

## **Republic of Tajikistan: Poverty Reduction Strategy Paper**

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**REPUBLIC OF TAJIKISTAN**



**POVERTY REDUCTION STRATEGY  
OF THE REPUBLIC OF TAJIKISTAN  
FOR 2010–2012**

**Dushanbe, 2010**

## CONTENTS

List Acronyms and abbreviations

1. Introduction

2. Results of the implementation of the Poverty Reduction Strategy for 2007–2009

2.1. Poverty reduction: the current status, dynamics and results of the *Living Standards Survey 2007*

2.2. The Poverty Reduction Strategy for 2007–2009: Results achieved

2.3 Lessons learned from the implementation of the Poverty Reduction Strategy for 2007–2009

3. Goals and key directions of the Poverty Reduction Strategy policy for 2010–2012

4. Establishment of general conditions for development (the Functional Block)

4.1. Public administration reform

4.2. Macro-economic development

4.3. Improvement of the investment climate, development of the private sector and entrepreneurship

4.4 Development of regional cooperation and integration into the global economy

5. Promotion of sustainable economic growth (the Production Block)

5.1. Food security and development of the agricultural sector

5.2. Development of infrastructure, energy and industry

6. Development of human potential (the Social Block)

6.1. Development of the educational system and science

6.2. Development of the healthcare system

6.3. Improvement of the social welfare

6.4. Expansion of access to water supply, sanitation, and housing and municipal services

6.5. Promotion of environmental sustainability

6.6. Promotion of gender equality

7. Financing the implementation of the Poverty Reduction Strategy 2010–2012

8. Monitoring and evaluation of the Poverty Reduction Strategy

Appendix 1. Matrix of action for 2010–2012

Appendix 2. General indicators for monitoring the Poverty Reduction Strategy for 2010–2012

Appendix 3. Dynamics of the poverty rate decline forecast for 2007–2012

Appendix 4. Participation in the development of the Poverty Reduction Strategy for 2010–2012

## LIST OF ACRONYMS AND ABBREVIATIONS

AAS	Academy of Agricultural Sciences
ACA	Agency for Construction and Architecture under the Government of the Republic of Tajikistan
ACCEC	Agency to Combat Corruption and Economic Crimes under the President of the Republic of Tajikistan
ADB	Asian Development Bank
AIDS	Acquired Immunodeficiency Syndrome
AKDN	Aga Khan Development Network
AKF	Aga Khan Foundation
AS	Academy of Science
ASMCTI	Agency for Standardization, Metrology, Certification and Trade Inspection under the Government of the Republic of Tajikistan
CCI	Chamber of Commerce and Industry
CEP	Committee on Environmental Protection and Forestry under the Government of the Republic of Tajikistan
CES	Committee on Emergency Situations and Civil Defence under the Government of the Republic of Tajikistan
CFWA	Committee on Family and Women's Affairs under the Government of the Republic of Tajikistan
CHC	City health care centre
CIP	Centralized Investment Programme
CIS	Commonwealth of Independent States
CPR	Chinese Peoples Republic
CS	Customs Service under the Government of the Republic of Tajikistan
CSIP	Centralized State Investment Programme
CSPDI	Civil Servants' Professional Development Institute
CYST	Committee on Youth Affairs, Sports and Tourism
DFID	Department for International Development (UK)
DHC	District health care centre
DIA	Dushanbe International Airport
DOTS	Directly observed treatment short course
EC	European Commission
EOP	Executive Office of the President of the Republic of Tajikistan
EurAsEC	Europe and Asian Economic Cooperation
FAO	Food and Agricultural Organization of the United Nations
FDI	Foreign direct investment
GBAO	Gorno-Badakhshan Autonomous Oblast
GDP	Gross domestic product
GF	Global Fund to Fight AIDS, Tuberculosis and Malaria
GTC	German Technical Centre
GTZ	German Agency for Technical Cooperation
HIV	Human Immunodeficiency Virus
HPP	Hydropower plant
IDB	Islamic Development Bank
IMF	International Monetary Fund
IRI	Islamic Republic of Iran
ISDR	International Strategy for Disaster Risk
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau

