Table 9. Tajikistan: Sustainable Development Goals, 2005–Latest**

	2005	2010	2015	2020	Latest
<b>Zero Hunger</b>					
Prevalence of undernourishment (percent of population)	37.6	26.8	16.3	9.3	9.3
<b>Good Health and Well-Being</b>					
Maternal mortality ratio (modeled estimate, per 100,000 live births)	14	7	7	...	7
Mortality rate, under-5 (per 1,000 live births)	56	43	38	32.4	30
Incidence of tuberculosis (per 100,000 people)	196	128	86	79	78
Immunization, measles (percent of children ages 12–23 months)	85	94	97	98	98
<b>Quality Education</b>					
Primary completion rate, total (percent of relevant age group)	99	101	92	...	90
Lower secondary completion rate, total (percent of relevant age group)	85	92	98	...	88
Literacy rate, adult total (percent of people ages 15 and above)	...	...	...	...	100
<b>Gender Equality</b>					
School enrollment, primary (gross), gender parity index (GPI)	0.97	0.98	0.99	...	0.99
School enrollment, secondary (gross), gender parity index (GPI)	0.84	0.87	...	...	0.87
School enrollment, tertiary (gross), gender parity index (GPI)	0.46	0.51	0.65	...	0.73
Proportion of seats held by women in national parliaments (percent)	17	19	19	24	27
<b>Clean Water and Sanitation</b>					
People using at least basic drinking water services (percent of population)	63	69	76	82	82
People using at least basic sanitation services (percent of population)	92	93	95	97	97
<b>Affordable and Clean Energy</b>					
Access to electricity (percent of population)	99	99	98	100	100
Renewable electricity output (percent of total electricity output)	99	100	98	...	98
<b>Decent Work and Economic Growth</b>					
Employment in agriculture (percent of total employment) (modeled ILO estimate)	55	52	48	45	44
Wage and salaried workers, total (percent of total employment) (modeled ILO estimate)	66	66	69	72	73
<b>Industry, Innovation, and Infrastructure</b>					
CO2 emissions (metric tons per capita)	0.36	0.32	0.58	1.0	0.98
Researchers in R&D (per million people)	...	...	...	...	...
<b>Sustainable Cities and Communities</b>					
PM2.5 air pollution, mean annual exposure (micrograms per cubic meter)	33	35	39	...	38
<b>Responsible Consumption and Production</b>					
Total natural resources rents (percent of GDP)	1	2	2	5	9
<b>Life on Land</b>					
Forest area (percent of land area)	2.9	2.9	3	3	3
<b>Technology</b>					
Individuals using the Internet (percent of population)	0	12	19	...	22

Source: The World Bank

**Table 10. Tajikistan: Schedule of Reviews Under the Policy Coordination Instrument, 2024–2025**

Program Review	Test date	Review date
Board discussion of PCI request		February 2024
First Review	June 30, 2024	September 30, 2024
Second Review	December 31, 2024	March 31, 2025
Third Review	June 30, 2025	September 30, 2025

**Table 11. Tajikistan: Quantitative Targets Under the PCI, 2024–2025**  
(TJS; million unless otherwise indicated)

	end-Jun 2024			end-Dec 2024			end-Jun 2025		
	Prog.	Actual	Status	Prog.	Actual	Status	Prog.	Actual	Status
<b>I. Quantitative targets (QT)</b>									
1. Floor on NBT stock of net international reserves (USD mn) <sup>1/</sup>	2500	3361	Met	2700	3536	Met	3000	3432	Met
2. Ceiling on gross credit to general government from NBT	4021	4028	Not met <sup>6/</sup>	3808	3808	Met	3595	3595	Met
3. Ceiling on the stock of reserve money	41000	40500	Met	46500	46068	Met	52000	49918	Met
4. Ceiling on general government overall fiscal deficit <sup>2/</sup>	2400	185	Met	3655	-423	Met	2790	-1737	Met
5. Floor on general government expenditure on targeted social assistance <sup>2/</sup>	122	122	Met	244	267	Met	144	112	Not met
6. Ceiling on the disbursements of external debt (USD mn) <sup>2/ 3/</sup>	510	76	Met	510	167	Met	650	74	Met
<b>II. Continuous targets <sup>2/</sup></b>									
7. Ceiling on increase in external general government arrears	0	0	Met	0	0	Met	0	0	Met
8. Ceiling on new non-concessional external debt contracted or guaranteed by the central government (USD mn) <sup>4/</sup>	0	60	Met	0	0	Met	0	0	Met
9. Ceiling on Barki Tojik's new arrears to the private sector	550	712	Not met	550	1102	Not met	500	-149	Met
<b>III. Memorandum items</b>									
Issuance of domestic debt at positive real rates	100	280		300	580		300	410	
Collection rate of electricity distribution company (STB), overall (in percent)		89.1 <sup>7/</sup>		...	91.2		...	90.2 <sup>8/</sup>	
Collection rate of electricity distribution company (STB), SOEs (in percent)		...		...	...		...	...	
Overall fiscal and quasi-fiscal deficit (including BT arrears)	2950	897		4205	679		...	-1886	
Non-concessional borrowing exception on newly contracted external Rogun-related loans (USD mn)	1800	0		1800	462		2120	462	
<b>IV. Standard continuous targets</b>									
Not to impose or intensify restrictions on the making of payments and transfers for current international transactions.			Met			Met		Met	Met
Not to introduce or modify multiple currency practices.			Met			Met		Met	Met
Not to conclude bilateral payment agreements which are inconsistent with Article VIII.			Met			Met		Met	Met
Not to impose or intensify import restrictions for balance of payment reasons.			Met			Met		Met	Met
Program exchange rate (TJS/US dollar) <sup>5/</sup>	10.95			10.95			10.95		10.95
Program gold price per ounce (US dollars) <sup>5/</sup>	2029			2029			2029		2029

<sup>1/</sup> Net international reserves exclude FX liabilities to non-residents, IMF, the government and commercial banks.

<sup>2/</sup> Cumulative, from the beginning of the year.

<sup>3/</sup> Given the country's capacity constraints related to the recording and calculations of grant elements and present values of external debt, these figures are being presented and monitored in nominal terms and are inclusive of all disbursements of debt contracted for Rogun HPP. Planned Fund TA will aim to improve the recording and reporting of public debt.

<sup>4/</sup> A zero NCB limit with exceptions applying exclusively to new non-concessional debt contracted for the Rogun HPP, which is capped at US\$1800mn for June and Dec. 2024 and US\$ 2120 for June 2025 (cumulative since the start of the program). This figure is expected to fully cover the total estimated NCB disbursements as per the latest WB estimates including a buffer for potential cost overruns.

<sup>5/</sup> Closing price as of January 23, 2024 according to Bloomberg which will be fixed throughout the program period.

<sup>6/</sup> The QT on repayment of outstanding debt to NBT was missed by a small amount (7 million somoni) at the end of June, but was met on July 4th.

<sup>7/</sup> For January-August 2024.

<sup>8/</sup> For January-September 2025.

Table 12. Tajikistan: Reform Targets Under the PCI, 2024-2025

Policy Objective	Reform Target	Date	Responsibility	Status
Strengthen NBT's independence and governance	Government approval of the amendments to the NBT Law recommended by the 2021 Safeguards Assessment.	Prior action	NBT	Met
<b>A. Fiscal sector</b>				
1. Enhance domestic revenue mobilization	Publish a report quantifying revenue losses from tax exemptions/incentives.	end-September 2024	MOF	Met
2. Enhance domestic revenue mobilization	Expand the mandate of the PFM committee to include developing a Medium-Term Revenue Program (MTRP) and overseeing implementation.	end-March 2024	MOF	Met
3. Enhance domestic revenue mobilization	Approve an MTRP, including a time-bound action plan for implementation based on identified exemptions.	end-October 2024	MOF	Met
4. Improve fiscal transparency	Publish quarterly budget data for 2022 and 2023 in line with <i>GFSM2014</i> , including a breakdown of mining-related revenues and transfers to SOEs.	end-November 2024	MOF	Met
5. Development of domestic debt market	Prepare an updated Debt Management Strategy for the period 2024-2026, including a plan for expanding domestic issuance and managing government obligations.	end-May 2024	MOF	Met
6. Development of domestic debt market	Begin market-based issuance of government securities at positive real rates (according to amounts specified in Table on Quantitative Targets).	end-June 2024	MOF	Met
7. Enhance domestic revenue mobilization	Prepare and adopt a medium-term time-bound action plan to streamline tax exemptions and customs preferences beginning in 2025 based on tax expenditure analysis conducted with support from Fund TA.	end-November 2025	MOF	Met
<b>B. Monetary sector</b>				
8. Strengthen monetary policy transmission	Adopt amendments to the active NBT instruction #244 "On required reserves of credit institutions" to introduce the required reserve averaging mechanism in line with Fund TA recommendations.	end-May 2025	NBT	Met
9. Improve the functioning of the FX market and enhance exchange rate flexibility	Develop improved mechanism to execute government and other public sector foreign exchange transactions to better reflect prevailing market rates. This mechanism will ensure that transactions are carried out at the valid official rate during the same day or at the prevailing market rate, with the intention of transactions being carried out in	end-May 2024	NBT	Met

**Table 12. Tajikistan: Reform Targets Under the PCI, 2024-2025 (Continued)**

	the first half of the business day. In the event when a transaction request at an official rate violates the one-day delay limitation, the applicable official rate will be the official rate that is valid on the day the transaction is executed.			
10. Improve the functioning of the FX market and enhance exchange rate flexibility	Introduce price-based auctions for NBT FX interventions. To limit incentives for excessive overbidding or underbidding, the sales price of the auction will be calculated as follows: the price for those bids below a weighted average price of the bids will be a weighted average price of all bids; the price of those bids above weighted average price of all bids will be actual price of the bid.	end-December 2024	NBT	Unmet <sup>1</sup>
11. Improve the functioning of the FX market and enhance exchange rate flexibility	Stop conducting ruble auctions of NPCR transfers and instead transmit all the amounts of the transfer in the respective currency to the bank executing the transfer.	end-April 2024	NBT	Met
<b>C. Financial sector</b>				
12. Improve governance and transparency	Issue an NBT regulation defining the mechanism of usage of ultimate beneficial ownership information in the banking supervision process.	end-April 2025	NBT	Met
13. Strengthen macroprudential oversight	Approve a plan for phasing in new macroprudential tools (including debt service to income (DSTI), loan to value (LTV) and credit to stable funding (CSFR) ratios) and countercyclical capital buffer (CCB) based on 2022 FSSR.	end-June 2025	NBT	Met
14. Enhance banking supervision	Approve an NBT regulation introducing liquidity stress tests.	end-June 2025	NBT	Met
<b>D. Structural</b>				
15. Improve governance and transparency of SOEs	Include all companies with a minimum of 20 percent state ownership in: (i) the list of SOEs monitored by the Ministry of Finance; and (ii) the 2023 Statement of Fiscal Risks. Require SOEs monitored by the MOF to provide detailed expense reports to the SOEMD monthly.	end-April 2024	MOF	Met
16. Improve governance and transparency of SOEs	Complete a report assessing the financial viability of OJSC Tajik Air based on Fund TA and providing a timebound action plan for addressing its financial losses.	end-May 2025	MOF/Civil Aviation Agency	Met

