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The background of the cover features several silhouettes of people in various poses, including a woman writing at a desk, a person standing, and a group of people. The entire design is set against a warm, golden-brown background.

Education Financial Planning in Asia
**Implementing Medium-Term
Expenditure Frameworks**

Tajikistan

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Expenditure Frameworks

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Abbreviations

ADB	Asian Development Bank
CSIP	Centralized State Investment Programme
DFID	United Kingdom Department for International Development
EBF	Extra-budgetary Funds
EC	European Commission
EFA	Education for All
EOP	Executive office of the President
FTI-CF	Fast Track Initiative–Catalytic Fund
GDP	Gross Domestic Product
GOT	Government of Tajikistan
KBO	Key Budget Organization
MDG	Millennium Development Goals
MEDT	Ministry of Economic Development and Trade
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
MOLSP	Ministry of Labour and Social Protection
MTEF	Medium-Term Expenditure Framework
NBT	National Bank of Tajikistan
NDS	National Development Strategy
PCF	Per Capita Financing
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PIP	Public Investment Programme
PRSP	Poverty Reduction Strategy Paper
TA	Technical Assistance
TLSS	Tajikistan Living Standards Survey
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children Fund
WB	World Bank

Foreword

Education Financial Planning in Asia: Implementing Medium-Term Expenditure Frameworks -Tajikistan is part of a series of in-depth studies on education financial planning in Asia, commissioned by the UNESCO Asia and Pacific Regional Bureau for Education - UNESCO Bangkok in 2008. In addition to this one, other studies include Mongolia, Nepal, the Republic of Korea, Thailand and Viet Nam. Additional studies are now underway in Cambodia, Indonesia and Singapore.

Medium-term expenditure frameworks (MTEFs) have been used in Organization for Economic Cooperation and Development (OECD) countries for a while, but their history of use in developing countries is more recent, having started in the late 1990s. Over the past decade, however, donor support provided for MTEFs aimed at strengthening the link between policy, planning and budgeting in many developing countries. Some of the best experiences in introducing and using MTEFs come from African countries. In Asia, a number of countries have introduced or are planning to introduce MTEFs, but no studies have been conducted nor any attempts made to document the experiences that Asian countries have had in using MTEFs until this research.

Thus, the country case studies commissioned by UNESCO Bangkok are an attempt to address this knowledge gap. They look at Asian experiences with MTEFs, and thereby contribute to understanding the diverse practical aspects of introducing MTEFs, in general, and for the education sector, in particular.

The case studies were written as part of UNESCO Bangkok's clearinghouse project on education financing for the implementation of Education for All (EFA) programming in Asia and Pacific countries. The clearinghouse has been developed as an e-resource portal on the UNESCO Bangkok website. Through this portal, UNESCO shares the Organization's long-standing experience and expertise in working with national and international partners on education policy analysis and planning. The portal also features more recent on-going work about education financing and the MTEF.

The portal has been designed for easy access by professionals who work on education planning and finance. Included in the portal is a range of practice-oriented information concerning modern planning techniques and medium-term planning and expenditure frameworks in individual country contexts. The site also contains training materials and tools, briefing notes on technical topics, updates on research and a glossary.

It is hoped that this reservoir of resources will provide Asia-Pacific countries with strengthened knowledge to use MTEF and, thereby, to contribute to effective implementation of their planned education reforms.



Gwang-Jo Kim

Director

UNESCO Bangkok

Acknowledgement

This case study forms part of a series studying the application of the Medium-term expenditure framework in financial planning in the education sector in Asia. The studies were initiated and their implementation co-ordinated by the Education Policy and Reform (EPR) Unit at UNESCO Bangkok. The unit was able to draw on a wide range of local and international expertise available at research institutes, universities and ministries in the participating countries.

The regional project receives a generous financial contribution from the Japanese Government.

This report on Tajikistan was prepared by a team of two independent consultants - Hamid Rustamov and Zainiddin Karaev. The authors could not have compiled and analyzed a large volume of information and data without the help and collaboration of other individuals and organizations. In particular, the authors would like to thank the World Bank, the Department for International Development (DFID) office in Tajikistan and the Ministry of Education in Tajikistan for enabling the collection of information and data. Special thanks are due to Sobir Kurbanov, DFID Economic Advisor, and Shuhrat Mirzoev, World Bank Economic Analyst, who have helped to compile the necessary information and offered their insights, in particular on MTEF related issues. The author is very grateful to all those who were directly and indirectly involved.

Executive Summary

Tajikistan's difficult transition from Soviet rule to independence included a tragic civil conflict in the 1990s, which impacted the whole education sector. The destruction and economic hardship caused by the civil war created enormous challenges for the education system. Principally, education spending declined rapidly, eliminating some of the achievements of the Soviet period. By 2000, public spending on education as a percentage of the GDP had plunged to a quarter of 1991 levels. School attendance rates, gender equality, and quality of education, all suffered during this period.

Numerous reform measures have been developed and implemented in the education sector in Tajikistan since 1997, with generous support from international donors. New legislation was developed to redefine the state education policy. The reform and legislative initiatives focused mostly on the key issues facing the education sector: equal access to education, gender equality, refurbishment of facilities, teacher training, curriculum reform, and upgrades of textbooks. A transition from the "command", centralized mentality of the Soviet period to a market-oriented approach is an underlying factor influencing the educational reform.

Education financing in Tajikistan has also undergone a series of reforms, mainly under the framework of Education for All (EFA). International donors have been generous in supporting EFA implementation as well as improvements to the public financial management system (PFM). Starting from 2005, the government of Tajikistan has piloted per capita financing (PCF) for general education, a project which has been expanded to 17 districts at the time of writing. This reform aims to increase autonomy and improve school system financing with the goal of improved efficiency and quality of education services.

The education sector has been chosen as the first pilot sector for the introduction of the Medium-Term Expenditure Framework (MTEF) in Tajikistan. The pilot version of the MTEF was implemented to cover the period 2008–2010. The further MTEF of 2009–2011, in which the Ministry of Education had full responsibility for coordinating financial policies and integrating the MTEF into the budget process, led to the development of the MTEF for 2010–2012, with a complete integration of the process in the ministry.

These reforms are being undertaken in the context of very limited capacities of the Ministry of Education, as the key body managing the education sector, and the government as a whole. Reforms are further complicated by the slow pace of the public administration reform in Tajikistan. Functional responsibilities overlap ministry boundaries and a clear framework is needed. Low wages in the civil service and endemic corruption further hamper reform efforts. Therefore, it is essential that budget management systems are improved through the MTEF, enhancing accountability and efficiency.

The Government of Tajikistan and donors agree that the goal of the MTEF is to address the systematic ineffectiveness and inefficiency of public finances. This goal has received support at the highest level of the government and several key steps have already been taken. However, given the constraints faced by the education sector, the government and the country's economy, there is enormous pressure on the MTEF to provide a budget framework that improves the system as a whole, and increases the efficiency and accountability of public finances.

I. Background of the Education Sector

Tajikistan is located in the southeastern part of Central Asia and has a population of seven million. It is the poorest of the former Soviet countries. Since gaining independence in 1991, Tajikistan has suffered a brutal civil war and consequent economic hardship. Living standards and human development indicators have fallen sharply since 1991, leading the country to become one of the poorest in the world, with 53 percent of its population living below the poverty line (World Bank, 2007c).

There has been a general decline in the basic education indicators, such as access to quality education at all levels, school attendance rates and drop-out rates. The low level of public expenditure on the education system, poor learning conditions in schools, and old and inefficient management systems are also responsible for the sharp fall in key education indicators.

The education system's problems have been exacerbated by migration. Poverty has forced almost one-third of able-bodied Tajiks to migrate to Russia and Kazakhstan to seek employment. Evidence shows that a majority of these migrants are educated professionals, including teachers and doctors.

Poverty also contributes to declining attendance levels, especially among girls in rural schools. The current level of attendance in secondary schools is 82.3 percent. For girls, however, the rate is only 74.4 percent compared to 89.3 percent for boys (State Committee, 2007). The gender gap is also seen in the school dropout rate. Girls are twice as likely to drop out of school in rural areas and three times more likely in city areas as boys.

Tajikistan has a relatively young population and a high rate of population growth, which creates significant pressure on the education system. Student numbers are projected to increase by 40 percent, or 850,000, by 2015.¹ Significant investment will be required to avoid exacerbating the existing problems caused by limited resources and decaying infrastructure.

With the peace agreement of 1997, the Government of Tajikistan (GOT) embarked on the difficult path of rebuilding the country's economy and its different sectors, including the education sector. At that point, Tajikistan's education system was characterized by a Soviet style "command" mode of delivery with outdated curricula and teaching methods, a highly centralized and inefficient management, an infrastructure in ruin and neglect, a considerable brain drain, rising corruption and overall poor delivery of public services.

Since 2000, the GOT has undertaken a series of measures designed to reform the education system. In addition, public sector reform initiatives have also introduced changes in the education sector. In 2002, the government adopted the National Concept for Education in Tajikistan. In 2004, a new law on education was passed by the Parliament and the national plan for implementing reforms in the education system for 2004–2009 was adopted. The reform plan introduced, among other measures, changes in the structure of management and financing in schools in five pilot districts, including per capita financing. This reform was aimed at modernizing the country's education system, improving the quality of education and training of personnel, achieving educational gender equality, and realizing the goals of EFA, the MDG, and the Poverty Reduction Strategy Paper (PRSP)

Overall, the government of Tajikistan regards the education sector as key in achieving the goals set out in the main national development strategy documents, such as the PRSP for 2007–09, as well as the goals of EFA and the MDGs. The PRSP views progress in the education

¹ This increase is based on 2005 student numbers.

sector as significant in improving governance, promoting sustainable economic growth and developing the human potential of the country. The education sector has attracted significant donor support since 2000. In particular, Tajikistan has received USD18.4 million from the EFA Fast Track Initiative–Catalytic Fund (FTI–CF) in support of the implementation of the ten-year National Strategy for Education Development adopted in 2005.