KhMK	Khojagii Manziliyu Kommunalali - Communal Services Agency
LGA	Local government authority
M&E	Monitoring and evaluation
MDG	Millennium Development Goal
MEDT	Ministry of Economic Development and Trade
MEI	Ministry of Energy and Industry
MES	Monitoring and evaluation system
MFA	Ministry of Foreign Affairs
MGA	Main Geology Administration under the Government of the Republic of Tajikistan
MIA	Ministry of Internal Affairs
MLRWR	Ministry of Land Reclamation and Water Resources
MLSW	Ministry of Labour and Social welfare
MOA	Ministry of Agriculture
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
MOJ	Ministry of Justice
MPI	Medical prophylactic institutions
MTBF	Medium-Term Budget Framework
MTC	Ministry of Transportation and Communications
NBT	National Bank of Tajikistan
NDS	National Development Strategy
PHC	Primary health care
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
RRS	Regions of Republican Subordination
SCI	State Committee on Investment and State Property Management
SDC	Swiss Agency for Development and Cooperation
SECO	Swiss State Secretariat for Economic Affairs
SIDA	Swedish International Development Cooperation Agency
SIP	State Investment Programme
SME	Small- and medium-sized enterprise
SNPA	Specially natural protected areas
SRA	Scientific and research activities
SRI	Scientific and Research Institute
SSC	State Statistics Committee
SSD	State Service Department
SSM	State Service Management
SUAE	State Unitary Aviation Enterprise
TC	Tax Committee under Government of the Republic of Tajikistan
TRW	Tajik Railway
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USA	United States of America
USAID	United States Agency for International Development
VHC	Village health care centre
WB	World Bank
WFP	World Food Programme
WTO	World Trade Organization
WUA	Water User Association

## 1. INTRODUCTION

This publication, the Poverty Reduction Strategy (PRS) of the Republic of Tajikistan for 2010–2012, aims to serve as a medium-term programme for the implementation of the National Development Strategy (NDS) up to 2015. It will determine the major socio-economic development of the country during this period, taking into account the impact of the global economic and financial crisis. The PRS, taking into account available resources and additional needs indicate concrete actions for implementing institutional and economic reforms that will promote strong and sustainable economic growth and for improving the scope and quality of social services aimed at mitigating the burden of poverty in the country.

It should be pointed out that in 2005, with a view of raising the nation's standard of living, the President of Tajikistan initiated the NDS for the period until 2015, in which poverty reduction strategies were developed for each three-year period.

In light of the above, activities under the next PRS are also based on the NDS goals and priorities, namely, public administration reform, development of the private sector, attraction of investment, and development of human potential. These goals and priorities are aimed at creating a democratic and prosperous Tajikistan where all members of society will have equal opportunities to enjoy the benefits of political, social and economic development.

The actions outlined in the PRS for 2010–2012 take into account the results of the implementation of the PRS for 2007–2009 and the anti-crisis measures of the Government of Tajikistan.

As per the NDS, the activities under the PRS for 2010–2012 are focused on the development of 12 sectors (directions) of economic reform, which have been provisionally combined into three blocks based on their role and place in promoting strong and sustainable economic growth and improving the range and quality of social services provided to the poor: (i) the establishment of the general conditions for development (the Functional Block); (ii) promotion of sustainable economic growth (the Production Block); and (iii) development of human potential (the Social Block):

- The Functional Block ensures an overall institutional development environment and includes the following sectors: public administration reform; macro-economic development; improvement of the investment climate; development of the private sector and entrepreneurship; regional cooperation and integration into the global economy.
- The Production Block provides the physical environment to support economic growth and includes the following sectors: i.e. food security and development of the agricultural sector, and the development of infrastructure, energy and industry.
- The Social Block provides for broader access to basic social services, addresses development issues and comprises the following sectors: development of the educational system and science, development of the health care system; improvement of social welfare; expansion of access to water supply, sanitation and housing and municipal services; promotion of environmental sustainability and gender equality.

The focus on the governmental, sectoral and regional development strategies, programmes and plans that have been adopted and that are currently being drafted need to be harmonized with the goals and priorities of the PRS.

The PRS is a tool to facilitate dialogue of all interested parties, including the business community, non-governmental organizations (NGOs), resident missions of international organizations and foreign donor countries that provide assistance to the country.

Every year, the Government identifies the key priorities activities for sustainable economic growth, which will improve the range and quality of social services aimed at mitigating the burden of poverty; these priorities are based on PRS goals, when applicable.

The main features of this document are as follows:

- Since the issues of gender equality, environmental protection and adaptation to climate change are cross-cutting, they are included in individual sectors, as well as in other sections of this/report as specific measures;

- To fully implement the priority objectives of the PRS at the national level, the number of concrete and sectoral measures have been reduced, and envisaged mainly those of a national level implementable priorities of the Strategy and it is possible to monitor their progress of implementation
- To harmonize the PRS with the possible factors that may affect the implementation of its objectives, a monitoring mechanism is envisaged through an annual review and harmonization of strategic measures with the current economic and social development process of the country.

