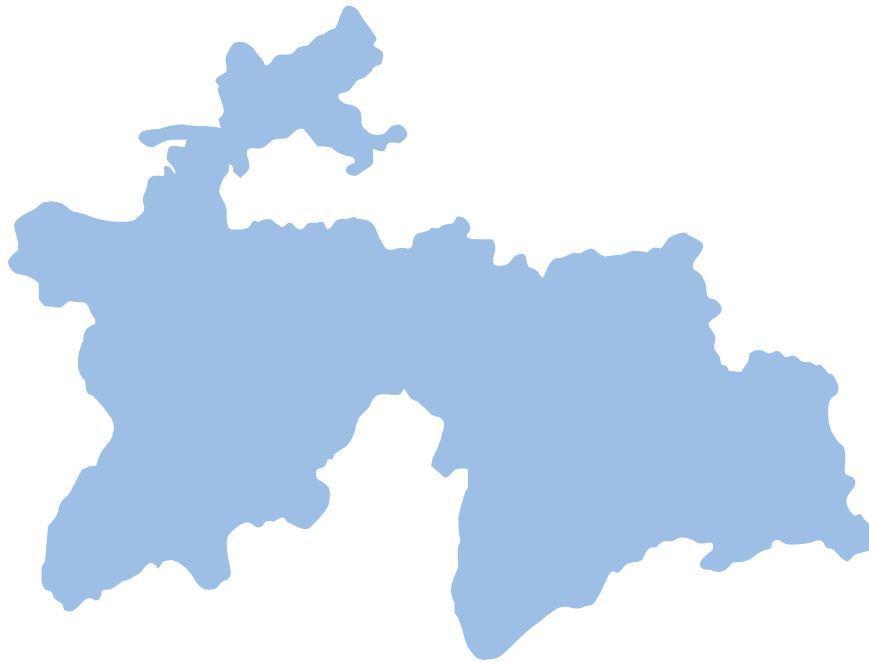# Tajikistan
## Economic Performance Assessment

**March 2006**

This publication was produced by Nathan Associates Inc. for review by the United States Agency for International Development.

# Tajikistan
## Economic Performance Assessment

# Contents

# Illustrations

**Figures**

## NOTE ON DATA SOURCES

In addition to our standard sources, we rely heavily in this report on data from the International Monetary Fund (IMF), the National Bank of Tajikistan, and Tajikistan's Poverty Reduction Strategy Paper (PRSP) progress reports of June 2005 and January 2006. IMF data considered for this report include publicly available data as of February 9, 2006.

In general, data for Tajikistan are of reasonable quality for a low-income country, though could be improved in some areas. A mission to prepare the Report on Observance of Standards and Codes (ROSC) visited Tajikistan in March 2005 and reported that compilation of data on consumer prices, government statistics, and monetary statistics is broadly in line with sound methodologies. The mission also noted, however, that wider data scope of data for national accounts and producer prices are needed. Source data are well developed in all areas of statistics. Collection of balance-of-payment statistics has improved notably since 1997, with some exceptions. Global Insight, which analyzes and forecasts macroeconomic developments in Tajikistan regularly for government and private clients, finds Tajik official data adequate and uses them in models and reports.[1]

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[1] CAS team member from Global Insight was one of the writers for this report.

# HIGHLIGHTS OF TAJIKISTAN'S PERFORMANCE

| | |
|---|---|
| **Economic Growth** | The economy has been growing at an average rate of nearly 10 percent for several years. Despite this, per capita GDP is still the lowest in the former Soviet Union and has not yet returned to 1990 (pre-independence) levels. Fixed investment is extremely low. |
| **Poverty** | Poverty rates are high, but declining, falling from 83 percent in 2001 to 68 percent in 2003. Much of the fall can be attributed to one-off factors; Tajikistan must ensure that current growth rates translate into further poverty reduction. |
| **Economic Structure** | Agriculture accounts for a large share of employment, but a small share of value-added, signaling low productivity in that sector. Services contribute the most to the value-added. Industrial and agricultural sectors are dominated by aluminum and cotton, respectively, suggesting that diversification is needed. |
| **Demography and Environment** | The Tajik population has been growing at rates above regional averages. The age dependency ratio is very high, but declining. Environmental performance is poor, particularly in regards to water. |
| **Gender** | Gender inequity is a serious problem, especially within the education system. |
| **Fiscal and Monetary Policy** | The Tajik authorities have achieved macroeconomic stability since 2004. The budget deficit has been brought under control, and inflation has come down to single-digit levels. |
| **Business Environment** | Corruption is rampant, hampering firms' ability to conduct business. Rule of law and regulatory quality are weak. |
| **Financial Sector** | The underdeveloped financial sector is a serious concern; monetization is extremely low. Rising private sector credit is a positive sign. |
| **External Sector** | The current account deficit has been brought under 5 percent of GDP thanks mainly to increased workers' remittances. Substantial debt forgiveness reduced foreign debt to moderate levels. A major problem is an excessive concentration of exports on a few commodities, primarily aluminum. |
| **Economic Infrastructure** | The quality of transportation, electricity, and communications infrastructure are low and need to be improved to support investment and attract FDI. |
| **Health** | Health indicators are generally comparable to regional averages, with the noteworthy exceptions of low child immunization rates and access to improved water sources. Government expenditure on health is extremely low. |
| **Education** | While primary education indicators paint a bright picture – enrollment and persistence rates are high – there are signs of problems within the system. Government expenditure is low, higher education enrollment is low, and drop-out rate is high. |
| **Employment and Workforce** | The unemployment rate is high, although not many of the unemployed register. Large numbers of Tajiks are working abroad, mostly in Russia. |
| **Agriculture** | Tajik agriculture is much less productive than the rest of the economy. Cotton, the dominant crop, has suffered from collectivized privatization, resulting in substantial drops in productivity and financial losses. |

*Note: The methodology used for comparative benchmarking is explained in the Appendix.*

# TAJIKISTAN: NOTABLE STRENGTHS AND WEAKNESSES— SELECTED INDICATORS

| Indicator[a] | Strength | Weakness |
|---|:---:|:---:|
| **Growth Performance** | | |
| Growth of labor productivity (%) | X | |
| Per capita GDP (PPP Dollars and U.S. Dollars) | | X |
| Real GDP growth | X | |
| Share of gross fixed investment (% of GDP) | | X |
| Share of gross fixed private investment (% of GDP | | X |
| **Poverty and Inequality** | | |
| Population (%) below national poverty line | | X |
| Population (%) below minimum dietary energy consumption | | X |
| **Demography and Environment** | | |
| Adult literacy rate (%) | X | |
| Age dependency rate (dependents per worker) | | X |
| Environmental sustainability index | | X |
| **Gender** | | |
| Gross enrollment rate, all levels (ratio of male to female) | | X |
| **Fiscal and Monetary Policy** | | |
| Inflation rate (%) | X | |
| **Business Environment** | | |
| Corruption perception index | | X |
| Regulatory quality index | | X |
| Rule of law index | | X |
| **Financial Sector** | | |
| Money supply (M2 as a % of GDP) | | X |
| **External Sector** | | |
| Concentration of exports (top 3 exports % of total exports) | | X |
| Foreign direct investment (% GDP) | | X |
| Gross international reserves (months of imports) | | X |
| Inward FDI potential index | | X |
| Trade (% GDP) | X | |
| **Economic Infrastructure** | | |
| Internet users (per 1,000 people) | | X |
| Quality of infrastructure index – electricity | | X |
| Telephone cost (average local call) | X | |

| Indicator[a] | Strength | Weakness |
|---|:---:|:---:|
| Telephone density (fixed line and mobile, per 1,000 people) | | X |
| **Science and Technology** | | |
| Patent applications filed by residents | | X |
| **Health** | | |
| Access to improved water source (%) | | X |
| Births attended by skilled health personnel | | X |
| Child immunization rate (%) | | X |
| Public health expenditure (% of GDP) | | X |
| **Education** | | |
| Net primary enrollment rate (%) | X | |
| Youth literacy rate (%) | X | |
| **Employment and Workforce** | | |
| Labor force participation rate (total) | | X |
| Labor force participation rate (female) | | X |
| Unemployment rate | | X |
| **Agriculture** | | |
| Agriculture value added per worker (1995 U.S. dollars) | | X |
| Cereal yield (kilograms per hectare) | | X |
| Crop production index | X | |
| Livestock production index | X | |

[a] *The chart identifies selective indicators for which Tajikistan's performance is particularly strong or weak relative to the benchmark standards; details are discussed in the text. The separate Data Supplement presents a full tabulation of the data examined for this report, including the international benchmark data, along with technical notes on the data sources and definitions.*

# 1. Introduction

This paper is one of a series of Economic Performance Assessments prepared for the EGAT Bureau to provide USAID missions and regional bureaus with a concise evaluation of a broad range of indicators relating to economic growth performance in designated host countries. The report draws on a variety of international data sources[2] and uses international benchmarking against reference group averages and comparator countries (Bulgaria, Romania, and Russia)[3] to identify major constraints, trends, and opportunities for strengthening growth and reducing poverty.

The methodology used here is analogous to examining an automobile dashboard to see which gauges are signaling problems. Sometimes a blinking light has obvious implications—such as the need to fill the fuel tank. In other cases, it may be necessary to have a mechanic probe more deeply to assess the source of the trouble and discern the best course of action.[4] Similarly, the Economic Performance Assessment is based on an examination of key economic and social indicators, to see which ones are signaling problems. In some cases a "blinking" indicator has clear implications, while in other instances a detailed study may be needed to investigate the problems more fully and identify an appropriate course for programmatic action.

The analysis is organized around two mutually supportive goals: transformational growth and poverty reduction.[5] Rapid and broad-based growth is the most powerful instrument for poverty reduction. At the same time, measures aimed at reducing poverty and lessening inequality can help to underpin rapid and sustainable growth. These interactions create the potential for stimulating a virtuous cycle of economic transformation and human development.

Transformational growth requires a high level of investment and rising productivity. This is achieved by establishing a strong ***enabling environment for private sector development***, involving multiple elements: macroeconomic stability; a sound legal and regulatory system,

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[2] Sources include the latest data from USAID's internal Economic and Social Database (ESDB) and readily accessible public information sources. The ESDB is compiled and maintained by the Development Information Service under PPC/CDIE. It is accessible to staff through the USAID intranet.

[3] At the request of the USAID mission, we have also included figures for Kazakhstan and the Kyrgyz Republic in the attached data supplement.

[4] Sometimes, too, the problem is faulty wiring to the indicator—analogous here to faulty data.

[5] In USAID's white paper *U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century* (January 2004), transformational growth is a central strategic objective, both for its innate importance as a development goal and because growth is the most powerful engine for poverty reduction.

including secure contract and property rights; effective control of corruption; a sound and efficient financial system; openness to trade and investment; sustainable debt management; investment in education, health, and workforce skills; infrastructure development; and sustainable use of natural resources.

In turn, the impact of growth on poverty depends on policies and programs that create opportunities and build capabilities for the poor. We call this the ***pro-poor growth environment***.[6] Here, too, many elements are involved, including effective education and health systems; policies facilitating job creation; agricultural development (in countries where the poor depend predominantly on farming); dismantling barriers to micro and small enterprise development; and progress toward gender equity.

The present evaluation of these conditions must be interpreted with caution, because a concise analysis of this sort cannot provide a definitive diagnosis of economic problems, or simple answers to questions about programmatic priorities. Instead, the aim of the analysis is to spot signs of serious problems for economic growth, based on a review of selected indicators, subject to limits of data availability and quality. The results should provide insight about potential paths for USAID intervention, to complement on-the-ground knowledge and further in-depth studies.

The remainder of the report discusses the most important results of the diagnostic analysis, in three sections: Overview of the Economy; Private Sector Enabling Environment; and Pro-Poor Growth Environment. Table 1-1 summarizes the topic coverage. The Appendix provides a brief explanation of the criteria used for selecting indicators, the benchmarking methodology, and a table showing the full set of indicators examined for this report.

**Table 1**
*Topic Coverage*

| Overview of the Economy | Private Sector Enabling Environment | Pro-Poor Growth Environment |
|---|---|---|
| • Growth Performance | • Fiscal and Monetary Policy | • Health |
| • Poverty and Inequality | • Business Environment | • Education |
| • Economic Structure | • Financial Sector | • Employment and Workforce |
| • Demographic and Environmental Conditions | • External Sector | • Agriculture |
| • Gender | • Economic Infrastructure | |
| | • Science and Technology | |

---

[6] A comprehensive poverty reduction strategy also requires programs to reduce the *vulnerability* of the poor to natural and economic shocks. This aspect is not covered in the template since the focus is economic growth programs. In addition, it is difficult to find meaningful and readily available indicators of vulnerability to use in the template.

# 2. Overview of the Economy

This section reviews basic information on Tajikistan's macroeconomic performance, poverty and inequality, economic structure, demographic and environmental conditions, and indicators of gender equity.[7] Some of the indicators cited here are descriptive rather than analytical and are included to provide context for the performance analysis.

## GROWTH PERFORMANCE

Judging by per capita GDP measured in both current U.S. dollars and Purchasing Power Parity (PPP) terms, Tajikistan is the poorest former Soviet republic. In 2004, its per capita GDP stood at $328, while the average for the low-income former Soviet Republics (LI-FSR) was $400. Tajik per capita GDP represents only a fraction of per capita GDP in Bulgaria ($3,074), Romania ($3,207), and Russia ($4,093), which, unlike Tajikistan, are all lower middle-income countries. Tajik per capita GDP, when measured in PPP terms ($1,246), was several times higher than in current U.S. dollars but remains well below the levels in the LI-FSR group ($1,850), Bulgaria ($8,500), Romania ($7,642), and Russia ($10,180).

Largely as a result of the disruption of ties with other former Soviet republics and its own civil war, the Tajik economy collapsed in the first half of the 1990s. By 1996, Tajik GDP stood at only 41.5 percent of the 1991 level.[8] The country's economy started to recover in 1997, and in the past several years has rapidly regained lost ground. Even after several years of nearly 10 percent growth, however, real GDP has not returned to the level prevailing at the start of the civil war; Tajik GDP in 2004 was still 26.7 percent below what it was in 1991. This is largely because production has not yet returned to Soviet-era levels in industry, although it has returned to those levels in agriculture and services.[9] From 2000 to 2004, GDP registered a strong 9.7 percent annual average increase. In 2004, GDP grew 10.6 percent, the highest growth rate in five years. This rate was above the range predicted by the benchmark regression for a country with

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[7] The separate Data Supplement provides a full tabulation of the data for Tajikistan and the international benchmarks, including indicators not discussed in the text, as well as technical notes for each indicator. The supplement also provides data for Kazakhstan and the Kyrgyz Republic at the request of the Tajikistan mission.

[8] IMF, World Economic Outlook Database, September 2005.

[9] Comparing Soviet and post-Soviet levels of production must be done with caution, as the changes in production combine structural and macroeconomic effects. In many industries, production was profitable only under the distorted relative prices and subsidized credits; when market prices were introduced, such production collapsed, which shows as a drop in industrial production.

Tajikistan's characteristics, as well as the LI-FSR average (7.1 percent), and the rates in Bulgaria (5.7 percent), Romania (8.3 percent), and Russia (7.1 percent) (Figure 2-1).

**Figure 2-1**
*Real GDP Growth Rate*



*Tajikistan's growth has been exceptionally high in the past five years.*

| Year | Tajikistan Data |
|------|-----------------|
| 2000 | 8.3 |
| 2001 | 10.2 |
| 2002 | 9.1 |
| 2003 | 10.2 |
| 2004 | 10.6 |
| **Summary for 2000–2004** | |
| Five-year average | 9.7 |
| Trend growth rate | N/A |

Source: World Economic Outlook database                              CAS Code: 11p3
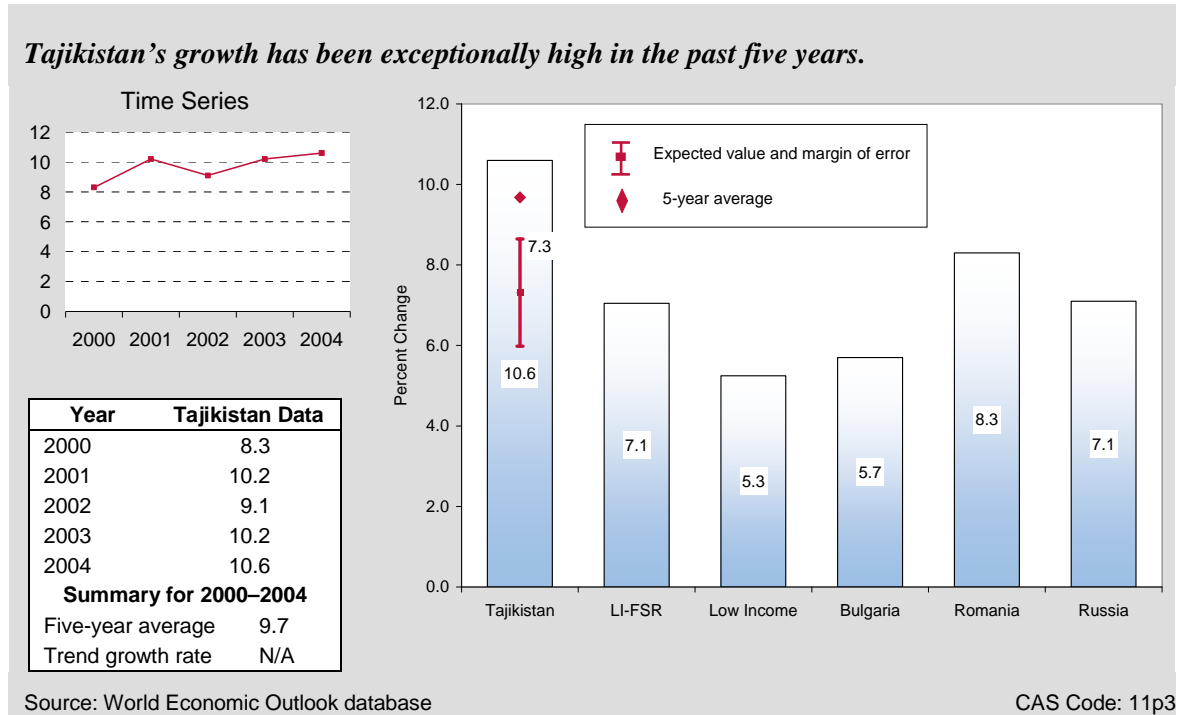
According to the Interfax news agency, Tajik economic growth slowed to 6.1 percent year-over-year in January–November 2005. It appears that this slowdown was largely a result of declines in cotton and electricity outputs. It remains to be seen whether the declines are permanent or temporary, caused, possibly, by bad weather.

Factors that have contributed to the strong growth of the past several years include macroeconomic and political stabilization, market reform, and inflows of funds from abroad in the form of workers' remittances, loans, and grants. Economic expansion was boosted by rapidly rising labor productivity.[10] Between 1999 and 2003, productivity increased 5.9 percent per year on average, exceeding labor productivity growth in the LI-FSR countries (4.9 percent), Bulgaria (4.7 percent), and Romania (4.7 percent), though falling short of the level for this indicator in Russia (7.4 percent). Labor productivity gained from improved capacity utilization, a trend observed in many transition countries,[11] and was also stimulated by fixed investment growth. The level of fixed investment relative to GDP, however, remained very low. In 2004, it stood at

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[10] Labor productivity is defined here as the ratio of GDP (in constant prices) to the size of the working-age population. The report template uses working-age population instead of work hours (the common practice) because of data availability and to allow for comparison across countries. See technical notes in the Data Supplement.

[11] IMF, Republic of Tajikistan: Selected Issues and Statistical Appendix, Report No. 05/131, April 2005.

13.5 percent, well below the range predicted by the benchmark regression. The share of fixed investment in GDP in Tajikistan was substantially lower than that of the LI-FSR group (16.1 percent), Bulgaria (19.6 percent), Romania (22.5 percent), and Russia (18.2 percent) (Figure 2-2). Especially worrisome is the low share of fixed private investment, which stood at 5.4 percent in 2004.

**Figure 2-2**
*Gross Fixed Investment, percent of GDP*



*Gross fixed investment remains unacceptably low, despite recent increases.*

| Year | Tajikistan Data |
|------|-----------------|
| 2001 | 9.3 |
| 2002 | 10.9 |
| 2003 | 12.0 |
| 2004 | 13.5 |
| Summary for 2001–2004 | |
| Four-year average | 11.4 |
| Trend growth rate | 12.9 |

Source: Tajik data from the IMF Fifth review under the PRGF; benchmarking data from the World Development Indicators (WDI) 2005

CAS Code: 11s3
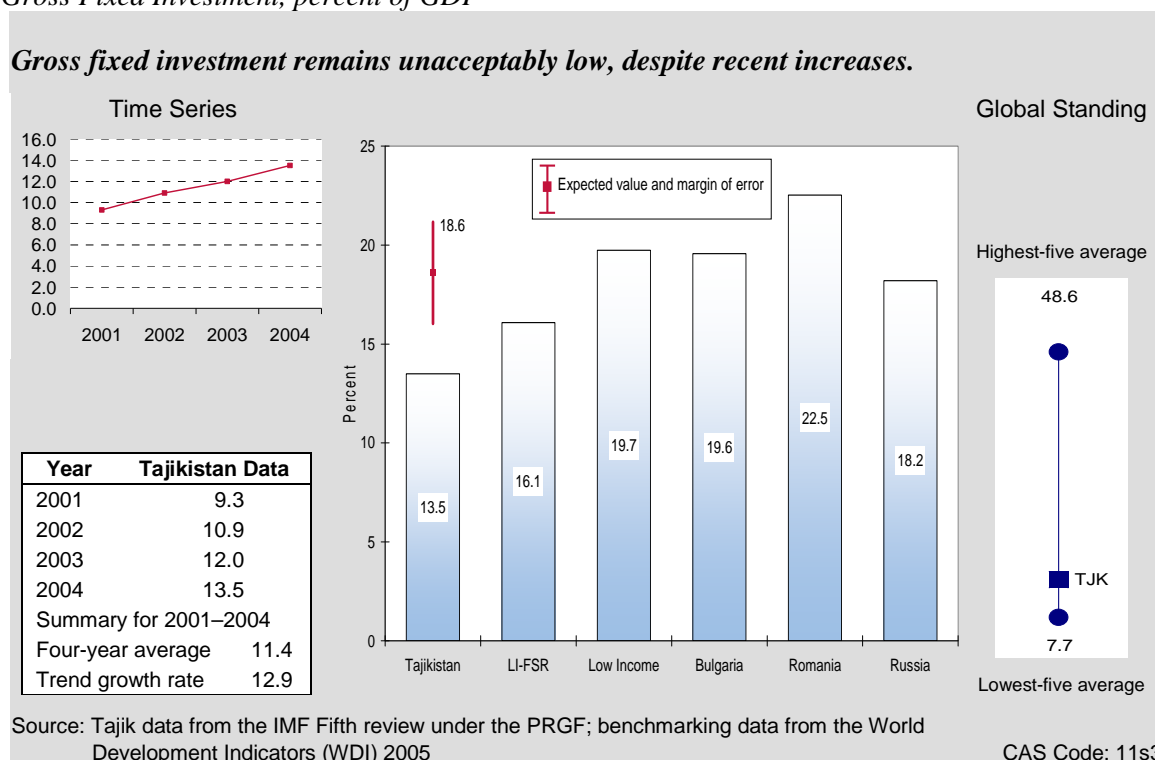
The prospects for sustainable growth are uncertain. In some sectors, substantial unused capacity may remain. Putting this capacity to use may enable strong growth to continue in the short tem. The sustainability of economic expansion in the medium term will depend on the country's ability to raise fixed investment and ensure the efficiency of the investment. This ability will be affected by progress in the conversion of remittances into investment and the attraction of foreign direct investment (FDI) (see the External Sector section). Diversification of production and exports, thereby reducing the country's vulnerability to fluctuations in the world prices of cotton and aluminum, will also be critical for sustaining growth.

## POVERTY AND INEQUALITY

Poverty in Tajikistan is widespread, though declining. In 2003, 68 percent of Tajiks lived below the national poverty line, down from 83 percent in 2001. The 2003 rates are still higher than the regression benchmark of 59 percent and substantially higher than levels found in Bulgaria (with

12.8 percent), Romania (29.6 percent), and Russia (17.8 percent).[12] Though poverty-rate comparisons should be interpreted with caution because of differences in definitions, the poverty rate differential is striking. Similarly, the share of people not receiving sufficient nutrition (61.0 percent, on average, in 2000–2002) is well above the regression benchmark for a country with Tajikistan's characteristics (37.5 percent) and all three richer comparator countries (Bulgaria with 11.0 percent, Romania with 1.0 percent, and Russia with 4.0 percent) (Figure 2-3 ).

**Figure 2-3**

*Population below Minimum Dietary Energy Consumption, percent*



*Undernourishment in Tajikistan, the poorest of the former Soviet republics, remains high.*

Source: WDI 2005

CAS Code: 12s1
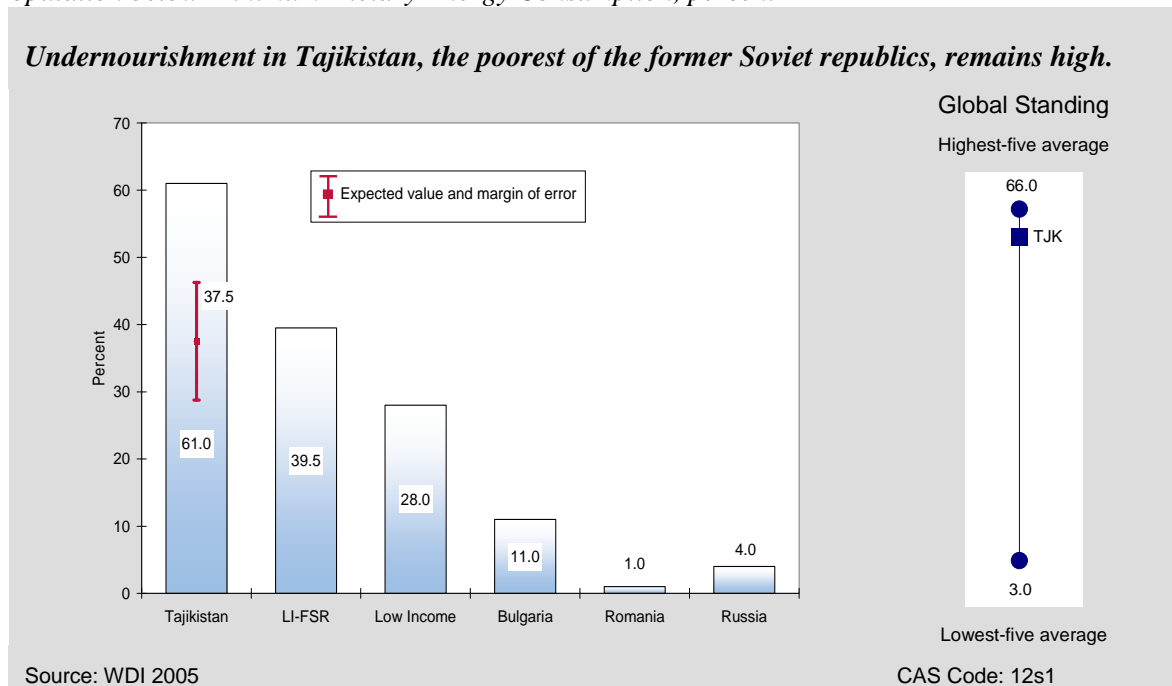
In the presence of this widespread poverty, the fact that the share of the population living below $1 PPP per day is just 7.4 percent (identical to the LI-FSR average) signals that most people live just above that poverty level.[13] This figure is identical to the levels found in other LI-FSR countries and the same is true for Tajikistan's performance on the poverty gap at $1 PPP per day (1.3 for Tajikistan and LI-FSR on average), which measures the depth and incidence of poverty. According to the World Bank, there are regional disparities—almost three-quarters of the poor

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[12] Tajikistan does not have a self-defined poverty line. Both World Bank and IMF use the incidence of poverty at the $2 PPP per day level to measure the percentage of people below the national poverty line. To retain consistency between this report and other published reports, this CAR also adopts that definition.

[13] Alternative source indicates that the share of population living on less than $1 PPP per day is actually 18 percent. See IMF, Republic of Tajikistan; Poverty Reduction Strategy Paper Second Progress Report, Country Report No. 06/1, January 2006.

live in the Khalton and Sugd oblasts, which account for 65 percent of the population—and that poverty is predominantly rural.[14]

According to the same source, most poverty reduction has resulted from one-time factors such as the cessation of the civil war, the recovery from the macroeconomic shock that followed the collapse of the Soviet Union, and an increase in migration. Migration is likely to have a direct impact on poverty through rising wages and an indirect impact on poverty through remittance income.