Despite a period of economic growth and recovery between 2000 and 2007, there has been no corresponding growth in social benefits. Moreover, any success has been undermined by ineffective and inefficient delivery and spending of public resources. Donors and the Tajik government agree that there is a need to eliminate institutional and systemic weaknesses in the country’s public financial management (PFM) system in order to provide an appropriate response to the needs and problems of the education system.

In the process of reform, special attention has been paid to the issue of per capita financing for secondary schools. This initiative aims to give secondary schools more autonomy over their budgets. The failure to link sectoral policy with planning and budgeting has been identified as a key shortcoming in budgeting processes and outcomes. Increasingly, the government and donors have accepted the idea of introduction and implementation of the Medium-Term Expenditure Framework (MTEF).

The Education System

Tajikistan has a single track school ladder. Every citizen has the right to basic education, which, as stipulated in the Constitution, is compulsory and free. The education system consists of four levels: pre-school, general education, professional training or specialized secondary education, and higher education. The state guarantees nine years of free schooling: primary, from grade 1 to 4, and basic education, from grade 5 to 9. Entrance to secondary school for grades 10 and 11 is competitive, following exams after the completion of grade 9. In addition, scholarships are provided for students at professional secondary and higher education levels on a competitive basis.² Table 1 gives an overview of this basic structure.

² At the time of writing this report, the Ministry of Education was drafting amendments to the education law, which would expand compulsory education to include grades 1 through 11.

Table 1: The Education System

Education level	Type of education offered		Type of Institutions	Length	Certification offered
Pre-school education	Preschool education, Early Childhood Development, Health Education		MOE, MOH, and MOLSP Pre-school institutions, nursery schools, and Kindergartens	Varies	None
General Education	1	Primary (grades 1-4)	Secondary Schools	4 years	None
	2	Basic (grades 5-9)		5 years	None
	3	Secondary (grades 10-11)		2 years	Certificate
		Primary professional	Professional technical/vocational schools	2 years	Vocational Certificate
		Secondary professional	Colleges (Technicums in Russian)	4 years	Diploma
Higher professional	1	Incomplete higher education	Institutes, universities, academy, colleges in the within the institutions of higher education	2, 3 years	Certificate
		Young specialist	College within the institutions of higher education	1.5 years	General Certificate
	2	Bachelor	Institutes, Universities, Academy	4 years	Diploma
	3	Specialist with diploma		5 years	Diploma
Post-graduate education		Master of Arts		6 years	Diploma
		Candidate of science	Universities	3 years	Diploma
		Doctor of science		2 years	Diploma
		Upgrading of qualification and retraining		0.4-1 year	None

Source: Adapted from the Education Sector Review, a report by the Research Triangular Institute for the Asian Development Bank, 2005.

The education system is designed to provide students with the basic knowledge and skills needed to prepare themselves for work and life. It also contributes to the development of their individual creative abilities, as well as fostering moral principles and independence. The state is the major provider of education, although the number of private education providers is rising.

Tajikistan inherited a highly centralized and supply-driven education system from the former Soviet Union. A new law on education, adopted in 1993, provided some degree of decentralization to secondary schools particularly in relation to managing human, material and financial resources. School maintenance was a key aspect of this attempt at decentralization.

The Ministry of Education (MOE) is the body nominally responsible for developing and enforcing policy on education, including standards and norms, and setting plans and procedures for all educational institutions. In practice, however, the central government, and in particular the office of the Deputy Prime Minister and the President's Executive Office, have a higher degree of control and coordination over the education system.

The MOE actually has the lead in developing a specific education policy and law for key aspects of education including curriculum, personnel, finance and deployment. It has full responsibility for secondary education and manages higher education institutions, although they have a degree of autonomy in their management.

Local authorities, or *hukumats*, operate at all levels, including provinces, districts, cities and towns, and are responsible for implementing state policy and programmes in institutions in their administrative territory. *Hukumats* have Departments of Education which have the closest contact with individual educational institutions. All departments of education report to their *hukumats* and they all share a similar structure and responsibilities. The head of all departments of education are appointed by the Head of the *hukumat* with agreement from the MOE. As such there is a complicated relationship between the ministry and local education departments. This relationship is mainly characterized by a dual accountability system, in which education departments report to both their local government and the MOE.

Table 2: A comparison of the education system in 1991 and 2007 at all levels of education in Tajikistan

Levels	1991/92				2007/08			
	Number of institutions	Students (1000s)	Teachers (1000s)	Student/teacher ratio	Number of institutions	Students (1000s)	Teachers (1000s)	Student/teacher ratio
Pre-school	822	145.1	10.7	11.5:1	482	60.8	4.7	12.9:1
General education	2890	1272.7	97.4	12.9:1	3810	1692.1	99.4	17:1
Primary vocational education	76	33.9	-	-	68	20.9	2.6	13.1:1
Specialized secondary (vocational) education	43	40.7	3.9	10.3:1	47	34	2.6	13:1
Turkish lyceums	0				7	-	-	-
Boarding schools	14	-	-	-	14			
Colleges and professional schools	-	-	-	-	24	-	-	-
Higher education	13	69.3	5.4	12.8:1	30	154.2	8.2	19:1
TOTAL:	3844	1561.7	117.4		4479	1961.6	113.9	

Source: Compiled from the Ministry of Education, Tajikistan website (www.education.tj).

In Tajikistan, there are 30 institutions of higher education, 24 professional schools and colleges, 47 specialized secondary schools (vocational schools), seven joint Tajik-Turkish schools (lyceums) and 14 state-run boarding schools.³ The data in Table 2 refers to Ministry of Education-managed education only. The MOE is not the only body offering public education; there are 16 other government agencies which also offer public education. Annex 1 provides a general picture of the public education offered by other government bodies.

Education Sector Policies and Planning

Education is a key component in the country's efforts to improve governance, promote sustainable economic growth, and develop human potential. There are significant challenges, however, that the education sector faces. In order to build a competitive economy, Tajikistan needs a highly skilled labour force, but this is difficult in the context of a rapidly growing population. In recent years, the country's economy has stabilized allowing, with the assistance of donor support, the launch of education sector programmes that have helped improving inputs in key areas, such as school rehabilitation, textbook provision, teacher re-training, and curriculum modernization.

Since 2000, the Government of Tajikistan has developed a number of programmes, plans and projects funded both by the state budget and donor resources. The education sector is a key part of two main national strategies, namely the PRSP and the National Development Strategy (NDS) for 2006–2015.

The NDS outlines two long-term priorities for the education sector: institutional and economic reform of the education system; and boosting the potential of the education sector to provide services (Government, 2005, p. 33).

Improvements in education are crucial to the goals of the PRSP and it identifies five key tasks in the education sector:

- the improvement of the education management system;
- the establishment of a more effective system for the use of available resources;
- the improvement of methodological and personnel support for the education system;
- better access to education for girls and for children from socially vulnerable segments of the population;
- an upgrading of the material and technical bases of the education sector (Government, 2007, pp. 30-31).

The main sectoral strategy documents are: the National Education Concept developed in 2002; the National Education Development Strategy of the Republic of Tajikistan for 2006–2015; and the Action Plan of Education System Reform in the Republic of Tajikistan for 2004–2009. As a group, they are designed to modernize the education system, improve quality of education and teacher training, and expand access to education, especially for girls. They are also aimed at the realization of national and international development strategies, such as EFA, the PRSP, and the MDGs.

Education planning is the main responsibility of the Ministry of Education. The ministry develops state standards, rules, norms and recommendations for the education system as a whole. Its responsibilities also include: drafting education legislation; approving curricula for all education

3 For further information on the school system, see the Ministry of Education website: www.education.tj

institutions; assessment of education services; granting education licenses to public and private providers; and coordinating the publication of textbooks and other training materials. As such the ministry has a key role, not only in the development of policies and laws, but also in monitoring their implementation. In doing so, the ministry closely interacts and coordinates its activities with the local authorities (*hukumats*) and other state bodies with educational services.

Local departments of education at the province, district, city and town levels have a key role in implementation. They report to the respective local *hukumats* and manage the education institutions in their area. Departments of education play a vital role in implementing state policies and laws and monitoring their implementation, inspecting education facilities, providing methodological assistance to teachers, and evaluating the quality of teaching and learning in the education institutions.

Departments employ three categories of staff: administrators, inspectors and methodologists⁴. Staff in the latter two categories monitor and support the implementation of state policies in education. Methodologists mainly provide methodological advice and assistance to teachers; they prepare model lessons, promote sharing experience in teaching excellence, and prepare tests and assessment criteria. Inspectors focus more on enforcement; they evaluate the quality of teaching and learning, assess teacher workloads for salary purposes, monitor implementation of the ministry's instructions, monitor school leadership and deal with complaints.

However, departments of education are experiencing a serious shortage of both inspectors and methodologists. Often roles are shared and inspection results are not fed into the planning process. In theory, inspection results should lead to targeted improvements in the areas identified. In practice, this shortage of inspectors and methodologists, and their lack of true authority and independence, form a serious barrier to improvements in education institutions as a whole.

School directors and their deputies are appointed and dismissed by the Department of Education. They have a wide range of responsibilities in teaching and management of schools. In recent years the directors have been given additional responsibilities such as hiring school staff, attracting extra-budgetary funds, renovating facilities and purchasing school materials. Directors have ultimate responsibility for ensuring that their schools are properly managed, staffed and equipped with necessary resources both for teaching and maintenance.

Teacher supply is a responsibility of the departments of education and the ministry in general. However, little information is available on how decisions on planning for teacher supply are made. Indeed, Tajikistan faces a serious shortage of teachers, especially in rural areas. Poor remuneration is one of the biggest problems that the education system faces, causing many skilled teachers to leave the country, mainly for migrant seasonal labour in Russia and Kazakhstan. Schools have been left with inadequately trained and unskilled teachers, many of whom have only completed secondary school and have no formal pedagogical education.