This publication has been formulated as a list of concrete actions with a clearly established timetable for implementation, responsible parties and sources of financing. Quantitative and qualitative indicators and the timetable for monitoring and evaluation of the implementation of the PRS are also identified.

## 2. RESULTS OF IMPLEMENTATION OF THE POVERTY REDUCTION STRATEGY FOR 2007–2009

### 2.1. Poverty reduction: the current status, dynamics and results of the Tajikistan *Living Standards Survey of 2007*

Analyses show that as a result of implementation of strategies and programmes on the socio-economic development adopted by the Government, poverty has been declining in the country every year. This was made possible because poverty reduction is considered an important and priority task of the Government, its international partners and Tajik society as a whole.

The Tajikistan *Living Standard Survey* conducted in 2007 by the State Statistics Committee together with the World Bank, the United Nations Children’s Fund (UNICEF), the Department for International Development (DFID, UK) and the Food and Agriculture Organization of the United Nations (FAO) provided the following results.

The survey was conducted according to two methods: (i) the international standards of poverty (US\$ 2.15/day), which depends on purchasing power parity; and (ii) the value of basic household needs. Taking into account the increase of consumption and purchasing power parity, from 2003 to 2007, the poverty rate declined from 64 percent to 41 percent: from 59.1 percent to 40.3 percent in the urban areas, and from 65.1 percent to 41.1 percent in the rural areas .

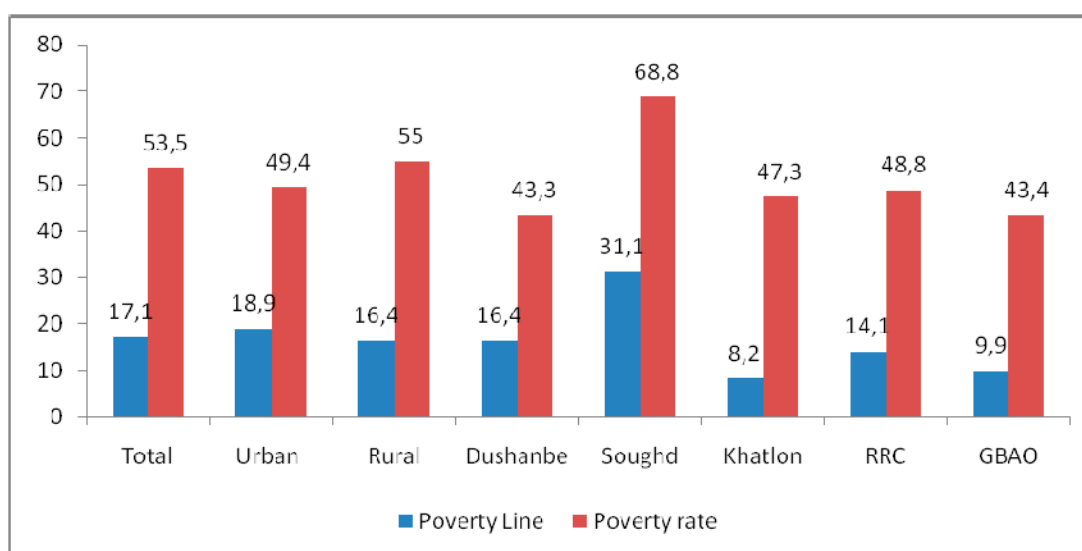
Year	Population	No. of poor persons	Percentage of poor persons (%)
Total (2003)	6,667,510	4,233,341	63.5
Urban areas	1,804,290	1,066,293	59.1
Rural areas	4,863,220	3,167,048	65.1
Total (2007)	7,061,429	2,886,561	40.9
Urban areas	1,856,865	747,778	40.3
Rural areas	5,204,564	2,138,783	41.1

According to the method of calculating the value of basic household needs, the welfare unit was consumption per capita to measure poverty and the absolute poverty rate. The available data show that, from 2003 to 2007, the poverty rate declined from 72.4 percent to 53.5 percent: from 68.8 percent to 49.4 percent in the urban areas, and from 73.8 percent to 55.0 percent in the rural areas.