Tajikistan has had a Poverty Reduction Strategy since 2002. The government of Tajikistan identified four main elements in its strategy for reducing poverty: encouragement of an accelerated, socially fair and labor-intensive economic growth emphasizing exports; efficient and fair provision of basic social services; targeted support to the poorest population groups; and efficient governance and improvement in security. Implementation has been slower than expected, particularly in terms of structural reform. Although there is a consensus that economic growth led to a decline in poverty, indicators of social services and infrastructure failed to improve.[15] Concerted action by the Tajik government and donor assistance agencies is needed to ensure that economic growth translates into further reductions in poverty.

## ECONOMIC STRUCTURE

Tajik employment is highly concentrated in agriculture, and cotton accounts for about 80 percent of employment in agriculture.[16] The share of agriculture in total employment is large and increasing. It rose from 64.4 percent in 1999 to 67.7 percent in 2003, significantly exceeding the level of this indicator in the LI-FSR group (51.0 percent), and especially in more advanced Bulgaria (26.3 percent), Romania (42.3 percent), and Russia (11.8 percent). The shares of those employed in services and industry in 2003 stood at 24.7 percent and 7.7 percent, respectively, below those in the LI-FSR group and the comparator countries, and, conversely to the share of agriculture, shrank during the period under consideration (Figure 2-4).

Industry and services are much more productive than agriculture. As a result, the Tajik output structure is more balanced than the employment structure. In output, the largest sector is services, whose share in GDP climbed from 40.8 percent in 2000 to 47.7 percent in 2004, on par with the share of services in the LI-FSR group (48.0 percent), though still less than in Bulgaria (57.5 percent), Romania (52.1 percent), and Russia (60.7 percent). The shares of agriculture and industry in Tajik GDP shrank during this period, to 24.1 percent and 28.2 percent, respectively.

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[14] World Bank, Republic of Tajikistan: Poverty Assessment Update, Report No. 30853-TJ, January 6, 2005.

[15] Ibid; IMF, Republic of Tajikistan: Poverty Reduction Strategy Paper Progress Report, Country Report No. 04/280, August 2004; and IMF, Republic of Tajikistan: Poverty Strategy Paper Second Progress Report, Country Report No. 06/1, January 2006.

[16] World Bank, PSIA Summary – Tajikistan Cotton Sector Reform, see http://web.worldbank.org/ wbsite/external/topics/extpoverty/

**Figure 2-4**

*Output Structure and Workforce Structure, percent of GDP*



*Agriculture accounts for two-thirds of the workforce but has extremely low productivity.*

Source: Tajik data from the IMF Statistical Appendix            CAS Codes: 13 p1 and 13p2
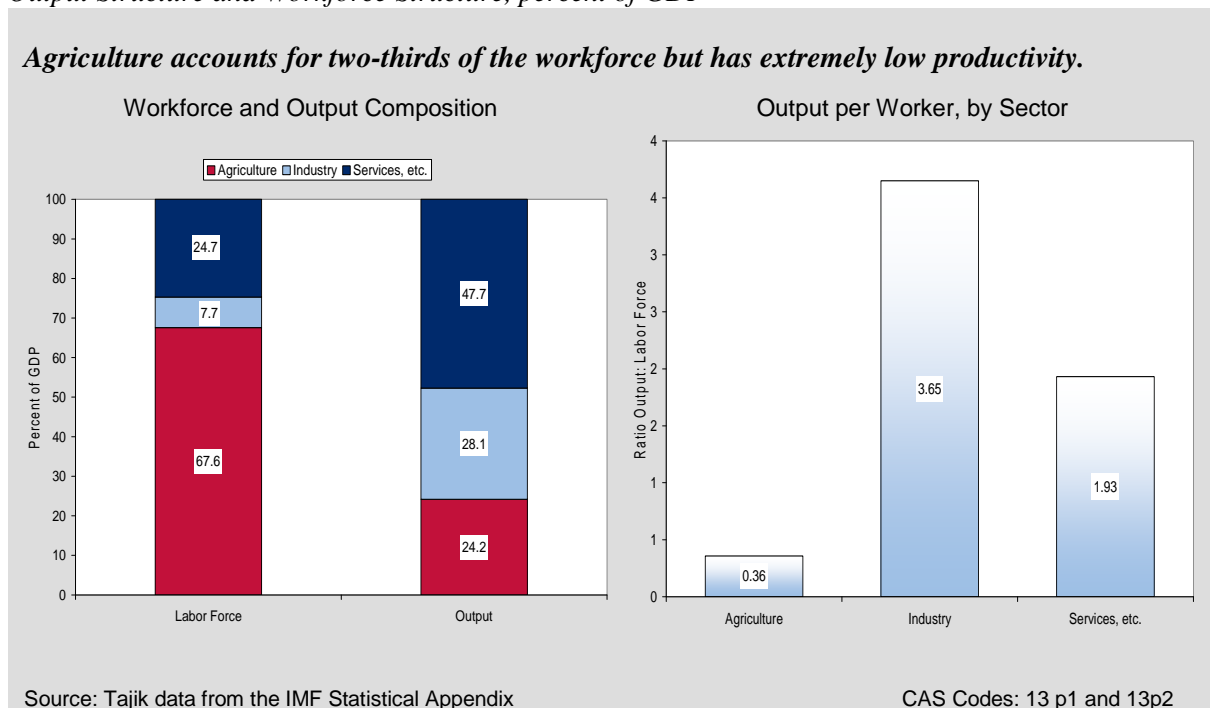
Industry contributes to GDP more in Tajikistan than, on average, in the LI-FSR group, though less than in Bulgaria, Romania, and Russia. The most important industrial sector by far is aluminum production.[17] By contrast, the share of agriculture in GDP in Tajikistan is less than in the LI-FSR group, but more than in the comparator countries. Cotton is the main Tajik crop. The outputs of aluminum and cotton are still below their pre-independence levels.

According to the International Finance Corporation (IFC), whose report was based on data from the State Statistics Committee of the Republic of Tajikistan, the number of employed in the small and medium business sector increased 33.4 percent between 1999 and 2002, reaching 25 percent of total employment.[18] The share of this sector in GDP also rose during this period, though not quickly, from 29.3 percent to 35.3 percent.

Tajik agriculture's large share in employment poses a great challenge for poverty reduction because of the low productivity of that sector. It is difficult to see how rising employment in agriculture sector can be anything but a negative for transformational development, especially given the heavy concentration in cotton within that sector, where productivity has fallen substantially and most of the sector is operating inefficiently.[19] Donor assistance agencies may help Tajikistan improve agricultural productivity and shift employment to nonagricultural sectors,

[17] The share of aluminum production value added in manufacturing value added exceeds 40 percent (IMF, "Republic of Tajikistan: Selected Issues and Statistical Appendix," Report No. 05/131, April 2005).

[18] IFC, Business Environment in Tajikistan as Seen by Small and Medium Businesses, 2003.

[19] Ibid.

as well as support ongoing efforts to privatize cotton farming and improve the oligopolistic marketing and supply chain in cotton. The country may also benefit from support in SME development.

## DEMOGRAPHY AND ENVIRONMENT

The Tajik population grew at a 1.9 percent annual average rate in 2000–2004, reaching 6.7 million in 2004. This contrasts markedly with the performance of many Eastern European and former Soviet countries, where population has been stagnant or has declined; according to the United Nations World Population Prospects, during the same period, the population contracted in Bulgaria, Romania, and Russia.[20] Population growth for the LI-FSR countries averaged 0.8 percent annually over the same period. The United Nations projects significant continued population growth in Tajikistan. By 2030, the number of people in the country will reach 9.2 million, a 37 percent increase from 2004. At the same time, the Bulgarian, Romanian, and Russian populations are projected to decline rapidly.

The total age dependency ratio in Tajikistan is very high but has been declining. Because of the reduction in the ratio of children to workers, the total age dependency rate in Tajikistan declined from 0.80 dependents per worker in 1999 to 0.70 in 2003, within the range predicted by the benchmark regression. Nevertheless, it still substantially exceeds the LI-FSR average (0.62) and the rates in Bulgaria (0.44), Romania (0.44), and Russia (0.42) (Figure 2-5).The UN projects that the dependency rate in Tajikistan will continue to decline in the next 25 years thanks to a substantial decrease in the young age dependency rate, which will more than offset a slight rise in the old age dependency rate.[21] This contrasts favorably with projected dependency rate increases in Bulgaria, Romania, and Russia. Overall, although the projected changes in the age structure in Tajikistan and the consequent decline in the dependency rate are favorable, the country's authorities will need to prepare for a heavier financial burden for care for the elderly.

The adult literacy rate in Tajikistan was a near-perfect 99.5 percent in 2003, above the range predicted by the benchmark regression and the rates in Bulgaria (98.6 percent) and Romania (97.3 percent). Literacy rates exceeding 99 percent are common in the former Soviet Union—for Russia and on average for the LI-FSR countries, the latest figures are 99.6 percent and 99.2 percent, respectively.

The Tajik Environmental Sustainability Index of 38.6 in 2005 (on a scale from 0 for poor performance to 100 for excellent performance) points to serious environmental problems. This is below the range predicted by the benchmark regression, the LI-FSR average (46.9), and the indices in Bulgaria (50.0), Romania (46.2), and Russia (56.1). Analysis of index components indicates that the most troubled areas of Tajik environmental sustainability are basic human sustenance, environmental health, and international collaborative efforts. Water is a major issue

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[20] United Nations, World Population Prospects database.

[21] Ibid.

in Tajikistan. On the three water indicators—quality, quantity, and reducing water stress—Tajikistan scores well below the peer group average.

**Figure 2-5**
*Age Dependency Rate, Dependents per Worker*



*Age dependency rate has been falling, but remains high absolutely and relative to richer comparator countries.*

| Year | Tajikistan Data |
|------|------|
| 1999 | 0.80 |
| 2000 | 0.79 |
| 2001 | 0.76 |
| 2002 | 0.73 |
| 2003 | 0.70 |
| **Summary for 1999–2003** | |
| Five-year average | 0.75 |
| Trend growth rate | -3.51 |

Source: WDI 2005

CAS Code: 14p2
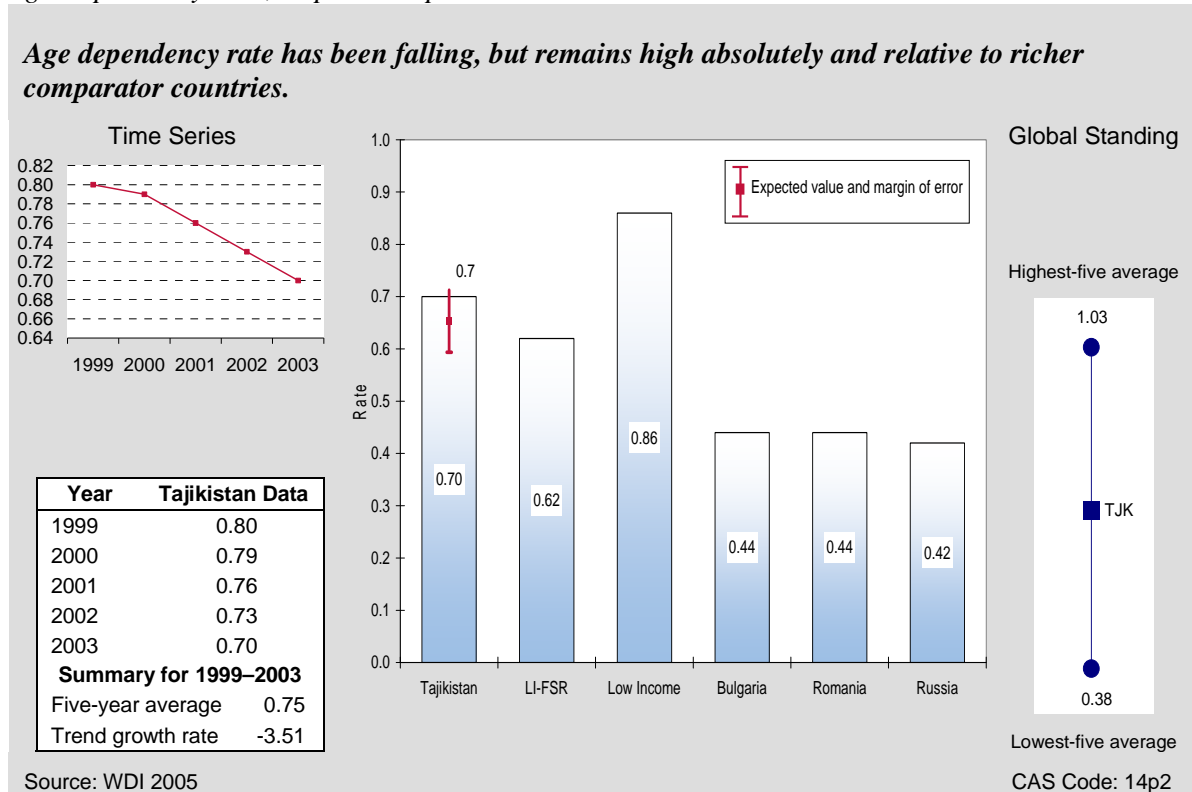
## GENDER

Tajikistan's performance in terms of gender equity is poor. According to the World Bank, the gender gap in Tajikistan is the worst in the region.[22] Performance is especially poor in the school system. Tajikistan's ratio of male to female gross enrollment rates at all levels was 1.19 in 2003—82 percent of males were enrolled, compared to 69 percent of females. The gender ratios in the comparator country group and countries were all much better (Figure 2-6). In the LI-FSR group the ratio was 1.01, and in Bulgaria, Romania, and Russia the ratios were all below one. The gender gap is higher for secondary and tertiary education and is particularly problematic in rural areas. [23] Addressing the educational needs of girls is a must.

In contrast, the performance on literacy indicates equality, with a male-to-female ratio of 1.0 in 2003. The ratio is a result of nearly universal literacy, with rates above 99 percent for both males

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[22] The World Bank argues that gender inequality is worse in Tajikistan than in other Eastern European and Central Asian countries. World Bank, Republic of Tajikistan: Poverty Assessment Update, Report No. 30853-TJ, January 6, 2005.

[23] World Bank, Tajikistan: Poverty Assessment Update.

and females. The ratio is roughly identical to those for the comparator country group and countries, all of which were around 1.00.

**Figure 2-6**

*Male-to-Female Gross Enrollment Rate, All Levels*

*Gender inequity, especially in the education system, is a serious problem.*

Global Standing

Highest-five average

1.7

TJK

0.8

Lowest-five average

Ratio Male: Female

| Tajikistan | LI-FSR | Low Income | Bulgaria | Romania | Russia |
|---|---|---|---|---|---|
| 1.19 | 1.01 | 1.19 | 0.97 | 0.96 | 0.92 |

Source: WDI 2005

CAS Code: 15p2
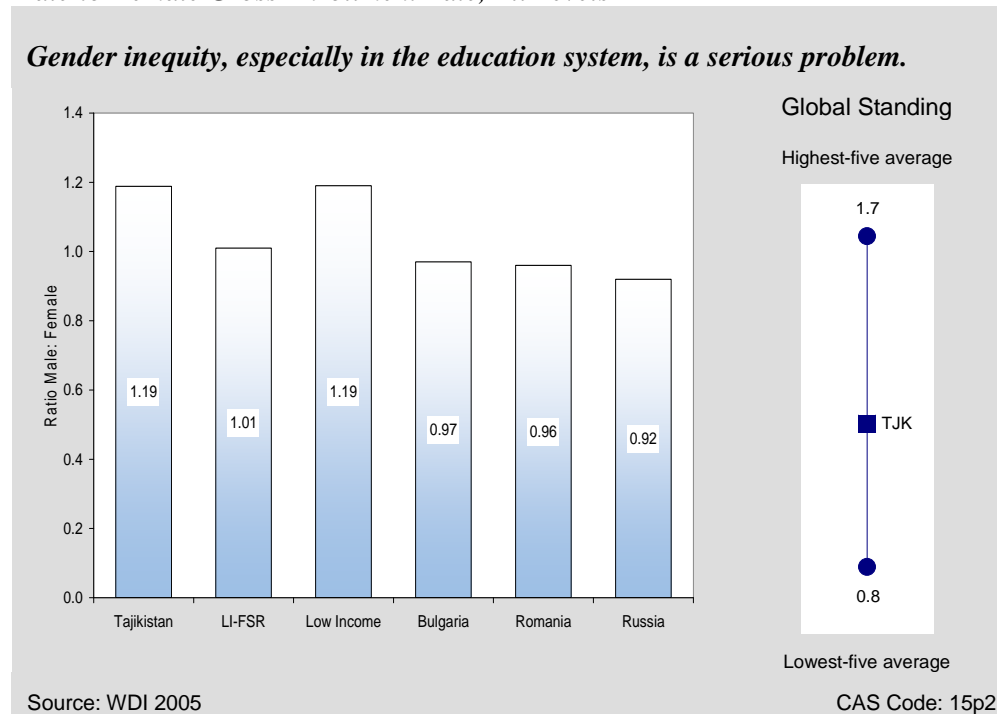
As in many other countries, women in Tajikistan are expected to live longer than men (66.3 years in 2003, compared to 61.0 years), which translates into a male-to-female life expectancy ratio of 0.92. This ratio is similar to the 0.91 average in the LI-FSR and the 0.90 ratios in Bulgaria and Romania (though above the low 0.83 ratio in Russia).

# 3. Private Sector Enabling Environment

This section reviews indicators for key components of the enabling environment for encouraging rapid and efficient growth of the private sector. Sound fiscal and monetary policies are essential for macroeconomic stability, which is a necessary (though not sufficient) condition for sustained growth. A dynamic market economy also depends on basic institutional foundations, including secure property rights, an effective system for enforcing contracts, and an efficient regulatory environment that does not impose undue barriers on business activities. Financial institutions play a major role in mobilizing and allocating saving, facilitating transactions, and creating instruments for risk management. Access to the global economy is another pillar of a good enabling environment, because the external sector is a central source of potential markets and modern inputs, technology, and finance, as well as competitive pressure for efficiency and rising productivity. Equally important is development of the physical infrastructure to support production and trade. Finally, developing countries need to adapt and apply science and technology as a basis for attracting efficient investment, improving competitiveness, and stimulating productivity growth.

## FISCAL AND MONETARY POLICY

Tajikistan authorities have managed to achieve macroeconomic stability in recent years. The budget deficit was brought down and remains under control, government efforts to improve and rationalize government revenue collection appear to have been successful, and expenditures have remained in check. At the same time, further improvements are necessary.[24]

The government budget deficit declined steadily from 5.6 percent of GDP in 2000 to 1.8 percent in 2003 before rebounding slightly to 2.4 percent in 2004. At this level, the deficit is likely to be sustainable, but it is larger than the regression estimate (0.2 percent) and the average deficit in the LI-FSR (1.4 percent). The reduction in the deficit was accompanied by growth in both revenues and expenditures so that the government's share in the economy has increased by either measure (Figure 3-1). The share of government revenue in GDP rose at an average annual rate of 6.1 percent in the past five years, increasing from 13.6 percent of GDP in 2000 to 17.3 percent in

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[24] In 2005, the WDI adopted a new system for classifying fiscal data, although most developing countries still use the old classification. The WDI database therefore has fiscal data for few developing countries; because of the limited sample size, most of the group averages derived from WDI are not meaningful. In this section, comparisons are based on absolute standards, or benchmarks derived from 2004 WDI data, as well as figures for Bulgaria, Romania, and Russia.

2004. Nonetheless, it remains substantially below levels in the comparator countries or the LI-FSR average of 24.7 percent. A tax code revision that went into effect in 2005 has reduced incentives for tax avoidance, improved collections, and broadened the tax base, thereby leading to higher revenues in 2005.[25]

**Figure 3-1**
*Government Revenue, percent of GDP*

*Tajik revenue mobilization efforts have led to higher revenues; the trend needs to continue.*

Time Series

Global Standing

| Year | Tajikistan Data |
|------|-----------------|
| 2000 | 13.6 |
| 2001 | 15.2 |
| 2002 | 16.7 |
| 2003 | 17.0 |
| 2004 | 17.3 |
| **Summary for 2000–2004** | |
| Five-year average | 16.0 |
| Trend growth rate | 6.1 |

Expected value and margin of error

Tajikistan 17.3  (15.7)
LI-FSR 24.7
Bulgaria 38.0
Romania 29.9
Russia 27.4

Highest-five average 44.1

TJK

Lowest-five average 8.6

Note: The LI average is not calculated because of a new fiscal data classification in the WDI for 2005. See technical notes in Data Supplement.
CAS Code: 21p2

Source: Tajik data from the IMF Fifth Review under the PRGF; benchmarking data from the respective IMF Article IV Consultations for comparator countries and countries in the LI-FSR comparator group

Expenditure remained in check, rising at a slower pace than revenues and reaching 20.3 percent of GDP in 2004. This level is above the regression benchmark of 15.7 percent for a country with Tajikistan's characteristics, but well below the LI-FSR average of 28.3. It is also much lower than in Bulgaria, Romania, and Russia 37.5, 32.3, and 22.9 percent, respectively. The government of Tajikistan recognized the need to retain qualified personnel and increased wages in the public sector in 2005.[26] The increase was a one-off effort to help public sector wages catch-up with wages in the private sector, and is unlikely to cause an increased deficit, given rising revenues.

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[25] IMF, Tajikistan: Selected Issues and Statistical Appendix.

[26] Ibid.

On the monetary side, inflation has finally subsided because of more prudent policy. Inflation in 2004 stood at 7.1 percent, below the regression benchmark of 10.6 percent, the LI-FSR average of 8.0, and the values for Romania (11.9 percent) and Russia (10.9 percent). Bulgaria's inflation was 6.1 percent (Figure 3-2). The current rate is a remarkable achievement considering that in 2000 and 2001 inflation was above 30 percent per year, and especially considering that the monetary authorities have targeted the exchange rate and growth in monetary aggregates alternatively, with limited availability of instruments. The decision to focus monetary policy on reducing money supply growth was instrumental in this success, as the growth rate of the broad money supply

> **IMF Program Status for Tajikistan**
>
> Tajikistan just completed its sixth review under the three-year Poverty Reduction and Growth Facility. The authorities commended the Tajik government for its macroeconomic policies and structural reform, but stressed the importance of proceeding with reforms. A new three-year arrangement has been approved. In December 2005, the IMF approved 100 percent debt relief for Tajikistan under the Multilateral Debt Relief Initiative to make funds available for Tajikistan to make progress in achieving its Millennium Development Goals.

decreased 78.2 percent in 2000 to 14.3 percent in 2004. The government of Tajikistan has identified developing additional instruments as its key objective;[27] donor assistance in the area may be needed.

**Figure 3-2**
*Inflation Rate*



*Inflation appears to have been finally brought under control.*

| Year | Tajikistan Data |
|------|-----------------|
| 2000 | 32.9 |
| 2001 | 38.6 |
| 2002 | 12.2 |
| 2003 | 16.4 |
| 2004 | 7.1 |
| **Summary for 2000–2004** | |
| Five-year average | 21.4 |
| Trend growth rate | N/A |

Source: World Economic Outlook database

CAS Code: 21p4

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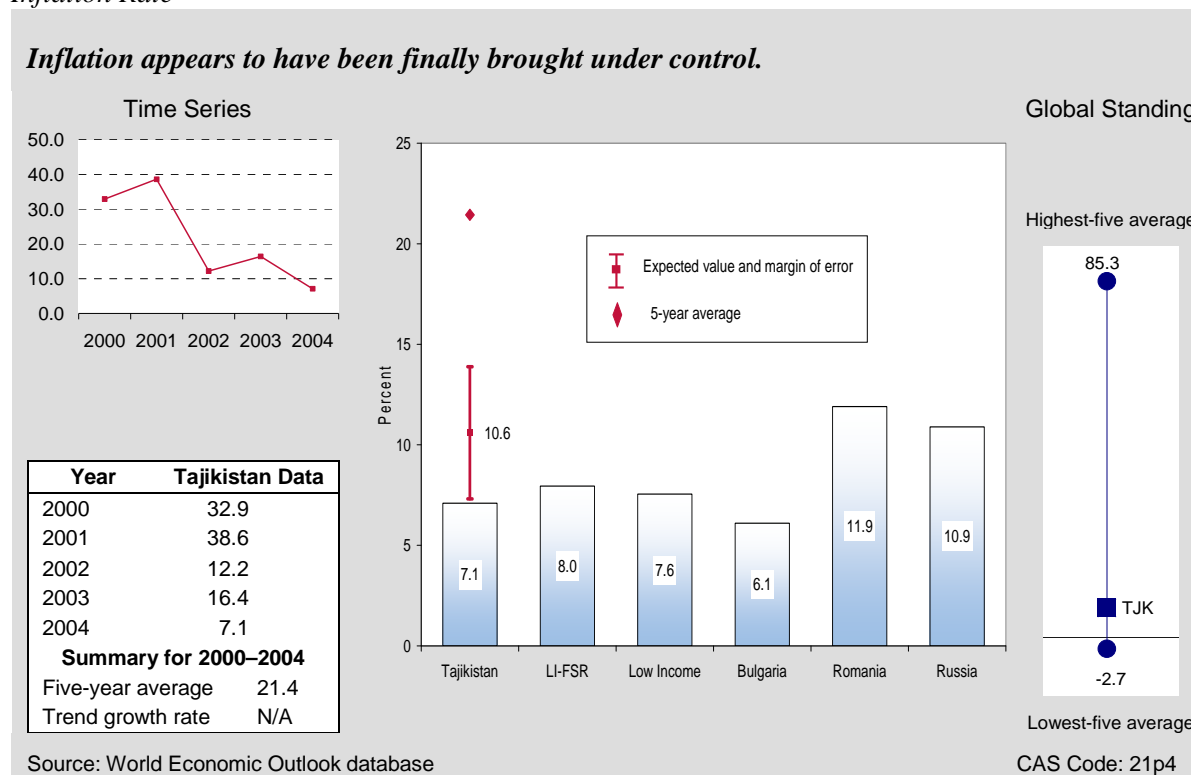
[27] IMF, Republic of Tajikistan: Article IV Consultation and Fourth Review under the Poverty Reduction and Growth Facility, Country Report No. 05/132, April 2005.

# BUSINESS ENVIRONMENT

Institutional barriers to doing business, including corruption in government, are critical determinants of private sector development and prospects for sustainable growth. Corruption remains the foremost problem in Tajikistan (Figure 3-3). Tajikistan scores 2.1 on the Corruption Perception Index, a scale of 1 (for widespread perceived corruption) to 10 (for no perceived corruption). [28] The score is worse than the LI-FSR average and the values for all three comparator countries. More substantially, in absolute terms, Transparency International classifies any score below 3.0 as rampant corruption. This is borne out by a recent survey of 4,000 Tajik firms, which reported that more than 80 percent of respondents had to pay a bribe to tax inspectors, and about 75 percent had to pay a bribe to obtain a license or a permit.[29]

**Figure 3-3**
*Corruption Perception Index*



*Corruption is widespread, as CPI value below 3.0 is said to indicate rampant corruption.*

Source: Transparency International

CAS Code: 22p1
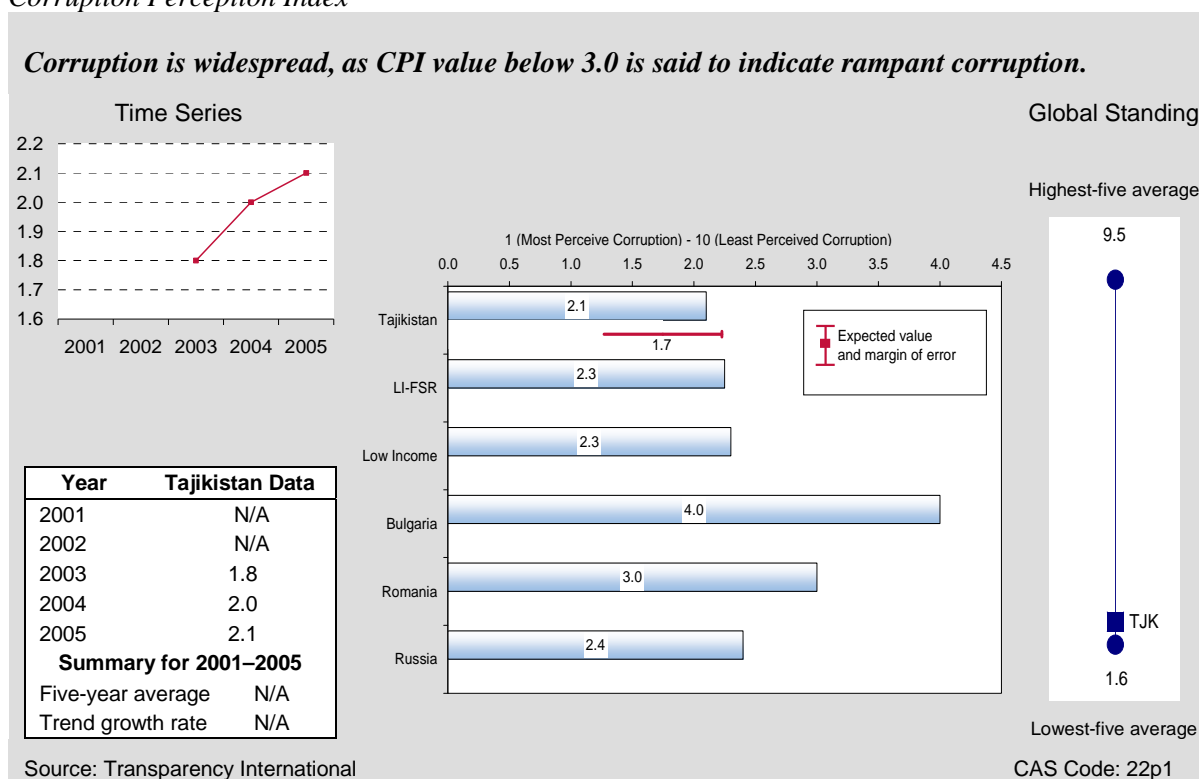
Tajikistan's performance on rule of law and regulatory quality are also weak on an absolute scale. Tajikistan scores -1.2 on the Rule of Law Index (from –2.5 for poor to 2.5 for excellent), within the range predicted by the regression benchmark and on par with the -1.1 LI-FSR average, but below the values for Bulgaria (0.1), Romania (-0.2), and Russia (-0.7). The Tajik score on the Regulatory Quality Index, -1.2, on a scale of -2.5 to 2.5 is poor—below the LI-FSR average (-0.8)

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[28] Most of the data for this section comes from the World Bank's Doing Business database. Tajikistan, however, is not covered by the survey. Therefore, some nonstandard indicators were considered.