The development of textbooks is a highly centralized process and is exclusively managed by the Ministry of Education. Textbook authors submit their expressions of interest to the ministry and gain approval from an ad hoc advisory committee. They then submit their manuscripts to the ministry for evaluation. The Institute for Pedagogical Sciences, together with the

4 Methodologist – (metodist in Russian) – a category of staff in the departments of education who provide advisory services to schools and deal mainly with the quality of teaching processes, materials, lessons as well as teachers.

ministry, reviews and approves manuscripts. The ministry invites tenders and negotiates costs for textbook publishing and manages the whole process from publishing to distribution to schools.

II. Financing the Education Sector

National Budget

In Tajikistan the fiscal year follows the calendar year, starting on 1 January and ending on 31 December. This does not coincide with the school year, which runs from September to July. Table 3 lists the main steps in the annual budget cycle.

The MOF starts the cycle in May when it completes guidelines for preparing budget submissions, indicating social and economic development plans and targets for the next financial year. Budget submissions are made by line ministries, local governments and other Key Budget Organizations (KBO). KBOs, *rasporoditel'pervogo urovniya*, which means “first tier spending units”, are bodies with their own responsibility for the planning and execution of budgets. They are mainly entities like local governments, ministries, agencies, universities and central hospitals, and they deal directly with the MOF. Under the pre-MTEF budget, there are over 100 KBOs, which submit their budgets to the MOF and negotiate with it directly, bypassing the line ministries. In the case of the education sector, these KBOs include local governments and state universities.

Macroeconomic forecasting is prepared by the Ministry of Economic Development and Trade (MEDT) and submitted to the MOF in June.⁵ A macroeconomic framework for the next year's budget is prepared by the MOF in July. Budget proposals from KBOs are received by the MOF at the end of July. The Ministry starts a negotiation process with line ministries, local governments and other organizations who submitted their proposals, based on the guidelines and ceilings. Budget proposals are discussed and negotiated on the basis of budget ceilings set by the MOF.

The first draft state budget is submitted to the government through a cabinet-level budget commission (Government, 2004). The commission is chaired by the Prime Minister with the Minister of Finance as the deputy chair, and members include key ministers, and representatives of the presidential office. The commission reviews the budget within two months and returns it to the MOF for revision. The basis and criteria for this review are drawn from the social and economic development plans that are formulated annually by the MEDT, the macroeconomic framework formulated by the MOF and the MEDT jointly, and the budget ceilings.

Negotiations between the budget organizations and the MOF take place in August and September. The line ministries and budget organizations are required to defend their submissions before the budget commission if their proposals substantially exceed recommended levels.

A revised draft is submitted to the government in November. Line ministries, such as the MOE, play a very limited, marginal role in this process. The final draft budget is ready by December, when it is presented to the Majlisi Namoyandagon (Lower Chamber of Parliament). The parliamentary budget committee is responsible for disseminating the draft budget among the Parliament members and getting their feedback.

The budget documentation submitted to the Parliament includes the following:

- a breakdown of revenues and expenditures
- harmonize macroeconomic forecasts and data on the financing of the budget deficit
- the expected result of the current year's budget

⁵ Prior to recent reforms it was presented to MOF in August.

- tables summarizing revenues and expenditures for the current and previous year
- the budget of the Social Protection Fund
- a breakdown of capital expenditures
- estimates of tax revenues
- estimates of payments of external debt, including estimate of debt stock
- the government's programme for external debt
- the budgets of local governments
- the budget execution report for the previous year.

Members of Parliament rarely ask about further details and justification regarding the budget documentation, since they lack training and tend to follow party affiliations. For the first time in 2008, the Parliament held open hearings on the draft budget for 2009, where members scrutinized the proposed budget and asked the MOF and government officials to justify it. After parliamentary approval, basic budget indicators are published in the state newspapers.

Table 3: The Budget Preparation Process in Tajikistan

Due dates	Activities	Legal basis
End of May	The MOF issues instructions to the line ministries and local governments and prepares a guide.	Government resolution
June	The MEDT presents macroeconomic projections to the MOF based on its State Economic Development Plan.	Government resolution
July	Preparation of macroeconomic framework by the MOF.	Government resolution
End of July	Line ministries, local governments and budget organizations present their budget proposals to the MOF.	Government resolution
August	Negotiation with stakeholders on proposals for inclusion in the state budget.	Government resolution
November	The MOF submits the draft state budget to the cabinet.	Article 39 of the law of Tajikistan on State Finance
By 31 December	Parliament approves the state budget.	Article 39 of the law of Tajikistan on State Finance

Source: Adapted from IMF, 2007.

In Tajikistan, the state budget consists of two separate components: the republican budget and the Public Investment Programme (PIP). By economic classification, the budget is in two main parts: recurrent and capital expenditures. According to the State Budget Law 2009 approved by the Parliament, recurrent expenditures make up 82.9 percent of the total and include goods and services, salaries, social benefits, and other transfers and subsidies. Capital expenditures are 17.1 percent of the total and include the acquisition of basic capital, centralized capital investments, and capital transfers.

The latest government Public Investment Programme covers the period of 2007–2009. It includes 79 projects totalling USD1.75 billion, including 27 ongoing projects costing USD1.08 billion, and 52 new projects costing USD0.67 billion.

The share of infrastructure projects, including energy and transport in the PIP is 69.1 percent. The social sectors in PIP, including public health, social protection and education, account for only 12.1 percent, which is an estimated USD139 million.

The PIP for 2007–2009 envisages the disbursement of USD45.4 million of public investments for the education sector. This is only 2.6 percent of the total amount. In reality, however, the budget allocations are lower than those planned in PIP. This funding comes from the domestic, Government-financed PIP and is reported separately in the state budget.

The programme of grants and technical assistance is a part of PIP. It includes 203 projects totalling USD641 million. The main source of funding for grants and technical assistance (TA) is donor financing, which is then reported as externally financed PIP. This programme estimates all projects in the education sector at USD113.5 million or 17.7 percent of the total, including USD97 million of external financing. Due to institutional weaknesses, there is no tracking available in the Government to assess the actual level of disbursements of the donors' funding as part of the externally financed PIP.

Education budget

During the period of Soviet rule in Tajikistan, the financing and governance of education were subject to highly centralized control. Upon independence, Tajikistan, like other post-Soviet states, inherited a well-established but costly education system. Since then, education has encountered serious challenges with regard to financing.

Tajikistan spends 3.8 percent of its GDP on the education sector (UNICEF, 2008, p. 20). Although 73 percent of education expenditure goes on personnel costs, teachers' salaries remain very low. High overhead costs leave few resources for school improvement and teacher training. A high proportion of the total expenditure, 77 percent, is spent on general education; this allocation is larger than the 60 percent spent in other Central Asian countries (OSI, 2002).

The education budget is mainly provided through resources allocated by the central and local budgets. Local budgets finance up to 80 percent of the education budget, and most of the local budget is allocated to general education schools. The central budget mostly covers funding for professional education, including higher and vocational education. It also provides most of the funding for the administration costs, including salaries and operating costs, of the MOE and professional education. The MOE is ultimately responsible for education policy and the education budget as a whole. Some vocational and higher education institutions, however, are managed by other line ministries, such as the Ministry of Agriculture.

The main legislative basis for financing the education sector is the state budget education legislation. The process of developing the education budget is characterized by an upward information flow from the schools to the centralized authority for final decision making:

1. The financing norms used for planning are determined by the government. This includes average class sizes, number of classes, number of learners, teacher/pupil ratios and teachers' salary levels.
2. Estimates of income and expenditure are prepared by each school, using national standardized forms.
3. At the local level, draft estimates of income and expenditure for educational institutions are consolidated according to these financing norms. If a supplementary transfer from the central budget is required, this is noted before the budget is passed on.

4. These estimates are sent to the financial authorities of the province or city, as appropriate, where they are consolidated and corrected according to the regional development plans.
5. After this process of consolidation and correction, the estimates are approved by the city or provincial authorities.
6. The MOE adds its own budget proposal for higher education institutions, specialized secondary institutions, and other institutions under its mandate. These spending estimates are based on the MOE's targets for student enrolment and the development needs of the institutions.
7. The approved estimates are passed on to the MOF, where they are reviewed with the proposals of the MOE and within the parameters established for the total national budget. The MOF makes adjustments in consultation with MOE.
8. The consolidated draft budget is submitted to the government's permanent budget commission, then reviewed and submitted to the *Majlisi Oli* (Parliament).
9. Permanent commissions of the Parliament discuss the draft budget, and hold hearings at which the ministries, other government bodies and the local authorities can present their views. The budget is then reviewed by the Parliament and acquires legal force when it is adopted.

The state budget approved by the Parliament has two main education components, the republican budget and local budgets. The republican budget for education is shared among various ministries, including the MOE as the largest user, and other government bodies, such as the Committee on Youth and Sports, the Tajik State National University and the Ministry of Labour and Social Protection, which is responsible for vocational and technical education.

Local budgets are the education budgets of provinces, districts, cities and towns. The education budget at the local level is dependent on revenue collection at that level. The level of economic activity and thus the potential for revenue collection vary among districts. Only relatively well-off areas, such as Dushanbe, can fully finance the education services they require. Local budgets are supplemented by transfers from the central budget; however, their efficacy is restricted due to fiscal constraints, and they have little control over the scarce resources they receive. In almost all districts and towns there is a discrepancy between the amount budgeted and actual expenditure based on revenue collected during the year.

Most of the education budget is devoted to salaries and wage-related payments. Expenditure allocations for other purposes are at the discretion of local authorities, and most schools do not know what level of resources they have been allocated. Schools that have adopted per capita financing have more leverage in the use of resources allocated to them.