**Table 12. Tajikistan: Reform Targets Under the PCI, 2024-2025 (Continued)**

17. Improve governance and transparency of SOEs	Publish an updated list of SOE and joint stock companies with state shareholding of at least 10 percent, specifying sector and legal basis; and complete a sectorization exercise for the 27 large SOEs monitored by the SOEMD to distinguish SOEs that are part of public sector from those that are general government entities.	end-June 2025	MOF/State Committee on Investment and State Property Management	Met
18. Improve governance and transparency of SOEs	Based on the revised SOE Law and following international standards and best practice, enact regulations that ensure all supervisory board appointments are done through transparent and competitive procedures with clear fit and proper criteria and set out rules for determining their remunerations and evaluating their performance, and establish supervisory boards in the 27 large SOEs currently monitored by the SOEMD in line with those procedures.	end-December 2024	MOF	Met
19. Improve governance and transparency of SOEs	Include all companies with a minimum of 20 percent state ownership in the 2024 Statement of Fiscal Risks.	end-May 2025	MOF	Met
20. Anti-corruption	Enact legislation strengthening the asset declaration regime to ensure that (i) the elected members of the National Assembly, judges and justices of all high courts, all high level officials of the executive and the government, as defined in the Constitution, and the procurator general and his subordinates, are obliged to file with their asset declarations additional information regarding disclosure of interests (including financial, contractual and corporate) and assets beneficially owned, (ii) asset declarations of high-level officials are publicly available and accessible online, except confidential data for personal and family safety and privacy reasons (e.g. account numbers, personal identification numbers), and (iii) a dissuasive sanctions regime is put in place to prevent noncompliance, including filing of inaccurate information by public officials.	end-November 2025	MOF/Civil Service Agency	Unmet <sup>2</sup>

**Table 12. Tajikistan: Reform Targets Under the PCI, 2024-2025 (Concluded)**

21. Transparency of beneficial ownership information	Amend the Law on State Registration of Legal Persons to align with the definition of beneficial ownership in the new requirements of the AML/CFT international standard (FATF Recommendation 24), with respect to (i) the definition of beneficial owner, (ii) strengthening verification and sanctioning powers of the Unified State Registry, (iii) providing access to beneficial ownership information to competent authorities (supervisory, financial intelligence unit, law enforcement and procurement authorities), and AML reporting institutions.	end-December 2024	MOF/Tax Committee	Met
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<sup>1</sup> The draft regulation was prepared by the NBT in October 2024 and then finalized in December 2024 to allow additional time to consult with the Fund and incorporate Fund recommendations. The document was formally approved by the NBT Board in January 2025.

<sup>2</sup> The government finalized amendments to the law on combating corruption for submission to Parliament introducing sanctions for noncompliance and expanding the scope to include the disclosure of interests and beneficial ownership in line with the reform target. However, online publication of asset declarations was not included in the amendments as it requires further capacity development and consensus building.



## Annex I. Risk Assessment Matrix

Risk 1/	Description	Likelihood / Timeframe	Possible Impact (if realized) / Transmission Channels	Policy Advice
<b>External Risks and Spillovers</b>				
<b>Geopolitical Tensions.</b>	Intensification of conflicts, coupled with the weakening of multilateralism, may trigger commodity price volatility, increase migration pressures, reignite inflation, and weigh on growth by undermining confidence, investment, tourism, trade, and supply chains.	<b>High</b>  <b>Short-Term</b>	<b>High</b>  Tajikistan is vulnerable to direct and indirect spillovers from the war in Ukraine given its close economic linkages with Russia and Ukraine. Confidence in economic prospects will be reduced. Adverse impact on fiscal and external positions and economic growth.	Strengthen policy frameworks, improve revenue mobilization, and reprioritize spending to preserve fiscal and debt sustainability.  Use the exchange rate as a shock absorber while smoothing excess volatility.  Diversify trade and financial linkages over the medium term to limit impact of sanctions on domestic economy.
<b>Commodity Price Volatility.</b>	Shifts in supply and demand—driven by geopolitical tensions and conflicts, OPEC+ actions, or the green transition—may fuel commodity price swings, intensifying external and fiscal pressures, social unrest, and macroeconomic instability.	<b>High</b>  <b>Short-Term</b>	<b>High</b>  Tajikistan depends heavily on commodity revenue and oil imports and commodity price volatility would adversely affect its external and fiscal positions and growth prospects.	Strengthen revenue mobilization, reduce nonpriority spending, and mobilize donor support to safeguard debt sustainability. Provide targeted assistance to the vulnerable. Allow greater exchange rate flexibility to facilitate the external adjustment. Tighten monetary policy if there is a risk of de-anchoring of inflation expectations.
<b>Decline in International Aid.</b>	A further sharp reduction in international financial assistance, including development aid and humanitarian support, could severely affect low-income and fragile countries. Such an additional aid withdrawal would strain public finances, worsen	<b>High</b>  <b>Medium-Term</b>	<b>Medium</b>  Adverse impact on fiscal and external positions due to higher cost of development financing and shrinking development aid. This would delay capital and social project implementation, slowing economic growth and increasing poverty.	Reprioritize expenditure and maintain fiscal prudence.  Provide targeted social assistance to the vulnerable.  Allow greater exchange rate flexibility to facilitate external adjustment.

Risk 1/	Description	Likelihood / Timeframe	Possible Impact (if realized) / Transmission Channels	Policy Advice
	current accounts, increase debt vulnerabilities, and lead to a further deterioration in living conditions and food security.			
<b>Climate Change.</b>	Extreme climate events and rising temperatures could cause loss of life, damage to infrastructure, food insecurity, supply disruptions, and heighten economic and financial instability.	<b>Medium</b> <b>Medium-Term</b>	<b>Medium</b>  Tajikistan is susceptible to climate risks, especially risks of natural disasters (flooding, landslides).  The agriculture sector—the main employer and key driver of recent growth—is especially exposed to climate-related risks.  The energy sector—highly dependent on hydropower—is increasingly exposed to climate risks from glacier melt and changing runoff patterns.	Advance the National Climate Change Adaptation Strategy and Green Development Strategy to increase resilience to climate change, especially in the agriculture sector, and facilitate the greening of key economic sectors. Ramp up multilateral support for climate financing
<b>Domestic Risks</b>				
<b>Fiscal Slippages and a Rise in Debt.</b>	Existing tax exemptions result in lower tax revenues.  Quasi-fiscal activities, poor SOE fiscal controls, and Rogun-related spending pressures result in higher expenditures.	<b>Medium</b> <b>Medium-Term</b>	<b>High</b>  The revenue losses coupled with increased spending demands would result in higher deficits and a need for more budgetary financing.  Higher debt service could squeeze out critical social and development spending. Alternatively, fiscal consolidation could slow, raising concerns about debt sustainability.	Additional revenue and expenditure measures to ensure deficits are consistent with the deficit target and a declining medium-term debt path.  Strengthen fiscal frameworks and transparency, implement structural fiscal reforms.  Progress on SOE reforms to raise efficiency and governance.

<b>Risk 1/</b>	<b>Description</b>	<b>Likelihood / Timeframe</b>	<b>Possible Impact (if realized) / Transmission Channels</b>	<b>Policy Advice</b>
<b>Financial Sector Risks Materialize.</b>	A significant slowdown in remittances could cause asset quality to deteriorate, weakening banking sector soundness. Sanctions on banks may trigger a temporary slowdown of inflows.	<b>Medium</b>  <b>Medium-Term</b>	<b>High</b>  NPLs may rise, reducing bank profitability and raising solvency concerns.  With a large SOE sector, contingent fiscal liabilities could increase.	Strengthen accounting, reporting, and provisioning standards.  Improve risk-based supervision and macroprudential analysis.  Increase oversight of banks through on-site and off-site supervision, develop scenario analysis, and effectively use stress tests and contingency plans.  Carefully monitor lending standards, including the migration to NPL from the new loan portfolio.
<b>SOE Reforms are Delayed or Poorly Implemented.</b>	SOE performance continues to be weak and governance reforms are delayed.	<b>High</b>  <b>Short-Term</b>	<b>Medium</b>  A reform slowdown could result in lower investment and productivity and slower growth.  Popular frustration could grow.	Stress the need for SOE reform and market liberalization.  Focus on the highest priority reforms (SOE and banking sector governance, and improvements to the social protection system and business environment).

1/ The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path (the scenario most likely to materialize in the view of IMF staff). The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. "Short term" and "medium term" are meant to indicate that the risk could materialize within one year and three years, respectively.

## Appendix I. Program Statement

Ms. Kristalina Georgieva  
 Managing Director  
 International Monetary Fund  
 Washington, D.C. 20431  
 U.S.A.

Dushanbe, November 28, 2025

Dear Ms. Georgieva:

Tajikistan's economic performance remains favorable, with strong growth and low inflation, reflecting our commitment to sound macroeconomic policies. Real GDP increased 8.2 percent during the first three quarters of 2025, a continuation of the strong growth achieved over the past four years which consistently exceeded 8 percent. The external position remains strong, with international reserves above 7 months of import coverage as of end- September 2025. Monetary policy has been effective in maintaining inflation well below the NBT's target of 5 percent, while the fiscal deficit remained well within the program target of 2.5 percent of GDP in the first half 2025, anchoring a further reduction in public debt.

Program implementation for the third and final review under the Policy Coordination Instrument (PCI) remains on track. The QTs for net international reserves, reserve money, credit to government from the NBT, and the fiscal balance were all met comfortably. However, the QT on the increase in the allocations within the Targeted Social Assistance Program was missed by a small margin due to ongoing revision of the formula and eligibility criteria aimed at improving the targeting of vulnerable groups. The continuous target on the increase in the arrears of Barki Tojik to private counterparties, which had been missed in the past two reviews, was successfully achieved, with arrears even declining by approximately 150 million TJS. All other standard continuous targets were observed.

The reform targets for the third review were largely implemented. To enhance revenue mobilization and advance implementation of the Medium-Term Revenue Strategy, we adopted a medium-term action plan aimed at rationalizing tax exemptions and customs preferences, informed by an updated tax expenditure analysis prepared with Fund technical assistance. To strengthen macroprudential oversight, the NBT approved a plan for the gradual introduction of new macroprudential instruments and countercyclical capital buffers (CCB). To further enhance systemic risk analysis, the NBT also adopted a regulation introducing liquidity stress testing. In support of improved governance and transparency of state-owned enterprises (SOEs), we published an updated list of SOEs and joint-stock companies with state shareholdings of at least 10 percent and completed a sectorization exercise for the 27 large SOEs monitored by the SOEMD to distinguish entities within the public sector from those classified as general government.