[29] World Bank and European Bank for Reconstruction and Development, Business Environment and Enterprise Performance Survey (BEEPS), 2002-2003.

and the values for the comparator countries (Bulgaria with 0.6, Romania with -0.1, and Russia with -0.5).

There are other signs that the business environment is not friendly. Protection of property rights is inadequate (the Property Rights Index for Tajikistan is 3.6 on a scale of 1 to 7,) and the burden of government regulations is heavy (Tajikistan scores 2.7 on a similar index).[30]

In a 2004 report the IMF assessed the Tajik authorities' actions for improving the business environment as inadequate and discussed the need to reduce administrative barriers, streamline business processes, combat corruption, and promote transparency.[31] Barriers to doing business in Tajikistan are high, discouraging private sector development and investment (both domestic and foreign). Given the very low level of private sector investment and high levels of poverty in the country, action in this area is vital. Donor programs to improve the business environment will be beneficial to Tajikistan's growth potential.

## FINANCIAL SECTOR

A sound and efficient financial sector is a key to mobilizing saving, fostering productive investment, and improving risk management. The Tajik financial sector remains small and weak, though there are recent positive signs of improvement in the sector.

The degree of monetization of the Tajik economy is nearly the lowest in the world (Figure 3-4). Although the ratio of the broad money supply (M2) to GDP increased to 7.2 percent in 2004 from 6.6 percent in 2000, monetization remains below all benchmarks—the LI-FSR average, the regression estimate for a country with Tajikistan's characteristics, and the values for Bulgaria, Romania, and Russia. The stabilization of the exchange rate has yet to translate into higher domestic confidence in the national currency; roughly 70 percent of bank deposits are made in dollars. [32]

The Tajik financial sector still has many characteristics of Soviet institutions and now faces challenges that other transition economies have faced in the past two decades. The National Bank of Tajikistan has outstanding loans to the private sector, as evident from the claims on private sector entry in its accounts. As is typical of countries at this stage of the transition, many of those credits are to large, financially troubled firms in so-called strategic sectors such as energy utilities and therefore, indirectly, energy-intensive industries. Not only does the engagement of the National Bank in lending undermines efforts at structural reform, it creates unfair competition for private commercial banks; and more important, the conflict of interests reduces the independence of the National Bank of Tajikistan, which is necessary for effective monetary policy. According

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[30] Global Competitiveness Report 2005. The Property Rights Index ranges in value from 1 (for poorly defined and not protected) to 7 (for well defined and protected). The Burden of Government Regulations Index, too, ranges in value from 1 (for burdensome compliance with government administrative requirements) to 7 (for non-burdensome compliance with government administrative requirements).

[31] IMF, Tajikistan: Joint Assessment of the Poverty Reduction Strategy Paper Progress Report.

[32] IMF, Tajikistan: Selected Issues and Statistical Appendix.

to the IMF, the national bank plans to sell some of the loans it made in the mid-1990s and thus move away from lending.[33]

**Figure 3-4**

*Money Supply (M2), percent of GDP*

*The underdeveloped financial sector is a major constraint to doing business.*



| Year | Tajikistan Data |
|------|-----------------|
| 2000 | 6.6 |
| 2001 | 6.9 |
| 2002 | 7.1 |
| 2003 | 7.1 |
| 2004 | 7.2 |
| **Summary for 2000–2004** | |
| Five-year average | 7.0 |
| Trend growth rate | 2.2 |

Source: Tajik data from the IMF Statistical Appendix; benchmarking data from WDI 2005
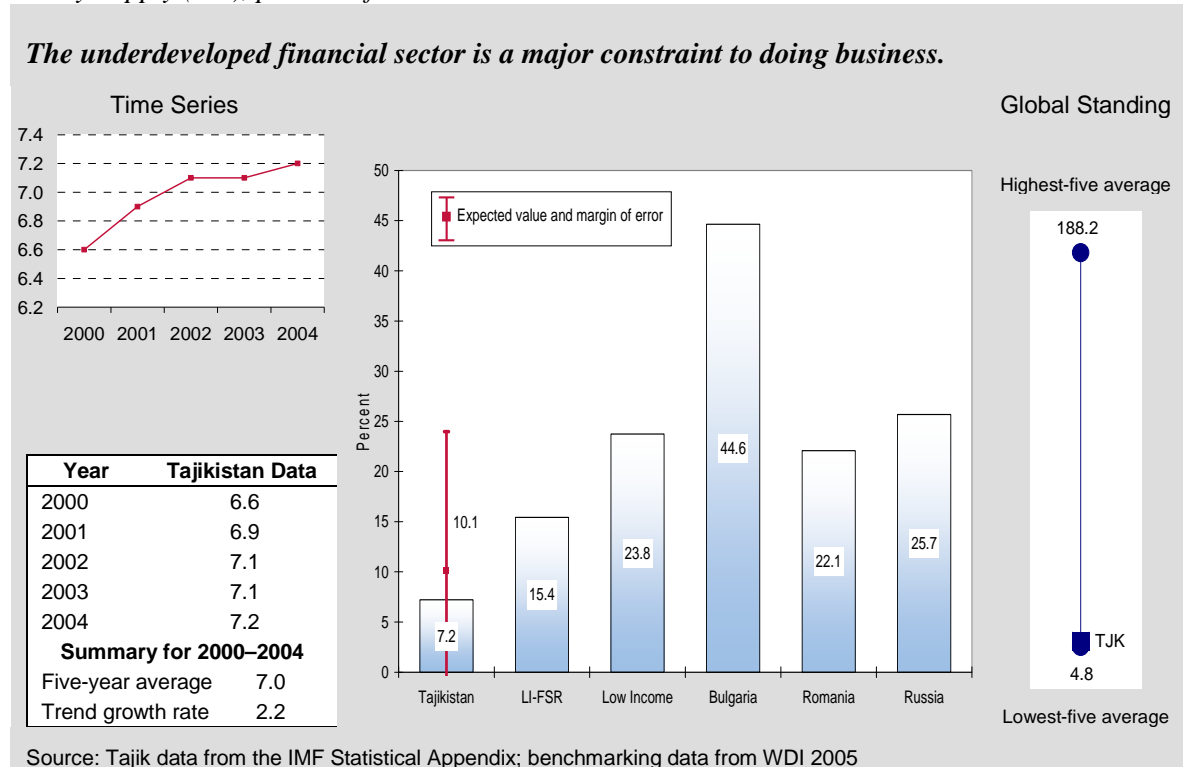
Domestic credit to the private sector stood at 17.1 percent of GDP in 2004, up from 14.0 percent in the previous year, but down from 22.8 percent in 2001. At the 2004 level, credit is above the LI-FSR average (14.0 percent of GDP) and the rate in Romania (9.5 percent), but substantially below levels found in Bulgaria (27.6 percent) and Russia (20.9 percent). Credit to the private sector needs to rise to stimulate investment, economic activity, and SME development. Credit to the private sector in Tajikistan has grown faster than in the other former Soviet republics, indicating improved confidence and much-needed financial deepening.[34]

In addition to the growth in the ratios of money and credit to GDP are other fledgling signs of improvement. The interest rate spread (lending rate minus deposit rate) fell from 21.0 percent in 2000 to 6.9 percent in 2004. If the spread remains at these low levels, this would indicate increased banking efficiency.

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[33] IMF, Tajikistan: 2004 Article IV Consultation and Fourth Review under the Poverty Reduction and Growth Facility.

[34] IMF, Tajikistan: Selected Issues and Statistical Appendix.

For Tajikistan, building on the recent achievements in the financial sector is a must. According to a recent survey, lack of access to financing was cited as one of the most significant problems in doing business.[35] Donor programs to strengthen the financial sector and improve its efficiency therefore may be warranted. Programs to facilitate and encourage the entry of foreign banks, strengthen governance and regulations, and improve the availability of microfinance are some options. It will be particularly important that efforts to increase credit availability to the private sector for investment be accompanied by more effective enforcement of prudential regulations and monitoring of credit quality if Tajikistan is to avoid some of the problems experienced by other countries at a similar stage of financial sector transition.

## EXTERNAL SECTOR

Fundamental changes in international commerce and finance, including reduced transport costs, advances in telecommunications technology, and lower policy barriers, have fueled a rapid increase in global integration in the past 25 years. The international flow of goods and services, capital, technology, ideas, and people offers great opportunities for Tajikistan to boost growth and reduce poverty by stimulating productivity and efficiency, providing access to new markets and ideas, and expanding the range of consumer choice. Globalization also creates new challenges: the need for institutions, policies, and regulations to take advantage of international markets; develop cost-effective approaches to cope with adjustment costs; and establish systems for monitoring and mitigating the associated risks.

Developments in Tajikistan's external sector have been generally positive in recent years. The current account deficit has declined to reasonable levels thanks to a large increase in workers' remittances and economic stabilization efforts, and the external debt has declined to sustainable levels thanks to substantial foreign debt restructuring and cancellations and rapid GDP growth. Tajikistan has not been successful in attracting FDI, but this may change, because Russia and other countries are considering major investment projects. The country's reliance on foreign aid is substantial but declining. An important outstanding issue is the country's heavy reliance on aluminum exports.

### International Trade and the Current Account

The value of Tajik foreign trade (exports plus imports) accounted for 112.2 percent of GDP in 2004. Although the trade-to-GDP ratio declined from 140.3 percent of GDP in 2001, it remained very high even for a small country such as Tajikistan. This ratio far exceeded the range predicted by the benchmark regression and the ratios in the LI-FSR group (109.8 percent), Bulgaria (116.2 percent), Romania (71.6 percent), and Russia (52.6 percent). The outstanding volume of trade relative to GDP in Tajikistan is especially remarkable given the country's landlocked location and the limited number of international transportation routes.[36]

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[35] Ibid.

[36] According to the IMF, all commercially viable export roads from Tajikistan go through Uzbekistan. The harassment of Tajik traders at the Uzbek border, bribe extortion, and delays are a major obstacle to the expansion of Tajik exports, especially of perishable goods (Tajikistan, Selected Issues and Statistical Appendix).

Tajik foreign trade expanded steadily from 1999 to 2003, with exports of goods and services rising 9.2 percent, on average.[37] Tajik export growth was within the range predicted by the benchmark regression. Although it is higher than the latest figures for the LI-FSR (6.5 percent), Bulgaria (8.0 percent), and Romania (8.2 percent), it was far less than Russian export growth (33.9 percent), which was stimulated by high world oil prices.

Tajik exports are highly concentrated. In 2004, aluminum accounted for 61.6 percent of Tajik merchandise exports, and the top three commodities, which in addition to aluminum include cotton and electric power, made up 85.5 percent of exports.[38] Export concentration in Tajikistan was much higher than in the comparator countries. In Bulgaria and Romania, the top three commodities accounted for 17.4 percent and 24.0 percent of exports, respectively. Even in Russia, which depends heavily on just two commodities, these commodities' share was lower (54.3 percent) than the share of one commodity, aluminum, in Tajikistan.

Export diversification is necessary for Tajikistan to protect itself from fluctuations in the world prices of aluminum and cotton and shift exports to higher value–added goods. Progress in this area depends on improvement in regional cooperation, including the resolution of issues related to the crossing of the border with Uzbekistan. At the same time, much has to be done domestically. One area in which serious government efforts are badly needed is transportation infrastructure, as discussed in the Economic Infrastructure section. Although the foreign trade policy environment is average by regional standards, its improvement could stimulate exports. The Trade Policy Index, which measures the degree to which government hinders the free flow of foreign commerce (from 1 to 5), improved from 5.0 in 2000 to 3.0 in 2001 and remained at this level through 2004. This is on par with Russia (3.0), though better than in the LI-FSR group (3.5), Bulgaria (4.0), and Romania (4.0).

Remittances and foreign aid stimulated strong domestic demand in 2000–2004. The counterpart to these inflows was a rapid growth in imports, resulting in a foreign trade deficit averaging 10.6 percent a year. The large flows of remittances and other current transfers was sufficient, however, to offset the rise in imports, so that the current account deficit narrowed from 6.2 percent of GDP in 2000 to 2.8 percent in 2004. This level is below the range predicted by the benchmark regression and less than the deficits in Bulgaria (8.4 percent) and Romania (5.8 percent). At the same time, it exceeded the average deficit in the LI-FSR countries (2.0 percent of GDP). Russia ran an 8.3 percent current account surplus in 2003.

Workers' remittances are expected to remain a major source of external financing; Tajikistan therefore could benefit from donor assistance in channeling remittances to the formal financial system and transforming them into domestic investment.

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[37] The standard CAR indicator measures growth of export in local currency units, data for which are available only through 2003. Growth of exports measured in US dollars was over 20 percent in both 2003 and 2004 (IMF, Republic of Tajikistan: Fifth Review under the Poverty Reduction and Growth Facility, Country Report No. 05/368, October 2005.)

[38] The National Bank of Tajikistan.

## International Financing and External Debt

The rapidly increasing remittance payments of Tajiks working abroad have played an important role in stimulating domestic consumption and the growth of GDP in the past several years. Remittances have also been the key source of financing the trade deficit, as noted above. The statistical estimates for remittances are imprecise. According to the IMF, the share of remittances in Tajik GDP ranges from 21 percent of GDP to 50 percent.[39] Almost all remittances (92 percent) come from Russia.

Tajikistan relies heavily on foreign aid. Although the share of aid in GNI shrank from a high of 16.8 percent in 2001 to 9.9 percent in 2003, it still exceeded the average aid-to-GNI ratio in the LI-FSR countries (7.5 percent) (Figure 3-5). The ratio in Tajikistan was also several times higher than those in Bulgaria (2.1 percent), Romania (1.1 percent), and Russia (0.3 percent). In our judgment, Tajikistan's reliance on foreign aid is not excessive, given the country's relatively recent civil war, landlocked location, poverty, and low average income. This is reinforced by the fact that Tajikistan is very much in the midst of its transition to a market economy, with weak market institutions and substantial structural distortions. Nonetheless, aid dependence is still a major risk factor for Tajikistan.

**Figure 3-5**

*Foreign Aid, percent of GNI*



*Aid dependency is high—not surprising for a poor country that went through a decade of civil unrest and economic instability.*

| Year | Tajikistan Data |
|------|-----------------|
| 1999 | 11.9 |
| 2000 | 13.4 |
| 2001 | 16.8 |
| 2002 | 14.3 |
| 2003 | 9.9 |
| **Summary for 1999–2003** | |
| Four-year average | 13.2 |
| Trend Growth Rate | -3.0 |

Source: WDI 2005

CAS Code: 24p1

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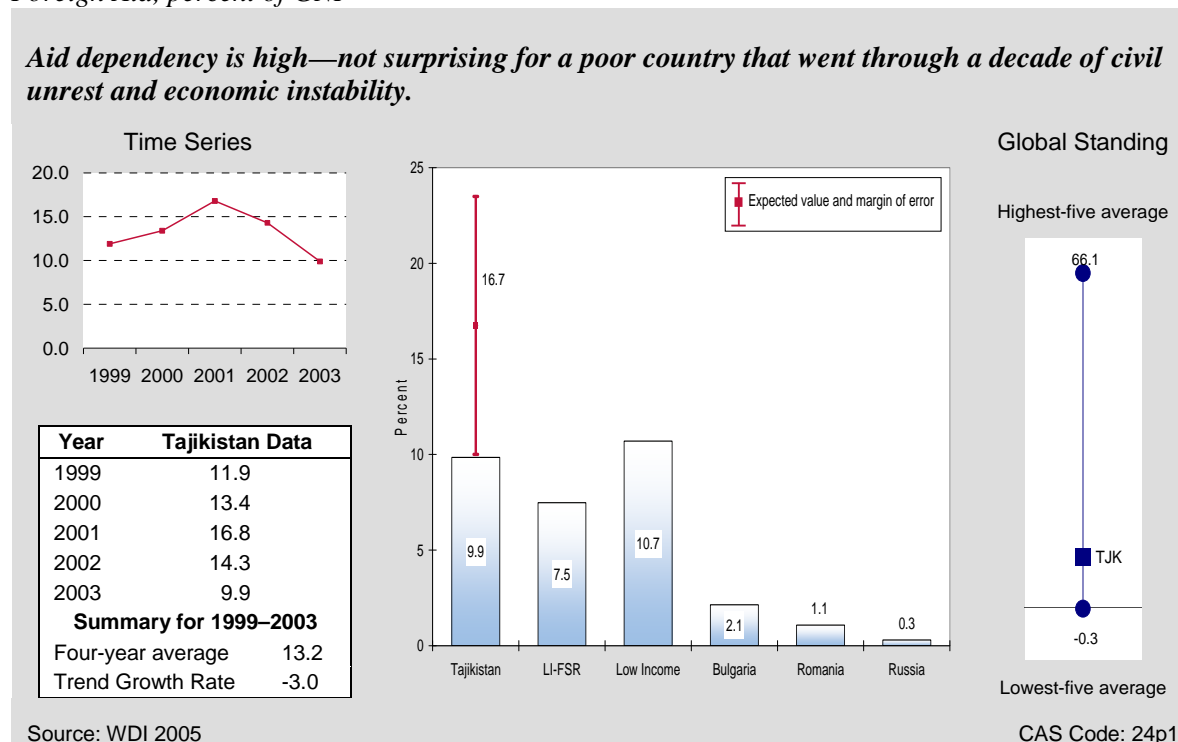
[39] IMF, Tajikistan: Selected Issues and Statistical Appendix.

The latest available figures on total external debt relative to GNI in Tajikistan are for 2003 and indicate high debt levels. There have been substantial restructuring and write-offs since then, however, and the current levels are much lower, most likely on par with the debt level in Romania.

Tajikistan had no external debt when the country became independent in 1991. The severe economic and political problems of the 1990s resulted in the explosive accumulation of debt. Debt levels began to decline around 2000, thanks to political and economic stabilization. According to the World Development Indicators (WDI), the present value of debt declined from 87.4 percent of GNI in 2000 to 77.0 percent in 2003. Although still high, substantially exceeding the debt present value-to-GNI ratios in Romania (46.0 percent) and Russia (52.1 percent), this was within the range predicted by the benchmark regression and less than the average ratio in the LI-FSR group (86.1 percent) as well as the ratio in Bulgaria (85.5 percent). The debt-to-exports ratio declined from a high of 11.5 percent in 2001 to 9.3 percent in 2003, below the LI-FSR average (13.2 percent), as well as the ratio for Bulgaria (10.5 percent), Romania (17.3 percent), and Russia (11.8 percent). The IMF noted that prudent policies helped the Tajik authorities reduce the debt. Also important were debt restructuring and cancellation agreements.

In 2004, thanks to agreements with Russia and other countries and to the rapid expansion of GDP, the ratio of the public external debt to GDP fell to 39.7 percent from 66.3 percent a year earlier. According to the IMF, no reliable data on the Tajik private external debt, and thus on the total external debt, are available. Most of the private external debt in 2004, estimated at 7 percent of GDP, was incurred by the cotton sector. In December 2005, the IMF announced 100 percent relief on Tajikistan's debt to the fund incurred before January 1, 2005, and still outstanding, amounting to roughly $99 million (12.0 percent of the 2004 public external debt).[40]

FDI in Tajikistan was very low in 2000–2003, averaging 1.8 percent of GDP a year.[41] This was less than the latest available FDI-to-GDP ratios in the LI-FSR group (2.2 percent), Romania (3.2 percent), and, especially, Bulgaria (7.2 percent). The fact that the Tajik economy was not attractive to foreign investors was reflected in an extremely low score on the Inward FDI Potential Index, a mere 0.07 in 2002 on a scale of 0 (for very poor performance) to 1 (for excellent performance). This was below the range predicted by the benchmark regression, the LI-FSR average (0.13), as well as the indices in Bulgaria (0.20), Romania (0.16), and Russia (0.29). In 2004, the Tajik FDI-to-GDP ratio jumped to 13.6 percent because of a debt-for-equity swap with Russia, which acquired the Nurek space tracking station.[42] This one-time surge in FDI is not a sign of an improved investment climate. As of this writing, Russia and several other countries are considering substantial investments in Tajikistan that will take advantage of Tajikistan's

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[40] Information in the preceding two paragraph is based on (1) IMF, "IMF to Extend 100 Percent Debt Relief to Tajikistan Under the Multilateral Debt Relief Initiative," Press Release No. 05/303, December 23, 2005; (2) IMF, Tajikistan: Selected Issues and Statistical Appendix; and (3) IMF, Tajikistan: 2004 Article IV Consultation and Fourth Review under the Poverty Reduction and Growth Facility; and (4) World Economic Outlook September 2005 Database.

[41] The National Bank of Tajikistan

[42] IMF, Tajikistan: Selected Issues and Statistical Appendix.

natural resources and geographical location, primarily in the electricity, aluminum, and transportation sectors.

The Tajik central bank's foreign exchange reserves are lower than the generally accepted minimum of three months of imports necessary to ensure stability in the currency and international transactions. In 2003, reserves amounted to only 1.3 months of imports, a marginal increase from 0.9 month of imports in 1999. Foreign exchange reserves were also low by regional standards, falling short of the range predicted by the benchmark regression, average reserves in the LI-FSR group (2.0 months of imports), and reserves in Bulgaria (6.2 months), Romania (4.3 months), and Russia (7.4 months).

In the longer term, Tajikistan needs assistance in developing a foreign debt management system to maintain its debt at moderate levels. Tajikistan's government may also benefit from assistance in translating the numerous announcements of intended foreign investment projects into reality, such as assistance in the identification of investment priorities and promotion of investment opportunities.

## ECONOMIC INFRASTRUCTURE

A country's physical infrastructure—for transportation, communications, power, and information technology—is the backbone for strengthening competitiveness and expanding productive capacity.

Indicators give a conflicting picture of Tajikistan's economic infrastructure. The Overall Infrastructure Quality Index was 3.1 in 2005 on a scale from 1 (for poor) to 7 (for excellent), low by absolute standards, but above the range predicted by the benchmark regression, higher than the LI-FSR average (2.6), and marginally better than the indices in more advanced Bulgaria (2.9), Romania (2.8), and Russia (2.9). And although the overall infrastructure score is higher in Tajikistan than in the comparator countries, the indices for port, railroad, and electricity infrastructure in Tajikistan are all lower than those in Romania, Russia, and Bulgaria.[43] To some extent, this may reflect the fact that the index is based on business leaders' and entrepreneurs' perceptions.

The subjective nature of the infrastructure quality indices also reveals itself in the comparison of individual modes of transportation. Although respondents rate Tajikistan relatively highly on overall infrastructure quality, the indices for air transport, port, railroad, and electricity infrastructure in Tajikistan are all lower than the respective component indices in Romania and Russia. Weakness in the transportation infrastructure hinders the shipment of goods, both internationally (see the External Sector section) and domestically. Tajik transportation problems are, to a great extent, a result of geographic location—high mountains cover a large portion of the country.

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[43] Global Competitiveness Report does not calculate the Overall Infrastructure Index as an average of its components. Rather, it is rated separately per responses received to a survey question (see technical notes for more details), explaining this divergence of component and overall comparisons.

The Tajik communications sector is also "poorly developed and not well maintained; many towns are not reached by the national network."[44] Telephone density, measured as the number of fixed line and mobile subscribers per 1,000 people, was only 63.0 in 2004, less than the LI-FSR average (91.1). It was also only a fraction of the rates in Bulgaria (846.9 subscribers), Romania (523.6), and Russia (362.3). On a positive note, the cost of an average local call in Tajikistan (0.01) was lower than in the LI-FSR group (0.02), Bulgaria (0.3), Russia (0.2), and, especially, Romania (0.12), though this may be due to regulations because the telephone system is still run by the state monopoly.

The number of Internet users in Tajikistan is extremely low—0.6 per 1,000 people, miniscule compared to the LI-FSR group (24.5), Bulgaria (80.8), Romania (190.5), and Russia (40.9). Although telephone density was within the range predicted by the respective benchmark regression, the number of Internet users was below its corresponding benchmark regression range.

Tajikistan clearly can benefit from international donor support in the upgrading and extension of economic infrastructure – especially electricity infrastructure. The communications sector is growing, but an effort should be made to accelerate its expansion.

## SCIENCE AND TECHNOLOGY

Science and technology are central elements of a dynamic growth process, because technical knowledge is a driving force for rising productivity and competitiveness. Even for low-income countries such as Tajikistan, transformational development increasingly depends on acquiring and adapting technology from the global economy and applying it in ways that are appropriate to their level of development. A lack of capacity to access and use technology prevents an economy from leveraging the benefits of globalization.

Unfortunately, reliable international indicators related to science and technology are not readily available for Tajikistan. But the available information indicates that science and technology in that country are not developed. The average number of patent applications filed in 1998–2002 (32.2) was very low compared to the LI-FSR regional average (181.5) and to the number of applications filed in Bulgaria (306) and Romania (1,486). It was only a tiny fraction of the number of applications filed in Russia (20,049), even when accounting for Tajikistan's smaller size and population. Tajikistan's score on the FDI Technology Transfer Index, which ranges from 1 (FDI brings little new technology) to 7 (FDI brings a lot of new technology), was 4.1, slightly better than Russia's score of 4.0 in 2005. The Tajik index was not high, however—below the LI average (4.4) and below the indices for Bulgaria (4.6) and Romania (5.1)—which means that foreign investment is not helpful in the development of technology.

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44 Index Mundi 2004, http://www.indexmundi.com/tajikistan/telecommunications_profile.html.

# 4. Pro-Poor Growth Environment

Rapid growth is the most powerful and dependable instrument for poverty reduction. Yet the link from growth to poverty reduction is not mechanical. In some cases, income growth for poor households exceeds the overall rise in per capita income, while in other conditions growth benefits the non-poor far more than the poor. A pro-poor growth environment stems from policies and institutions that improve opportunities and capabilities for the poor while reducing their vulnerabilities. Pro-poor growth is associated with improvements in primary health and education, the creation of jobs and income opportunities, the development of skills, microfinance, agricultural development, and gender equality.[45] This section focuses on four of these issues: health, education, employment and the workforce, and agricultural development.

## HEALTH

The provision of basic health service is a major form of human capital investment and a significant determinant of growth and poverty reduction. Although health programs do not fall under the EGAT bureau, an understanding of health conditions can influence the design of economic growth interventions.

Tajikistan's health indicators paint a mixed picture. Life expectancy, the broadest indicator of health status, was 66.3 years for Tajiks in 2003, on par with the LI-FSR average of 66.5 years, higher than Russia's rate of 65.7 years and the regression benchmark of 62.1 years, but substantially lower than life expectancies in Bulgaria and Romania (72.1 years and 70.1 years, respectively). Similarly, the maternal mortality rate is low for a country with this income profile. Tajikistan had 41 maternal deaths per 100,000 births in 2004, compared with an average of 68 for the LI-FSR countries, and not far from the rates recorded in Bulgaria (32) and Romania (49).

