

The Action will therefore also contribute towards achieving the adaptation commitments and mitigation targets outlined for the Agriculture, Forestry and Other Land Use (AFOLU) sector in Tajikistan's Nationally Determined Contributions and through sustainable land management and agroecology also contribute towards the country's Land Degradation Neutrality targets under the United Nations Convention to Combat Desertification (UNCCD).

The Action is aligned to the government's political priorities as expressed in the National Development Strategy 2030, and to the objectives of the Medium-term Development Programme (MtDP) for the period 2021-2025, with a vision to unlock Tajikistan's potential in agriculture, ensuring an agroecological transition, diversify the economy, and create decent jobs and spur inclusive economic growth. The Action will promote partnerships of lead firms with investors and buyers in international niche markets and mobilise high-level expertise for capacity-building of management, product design, optimisation of technical processes, digitalisation, energy-efficiency, waste management, human rights and gender equality in the agriculture sector.

Overall, the Action is expected to help address the negative impact of the economic crisis linked to repercussions of Russia war of aggression against Ukraine and to mitigate the risk of radicalisation by improving the employment and economic prospects of key vulnerable groups.

The Action will be implemented in complementarity with the ongoing programmes in health, education and rural development, funded under the previous and current MIP.

2 RATIONALE

2.1 Context

The COVID-19 outbreak, which resulted in the country's GDP shrinking between 2.5 to 3%, was followed by a destabilisation of the economic and geopolitical situation after Russia's full-scale invasion of Ukraine. Russia's economic isolation is putting pressure on the main economic indicators of Tajikistan, which obtains 30% of its GDP from remittances, mainly from Russia.

The agriculture and agri-food systems of Tajikistan face many constraints, including a challenging business environment, the absence of an extension system, limited access to high quality inputs and export markets, an unsustainable use of natural resources, and high vulnerability to climate impacts.

Traditionally, the cotton sector has played a paramount role in the rural economy of Tajikistan but characterised by an array of problems like wasteful water use and an overreliance on pesticides. However, in recent years, national decision-makers have attached more importance to diversification and the environmental sustainability to cotton production.

After wheat, cotton has the largest share of crop area in Tajikistan, cultivated on 18% of the cropped area. The development of the cotton and textile industry is one of the priorities for accelerated industrialisation as reflected in the National Development Strategy of Tajikistan (NDS-2030). This will help the Government of Tajikistan (GoT) to promote the agroecological transition and sustainable climate-smart production models based on a landscapes approach, carry out institutional reforms, create jobs, form a local competitive infrastructure in the cotton and textile industry and contribute to green, resilient economic growth of the country.

Tajikistan has made progress in gender equality, but significant challenges remain. Women's labour force participation is comparatively low, about 69% of working age-women are not working for pay, and women's contribution to gross national income is 4.5 times less than that of men. 7% of men aged 15-24 are not in education, employment or training (NEET), while this is the case for 49% of young women².

The proposed Action will make a significant contribution to the implementation of the "National Strategy for the development of the cotton and textile industry (2023-2032)" and will support the upscaling of sustainable cotton production practices, such as the BCI standard, the world's largest multi-stakeholder initiative for sustainable cotton production, as well as the EU organic and possibly the Fairtrade standard.

² <https://www.adb.org/sites/default/files/publication/663141/womens-role-irrigated-agriculture-tajikistan.pdf>