Moreover, we have taken major steps to strengthen the asset declaration (AD) regime through introducing amendments to the existing law on combating corruption, as per the reform target. The

amendments introduced sanctions for noncompliance and expanded coverage of persons and assets in line with the reform target. The publication of declarations requires further capacity development and consensus-building. To this end, we are committed to continuing to work with the IMF and request technical assistance to strengthen the asset declaration regime.

Completing the Rogun Hydropower Project (HPP) remains a key national development objective. The construction of the dam is progressing as planned and electricity generation from the plant is increasing. We are making progress in implementing the remaining effectiveness conditions to release the first phase of the World Bank's financial support for the Rogun HPP, and we signed a new Rogun-related financing arrangements with the Qatari Fund for Development, following other agreements we signed in 2024 with the Islamic Development Bank, the Saudi Fund for Development, OPEC, the Kuwait Fund for Development and Abu Dhabi Fund for Development. We remain committed to keeping the overall Rogun financing package on concessional terms to ensure that public debt remains firmly on a downward path. We expect that steadfast program implementation will help catalyze additional development funding for priority social and infrastructure projects to foster sustainable and more inclusive growth.

The Program Statement attached to this letter details the macroeconomic policies and structural reforms that we will be implemented to achieve the objectives of the IMF-supported program. This includes measures to further strengthen the resilience of our economy under the three pillars of the PCI: (i) improve fiscal resilience, (ii) modernize monetary, exchange rate and financial sector policies, and (iii) promote governance and transparency to foster sustainable and more inclusive growth. Program implementation was monitored through QTs and RTs, as detailed in the attached Technical Memorandum of Understanding (TMU).

We remain committed to providing timely information needed to monitor economic developments and program implementation.

In line with our commitment to transparency, we agree to the publication of this Letter of Intent, the attached Program Statement and Technical Memorandum of Understanding, and the IMF staff report on the third review following approval by the IMF Executive Board.

Sincerely yours,

/s/

Faiziddin Qahhorzoda  
Minister  
Ministry of Finance of Tajikistan

/s/

Firdavs Tolibzoda  
Chairman  
National Bank of Tajikistan

Attachments: Program Statement  
Technical Memorandum of Understanding

## Attachment I. Program Statement

**1. In February 2024, the IMF Executive Board approved Tajikistan’s request for a program under the Policy Coordination Instrument (PCI).** This nonfinancial instrument aims to anchor Tajikistan’s macroeconomic policies and support the government’s reform efforts. The IMF program has garnered broad-based domestic political support and has been received positively by multilateral and bilateral development partners and private investors. The program by boosting reforms is expected to continue to catalyze multilateral and bilateral financing for priority social and infrastructure projects.

**2. The PCI has helped advance the government’s structural reform agenda.** We have made progress, with assistance from the IMF, in a wide range of areas, including the adoption of an updated Medium-Term Revenue Plan (MTRP) for 2024-2026, Medium-term action plan to streamline tax exemptions and customs preferences and Debt Management Strategy (DMS), the development of a domestic government securities market, improvements in the monitoring of state-owned enterprises (SOEs), coverage of targeted social assistance, banking supervision, functioning of foreign exchange markets, and strengthening of the asset declaration regime.

**3. This is the third and final review under the Policy Coordination Instrument (PCI), which expires at the end of 2025.** The PCI aimed to support macroeconomic stability and foster diversified and more inclusive growth, focused on three main pillars : (i) increase fiscal resilience through improved revenue mobilization, spending efficiency and oversight of state-owned enterprises (SOEs); (ii) modernize monetary, exchange rate and financial sector policy frameworks to enhance resilience to external shocks; and (iii) enhance governance and transparency in the SOE sector and more broadly to foster sustainable and more inclusive growth.

## Recent Economic Developments

**4. The economy continues to achieve strong broad-based growth, supported by the government’s economic reform program.** We achieved real GDP growth of 8.2 percent year-on-year in the first three quarters of 2025, following an 8.4 percent increase in 2024. This strong performance was driven by continued expansion in the mining sector, supported by rising gold prices and increased demand for rare earth metals. Steady growth in construction, services, and agriculture has also contributed to growth, underpinned by robust public investment and strong household consumption.

**5. Inflation remains well contained below the NBT’s target range.** Twelve-month inflation slowed to 2.8 percent in September 2025 from 3.6 percent in December 2024, as somoni appreciation contributed to stable prices for key imported commodities such as food and fuel. The NBT lowered inflation target from 6 to 5 percent ( $\pm 2$  percent) in 2025, to reflect lower inflation expectations as inflation has remained well-anchored in this range for the past several years. The policy rate has been lowered by a cumulative 150 basis points in four steps during 2025 to 7.5 percent, most recently by 25 basis points in October, as inflation remains close to the lower

bound of the target range. Although the real policy rate is still relatively high at about 4.7 percent (based on realized inflation), a cautious monetary policy stance is warranted in the context of potential upward demand pressure on inflation from strong credit growth and continued large financial inflows.

**6. The current account remains strong in Q2 2025.** Tajikistan continued to record a current account surplus, supported by strong financial inflows which more than offset higher imports. Remittances have remained well above pre-2022 levels, in line with developments in the Central Asia region, reflecting strong demand for migrant labor in host countries. The strong external position resulted in somoni appreciation of 15.1 percent against the dollar during January-October. The NBT's FX purchases and monetization of gold purchased from domestic producers, together with higher gold prices, have contributed to a further increase in FX reserves to \$5.5 billion in September 2025 from \$4.4 billion at end-2024, about 7 months of import coverage.

**7. Fiscal performance remains anchored within program targets.** We expect the fiscal deficit for 2025 to remain within the program target of 2.5 percent of GDP with the possibility of a small surplus depending on the pace of execution and external disbursements. We increased tax revenues by 28 percent year-on-year during the first three quarters of 2025, driven by strong domestic consumption that contributed to a 35 percent rise in VAT receipts, alongside robust growth in personal and corporate income taxes. This favorable tax performance reflects our efforts to improve tax administration through digitalization and the rollback of certain tax incentives. On the expenditure side, capital spending was lower than planned but is expected to accelerate in the second half of 2025 as disbursements for externally financed projects progress. Domestic issuance of government securities has continued to deepen in 2025, with maturities now extending up to five years. Investor demand has intensified, with gross issuance projected to reach approximately 900 million somoni. Tajikistan also achieved two key milestones this year: the issuance of its first five-year sovereign green bonds worth 200 million somoni, and the execution of three official secondary market transaction in government securities—marking significant progress in domestic financial market development.

**8. Reserve money growth has moderated as the NBT stepped up with larger scale of sterilization effort and slowed FX market intervention.** The reserve money growth moderated to 17 percent (y/y) in September 2025 from 27 percent in December as the NBT increased liquidity absorption, helping to offset liquidity injections from the NBT's purchases of FX and gold from domestic producers in local currency, and slowed its intervention in the foreign exchange market. The interest rates on NBT Certificates of Deposits (CD) have become more closely aligned with the NBT refinancing rate.

**9. The financial sector is stable amid strong lending pace to households in 2025.** NPL ratio in the banking system declined to 6.7 percent in September, with NPLs fully provisioned, reflecting continued clean-up of balance sheets through write-offs of legacy NPLs. Capital adequacy increased to 23.8 percent, well above international standards, liquidity remains robust, exceeding prudential norms, and profitability surged, with ROE at 33.2 percent and ROA at 6.1 percent. FX risk exposure rose moderately to 2 percent, but dollarization declined, reducing overall currency risk. Additional

indicators show stronger solvency, reduced concentration risk, and solid deposit funding, though increased reliance on trading income introduces potential earnings volatility. Outstanding loans of the banking system increased by 18.7 percent (y/y) in September 2025, boosted by a continued expansion of banks' deposit base and fast-growing digital retail lending products. Household loans increased 34 percent (y/y) in July indicating third consecutive year of strong growth, following increases of 35 percent in 2024 and 39 percent in 2023, increasing the share of household loans to 70 percent of total bank loans outstanding, compared to 55 percent at the end of 2022. This also reflects a slight change in the banking system structure due to the expansion in the number of banks—rising to 18—following the successful transformation of two microfinance institutions. In October, the Council of the European Union (EU) included three Tajik banks in its 19th sanctions package, banning them from entering into transactions with EU persons or entities. While we are engaging with the EU to better understand the activities that are being sanctioned, the scope of the sanctions and the implications for the sanctioned banks, these sanctions have heightened risks to financial stability and underscore the need for enhanced vigilance and oversight.

## Outlook and Risks

**10. Tajikistan's economic outlook is favorable notwithstanding the challenging external environment.** Real GDP growth is expected to reach 8 percent in 2025, supported by strong domestic demand, including public and private investment. Twelve-month inflation is projected at 3.5 percent at the end of 2025, remaining close to lower bound of the NBT's target range, as inflation expectations remain well-anchored. The current account is expected to record a large surplus of 9 percent of GDP this year, and narrow gradually and shift to a small deficit over the medium-term as financial inflows begin to normalize. FX reserves are, however, projected to remain at comfortable levels. Over the medium term, the structural reforms under the program are expected to lift potential growth by 1 percentage points to 5 percent and keep inflation anchored within the NBT's target range.

**11. Risks to the outlook are tilted to the downside.** The outlook remains vulnerable to less favorable external conditions, which could lead to a more pronounced slowdown in remittances. A sharp decline in these financial inflows would weigh on economic growth, fiscal performance, and banking sector stability. In addition, more frequent natural disasters and heightened security risks could further strain budgetary resources. On the upside, sustained strength in gold prices would support external buffers, while growing global demand for rare earth metals could help attract foreign direct investment in the mining sector.

## Performance Under The PCI

**12. Our program implementation under the PCI remains broadly on track.** All quantitative targets for end-June 2025 were met, except for the quantitative target on the increase in the allocations within the Targeted Social Assistance (TSA) Program which was missed by a small margin. The TSA reform remains ongoing, as we continue refining the formula and eligibility criteria. To strengthen the program's effectiveness, we have adopted a new proxy means test (PMT) formula to



better identify beneficiaries' welfare and introduced a new approach for determining TSA benefit amounts. Under this approach, benefits are higher in size and calculated on a per-child basis for children under 16 years old. The integration of this new formula and benefit structure has required significant administrative and technical adjustments, which impacted absorption capacity at the time of the target review. However, these reforms lay a strong foundation for further expansion and sustained increases in TSA allocations going forward, ensuring better targeting and more meaningful support for vulnerable households.