Year	Population	No. of poor persons	Percentage of poor persons (%)
Total (2003)	6,667,510	4,830,408	72.4
Urban areas	1,804,290	1,241,352	68.8
Rural areas	4,863,220	3,589,056	73.8
Total (2007)	7,061,429	3,779,802	53.5
Urban areas	1,856,865	917,291	49.4
Rural areas	5,204,564	2,862,510	55.0

Despite the progress achieved in Tajikistan in recent years, the poverty rate is still high. In 2007, 53.5 percent of the population was poor, of which 17.1 percent were in absolute poverty; one third of the poor were in absolute poverty in terms of food.

**Figure 1. Proportion of the poor population (% of total population)**

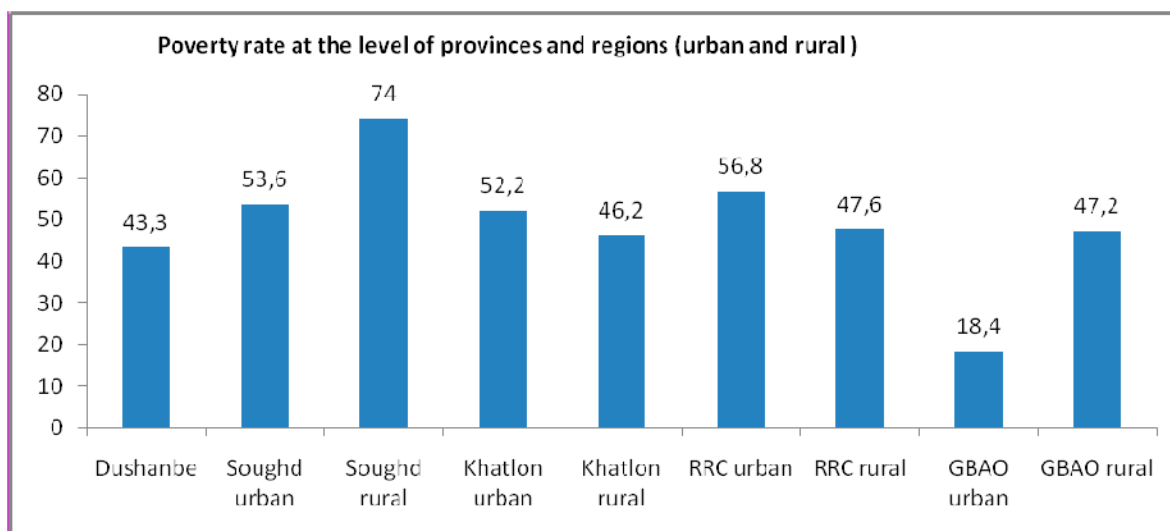


There is no major difference between the number of the poor in urban and rural areas: the difference between the poverty rate in the urban areas (49.4 percent) and the rural areas (55 percent) is 5.6 percent. The poverty trend analysis shows that due to the dynamic and rapid decrease in poverty in the rural areas, the difference in the poverty rate between the urban and the rural areas declined after 2003. It should be noted that the absolute poverty rate in the urban areas (18.9 percent) is higher than in the rural areas (16.4 percent).

It is clear that there is no major discrepancy between the number of poor in the urban and the rural areas at the national level, but there is at the level of the provinces and the regions.



**Figure 2. The poverty rate at the provincial and regional levels**



Reduction of the poverty and the absolute poverty rates during this period was mainly achieved as a result of economic growth and promotion of macro-economic, social and political development in the country.

According to calculations, the GDP growth of 1 percent on a per capita basis will lead to reduction of the general indicator of poverty by 0.62 percent. The poverty rate was 53.5 percent in 2007. Taking into account that the GDP per capita growth was 6.7 percent in 2009 compared to 2007, the poverty rate was reduced by 4.2 percent and was equal to 49.3 percent (Annex 3).

## **2.2 The Poverty Reduction Strategy for 2007–2009: results achieved**

The Government has undertaken and implemented certain measures to bring the following into the global economy in line with international standards: the public administration system, macro-economic development, the investment climate, private sector and entrepreneurial activity development, and regional cooperation and integration. It has also committed itself to achieve the goals set forth in the tasks and measures outlined in the PRS for 2007–2009.