In other areas of health Tajikistan performs poorly. The child immunization rate is 85.5 percent, substantially worse than the LI-FSR average and the rates in the comparator countries (Figure 4-1). Similar comparisons hold for the births attended by skilled personnel, child malnutrition (measured by height),[46] and access to improved sanitation and water sources.

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[45] This report does not cover emergency relief because it focuses on economic growth performance.

[46] The standard CAR indicator is the prevalence of child malnutrition measured by weight at a particular age. Because these data are lacking for Tajikistan, the measure in terms of height is considered.

**Figure 4-1**
*Child Immunization Rate*

*The child immunization rate, as an indicator of the health system, is below benchmark values.*

Time Series                                                                    Global Standing



| Year | Tajikistan Data |
|------|-----------------|
| 1999 | 80.5 |
| 2000 | 85.0 |
| 2001 | 84.5 |
| 2002 | 82.0 |
| 2003 | 85.5 |
| **Summary for 1999–2003** | |
| Five-year average | 83.5 |
| Trend growth rate | 0.8 |

Source: WDI 2005                                                              CAS Code: 31s4
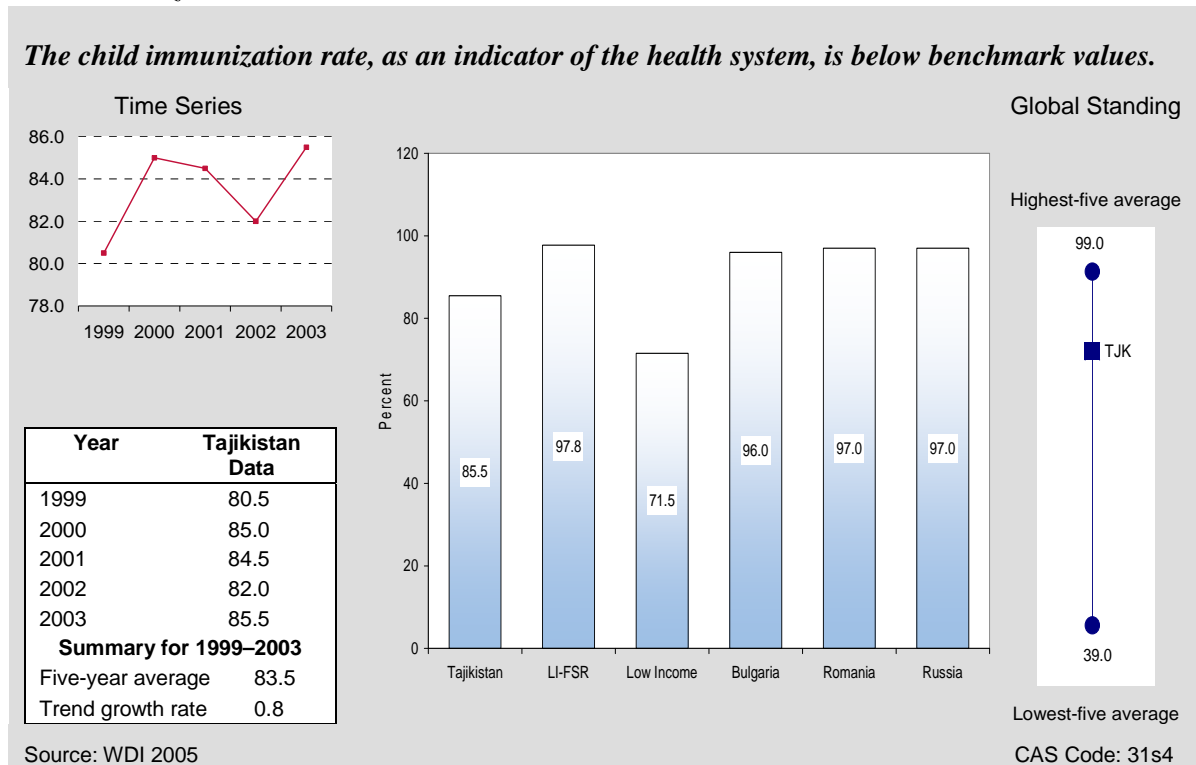
According to UNICEF and WHO, Tajikistan has the poorest supply of drinking water in the world.[47]

Public health expenditure is not sufficient to improve troubling health indicators. At 0.90 percent of GDP in 2004, public spending on health was unchanged from 1999 and well below the LI-FSR average (2.35 percent) and the rates of Bulgaria (4.45 percent), Romania (4.15 percent), and Russia (3.46 percent). Because Tajikistan is the poorest country in its group, in absolute terms, this low level of expenditure is an even greater source of concern than for other LI-FSR countries. According to the IMF, the government of Tajikistan is substantially increasing its spending on health in 2006 (to 3 percent of GDP).[48] Improving the health system and infrastructure should be a high priority for the government and international donors.

# EDUCATION

Some education indicators for Tajikistan paint a misleading picture of a well-off system. As in the comparator countries and the region, the youth literacy rate is nearly perfect—99.8 percent—well above the regression benchmark of 85.5 percent (Figure 4-2). Tajikistan's 97.5 percent net primary enrollment rate for 2002 is above all benchmarks—the regression estimate of 75 percent,

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[47] IMF, Tajikistan: Poverty Reduction Strategy Paper Second Progress Report.

[48] IMF, Tajikistan: Fifth Review under the Poverty Reduction and Growth Facility.

the LI-FSR average of 84.2 percent, and the rates in Bulgaria (90.4 percent), Romania (88.9 percent), and Russia (89.7 percent).

**Figure 4-2**
*Net Primary Enrollment Rate*



*Net primary enrollment rate is higher than all benchmark values.*

Source: UNESCO Institute for Statistics                              CAS Code: 32p1a
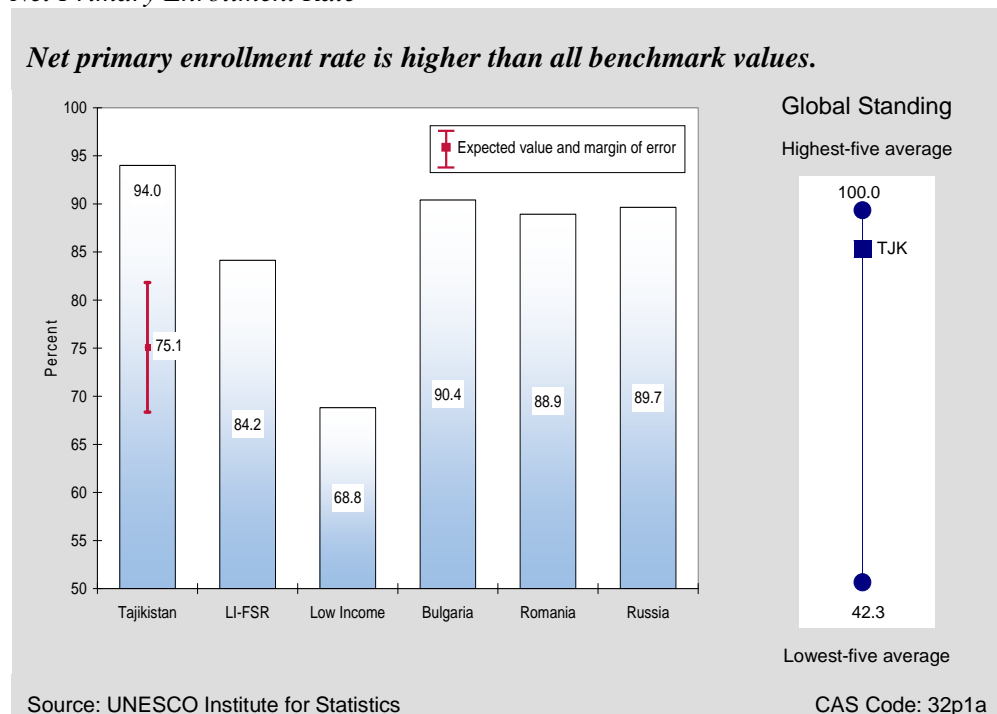
Nonetheless, some problems are apparent. Unfortunately, expenditure on primary education remains low—just 2.14 percent of GDP in fiscal 2006—making it unclear whether the high primary enrollment rates can be sustained in the long term. In absolute terms, considering the low GDP levels in Tajikistan, the figure is even more daunting. And enrollment rates decline precipitously as one moves to higher education levels. Net secondary enrollment in Tajikistan was 79.5 percent in 2001, below the rates in Bulgaria (86.7 percent) and Romania (80.0 percent).[49] UNICEF Innocenti Social Monitor 2004 reports gross enrollment rates for general secondary enrollment of just 19.1 percent in 2002 (down from 40.4 percent in 1989). Gross tertiary enrollment rates in Tajikistan are just 16.4 percent, well below the rates in Bulgaria (37.7 percent), Romania (30.4 percent), and Russia (69.7 percent). Moreover, the IMF and others have noted that "vocational schools and secondary special educational institutions do not teach skills for demands of the current labor market." [50] Rather, the curriculum remains geared to a planned economy. The same source reports that the dropout rates are high.

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[49] World Development Indicators 2005. Data for Russia are not available. Similar data are reported in the UNESCO EFA Global Monitoring Report 2005.

50 IMF, Tajikistan: Poverty Reduction Strategy Paper Progress Report.

Government and donor attention to making education (especially at the secondary level) accessible to girls and the poor is necessary for poverty alleviation, transformational economic growth, and increased labor productivity.

## EMPLOYMENT AND WORKFORCE

Productive employment serves a society by providing livelihoods and reinforcing social cohesion. Strong economic expansion in Tajikistan has been accompanied by steady growth in the labor force; at an annual average rate of 2.4 percent in 1999–2003, labor force growth slightly outpaced population growth. The total labor force participation rate rose marginally, from 70.7 percent to 71.5 percent, during this period, remaining below the range predicted by the benchmark regression, the LI-FSR average (73.9 percent), and the rates in Bulgaria (73.6 percent) and Russia (77.5 percent). This was due mostly to a low labor force participation rate for women (64.7 percent). At the same time, the total labor force participation rate in Tajikistan was greater than in Romania (67.9 percent), where the rate has been low because of the extensive use of early retirements in closing down Soviet-era heavy industry.

The Tajik official unemployment rate was 2.2 percent in 2004. However, this figure takes into account only the number of registered unemployed, which is only a fraction of the number of actual unemployed. The ILO-defined unemployment rate was estimated at 11.3 percent in 2002, with the urban unemployment rate exceeding the rural rate.[51] This rate was higher than the average for LI-FSR (6.8 percent) and the rates of Romania (8.4 percent) and Russia (8.6 percent), though significantly less than in Bulgaria (17.6 percent).

A great number of Tajiks—17 percent of the economically active population, according to the country's authorities—seek employment abroad, primarily in Russia. However, this may be less a result of the lack of employment opportunities in Tajikistan than of substantially higher incomes in Russia. The large number of migrants presents both challenges and opportunities for Tajikistan. Tapping this potential by employing these workers domestically could be an important source of economic growth; in fact, high growth rates may be difficult to sustain otherwise. Workers' remittances nonetheless provide important finance for the economy, and sustaining growth in productivity as well as in the wages and profits necessary to retain workers may be difficult without them. Some of these problems may be due to labor market rigidities, but the lack of evidence makes it difficult to say. Donor assistance can help identify labor market rigidities as well as address broader economic growth concerns, such as removing obstacles to investment, which will generate more, and higher-paid, employment.

## AGRICULTURE

Tajik agriculture posted strong growth in 2000–2004, with crop and livestock outputs increasing 66.1 percent and 58.6 percent respectively over the average 1999–2001 levels. To a great extent, this was a recovery from the production collapse in the first half of the 1990s. As mentioned in

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[51] Based on ADB funded monitoring assessment, see IMF, Tajikistan: Poverty Reduction Strategy Paper Progress Report. The World Bank estimates are similar, showing that unemployment decreased from 16 percent in 1999 to 12 percent in 2003. See IMF, Republic of Tajikistan: Poverty Reduction Strategy Paper Second Progress Report.

the Economic Structure section, judging by value added per worker, Tajik agriculture is much less productive than the rest of the economy. It is not in good shape by regional standards, either, despite the improvement made in the past several years. In 2003, a Tajik agricultural worker generated $454 of added value in constant 1995 prices, well below per worker agricultural added value in the LI-FSR group ($834), and in the more advanced Bulgaria ($6,826), Romania ($3,621), and Russia ($2,323) (Figure 4-3).

**Figure 4-3**
*Agriculture Value Added per Worker, in constant 1995 US$*

**Agricultural value added in agriculture is extremely low, both absolutely and relative to benchmarks.**

Time Series

| Year | Tajikistan Data |
|------|-----------------|
| 1999 | 292 |
| 2000 | 330 |
| 2001 | 364 |
| 2002 | 416 |
| 2003 | 454 |
| **Summary for 1999–2003** | |
| Five-year average | 371 |
| Trend growth rate | 11.77 |

Expected value and margin of error

1995 U.S. Dollars

| Tajikistan | LI-FSR | Low Income | Bulgaria | Romania | Russia |
|------------|--------|------------|----------|---------|--------|
| 454 / 540 | 834 | 296 | 6,826 | 3,621 | 2,323 |

Global Standing

Highest-five average

40,135

TJK
108

Lowest-five average

Source: WDI 2005                                  CAS Code: 34p1

The Agricultural Policy Costs Index for Tajikistan stood at 3.0 in 2005, low by absolute standards and signaling that the cost of agricultural policy is burdensome. The Agricultural Policy Costs Index ranges from 1 (the cost of agricultural policy is excessively burdensome) to 7 (the cost of agricultural policy balances all economic agents' interests). Although the Tajik index is slightly better than the indices in Bulgaria (2.7), Romania (2.9), and Russia (2.8), one should be cautious about concluding that Tajik agricultural policy is better than in the three comparator countries, because the index is based on executives' perceptions, and therefore is subjective.

Despite recent growth, the production of several important crops in Tajikistan, including cotton, the main exported crop, has not reached pre-transition levels.[52] It is essential that the government undertake the necessary reforms to put the cotton sector on a viable economic footing, given its

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[52] IMF, Tajikistan: Selected Issues and Statistical Appendix.

central role in the economy particularly employment. The development of cotton production may depend on improvement in the financial situation of this heavily indebted sector, which in turn relates to questions of productivity and environmental sustainability (see the discussion of water under Demography and Environment). Tajikistan may benefit from an assessment of the relative costs and benefits of trying to return to pre-transition agricultural production levels compared to diversifying into more productive and sustainable sectors outside and within agriculture. International donor organizations may help Tajikistan diversify its agricultural exports, a task linked to the facilitation of transportation within the country and at border crossings.

# Appendix

## CRITERIA FOR SELECTING INDICATORS

This economic performance evaluation is designed to balance the need for broad coverage and diagnostic value, on the one hand, and the requirement of brevity and clarity, on the other. The analysis covers 15 economic growth–related topics and just over 100 variables. For the sake of brevity, the write-up in the text highlights issues for which the "dashboard lights" appear to be signaling problems and that suggest possible priorities for USAID intervention. The accompanying table provides a full list of indicators examined for this report. The separate Data Supplement contains the complete data set for Tajikistan, including data for the benchmark comparisons, and technical notes for every indicator.

For each topic, the analysis begins with a screening of *primary performance indicators*. These "level I" indicators are selected to answer the question, Is the country performing well or not in this area? The set of primary indicators also includes descriptive variables such as per capita income, the poverty head count, and the age dependency rate.

When level I indicators suggest weak performance, the analysis proceeds to review a limited set of *diagnostic supporting indicators*. These level II indicators provide additional details or shed light on *why* the primary indicators may be weak. For example, if economic growth is poor, data on investment and productivity can be diagnostic indicators. If a country performs poorly on educational achievement, as measured by the youth literacy rate, spending on primary education and the pupil–teacher ratio can be determinants.[53]

The indicators have been selected on the basis of the following criteria. Each must be accessible through USAID's Economic and Social Database or convenient public sources, particularly on the Internet. They should be available for a large number of countries, including most USAID client states, to support the benchmarking analysis. The data should be sufficiently timely to support an assessment of country performance that is suitable for strategic planning purposes. Data quality is another consideration. For example, subjective survey responses are used only when actual measurements are not available. Aside from a few descriptive variables, the indicators must also be useful for diagnostic purposes. Preference is given to measures that are widely used, such as Millennium Development Goal indicators, or evaluation data used by the Millennium Challenge Corporation. Finally, an effort has been made to minimize redundancy. If two indicators provide similar information, preference is given to the one that is simpler to

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[53] Deeper analysis of the topic using more detailed data (level III) is beyond the scope of papers in this series.

understand or more widely used. For example, both the Gini coefficient and the share of income accruing to the poorest 20 percent of households can be used to gauge income inequality. We use the income share because it is simpler and more sensitive to changes.

## BENCHMARKING METHODOLOGY

Comparative benchmarking is the main tool used to evaluate each indicator. The analysis draws on several criteria rather than a single mechanical rule. The starting point is a comparison of performance in Tajikistan relative to the average for countries in the same income group and region—in this case, former Soviet republics with low income.[54] For added perspective, three other comparisons are examined: (1) the global average for this income group; (2) respective values for three comparator countries selected by the Tajikistan mission (Bulgaria, Romania, and Russia); and (3) the average for the five best- and five worst-performing countries globally. Most comparisons are framed in terms of values for the latest year of data from available sources. Five-year trends are also taken into account when this information sheds light on the performance assessment.[55]

For selected variables, a second source of benchmark values uses statistical regression analysis to establish an expected value for the indicator, controlling for income and regional effects.[56] This approach has three advantages. First, the benchmark is customized to Tajikistan's specific level of income. Second, the comparison does not depend on the exact choice of reference group. Third, the methodology allows quantifying the margin of error and establishing a normal band for a country with Tajikistan's characteristics. An observed value falling outside this band on the side of poor performance signals a serious problem.[57]

Finally, when relevant, Tajikistan's performance is weighed against absolute standards. For example, if the Corruption Perception Index for a given country is below 3.0, this is a sign of serious economic governance problems, regardless of the regional comparisons or regression result.

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[54] Income groups as defined by the World Bank for 2005. For this study, the average is defined in terms of the mean; future studies will use the median instead, because the values are not distorted by outliers.

[55] The five-year trends are computed by fitting a log-linear regression line through the data points. The alternative of computing average growth from the end points produces aberrant results when one or both of those points diverges from the underlying trend.

[56] This is a cross-sectional OLS regression using data for all developing countries. For any indicator, Y, the regression equation takes the form: $Y$ (or $\ln Y$, as relevant) $= a + b * \ln PCI + c * Region + error$ – where PCI is per capita income in PPP\$, and Region is a set of 0-1 dummy variables indicating the region in which each country is located. After estimates are obtained for the parameters a, b, and c, the predicted value for Tajikistan is computed by plugging in Tajikistan -specific values for PCI and region. Where applicable, the regression also controls for population size and petroleum exports (as a percentage of GDP).

[57] This report uses a margin of error of 0.66 times the standard error of estimate (adjusted for heteroskedasticity, where appropriate). With this value, 25 percent of the observations should fall outside the normal range on the side of poor performance (and 25 percent on the side of good performance). Some regressions produce a very large standard error, giving a normal band that is too wide to provide a discerning test of good or bad performance.

# LIST OF INDICATORS

| | Level[a] | MDG, MCA, EcGov[b] | CAS Code |
|---|---|---|---|
| **OVERVIEW OF THE ECONOMY** | | | |
| **Growth Performance** | | | |
| Per capita GDP, $PPP | I | | 11P1 |
| Per capita GDP, current US$ | I | | 11P2 |
| Real GDP growth | I | | 11P3 |
| Growth of labor productivity | II | | 11S1 |
| Investment Productivity - Incremental Capital-Output Ratio (ICOR) | II | | 11S2 |
| Gross fixed investment, % GDP | II | | 11S3 |
| Gross fixed private investment, % GDP | II | | 11S4 |
| **Poverty and Inequality** | | | |
| Human poverty index | I | | 12P1 |
| Income-share, poorest 20% | I | | 12P2 |
| Population living on less than $1 PPP per day | I | MDG | 12P3 |
| Poverty headcount, by national poverty line | I | MDG | 12P4 |
| PRSP Status | I | EcGov | 12P5 |
| Population below minimum dietary energy consumption | II | MDG | 12S1 |
| Poverty gap at $1 PPP a day | II | | 12S2 |
| **Economic Structure** | | | |
| Labor force structure | I | | 13P1 |
| Output structure | I | | 13P2 |
| **Demography and Environment** | | | |
| Adult literacy rate | I | | 14P1 |
| Age dependency rate | I | | 14P2 |
| Environmental sustainable index | I | | 14P3 |
| Population size and growth | I | | 14P4 |
| Urbanization rate | I | | 14P5 |
| **Gender** | | | |
| Adult literacy rate, ratio of male to female | I | MDG | 15P1 |
| Gross enrollment rate, all levels, ratio of male to female, | I | MDG | 15P2 |
| Life expectancy at birth, ratio of male to female | I | | 15P3 |
| **PRIVATE SECTOR ENABLING ENVIRONMENT** | | | |
| **Fiscal and Monetary Policy** | | | |
| Govt. expenditure, % GDP | I | EcGov | 21P1 |
| Govt. revenue, % GDP | I | EcGov | 21P2 |
| Growth in the money supply | I | EcGov | 21P3 |
| Inflation rate | I | MCA | 21P4 |
| Overall govt. budget balance, including grants, % GDP | I | EcGov | 21P5 |
| Composition of govt. expenditure | II | | 21S1 |
| Composition of govt. revenue | II | | 21S2 |
| Composition of money supply growth | II | | 21S3 |

| | Level[a] | MDG, MCA, EcGov[b] | CAS Code |
|---|---|---|---|
| **Business Environment** | | | |
| Corruption perception index | I | EcGov | 22P1 |
| Doing business composite index | I | EcGov | 22P2 |
| Rule of law index | I | MCA / EcGov | 22P3 |
| Cost of starting a business, % GNI per capita | II | MCA / EcGov | 22S1 |
| Procedures to enforce contract | II | EcGov | 22S2 |
| Procedures to register property | II | EcGov | 22S3 |
| Procedures to start a business | II | EcGov | 22S4 |
| Time to enforce a contract | II | EcGov | 22S5 |
| Time to register property | II | EcGov | 22S6 |
| Time to start a business | II | EcGov | 22S7 |
| **Financial Sector** | | | |
| Domestic credit to private sector, % GDP | I | | 23P1 |
| Interest rate spread | I | | 23P2 |
| Money supply, % GDP | I | | 23P3 |
| Stock market capitalization rate, % of GDP | I | | 23P4 |
| Cost to create collateral | II | | 23S1 |
| Country credit rating | II | | 23S2 |
| Legal rights of borrowers and lenders index | II | | 23S3 |
| Real Interest rate | I | | 23S4 |
| **External Sector** | | | |
| Aid , % GNI | I | | 24P1 |
| Current account balance, % GDP | I | | 24P2 |
| Debt service ratio, % exports | I | MDG | 24P3 |
| Export growth of goods and services | I | | 24P4 |
| Foreign direct investment, % GDP | I | | 24P5 |
| Gross international reserves, months of imports | I | EcGov | 24P6 |
| Gross Private capital inflows, % GDP | I | | 24P7 |
| Present value of debt, % GNI | I | | 24P8 |
| Remittance receipts, % exports | I | | 24P9 |
| Trade, % GDP | I | | 24P10 |
| Concentration of Exports | II | | 24S1 |
| Inward FDI Potential Index | II | | 24S2 |
| Net barter terms of trade | II | | 24S3 |
| Real effective exchange rate (REER) | II | EcGov | 24S4 |
| Structure of merchandise exports | II | | 24S5 |
| Trade policy index | II | MCA / EcGov | 24S6 |
| **Economic Infrastructure** | | | |
| Internet users per 1,000 people | I | MDG | 25P1 |
| Overall infrastructure quality | I | EcGov | 25P2 |
| Telephone density, fixed line and mobile | I | MDG | 25P3 |
| Quality of infrastructure – railroads, ports, air Transport, and electricity | II | | 25S1 |
| Telephone cost, average local call | II | | 25S2 |
| | | | |

| | Level[a] | MDG, MCA, EcGov[b] | CAS Code |
|---|---|---|---|
| **Science and Technology** | | | |
| Expenditure for R&D, % GNI | I | | 26P1 |
| FDI and technology transfer index | I | | 26P2 |
| Patent applications filed by residents | I | | 26P3 |
| **PRO-POOR GROWTH ENVIRONMENT** | | | |
| **Health** | | | |
| HIV prevalence | I | | 31P1 |
| Life expectancy at birth | I | | 31P2 |
| Maternal mortality rate | I | MDG | 31P3 |
| Access to improved sanitation | II | MDG | 31S1 |
| Access to improved water source | II | MDG | 31S2 |
| Births attended by skilled health personnel | II | MDG | 31S3 |
| Child immunization rate | II | | 31S4 |
| Prevalence of child malnutrition (weight for age) | II | | 31S5 |
| Public health expenditure, % GDP | II | EcGov | 31S6 |
| **Education** | | | |
| Net primary enrollment rate | I | MDG | 32P1 |
| Persistence in school to grade 5 | I | MDG | 32P2 |
| Youth literacy rate | I | | 32P3 |
| Education expenditure, primary, % GDP | II | MCA/ EcGov | 32S1 |
| Expenditure per student, % GDP per capita – primary, secondary, and tertiary | II | EcGov | 32S2 |
| Pupil-teacher ratio, primary school | II | | 32S3 |
| **Employment and Workforce** | | | |
| Labor force participation rate, females, males, total | I | | 33P1 |
| Rigidity of employment index | I | EcGov | 33P2 |
| Size and growth of the labor force | I | | 33P3 |
| Unemployment rate | I | | 33P4 |
| **Agriculture** | | | |
| Agriculture value added per worker | I | | 34P1 |
| Cereal yield | I | | 34P2 |
| Growth in agricultural value-added | I | | 34P3 |
| Agricultural policy costs index | II | EcGov | 34S1 |
| Crop production index | II | | 34S2 |
| Livestock production index | II | | 34S3 |

[a] *Level I—primary performance indicators, Level II—supporting diagnostic indicators*

[b] *MDG—Millennium Development Goal indicator*
*MCA— Millennium Challenge Account indicator*
*EcGo—Major indicators of economic governance, which is defined in USAID's Strategic Management Interim Guidance to include "microeconomic and macroeconomic policy and institutional frameworks and operations for economic stability, efficiency, and growth." The term therefore encompasses indicators of fiscal and monetary management, trade and exchange rate policy, legal and regulatory systems affecting the business environment, infrastructure quality, and budget allocations.*