### **13. The reform targets for the third review were broadly implemented.**

- To enhance revenue mobilization and advance implementation of the Medium-Term Revenue Strategy, we adopted a medium-term action plan aimed at rationalizing tax exemptions and customs preferences, informed by an updated tax expenditure analysis prepared with Fund technical assistance.
- To strengthen macroprudential oversight, the NBT approved a plan for the gradual introduction of new macroprudential instruments and countercyclical capital buffers (CCB).
- To further enhance systemic risk analysis, the NBT adopted a regulation introducing liquidity stress testing.
- In support of improved governance and transparency of state-owned enterprises (SOEs), we published an updated list of SOEs and joint-stock companies with state shareholdings of at least 10 percent and completed a sectorization exercise for the 27 large SOEs monitored by the SOEMD to distinguish entities within the public sector from those classified as general government.
- We have taken significant steps to strengthen the asset declaration (AD) regime by introducing amendments to the existing law on combating corruption, in line with the reform target. These amendments introduced sanctions for noncompliance and broadened the scope to include the disclosure of interests and beneficial ownership of assets. However, the publication of asset declarations could not be implemented at this stage, as it requires further capacity development and dialogue to build consensus—an outcome that was not feasible following the provision of technical assistance and the receipt of the related report in June this year. Nonetheless, we consider the adopted amendments a substantial advancement, laying the groundwork for a phased and carefully sequenced implementation of the reform consistent with institutional capacity and aligned with similar developments in the region. To this end, we will continue to strengthen the AD regime supported by technical assistance from the IMF.

## **Policies Under the PCI**

**14. Our program aims to maintain macroeconomic stability and strengthen policy frameworks while advancing governance reforms to foster more inclusive growth.** The outlook

remains subject to risks from a less favorable external environment in the context of considerable regional and global uncertainty, while fiscal space is constrained by the need to balance sizeable Rogun expenditures with significant socio-economic needs. Reform priorities under the PCI are organized around three main pillars: (i) strengthening fiscal resilience to create space for priority social and development spending; (ii) modernizing the monetary, exchange rate, and financial sector policy frameworks; and (iii) advancing governance and transparency reforms to achieve more sustainable and inclusive growth. Program implementation is monitored through a combination of quantitative targets (QTs) and reform targets (RTs).

## **A. Pillar I. Improving Fiscal Resilience**

**15. We remained committed to steadfast implementation of fiscal targets to anchor medium-term debt sustainability.** We continued to pursue prudent fiscal policy anchored in QTs on the overall fiscal balance and external disbursements as well as continuous ceilings on the nominal value of non-concessional external borrowing, external government arrears, and Barki Tojik's overdue financial obligations toward the private sector. Importantly, we kept maintaining an annual fiscal deficit within the program target of 2.5 percent of GDP, keeping internal Rogun expenditures within a sustainable budget envelope, with an annual limit of 3-3.5 percent of GDP, and developing contingency plans to safeguard against downside risks to revenue. We continue to refrain from contracting non-concessional debt, except for loans related to the Rogun HPP in consultation with the IMF, which will remain within the program ceiling and only if alternative concessional financing is not available.

**16. Continued fiscal discipline is key to keeping public debt firmly on a downward path.** To reduce debt vulnerabilities, we have kept the fiscal deficit well below our medium-term anchor of 2.5 percent of GDP in the post-COVID period. Fiscal discipline, coupled with strong GDP growth and sizeable repayment of external debt, helped bring the public debt-to-GDP ratio to 25 percent at the end of 2024 from close to 52 percent at the end of 2020. Public debt has further decreased to 18 percent to GDP as of end-September 2025. External disbursements during the first three quarters of 2025 amounted to \$136.1 million, significantly below the program ceiling of \$510 million. Rogun loans were signed in 2024 with the OPEC Fund (\$25 million), the Islamic Development Bank (\$150 million), the Saudi Fund for Development (\$100 million), the Kuwait Fund (\$16.7 million), Asian Infrastructure Investment Bank (\$ 270 million), and the World Bank (\$350 million). In 2025 we signed a new loan agreement with the Qatar Fund for Development (\$50 million). (Table 1).

**17. We plan to use the policy space created under the program to enhance social protection of the most vulnerable to foster inclusive growth.** The government has adopted a new means testing formula, developed with World Bank support, to expand coverage of the poorest decile of the population from 38 to 63 percent. The formula has helped improve the targeting of eligible households and enhanced the quality of social assistance. We plan to further increase budget allocations for targeted social assistance in line with the floor agreed under the program (Table 1). To facilitate implementation, we will expand the social registry and integrate related information technology (IT) systems to better capture information on eligible applicants. Tax policy will focus on improving revenue mobilization to increase space for priority social and development

spending. We have prepared an updated MTRP for 2024–2026 and a timebound action plan that aims to raise total revenue, excluding grants, to 26 percent of GDP by 2026 through a combination of tax policy and tax administration measures (RT for the 1st Review). To anchor improved revenue mobilization, we are laying the groundwork for a comprehensive tax reform that aims to broaden the tax base by phasing out inefficient tax exemptions and refraining from granting new inefficient tax exemptions, except for the exemptions outlined in existing legislation. We have developed a concrete and timebound action plan to streamline inefficient tax exemptions and customs preferences based on the support provided by technical assistance from the IMF.

**18. Continued tax administration reforms will reinforce tax policy measures.** The Tax Administration Development Program for 2020–2025 has contributed to improved tax administration through increased inter-governmental efficiency, strengthened public financial management, and improved tax processes that reduce costs and simplify compliance through integrating modern technologies. With TA from the IMF, we have adopted a MTRP covering 2024–2029 that targets revenue growth and supports broader social and economic development objectives. It aims to increase total revenue from approximately 24 percent of GDP in 2023 (including non-tax revenues) to 29 percent by 2029. In line with recent Fund TA, we plan to introduce a targeted instalment scheme to clear collectible tax arrears, addressing tax debt outstanding for more than one year, and strengthen compliance risks management for large taxpayers and other at-risk taxpayer groups. To reduce the footprint of the cash-based economy, we have advanced digitalization, transitioning all government services to electronic payments and launching a large-scale roll-out of new generation cash registers and electronic labeling of excisable goods which have helped increase tax collection rates. Further tax administration reforms will be guided by the recently approved five-year IMF capacity development (CD) project covering tax policy, tax administration and customs and supported by a Fund resident advisor to the Tax Committee that has started in August 2025. We have completed a tax administration assessment using the Tax Administration Diagnostic Assessment Tool (TADAT) methodology with IMF support, to measure the progress in tax administration since the previous TADAT assessment (December 2019), set up new baseline, and further inform the reform priorities for the MTRP implementation.

**19. We plan to rationalize capital expenditures in line with the 2023 PIMA recommendations.** While the 2023 PIMA found Tajikistan’s public investment management framework to be overall sound, it also identified some issues in project appraisal and selection of internally financed projects. The additional C-PIMA module also stressed the need to integrate climate projects in an overarching institutional framework. We are committed to swift implementation of the PIMA recommendations to improve capital spending efficiency and align externally- and internally funded projects, including climate projects, in a single, comprehensive framework for project oversight and management with clear and enforceable appraisal guidelines and other actions as laid out in the April 2025 PIMA Road Map Action Plan. We have also requested follow-up C-PIMA technical assistance to ensure that all these measures—including project appraisal, selection, and integration of climate projects—are fully and effectively implemented.

**20. Deepening the domestic debt market is key to improving budget flexibility and diversifying sources of financing.** Developing a well-functioning local government securities market is key to improving budget flexibility while diversifying sources of financing to reduce reliance on external FX-denominated debt. In line with our updated DMS (RT for the 1st Review), we have launched issuance of government securities in accordance with the schedule in Table 1. The auctions have seen increased investor traction, with gross issuance in 2025 expected to increase to close to 900 million somoni, from 580 million somoni last year. To support DMS implementation, we have developed a plan to manage government obligations, including repayments of the 2017 Eurobond (\$500 million) during 2025–2027, which will be financed through a combination of budgetary resources, drawdowns of government deposits, and issuance of new domestic debt. The second semi-annual installment of the Eurobond repayment was completed in September 2025, bringing the total repayments this year to \$199.3 —comprising \$166.7 million in principal and \$32.7 million in interest.

**21. Improving the financial performance of the electricity sector is critical to reduce fiscal risks and ensure the long-term financial viability of the Rogun project.** During the first half of 2025, we reduced Barki Tojik’s total arrears to suppliers and private creditors by 0.1 percent of GDP, which was well below the program target for June. This improved performance reflected our agreement to lower the price at which Barki Tojik purchases electricity from independent suppliers starting in 2025, as well as our enforcement of stricter penalties for electricity theft. We have also continued to advance the roll-out of smart metering to help reduce commercial losses, and an additional tariff increase of 15 percent took effect in April 2025 as part of our commitment to reach cost recovery by 2027. However, the collection rate from two large state-owned entities—which together account for about one-third of total electricity consumption—remained low and continued to undermine payment discipline in the electricity sector. To address this, we believe that establishing a fiscal backstop for nonpayment by SOEs would improve transparency around the implicit subsidies provided to these entities.

**22. The MOF will continue to improve fiscal reporting.** Quarterly fiscal statistics for 2022 and 2023 were published in line with GFSM2014 (RT for the 2nd Review) and we are preparing the statistics for 2024 with support from Fund TA. Given the importance of transparent disclosure of mining revenues and electricity sector losses, we will identify and report separately mining revenues and transfers to the SOE sector. We also plan to fully migrate to the GFSM2014 fiscal presentation by 2026.

**23. We will continue to enhance SOE monitoring.** The Fiscal Risk Management Strategy, drafted with Fund support, provides a roadmap to strengthen monitoring of SOEs and align their reporting and auditing practices with IFRS requirements. We remain committed to regular preparation, presentation to parliament and publication of SOEs’ Fiscal Risk Statements. Under the program, all companies with a minimum of 20 percent state ownership have been brought into the list of SOEs monitored by the MOF (RT for 1st Review) and into the 2024 Statement of Fiscal Risks (RT for the 2nd Review). With TA support from the Fund, we have also completed the sectorization exercise and published the list of sectorized entities on the MOF website.

**24. To further improve fiscal transparency, we published an updated list of SOEs and joint stock companies with state shareholding of at least 10 percent.** The list specifies the sector and legal basis and supported the completion of a sectorization exercise for the 27 largest SOEs to distinguish those that are part of public sector from those that are general government entities (RT for the 3rd Review). In addition, with assistance from a recent Fund TA, we have prepared a report assessing the financial viability of OJSC Tajik Air and developed a timebound action plan for addressing its financial losses (RT for the 2nd Review).