The budget process is highly fragmented and marginalizes the sector ministries, including education. There are hundreds of budget organizations that negotiate directly with MOF over their budgets, receive funds directly from MOF and spend their funds without close consultation with sectoral ministries. The rules governing budgetary relations and procedures are vague and often neglected. It is a huge challenge to establish a direct link between policy objectives and the required funding because sectoral budgets are not based on concrete programmes. Lack of capacity within the budget institutions further hampers the process. The department responsible for planning and budgeting in the MOE has only seven staff members, who deal with over 40 budget institutions subordinate to the ministry. This is a serious constraint to the successful introduction of the Medium-Term Expenditure Framework.

III. The Introduction of the MTEF in Tajikistan

Background Information

The Medium-Term Expenditure Framework (MTEF) has become a widely used tool in developing countries and transition economies to design multi-year budgets and aggregate estimates. The MTEF shows: the present levels of expenditure; additional expenditure to provide the same service in the future, for example to maintain a pupil/teacher ratio in educational institutions; and the additional expenditure needed if the service is to be changed. The first two elements can be described as existing or continuing policy while the last can be defined as new policy (Schiavo-Campo and Tommasi, 1999).

The primary objective of the MTEF is to facilitate medium-term policy-based budgeting. A classic MTEF divides the budget into sectors, like health and education, based on inter-sectoral strategic priorities. The sectors themselves draw up medium-term sector expenditure plans linking expenditures to their policy objective over a three-year period. As the three-year period moves along, expenditures in each year inform the planning for the next year and the projections for the following years.

The finance ministry gives the sectors medium-term sector ceilings, determined by overall budget resource constraints and the government's inter-sectoral expenditure priorities. The sectors then prioritise their expenditures to maximise the achievement of their objectives within the hard budget constraint of their expenditure ceilings.

The MTEF breaks down the state budget expenditures into these sectors, which correspond to broad functional classifications: for example, law enforcement structures, or education and health. There is no breakdown of the PIP, nor does the MTEF separate expenditures by the institutional components used in the Tajikistan state budget. According to the World Bank analysis, the main value of the existing MTEF is that it provides a medium-term aggregate fiscal framework which is both internally consistent, because there are no financing gaps, and consistent with macroeconomic objectives.

The preparation of the MTEF is the final stage of a process which has three key components:

1. The Medium-Term Fiscal Framework: The MTEF process begins with the development of the Three Year Fiscal Policy Programme which determines main economic parameters and the fiscal environment for the budget over the next three years. Annex 3 shows an example of a fiscal framework.
2. The Medium-Term Budgetary Framework: The second element includes an analysis of budget expenditures and management issues in the medium term. The analysis should cover the following issues:
 - an evaluation of the budget expenditure policy in the past period and projections of total budget expenditures with due regard to the projected level of the budget deficit and sources for its cover;
 - a draft allocation of budget expenditures by economic budget classification specifying the total current expenditures and development budget including the PIP;
 - Public Debt Management Strategy;
 - public investments.

3. Medium-Term Expenditure Framework: This includes expenditure plans and ceilings by sector and sub-sector, and by budgetary organization. It includes the development of recommendations for expenditure based on the macroeconomic situation and fiscal environment and a budget expenditure policy that should comply with the priorities of sector policy under the national development programmes.

In 2007, the MOE became the first ministry in Tajikistan to pilot the MTEF, and in 2008 the pilot programme was extended to the health, labor and social protection sectors. The origins of the MTEF in Tajikistan, however, lie in a basic budgetary reform programme that the World Bank (WB) undertook from 2002 to 2005. Following this, MTEF reform was initiated in May 2006, when the Ministry of Finance (MOF) organized a roundtable for government officials and representatives of donor agencies, and presented a proposal for introducing MTEF on a pilot basis.

The Tajik president signed a Government resolution in September 2006 endorsing the MTEF concept in Tajikistan (Government, 2006). Based on this resolution, the Ministry of Finance passed regulation (by-law) N 2-3-21 on 1 December, titled "On Designing and Introduction of the Medium Term Expenditure Framework". According to this regulation, the MTEF was to be developed by the Ministry of Finance with the participation of the National Bank of Tajikistan, jointly with the Ministry of Economic Development and Trade, leading sector agencies, KBOs and local executive authorities.

In May 2007, the MOF organized a further roundtable in collaboration with the WB to identify the critical measures required to advance the MTEF/PFM reforms, as well as the TA required to support the implementation of the measures. The main outcome of this roundtable was "The Donor Action Plan for Technical Support to the GOT in Implementation of the MTEF". Under this plan four donors agreed on a partnership to provide technical support. The donors were the WB, UNICEF, the United Kingdom's Department for International Development (DFID), and the European Commission (EC). The WB took the leadership in supporting the MOF as an expert in implementing PFM reforms, and DFID contributed its resources to provide TA to the MOF. As the leader of the donors' group supporting the Education for All Fast Track Initiative-Catalytic Fund (FTI-CF), UNICEF committed technical and financial resources to develop the capacity of the MOE to introduce the MTEF. The EU/EC has expressed its intention to provide TA to initiate the MTEF in other social sectors, notably health and social protection.

It was agreed that MTEF reforms would be implemented in three phases:

1. The first stage entails managing the budget process by sector, a move that enables a discussion about the trade-offs involved in apportioning expenditure between the sectors.
2. The second phase calls for a substantial strengthening of sectoral ministry capacities to lead and control sector-wide expenditure planning and execution, i.e. through pilots in a particular sector. Currently this covers education-sector-related activities undertaken by only the institutions under the direct supervision of the MOE. In sequence, and subject to the growing capacities in place, it is foreseen that MOE will administer some of the training institutions, which are currently run by sectoral ministries and government agencies.
3. The third stage assesses and learns from the experience of the pilot, in order to roll out the MTEF across all sectors.

Agencies Involved in the MTEF

The institutional structure of the MTEF process in Tajikistan is comprised of:

- the Budget Committee under the Government of Tajikistan, which coordinates the MTEF with the annual budget designing process and ensures its timely submission to the Government of Tajikistan;
- the Ministry of Finance;
- leading sector ministries and KBOs.

The leading sector ministries and KBOs must coordinate with the Ministry of Finance in discussions of the medium-term sector expenditure programmes during the preparation of the MTEF and the budget for the forthcoming year. Furthermore, they are responsible for monitoring the medium-term sector and sub-sector expenditure programs, both current and investment, throughout the year. Upon completion of this preparation, they must maintain a continuous dialogue with the Ministry of Finance about MTEF implementation and the approval of annual budgets.

The Structure of the MTEF

The MTEF will be presented in the form of a paper to determine budget policy for expenditures for the next three-year period. Annex 3 gives a complete outline of the structure of MTEF design. Ideally, the package should include:

- the projection of macroeconomic indicators for the medium term;
- the projection of budget revenues for the medium term with a breakdown by sources of revenue;
- the projection of budget expenditures for the current financial year and the following two years in the framework of the MTEF programme. This should be based on the projected revenues and goals of the finance policy;
- draft inter-sector distribution of expenditures based on the priority sector directions in budget spending;
- draft inter-sub-sector distribution of budget expenditures;
- draft overall distribution of budget expenditures by economic budget classification;
- an assessment of the budget deficit level and the sources to cover the deficit;
- the policy on state and state-guaranteed borrowing and debt;
- the description and justification of proposed project frameworks and amendments in fiscal and finance areas at the level of legislation, by-laws, procedures and activities that have an impact on the medium-term budget parameters (MOF, 2006). For example, total budget expenditures, budget deficit and budget debt levels are relevant.

The MTEF Preparation Process

The timetable set for the process of MTEF preparation is shown in Table 4. In practice, the timetable for the first three tasks has been delayed by at least one month. In 2007, these tasks were delayed until August due to the limited human resources and institutional capacity of the Ministry of Finance and the line ministries.

Table 4: Annual Timetable and Assignment of Responsibilities in MTEF Preparation

Action	Responsible	When
Medium term macroeconomic and fiscal projections, preparation of the Draft MTEF	MOF with the participation of MEDT, NBT	April
Review and approval of the budget resources package with the sector ceilings	Budget Commission under the Government of Tajikistan, MOF	May
The preparation and circulation of budget instructions and notification to each sector about the established sector ceilings, based on the decisions of the Government Budget Committee	MOF	June
Development and submission of sector expenditure strategies, requests from KBOs, ministries and agencies for the next year using the programmed format according to the established budget-sector restrictions	Budget organizations ^{6/} Leading sector ministries and KBOs	July
Bilateral negotiations with leading sector ministries and KBOs in order to finalize the compilation of the budget estimates for each sector and the formation of the Draft Budget	MOF, Leading sector ministries and KBOs	August-September
Submission of the Draft Budget using the MTEF to the Budget Committee under the Government of Tajikistan for review	MOF	September
Approval of the Updated MTEF and the sector strategies by the Government Budget Committee	MOF, Budget Committee under the Government of Tajikistan	October
Submission of the MTEF as part of the Draft Budget to Majlisi Namoyandagon (Lower Chamber of the Parliament) for review by the Government of Tajikistan	MOF, Majlisi Namoyandagon	November
Review and approval of the MTEF as part of the Budget by Majlisi Namoyandagon (Lower Chamber of Parliament)	Majlisi Namoyandagon/ MOF, KBOs	December 25th

Source: MOF, 2006.

The MTEF in the Education Sector

As the first sector to pilot the MTEF, the education sector has undertaken a huge volume of work to revise and streamline legislation related to the framework. The education sector is benefiting from technical assistance designed to strengthen budgetary allocations and financial management.

The anticipated result of these revisions is the improvement of management and the human resource capacity of staff involved in the process. Overall, this should lead to a better technical quality MTEF. According to a recent UNICEF analysis, the process of MTEF implementation in education in Tajikistan should lead to:

- a restructuring of the budget process within the education sector. The MOE will become responsible for formulating the consolidated sectoral budget to be submitted to the MOF, by means of tightening communications with and guidance to KBOs, and coordinating and reconciling all budget requests from the KBOs;

⁶ Budget organizations include schools, hospitals or any other public institutions that receive funds from the state budget. They differ from KBOs in that they are not the main spending units and do not deal directly with the MOF.