# Tajikistan
## Economic Performance Assessment

## Data Supplement

# Tajikistan
## Economic Performance Assessment

## Data Supplement

## Data Supplement

# Contents

|  | Growth Performance | | | | | | |
|---|---|---|---|---|---|---|---|
|  | Per capita GDP, purchasing power parity Dollars | Per capita GDP, current U.S. Dollars | Real GDP growth | Growth of labor productivity | Investment productivity - incremental capital-output ratio (ICOR) | Share of gross fixed investment in GDP, current prices | Share of gross fixed private investment in GDP, current prices |
| Indicator Number | 11P1 | 11P2 | 11P3 | 11S1 | 11S2 | 11S3 | 11S4 |
| *Tajikistan Data* |  |  |  |  |  |  |  |
| *Latest Year (T)* | *2004* | *2004* | *2004* | *2003* | *2003* | *2004* | *2004* |
| Value Year T | 1,246 | 329 | 10.6 | 7.7 | 1.4 | 13.5 | 5.4 |
| Value Year T-1 | 1,114 | 248 | 10.2 | 6.7 | 1.6 | 12.0 | 5.5 |
| Value Year T-2 | 999 | 195 | 9.1 | 7.7 | 2.3 | 10.9 | 5.4 |
| Value Year T-3 | 907 | 171 | 10.2 | 6.1 | . | 9.3 | 4.2 |
| Value Year T-4 | 810 | 162 | 8.3 | 1.5 | . | . | . |
| Average Value, 5 year | 1,015 | 221 | 9.7 | 5.9 | 6.3 | 11.4 | 5.1 |
| Growth Trend | 11.3 | 19.7 | . | . | . | 12.9 | . |
| *Benchmark Data* |  |  |  |  |  |  |  |
| Regression Benchmark | . | . | 7.3 | . | . | 18.6 | . |
| Lower Bound | . | . | 6.0 | . | . | 16.0 | . |
| Upper Bound | . | . | 8.6 | . | . | 21.2 | . |
| *Latest Year Bulgaria* | *2004* | *2004* | *2004* | *2003* | *2003* | *2003* | . |
| Bulgaria Value Latest Year | 8,500 | 3,074 | 5.7 | 4.7 | 4.1 | 19.6 | . |
| *Latest Year Romania* | *2004* | *2004* | *2004* | *2003* | *2003* | *2003* | . |
| Romania Value Latest Year | 7,641 | 3,207 | 8.3 | 4.7 | 7.3 | 22.5 | . |
| *Latest Year Russia* | *2004* | *2004* | *2004* | *2003* | *2003* | *2003* | . |
| Russia Value Latest Year | 10,179 | 4,093 | 7.1 | 7.4 | 2.6 | 18.2 | . |
| *Latest Year Kazakhstan* | *2004* | *2004* | *2004* | *2003* | *2003* | *2004* | *2004* |
| Kazakhstan Value Latest Year | 7,418 | 2,715 | 9.4 | 8.3 | 2.3 | 22.7 | 17.0 |
| *Latest Year Kyrgyz Rep.* | *2004* | *2004* | *2004* | *2003* | *2003* | *2003* | *2002* |
| Kyrgyz Rep.Value Latest Year | 1,934 | 433 | 7.1 | 4.3 | 3.9 | 15.1 | 13.9 |
| LI-FSR Avg. | 1,850 | 400 | 7.1 | 4.9 | 4.1 | 16.1 | . |
| Low Income Avg. | 1,560 | 419 | 5.3 | 2.0 | 4.5 | 19.7 | . |
| High Five Avg. | 42,809 | 52,715 | 21.2 | 14.1 | 70.2 | 48.6 | . |
| Low Five Avg. | 664 | 121 | -2.9 | -13.3 | -302.9 | 7.7 | . |

| | Poverty and Inequality | | | | | | |
|---|---|---|---|---|---|---|---|
| | Human poverty index (0 for excellent to 100 for poor) | Income share accruing to poorest 20% | Population (%) living on less than $1 PPP per day | Poverty headcount (%), by national poverty line | PRSP Status | Population (%) below minimum dietary energy consumption | Poverty gap at $1 PPP a day |
| Indicator Number | 12P1 | 12P2 | 12P3 | 12P4 | 12P5 | 12S1 | 12S2 |
| *Tajikistan Data* | | | | | | | |
| *Latest Year (T)* | . | 2003 | 2003 | 2003 | 2005 | 2000-2002 | 2003 |
| Value Year T | . | 7.9 | 7.4 | 68.0 | yes | 61.0 | 1.3 |
| Value Year T-1 | . | . | . | . | . | . | . |
| Value Year T-2 | . | . | . | 83.0 | . | . | . |
| Value Year T-3 | . | . | . | . | . | . | . |
| Value Year T-4 | . | . | 13.9 | . | . | . | 3.4 |
| Average Value, 5 year | . | . | . | . | . | . | . |
| Growth Trend | . | . | . | . | . | . | . |
| *Benchmark Data* | | | | | | | |
| Regression Benchmark | 28.6 | 8.9 | 23.4 | 59.0 | . | 37.5 | . |
| Lower Bound | 22.9 | 8.0 | 15.3 | 50.8 | . | 28.8 | . |
| Upper Bound | 34.3 | 9.8 | 31.4 | 67.2 | . | 46.3 | . |
| *Latest Year Bulgaria* | . | 2001 | 2001 | 2001 | 2005 | 2000-2002 | 2001 |
| Bulgaria Value Latest Year | . | 6.7 | 4.7 | 12.8 | no | 11.0 | 1.4 |
| *Latest Year Romania* | . | 2002 | 2002 | 2001 | 2005 | 2000-2002 | 2002 |
| Romania Value Latest Year | . | 7.9 | 2.0 | 29.6 | no | 1.0 | 0.5 |
| *Latest Year Russia* | . | 2002 | 2002 | 2002 | 2005 | 2000-2002 | 2002 |
| Russia Value Latest Year | . | 8.2 | 2.0 | 17.8 | no | 4.0 | 0.5 |
| *Latest Year Kazakhstan* | . | 2003 | 2003 | 2004 | 2005 | 2000-2002 | 2003 |
| Kazakhstan Value Latest Year | . | 7.8 | 2.0 | 16.1 | no | 13.0 | 0.5 |
| *Latest Year Kyrgyz Rep.* | . | 2002 | 2002 | 2003 | 2005 | 2000-2002 | 2002 |
| Kyrgyz Rep.Value Latest Year | . | 7.7 | 2.0 | 40.8 | yes | 6.0 | 0.5 |
| LI-FSR Avg. | . | 7.9 | 7.4 | . | . | 39.5 | 1.3 |
| Low Income Avg. | 41.9 | 7.2 | 21.8 | . | . | 28.0 | 5.7 |
| High Five Avg. | 58.7 | . | 33.5 | . | N/A | 66.0 | 11.8 |
| Low Five Avg. | 3.9 | . | 2.0 | . | N/A | 3.0 | 0.5 |

| | Economic Structure | | | | | | Demography and Environment | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Labor force in agriculture, % total employment | Labor force in industry, % total employment | Labor force in services, % total employment | Output structure (agriculture, value added, % GDP) | Output structure (industry, value added, % GDP) | Output structure (services, etc., value added, % GDP) | Adult literacy rate | Age dependency rate | Environmental sustainability index (0 for poor to 100 for excellent) | Population size (millions) | Population growth rate | Urbanization rate |
| Indicator Number | 13P1a | 13P1b | 13P1c | 13P2a | 13P2b | 13P2c | 14P1 | 14P2 | 14P3 | 14P4a | 14P4b | 14P5 |
| *Tajikistan Data* | | | | | | | | | | | | |
| *Latest Year (T)* | *2003* | *2003* | *2003* | *2004* | *2004* | *2004* | *2003* | *2003* | *2005* | *2004* | *2004* | *2003* |
| Value Year T | 67.6 | 7.7 | 24.7 | 24.2 | 28.1 | 47.7 | 99.5 | 0.70 | 38.6 | 6.7 | 1.4 | 27.6 |
| Value Year T-1 | 67.6 | 8.3 | 24.1 | 28.2 | 28.1 | 43.7 | . | 0.73 | . | 6.6 | 2.0 | 27.6 |
| Value Year T-2 | 66.6 | 8.5 | 24.9 | 29.2 | 28.7 | 42.1 | . | 0.76 | . | 6.5 | 2.1 | 27.6 |
| Value Year T-3 | 65.0 | 9.0 | 26.0 | 29.2 | 29.4 | 41.4 | 99.5 | 0.79 | . | 6.4 | 2.0 | 27.6 |
| Value Year T-4 | 64.4 | 10.2 | 25.4 | 29.4 | 29.8 | 40.8 | 99.1 | 0.80 | . | 6.3 | 2.0 | 27.6 |
| Average Value, 5 year | 66.2 | 8.7 | 25.0 | 28.0 | 28.8 | 43.2 | 99.1 | 0.75 | . | 6.5 | 1.9 | 27.6 |
| Growth Trend | 1.4 | -6.2 | -1.3 | -4.2 | -1.6 | 3.7 | . | -3.51 | . | 1.9 | . | . |
| *Benchmark Data* | | | | | | | | | | | | |
| Regression Benchmark | . | . | . | 33.8 | 21.3 | . | 82.8 | 0.7 | 45.3 | . | 0.6 | 37.4 |
| Lower Bound | . | . | . | 27.6 | 15.4 | . | 73.8 | 0.6 | 41.6 | . | 0.2 | 28.1 |
| Upper Bound | . | . | . | 40.0 | 27.3 | . | 91.8 | 0.7 | 49.0 | . | 1.0 | 46.6 |
| *Latest Year Bulgaria* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2002* | *2003* | *2005* | *2003* | *2003* | *2003* |
| Bulgaria Value Latest Year | 26.3 | 27.6 | 46.0 | 11.7 | 30.7 | 57.5 | 98.6 | 0.44 | 50.0 | 7.8 | -0.6 | 67.5 |
| *Latest Year Romania* | *2001* | *2001* | *2001* | *2003* | *2003* | *2003* | *2002* | *2003* | *2005* | *2003* | *2003* | *2003* |
| Romania Value Latest Year | 42.3 | 26.2 | 31.5 | 11.9 | 36.1 | 52.1 | 97.3 | 0.44 | 46.2 | 21.7 | -0.3 | 55.7 |
| *Latest Year Russia* | *1999* | *1999* | *1999* | *2003* | *2003* | *2003* | *2002* | *2003* | *2005* | *2003* | *2003* | *2003* |
| Russia Value Latest Year | 11.8 | 29.4 | 58.8 | 5.2 | 34.2 | 60.7 | 99.6 | 0.42 | 56.1 | 143.4 | -0.5 | 72.9 |
| *Latest Year Kazakhstan* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2003* | *2003* | *2005* | *2003* | *2003* | *2003* |
| Kazakhstan Value Latest Year | 33.1 | 17.5 | 49.4 | 8.4 | 39.5 | 52.0 | 99.5 | 0.48 | 48.6 | 15,074,200.0 | 0.6 | 55.9 |
| *Latest Year Kyrgyz Rep.* | *2003* | *2003* | *2003* | *2004* | *2004* | *2004* | *2003* | *2003* | *2005* | *2004* | *2004* | *2003* |
| Kyrgyz Rep.Value Latest Year | 52.5 | 10.4 | 37.1 | 36.6 | 21.1 | 42.3 | 98.7 | 0.61 | 48.4 | 5,092,800.0 | 1.1 | 34.4 |
| LI-FSR Avg. | 51.0 | 13.9 | 35.1 | 29.3 | 22.3 | 48.0 | 99.2 | 0.62 | 46.9 | 5.7 | 0.8 | 35.6 |
| Low Income Avg. | 48.7 | 14.4 | 33.5 | 29.7 | 23.2 | 43.0 | 59.9 | 0.86 | 45.5 | 9.9 | 2.2 | 34.1 |
| High Five Avg. | 41.5 | 37.1 | 72.8 | 56.0 | 66.2 | 77.7 | 99.7 | 1.03 | 71.3 | 607.0 | 4.6 | 100.0 |
| Low Five Avg. | 0.3 | 12.9 | 36.0 | 0.8 | 12.3 | 15.4 | 35.7 | 0.38 | 29.9 | 0.0 | -0.8 | 9.0 |

3

| | Gender | | |
|---|---|---|---|
| | Ratio of male to female - adult literacy rate | Ratio of male to female - gross enrollment rate, all levels | Ratio of male to female - life expectancy at birth |
| Indicator Number | 15P1 | 15P2 | 15P3 |
| *Tajikistan Data* | | | |
| *Latest Year (T)* | *2003* | *2003* | *2003* |
| Value Year T | 1.00 | 1.19 | 0.92 |
| Value Year T-1 | 1.00 | 1.19 | 0.93 |
| Value Year T-2 | . | . | . |
| Value Year T-3 | . | . | . |
| Value Year T-4 | . | . | . |
| Average Value, 5 year | . | . | . |
| Growth Trend | . | . | . |
| *Benchmark Data* | | | |
| Regression Benchmark | . | . | . |
| Lower Bound | . | . | . |
| Upper Bound | . | . | . |
| *Latest Year Bulgaria* | *2002* | *2002* | *2002* |
| Bulgaria Value Latest Year | 1.01 | 0.97 | 0.90 |
| *Latest Year Romania* | *2002* | *2002* | *2002* |
| Romania Value Latest Year | 1.02 | 0.96 | 0.90 |
| *Latest Year Russia* | *2002* | *2002* | *2002* |
| Russia Value Latest Year | 1.00 | 0.92 | 0.83 |
| *Latest Year Kazakhstan* | *2003* | *2003* | *2003* |
| Kazakhstan Value Latest Year | 1.01 | 1.03 | 0.84 |
| *Latest Year Kyrgyz Rep.* | *2003* | *2003* | *2003* |
| Kyrgyz Rep.Value Latest Year | 1.01 | 1.01 | 0.89 |
| LI-FSR Avg. | 1.01 | 1.01 | 0.91 |
| Low Income Avg. | 1.36 | 1.19 | 0.95 |
| High Five Avg. | 2.40 | 1.69 | 1.01 |
| Low Five Avg. | 0.92 | 0.84 | 0.85 |

4

| | Fiscal and Monetary Policy | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Government expenditure, % GDP | Government revenue, % GDP | Growth in the broad money supply | Inflation rate | Overall government budget balance, including grants, % GDP | Composition of government expenditure (wages and salaries) | Composition of government expenditure (interest payments) | Composition of government expenditure (goods and services) | Composition of government expenditure (subsidies and other current transfers) | Composition of government expenditure (capital expenditure) |
| Indicator Number | 21P1 | 21P2 | 21P3 | 21P4 | 21P5 | 21S1a | 21S1b | 21S1c | 21S1d | 21S1e |
| *Tajikistan Data* | | | | | | | | | | |
| *Latest Year (T)* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* |
| Value Year T | 20.3 | 17.3 | 14.3 | 7.1 | -2.4 | 13.4 | 3.4 | 27.7 | 15.1 | 40.0 |
| Value Year T-1 | 19.1 | 17.0 | 29.2 | 16.4 | -1.8 | 14.6 | 6.5 | 28.7 | 16.0 | 34.1 |
| Value Year T-2 | 19.2 | 16.7 | 39.7 | 12.2 | -2.4 | 16.8 | 9.8 | 28.3 | 16.5 | 28.2 |
| Value Year T-3 | 18.4 | 15.2 | 40.0 | 38.6 | -3.2 | 17.7 | 8.2 | 30.3 | 15.6 | 27.5 |
| Value Year T-4 | 19.2 | 13.6 | 78.2 | 32.9 | -5.6 | 19.4 | 6.9 | 23.7 | 15.3 | 34.4 |
| Average Value, 5 year | 19.2 | 16.0 | 40.3 | 21.4 | -3.1 | 16.4 | 7.0 | 27.8 | 15.7 | 32.8 |
| Growth Trend | 1.5 | 6.1 | . | . | 20.3 | . | . | . | . | . |
| *Benchmark Data* | | | | | | | | | | |
| Regression Benchmark | 15.7 | 15.7 | 31.5 | 10.6 | -0.2 | . | . | . | . | . |
| Lower Bound | 11.6 | 11.4 | 23.0 | 7.3 | -1.8 | . | . | . | . | . |
| Upper Bound | 19.7 | 20.0 | 40.0 | 13.9 | 1.5 | . | . | . | . | . |
| *Latest Year Bulgaria* | *2004* | *2004* | *2003* | *2004* | *2004* | *2003* | *2003* | *2003* | *2003* | . |
| Bulgaria Value Latest Year | 37.5 | 38.0 | 20.2 | 6.1 | 1.8 | 11.6 | 6.2 | 23.4 | 56.5 | . |
| *Latest Year Romania* | *2003* | *2003* | *2003* | *2004* | *2003* | *2001* | *2001* | *2001* | *2001* | . |
| Romania Value Latest Year | 32.3 | 29.9 | 23.3 | 11.9 | -2.3 | 15.4 | 10.8 | 19.8 | 48.5 | . |
| *Latest Year Russia* | *2003* | *2003* | *2003* | *2004* | *2003* | *2003* | *2003* | *2003* | *2003* | . |
| Russia Value Latest Year | 22.9 | 27.4 | 38.5 | 10.9 | 2.2 | 18.0 | 7.2 | 19.1 | 55.0 | . |
| *Latest Year Kazakhstan* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* |
| Kazakhstan Value Latest Year | 23.3 | 26.0 | 68.2 | 6.9 | 2.7 | 18.8 | 2.8 | 30.9 | 23.0 | 24.6 |
| *Latest Year Kyrgyz Rep.* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* |
| Kyrgyz Rep.Value Latest Year | 27.3 | 22.2 | 28.7 | 4.1 | -4.2 | 29.0 | 7.3 | 26.6 | 17.6 | 19.4 |
| LI-FSR Avg. | 28.3 | 24.7 | 33.4 | 8.0 | -1.4 | . | . | . | . | . |
| Low Income Avg. | . | . | 15.8 | 7.6 | . | . | . | . | . | . |
| High Five Avg. | 43.7 | 44.1 | 134.4 | 85.3 | 3.9 | . | . | . | . | . |
| Low Five Avg. | 12.1 | 8.6 | -8.5 | -2.7 | -8.1 | . | . | . | . | . |

| | Fiscal and Monetary Policy (cont'd) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Composition of government revenue (Taxes on goods and services) | Composition of government revenue (Taxes of income, profits and capital gains) | Composition of government revenue (Taxes on international trade) | Composition of government revenue (Other tax revenue) | Composition of government revenue (Other revenue net) | Composition of government revenue (Grants) | Composition of money supply growth (Net credit to government) | Composition of money supply growth (Credit to the private sector) | Composition of money supply growth (Net foreign assets) | Composition of money supply growth (Other items, net) |
| Indicator Number | 21S2a | 21S2b | 21S2c | 21S2d | 21S2e | 21S2f | 21S3a | 21S3b | 21S3c | 21S3d |
| *Tajikistan Data* | | | | | | | | | | |
| *Latest Year (T)* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* |
| Value Year T | 43.7 | 9.5 | 16.8 | 14.7 | 11.7 | 3.7 | -223.0 | 428.7 | -166.4 | 60.9 |
| Value Year T-1 | 43.2 | 9.1 | 19.5 | 14.8 | 11.8 | 1.8 | -87.7 | 83.9 | 99.7 | 4.2 |
| Value Year T-2 | 41.3 | 10.7 | 22.0 | 15.5 | 9.1 | 1.4 | 23.9 | 64.1 | -19.0 | 31.0 |
| Value Year T-3 | 33.8 | 12.3 | 30.1 | 16.5 | 7.6 | 0.0 | -120.3 | 352.7 | -95.4 | -36.9 |
| Value Year T-4 | 29.4 | 13.5 | 34.7 | 18.0 | 4.9 | 0.0 | . | . | . | . |
| Average Value, 5 year | 38.3 | 11.0 | 24.6 | 15.9 | 9.0 | 1.4 | -101.8 | 232.3 | -45.3 | 14.8 |
| Growth Trend | . | . | . | . | . | . | . | . | . | . |
| *Benchmark Data* | | | | | | | | | | |
| Regression Benchmark | . | . | . | . | . | . | . | . | . | . |
| Lower Bound | . | . | . | . | . | . | . | . | . | . |
| Upper Bound | . | . | . | . | . | . | . | . | . | . |
| *Latest Year Bulgaria* | *2003* | *2003* | *2003* | . | . | . | . | . | . | . |
| Bulgaria Value Latest Year | 38.6 | 11.8 | 1.9 | | | | | | | |
| *Latest Year Romania* | *2001* | *2001* | *2001* | . | . | . | . | . | . | . |
| Romania Value Latest Year | 30.0 | 10.3 | 3.1 | | | | | | | |
| *Latest Year Russia* | *2003* | *2003* | *2003* | . | . | . | . | . | . | . |
| Russia Value Latest Year | 31.2 | 4.6 | 12.4 | | | | | | | |
| *Latest Year Kazakhstan* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* |
| Kazakhstan Value Latest Year | 31.3 | 40.7 | 3.5 | 3.6 | 9.4 | 0.0 | -0.2 | 75.0 | 38.5 | -13.3 |
| *Latest Year Kyrgyz Rep.* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* | *2004* |
| Kyrgyz Rep.Value Latest Year | 40.8 | 14.0 | 2.4 | 19.7 | 19.1 | 4.0 | -115.8 | 60.8 | 185.5 | -30.5 |
| LI-FSR Avg. | . | . | . | . | . | . | . | . | . | . |
| Low Income Avg. | . | . | . | . | . | . | . | . | . | . |
| High Five Avg. | . | . | . | . | . | . | . | . | . | . |
| Low Five Avg. | . | . | . | . | . | . | . | . | . | . |

| | Business Environment | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Corruption Perception Index (1 for poor to 10 for excellent) | Ease of doing business ranking (from 1 to 155) | Rule of law index (-2.5 for poor to 2.5 for excellent) | Regulatory quality index (-2.5 for poor to 2.5 for excellent) | Cost of starting a business, % GNI per capita | Procedures to enforce a contract | Procedures to register property | Procedures to start a business | Time to enforce a contract | Time to register property | Time to start a business |
| Indicator Number | 22P1 | 22P2 | 22P3 | 22P4 | 22S1 | 22S2 | 22S3 | 22S4 | 22S5 | 22S6 | 22S7 |
| *Tajikistan Data* | | | | | | | | | | | |
| *Latest Year (T)* | *2005* | . | *2004* | *2004* | . | . | . | . | . | . | . |
| Value Year T | 2.1 | . | -1.18 | -1.16 | . | . | . | . | . | . | . |
| Value Year T-1 | 2.0 | . | . | . | . | . | . | . | . | . | . |
| Value Year T-2 | 1.8 | . | -1.29 | -1.26 | . | . | . | . | . | . | . |
| Value Year T-3 | . | . | . | . | . | . | . | . | . | . | . |
| Value Year T-4 | . | . | -1.28 | -1.33 | . | . | . | . | . | . | . |
| Average Value, 5 year | 2.0 | . | . | . | . | . | . | . | . | . | . |
| Growth Trend | . | . | . | . | . | . | . | . | . | . | . |
| *Benchmark Data* | | | | | | | | | | | |
| Regression Benchmark | 1.7 | . | -1.3 | . | . | . | . | . | . | . | . |
| Lower Bound | 1.3 | . | -1.6 | . | . | . | . | . | . | . | . |
| Upper Bound | 2.2 | . | -1.1 | . | . | . | . | . | . | . | . |
| *Latest Year Bulgaria* | *2005* | *2005* | *2004* | *2004* | *2005* | *2005* | *2005* | *2005* | *2005* | *2005* | *2005* |
| Bulgaria Value Latest Year | 4.0 | 62.0 | 0.05 | 0.60 | 10 | 34.0 | 9.0 | 11.0 | 440 | 19 | 32 |
| *Latest Year Romania* | *2005* | *2005* | *2004* | *2004* | *2005* | *2005* | *2005* | *2005* | *2005* | *2005* | *2005* |
| Romania Value Latest Year | 3.0 | 78.0 | -0.18 | -0.06 | 5 | 43.0 | 8.0 | 5.0 | 335 | 170 | 11 |
| *Latest Year Russia* | *2005* | *2005* | *2004* | *2004* | *2005* | *2005* | *2005* | *2005* | *2005* | *2005* | *2005* |
| Russia Value Latest Year | 2.4 | 79.0 | -0.70 | -0.51 | 5 | 29.0 | 6.0 | 8.0 | 330 | 52 | 33 |
| *Latest Year Kazakhstan* | *2005* | *2005* | *2004* | *2004* | *2005* | *2005* | *2005* | *2005* | *2005* | *2005* | *2005* |
| Kazakhstan Value Latest Year | 2.6 | 86.0 | -0.98 | -0.89 | 9 | 47.0 | 8.0 | 7.0 | 380 | 52 | 24 |
| *Latest Year Kyrgyz Rep.* | *2005* | *2005* | *2004* | *2004* | *2005* | *2005* | *2005* | *2005* | *2005* | *2005* | *2005* |
| Kyrgyz Rep.Value Latest Year | 2.3 | 84.0 | -1.04 | -0.06 | 10 | 46.0 | 7.0 | 8.0 | 492 | 10 | 21 |
| LI-FSR Avg. | 2.3 | 111.0 | -1.11 | -0.82 | 17 | 37.0 | 7.0 | 9.0 | 368 | 81 | 30 |
| Low Income Avg. | 2.3 | 112.0 | -0.98 | -0.77 | 134 | 35.0 | 6.0 | 11.0 | 395 | 70 | 45 |
| High Five Avg. | 9.5 | 153.0 | 1.98 | 1.88 | 726 | 55.4 | 15.6 | 17.2 | 1,178 | 485 | 172 |
| Low Five Avg. | 1.6 | 3.0 | -1.92 | -2.29 | 0 | 13.4 | 1.6 | 2.4 | 51 | 2 | 4 |

| | | | | Financial Sector | | | | |
|---|---|---|---|---|---|---|---|---|
| | Domestic credit to private sector, % GDP | Interest rate spread, lending rate minus deposit rate | Money supply (M2), % GDP | Stock market capitalization rate, % GDP | Cost to create collateral | Country credit rating | Legal rights of borrowers and lenders index (0 for poor to 10 for excellent) | Real interest rate |
| Indicator Number | 23P1 | 23P2 | 23P3 | 23P4 | 23S1 | 23S2 | 23S3 | 23S4 |
| *Tajikistan Data* | | | | | | | | |
| *Latest Year (T)* | *2004* | *2003* | *2004* | . | . | *2005* | . | *2003* |
| Value Year T | 17.1 | 6.9 | 7.2 | . | . | 14.1 | . | 6.1 |
| Value Year T-1 | 14.0 | 5.0 | 7.1 | . | . | . | . | -6.1 |
| Value Year T-2 | 18.7 | 15.9 | 7.1 | . | . | . | . | -4.1 |
| Value Year T-3 | 22.8 | 24.3 | 6.9 | . | . | . | . | 1.3 |
| Value Year T-4 | 13.6 | 21.0 | 6.6 | . | . | . | . | -0.2 |
| Average Value, 5 year | 17.2 | 14.6 | 7.0 | . | . | . | . | -0.6 |
| Growth Trend | -0.4 | -31.7 | 2.2 | . | . | . | . | . |
| *Benchmark Data* | | | | | | | | |
| Regression Benchmark | . | 12.6 | 10.1 | . | . | . | . | . |
| Lower Bound | . | 9.8 | -3.7 | . | . | . | . | . |
| Upper Bound | . | 15.4 | 24.0 | . | . | . | . | . |
| *Latest Year Bulgaria* | *2003* | *2003* | *2003* | *2003* | *2004* | . | *2005* | *2003* |
| Bulgaria Value Latest Year | 27.6 | 5.9 | 44.6 | 8.8 | 1.0 | . | 6.0 | 6.6 |
| *Latest Year Romania* | *2003* | . | *2003* | *2003* | *2004* | . | *2005* | . |
| Romania Value Latest Year | 9.5 | . | 22.1 | 9.8 | 1.1 | . | 4.0 | . |
| *Latest Year Russia* | *2003* | *2003* | *2003* | *2003* | *2004* | . | *2005* | *2003* |
| Russia Value Latest Year | 20.9 | 8.5 | 25.7 | 53.3 | 11.6 | . | 3.0 | -1.3 |
| *Latest Year Kazakhstan* | *2004* | *2004* | *2004* | *2003* | *2004* | . | *2005* | *2004* |
| Kazakhstan Value Latest Year | 29.4 | 6.0 | 29.5 | 8.2 | 4.1 | . | 5.0 | 8.5 |
| *Latest Year Kyrgyz Rep.* | *2004* | *2003* | *2004* | *2003* | *2004* | *2005* | *2005* | *2003* |
| Kyrgyz Rep.Value Latest Year | 6.9 | 14.2 | 20.1 | 1.6 | 12.4 | 18.7 | 8.0 | 14.8 |
| LI-FSR Avg. | 14.0 | 6.9 | 15.4 | 1.6 | 1.5 | 19.7 | 6.0 | 6.1 |
| Low Income Avg. | 11.4 | 12.4 | 23.8 | 16.3 | 13.7 | 19.7 | 4.0 | 10.7 |
| High Five Avg. | 171.0 | 46.9 | 188.2 | 238.9 | 121.6 | 51.5 | 9.6 | 36.2 |
| Low Five Avg. | 1.6 | 1.0 | 4.8 | 1.0 | 0.0 | 9.4 | 1.2 | -4.6 |

| | Aid, % GNI | Current account balance, % GDP | Debt service ratio, % exports | Exports growth, goods and services | Foreign direct investment, % GDP | Gross international reserves, months of imports | Private capital inflows, %GDP | Present value of debt, % GNI | Remittance receipts, % exports | Trade, % GDP |
|---|---|---|---|---|---|---|---|---|---|---|
| **External Sector** | | | | | | | | | | |
| Indicator Number | 24P1 | 24P2 | 24P3 | 24P4 | 24P5 | 24P6 | 24P7 | 24P8 | 24P9 | 24P10 |
| *Tajikistan Data* | | | | | | | | | | |
| *Latest Year (T)* | *2003* | *2004* | *2003* | *2003* | *2004* | *2003* | *2003* | *2003* | *2003* | *2004* |
| Value Year T | 9.9 | -2.8 | 9.1 | 10.2 | 13.1 | 1.3 | 2.1 | 77.0 | 23.9 | 112.2 |
| Value Year T-1 | 14.3 | -0.3 | 11.3 | 7.4 | 0.9 | 1.1 | 3.0 | 86.3 | 10.2 | 122.3 |
| Value Year T-2 | 16.8 | -1.4 | 11.5 | 11.9 | 3.0 | 1.3 | . | 85.9 | 7.3 | 130.3 |
| Value Year T-3 | 13.4 | -5.8 | 7.8 | 18.8 | 0.9 | 1.3 | . | 87.4 | . | 140.3 |
| Value Year T-4 | 11.9 | -6.2 | 11.3 | -2.3 | 2.4 | 0.9 | . | . | . | . |
| Average Value, 5 year | 13.2 | -3.3 | 10.2 | 9.2 | 4.0 | 1.2 | . | . | . | 126.3 |
| Growth Trend | -3.0 | 36.7 | -0.7 | . | 40.3 | 5.5 | . | . | . | -7.1 |
| *Benchmark Data* | | | | | | | | | | |
| Regression Benchmark | 16.7 | -8.5 | 12.5 | 10.7 | 3.0 | 3.1 | . | 68.3 | . | 89.4 |
| Lower Bound | 10.0 | -13.3 | 7.4 | 4.1 | 1.1 | 1.6 | . | 44.6 | . | 70.7 |
| Upper Bound | 23.5 | -3.7 | 17.7 | 17.4 | 4.9 | 4.5 | . | 92.1 | . | 108.2 |
| *Latest Year Bulgaria* | *2003* | *2003* | *2003* | *2003* | *2003* | *2003* | *2003* | *2003* | . | *2003* |
| Bulgaria Value Latest Year | 2.1 | -8.4 | 10.5 | 8.0 | 7.2 | 6.2 | 6.5 | 85.5 | . | 116.2 |
| *Latest Year Romania* | *2003* | *2003* | *2003* | *2003* | *2003* | *2003* | *2003* | *2003* | *2003* | *2003* |
| Romania Value Latest Year | 1.1 | -5.8 | 17.3 | 8.2 | 3.2 | 4.3 | 4.0 | 46.0 | 0.07 | 71.6 |
| *Latest Year Russia* | *2003* | *2003* | *2003* | *2004* | *2003* | *2003* | *2003* | *2003* | *2003* | *2003* |
| Russia Value Latest Year | 0.3 | 8.3 | 11.8 | 33.9 | 1.8 | 7.4 | 1.3 | 52.1 | 0.20 | 52.6 |
| *Latest Year Kazakhstan* | *2003* | *2004* | *2004* | *2004* | *2004* | *2004* | *2003* | *2003* | *2003* | *2004* |
| Kazakhstan Value Latest Year | 1.0 | 1.3 | 38.3 | 51.1 | 13.6 | 5.9 | 7.6 | 95.3 | 0.25 | 101.4 |
| *Latest Year Kyrgyz Rep.* | *2003* | *2004* | *2003* | *2004* | *2004* | *2004* | *2003* | *2003* | *2003* | *2004* |
| Kyrgyz Rep.Value Latest Year | 10.7 | -3.4 | 16.0 | 26.5 | 5.9 | 6.0 | 2.6 | 97.9 | 13.47 | 94.0 |
| LI-FSR Avg. | 7.5 | -2.0 | 13.2 | 6.5 | 2.2 | 2.0 | . | 86.1 | 13.9 | 109.8 |
| Low Income Avg. | 10.7 | -4.3 | 10.4 | 7.1 | 1.7 | 3.7 | . | 59.1 | 15.0 | 66.7 |
| High Five Avg. | 66.1 | 18.0 | 61.5 | 21.6 | 99.4 | 18.6 | 875.4 | 380.0 | 86.5 | 228.0 |
| Low Five Avg. | -0.3 | -27.8 | 0.9 | -19.8 | -0.4 | 0.3 | 1.8 | 9.1 | 0.0 | 27.1 |