## **B. Pillar II. Modernizing Monetary, Exchange Rate and Financial Policy Frameworks**

**25. Monetary policy will continue to be calibrated to anchor inflation within the NBT's target range.** We have maintained a cautious approach to easing monetary conditions, despite subdued inflationary pressures, in order to mitigate upside risks stemming from strong credit growth and robust domestic demand. The policy rate has been reduced by a cumulative 150 basis points in four steps during 2025—by 25 basis points in February, by 50 basis points in both April and July, and by 25 basis points in October—bringing it to 7.5 percent. Although inflation remains close to the lower bound of the NBT's target range, the real policy rate remains relatively elevated at approximately 4.7 percent (based on realized inflation). Our monetary policy will continue to be data-driven and vigilant to potential upward pressure on inflation arising from sustained credit expansion and continued large financial inflows.

**26. In line with our commitment to price stability, we will continue to anchor monetary policy in the QTs agreed under the PCI.** Monetary policy under the program aims to maintain inflation within the NBT's target range of 5 ( $\pm 2$ ) percent through quantitative ceilings on growth in reserve money and the stock of gross NBT credit to the government. The latter will ensure a gradual reduction in outstanding government obligations towards the NBT. We will also continue to refrain from monetary financing of the fiscal deficit, in line with the amendments to the NBT Law approved in 2024. The quantitative target floor on net international reserves will support the quantitative reserve money ceiling and serve as our policy commitment to maintain adequate external buffers in the volatile external environment.

**27. Proactive liquidity management will remain critical for maintaining appropriate monetary conditions and enhancing the effectiveness of monetary policy transmission.** In 2025, increased sterilization operations by NBT have contributed to moderating reserve money growth, while NBT CDs' interest rates have become more closely aligned with the NBT's refinancing rate. Liquidity injections stemming from the NBT's purchases of gold from domestic producers in local currency, as well as foreign exchange acquisitions, should be fully sterilized. Ensuring that issuance volumes will be consistent with liquidity forecasting estimates and conducted through fixed-rate full allotment operations at the policy rate that would support the absorption of excess liquidity and strengthen policy transmission.

**28. We will continue to build capacity to gradually transition to an inflation targeting framework.** To strengthen monetary policy transmission, in April 2025 the NBT has adopted the new NBT instruction #262 on required reserves of credit institutions” replacing instruction #244 “to introduce the required reserves averaging mechanism recommended by Fund TA (RT for the 3rd Review). Work is also being carried out to automate the process of averaging required reserves and simplify monitoring to reduce operational risks.

**29. We intend to enhance exchange rate flexibility to manage financial inflows and build resilience against external shocks.** Greater exchange rate flexibility is vital to manage financial inflows and strengthen resilience to external shocks. The somoni appreciated by 15.1 percent by the end of October amid strong inflows while conducting FX buying interventions auction at the piloted mode with partial allotments. The NBT will continue to limit its FX operations only to avoid disorderly market conditions to facilitate development of the FX market and support greater exchange rate flexibility as a shock absorber. The NBT made a progress in improved exchange rate transparency, updated calculation procedures, and price-based auctions—to enhance market functioning and policy effectiveness. Modernizing the foreign exchange market also remains critical to improving monetary policy transmission.

**30. We have implemented several measures under the PCI to facilitate exchange rate flexibility and plan further measures in this direction.** The NBT has: (i) discontinued Russian ruble auctions of NPCR transfers and began transmitting all such transfers in the respective currency to banks executing the transfers (RT for the 1st Review)<sup>2</sup>, (ii) developed an improved mechanism for executing public sector FX transactions including to better reflect prevailing market rates (RT for the 1st Review); and (iii) introduced price-based auctions for FX interventions (RT for the 2nd Review). In addition, we have made FX quotes by FX market segments publicly available on the NBT’s website in continuous time and approved the new NBT Instruction #262 “On the procedure for determining and declaring the official ER of the national currency to foreign currencies” related to the activity of the Foreign Exchange Group to explicitly limit any corrections to the official exchange rate to exceptional circumstances and require any corrections with justification to be published in the publicly available record of group meetings. We also plan to strengthen the responsibilities of FX market participants to execute transactions for their clients in the FX market. Additionally, we will provide the IMF country team with all the information and data needed under the new MCP policy.

**31. Supervisory vigilance is key to increasing the financial system’s resilience to shocks.** In line with our commitments under the PCI and the 2023 FSSR, we will continue to enhance risk-based supervision and implement Basel III standards to ensure that banks maintain adequate capital for risks taken by banks and macroprudential buffers against potential risks from rapid credit growth and volatile financial inflows. To mitigate risks from exposures to related parties, we have issued an NBT regulation defining the mechanism of usage of ultimate beneficial ownership information in the banking supervision process (RT for the 2nd Review). To improve risk monitoring, we are building capacity to implement forward-looking stress tests, starting with liquidity stress tests, with support

<sup>2</sup> “Money transfers” refer to RUB inward remittances without opening a bank account.



from World Bank TA (RT for the 3rd Review). In addition, the NBT continues to facilitate the timely and transparent final resolution of AIB and TSB banks in line with the recommendations in the 2022 IMF Article IV report. To further improve the insurance sector in line with international best practice, we intend to empower the supervisory authority with development of its own regulatory framework.

**32. Robust macroprudential oversight and sound financial sector regulation are essential to mitigating external risks to financial stability.** While total bank lending remains modest at around 15 percent of GDP, the rapid growth in household credit calls for strengthened monitoring of lending standards and the adoption of macroprudential measures to contain systemic risks. Large financial inflows have supported deposit growth, but the volatile external environment and potential reversal of these inflows could challenge banking sector resilience. Close oversight of maturity mismatches and concentration risks on both funding and asset sides is critical. To address these vulnerabilities, the NBT has endorsed a three-year action plan phasing in new macroprudential toolkit, in particular, borrower-based measures, credit to stable funding ratio and countercyclical capital buffer (June 2025 RT) and forward-looking liquidity stress tests (June 2025 RT); timely introduction of these measures is essential to manage risks posed by strong credit growth.

**33. In light of the recent sanctions imposed on certain domestic banks, strengthening monitoring of the financial system is critical.** We will intensify reporting and oversight of the liquidity, capital, and compliance positions of affected banks, and enhance on-site inspections to ensure adherence to sanctions-related obligations. We will also develop contingency plans, expand stress testing to assess system-wide risks, and review correspondent relationships to anticipate possible disruptions. Strengthening both off-site and on-site supervision in line with international standards will be key to preserving financial stability and preventing spillover risks.

### C. Pillar III. Enhancing Governance and Transparency

**34. We have launched broad-based governance and transparency reforms to support sustainable and inclusive growth in line with the National Development Strategy.** The ultimate objective of our National Development Strategy for the period up to 2030 is to raise the standards of living of the population through sustainable economic development. Key priorities under the strategy include: (i) education; (ii) health care; (iii) employment; (iv) inequality; (v) combating corruption; (vi) food security and nutrition; (vii) good governance; (viii) social welfare; (ix) prevention of potential conflicts; and (x) energy security, environmental protection and management of demographic processes. To fulfil our development objectives, we are pressing ahead with reforms in key areas, including SOE monitoring and governance, AML-CFT standards, control of corruption and transparency of the extractive sector, financial inclusion, and resilience to climate change.

**35. Strengthening governance is a key element of our SOE strategy.** In addition to measures to strengthen SOE monitoring and oversight (see para 21-24), we have approved new rules to ensure that all SOE supervisory board appointments are done through transparent and competitive procedures with clear fit and proper criteria and established rules for determining their remuneration and evaluating their performance (RT for the 2<sup>nd</sup> review). Actual appointment of supervisory boards in the 27 largest SOEs based on the new rules was completed in June 2025. As

part of our engagement with the World Bank on the Rogun HPP, we have also conducted a review of procurement on the existing contracts for work already in progress and introduced measures to ensure compliance with international best practices going forward.

**36. We are committed to swift implementation of the new AML-CFT framework.** A new AML/CFT Law, drafted with Fund TA support and enacted in March 2023 has brought the AML-CFT framework in line with international best practices. We have also aligned the Law on State Registration of legal persons with the new requirements of the AML/CFT international standards (FATF Recommendation 24), with respect to (i) the definition of beneficial owner, (ii) strengthening verification and sanctioning powers of the Unified State Registry, (iii) providing access to beneficial ownership information to competent authorities (supervisory, financial intelligence unit, law enforcement and procurement authorities), and AML reporting institutions (RT for the 3rd Review).

**37. Strengthening control of corruption is key to fostering a more growth-friendly business environment.** Our National Anticorruption Strategy for 2021-2030 focuses on eradicating corruption across a number of areas, including public service, education and healthcare, taxes and customs, and public procurement. For the first phase of the strategy (2021-2025), we have developed an action plan with 22 actions and published annual progress reports on the status of completion. We have implemented almost all of the measures in the first phase of the National Anti-Corruption Strategy (covering 2021-2025). To date, 66 out of 70 measures under the first phase action plan have been completed, including reforms in public procurement processes, harmonizing national legislation and regulations, and transitioning state services from cash-based to non-cash transactions. The remaining four measures will be incorporated into the new action plan for the second phase (covering 2026-2030), which is expected to be approved by the end of the year. We also amended the legal provisions of the asset declaration (AD) regime, with technical assistance from the IMF, which helped strengthen AD regime by introducing sanctions for noncompliance and expanding coverage to include beneficial ownership. While the publication of declarations requires further consensus-building, the reforms mark a significant step toward phased implementation aligned with institutional capacity and regional practices.

**38. We will continue to improve governance and transparency in the extractive sector in line with international best practices.** The EITI second validation process noted that Tajikistan achieved meaningful progress in implementing the EITI Standard 2016, including development of an online mining cadaster, systematic disclosure of data about the extractive sector, and improvements in the dialogue between different stakeholders including civil society. The publication of the 4th National EITI report on Tajikistan for 2019-2021 has helped reinstate our EITI membership. A third validation process has been completed and the report covering 2023 – 2024 years has been published in June 2024. The June 2025 EITI validation report acknowledges Tajikistan's efforts to revitalize the EITI process and strengthen stakeholder engagement and identifies additional steps required to reach full EITI compliance, including: broadening stakeholder engagement, improving systematic data disclosure, clarifying the process for allocating licenses, advance sector transparency, and creating robust mechanisms to implement recommendations.



**39. Deepening financial inclusion is central to our efforts to support private sector development and foster inclusive growth.** We continue to advance the financial reforms envisaged under the National Financial Inclusion Strategy for 2022-2026 to remove barriers to accessing financial products and broaden the availability of financial services. Our key priorities are to strengthen digital infrastructure, diversify the financial services offered by banks, support innovative financial solutions that address the needs of small and medium-sized enterprises, including female-led businesses and improve financial literacy. As a first step, we have established the Coordination Council, Executive Committee and working groups on various aspects of the strategy. We will continue to bolster public trust in the financial system to support gains in financial intermediation through enhanced banking supervision, macroprudential oversight and financial safety nets.