Public administration reform. Presidential Decree No. 355 of 19 December 2007 “On the establishment of the National Development Council under the President of the Republic of Tajikistan”, was adopted in order to promote cooperation in national development based on constructive principles of partnership between all branches of the Government and civil society. Also, Governmental Decree No. 216 of 2 May 2008, “On monitoring and evaluation of the implementation of medium-term poverty reduction strategies in the Republic of Tajikistan” was adopted to monitor and evaluate the effectiveness of implementation of medium-term poverty reduction strategies. At the same time, the new version of the Law (No. 233) adopted on 5 March 2007, “On the civil service” aimed to strengthen capacities for improving civil service principles, including human management and human resources capacity building.

To continue the reform of civil servants’ salaries, Presidential Decree No. 480 of 20 June 2008, “On the measures for strengthening social welfare and increasing the level of the current official salaries of the staff of state-financed organizations and institutions, pensions and stipends”, and Presidential Decree No. 671 of 20 June 2009, “On the measures for strengthening social welfare and increasing the level of the current official salaries of the staff of social sector institutions” were approved. They aimed to strengthen the financial base and social welfare, enhance the role of attractive salaries, pensions and stipends, and gradually eradicate the discrepancy in the level of salaries and pensions.

Following implementation of the measures for the macro-economic policy for 2007–2009 to improve the budget and tax policies, the tax revenue as a percentage of GDP reached 17.7 percent in 2009 (17.9 percent in 2007), which was 1.1 percent higher than in 2005 (1.3 percent in 2007 compared to 2005). Based on this indicator, the state budget revenue (i.e. overall revenue and grants) against GDP reached 20.2 percent in 2009 (19.2 percent in 2007), i.e. increased by 2.2 percent compared to 2005 (1.2 percent in 2007). The state budget expenditures against the GDP reached 17.5 percent in 2008 (18 percent in 2007), which is 0.7 percent less than in 2005 (0.2 percent in 2007).

With respect to the improvement of the investment climate, development of the private sector and entrepreneurship, in order to simplify the procedures of security-related issues, the Regulation “On the procedure of the official registration of security agreements” was approved.

In order to improve the mechanism of official registration of businesses in the country and to provide equal opportunities for men and women to enter the market, Law No. 508 of 19 May 2009, “On the official registration of legal entities and individual entrepreneurs”, was adopted and came into force on 1 July 2009. At the same time, in order to improve the business climate, “The Programme on the Improvement of the Business Climate – 200 Days of Reform” was drafted and adopted by the Government on 2 July 2009, as per Resolution No. 386.

Compared to 2005, the number of registered businesses increased by 25 percent in 2009 (18.4 percent in 2007, and 19 percent in 2008). At the same time, the contribution of the private sector to the GDP accounted for 46.0 percent in 2009 (42.6 percent in 2007).

In order to simplify the procedures of bankruptcy and promote active participation of entrepreneurs, the Law on bankruptcy, “On including amendments and additions into the Law of the Republic of Tajikistan” was adopted in 2009. Also, in order to support business by reducing the number and types of different inspections, Law No. 505 of 26 March 2009, “On the moratorium for inspection of the activity of small- and medium-sized enterprises in the Republic of Tajikistan” was adopted.

A number of measures have been undertaken to improve foreign economic activity and Tajikistan’s accession to the World Trade Organization (WTO). These include the Tajik Governmental Decree, “On the approval of the Plan for measures to eliminate administrative barriers to export and import of goods”, which was drafted and adopted by Decree No. 487 of 1 October 2008. Also, Law No. 234 of 5 March 2007, “On the product and services trademark” and Law No. 236 of 5 March 2007, “On the geographic designations” were signed by the President of the Republic.

To improve the regulatory, legal and institutional basis of regional development and coordination of trade formalities, Governmental decrees were adopted: Governmental Decree No. 487 of 1 October 2008, “On the approval of the Plan for measures to eliminate administrative barriers to export and import of goods” and Governmental Decree No. 498 of 1 October 2008, “On including amendments and changes in Tajik Governmental Decree No. 397, of 2 October 2002”.

To implement instructions of the President of the Republic of Tajikistan on establishing free economic zones in the country, Decree No.103 of 5 March 2008, “On the priority measures on the establishment of free economic zones in the Republic of Tajikistan” was adopted. Also, the following were approved: Decree No. 227 of 2 May 2008, “On the establishment of free economic zones of *Panji poyon* and *Soughd*”, and Resolutions of the *Majlisi Namoyandagon* (Lower Assembly) and of the *Majlisi Oli* (Upper Assembly), Decree No. 1146, “On the approval of the Regulation (by-laws) of the Free Economic Zone of Soughd” and Decree No. 1147, “On the approval of the Regulation (by-laws) of the Free Economic Zone of Panj”.