9

| | Concentration of exports (top three exports, 3-digit SITC) | Inward FDI potential index (0 for poor to 1 for excellent) | Net barter terms of trade (1995=100) | Real effective exchange rate index (1999=100) | Structure of merchandise exports (agricultural raw materials) | Structure of merchandise exports (fuel) | Structure of merchandise exports (manufactured goods) | Structure of merchandise exports (ores and metals) | Structure of merchandise exports (food) | Trade policy index (1 for excellent to 5 for poor) |
|---|---|---|---|---|---|---|---|---|---|---|
| **External Sector (cont'd)** | | | | | | | | | | |
| Indicator Number | 24S1 | 24S2 | 24S3 | 24S4 | 24S5a | 24S5b | 24S5c | 24S5d | 24S5e | 24S6 |
| *Tajikistan Data* | | | | | | | | | | |
| *Latest Year (T)* | *2000* | *2002* | *2004* | *2004* | *2000* | *2000* | *2000* | *2000* | *2000* | *2004* |
| Value Year T | 79.2 | 0.070 | . | 75.5 | 12.6 | 13.8 | 13.3 | 55.9 | 4.4 | 3.0 |
| Value Year T-1 | . | 0.070 | . | 79.1 | . | . | . | . | . | 3.0 |
| Value Year T-2 | . | 0.070 | . | 87.3 | . | . | . | . | . | 3.0 |
| Value Year T-3 | . | 0.070 | . | 96.1 | . | . | . | . | . | 3.0 |
| Value Year T-4 | . | 0.080 | . | . | . | . | . | . | . | 5.0 |
| Average Value, 5 year | . | 0.070 | . | 84.5 | . | . | . | . | . | 3.4 |
| Growth Trend | . | . | . | -7.9 | . | . | . | . | . | -9.7 |
| *Benchmark Data* | | | | | | | | | | |
| Regression Benchmark | . | 0.110 | . | . | 11.0 | . | . | . | . | . |
| Lower Bound | . | 0.091 | . | . | 4.7 | . | . | . | . | . |
| Upper Bound | . | 0.130 | . | . | 17.4 | . | . | . | . | . |
| *Latest Year Bulgaria* | *2003* | *2002* | . | . | *2003* | *2003* | *2003* | *2003* | *2003* | *2004* |
| Bulgaria Value Latest Year | 17.4 | 0.20 | . | . | 2.3 | 5.8 | 65.8 | 10.3 | 10.2 | 4 |
| *Latest Year Romania* | *2003* | *2002* | . | . | *2003* | *2003* | *2003* | *2003* | *2003* | *2004* |
| Romania Value Latest Year | 24.0 | 0.160 | . | . | 3.1 | 6.5 | 82.5 | 4.2 | 3.2 | 4 |
| *Latest Year Russia* | . | *2002* | . | . | *2003* | *2003* | *2003* | *2003* | *2003* | *2004* |
| Russia Value Latest Year | 54.3 | 0.290 | . | . | 3.2 | 53.0 | 21.1 | 6.9 | 2.0 | 3 |
| *Latest Year Kazakhstan* | *2003* | *2002* | . | . | *2003* | *2003* | *2003* | *2003* | *2003* | *2004* |
| Kazakhstan Value Latest Year | 64.3 | 0.180 | . | . | 1.3 | 61.8 | 18.0 | 12.8 | 6.0 | 4 |
| *Latest Year Kyrgyz Rep.* | *2003* | *2002* | . | . | *2003* | *2003* | *2003* | *2003* | *2003* | *2004* |
| Kyrgyz Rep.Value Latest Year | 60.5 | 0.120 | . | . | 17.4 | 20.9 | 39.0 | 5.6 | 15.9 | 4 |
| LI-FSR Avg. | . | 0.130 | . | . | 11.2 | 10.8 | 35.6 | 4.2 | 37.6 | 4 |
| Low Income Avg. | . | 0.120 | 100.0 | . | 7.3 | 1.8 | 20.0 | 3.4 | 37.2 | 4 |
| High Five Avg. | . | 0.500 | 149.8 | . | 30.8 | 92.8 | 94.2 | 51.5 | 91.0 | 5.0 |
| Low Five Avg. | . | 0.060 | 71.8 | . | 0.0 | 0.0 | 2.6 | 0.0 | 0.5 | 1.4 |

| | Economic Infrastructure | | | | | | | | Science and Technology | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Internet users per 1000 people | Overall infrastructure quality index (1 for poor to 7 for excellent) | Telephone density, fixed line and mobile, per 1000 people | Quality of infrastructure index - air transport (1 for poor to 7 for excellent) | Quality of infrastructure index - ports (1 for poor to 7 for excellent) | Quality of infrastructure index - railroads (1 for poor to 7 for excellent) | Quality of infrastructure index - electricity (1 for poor to 7 for excellent) | Telephone cost, average local call | Expenditure for R&D, % GDP | FDI technology transfer index (1 for FDI bringing little new technology to 7 for FDI bringing a lot of new technology) | Patent applications filed by residents |
| Indicator Number | 25P1 | 25P2 | 25P3 | 25S1a | 25S1b | 25S1c | 25S1d | 25S2 | 26P1 | 26P2 | 26P3 |
| *Tajikistan Data* | | | | | | | | | | | |
| *Latest Year (T)* | 2003 | 2005 | 2004 | 2005 | 2005 | 2005 | 2005 | 2003 | . | 2005 | 2002 |
| Value Year T | 0.6 | 3.1 | 63.0 | 3.7 | 1.7 | 2.9 | 1.90 | 0.01 | . | 4.1 | 40.0 |
| Value Year T-1 | 0.6 | . | 44.8 | . | . | . | . | 0.01 | . | . | 0.0 |
| Value Year T-2 | 0.5 | . | 39.3 | . | . | . | . | 0.01 | . | . | 46.0 |
| Value Year T-3 | 0.5 | . | 36.8 | . | . | . | . | 0.01 | . | . | 38.0 |
| Value Year T-4 | . | . | 35.9 | . | . | . | . | 0.01 | . | . | 37.0 |
| Average Value, 5 year | . | . | 43.9 | . | . | . | . | 0.01 | . | . | 32.2 |
| Growth Trend | . | . | 14.1 | . | . | . | . | -6.3 | . | . | . |
| *Benchmark Data* | | | | | | | | | | | |
| Regression Benchmark | 46 | 1.4 | 47 | . | . | . | . | . | . | . | . |
| Lower Bound | 6 | 1.0 | 27 | . | . | . | . | . | . | . | . |
| Upper Bound | 85 | 1.9 | 68 | . | . | . | . | . | . | . | . |
| *Latest Year Bulgaria* | 2003 | 2004 | 2003 | 2004 | 2004 | 2004 | 2004 | 2003 | 2002 | 2005 | 2002 |
| Bulgaria Value Latest Year | 81 | 2.9 | 847 | 3.5 | 3.6 | 3.7 | 4.20 | 0.03 | 0.5 | 4.6 | 306.0 |
| *Latest Year Romania* | 2003 | 2004 | 2003 | 2004 | 2004 | 2004 | 2004 | 2003 | 2002 | 2005 | 2002 |
| Romania Value Latest Year | 191 | 2.8 | 524 | 4.0 | 3.7 | 3.5 | 4.10 | 0.12 | 0.4 | 5.4 | 1,486.0 |
| *Latest Year Russia* | 2003 | 2004 | 2002 | 2004 | 2004 | 2004 | 2004 | 1999 | 2002 | 2005 | 2002 |
| Russia Value Latest Year | 41 | 2.9 | 362 | 4.4 | 3.7 | 4.3 | 4.10 | 0.02 | 1.3 | 4.0 | 24,049.0 |
| *Latest Year Kazakhstan* | 2003 | 2005 | 2002 | 2005 | 2005 | 2005 | 2005 | 2002 | . | 2005 | 2002 |
| Kazakhstan Value Latest Year | 16 | 3.5 | 195 | 4.1 | 2.9 | 4.0 | 4.60 | 0.00 | . | 4.3 | 2.0 |
| *Latest Year Kyrgyz Rep.* | 2003 | 2005 | 2003 | 2005 | 2005 | 2005 | 2005 | 2002 | 2002 | 2005 | 2002 |
| Kyrgyz Rep.Value Latest Year | 30 | 2.3 | 103 | 3.5 | 1.2 | 1.9 | 3.40 | 0.09 | 0.2 | 3.5 | 123.0 |
| LI-FSR Avg. | 25 | 2.6 | 91 | . | . | . | . | 0.02 | 0.2 | . | 181.5 |
| Low Income Avg. | 5 | 2.4 | 44 | 3.4 | 2.1 | 1.7 | 2.60 | 0.06 | 0.3 | 4.4 | 0.0 |
| High Five Avg. | 585.8 | 6.7 | 1,686 | 6.7 | 6.6 | 6.5 | 6.90 | 0.41 | 3.5 | 5.9 | 153,540.2 |
| Low Five Avg. | 0.9 | 1.5 | 10 | 2.4 | 1.3 | 1.1 | 1.40 | 0.00 | 0.1 | 3.3 | 0.0 |

| | Health | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | HIV prevalence | Life expectancy at birth | Maternal mortality rate (deaths per 100,000 births) | Access to improved sanitation | Access to improved water source | Births attended by skilled health personnel | Child immunization rate | Prevalence of child malnutrition (weight for age) | Public health expenditure, % GDP |
| Indicator Number | 31P1 | 31P2 | 31P3 | 31S1 | 31S2 | 31S3 | 31S4 | 31S5 | 31S6 |
| *Tajikistan Data* | | | | | | | | | |
| *Latest Year (T)* | *2003* | *2003* | *2004* | *2002* | *2003* | *2003* | *2003* | . | *2004* |
| Value Year T | 0.1 | 66 | 40.6 | 53.0 | 57.0 | 71.4 | 85.5 | . | 0.90 |
| Value Year T-1 | . | 67 | 47.2 | . | 58.0 | . | 82.0 | . | 0.93 |
| Value Year T-2 | . | . | 50.6 | . | . | . | 84.5 | . | 0.90 |
| Value Year T-3 | . | . | 53.5 | . | . | 71.1 | 85.0 | . | 0.86 |
| Value Year T-4 | . | . | . | . | . | 66.6 | 80.5 | . | 0.90 |
| Average Value, 5 year | . | . | 48.0 | . | . | . | 83.5 | . | 0.90 |
| Growth Trend | . | . | -8.6 | . | . | . | 0.8 | . | 0.8 |
| *Benchmark Data* | | | | | | | | | |
| Regression Benchmark | . | 62 | 484.7 | . | . | 72.0 | . | . | . |
| Lower Bound | . | 58 | 340.4 | . | . | 60.9 | . | . | . |
| Upper Bound | . | 66 | 628.9 | . | . | 83.0 | . | . | . |
| *Latest Year Bulgaria* | *2003* | *2003* | *2000* | *2002* | *2002* | | *2003* | . | *2002* |
| Bulgaria Value Latest Year | 0.1 | 72.1 | 32.0 | 100.0 | 100.0 | . | 96.0 | . | 4.5 |
| *Latest Year Romania* | *2003* | *2003* | *2000* | *2002* | *2002* | *1999* | *2003* | *2002* | *2002* |
| Romania Value Latest Year | 0.1 | 70 | 49.0 | 51.0 | 57.0 | 97.9 | 97.0 | 3.2 | 4.2 |
| *Latest Year Russia* | *2003* | *2003* | *2000* | *2002* | *2002* | *2001* | *2003* | *2000* | *2002* |
| Russia Value Latest Year | 1.1 | 66 | 67.0 | 87.0 | 96.0 | 99.3 | 97.0 | 5.5 | 3.5 |
| *Latest Year Kazakhstan* | *2003* | *2003* | *2000* | *2002* | *2002* | *1999* | *2003* | *1999* | *2004* |
| Kazakhstan Value Latest Year | 0.2 | 61 | 210.0 | 72.0 | 86.0 | 99.1 | 99.0 | 4.2 | 2.4 |
| *Latest Year Kyrgyz Rep.* | *2003* | *2003* | *2004* | *2002* | *2002* | | *2003* | *2001* | *2004* |
| Kyrgyz Rep.Value Latest Year | 0.1 | 68 | 50.9 | 60.0 | 76.0 | . | 98.5 | 5.8 | 2.1 |
| LI-FSR Avg. | 0.1 | 67 | 68.0 | 58.5 | 82.5 | 83.4 | 97.8 | 7.9 | 2.4 |
| Low Income Avg. | 3.1 | 52 | 685.0 | 37.0 | 62.0 | 40.6 | 71.5 | 31.0 | 2.2 |
| High Five Avg. | 30.2 | 80 | 1,720.0 | 100.0 | 100.0 | . | 99.0 | 36.3 | 8.7 |
| Low Five Avg. | 0.1 | 37 | 1.8 | 8.0 | 26.4 | 20.8 | 39.0 | 7.3 | 0.6 |

| | Education | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Net primary enrollment rate (total) | Net primary enrollment rate (female) | Net primary enrollment rate (male) | Persistence in school to grade 5 (total) | Persistence in school to grade 5 (female) | Persistence in school to grade 5 (male) | Youth literacy rate | Education expenditure, primary, %GDP | Expenditure per student, % GDP per capita, primary | Expenditure per student, % GDP per capita, secondary | Expenditure per student, % GDP per capita, tertiary | Pupil-teacher ratio, primary school |
| Indicator Number | 32P1a | 32P1b | 32P1c | 32P2a | 32P2b | 32P2c | 32P3 | 32S1 | 32S2a | 32S2b | 32S2c | 32S3 |
| *Tajikistan Data* | | | | | | | | | | | | |
| *Latest Year (T)* | *2002* | *2002* | *2002* | *2004* | *2001* | *2001* | *2003* | *FY2006* | *2002* | *2002* | *2002* | *2002* |
| Value Year T | 97.5 | 95.0 | 100.0 | 100.3 | 102.0 | 107.00 | 99.84 | 2.14 | 6.8 | 8.7 | 21.5 | 22.3 |
| Value Year T-1 | . | . | . | 100.2 | 99.0 | 107.00 | . | 1.84 | . | . | . | 21.8 |
| Value Year T-2 | . | . | . | . | 94.0 | 104.00 | . | 1.90 | . | . | . | 21.8 |
| Value Year T-3 | 97.2 | 94.3 | 100.0 | 105.0 | 96.0 | 101.00 | 99.84 | . | 4.9 | 7.5 | 18.9 | 21.9 |
| Value Year T-4 | . | . | . | 103.0 | . | . | 99.80 | . | . | . | . | 22.0 |
| Average Value, 5 year | . | . | . | 102.1 | . | . | 99.81 | . | . | . | . | 21.9 |
| Growth Trend | . | . | . | . | 2.4 | 2.0 | . | . | . | . | . | 0.2 |
| *Benchmark Data* | | | | | | | | | | | | |
| Regression Benchmark | 75.1 | . | . | 67.8 | . | . | 85.5 | . | . | . | . | . |
| Lower Bound | 68.4 | . | . | 60.8 | . | . | 76.9 | . | . | . | . | . |
| Upper Bound | 81.8 | . | . | 74.8 | . | . | 94.2 | . | . | . | . | . |
| *Latest Year Bulgaria* | *2002* | *2002* | *2002* | . | . | . | *2002* | . | *2001* | *2001* | *2001* | *2001* |
| Bulgaria Value Latest Year | 90.4 | 89.9 | 90.9 | . | . | . | 99.69 | . | 16.9 | 19 | 19.7 | 16.8 |
| *Latest Year Romania* | *2002* | *2002* | *2002* | . | . | . | *2002* | . | . | . | *2001* | *2001* |
| Romania Value Latest Year | 88.9 | 88.5 | 89.4 | . | . | . | 97.76 | . | . | . | 30.3 | 17.4 |
| *Latest Year Russia* | *2002* | . | *2002* | . | . | . | *2002* | . | . | . | . | *2001* |
| Russia Value Latest Year | 89.7 | . | 88.9 | . | . | . | 99.80 | . | . | . | . | 16.9 |
| *Latest Year Kazakhstan* | *2002* | *2002* | *2002* | . | . | . | *2002* | . | *2002* | *2002* | *2002* | *2002* |
| Kazakhstan Value Latest Year | 91.5 | 91.0 | 91.9 | . | . | . | 99.80 | . | 8.1 | 13 | 10.2 | 18.5 |
| *Latest Year Kyrgyz Rep.* | *2002* | *2002* | *2002* | . | . | . | . | *FY2005* | *2002* | *2002* | *2002* | *2002* |
| Kyrgyz Rep.Value Latest Year | 89.3 | 87.6 | 90.9 | . | . | . | . | 3.76 | 6.1 | 10 | 14.0 | 24.5 |
| LI-FSR Avg. | 84.2 | 83.1 | 85.2 | . | . | . | 99.73 | 2.81 | 6.8 | 10 | 19.7 | 22.3 |
| Low Income Avg. | 68.8 | 67.7 | 74.9 | 64.8 | 65.2 | 63.65 | 77.44 | 1.81 | 9.7 | 17 | 62.4 | 42.6 |
| High Five Avg. | 100.0 | 100.0 | 100.0 | 99.2 | 99.8 | 99.30 | 99.82 | 5.54 | 31.3 | 47 | 344.3 | 65.5 |
| Low Five Avg. | 42.3 | 36.9 | 47.6 | 52.3 | 51.5 | 51.78 | 46.44 | 0.17 | 6.2 | 6 | 9.8 | 11.7 |

| | Employment and Workforce | | | | | | |
|---|---|---|---|---|---|---|---|
| | Labor force participation rate (total) | Labor force participation rate (male) | Labor force participation rate (female) | Rigidity of employment index (0 for minimum rigidity to 100 for maximum rigidity) | Size of labor force | Labor force growth rate | Unemployment rate |
| Indicator Number | 33P1a | 33P1b | 33P1c | 33P2 | 33P3a | 33P3b | 33P4 |
| *Tajikistan Data* | | | | | | | |
| *Latest Year (T)* | *2003* | *2003* | *2003* | | *2003* | *2003* | *2002* |
| Value Year T | 71.5 | 78.3 | 64.7 | . | 2,650,225 | 2.8 | 11.3 |
| Value Year T-1 | 71.1 | 78.2 | 64.1 | . | 2,579,045 | 2.8 | . |
| Value Year T-2 | 70.8 | 78.0 | 63.6 | . | 2,509,421 | 2.8 | . |
| Value Year T-3 | 70.5 | 77.9 | 63.1 | . | 2,441,281 | 1.8 | . |
| Value Year T-4 | 70.7 | 78.6 | 62.9 | . | 2,398,704 | 1.8 | . |
| Average Value, 5 year | . | 78.2 | 63.7 | . | 2,515,735 | 2.4 | . |
| Growth Trend | 0.3 | 0.0 | 0.7 | . | 2.6 | . | . |
| *Benchmark Data* | | | | | | | |
| Regression Benchmark | 80.8 | . | . | 50.5 | . | 1.6 | . |
| Lower Bound | 75.6 | . | . | 39.2 | . | 1.1 | . |
| Upper Bound | 86.1 | . | . | 61.9 | . | 2.1 | . |
| *Latest Year Bulgaria* | *2003* | *2003* | *2003* | *2005* | *2003* | *2003* | *2002* |
| Bulgaria Value Latest Year | 73.6 | 77.5 | 69.8 | 44 | 4,061,858 | -0.4 | 18 |
| *Latest Year Romania* | *2003* | *2003* | *2003* | *2005* | *2003* | *2003* | *2002* |
| Romania Value Latest Year | 67.9 | 75.4 | 60.6 | 59 | 10,481,043 | 0.0 | 8 |
| *Latest Year Russia* | *2003* | *2003* | *2003* | *2005* | *2003* | *2003* | *2002* |
| Russia Value Latest Year | 77.5 | 81.5 | 73.7 | 30 | 78,374,600 | 0.2 | 9 |
| *Latest Year Kazakhstan* | *2003* | *2003* | *2003* | *2005* | *2003* | *2003* | *2003* |
| Kazakhstan Value Latest Year | 73.9 | 79.6 | 68.5 | 23 | 7,508,097 | 0.7 | 9 |
| *Latest Year Kyrgyz Rep.* | *2003* | *2003* | *2003* | *2005* | *2003* | *2003* | *2003* |
| Kyrgyz Rep.Value Latest Year | 73.5 | 78.8 | 68.3 | 38 | 2,309,685 | 2.3 | 9 |
| LI-FSR Avg. | 73.9 | 79.2 | 68.7 | 54 | 2,479,955 | 2.5 | 7 |
| Low Income Avg. | 85.2 | 97.1 | 73.0 | 50 | 4,566,358 | 2.4 | 7 |
| High Five Avg. | 102.4 | 112.6 | 97.0 | 85 | 316,912,650 | 5.7 | 24 |
| Low Five Avg. | 50.4 | 70.9 | 21.5 | 1 | 125,147 | -0.3 | 2 |

| | Agriculture | | | | | |
|---|---|---|---|---|---|---|
| | Agriculture value added per worker | Cereal yield | Growth in agricultural value-added | Agricultural policy costs index (1 for poor to 7 for excellent) | Crop production index (1999-2001=100) | Livestock production index (1999-2001=100) |
| Indicator Number | 34P1 | 34P2 | 34P3 | 34S1 | 34S2 | 34S3 |
| *Tajikistan Data* | | | | | | |
| *Latest Year (T)* | *2003* | *2004* | *2003* | *2005* | *2004* | *2004* |
| Value Year T | 454 | 1,838 | 0.0 | 3.0 | 166.1 | 158.6 |
| Value Year T-1 | 417 | 2,202 | 15.1 | | 143.4 | 130.9 |
| Value Year T-2 | 365 | 1,892 | 11.2 | | 130.5 | 122.4 |
| Value Year T-3 | 330 | 1,255 | 12.7 | | 111.2 | 112.0 |
| Value Year T-4 | 293 | 1,323 | 3.1 | | 102.9 | 94.9 |
| Average Value, 5 year | 372 | 1,702 | 8.4 | | 130.8 | 123.8 |
| Growth Trend | 11.7 | 13.0 | . | . | 12.9 | 12.6 |
| *Benchmark Data* | | | | | | |
| Regression Benchmark | 540.3 | . | 4.7 | . | . | . |
| Lower Bound | 333.4 | . | 0.4 | . | . | . |
| Upper Bound | 747.2 | . | 9.0 | . | . | . |
| *Latest Year Bulgaria* | *2003* | *2004* | *2003* | *2005* | *2004* | *2004* |
| Bulgaria Value Latest Year | 6,826 | 3,544 | -1.3 | 2.7 | 106.0 | 95.9 |
| *Latest Year Romania* | *2003* | *2004* | *2004* | *2005* | *2004* | *2004* |
| Romania Value Latest Year | 3,621 | 3,899 | 3.0 | 2.9 | 132.6 | 119.1 |
| *Latest Year Russia* | *2003* | *2004* | *2002* | *2005* | *2004* | *2004* |
| Russia Value Latest Year | 2,323 | 1,914 | 2.9 | 2.8 | 116.9 | 107.7 |
| *Latest Year Kazakhstan* | *2003* | *2004* | *2003* | *2005* | *2004* | *2004* |
| Kazakhstan Value Latest Year | 1,436 | 949 | 0.1 | 3.5 | 98.0 | 112.0 |
| *Latest Year Kyrgyz Rep.* | *2003* | *2004* | *2003* | *2005* | *2004* | *2004* |
| Kyrgyz Rep.Value Latest Year | 962 | 2,862 | 3.8 | 2.8 | 94.9 | 69.4 |
| LI-FSR Avg. | 834 | 3,244 | 0.5 | | 108.1 | 107.6 |
| Low Income Avg. | 296 | 1,302 | 4.0 | 3.6 | 105.0 | 107.6 |
| High Five Avg. | 40,135 | 7,775 | 22.0 | 5.3 | 134.9 | 145.5 |
| Low Five Avg. | 108 | 312 | -13.4 | 2.4 | 69.5 | 78.3 |

# Technical Notes

The following technical notes (updated as of August, 2005) identify the source for each indicator, provide a concise definition, indicate the coverage of USAID countries, and comment on data quality where pertinent. For reference purposes, a CAS code is also given for each indicator. In many cases, the descriptive information is taken directly from the original sources, as cited.

## GROWTH PERFORMANCE

**Per capita GDP, current US dollars**

*Source:* IMF World Economic Outlook database, updated every 6 months, at:

http://www.imf.org/external/ns/cs.aspx?id=28

*Definition:* GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers plus any product taxes, less any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code #11P2*

**Per capita GDP, purchasing power parity dollars**

*Source:* IMF World Economic Outlook database, updated every 6 months, at:

http://www.imf.org/external/ns/cs.aspx?id=28

*Definition:* This indicator adjusts per capita GDP measured in current U.S. dollars for differences in purchasing power, using an estimated exchange rate reflecting the purchasing power of the various local currencies.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code #11P1*

**Real GDP growth**

*Source:* IMF World Economic Outlook database, updated every 6 months; latest country data from IMF Article IV Review Reports available at:

www.imf.org/external/np/sec/aiv/index.htm

*Definition:* Annual percentage growth rate of GDP at constant local currency prices.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code #11P3*

**Growth of labor productivity**

*Source:* World Development Indicators 2005. Estimated by calculating the annual percentage change of the ratio of GDP (constant 1995 US$) (NY.GDP.MKTP.KD) to the population age 15-64, which in turn is the product of the total population (SP.POP.TOTL) times the percentage of total population that is in this age group (SP.POP.1564.IN.ZS).