**40. Building resilience to climate change is a key priority of our National Development Strategy.** Our Green Development Strategy for 2023-2037 is aimed at reducing Tajikistan's carbon footprint and expanding the green economy to promote domestic job creation and foster sustainable and inclusive growth. We plan to continue to develop Tajikistan's ample renewable energy potential to support the environmental sustainability of our industrial development strategy. We are also advancing our reform agenda under the National Strategy for Adaptation to Climate Change for 2020-2030 to strengthen the resilience of the economy to climate change and ensure adequate social protection of populations in disaster-prone areas.

### Program Monitoring

**41. The program is monitored through a combination of quantitative and reform targets.** Quantitative targets are set on the general government overall fiscal deficit and targeted social assistance, external loan disbursements, NBT's net international reserves and gross credit to general government and reserve money (Table 1). Continuous targets will set ceilings on new general government external payment arrears, new non-concessional external debt, and on Barki Tojik's new arrears to the private sector. Definitions of key concepts and indicators, and reporting requirements, are detailed in the accompanying TMU. Table 2 shows the reform targets for the three reviews and their status of implementation. Completion of the quantitative targets is assessed at each test date (Tables 1 and 3) and implementation of reform targets is evaluated as of the dates specified in Table 2.

**Table 1. Tajikistan: Quantitative Targets Under the PCI, 2024-2025**  
(In millions of TJS somoni unless otherwise indicated)

	end-Jun 2024			end-Dec 2024			end-Jun 2025		
	Prog.	Actual	Status	Prog.	Actual	Status	Prog.	Actual	Status
<b>I. Quantitative targets (QT)</b>									
1. Floor on NBT stock of net international reserves (USD mn) <sup>1/</sup>	2500	3361	Met	2700	3536	Met	3000	3432	Met
2. Ceiling on gross credit to general government from NBT	4021	4028	Not met <sup>4/</sup>	3808	3808	Met	3595	3595	Met
3. Ceiling on the stock of reserve money	41000	40500	Met	46500	46068	Met	52000	49918	Met
4. Ceiling on general government overall fiscal deficit <sup>2/</sup>	2400	185	Met	3655	-423	Met	2790	-1737	Met
5. Floor on general government expenditure on targeted social assistance <sup>2/</sup>	122	122	Met	244	267	Met	144	112	Not met
6. Ceiling on the disbursements of external debt (USD mn) <sup>2/ 3/</sup>	510	76	Met	510	167	Met	650	74	Met
<b>II. Continuous targets <sup>2/</sup></b>									
7. Ceiling on increase in external general government arrears	0	0	Met	0	0	Met	0	0	Met
8. Ceiling on new non-concessional external debt contracted or guaranteed by the central government (USD mn) <sup>4/</sup>	0	60	Met	0	0	Met	0	0	Met
9. Ceiling on Banki Tojik's new arrears to the private sector	550	712	Not met	550	1102	Not met	500	-149	Met
<b>III. Memorandum items</b>									
Issuance of domestic debt at positive real rates	100	280		300	580		300	410	
Collection rate of electricity distribution company (STB), overall (in percent)		89.1 <sup>7/</sup>		...	91.2		...	90.2 <sup>8/</sup>	
Collection rate of electricity distribution company (STB), SOEs (in percent)		...		...	...		...	...	
Overall fiscal and quasi-fiscal deficit (including BT arrears)	2950	897		4205	679		...	-1886	
Non-concessional borrowing exception on newly contracted external Rogun-related loans (USD mn)	1800	0		1800	462		2120	462	
<b>IV. Standard continuous targets</b>									
Not to impose or intensify restrictions on the making of payments and transfers for current international transactions.			Met			Met		Met	Met
Not to introduce or modify multiple currency practices.			Met			Met		Met	Met
Not to conclude bilateral payment agreements which are inconsistent with Article VIII.			Met			Met		Met	Met
Not to impose or intensify import restrictions for balance of payment reasons.			Met			Met		Met	Met
Program exchange rate (TJS/US dollar) <sup>5/</sup>	10.95			10.95			10.95		10.95
Program gold price per ounce (US dollars) <sup>5/</sup>	2029			2029			2029		2029

<sup>1/</sup> Net international reserves exclude FX liabilities to non-residents, IMF, the government and commercial banks.

<sup>2/</sup> Cumulative, from the beginning of the year.

<sup>3/</sup> Given the country's capacity constraints related to the recording and calculations of grant elements and present values of external debt, these figures are being presented and monitored in nominal terms and are inclusive of all disbursements of debt contracted for Rogun HPP. Planned Fund TA will aim to improve the recording and reporting of public debt.

<sup>4/</sup> A zero NCB limit with exceptions applying exclusively to new non-concessional debt contracted for the Rogun HPP, which is capped at US\$1800mn for June and Dec. 2024 and US\$ 2120 for June 2025 (cumulative since the start of the program). This figure is expected to fully cover the total estimated NCB disbursements as per the latest WB estimates including a buffer for potential cost overruns.

<sup>5/</sup> Closing price as of January 23, 2024 according to Bloomberg which will be fixed throughout the program period.

<sup>6/</sup> The QT on repayment of outstanding debt to NBT was missed by a small amount (7 million somoni) at the end of June, but was met on July 4th.

<sup>7/</sup> For January-August 2024.

<sup>8/</sup> For January-September 2025.

Table 2. Tajikistan: Reform Targets Under the PCI, 2024-2025

Policy Objective	Reform Target	Date	Responsibility	Status
Strengthen NBT's independence and governance	Government approval of the amendments to the NBT Law recommended by the 2021 Safeguards Assessment.	Prior action	NBT	Met
<b>A. Fiscal sector</b>				
1. Enhance domestic revenue mobilization	Publish a report quantifying revenue losses from tax exemptions/incentives.	end-September 2024	MOF	Met
2. Enhance domestic revenue mobilization	Expand the mandate of the PFM committee to include developing a Medium-Term Revenue Program (MTRP) and overseeing implementation.	end-March 2024	MOF	Met
3. Enhance domestic revenue mobilization	Approve an MTRP, including a time-bound action plan for implementation based on identified exemptions.	end-October 2024	MOF	Met
4. Improve fiscal transparency	Publish quarterly budget data for 2022 and 2023 in line with <i>GFSM2014</i> , including a breakdown of mining-related revenues and transfers to SOEs.	end-November 2024	MOF	Met
5. Development of domestic debt market	Prepare an updated Debt Management Strategy for the period 2024-2026, including a plan for expanding domestic issuance and managing government obligations.	end-May 2024	MOF	Met
6. Development of domestic debt market	Begin market-based issuance of government securities at positive real rates (according to amounts specified in Table on Quantitative Targets).	end-June 2024	MOF	Met
7. Enhance domestic revenue mobilization	Prepare and adopt a medium-term time-bound action plan to streamline tax exemptions and customs preferences beginning in 2025 based on tax expenditure analysis conducted with support from Fund TA.	end-March 2025	MOF	Met
<b>B. Monetary sector</b>				
8. Strengthen monetary policy transmission	Adopt amendments to the active NBT instruction #244 "On required reserves of credit institutions" to introduce the required reserve averaging mechanism in line with Fund TA recommendations.	end-May 2025	NBT	Met
9. Improve the functioning of the FX market and enhance exchange rate flexibility	Develop improved mechanism to execute government and other public sector foreign exchange transactions to better reflect prevailing market rates. This mechanism will ensure that transactions are carried out at the valid official rate during the same day or at the prevailing market rate, with the	end-May 2024	NBT	Met

**Table 2. Tajikistan: Reform Targets Under the PCI, 2024-2025 (Continued)**

	intention of transactions being carried out in the first half of the business day. In the event when a transaction request at an official rate violates the one-day delay limitation, the applicable official rate will be the official rate that is valid on the day the transaction is executed.			
10. Improve the functioning of the FX market and enhance exchange rate flexibility	Introduce price-based auctions for NBT FX interventions. To limit incentives for excessive overbidding or underbidding, the sales price of the auction will be calculated as follows: the price for those bids below a weighted average price of the bids will be a weighted average price of all bids; the price of those bids above weighted average price of all bids will be actual price of the bid.	end-December 2024	NBT	Unmet <sup>1</sup> Implemented with delay
11. Improve the functioning of the FX market and enhance exchange rate flexibility	Stop conducting ruble auctions of NPCR transfers and instead transmit all the amounts of the transfer in the respective currency to the bank executing the transfer.	end-April 2024	NBT	Met
<b>C. Financial sector</b>				
12. Improve governance and transparency	Issue an NBT regulation defining the mechanism of usage of ultimate beneficial ownership information in the banking supervision process.	end-April 2025	NBT	Met
13. Strengthen macroprudential oversight	Approve a plan for phasing in new macroprudential tools (including debt service to income (DSTI), loan to value (LTV) and credit to stable funding (CSFR) ratios) and countercyclical capital buffer (CCB) based on 2022 FSSR.	end-June 2025	NBT	Met
14. Enhance banking supervision	Approve an NBT regulation introducing liquidity stress tests.	end-June 2025	NBT	Met
<b>D. Structural</b>				
15. Improve governance and transparency of SOEs	Include all companies with a minimum of 20 percent state ownership in: (i) the list of SOEs monitored by the Ministry of Finance; and (ii) the 2023 Statement of Fiscal Risks. Require SOEs monitored by the MOF to provide detailed expense reports to the SOEMD monthly.	end-April 2024	MOF	Met
16. Improve governance and transparency of SOEs	Complete a report assessing the financial viability of OJSC Tajik Air based on Fund TA and providing a timebound action plan for addressing its financial losses.	end-May 2025	MOF/Civil Aviation Agency	Met

**Table 2. Tajikistan: Reform Targets Under the PCI, 2024-2025** (Continued)

17. Improve governance and transparency of SOEs	Publish an updated list of SOE and joint stock companies with state shareholding of at least 10 percent, specifying sector and legal basis; and complete a sectorization exercise for the 27 large SOEs monitored by the SOEMD to distinguish SOEs that are part of public sector from those that are general government entities.	end-June 2025	MOF/State Committee on Investment and State Property Management	Met
18. Improve governance and transparency of SOEs	Based on the revised SOE Law and following international standards and best practice, enact regulations that ensure all supervisory board appointments are done through transparent and competitive procedures with clear fit and proper criteria and set out rules for determining their remunerations and evaluating their performance, and establish supervisory boards in the 27 large SOEs currently monitored by the SOEMD in line with those procedures.	end-December 2024	MOF	Met
19. Improve governance and transparency of SOEs	Include all companies with a minimum of 20 percent state ownership in the 2024 Statement of Fiscal Risks.	end-May 2025	MOF	Met
20. Anti-corruption	Enact legislation strengthening the asset declaration regime to ensure that (i) the elected members of the National Assembly, judges and justices of all high courts, all high level officials of the executive and the government, as defined in the Constitution, and the procurator general and his subordinates, are obliged to file with their asset declarations additional information regarding disclosure of interests (including financial, contractual and corporate) and assets beneficially owned, (ii) asset declarations of high-level officials are publicly available and accessible online, except confidential data for personal and family safety and privacy reasons (e.g. account numbers, personal identification numbers), and (iii) a dissuasive sanctions regime is put in place to prevent noncompliance, including filing of inaccurate information by public officials.	end-November 2025	MOF/Civil Service Agency	Unmet <sup>2</sup>

**Table 2. Tajikistan: Reform Targets Under the PCI, 2024-2025** (Concluded)

21. Transparency of beneficial ownership information	Amend the Law on State Registration of Legal Persons to align with the definition of beneficial ownership in the new requirements of the AML/CFT international standard (FATF Recommendation 24), with respect to (i) the definition of beneficial owner, (ii) strengthening verification and sanctioning powers of the Unified State Registry, (iii) providing access to beneficial ownership information to competent authorities (supervisory, financial intelligence unit, law enforcement and procurement authorities), and AML reporting institutions.	end-December 2024	MOF/Tax Committee	Met
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<sup>1</sup> The draft regulation was prepared by the NBT in October 2024 and finalized in December 2024 to allow additional time to consult with the Fund and incorporate Fund recommendations. The document was formally approved by the NBT Board in January 2025.