- the establishment of fully functioning budget and planning procedures between the MOE and subordinate KBOs, including thorough mechanisms for evaluating and adjusting the quality of budget estimations;
- the MOE taking responsibility for formulating education capital expenditures, relieving the MEDT of this task; and
- a strengthening of the internal capacity of the MOE. This will require an intensive transfer of knowledge in budgeting, costing and setting of priorities either from the MOF or international consultants (UNICEF, 2008).

The main policy objectives for the education sector reflected in the MTEF are specified in the following strategic policy documents:

- National Development Strategy 2006–2015;
- PRSP 2007–2009;
- National Education Development Strategy of the Republic of Tajikistan for 2006–2015.

These documents legislate the support for the following sectoral strategies:

- improving the management system in education;
- increasing the effectiveness of the system to better utilize available resources;
- strengthening methodological and human potential in education;
- improving access to education for girls and boys, especially those from socially vulnerable segments of the population
- improving the technical and material base of the education sector.

The first MTEF to be developed in Tajikistan covered the period 2008–2010. This MTEF was a pilot version and its development was not completely integrated into the annual budget process. It was actually developed in parallel with the annual budget, which still had legal authority. Thus, this first MTEF was not bound to the established fiscal ceilings for the second and third years.

The pilot MTEF covered only the education sector. Because the Ministry of Education lacked the capacity to implement it fully, the Ministry of Finance worked directly with the KBOs in education, with increasing involvement of the MOE. The MOE was treated as the leading KBO in the education sector and implemented the process of public expenditure planning in the sector together with the MOF.

This transitional work scheme for the MOE was selected for a number of reasons. Firstly, the specific features of the budget process in the education sector provided for a limited role for the Ministry of Education in determining financial policy in the sector. Until now the MOE had been responsible for the allocation of only approximately 10 percent of all current expenditures in the sector, while the rest were planned in direct cooperation with KBOs at the *oblast* (province) level. Secondly, the MOE had no influence in the budget preparation process for and at the local level. For these reasons, the MOE had limited capacity and experience in this area to undertake uniform financial planning and management for the sector.

From the organizational point of view, the MTEF for 2008–10 was a transitional programme supporting the completion of the next pilot version of the MTEF for 2009–2011. At this time the MOE was to take over full responsibility for the development and coordination of financial policy in the education sector and bring it into compliance with the aims and priorities of education policy. At this point, the timeframe for MTEF preparation would be moved forward to ensure its complete integration into the annual budget process.

It was also expected that there be a step-by-step integration of other sectors of the economy into the MTEF structure. The European Commission has provided TA to facilitate the implementation of the MTEF in the health and social protection sectors.

The main programmes in the education sector MTEF for 2009–2011 included the following: pre-school education; general secondary education; extra-curricular (out of school) education; primary vocational education; educational programmes and textbook publication; special education; training and re-training of staff; higher and secondary vocational education; a school computerization programme; and the Government Programme for Russian and English language teaching for 2004–2014.

General secondary education was the key budgeted programme included in the Education Sector MTEF for 2009–2011. These were the main expected outputs:

- a total of 1.75 million children to be covered by general education by 2011;
- the total number of students in all types of general education institutions to reach 1,726,000 in 2008 and 1,771,500 in 2011;
- the number of teachers to increase by 1.3 percent to a total of 102,000 by 2011
- the student/teacher ratio in 2011 to improve to 17.35:1;
- budget expenditure on secondary school education as a share of GDP to increase from 3.03 percent in 2008 to 3.85 percent in 2011;
- budget expenditure on secondary education in the state budget to increase from 14.36 percent in 2008 to 15.71 percent in 2011; and
- expenditures on secondary education in the total education budget for 2008–2011 to increase from 74 percent to 80 percent.

All the programmes included in the education sector MTEF were budgeted according to these main outputs. The specific allocations can be seen in the financing tables, which are included as Annexes 5 and 6: MTEF Education 2009–2011: Government expenditures by levels of education, and MTEF Education, 2009–2011: Public Expenditures for education sector by types of expenditures.

On 14 November 2008, the education minister signed an internal regulation titled “On the MTEF preparation process for 2010–2012 for the Ministry of Education of the Republic of Tajikistan”. This regulation outlines the next steps in the process of MTEF preparation:

- establishing a working group under the MOE;
- approving the functional responsibilities of the responsible staff under the Finance and Economic Department of the MOE;
- approving a timetable and the related milestone activities in MTEF preparation;
- approving the methodological instructions (MOE, 2008).

At the time writing it was expected that the first complete MTEF in the education sector would be ready by the end of May 2009. Table 5 specifies the key steps in the process of MTEF preparation in the education sector.

Table 5: MTEF timetable in the Ministry of Education, 2010–12

Activities	Responsible units	Deadline	Next steps
Review of the methodology needed to analyze the sector priorities for the medium term	Analysis and Reform Unit, MOE	15 November 2008	
Provision of training and seminars on strategic planning	Analysis and Reform unit, MOE, with the support of EC, the WB consultants	November–December 2008	
Identification of the subsector priorities for the medium term	Sub-sector policy units, MOE	15 December 2008	
The analysis reviewed by all related departments, including data collection	Analysis and Reform Unit, MOE	31 December 2008	Presentation of the main sector priorities, including the main MTEF quantitative targets
Review and analysis of priority sub-sectors over the medium term, as well as data collection in these areas	Analysis and Reform Unit, MOE	20 February 2009	Submission to the Minister
Revising the methodological instructions; establishing the budget ceilings and the main budgetary parameters for the KBOs	The Department of Planning and Budget Execution	20–25 February 2009	
MOE discusses the key priorities and the budget parameters with the KBOs		25 February 2009	
Revising the priorities and parameters in accordance with the new methodology provided by the Ministry of Finance	Policy unit, Department of Planning and Budget Execution	15 March 2009	The submission of the revised MTEF to the analysis and reform department
KBOs provide their budgets to the MOE		25 March 2009	
MOE considers KBOs budget application	Department of Planning and Budget Execution	1 April 2009	
MOE agrees on all submitted budgetary applications with KBOs		5 April 2009	
Finalizing the MTEF policy priorities and the budgets		6 April 2009	
Final draft of MTEF for 2010–2012		5 May 2009	Submission to the Minister of Education, then submission to the Ministry of Finance

Source: Adapted from MOE, 2008.

This timetable was approved as part of the MOE decree 2288 from 14 November 2008 for the development of the education sector MTEF. It was designed to avoid any overlap with the annual budget and general MTEF preparation timeframe, which begins in April and finishes in December. The design of the current timetable follows best practice and was supported by UNICEF, WB, and DFID.

The key steps in the process are: the methodological reviews; identifying the sub-sector priorities according to the strategy; negotiation with KBOs regarding their budget applications; and finalization and submission of the MTEF to the MOF in early May, just before the annual budget process starts in MOF.

The quality of work at each step in the process, however, is constrained by the low capacities in the MOE and especially in the KBOs. In the past, KBOs did not work much with the MOE but instead worked with local governments. The challenge for the MOE now is to develop greater capacities in negotiating and in assessing the needs of KBOs according to policy priorities.

At present the relationship between the MTEF policy objectives and the MTEF budgeting process is rather weak. The main reasons for this are:

1. The policy objectives are too broad and ambitious and the formulation is too declarative.
2. Because the policy objectives are poorly formulated, there is a limited capacity to link the policy and budgets. They should be results oriented; apart from the main strategies, there is no operational step-by-step action plan.
3. There is no medium-term education plan linked to the MTEF cycle.
4. The institutional, technical and the human resource capacity is very low in the Ministry of Education. There are not enough incentives in the MOE to attract qualified staff and set up a strong analytical think tank, which would be able to link the policy and budgets.
5. The strategic objectives of the education sector are not properly costed. Even the current PRSP financing matrix shows about 70 percent under-financing of the education sector priorities.

In succeeding MTEFs, it is expected that there will be a gradual integration of the projects of the PIP into the structure of the state budget. Moreover, it is expected that there will be an integration of the state budget preparation process with the MTEF development process and a full integration of other sectors into the MTEF structure by 2012.

There is a need to build consensus in the ministries of finance and education on the importance of linking policy and budgets, with a view to encouraging a more efficient use of budget resources and an appreciation of value for money. Accordingly, the lack of political will, delegated authority, and capacity are core constraints to the implementation of MTEF successfully on the sectoral level.

IV. Resource Allocation

The education sector receives more than half of all public resources allocated to the social sectors. Public spending on education in Tajikistan has increased from 2.6 percent of GDP in 2002 to 3.4 percent of GDP in 2006 and teachers' salaries have increased considerably. Salaries were raised on average by 25 percent in September 2004 and there was another average increase of 40 percent in January 2005. In April 2007, a Presidential Order reformed teachers' salaries by reducing the number of supplements and increasing the base salary. The social sectors, including education, have received ongoing support from donors, and further increases in resources are likely. But increased resources to education do not always lead to better outcomes, or even reach schools.

In 2008, the World Bank conducted a Public Expenditure Tracking Survey (PETS), which identified the strengths and weaknesses of the education financing system in Tajikistan (World Bank, 2008b). The survey found that although there were positive aspects to the system, there were still many weaknesses to overcome. For example, the system seems to prevent fraud for the most part, although record-keeping weaknesses limit the ability to ascertain this with confidence. Additionally, the degree of overall flexibility at the central level in allocating the budgets seemed appropriate, and teachers' salaries are delivered in full. On the other hand, there are issues with the structure of budget allocation and with the late delivery of those salaries.

Significant weaknesses include the lack of institutional mechanisms for achieving equity or efficiency. The administrative distinction between protected and non-protected budget lines, combined with the lack of hard budget constraints, encourages too much spending on the former at the expense of the latter. As well, accountability and transparency are inadequate. Despite the abundance of records, it is impossible to know how local governments (*jamoats*⁷) are allocating goods and services among schools. This is indicative of the problems that schools and the public face in determining the resources that individual schools are due to receive.