*Definition:* Labor productivity is defined here as the ratio of GDP (in constant prices) to the size of the working age population (ages 15 to 64 years). The more familiar calculation, based on employment, labor force, or work hours, is not used here because low participation or employment rates are themselves structural productivity problems; also, many low-income countries do not report data needed to compute these alternative measures of labor productivity.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code # 11S1*

**Investment productivity --incremental capital-output ratio (ICOR)**

*Source:* International benchmark data computed from World Development Indicators 2005, based on the five-year average of the share of fixed investment (NE.GDI.FTOT.ZS) and the five-year average GDP growth (NY.GDP.MKTP.KD.ZG). Updated figures for the target country are computed from IMF article IV Consultation Reports.

*Definition:* The ICOR shows the amount of capital investment incurred per extra unit of output. A high value represents low investment productivity. The ICOR is calculated here as the ratio of (a) the investment share of GDP to (b) the growth rate of GDP, using five-year averages for both the numerator and denominator.

*Coverage:* Data are available for about 81 USAID countries.

*CAS Code #11S2*

**Gross fixed investment, percentage of GDP**

*Source:* IMF Article IV Consultation Reports for latest country data; international benchmark from the World Development Indicators 2005 series NE.GDI.FTOT.ZS.

*Definition:* Gross fixed investment is spending on replacing or adding to fixed assets (buildings, machinery, equipment and similar goods).

*Coverage:* Data are available for about 84 USAID countries.

*CAS Code # 11S3*

**Gross fixed private investment, percentage of GDP**

*Source:* IMF Article IV Consultation Reports, for latest country data; World Development Indicators 2004, for international comparison data (explanation below). The estimation of this indicator involves taking the difference between gross fixed capital formation (% of GDP) (NE.GDI.FTOT.ZS) and government capital expenditure (% of GDP). The latter term is the product of government capital expenditure (% of total expenditure) (GB.XPK.TOTL.ZS) and total government expenditure (% of GDP) (GB.XPD.TOTL.GD.ZS).

*Definition:* This indicator measures gross fixed capital formation by non-government investors, including spending for replacement or net addition to fixed assets (buildings, machinery, equipment and similar goods).

*Coverage:* Available from World Development Indicators 2004 for about 38 USAID countries. Starting in 2005, WDI no longer reports government capital expenditure, which is needed to compute this variable. The reason is that the World Bank has adopted a new system for Government Finance Statistics, which switches from reporting budget performance

based on cash outlays and receipts, to a modified accrual accounting system in which government capital formation is a balance sheet entry, and only the consumption of fixed capital (that is, a depreciation allowance) is treated as an expense. The template will include this variable when the required data can be obtained from IMF Article IV Consultation Reports or national data sources. Group and regression benchmarks will be computed from WDI 2004 (since group averages tend to be relatively stable).

*Data Quality:* National statistics offices may have different methodologies for breaking down total government expenditure into current and capital components. In particular, the data on "development expenditure" in many countries includes elements of current expenditure.

*CAS Code #11S4*

## POVERTY AND INEQUALITY

### Human poverty index

*Source:* UNDP, Human Development Report.

http://hdr.undp.org/statistics/data/indicators.cfm?x=18&y=1&z=1 for 2005 edition; updates may be found at http://hdr.undp.org/reports/view_reports.cfm?type=1

*Definition:* The index measures deprivation in terms of not meeting target levels for specified economic and quality of life indicators. Values are based on (1) percentage of people not expected to survive to age 40, (2) percentage of adults who are illiterate, and (3) percentage of people who fail to attain a 'decent living standard,' which is subdivided into three (equally weighted) separate items: (a) percentage of people without access to safe water, (b) percentage of people without access to health services, and (c) percentage of underweight children. The HPI ranges in value from 0 (for zero deprivation incidence) to 100 (for high deprivation incidence).

*Coverage:* Data are available for about 60 USAID countries.

*CAS Code #12P1*

### Income share held by lowest 20%

*Source:* World Development Indicators 2005 series SI.DST.FRST.20. These are World Bank staff estimates based on primary household survey data obtained from government statistical agencies and World Bank country departments. Alternate source for target countries: Country Poverty Reduction Strategy Paper:

http://www.imf.org/external/np/prsp/prsp.asp

*Definition:* Share of total income or consumption accruing to the poorest quintile of the population.

*Coverage:* Data are available for about 59 USAID countries, if one goes back to 1997; for the period since 2000, data are available for about 35 USAID countries.

*CAS Code # 12P2*

### Percentage of population living on less than $1 PPP per day

*Source:* World Development Indicators 2005 series SI.POV.DDAY, original data from National Surveys. Alternate source for target countries: the country's Poverty Reduction Strategy Paper:

http://www.imf.org/external/np/prsp/prsp.asp

*Definition:* The indicator captures the percentage of the population living on less than $1.08 a day at 1993 international prices.

*Coverage:* Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 35 USAID countries.

*Data Quality:* Poverty data originate from household survey questionnaires which can differ widely; even similar surveys may not be strictly comparable because of difference in quality.

*CAS Code #12P3*

### Population below minimum dietary energy consumption

*Source:* UN Millennium Indicators Database at http://millenniumindicators.un.org/unsd/mi/mi_series_results.asp?rowId=566, based on FAO estimates.

*Definition*: Proportion of the population in a condition of undernourishment. The FAO defines undernourishment as the condition of people whose dietary energy consumption is continuously below a minimum dietary energy requirement for maintaining a healthy life and carrying out a light physical activity.

*Coverage:* Data are available for about 82 USAID countries.

*CAS Code # 12S1*

### Poverty headcount, national poverty line

*Source:* World Development Indicators 2005 series SI.POV.NAHC. Alternate source: Country Poverty Reduction Strategy Paper (PRSP):

http://www.imf.org/external/np/prsp/prsp.asp

*Definition:* The percentage of the population living below the national poverty line. National estimates are based on population-weighted estimates from household surveys

*Coverage:* Data available for only 19 countries for 2000 or later; data are available for about 49 countries going back to 1997. For most target countries, data can be obtained from the PRSP.

*Data Quality:* Measuring the percentage of people below the "national poverty line" has the disadvantage of limiting international comparisons due to differences in the definition of the poverty line. Most lower income countries, however, determine the national poverty line by the level of consumption required to have a minimally sufficient food intake plus other basic necessities.

*CAS Code #12P4*

### PRSP Status

*Source:* World Bank/IMF. A list of countries with a Poverty Reduction Strategy Paper (PRSP) can be found at http://www.imf.org/external/np/prsp/prsp.asp

*Definition:* Yes or no variable showing whether a country has (or not) completed a PRSP (introduced by the WB and IMF to ensure host country ownership of poverty reduction programs).

*Coverage*: All countries having PRSPs are so indicated.

*CAS Code #12P5*

### Poverty gap at $1 PPP a day

*Source:* World Development Indicators 2005 series SI.POV.GAPS, original data from national surveys. Alternate source: the country's Poverty Reduction Strategy Paper: http://www.imf.org/external/np/prsp/prsp.asp

*Definition:* The poverty gap is the mean shortfall from the poverty line (counting the non-poor as having zero shortfall), expressed as a percentage of the poverty line. This measure reflects the depth of poverty as well as its incidence.

*Coverage:* Data are available for about 58 USAID countries going back to 1997; data for 2000 or later are available for about 32 USAID countries.

*CAS Code #12S2*


## ECONOMIC STRUCTURE

### Labor force or employment structure

*Source:* World Development Indicators 2005 series SL.AGR.EMPL.ZS for agriculture, series SL.IND.EMPL.ZS for industry, and series SL.SRV.EMPL.ZS for services. Alternate source: CIA World Fact Book . http://www.cia.gov/cia/publications/factbook/.

*Definition:* Employment in each sector is the proportion of total employment recorded as working in that sector. Employees are people who work for a public or private employer and receive remuneration in wages, salary, commission, tips, piece rates, or pay in kind. Agriculture includes hunting, forestry, and fishing. Industry includes mining and quarrying (including oil production), manufacturing, electricity, gas and water, and construction. Services include wholesale and retail trade and restaurants and hotels; transport, storage, and communications; financing, insurance, real estate, and business services; and community, social, and personal services.

*Coverage:* Data are available for about 37 USAID countries. For most target countries, data can be obtained from PRSP.

*Data Quality:* Employment figures originate from International Labor Organization. Some countries report labor force structure instead of employment, thus the data must be checked carefully prior to making comparisons.

*CAS Code #13P1*

### Output structure

*Source:* World Development Indicators 2005 series NV.AGR.TOTL.ZS for value added in agriculture as a percentage of GDP; series NV.IND.TOTL.ZS for the share of industry; and NV.SRV.TETC.ZS for the share of services.

*Definition:* The output structure is comprised of value added by major sectors of the economy (agriculture, industry, and services) as percentages of GDP, where value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. Value added is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. Agriculture includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Industry includes manufacturing, mining, construction, electricity, water, and gas. Services include wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services.

*Coverage:* Data are available for about 86 USAID countries.

*Data Quality:* A major difficulty in compiling national accounts is the extent of unreported activity in the informal economy. In developing countries a large share of agricultural output is either not exchanged (because it is consumed within the household) or not exchanged for money. This production is estimated indirectly using estimates of inputs, yields, and area under cultivation. This approach can differ from the true values over time and across crops. Ideally, informal activity in industry and services should be measured through regular enterprise censuses and surveys. In most developing countries such surveys are infrequent, so prior survey results are extrapolated.

*CAS Code #13P2*


## DEMOGRAPHY AND ENVIRONMENT

### Adult literacy rate

*Source:* World Development Indicators 2005 series SE.ADT.LITR.ZS, based on UNESCO calculations.

*Definition:* Percentage of people ages 15 and over who can read and write a short-simple statement about their daily life.

*Coverage:* Data are available for about 66 USAID countries.

*Data Quality:* In practice, literacy is difficult to measure. A proper estimate requires census or survey measurements under controlled conditions. Many countries estimate the number of illiterate people from self-reported data, or by taking people with no schooling as illiterate.

*CAS Code # 14P1*

### Age dependency rate

*Source:* World Development Indicators 2005 series SP.POP.DPND.

*Definition:* The ratio of dependents (those younger than 15 and older than 64) to the working-age population (those ages 15-64).

*Coverage:* Data are available for about 89 USAID countries.

*CAS Code #14P2*

### Environmental Sustainability Index

*Source:* Center for International Earth Science Information Network (CIESIN) at Columbia University, and Yale Center for Environmental Law and Policy at Yale University. The 2005 index is at http://www.yale.edu/esi/ESI2005.pdf. For updates: http://www.yale.edu/esi/ .

*Definition:* The index measures the likelihood that a country will be able to preserve valuable environmental resources effectively. It is a composite index integrating 76 data sets tracking natural resource endowments, pollution levels, environmental management efforts, and the capacity of a society to improve its environmental performance. The index values range from a low of 0 (for countries that are positioned poorly to maintain favorable environmental conditions into the future) to a high of 100 (for countries that are positioned very well to maintain favorable environmental conditions into the future); most scores cluster between 40 and 60.

*Coverage:* Data are available for about 83 USAID countries.

*CAS Code #14P3*

### Population size (in millions) and growth

*Source:* World Development Indicators 2005 series SP.POP.TOTL for total population, and series SP.POP.GROW for the population growth rate.

*Definition:* Total population counts all residents regardless of legal status or citizenship--except refugees not permanently settled in the country of asylum. Annual population growth rate is based on the de facto definition of population.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code # 14P4*

### Urbanization rate

*Source:* World Development Indicators 2005 series SP.URB.TOTL.IN.ZS.

*Definition:* Urban population is the share of the total population living in areas defined as urban in each country. The calculation considers all residents regardless of legal status or citizenship, except refugees.

*Coverage:* Data are available for about 86 USAID countries.

*Data Quality:* The estimates are based on national definitions of what constitutes an urban area; since these definitions vary greatly, cross-country comparisons should be made with caution.

*CAS Code #14P5*


## GENDER

### Adult literacy rate, ratio of male to female

*Source:* Computed from UNDP Human Development Indicators: http://hdr.undp.org/statistics/data/

*Definition:* The ratio of adult male literacy rate to adult female literacy rate.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code #15P1*


### Gross enrollment rate, all levels of education, ratio of male to female

*Source:* Computed from UNDP Human Development Indicators: http://hdr.undp.org/statistics/data/.

*Definition:* The ratio of the gross enrollment rate for males to that of females. The gross enrollment rate is the ratio of students enrolled in primary, secondary, and tertiary levels of education, regardless of age, to the total school age population for all three levels, assuming normal age of entry into the system and uninterrupted continuation to completion.

*Coverage:* Data are available for about 83 USAID countries.

*CAS Code # 15P2*


### Life expectancy, ratio of male to female

*Source:* Estimated from UNDP Human Development Indicators: http://hdr.undp.org/statistics/data/.

*Definition:*The ratio of life expectancy at birth (years) for males, divided by the life expectancy at birth (years) for females. Life expectancy at birth indicates the number of years a newborn infant would live if current age-specific mortality were to stay the same throughout its life. The ratio shows the disparity in life expectancies between males and females.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code #15P3*


## FISCAL AND MONETARY POLICY

In the World Development Indicators for 2005, the World Bank has adopted a new system for government budget statistics, switching from data based on cash outlays and receipts, to a system with revenues booked on receipt and expenses booked on accrual, in accordance with the IMF's *Government Financial Statistics Manual, 2001*. On the revenue side, the changes are minor, and comparisons to the old system may still be valid. There is a major change, however, in the reporting of capital outlays, which are now treated as balance sheet entries; only the annual capital consumption allowance (depreciation) is reported as an expense. Hence, the data on total *expense* is not comparable to the former data on total *expenditure*. In addition, WDI 2005 now provides data on the government's *cash surplus/deficit*; this differs from the previous concept of the *overall budget balance* by excluding net lending minus repayments (which are now a financing item under net acquisition of financial assets). Many countries do not use the new GFS system, so country coverage of fiscal data in

WDI 2005 is quite limited. For these reasons, the template will continue to use some data from WDI 2004, along with new data from WDI 2005 data, as appropriate.


### Overall budget balance (including grants), or Cash surplus/deficit, as percentages of GDP

*Source:* For countries using the new GFS system (see explanation at the beginning of this section), benchmarking data on the government's cash surplus/deficit are obtained from World Development Indicators 2005 series GC.BAL.CASH.GD.ZS. For countries that are not yet using the new system, benchmarking data on the overall budget balance are obtained from WDI 2004, series GB.BAL.OVRL.GD.ZS. Latest country data is obtained from national data sources or from IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm.

*Definition:* The cash surplus/deficit is revenue (including grants) minus expenses, minus net acquisition of non-financial assets. This is close to the previous concept *overall budget balance*, differing only in that it excludes net lending (which is now treated as a financing item, under net acquisition of financial assets).

For countries that are not using the new GFS system, the template will continue to focus on the **overall budget balance**, using data from the alternative sources indicated above. The overall budget deficit is defined as the difference between total revenue (including grants) and total expenditure.

Both concepts measure the central government's financing requirement, which must be met by domestic or foreign borrowing. As noted above, they differ in that the new cash surplus/deficit variable excludes net lending (which is usually a minor item).

*Coverage:* Data are available in WDI 2005 for 41 USAID countries.

*CAS Code # 21P5*


### Composition of government expenditure (for countries not using GFS 2001 system)

*Source:* Benchmarking data are from World Development Indicators 2004. Country data constructed from national data sources or from IMF Article IV Consultative Reports: www.imf.org/external/np/sec/aiv/index.htm.

*Definition:* Central government expenditure, broken down using categories from WDI 2004: (1) subsidies and other current transfers, (2) wages and salaries, (3) interest payments, (4) goods and services expenditure, and (5) capital expenditure, all as a percent of total expenditure.

*Coverage:* Data are available for about 37 USAID countries from World Development Indicators 2004. As explained at the beginning of this section, WDI no longer reports government *expenditures* starting in 2005. The template will include this variable when the required data can be obtained from IMF Article IV Consultation Reports or national data sources for the target country and the comparison countries. Group. The group benchmarks will still be computed from WDI 2004 (since group averages tend to be relatively stable).

*Data Quality:* Many countries report their revenue in non-comparable categories. Budget data are compiled on a fiscal year basis. If the fiscal year differs from the calendar year, then ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

*CAS Code # 21S1*

**Composition of government expenses (for countries using GFS 2001 system)**

*Source:* Group benchmarking data are from the World Development Indicators 2005. Latest country data are constructed from national sources or from IMF Article IV Reports: www.imf.org/external/np/sec/aiv/index.htm.

*Definition:* WDI 2005 disaggregates central government expenses into five categories: compensation of employees, goods and services, interest payments, subsidies and other transfers, and other expenses. The expense in each category is expressed as a percentage of total expenses.

*Coverage:* Data are available for about 42 USAID countries from the World Development Indicators 2005.

*CAS Code # 21S1*

**Composition of government revenue**

*Source:* The latest country and comparison country data is taken from national data sources or from IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data are taken directly from WDI 2005 database: (1) taxes on goods and services (% of revenue), series GC.TAX.GSRV.RV.ZS; (2) taxes on income, profits and capital gains (% of revenue), series GC.TAX.YPKG.RV.ZS; (3) taxes on international trade (% of revenue), series GC.TAX.INTT.RV.ZS; (4) other taxes (% of revenue), series GC.TAX.OTHR.RV.ZS; (5) social contributions (% of revenue), series GC.REV.SOCL.ZS; and (6) grants and other revenue (% of revenue), series GC.REV.GOTR.ZS.

*Definition:* Breakdown of central government revenue sources by categories outlined above. Each source of revenue is expressed as a percentage of total revenue.

*Coverage:* Data are available from WDI 2005 for about 46 USAID countries.

*Data Quality:* Many countries report their revenue in non-comparable categories. If the fiscal year differs from the calendar year, then the ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

*CAS Code # 21S2*

**Composition of money supply growth**

*Source:* Constructed using or national data sources or IMF Article IV Reviews from:

www.imf.org/external/np/sec/aiv/index.htm.

*Definition:* Identifies the sources of the year to year change in the broad money supply (M2), disaggregated into five categories: (1) net credit to government, (2) credit to the private sector, (3) net credit to public enterprises, (4) net foreign assets (reserves), and (5) other items net. Each component is expressed as a percentage of the annual change (December to December) in M2.

*Coverage:* Data are available for about 86 USAID countries.

*CAS Code # 21S3*

**Government expense, percentage of GDP (for countries using GFS 2001 system)**

*Source:* Benchmarking data obtained from World Development Indicators 2005 series GC.XPN.TOTL.GD.ZS. Original source of WDI data is the International Monetary Fund, International Financial Statistics Yearbook, World Bank and OECD estimates. Latest country data obtained from national sources or from IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm;

*Definition:* Expense is an accrued obligation to pay for operating activities of the government in providing goods and services. It includes compensation of employees (such as

wages and salaries), interest and subsidies, grants, social benefits, and other expenses such as rent and dividends.[1]

*Coverage:* Data are available for about 42 USAID countries.

*CAS Code # 21P1*

**Government expenditure, percentage of GDP (for countries not using GFS 2001 system)**

*Source:* Benchmarking data obtained from World Development Indicators 2004, series GB.XPD.TOTL.GD.ZS.[2] Original source of WDI data is the International Monetary Fund, Government Finance Statistics Yearbook, and World Bank estimates. Latest country data are obtained from national sources or IMF Article IV Reports: www.imf.org/external/np/sec/aiv/index.htm.

*Definition:* Total expenditure of the central government, as a percent of GDP.

*Coverage:* Data are available for about 41 USAID countries.

*CAS Code # 21S2*

**Government revenue, excluding grants, percentage of GDP**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005 series GC.REV.XGRT.GD.ZS. Original source of WDI data is the International Monetary Fund, Government Finance Statistics Yearbook and data file, and World Bank estimates.

*Definition:* Revenue consists of cash receipts from taxes, social contributions, and other revenues such as fines, fees, rent, and income from property or sales. Grants are also a form of revenue but are excluded here to focus on domestic revenue mobilization.

*Coverage:* Data are available for about 47 USAID countries.

*CAS Code # 21P2*

**Inflation rate**

*Source:* IMF World Economic Outlook database, updated every 6 months, at:

http://www.imf.org/external/ns/cs.aspx?id=28

*Definition:* Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals.

*Coverage:* Data are available for about 85 USAID countries.

*Data Quality:* For many developing countries, figures for recent years are IMF staff estimates. Additionally, data for some countries are for fiscal years.

*CAS Code #21P4*

**Money supply growth**

*Source:* Latest country data are from national data sources or from IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data are from World Development Indicators 2005, series FM.LBL.MQMY.ZG. Original source of WDI data is

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[1] In the technical notes to WDI 2005, expense is defined as "cash payments." This is inconsistent with the original source, GFS, which defines expense on an accrual basis as indicated here.

[2] This variable is no longer available in WDI 2005.

International Monetary Fund, International Financial Statistics, and World Bank estimates.

*Definition:* Average annual growth rate in the broad money supply, M2 (money plus quasi-money) measured as the change in end-of-year totals relative to the preceding year. M2 comprises the sum of currency outside banks, checking account deposits other than those of the central government, and the time, savings, and foreign currency deposits of resident sectors other than the central government. M2 corresponds to the sum of lines 34 and 35 in the International Monetary Fund's (IMF) International Financial Statistics (IFS).

*Coverage:* Data are available for about 81 USAID countries.

*CAS Code #21P3*

## BUSINESS ENVIRONMENT

### Corruption perception index

*Source:* Transparency International:

http://ww1.transparency.org/cpi/2005/dnld/media_pack_en.pdf .

*Definition:* Corruption Perceptions Index (CPI) is a composite index that ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. The index ranges from 1 (for most corruption) to 10 (for least corruption). Values below 3.0 are considered to indicate rampant corruption. This threshold is used in the template as an absolute benchmark standard.

*Coverage:* Data are available for about 79 USAID countries.

*Data Quality:* This indicator uses perception and opinions gathered from local businessmen as well as third-party experts and not hard empirical data; thus, the indicator is largely subjective. Also standard errors are large. For both reasons, international comparisons are problematic, though widely used.

*CAS Code # 22P1*

### Ease of doing business ranking

*Source:* World Bank, Doing Business Indictors http://rru.worldbank.org/DoingBusiness/

*Definition:* The ease of doing business index ranks economies from 1 to 155. The index is calculated as the ranking on the simple average of country percentile rankings on each of the 10 topics covered in Doing Business in 2006 – starting a business, dealing with licenses, hiring and firing, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code # 22P2*

### Rule of law index

*Source:* World Bank Institute,

http://www.worldbank.org/wbi/governance/govdata2002/index.html. This indicator is based on the perceptions of the legal system, drawn from 12 separate data sources.

*Definition:* The Rule of Law Index is an aggregation of various indicators which measure the extent to which agents have confidence in and abide by the rules of society. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).

*Coverage:* Data are available for nearly all USAID countries.

*Data Quality:* This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. It is also difficult to use the index to track a country's progress over time because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

*CAS Code #22P3*

### Regulatory Quality Index

*Source:* World Bank Institute;

http://www.worldbank.org/wbi/governance/govdata2002/index.html.

*Definition:* The regulatory quality index measures the incidence of market-unfriendly policies such as price controls or inadequate bank supervision, as well as perceptions of the burdens imposed by excessive regulation in areas such as foreign trade and business development. It is computed from survey data from multiple sources. The index values range from -2.5 (for very poor performance) to +2.5 (for excellent performance).

This is also an MCC indicator, under the criterion of encouraging economic freedom. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

*Gaps:* Data are available for nearly all USAID countries.

*Data Quality:* This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. It is also difficult to use the index to track a country's progress over time because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

*CAS Code #22P4*

### Cost to start a business, % of GNI per capita

*Source:* World Bank, Doing Business; Starting a Business category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

*Definition:* Legally required cost to starting a simple limited liability company, expressed as percentage of GNI per capita.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code #22S1*

### Procedures to enforce a contract

*Source:* World Bank, Doing Business; Enforcing Contracts category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx

*Definition:* Number of procedures required to enforce recovery of a valid debt contract through the court system. Where a procedure is defined as any interactive step the company must undertake with the government agencies, lawyers, notaries, etc. to proceed with the enforcement action.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code # 22S2*

### Procedures to register property

*Source:* World Bank, Doing Business; Registering Property category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx

*Definition:* Number of procedures required to register the transfer of title for business property. A procedure is defined as any step involving interaction between a company/individual and a third party that is necessary to complete the property registration process.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code #22S3*

### Procedures to start a business

*Source:* World Bank, Doing Business; Starting a Business category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

*Definition:* Number of procedural steps required to legalize a simple limited liability company. Procedures are interactions of a company with the government agencies, lawyers, auditors, notaries, and the like, including interactions required to obtain necessary permits and licenses and to complete all inscriptions, verifications, and notifications to start operations.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code # 22S4*

### Time to enforce a contract

*Source:* World Bank, Doing Business; Enforcing Contracts category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx

*Definition:* Minimum number of days required to enforce a contract through the court system.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code # 22S5*

### Time to register property

*Source:* World Bank, Doing Business; Registering Property category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx

*Definition:* The time required to accomplish the full sequence of procedures to transfer the property title from the seller to the buyer when a business purchases land and a building in a peri-urban area of the country's most populous city. Every required procedure is included whether it is the responsibility of the seller, the buyer, or where it is required to be completed by a third party on their behalf.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code #22S6*

### Time to start a business

*Source:* World Bank, Doing Business; Starting a Business category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx

*Definition:* Calendar days needed to complete the required procedures for legally operating a business. If a procedure can be speeded up at additional cost, the fastest procedure, independent of cost, is chosen.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code #22S7*

## FINANCIAL SECTOR

### Cost to Create Collateral

*Source:* World Bank Doing Business; Getting Credit category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/GettingCredit/CompareAll.aspx

*Definition:* The indicator assesses the cost of creating and registering collateral as a percentage of income per capita.

*Coverage:* Data are available for about 74 USAID countries.

*Data Quality:* Countries without a collateral registry usually have lower costs, although the secured creditor is disadvantaged elsewhere because they are unable to notify other creditors of their right to the collateral through a registry.

*CAS Code #23S1*

### Country credit rating

*Source:* Millennium Challenge Corporation. Original data comes from the Institutional Investor Magazine. http://www.mca.gov/countries/rankings/index.shtml.

*Definition:* Bankers' and fund managers' perception of the country's risk of default based on a semi-annual survey. Index ranges in value from 0 (for very poor performance) to 100 (for excellent performance).

*Coverage:* Data are available for about 58 USAID countries.

*Data Quality:* The indicator is subjective, as it is based on an opinion poll.

*CAS Code # 23S2*

### Domestic credit to private sector, percent of GDP

*Source:* IMF Article IV Reviews or national data sources for latest country data; World Development Indicators 2005 series FS.AST.PRVT.GD.ZS for benchmarking data. The WDI data originate from the International Monetary Fund, International Financial Statistics and data files, and World Bank estimates.

*Definition:* Domestic credit to private sector refers to financial resources provided to the private sector, such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries, these claims include credit to public enterprises.

*Coverage:* Data are available for about 82 USAID countries.

*CAS Code # 23P1*

### Interest rate spread

*Source:* World Development Indicators 2005 series FR.INR.LNDP. Original data from International Monetary Fund, International Financial Statistics and data files.

*Definition:* The difference between the average lending and borrowing interest rates charged by commercial or similar banks on domestic currency deposits.

*Coverage:* Data are available for about 66 USAID countries.

*CAS Code # 23P2*

### Legal rights of borrowers and lenders

*Source:* World Bank Doing Business; Getting Credit category:

http://rru.worldbank.org/DoingBusiness/ExploreTopics/GettingCredit/CompareAll.aspx. The index is based on data collected through research of collateral and insolvency laws supported by survey data on secured transactions laws.

*Definition:* The index measures the degree to which collateral and bankruptcy laws facilitate lending. Index ranges in value from 0 (for very poor performance) to 10 (for excellent performance). It includes three aspects related to legal rights in bankruptcy, and seven aspects found in collateral law.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code # 23S3*

**Money supply, percent of GDP**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005 series FM.LBL.MQMY.GD.ZS. WDI data originate from International Monetary Fund, International Financial Statistics and data files, and World Bank and OECD GDP estimates.