<sup>2</sup> We introduced amendments to the law on combating corruption, adding sanctions for noncompliance and expanding the scope to include the disclosure of interests and beneficial ownership in line with the reform target. However, online publication of asset declarations could not be included in the amendments as it requires further capacity development and consensus building.

**Table 3. Tajikistan: Schedule of Reviews Under the Policy Coordination Instrument, 2024-2025**

Program Review	Test date	Review date
Board discussion of PCI request		February 2024
First Review	June 30, 2024	September 30, 2024
Second Review	December 31, 2024	March 31, 2025
Third Review	June 30, 2025	September 30, 2025

## Attachment II. Technical Memorandum of Understanding

1. This Technical Memorandum of Understanding (TMU) defines the quantitative targets, the continuous targets, the memorandum items, and the standard continuous targets discussed in the Program Statement that will be used to assess performance in the framework of Tajikistan's program under the Policy Coordination Instrument (PCI) adopted on February 28, 2024, and covering the period from February 2024 to December 2025<sup>1</sup>. The TMU also describes the program's data reporting requirements, defines the program exchange rates, and program terms and concepts.
2. Semi-annual program reviews will assess the observance of program targets on the specified dates and on an ongoing basis. Specifically, three reviews will evaluate the quantitative targets at each test date (end-June 2024, end-December 2024, and end-June 2025).

### Conditionality

3. Quantitative targets to be monitored over the course of the program are provided in Table 1 of the Program Statement attached to the Letter of Intent. The reform targets for the three reviews are detailed in Table 2 of the Program Statement.

### Definitions

4. **Public sector:** Unless otherwise indicated, the public sector refers to general government and public nonfinancial corporations. General government includes the central government and state and local governments. Central government is defined as in the 2014 Government Finance Statistics Manual (GFSM, 2014), comprised of the budgetary central government, the extra-budgetary central government and the social security fund.
5. **External sector:** For purposes of this TMU, "external" and "external sector" are defined respectively as the non-resident and non-resident sector.
6. **A State-Owned Enterprise (SOE)** is a commercial or industrial unit fully or partially owned by the central government or its bodies that sells goods and services to the public.

### QUANTITATIVE TARGETS

7. **The quantitative targets** provided in the list below are specified in Table 1 of the Program Statement. Unless otherwise indicated, all quantitative targets defined on a flow basis will be evaluated cumulatively from the beginning of each calendar year until the relevant test date specified in Table 3 of the Program Statement. All quantitative targets defined on a stock basis will be assessed based on the levels as of the test dates.

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<sup>1</sup>The terms of the program are subject to updates in subsequent reviews. If the terms of the program need to be updated, the new terms will be discussed with authorities to reach an agreement.

8. For program purposes, the applicable exchange rates and gold price will be those in the IMF rates database and Bloomberg, respectively, as of January 23, 2024 (See Table 1 for major currencies).

<b>Table 1. Tajikistan: Program Exchange Rates and Gold Price (from January 23, 2024)</b>	
<b>Currency</b>	<b>USD per Currency Unit, unless otherwise indicated</b>
Euro	1.087
Chinese Yuan (per USD)	7.171
British Pound	1.271
Japanese Yen (per USD)	148.1
Swiss Franc	0.865
Tajik Somoni (per USD)	10.95
SDR	1.331
Gold price/ounce (in USD)	2,029

9. Floor on NBT stock of net international reserves (USD mn)

- Definition:** Program Net international reserves (NIR) of the NBT are defined as its reserve assets (gross international reserves) minus its reserve liabilities. In terms of breakdown, the NBT's reserve assets, as defined in the IMF BOP Manual (6th edition) include: (i) monetary gold; (ii) holdings of SDRs; (iii) the reserve position at the IMF; (iv) all holdings of foreign exchange; and (v) other liquid and marketable assets readily available to the monetary authority. The reserve liabilities include (i) short-term foreign currency liabilities to non-residents, (ii) outstanding IMF purchases and loans, (iii) liabilities to residents in foreign currency (banks and the central government). The template for the calculation of the program NIR is displayed in Table 2. Program NIR are monitored in USD, and for program monitoring purposes, assets and liabilities in currencies other than USD dollars will be converted into dollar equivalent values using the program exchange rates as displayed in Table 1. Monetary gold will be valued in USD at the exchange rates and gold prices prevailing on the start date of the program (Table 1).
- Information Requirements:** The NBT will report to IMF staff monthly data on international reserve assets and liabilities. The NBT will also provide a quarterly cash flow table to account for the change in international reserves, according to the template provided by the Fund. NIR for each test date under the program should be verified and provided by the NBT's Internal Audit Department. Monthly data reporting should be completed within two weeks after the end of the month and provided by the NBT's International Reserves Management and Exchange Rate Policy Department.



Table 2. Tajikistan: Net International Reserves (US dollars, millions)

	Jun-24	Dec-24	Jun-25
<b>Reserve Assets</b>			
Monetary gold			
SDR holdings			
Reserve position at the IMF			
Holdings of foreign exchange			
Other liquid and marketable assets			
<b>Reserve liabilities</b>			
Short-term FX liabilities to non-residents			
Outstanding IMF purchases and Loans			
Liabilities to residents in FX			
Liabilities to banks in FX			
Required reserves and clearing balances			
Other liabilities to banks in FX			
Liabilities to central government in FX			
Note: Liabilities to central government in FX should exclude any unused balances on IMF purchases and loans.			

#### 10. Ceiling on gross credit to general government from NBT

- **Definition:** Gross outstanding credit (claims) to general government is defined as the NBT's holdings of government securities plus NBT's loans to the general government. It is different from net credit to general government which deducts from the claims the central bank's liabilities to general government (such as deposits of the general government at the NBT).
- **Information requirements:** The NBT will report to the IMF staff monthly data on NBT's claims on general government as part of the central bank balance sheet. The monthly data should be provided within two weeks after the end of the month.

#### 11. Ceiling on the stock of reserve money

- **Definition:** Reserve money is defined in the monetary statistics reported to the IMF. It includes domestic currency in circulation and total deposits of depository corporations at the central bank (including reserves and other deposits) in both domestic and foreign currency. Reserve money in foreign currency will be converted to domestic currency using the program exchange rates in Table 1.
- **Information requirements:** Monthly data will be reported by the NBT to IMF staff as part of the central bank's balance sheet within two weeks of the end of each month.

#### 12. Ceiling on general government overall fiscal deficit

- **Definition:** Under the program, the general government fiscal deficit is defined as the general government's cumulative overall fiscal balance from the beginning of the year: the overall revenues, including tax revenue and grants minus overall expenditures, including current and

capital expenditures. Current expenditures include interest payments and capital expenditures include Rogun spending.

- **Information requirements:** The MoF will report monthly data on revenues, expenditures, and the overall fiscal balance of the general government. The data will be provided within five weeks after the end of the month.

### 13. Floor on general government expenditure on targeted social assistance *Definition:*

Targeted social assistance benefits are defined as social assistance benefits dedicated to the poorest and vulnerable part of the population as per the national legislation and definitions. Social assistance benefits follow the GFSM 2014 classification. They will be defined as the *Social Benefits and Social Assistance* subcomponent of the *Transfers to Households* account of the central government yearly budget.

The floor of public expenditures on targeted social assistance will be equated to the quantitative target indicator in accordance with Table 1 of the program statement. However, considering that the new mechanism for providing targeted social assistance from July 1<sup>st</sup> 2023 provides for payments based on the number of children in family and the annual indexation of payments for targeted social assistance, and the possibilities of the existing system for providing targeted social assistance, during program monitoring the target indicator will be considered to be the actual paid targeted social assistance.

- **Information requirements:** The MoF/Ministry of Health and Social Protection will prepare and share with the IMF staff quarterly data on the Social Benefits and Social Assistance account and its components. The data will be provided within five weeks after the end of the quarter.

### 14. Ceiling on the disbursements of external debt (USD mn)

- **Definition:** This ceiling applies to disbursements on concessional and non-concessional external debt contracted or guaranteed by the general government. This target does not apply to rescheduling agreements. This target is monitored in USD, external disbursements in currencies other than USD will be converted to USD using the program exchange rates detailed in Table 1.
- **Information requirements:** The MoF will report quarterly to the IMF staff any new external disbursements and their respective terms, including amount, maturity, and interest rate within five weeks of the disbursement.

## CONTINUOUS TARGETS

15. **Continuous targets** are applied on an ongoing basis over the program's duration. The continuous targets under the program are defined below.

16. Ceiling on increase in external general government arrears

- **Definition:** External general government arrears are defined as external debt payments due but not paid by the general government to all its external lenders after a 90-day grace period. The program target requires no new external arrears be accumulated under the program.
- **Information requirements:** The MoF will report to the IMF staff quarterly data on general government external arrears, with detailed characteristics, within five weeks after the end of each quarter.