Tajikistan’s foreign trade turnover against the GDP in 2009 reached 71.9 percent (compared to 107.9 percent in 2007), i.e. it decreased by 24.9 percent compared to 2005 (in 2007, it increased by 4 percent).

The development of infrastructure, energy and industry in Tajikistan allowed to promote national economic growth and thereby to establish the material basis for reducing the poverty rate. At the same time, in light of goals and priorities of the PRS for the development of infrastructure, energy and industry for 2007–2009, a number of essential measures were implemented and sector indicators were identified.

The Government made significant efforts in developing the transportation system by rehabilitating the road system and constructing tunnels and bridges. In addition, certain measures have been taken to implement transportation projects in 2007–2009. To implement both the domestic as well as the foreign investment projects, the construction of the Shar-Shar tunnel and a bridge on the River Panj were completed, and 1,083.5 km of new good roads were constructed and 697.1 km of roads were rehabilitated and commissioned. A number of primary measures on liberalization were implemented in the aviation and railroad sectors. In addition, in order to restructure large infrastructure enterprises, the first stage of the strategic plan for restructuring the State Unitary Aviation Enterprise (SUAE) Tajik Air was implemented. To support the activity of the Tajik Railroad Company and reinforce its material and technical base so that its freight wagons meet the modern requirements, new freight wagons were purchased at the expense of internal funds. To strengthen the legal basis and reduce administrative barriers, the Association of International Trucking Carriers was granted independent status. Further, taking into account the high state expenses on the establishment of new trucking facilities, the State Unitary Enterprise *Ekspeditsiyai Naqliyoti* (Transport Expedition) was established.

There were plans to develop the communications sector in 2007–2009 in order to integrate into the global market. New digital exchanges have been commissioned and the investment project “Transportation Network” on installation of pylon columns was completed. Network accesses to rural areas were established in the Regions of Republican Subordination (RRS), which made it possible to increase the proportion of renovated telephone network up to 95 percent.

Achievements in the transportation and communications sectors made it possible to: reduce the cost of domestic and foreign shipments; improve the volume and quality of domestic and foreign freight shipment and passenger delivery; reinforce the material and technical conditions of trains, highways and railroads; make air traffic accessible; improve transit conditions; reduce expenditures for services, including security of the transportation system, communications, access to Internet and mobile communications.

As a result of implementing the energy projects, the quantity and quality of services for other production sectors increased, which currently function at less than full capacity due to a shortage of energy resources, and to increase the availability of energy services and make them affordable to the population.

Therefore, the construction of the 670 mWt capacity Sangtuda-1 hydropower plant (HPP) generating 2.7 billion kWh of electricity annually was completed and commissioned. Also, the long-term programme for constructing a number of small HPPs for 2007–2020 was implemented in the energy sector and 50 small HPPs have been constructed and commissioned to date. In order to reduce energy loss, a US\$ 4.1 million project was implemented to convert induction-motor meters in Dushanbe City to electronic meters, with the assistance of the World Bank. Also, electricity transmission lines have been constructed and commissioned, which made it possible to increase the proportion of electricity consumers by 1.9 percent. The National Government widely introduced the use of energy-saving facilities to reduce the deficit of electricity; modern energy-saving bulbs have been used, resulting in a five-fold reduction in expenditures for lighting and increased lifespan of the bulbs by 8–10 times.

In order to convert heating stations into coal-based ones, a gas deposits exploration project together with the network of condensed gas stations and a number of investment projects were implemented. As a result of the underground processing and drilling of deposits in the country, production of coal increased by 73 percent, which in turn led to the creation of new jobs. The increase in industrial production led to job creation, resulting in poverty reduction. This has been achieved due to the use of minerals and the sufficient production of agricultural products in the country.

A number of measures have been taken to develop Tajikistan’s production priorities within the framework of “Support for the development of priority industrial sectors”. In order to establish cotton processing enterprises, Governmental Decree No. 392 of 3 August 2007, “On the Programme for full processing of cotton fibre produced in the Republic of Tajikistan until 2015”, was adopted. Moreover, in order to establish enterprises for processing leather, wool, tobacco, silk cocoon and other raw

materials, Governmental Decree No. 663 of 29 December 2008, “On the Programme for full processing of leather and wool in the Republic of Tajikistan until 2015” was adopted. Bearing in mind the introduction of quotas for domestic processing in order to increase aluminium processing and monitor its implementation, the “Programme for processing and production of ready-made products of primary aluminium for 2007–2015” was approved by Governmental Decree No. 648 of 30 December 2007. The implementation of the adopted Decrees during this period allowed industry production to increase by 25.6 percent and industry export by 18 percent.