*Definition:* Money supply (M2), also called broad money, and is defined as non-bank private sector's holdings of notes, coins and demand deposits plus savings deposits and foreign currency deposits. Ratio of M2 to GDP is calculated to assess the degree of monetization of an economy.

*Coverage:* Data are available for about 81 USAID countries.

*Data Quality:* In some countries M2 includes Certificates of Deposits (CDs), money market instruments, and/or treasury bills.

*CAS Code # 23P3*

**Real interest rate**

*Source:* World Development Indicators 2005 series FR.INR.RINR.

*Definition:* Real interest rate is the lending interest rate adjusted for inflation, as measured by the GDP deflator.

*Coverage:* Data are available for about 68 USAID countries.

*CAS Code # 23S4*

**Stock Market Capitalization Rate, % of GDP**

*Source:* World Development Indicators 2005, series CM.MKT.LCAP.GD.ZS.

*Definition:* The variable is defined as the market capitalization, also known as market value (the share price times the number of shares outstanding), of all the domestic shares listed on the country's stock exchange as a percentage of GDP.

*Coverage:* Data are available for about 54 USAID countries.

*CAS Code # 23P4*

## EXTERNAL SECTOR

**Aid, % of GNI**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005 series DT.ODA.ALLD.GN.ZS.

*Definition:* The indicator measures Official Development Assistance from OECD countries and official aid from non-OECD countries, as a percentage of the recipient's gross national income.

*Coverage:* Data are available for about 84 USAID countries.

*Data Quality:* Data does not include aid given by recipient countries to other recipient countries, and may not be consistent with the country's balance sheets, because data are collected from donors.

*CAS Code #24P1*

**Concentration of exports**

*Source:* Constructed with ITC COMTRADE data by aggregating the value for the top 3 export product groups (SITC Rev.3), and dividing by total exports. Raw data: http://www.intracen.org/tradstat/sitc3-3d/indexre.htm,

*Definition:* The percentage of a country's total merchandise exports consisting of the top three products, disaggregated at the SITC (Rev. 3) 3-digit-level.

*Coverage:* Available for about 74 USAID countries.

*Data Quality:* Smuggling represents a serious problem in a number of countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other non-reporting countries; trans-shipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

*CAS Code # 24S1*

**Current Account Balance, percent of GDP**

*Source:* Latest country data from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005 series BN.CAB.XOKA.GD.ZS, based on International Monetary Fund, Balance of Payments Statistics Yearbook and data files, and World Bank staff estimates, and World Bank and OECD GDP estimates.

*Definition:* Current account balance is the sum of net exports of goods, services, net income, and net current transfers. It is presented here as a percentage of a country's gross domestic product.

*Coverage:* Data are available for about 79 USAID countries.

*CAS Code # 24P2*

**Debt service ratio**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005, series DT.TDS.DECT.EX.ZS, based on World Bank, Global Development Finance data.

*Definition:* Total debt service is the sum of principal repayments and interest actually paid in foreign currency, goods, or services on long-term debt, interest paid on short-term debt and repayments (repurchases and charges) to the IMF. Debt is considered as a percent of exports of goods and services, which includes income and workers' remittances.

*Coverage:* Data are available for about 77 USAID countries.

*Data Quality:* See data quality comments to the Present value of debt, percent of GNI regarding quality of debt data reported.

*CAS Code # 24P3*

**Foreign Direct Investment, percent of GDP**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005, series

BX.KLT.DINV.DT.GD.ZS, based on International Monetary Fund, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

*Definition:* Foreign direct investment is the net inflow of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows in the reporting economy.

*Coverage:* Data are available for about 82 USAID countries.

*CAS Code #24P5*

**Gross international reserves, months of imports**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm.   Benchmarking data from World Development Indicators 2005, series FI.RES.TOTL.MO.

*Definition:* Gross international reserves comprise holdings of monetary gold, special drawing rights (SDRs), the reserve position of members in the International Monetary Fund (IMF), and holdings of foreign exchange under the control of monetary authorities expressed in terms of the number of months of imports of goods and services.

*Coverage:* Data are available for about 77 USAID countries.

*CAS Code # 24P6*

**Private capital inflows, percent of GDP**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm.   Benchmarking data derived from the International Financial Statistics (sum of lines 78BED and 78BGD, divided by GDP).

*Definition:* Private capital inflows flows are the sum of the absolute values of direct and portfolio investment inflows recorded in the balance of payments financial account. The indicator is calculated as a ratio to GDP in U.S. dollars.

*Coverage:* Information on coverage is not easily accessible.

*Data Quality:* Capital flows are converted to U.S. dollars at the International Monetary Fund's average official exchange rate for the year shown.

*CAS Code #24P7*

**Exports growth, goods and services**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm.   Benchmarking data from World Development Indicators 2005, series NE.EXP.GNFS.KD.ZG, based on World Bank national accounts data, and OECD National Accounts data files.

*Definitions:* Annual growth rate of exports of goods and services based on constant local currency units. Exports include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments.

*Coverage:* Data are available for about 81 USAID countries.

*CAS Code # 24P4*

**Inward FDI Potential Index**

*Source:* UNCTAD. Indicator is available online at http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2471&lang=1.

*Definition:* Inward FDI Potential Index measures an economy's attractiveness to foreign investors, capturing factors (apart from market size) that are expected to have an impact. The Index ranges in value from 0 (for very poor performance) to 1 (for excellent performance). It is an un-weighted average of the scores of 12 normalized economic and social variables.

*Coverage:* Data are available for about 77 USAID countries.

*CAS Code # 24S2*

**Net barter terms of trade**

*Source:* World Development Indicators 2005, series TT.PRI.MRCH.XD.WD

*Definition:* Net barter terms of trade are calculated as the ratio of the export price index to the corresponding import price index measured relative to the base year 1995.

*Coverage:* Data are available for about 51 USAID countries.

*CAS Code # 24S3*

**Present value of debt, percent of GNI**

*Source:* World Development Indicators 2005 series DT.DOD.PVLX.GN.ZS, based on   Global Development Finance data.

*Definition:* Present value of debt is the sum of short-term external debt plus the discounted sum of total debt service payments due on public, publicly guaranteed, and private non-guaranteed long-term external debt over the life of existing loans. Indicator measures the value of debt relative to the GNI.

*Coverage:* Data are available for about 80 USAID countries.

*Data Quality*: The coverage, and quality of debt data vary widely across countries due to the wide spectrum of debt instruments, the unwillingness on the part of the government to provide information, and lack of capacity in reporting. Discrepancies are significant when the exchange rate fluctuations, debt cancellations and re-scheduling occur.

*CAS Code # 24P8*

**Real effective exchange rate (REER)**

*Source:* IMF Article IV Reviews:

 www.imf.org/external/np/sec/aiv/index.htm;

*Definition:* The REER is an index number with base 1995=100, which measures the value of a currency against a weighted average of foreign currencies. It is calculated as the nominal effective exchange rate divided by a price deflator or index of costs. The IMF defines the REER so that an increase in the value represents a real appreciation of the home currency, and a decrease represents a real depreciation.

*Coverage:* Information on coverage is not easily accessible.

*Data Quality:* Changes in real effective exchange rates should be interpreted with caution. For many countries the weights from 1990 onward take into account trade in 1988-90, and an index of relative changes in consumer prices is used as the deflator.

*CAS Code # 24S4*

**Remittances receipts, percent of exports**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data is obtained from World Development Indicators 2005, It is constructed by dividing Worker's Remittances (receipts), series BX.TRF.PWKR.CD, by Exports of Goods and Services, series BX.GSR.GNFS.CD.

*Definition:* Workers' remittances are current transfers by migrants who are employed or intend to remain employed for more than a year in another economy in which they are considered residents. The indicator is the ratio of remittances to exports.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code # 24P9*

### Structure of merchandise exports

*Source:* World Development Indicators 2005. Exports from five categories are used: Food exports series TX.VAL.FOOD.ZS.UN; Agricultural raw materials exports series TX.VAL.AGRI.ZS.UN; Manufactures exports series TX.VAL.MANF.ZS.UN; Ores and metals exports series TX.VAL.MMTL.ZS.UN; and Fuel exports series TX.VAL.FUEL.ZS.UN.

*Definition:* This indicator reflects the composition of merchandise exports by major commodity groups – food, agricultural raw materials, fuels, ores and metals, and manufactures.

*Coverage:* Data are available for about 78 USAID countries.

*Data Quality:* The classification of commodity groups follows the Standard International Trade Classification (SITC) revision 1, but most countries report using later revisions of the SITC. Tables are used to convert data reported in one system to another and this may introduce errors of classification. Shares may not sum to 100 percent because of unclassified trade.

*CAS Code # 24S5*

### Trade in goods and services, as a percentage of GDP

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators 2005, series NE.TRD.GNFS.ZS.

*Definition:* The sum of exports and imports of goods and services divided by the value of GDP, all expressed in current U.S. dollars.

*Coverage:* Data available for about 84 USAID countries.

*CAS Code # 24P10*

### Trade Policy Index

*Source:* Index of Economic Freedom, Heritage Foundation. The Trade Policy Score (Index) is one of the components of the Index of Economic Freedom. The indices can be found at http://www.heritage.org/research/features/index/downloads.cfm.

*Definition:* The index measures the degree to which government hinders the free flow of foreign commerce based on a country's weighted average tariff rate (weighted by imports from the country's trading partners), with adjustments for non-tariff barriers and corruption in the custom service. The index ranges in value from 1 (for low levels of barriers to trade) to 5 (for high levels of barriers to trade).

*Coverage:* Data are available for about 83 USAID countries.

*Data Quality:* The index is subjective and at times inconsistent in its treatment of tariffs.

*CAS Code # 24S6*

## ECONOMIC INFRASTRUCTURE

### Internet users per 1,000 people

*Source:* World Development Indicators 2005 series IT.NET.USER.P3, derived from the International Telecommunication Union database.

*Definition:* Indicator quantifies the number of internet users, defined as those with access to the world-wide network, per 1,000 people.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code # 25P1*

### Overall Infrastructure Quality

*Source:* Global Competitiveness Report 2005-2006, World Economic Forum. The indicator can be found in the Data Tables, Section V. General Infrastructure; 5.01.

*Definition:* The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether general infrastructure in their country is (1) poorly developed, or (7) among the best in the world.

*Coverage:* Data are available for about 52 USAID countries.

*Data Quality:* Comparisons between countries are difficult, since the data are based on executives' perceptions.

*CAS Code # 25P2*

### Telephone density, fixed line and mobile

*Source:* World Development Indicators 2005 series IT.TEL.TOTL.P3, derived from the International Telecommunication Union database..

*Definition:* The indicator is the sum of subscribers to telephone mainlines and mobile phones per 1,000 people. Fixed lines represent telephone mainlines connected to the public switched telephone network. Mobile phone subscribers refer to users of cellular based technology with access to the public switched telephone network.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code #25P3*

### Quality of infrastructure - railroads, ports, air transport and electricity

*Source:* Global Competitiveness Report 2005-2006, World Economic Forum. The indicators can be found in the Data Tables, Section V. General Infrastructure; 5.02, 5.03, 5.04, and 5.05 for Railroad, Port; Air Transport, and Electricity, respectively.

*Definitions:* The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether railroads, ports, air transport, and electricity are (1) poorly developed, or (7) among the best in the world.

*Coverage:* Data are available for about 52 USAID countries.

*Data Quality:* Comparisons between countries are difficult, since the data are based on executive perceptions.

*CAS Code #25S1*

### Telephone cost, average local call

*Source:* World Development Indicators 2005 series IT.MLT.CLCL.CD, , derived from the International Telecommunication Union database.

*Definition:* Cost of local call is measured by the cost of a three-minute, peak rate, fixed line call within the same

exchange area using the subscriber's equipment (i.e., not from a public phone).

*Coverage:* Data are available for about 82 USAID countries.

*CAS Code #25S2*

## SCIENCE AND TECHNOLOGY

### Expenditure in Research and Development, percent of GDP

*Source:* World Development Indicators 2005, series GB.XPD.RSDV.GD.ZS, based on data from the UNESCO Institute of Statistics.

*Definition:* Expenditures for research and development are current and capital expenditures (both public and private) on creative, systematic activity that increases the stock of knowledge. Included are fundamental and applied research and experimental development work leading to new devices, products, or processes.

*Coverage:* Data are available for about 26 USAID countries.

*CAS Code #26P1*

### FDI technology transfer index

*Source:* Global Competitiveness Report 2005-2006, World Economic Forum. The indicator can be found in the Data Tables, Section III. Technology: Innovation and Diffusion; 3.04.

*Definition:* The index measures executives' perceptions of FDI as a source of new technology for the country. Executives grade, on a scale from 1 to 7, whether foreign direct investment in their country (1) brings little new technology, or (7) is an important source of new technology.

*Coverage:* Data are available for about 52 USAID countries.

*Data Quality:* Comparisons between countries are difficult, since the data are based on executive perceptions.

*CAS Code # 26P2*

### Patent applications filed, by residents

*Source:* World Development Indicators 2005 series IP.PAT.RESD, based on WIPO data.

*Definition:* The indicator is the number of applications filed by host-country residents with the national patent office for exclusive rights for an invention – a product or process that provides a new way of doing something or offers a new technical solution to a problem.

*Coverage:* Data are available for about 63 USAID countries.

*CAS Code #26P3*

## HEALTH

### HIV prevalence rate

*Source:* UNAIDS for most recent country data:

http://www.unaids.org/Unaids/EN/Resources/epidemiology.asp. World Development Indicators 2005 for benchmark data, series SH.DYN.AIDS.ZS.

*Definition:* Percentage of people ages 15-49 who are infected with HIV.

*Coverage:* Data are available for about 79 USAID countries.

*Data Quality:* UNAIDS/WHO estimates are based on all available data, including surveys of pregnant women, population-based surveys, household surveys conducted by

Kenya, Mali, Zambia and Zimbabwe, as well as other surveillance information.

*CAS Code # 31P1*

### Life expectancy at birth

*Source:* World Development Indicators 2005, (SP.DYN.LE00.IN)

*Definition:* Life expectancy at birth indicates the number of years a newborn infant would live on average if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life.

*Coverage:* Data are available for about 88 USAID countries.

*Data Quality:* Life expectancy at birth is estimated based on vital registration or the most recent census/survey. Extrapolations may not be reliable for monitoring changes in health status or for comparative analytical work.

*CAS Code # 31P2*

### Maternal mortality rate

*Source:* UN Millennium Indicators Database, http://millenniumindicators.un.org/unsd/mi/mi_series_results.asp?rowId=553 based on WHO, UNICEF and UNFPA data.

*Definition:* The indicator is the number of women who die during pregnancy and childbirth, per 100,000 live births.

*Coverage:* Data are available for about 87 USAID countries.

*Data Quality:* Household surveys attempt to measure maternal mortality by asking respondents about survivorships of sisters. The estimates pertain to 12 years or so before the survey, making them unsuitable for monitoring recent changes.

*CAS Code # 31P3*

### Access to improved sanitation

*Source:* World Development Indicators 2005, series SH.STA.ACSN.

*Definition:* The indicator is the percentage of population with at least adequate excreta disposal facilities (private or shared, but not public) that can effectively prevent human, animal, and insect contact with excreta.

*Coverage:* Data are available for about 82 USAID countries.

*Data Quality:* The coverage rates are based on service users on the facilities their households use, rather than on information service providers who may include nonfunctioning systems—therefore somewhat reliable.

*CAS Code #31S1*

### Access to improved water source

*Source:* World Development Indicators 2005 series SH.H2O.SAFE.ZS

*Definition:* The indicator is percentage of population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, or rain water collection.

*Coverage:* Data are available for about 83 USAID countries.

*Data Quality:* Access to drinking water from an improved source does not ensure that the water is adequate or safe.

*CAS Code # 31S2*

### Births attended by skilled health personnel

*Source:* World Development Indicators 2005, series SH.STA.BRTC.ZS.

*Definition:* The indicator is percentage of deliveries attended by personnel trained to give the necessary supervision, care, and advice to women during pregnancy, labor, and the postpartum period, to conduct interviews on their own, and to care for newborns.

*Coverage:* Data are available for about 62 USAID countries.

*Data Quality:* Data may not reflect improvements in maternal health, maternal deaths are underreported and rates of maternal mortality are difficult to measure.

*CAS Code # 31S3*

### Child immunization rate

*Source:* World Development Indicators 2005, estimated by averaging two series: Immunization, DPT (% of children ages 12-23 months) (SH.IMM.IDPT) and Immunization, measles (% of children ages 12-23 months) (SH.IMM.MEAS)

*Definition:* Percentage of children under one year receiving vaccination coverage for four diseases-measles and diphtheria, pertussis (whopping cough), and tetanus (DDPT).

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code #31S4*

### Prevalence of child malnutrition, weight for age

*Source:* World Development Indicators 2005, series SH.STA.MALN.ZS.

Definition: The indicator is based on percentage of children under five whose weight for age is more than minus two standard deviations below the median for the international reference population ages 0-59 months.

*Coverage:* Data are available for about 55 USAID countries.

*CAS Code # 31S5*

### Public health expenditure, percent of GDP

*Source:* Latest data for host country is obtained from the MCC http://www.mca.gov/countries/rankings/index.shtml.

International benchmarking data from World Development Indicators 2005, (SH.XPD.PUBL.ZS), based on World Health Organization, World Health Report and updates and from the OECD, supplemented by World Bank poverty assessments and country and sector studies.

*Definition:* Public health expenditure consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants (including donations from international agencies and nongovernmental organizations), and social (or compulsory) health insurance funds.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code #31S6*

## EDUCATION

### Net primary enrollment rate - female, male and total

*Source:* UNESCO Institute for Statistics, http://stats.uis.unesco.org/ReportFolders/reportfolders.aspx

*Definition:* The indicator measures the proportion of the population of the official age for primary, secondary or tertiary education according to national regulations who are enrolled in primary schools. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music.

*Coverage:* Data are available for about 80 USAID countries.

*Data Quality:* Enrollment rates are based on data collected during annual school surveys, which are typically conducted at the beginning of the school year, and do not reflect actual rates of attendance during the school year. In addition, school administrators may report exaggerated enrollments as often teachers are paid proportional to the number of pupils enrolled. The indicator does not measure the quality of the education provided.

*CAS Code # 32P1*

### Persistence to grade 5 – female, male, and total

*Source:* World Development Indicators 2005 series SE.PRM.PRS5.FE.ZS (female); SE.PRM.PRS5.MA.ZS (male); and SE.PRM.PRS5.ZS (total).

*Definition:* The indicator is an estimate of the proportion of the population entering primary school who reach grade 5, for female, male, and total students.

*Coverage:* Data are available for about 48 USAID countries.

*CAS Code # 32P2*

### Youth literacy rate

*Source:* World Development Indicators 2005, series SE.ADT.1524.LT.ZS.

*Definition:* The indicator is an estimate of the percent of people ages 15-24 who can, with understanding, read and write a short, simple statement on their everyday life.

*Coverage:* Data are available for about 67 USAID countries.

*Data Quality:* Statistics are out of date by 2-3 years.

*CAS Code #32P3*

### Expenditure on primary education, percent GDP

*Source:* Millennium Challenge Corporation http://www.mca.gov/countries/rankings/index.shtml

*Definition:* The indicator is the total expenditures on education by all levels of government, as a percent of GDP.

*Coverage:* Data are available for about 58 USAID countries.

Data Quality: The MCC obtains the data from national sources via US embassies.

*CAS Code #32S1*

### Educational expenditure per student, percentage GDP per capita – Primary, Secondary and Tertiary

*Source:* World Development Indicators 2005 series SE.XPD.PRIM.PC.ZS (primary); SE.XPD.SECO.PC.ZS (secondary); and SE.XPD.TERT.PC.ZS (tertiary).

*Definition:* Public expenditure per student (primary, secondary or tertiary) is defined as the public current expenditure on education divided by the total number of students, by level, as a percentage of GDP per capita.

*Coverage:* Data are available for about 50, 47, and 45 USAID countries (for primary, secondary, and tertiary expenditure, respectively).

*Data Quality:* Education statistics should be interpreted with caution because the data are out of date by 2 or 3 years; also, the statistics reflects solely public spending, generally excluding spending by religious schools, which play a significant role in many developing countries. Data for some countries and for some years refer to spending by the ministry of education only.

*CAS Code # 32S2*

**Pupil-teacher ratio, primary school**

*Source:* World Development Indicators 2005 series
SE.PRM.ENRL.TC.ZS.

*Definition:* Primary school pupil-teacher ratio is the number
of pupils enrolled in primary school divided by the number of
primary school teachers (regardless of their teaching
assignment).

*Coverage:* Data are available for about 76 USAID countries.

*Data Quality:* The indicator does not take into account
differences in teachers' academic qualifications, pedagogical
training, professional experience and status, teaching
methods, teaching materials and variations in classroom
conditions – all factors that could also affect the quality of
teaching/learning and pupil performance.

*CAS Code # 32S3*


# EMPLOYMENT AND WORKFORCE

**Labor force participation rate – total, male, female**

*Source:* Derived from World Development Indicators, but the
precise computation differs depending on whether a
particular country study uses the 2004 or 2005 WDI.

To calculate the *total* labor force participation rate using
WDI 2004: the numerator is Labor force, total
(SL.TLF.TOTL.IN), and the denominator is Population ages
15-64, total (SP.POP.1564.TO). Using WDI 2005, the
denominator is calculated as the total population
(SP.POP.TOTL) times the percentage of the population in the
age group 15-64 (SP.POP.1564.IN.ZS).

To calculate the *female* labor force participation rate using
WDI 2004: the numerator is the Labor force, female (% of
total labor force) (SL.TLF.TOTL.FE.ZS) times Labor force,
total (SL.TLF.TOTL.IN); the denominator is simply
Population ages 15-64, female (SP.POP.1564.FE.IN). Using
WDI 2005, the denominator (female population, ages 15-64),
can only be estimated by multiplying the total population
(SP.POP.TOTL) times the percentage of the population ages
15-64 (SP.POP.1564.IN.ZS) times the percentage of females
in the total population (SP.POP.TOTL.FE.ZS).

To calculate the *male* labor force participation rate using
WDI 2004: the numerator is calculated by subtracting the
female labor force, derived above, from the total labor force
(SL.TLF.TOTL.IN). The denominator is Population ages 15-
64, male (SP.POP.1564.MA.IN). Using WDI 2005, the
denominator is an estimated of the male population, ages 15-
64, calculated as the total population (SP.POP.TOTL) times
the percentage ages 15-64 (SP.POP.1564.IN.ZS) times the
percentage of males in the total population, where the final
factor is computed as 100 minus the percentage of females in
the total population (SP.POP.TOTL.FE.ZS)..

*Definition:* The percentage of the working age population
that is in the labor force. The labor force comprises people
who meet the International Labour Organization definition of
the economically active population: all people who supply
labor for the production of goods and services during a
specified period. It includes both the employed and the
unemployed.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code #33P1*


**Rigidity of employment index**

*Source:* World Bank, Doing Business in 2005, Hiring and
Firing Workers Category:
http://rru.worldbank.org/DoingBusiness/ExploreTopics/Hirin
gFiringWorkers/CompareAll.aspx

*Definition:* Rigidity of employment index is a measure of
labor market rigidity constructed as the average of the
Difficulty of Hiring Index, Rigidity of Hours Index and a
Difficulty of firing Index. Index ranges in value from 0
(minimum rigidity) to 100 (maximum rigidity).

*Coverage:* Data are available for about 74 USAID countries.

*Data Quality:* Sub-indices are compiled by the World Bank
from survey responses by in-country specialists.

*CAS Code # 33P2*


**Size and growth of the labor force**

*Source:* Size of labor force from World Bank Development
Indicators (SL.TLF.TOTL.IN); annual percentage change
calculated from size data.

*Definition:* The indicator measures the size of the labor
supply, and its annual percent change. Labor force comprises
of people who meet the International Labour Organization
definition of the economically active population: all people
who are able to supply labor for the production of goods and
services during a specified period, including both employed
and the unemployed. While national practices vary in the
treatment of such groups as the armed forces and seasonal or
part-time workers; in general, the labor force includes the
armed forces, the unemployed, and first-time job-seekers, but
excludes homemakers and other unpaid caregivers and
workers in the informal sector.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code #33P3*


**Unemployment rate**

*Source:* World Development Indicators 2005 series
SL.UEM.TOTL.ZS.

*Definition:* The unemployment rate refers to the share of the
labor force that is without work but available for and seeking
employment. For this purpose, informal sector workers and
own-account workers (including subsistence farmers) are
counted as being employed.

*Coverage:* Data are available for about 50 USAID countries.

*Data Quality:* Definitions of labor force and unemployment
differ by country, making international comparisons
inaccurate.

*CAS Code # 33P4*


# AGRICULTURE

**Agriculture value added per worker**

*Source:* World Development Indicators 2005 series
EA.PRD.AGRI.KD, derived from World Bank national
accounts files and Food and Agriculture Organization,
Production Yearbook and data files.

*Definition:* Agriculture value added per worker is a basic
measure of labor productivity in agriculture. Value added in
agriculture measures the output of the agricultural sector
(ISIC divisions 1-5) – forestry, hunting, fishing, cultivation
of crops, and livestock production – less the value of
intermediate inputs. Data are in constant 1995 U.S. dollars.

*Coverage:* Data are available for about 80 USAID countries.

*CAS Code # 34P1*


**Cereal yield**

*Source:* World Development Indicators 2005 series
AG.YLD.CREL.KG based on Food and Agriculture
Organization (FAO), Production Yearbook and data files.

*Definition:* Cereal yield is measured as kilograms per hectare of harvested land, includes wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains. Production data on cereals relate to crops harvested for dry grain only.

*Coverage:* Data are available for about 84 USAID countries.

*Data Quality:* Data on cereal yield may be affected by a variety of reporting and timing differences. The FAO allocates production data to the calendar year in which the bulk of the harvest took place. But most of a crop harvested near the end of a year will be used in the following year. Cereal crops harvested for hay or harvested green for food, feed, or silage, and those used for grazing, are generally excluded. But millet and sorghum, which are grown as feed for livestock and poultry in Europe and North America, are used as food in Africa, Asia, and countries of the former Soviet Union. So some cereal crops are excluded from the data for some countries and included elsewhere, depending on their use.

*CAS Code # 34P2*

### Growth in agricultural value added

*Source:* The latest country data are taken from national data sources or from IMF Article IV Reviews: www.imf.org/external/np/sec/aiv/index.htm. The benchmarking data are from World Development Indicators 2005 series NV.AGR.TOTL.KD.ZG

*Definition:* The indicator measures the annual growth rate for agricultural value added, in constant local currency. Regional group aggregates are based on constant 2000 U.S. dollars. Agriculture corresponds to ISIC divisions 1-5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources.

*Coverage:* Data are available for about 84 USAID countries.

*CAS Code # 34P3*

### Agricultural policy costs index

*Source:* Global Competitiveness Report 2005-2006, World Economic Forum. The indicator can be found in the Data Tables, Section II. Macroeconomic Environment; 2.20.

*Definition:* The index measures executives' perceptions of agricultural policy costs in their respective country. Executives grade, on a scale from 1 to 7, whether the cost of agricultural policy in a given country is (1) excessively burdensome, or (7) balances all economic agents' interests.

*Coverage:* Data are available for about 52 USAID countries.

*Data Quality:* Comparisons between countries are difficult, since the data are based on executives' perceptions.

*CAS Code # 34S1*

### Crop production index

*Source:* World Development Indicators 2005 series AG.PRD.CROP.XD, based on FAO statistics.

*Definition:* Crop production index shows agricultural production for each year relative to the period 1999-2001 = 100. The index includes production of all crops except fodder crops. Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period.

*Coverage:* Data are available for about 85 USAID countries.

*Data Quality:* Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period 1999-2001. The FAO obtains data from official and semiofficial reports of crop yields, area under production, and livestock numbers. If data are not available, the FAO makes estimates. To ease cross-country comparisons, the FAO uses international commodity prices to value production expressed in international dollars (equivalent in purchasing power to the U.S. dollar). This method assigns a single price to each commodity so that, for example, one metric ton of wheat has the same price regardless of where it was produced. The use of international prices eliminates fluctuations in the value of output due to transitory movements of nominal exchange rates unrelated to the purchasing power of the domestic currency.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code # 34S2*

### Livestock Production index

*Source:* World Development Indicators 2005 series AG.PRD.LVSK.XD, based on FAO.

*Definition:* Livestock production index shows livestock production for each year relative to the base period 1999-2001 = 100. The index includes meat and milk from all sources, dairy products such as cheese, and eggs, honey, raw silk, wool, and hides and skins.

*Coverage:* Data are available for about 85 USAID countries.

*Data Quality:* See comments on the Crop Production Index.

*CAS Code # 34S3*