**17. Ceiling on new non-concessional external debt contracted or guaranteed by the general government (USD mn)**

- **Definition:** New non-concessional external debt is defined as new external debt with a grant element lower than 35 percent. The grant element is calculated as the difference between the loan's nominal value (face value) and the sum of the discounted future debt-service payments (present value), expressed as a percentage of the loan's face value, converted at the program exchange rate. The discount rate to be used to calculate the loan's present value is 5 percent per annum, in line with the IMF-World Bank Guidance Note on Debt Sustainability Analysis in Low Income Countries. The program target establishes a zero limit on new non-concessional external debt contracted or guaranteed by the general government with exceptions applying to new non-concessional external debt contracted or guaranteed by the general government for the Rogun HPP which are subject to a continuous cumulative non-zero ceiling specified in the Program Statement (Table 1). In the situation where a borrowing contracted by a public entity such as a State-Owned-Enterprise on non-concessional terms is guaranteed by the general government, the amount that is guaranteed will be considered as a new non-concessional external debt under this target.
- **Information requirements:** The MoF will provide to the IMF staff a quarterly report on government external borrowing and guaranteed borrowing, with detailed information on interest rates, currency, and maturity, within five weeks after the end of the quarter.

**18. Ceiling on Barki Tojik's new arrears to the private sector**

- **Definition:** The arrears of Barki Tojik to the private sector include all its financial liabilities to independent energy producers, financial institutions, and other suppliers and creditors of the private sector that have not been paid after a 90-day grace period as of the start date of the program. The program terms require that no new arrears to the private sector be recorded over the program period.
- **Information requirements:** During the program duration, the MoF, the Ministry of Energy and Water Resources, Barki Tojik, Shabakahoi taqsimoti barq (the Electricity Distribution Company) will provide quarterly information on Barki Tojik's financial obligations as part of its balance sheet and a table on the evolution of Barki Tojik's arrears. The data should be transmitted within five weeks after the end of the quarter.

## STANDARD CONTINUOUS TARGETS

**19.** In addition to the quantitative targets and continuous targets defined above, as for any Fund arrangements, the program implementation will be monitored through (nonquantitative) standard continuous targets which will be applied on a continuous basis during the duration of the program. The targets specifically require (i) not to impose or intensify restrictions on the making of payments and transfers for current international transactions; (ii) not to introduce or modify multiple currency practices; (iii) not to conclude bilateral payments agreements that are inconsistent with Article VIII; and (iv) not to impose or intensify import restrictions for balance of payments reasons. The introduction of an improved mechanism for executing public sector FX transactions including to reflect prevailing market rates (May 2024 RT) and the introduction of price-based auctions for FX interventions to facilitate market-based price discovery (December 2024 RT), both being conducted in consultation with IMF staff, would not constitute an introduction or modification of multiple currency practices (MCPs).

## MEMORANDUM ITEMS

**20.** **Memorandum items** are not part of the formal conditionality under the program but are reported in the table with quantitative targets to facilitate monitoring of overall program implementation. The memorandum items under the program are specified below:

**21.** Issuance of domestic debt at positive real rates

- **Definition:** Issuance of domestic debt at positive real rates is defined under the program as the general government issuance of short-term securities on the domestic primary market at real rates that are positive and determined by competitive auctions. The real rate being the nominal rate minus inflation rate. Issuances are comprised of domestically issued T-bills and other government securities. Under the program, the general government will gradually increase its issuance of market-based T-bills and other government securities. Issuance volumes are reported as a memorandum item and are not part of the formal conditionality under the program.
- **Information requirements:** During the program duration, the MoF will report to the IMF staff data on issuance of T-bills and other government securities including amounts, rates (yields) as well as calculated real rates, and maturity. The data will be transmitted within two weeks after the end of each test date.

**22.** Collection rate of electricity distribution company (STB), overall

- **Definition:** The overall collection rate of the electricity distribution company is defined as the ratio of the overall revenue effectively collected from sales of electricity in the country to the overall revenue that was expected to be collected.
- **Information requirements:** The MoF, the Ministry of Energy and Water Resources, Barki Tojik, and Shabakahoi taqsimoti barq (the Electricity Distribution Company) will report to IMF staff

quarterly data on the overall collection rate of the electricity distribution company (STB). The data will be provided within five weeks after the end of the quarter.

**23. Collection rate of electricity distribution company (STB), SOEs**

- **Definition:** The collection rate of the electricity distribution company from SOEs is defined as the ratio of the revenue effectively collected from sales of electricity to SOEs to the revenue that was expected to be collected from SOEs.
- **Information requirements:** The MoF, the Ministry of Energy and Water Resources, Barki Tojik, Shabakahoi taqsimoti barq (the Electricity Distribution Company) will report to IMF staff quarterly data on the collection rate of the electricity distribution company from electricity sales to SOEs. The data will be provided within five weeks after the end of the quarter.

**24. Overall fiscal and quasi-fiscal deficit (including Barki Tojik arrears)**

- **Definition:** This indicator is defined as the sum of the overall fiscal deficit of the general government and the new Barki Tojik arrears (excluding arrears to the government).
- **Information requirements:** The MoF, the Ministry of Energy and Water Resources, Barki Tojik, Shabakahoi taqsimoti barq (the electricity distribution company) will report to IMF staff quarterly data on the overall fiscal balance of the general government including accumulated new BT arrears (excluding arrears to the government). The data will be provided within five weeks after the end of the quarter.

## DATA REPORTING REQUIREMENTS

**25. The data required to monitor observance** of the quantitative targets under the program will be reported to IMF staff with the frequency specified in Table 3 below. In addition, all data revisions will be reported immediately to IMF staff. The authorities commit to keep IMF staff informed on progress achieved on reform targets (specified in Table 2 of the Program Statement) and overall program objectives. The authorities also commit to report within three weeks, at the Fund's request, any information or data not specified in the TMU but needed to monitor program implementation.

**26. The principal data sources for program monitoring are as follows:**

- The integrated monetary database provided by the National Bank of Tajikistan (NBT) to the IMF, including the standardized reporting forms, 1SR, 2SR.
- The general government provisional budget execution tables and the government debt tables provided by the Ministry of Finance.
- Barki Tojik's balance sheet provided by the MoF, the Ministry of Energy and Water Resources, Barki Tojik and Shabakahoi taqsimoti barq (the electricity distribution company)

- Collection rate data provided by the Ministry of Energy and Water Resources, Barki Tojik and Shabakahoi taqsimoti barq (the electricity distribution company).
- Data on T-Bills and other government securities issuances from the MoF.
- Other data provided regularly by authorities (Table 3).

**27.** The authorities will report to IMF staff, in electronic format, and within the indicated deadlines (in Table 3 below), the following:

(i) Any decree, decision, circular, ordinance, or law that has implications for the program. This includes, particularly, all actions that modify budget allocations included in the budget law, actions that have implications for NBT's monetary policy, exchange rate policy or for the financial sector, actions that affect SOEs, actions that affect anticorruption and beneficial ownership or actions leading to the creation of a new agency or a new fund. The documents will be provided to the Fund within two weeks after adoption.

(ii) Preliminary data on:

- Monthly updates on general government budget operations.
- A quarterly update of the projected public debt service, with a breakdown of debt service by amortization and interest payments, by existing and newly disbursed debt and by creditor category (internal debt: loans, T-bills, and others (if any); external debt: multilateral, bilateral, and others (if any)).
- Quarterly report on public investment projects, including Rogun, detailing progress on implementation and execution of financing plans.

(iii) NBT will report to the staff of the IMF:

- The monthly balance sheet of the central bank.
- The monthly consolidated balance sheet of all banks.
- The monthly depository corporations survey (consolidated monetary survey).
- Monthly data on the lending and deposit interest rates of commercial banks.

**Table 3. Tajikistan: Summary of Data Reporting Requirements**

	Frequency of Data <sup>2</sup>	Frequency of reporting <sup>1</sup>	Reporting deadline	Reporting Entity
International Reserve Assets and Liabilities of the NBT <sup>3</sup>	M	M	Two weeks	NBT-IRM-ERP
International reserves cash-flow table*	Q	Q	Two weeks	NBT
Reserve/Base Money	M	M	Two weeks	NBT
Central Bank Balance Sheet	M	M	Two weeks	NBT
Consolidated Balance Sheet of Banking System	M	M	Four weeks	NBT
Depository corporations survey	M	M	Four weeks	NBT
Revenue, Expenditure, Balance, and Composition of Financing <sup>4</sup> of the General Government	M	M	Five weeks	MoF
Budget Tables	Submitted to Parliament		Five weeks	MoF
Revised Budget Tables	Submitted to Parliament		Five weeks	MoF
New and planned external borrowing of the General Government or guaranteed by the General Government and its conditions	Q	Q	Five weeks	MoF
Disbursements of external debt (concessional and non-concessional) contracted or guaranteed by the General Government	Q	Q	Five weeks	MoF
Social Benefits and Social Assistance account and its components	Q	Q	Five weeks	MoF
External and domestic arrears of the General Government	Q	Q	Five weeks	MoF
Barki Tojik's balance sheet and table on arrears	Q	Q	Five weeks	MoF, the Ministry of Energy and Water Resources, Barki Tojik, the Electricity Distribution Company)
Overall fiscal balance of the general government including accumulated new Barki Tojik arrears (excluding arrears to the government)	Q	Q	Five weeks	MoF, the Ministry of Energy and Water Resources, Barki Tojik, the Electricity Distribution Company)

**Table 3. Tajikistan: Summary of Data Reporting Requirements (Concluded)**

Domestic T-bills and other government securities issuances with amounts, rates, and maturities	SA	SA	Two weeks after each test date	MoF
Revenue collection rate of the electricity distribution company on sales of electricity to SOEs	Q	Q	Five weeks	The Ministry of Energy and Water Resources, Barki Tojik, and the Electricity Distribution Company
Overall revenue collection rate of the electricity distribution company on sales of electricity to domestic consumers.	Q	Q	Five weeks	The Ministry of Energy and Water Resources, Barki Tojik, and the Electricity Distribution Company
Stocks of Public and Publicly Guaranteed debt <sup>4</sup>	Q	Q	Five weeks	MoF
Projected public debt service — domestic and external	Q	Q	Five weeks	MoF
Comprehensive report on progress of execution of public investment projects, and financing plans, including for Rogun	Q	Q	Five weeks	MoF
Interest Rates <sup>5</sup>	Q	Q	Two weeks	NBT
New decrees, decisions, circulars, ordinances, or laws	Submitted to Parliament		Two weeks	Ministry of Justice

<sup>1</sup> Monthly (M); Quarterly (Q); Semi-Annually (SA), Annually (A).

<sup>2</sup> Monthly (M); Quarterly (Q); Semi-Annually (SA), Annually (A).

<sup>3</sup> Includes reserve assets pledged or otherwise encumbered as well as net derivative positions.

<sup>4</sup> Also includes detailed information on currency and maturity composition.

<sup>5</sup> Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

\*Note: The international reserves cash-flow table will cover gold monetization, loan and grant disbursements to the government (budget support), FX purchases and sales by the NBT, conversion of NPCR receipts (until the NPCR is closed), and external debt service (separating principal and interest).