Development of the agricultural sector allowed to ensure a reliable, stable and adequate food supply in the country through gradual and sustainable growth of the volume of agricultural production, an increased level of income and employment, the conservation of natural resources and increased economic reproduction, which made it possible to ensure food security in the country.

In order to create favourable economic, financial and political conditions in the agricultural sector, Governmental Decree No. 658 of 31 December 2008, “On the approval of the Agricultural Policy of the Republic of Tajikistan” was adopted, which aims at promoting economic development through modern techniques and methods in agricultural economy. Also, in line with this policy, and in order to promote food security, Governmental Decree No. 72 of 2 February 2009, “The Food Security Programme of the Republic of Tajikistan until 2015” was approved.

In order to observe equal rights and guarantees for land use rights, land reform monitoring was conducted in districts. Public education activities on farm reform were conducted in 29 farms in towns and districts under the reform. In 2009, around TJS 4,912,000 were allocated for land reclamation, improving soil quality, and reducing wind erosion and desertification, making it possible to reclaim of 8,774 ha of land.

Education. Education is a key sector for achieving the PRS goals; ultimately, progress in education determines, to a significant extent, the outcome of all the efforts to improve governance and to promote sustainable economic growth and the development of the country’s human potential.

Increased enrollment of girls and boys in general secondary education up to 98 percent for the PRS-2 period, improved educational sector management and the implementation of measures set in the education sector made it possible to improve the major sector indicators and increase enrolment of children in primary and basic secondary education to 97 percent in 2008 (from 96.6 percent in 2007). The overall enrolment in school education reached 98 percent in 2008, which is 9.6 percent higher than in 2005.

To increase the effectiveness of available resources use: the proportion of schools with per capita financing system accounted for 10 percent in 2005, 15.5 percent in 2007, and 30 percent in 2008. The proportion of expenditure on the secondary education against the total expenditure on the education sector was 79.3 percent in 2007 and 76 percent in 2008 which is 3.3 percent less than in 2007.

In 2008 (149 schools), the number of newly constructed schools was by 83 schools more than in 2005 (66 schools).

Development of the healthcare system. Healthcare is a key sector towards achieving the Millennium Development Goals (MDGs), because all efforts to improve the populations’ health promote sustainable economic growth and the development of the country’s human potential.

There are concrete results and achievements in the reduction of maternal and infant mortality rates, and in the burden of infectious diseases, and in the eradication of certain communicable diseases that can be controlled by vaccines. As a result of implementing measures in the healthcare sector in 2007–2008, the following results were achieved: the proportion of expenditure on primary healthcare (PHC) compared to the total expenditure on the healthcare sector was 25 percent in 2005; 34 percent in 2007; and 16 percent in 2008; according to the overall plan of the Government, this indicator should be increased to 40 percent during the PRS period.

Despite the implementation of the necessary measures in this sphere, maternal and infant mortality persists. In 2008, the mortality rate of children under five was 53 per 1,000 people, which shows a decrease from 63 per 1,000 in 2007; the mortality rate of newborns decreased to 46 per 1,000 people in 2008 (58.4 in 2007). There is also decrease in maternal mortality, as shown by the available data, at 120 people per 100,000 babies in 2008.

Improvement of the social welfare sector. The reforms in the social welfare sector of the country will allow to implement a number of social and economic measures aimed at reducing unemployment, increasing prices, income inflation and promoting social welfare. Bearing this in mind, employment, social insurance, pension security and targeted social assistance are the priority areas of the social welfare sector, which directly effect the living standards of the population. Taking into account the goals and priorities of the PRS related to the problems in this sector, concrete measures were implemented and the following results were achieved: in 2008, the volume of non-insurance payments from the State social insurance were 7.1 percent (2007), which decreased by 19.9 percent compared to 2005 (27 percent). In 2008, some 40 percent of the able-bodied population were covered by the state social insurance (43.9 percent in 2007), which increased by 7 percent compared to 2005 (33 percent). In 2008, the number of employed people increased by 5.8 percent compared to 2005. The social assistance provided in 2008 was TJS 52.5 per capita (TJS 40 in 2007), which is TJS 40.5 more per capita than in 2005. The number of social services centres operating reached 6 centers in 2008, which is by two more than in 2005. Due to the measures implemented by the Government, the poverty rate decreased from 72.4 percent in 2003 to 53.5 percent in 2007 and absolute poverty rate from 41.5 percent in 2003 to 17.1 percent in 2007, which is a significant achievement. Activities are ongoing in this direction.