Actual responsibility for budgeting and resource allocation is fragmented among a huge number of local level KBOs, both within, and across, different sectors. In fact, because of the fragmentation of budget institutions, there can be no effective sector planning linked to budget allocations in Tajikistan. Instead of acting as hard budget constraints for sector expenditure planning, the sector expenditure projections are simply the aggregation, across all KBOs, of the projected functional expenditures related to each sector. For example, the projected education sector expenditure is the sum of all expenditures on education by each of the over 40 KBOs which undertake education expenditures (Brownbridge, 2006).

Currently, allocation and funding for teachers' salaries at the local level is driven by total enrolment. A norm-based formula calculates the number of pupils allowed per class, the number of class hours required per class per week, and the number of class hours each teacher must teach to find the number of teachers needed. The following is a simplified version of this funding formula.

$$P \times \frac{C}{P} \times \frac{CH}{C} \times \frac{T}{CH} = T$$

7 Jamoat – Council of Villages – lowest level of local self-governance in Tajikistan

Where:

- P stands for pupils (enrolment),
- C/P is the inverse of the pupil-class ratio,
- CH/C is the required number of class hours per week, and
- T/CH is the inverse of the number of class hours each teacher type is required to teach.
- T is the teacher base rate (*stavka*)

Teachers' salary levels vary depending on their qualifications. Given the total number of teachers at each qualification level, school officials can determine total salary costs. In addition to teacher salaries, the related form contains eight other line items: the social tax, which is 25 percent of teachers' salary costs; work travel; capital repairs, nutrition, rush cleaning, telephone, utilities, and emergency services. The budget process for the latter seven line items is not clear; it could be done by enrolment or by simply increasing the previous year's budget by a certain percentage.

Box 1: Issues in Spending Items in the Education Sector of Tajikistan

Salaries and capital investments are the two main items of expenditure in the education sector. The Education Fiduciary Capacity Assessment (World Bank, 2006) reported that in 2005, 51 percent of education expenditures were spent on salaries. These resources are managed at various levels of local administration.

Delays in salary payments affected almost half of Tajik schools in 2006. In the non-PCF schools, salaries are generally brought to schools and distributed among teachers by school principals. Usually salaries are delivered on time, but delays are a significant problem. In 2006, 47 percent of schools reported that there were salary delays, and 28 percent reported that salaries were delayed more than once.

To accommodate a large pupil population, more investment in facilities is needed. Starting at the very low share of roughly three percent of total education expenditures in 1997, capital expenditures in 2007 amounted to a high of 15 percent. Clearly, therefore, the government has not only shown a commitment to the education sector as a whole over the last few years but specifically to its infrastructure and investment needs. In addition, it must be noted that international donors are quite active in the area of school rehabilitation and construction.

Source: World Bank, 2008b.

The traditional budgetary resource allocation, applied in most education facilities, is often managed by the local government (*rayons* and *jamoats*). The steps in this process are:

1. The Ministry of Finance allocates resources among the provinces (oblasts) and the districts that are under Rayons of Republican Subordination.
2. The provinces (oblasts) then allocate resources among the districts under their subordination.
3. Generally, districts pay for and procure the goods and allocate them directly to schools in urban areas. In rural areas, districts allocate resources among the local village level governments (*jamoats*). The local village governments allocate the budgeted items among the schools. In both cases, schools generally receive goods and services instead of cash.

Funding for schools in Tajikistan is largely generated at the local level. Some reallocation of resources across geographic areas is carried out through the use of block grants, but typically there is no mechanism to ensure that the reallocation of resources is used for education financing. Budgets are administered by *oblast*, town and *rayon* finance departments rather than education departments, so other budget priorities often usurp transfers from the national budget for education.

There are two problems with the fragmentation of education financing at the lowest administrative level. First, because the capabilities of generating tax revenue, as well as the priority given to education, vary widely across geographic areas, there are large inequities in the resources available for education. For example, per capita expenditures on education varied as much as 300 percent across regions in Tajikistan in 2001 (World Bank, 2008b). Second, when funding is generated and disbursed at the lowest administrative level, opportunities for restructuring and consolidating schools are greatly reduced. Schools in Tajikistan, as in other Central Asia countries, are typically small, with small class sizes. The consolidation of schools across districts and cities becomes unlikely, if not impossible, if the funds do not also flow across those administrative borders (Cashin, 2003).

Currently, significant changes to the financing mechanisms in the school system are being implemented. These are shifts from budgeting by line-item for schools to a per capita financing system based on the number of pupils and the size of the school. The transfer is expected to be fully operational in 2010 and will increase schools' independence in spending allocated funds. This decentralization of the budget is intended to increase the effectiveness of public expenditures in education.

The Tajik Government Resolution, "On adoption of per capita normative financing rules for general educational institutions", № 505 was issued on 3 October 2007. In accordance with the resolution, the ministries of finance and education jointly developed methodological instructions. The instructions stipulate new conditions for financing general educational institutions on a per student basis. They include instructions for calculating per capita funding, budgets and expenditures. The schedule for changing all the schools in the country to the new management and financing methods was also approved in this resolution. It is expected that by 2010, all schools in Tajikistan will have transferred to normative per capita financing (PCF).

The PCF reform programme was first introduced in five pilot districts (*rayons*) in 2006, when the PETS data collection occurred. It has since been extended to twelve more *rayons*, and will be extended it to the whole country.⁸ Table 6 provides a comparative overview of the traditional and PCF systems. The PCF resource allocation formula distributes the budgetary funds proportionally to the number of pupils. It incorporates a "constant coefficient" which compensates smaller schools for their lack of economies of scale. To date, PCF has been piloted only in about 20 percent of all education facilities of Tajikistan. If the PCF reform is implemented on a national scale as successfully as has been done in the pilot *rayons*, Tajikistan will have an effective education resource delivery system.

8 There are a total of 63 *rayons* in Tajikistan, including 46 under the three main *oblasts* (provinces: Khatlon, Gorno Badakshan and Sugd); four within Dushanbe city and 13 under the *Rayons* of Republican Subordination.

Table 6: A comparison of the traditional and per capita financing systems in the education finance of Tajikistan

Traditional system	PCF
Non-cash, in-kind financing apart from the teachers' salaries, not based on the numbers of pupils. The procurement is done by the local government without involving the schools	Cash financing based on enrolment
Approved budgets are not available to the schools' administration	Approved budgets are available to schools, rather than to jamoats and rayons, for execution
Approved budgets are pre-allocated by economic classification leaving no freedom to the schools administration in reallocation according to their priorities	Approved budgets are a lump sum allowing full freedom to allocate the funds according to school priorities
The schools are not aware of their budgets; the district and the local governments can manipulate the schools' budgets	The schools know their budgets and these are almost always consistent with rayon records
Non-PCF schools have no fiduciary responsibilities to report on their funds received since cash financing is usually not provided	PCF schools have the incentives to manage money efficiently, because decision-making is located in schools, which have the best information, and schools face hard budget constraints and cannot lobby for more cash.

Source: ADB, 2001.

V. Findings and Lessons Learned

The main problems with the development of a complete MTEF document in Tajikistan are:

- the limited understanding of the MTEF concept and the lack of commitment to it;
- poor human resource and technical capacities coupled with the high turnover of key staff in both the MOF and the lead line ministries;
- the lack of political will to ensure the alignment of the annual budget with the MTEF process;
- the frequency of revisions to approved budgets;
- the lack of sector-specific strategies and programmes, and of the ability to cost these programmes effectively;
- the poor capacity of central line ministries to oversee the work of their budgetary recipients; for example, schools, hospitals, and social protection facilities.

The highly fragmented nature of public financial resources in Tajikistan has not allowed the MOE to be formally part of the budget formulation process. Traditionally, the MOE had little experience in either formulating or allocating budgets to the many small and sometimes remote schools. Significant capacity building is required for the MOE to establish this link and progressively take over the process of KBO budget formulation and allocation from the province (*oblast*) and the local governments. Realistically, this is a long term task, as the MOE has to replace the MOF in working directly with the regional administrations on all education budgeting issues.

Over 40 KBOs in the education sector currently operate independently of the MOE in formulating their budgets and in direct negotiations with the MOF. These KBOs mostly operate at the provincial (*oblast*) and the large district (*rayon*) level.⁹ Yet, they spend more than 90 percent of the whole education budget. The bulk of education sector expenditure is allocated through the local budgets. Of the 40 education-related KBOs, 17 are local governments that raise the funds and determine how they are allocated, accounting for about 83 percent of the total education budget. The introduction of the MTEF is expected to strengthen the role of the MOE as the lead ministry in developing state policy in the education sector and financing the sector according to the goals and priorities identified in the sector strategy document.

The MOE has a number of key institutional weaknesses that need to be overcome to achieve these goals. Underdeveloped management systems, old and outdated equipment and teaching materials, a shortage of resources and their ineffective use are among the key problems. Although the education sector receives 60 percent of the social sector's resources, the system does not make effective use of these resources.

The MTEF is expected to improve efficiency. In practice, however, the MTEF process has performed poorly due to severe capacity constraints and lack of intra-government coordination. Currently, key functions are scattered and related processes are fragmented. Coordination between the concerned bodies is also lacking in the following areas:

- macroeconomic policy design, which involves the EOP, MEDT, MOF and NBT;
- programming, which involves the preparation of the PIP and Centralized State Investment Programme (CSIP) by the MEDT, and of the MTEF by MOF, without alignment on similar priorities and constraints nor harmonization of processes;

⁹ About 80% of all KBOs, according to MOE.

- reporting and monitoring between the MOF and the line ministries which needs to include both financial and performance indicators for monitoring policies and programmes.

The MTEF pilot in the education sector should enable the MOE to become an active decision maker and priority setter in the budget formulation process and achieve efficient sectoral strategic planning. The MOE hopes that the MTEF will radically restructure the budget process within the education sector and put the ministry in the driving seat.

While the MTEF is an effective tool to introduce elements of strategic sector planning into the budget process, its success depends on the overall reforms in the public financial management system of the country. As the education budget is mainly formed and executed on the local government level, it is vital that public administration reforms tackle the PFM issues at all levels. It is equally important that local governments are capable of implementing measures and priorities that are set at the national level.

The MTEF pilot phase is designed to identify and rectify major challenges, and the first pilot MTEF for 2008–2010 in the education sector has been developed and introduced. However, the experience and lessons learnt from this pilot will become apparent in the years to come.

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Annex

Annex 1. Public Education offered by other government bodies in Tajikistan

State body	Educational institutions
Ministry of Labour and Social Protection	1 college, 16 technical lyceums, 56 pedagogical special schools
Republican Center of Employment	3 educational centers (Dushanbe, Kulyab, Khujand)
Ministry of Agriculture	University of Agriculture , Educational center, 2 Colleges of Agriculture, High school Agriculture
Ministry of Health	State Medical University, Institute of Post-Diploma Training of Medical Personnel, Medical Colleges
Ministry of Culture	Institute of Art, 3 special schools, 2 musical schools
State Statistics Agency	Education Center "Muhandis"
Ministry of Social Protection	Retraining courses
Ministry of Finance	College of Finance and Economics
Ministry of Water Resources	Institute
Ministry of Transport	Professional Technical Special Schools
Ministry of Transport and Communications	Education center (liquidated)
Ministry of Energy and Industry	Technological University, Geological College
Committee of Youth and Sports	Institute of Physical Training, College, Special School of Olympic Reserve, 2 specialized schools
Ministry of Economy	Institute of Business and Services
Tax Committee	Institute of Tax and Law

Source: Adapted from the Education Sector Review, a report by the Research Triangular Institute for the Asian Development Bank, 2005.

Annex 2. A Comparison of Budget Processes, Revision and Execution in Per Capita Financing and Non-Per Capita Financing Schools

Budget line	Share of approved budget		Share of executed budget		Median revision (as % of approved budget)		Median execution gap (as % of revised budget)	
	PCF*	Non-PCF**	PCF	Non-PCF	PCF	Non-PCF	PCF	Non-PCF
Wages and salaries	73.87	72.14	74.38	71.79	0.00	0.00	-2.36	-0.76
Social and retirement insurance	16.95	16.62	16.84	16.43	0.00	0.00	-2.79	-0.85
Purchase of goods and services	2.77	2.30	2.91	2.77	0.00	0.55	-2.33	-0.38
Stationery and handouts	0.80	0.44	0.78	0.45	0.00	0.00	0.00	-0.17
Economic expenditures and inventory	1.30	0.81	1.58	1.00	0.00	0.00	0.00	0.00
Travel expenses	0.22	0.10	0.16	0.12	0.00	0.00	-16.67	-0.13
Soft inventory and uniforms	0.12	0.10	0.13	0.09	0.00	0.00	0.00	-0.04
Food	0.05	0.30	0.05	0.35	0.00	0.00	-50.00	-0.02
Fuel and lubricants	0.01	0.03	0.01	0.04	0.00	0.00	0.00	-1.36
Goods and services not elsewhere classified	0.03	0.36	0.04	0.51	0.00	0.00	-0.34	0.00
Utilities	2.59	4.00	1.79	3.01	0.00	0.00	-3.16	-4.26
Electricity	1.16	1.36	0.67	0.76	0.00	0.00	0.00	-9.30
Heating	0.50	1.61	0.33	1.45	0.00	0.00	0.00	-0.06
Water	0.52	0.10	0.44	0.06	0.00	0.00	-1.73	-13.57
Trash pickup	0.15	0.52	0.12	0.32	0.00	0.00	-0.29	-1.13
Utility services not elsewhere classified	0.22	0.32	0.20	0.27	0.00	0.00	-0.26	-0.44
Maintenance and repair services	2.83	1.53	3.29	3.34	0.00	10.58	0.00	-0.00
Repair of buildings and structures	2.78	1.51	3.24	3.24	0.00	8.93	0.00	0.00
Fixed assets	0.81	0.38	0.62	0.74	0.00	0.00	-18.77	-0.28
Equipment, machinery and inventory	0.54	0.36	0.34	0.70	0.00	0.00	-18.77	-0.39

* Per capita financing school budgets ** Non-PCF general school budgets from the rayon level

Source: the World Bank, 2007.

Analysis:

PCF schools spend a larger share of the budget on purchases of several types of goods and services. They spend almost twice as much on stationery, half again as much on economic expenditures and inventory, and more than twice as much on travel expenses. This is possibly because, with greater responsibilities for procurement and money management, management staff have more need to travel. They spend much less on food, fuel, and unclassified goods and services.

PCF schools also budget more for maintenance and repairs initially, but later revisions bring non-PCF schools even with the PCF schools in spending. PCF schools also spend twice as much on fixed assets.

The PCF programme is not the only reason that budget composition might be different in the districts where it is operating. Although PCF districts are scattered around the country, there may have been pre-existing differences in spending patterns and/or needs that partly account for the differences observed, particularly since the differences are small.

Annex 3. The Structure of an MTEF Paper

An outline of the structure used to develop an MTEF

Content of the sections:

I. Description of the Macro-Fiscal Basis and Medium Term Budget Policy Strategy:

- Macroeconomic Policy and Medium Term Projection
- Public Revenue Policy and Medium Term Projection
- Public Expenditure Policy and Medium Term Projection, Including Budget Deficit
- Sector Expenditure Analysis
- Inter-Sector Allocation of Expenditures
- Development Budget (Capital Investments by Sectors, PIP)
- Public Debt Management Strategy
- External Financing (Loans and Grants)
- Sources of Budget Deficit Cover
- Summary of the Overall Budget Policy Including Objectives for Revenues, Expenditures and Budget Deficit

II. Attachments:

Table: MTEF Macro-Fiscal Basis

Table: MTEF by Sector Restrictions for a Medium Term Period

Table: MTEF by the Breakdown of Indicative Benchmarks in Expenditures of Ministries, Including Special Funds

Table: Public Expenditures by Sectors in:

- Republican and Local Budgets
- Current and Capital Expenditures (Development Budget)
- Social Protection Fund

Table: Public Expenditures in the Breakdown of the Economic Budget Classification

Technical Notes on Budget Reform Issues, including:

- Inter-sector Resource Allocation
- Wage Bill and Operation Costs
- Development Budget (Capital Investments by Sectors, PIP)
- Public Debt Management Strategy

Source: Adapted from MOF, 2006.

Annex 4. Tajikistan: Macroeconomic Framework for MTEF, 2009-2011 (in millions Tajik somoni, TJS)

Budgetary line	2007		2008		Forecast					
	Approved	Fact	Approved	Fact	2009	2009/ 2008 (%)	2010	2010/ 2009 (%)	2011	2011/ 2010 (%)
Nominal GDP	9,550.0	12,779.7	14,800	16,135	20,200	25.2	25,072	24.1	30,583	22.0
Nominal GDP growth		37.8		26.3	25.2		24.1		22.0	
Real GDP growth		7.8		7.0	7.0		7.0		7.0	
GDP deflator		27.9%		18.0%	17.0%		16.0%		14.0%	
Total volume of state budget	3,195.4	3,695.9	4,476.0	4,925.3	5,767.6	29	6,411.4	11	7,990.1	25
as % of GDP	33.5	28.9	30.2	30.5	28.6	-6	25.6	-10	26.1	2
Including:										
Public Investment Programme (PIP)	489.7	279.4	567.5	567.5	405.4	-29	337.7	-17	270.0	-20
State credits	778.5	746.9	728.8	728.8	630.4	-14				
Special means of budgetary organisations	79.5	218.1	129.7	129.0	181.8	40	253.7	40	370.1	46
Current revenues of the state budget (excluding special means)	1,847.7	2,451.5	3,050.0	3,500.0	4,550	49	5,820	28	7,350	26
as % of GDP	19.3	19.2	20.6	21.7	22.5		23.2		24.0	
Total expenditures of the state budget	3,290.9	3,490.6	4,550	4,549.2	5,869	29	6,537	11	8,143	25
as % of GDP	34.5	27.3	30.7	28.2	29.1		26.1		26.6	
Including:										
- budget	1,943.2	2,321.8	3,124	3,124	4,651	49	5,945.4	28	7,502.9	26
as % of GDP	20	18	21	19	23.0		23.7		24.5	
Out of which:										
- salaries and wages	489.0	490.6	740	740	1,019	38	1,370	35	1,852	35
as % of GDP	5.1	3.8	5.0	4.6	5.0		5.5		6	
- Centralized Capital Investment Programme	245.3	337.5	563.0	563.0	812.0	44	1,044.0	29	1,334.0	28
as % of GDP	2.6	2.6	3.8	3.5	4.0		4.2		4.4	
- Public Investment Programme (PIP)	489.7	278.9	567.5	567.5	405.4	-29	337.7	-17	270.0	-20
as % of GDP	5.1	2.2	3.8	3.5	2.0		1.3		1	
- State borrowing (China loan)	778.5	746.9	728.8	728.8	630.4	-14	0.0		0.0	
as % of GDP	8.2	5.8	4.9	4.5	3.1					
- extra-budgetary means (special means)	79.5	143.0	129.7	129.0	181.8	40	253.7	40	370.1	46
as % of GDP	0.8	1.1	0.9	0.8	0.9		1.0		1	
1. Public administration	260.0	470.9	354.6	355.7	507.6	43	639.5	26	820.5	28
as % of GDP	2.7	3.7	2.4	2.2	2.5		2.6		2.7	
Out of which:										

Budgetary line	2007		2008		Forecast					
	Approved	Fact	Approved	Fact	2009	2009/ 2008 (%)	2010	2010/ 2009 (%)	2011	2011/ 2010 (%)
- budget	223.4	422.2	314.7	314.7	472.1	50	613.7	30	797.8	30
as % of GDP	2	3	2.1	2.0	2.3		2.4		2.6	
- salaries and wages	64.3	64.3	80.6	80.6	112.8	40	158.0	40	221.2	40
- Centralized Capital Investment Programme	38.5	57.1	65.4	65.4	80.0	22	90.0	13	96	7
- Public Investment Programme (PIP)	24.3	4.5	28.0	28.0	20.5	-27	8.8	-57	3.7	-58
- extra-budgetary means (special means)	12.3	44.2	11.9	13.0	15.0	26	17.0	13	19	12
2, 3. Security and defence	310.2	329.1	446.1	446.1	588.2	32	744.6	27	943.8	27
...
Social protection	1,103.0	1,151.9	1,566.0	1,566.0	2,325.0	48	3,020.4	30	3,849.4	27
as % of GDP	11.6	9.0	10.6	9.7	11.5		12.0		12.6	
Out of which:										
- budget	961.4	1,032.2	1,422.7	1,422.7	2,149.6	51	2,862.5	33	3,615.8	26
as % of GDP	10	8	9.6	8.8	10.6		11.4		11.8	
Out of which:										
- salaries and wages	299.1	308.1	449.2	449.2	646.4	44	901.1	39	1,256.8	39
- Centralized Capital Investment Programme	69.3	129.3	160.9	160.9	207.0	29	248.0	20	300.0	21
- Public Investment Programme (PIP)	108.9	72.1	78.4	78.4	80.6	3	18.5	-77	15.0	
- extra-budgetary means (special means)	32.8	47.6	64.9	64.9	94.8	46	139.4	47	218.6	57
4. Education	506.4	524.3	691.2	691.2	1,019.4	47	1,316.4	29	1,686.1	28
as % of GDP	5.3	4.1	4.7	4.3	5.0		5.3		5.5	
Including:										
- budget	428.5	437.2	604.4	604.4	906.6	50	1,178.6	30	1,473.2	25
as % of GDP	4	3	4.1	4	4.5		4.7		4.8	
Out of which:										
- salaries and wages	237.1	246.1	326.6	326.6	457.2	40	640.1	40	896.2	40
- Centralized Capital Investment Programme	39.3	68.0	69.1	69.1	85.0	23	100.0	18	110.0	10
- Public Investment Programme (PIP)	49.3	46.2	29.8	29.8	27.4	-8	9.7	-65	7.9	
- extra-budgetary means (special means)	28.6	40.9	57.0	57.0	85.4	50	128.1	50	205.0	60
5. Health care	178.3	164.9	255.5	255.5	396.5	55	522.9	32	675.1	29
...

Budgetary line	2007		2008		Forecast					
	Approved	Fact	Approved	Fact	2009	2009/ 2008 (%)	2010	2010/ 2009 (%)	2011	2011/ 2010 (%)
6. Social protection fund (SPF)	344.1	383.6	469.8	469.8	715.3	52	929.9	30	1,162.4	25
...
8. Culture and sport	74.3	79.1	149.5	149.5	193.7	30	251.2	30	325.8	30
...
Economic block	1,452.1	1,430.4	1,803.9	1,802.1	1,871.5	4	1,530.8	-18	1,835.1	20
...
7. Communal sector	139.7	234.7	181.3	181.3	237.2	31	294.3	24	382.6	30
...
9. Fuel and energy	571.8	466.7	732.0	732.0	706.6	-3	490.9	-31	634.9	29
...
10. Agriculture and processing	176.3	159.4	320.1	318.3	333.0	4	410.5	23	479.2	17
...
11. Mining and construction	20.8	30.1	25.0	25.0	35.1	40	40.4	15	46.4	15
...
12. Transport and communications	536.1	532.3	532.5	532.5	544.3	2	278.0	-49	273.4	-2
...
13. Other economic services	7.4	7.2	13.0	13.0	15.4	18	16.8	9	18.4	9
...
14. Other expenditures	165.6	108.3	379.3	379.3	576.4	52	601.5	4	694.3	15
...
Current budget deficit	-95.5	129.7	-74	376.1	-101.0		-125.4		-152.9	
<i>as % of GDP</i>	-1.0	1.0	-0.5	2.3	-0.5		-0.5		-0.5	
Broad budget deficit	-1,363.7	-896.1	-1,370.2	-920.2	-1,136.8		-463.1		-422.9	
<i>as % of GDP</i>	-14.3	-7.0	-9.3	-5.7	-5.6		-1.8		-1.4	
Nominal GDP	9,550.0	12,779.7	14,800.0	16,135.0	20,200.0	25.2	25,072.0	24.1	30,583	22.0
Nominal GDP growth		37.8		26.3	25.2		24.1		22.0	
Real GDP growth		7.8		7.0	7.0		7.0		7.0	
GDP deflator		27.9%		18.0%	17.0%		16.0%		14.0%	
Deficit target (0,5% of GDP)				80.7	101.0		125.4		152.9	

Note: This table is to provide an example of the macroeconomic framework for MTEF. Details of many sectors except for the education sector are deleted. (...) represents deleted rows.

Source: Ministry of Finance, Republic of Tajikistan.

Annex 5. The MTEF for Education 2009–2011: Government expenditures by types of education

	Indicators	Actual		Forecast indicators		
		2007	2008	2009	2010	2011
Government expenditures for education in current prices, in Tajik Somoni (million)						
4.1	Pre-school education	15.20	18.90	25.38	29.47	35.36
4.2	Secondary education	389.20	502.90	774.57	986.72	1,234.45
	General secondary education	339.89	448.58	715.31	936.99	1,178.56
	Primary (technical) vocational education	10.63	62.20	71.62	91.93	114.91
4.3	Higher and secondary (professional) vocational education	44.40	127.00	171.22	237.19	336.43
	Secondary (professional) vocational education	11.71	17.71	27.20	35.36	42.72
	Higher professional education	32.70	62.20	71.62	91.93	114.91
4.5	Other expenditures in education sector	29.00	42.40	48.23	63.03	79.86
Government expenditures for education, as % of GDP						
4.1	Pre-school education	0.16	0.13	0.13	0.12	0.12
4.2	Secondary education	3.69	3.40	3.83	3.94	4.04
	General secondary education	3.56	3.03	3.54	3.74	3.85
	Primary (technical) vocational education	0.11	0.42	0.35	0.37	0.38
4.3	Higher and secondary (professional) vocational education	0.41	0.86	0.85	0.95	1.10
	Secondary (professional) vocational education	0.12	0.12	0.13	0.14	0.14
	Higher professional education	0.34	0.42	0.35	0.37	0.38
4.5	Other expenditures in education sector	0.30	0.29	0.24	0.25	0.26
Share of government expenditures for education as % of appropriate expenditure parameter						
4.1	Pre-school education	0.46	0.42	0.43	0.45	0.43
4.2	Secondary education	10.70	11.05	13.20	15.09	15.16
	General secondary education	10.33	9.86	12.19	14.33	14.47
	Primary (technical) vocational education	0.32	1.37	1.22	1.41	1.41
4.3	Higher and secondary (professional) vocational education	1.19	2.79	2.92	3.63	4.13
	Secondary (professional) vocational education	0.36	0.39	0.46	0.54	0.52
	Higher professional education	0.99	1.37	1.22	1.41	1.41
4.5	Other expenditures in education sector	0.88	0.93	0.82	0.96	0.98

Source: Ministry of Education Republic of Tajikistan, Medium Term Expenditure Framework in Education Sector for 2009-2011, Dushanbe 2008.

Annex 6. The MTEF for Education, 2009–2011: Public Expenditures for education sector by types of expenditures

Indicators	Actual		Forecast indicators		
	2007	2008	2009	2010	2011
Government expenditures for education in current prices, in Tajik Somoni (million)					
Government expenditures for education (including PIP and EBF)	No data	691.20	1,019.40	1,316.40	1,686.10
Government expenditures for education (excluding PIP and EBF)		604.40	906.60	1,178.60	1,473.20
Education expenditures (excluding CSIP, PIP, and EBF)		525.39	813.22	1,060.74	1,330.30
Centralized State Investment Programme (CSIP)		79.02	93.38	117.86	142.90
Extra-budgetary funds (EBF)		57.00	85.40	128.10	205.00
Public Investment Programme (PIP)		71.30	87.90	104.10	116.20
Government expenditures for education, as % of GDP					
Government expenditures for education (including PIP and EBF)	4.89	4.67	5.05	5.25	5.51
Government expenditures for education (excluding PIP and EBF)	4.08	4.08	4.49	4.70	4.82
Education expenditures (excluding CSIP, PIP, and EBF)	3.68	3.55	4.03	4.23	4.35
Centralized State Investment Programme (CSIP)	0.40	0.53	0.46	0.47	0.47
Public Investment Programme (PIP)	0.52	0.48	0.44	0.42	0.38
Extra-budgetary funds (EBF)	0.30	0.39	0.42	0.51	0.67
Share of government expenditures for education as % of appropriate expenditure parameter					
Government expenditures for education (including PIP and EBF)	3.16	4.67	5.05	5.25	5.51
Government expenditures for education (excluding PIP and EBF)	2.63	4.08	4.49	4.70	4.82
Education expenditures (excluding CSIP, PIP, and EBF)	2.37	3.55	4.03	4.23	4.35
Centralized State Investment Programme (CSIP)	0.26	0.53	0.46	0.47	0.47
Public Investment Programme (PIP)	0.33	0.48	0.44	0.42	0.38
Extra-budgetary funds (EBF)	0.19	0.39	0.42	0.51	0.67

Source: Ministry of Education Republic of Tajikistan, Medium Term Expenditure Framework in Education Sector for 2009-2011, Dushanbe 2008.



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• Asia and Pacific Regional Bureau for Education
• Mom Luang Pin Malakul Centenary Building
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