Visible results have been achieved with regard to expanded access to water supply, sanitation and housing, and to municipality services. It should be pointed out that the main goal of the reforms in this sector is to provide 96 percent of the urban population and 51 percent of the rural population with drinking water, which meets the Government's standards, and to provide 47 percent of the urban population and 37 percent of the rural population with basic sanitation and hygiene services. In 2008, 90 percent of the urban population was provided with drinking water, which meets government standards, but this decreased by 3 percent compared to 2005 (93 percent). In addition, 47 percent of the rural population were provided with drinking water, which met the Government standards for 2008, but decreased by 2 percent compared to 2005 (49 percent). Around 94.8 percent of the urban population in 2008 were provided with basic sanitation and hygiene services, which increased by 74.8 percent compared to 2005 (20 percent). The state budget expenditure on water supply, sanitation and housing, and municipal services was 1.5 percent of the GDP in 2008, an increase of 0.4 percent compared to 2005 (1.1 percent of the GDP), and the planned indicator for 2009 is 75 percent.

Promotion of gender equality. The matrix of measures for achieving gender equality includes the measured developed specifically for the implementation of the Government's gender policy. The measures for resolving gender-related problems are grouped and include the improvement of the institutional basis for gender policy and the establishment of efficient mechanisms to ensure equal access and subsequently reduce violence in the family and in the society. The major indicator and results of gender issues - Tajikistan's Development Index is based on Gender Equality factor, which rose to the 106th place in the world in 2008, but a decreasing trend is evident when taking into consideration the last three years — 2005 (91st place), 2006 (90th place) and 2007 (90th place).

### **2.3 Lessons learned from the implementation of the Poverty Reduction Strategy for 2007–2009**

Lessons learned included the following:

- The establishment of monitoring units on PRS implementation in ministries, agencies and local authorities consistent with its goals and activities should be completed;
- PRS did not envisage, *inter alia*, clear mechanisms for the harmonization of measures on impact factors and rapidly changing conditions, such as global financial and economic crises;
- Some parts of the implemented measures were not coordinated with financial resources, and others are sector-specific.

As a result of the lessons learned from the implementation of the PRS for 2007–2009, a number of measures and changes were included in this Strategy. For example, in order to strengthen coordination between ministries, agencies and local authorities, there was an adjustment to the monitoring mechanism for the implementation of PRS for 2010–2012. In addition, the measures for implementing the objectives of the Strategy were clearly identified and in line with the goals, and their number reduced by half compared to the previous PRS.

### **3. GOALS AND KEY DIRECTIONS OF THE POVERTY REDUCTION STRATEGY POLICY FOR 2010–2012**

The goals and key directions are as follows:

1. PRS is a three-year medium-term programme developed within the framework of the NDS. It consists of implementing Tajikistan's economic policy measures aimed at reducing the impact of the global financial crisis. It clarifies state policy measures on the current trends in order to gradually achieve goals outlined in the NDS. The PRS serves as the basis for developing sectoral and regional strategies.

2. At present, poverty in Tajikistan is determined from the material perspective: by the low level of income to satisfy the minimum needs and limited access of the population to services in education, healthcare, security, participation in the public activities, etc. Poverty reduction not only requires redistribution of the national revenue, but also more sustainable economic development, allowing the poor to find suitable jobs, have access to vital services and social insurance, and acquire their deserved position in the society. For this reason, in particular, the PRS is entirely aimed at addressing the poverty issues. The goals of this PRS are fully in line with the MDGs and the NDS, and show consistency with the PRS goals for 2007–2009. These goals are clearly identified within the PRS for 2010–2012.

3. The main goal of the implementation of the PRS is to promote dynamic economic growth, to improve the quality of the population's living standards, particularly the socially vulnerable segments of the population, and to strengthen human potential.

4. The PRS is based on major indicators, which outline the development of all basic aspects of welfare of the population during the implementation period. These targeted indicators for poverty reduction are outlined in Table 2. Other sectoral and regional development programmes and plans need to be harmonized with the PRS and should promote the achievement of its goals for 2010–2012.

5. The goals of the PRS reflect the effects of the global economic crisis faced by the country during its development period. Moreover, external factors — lack of access to sea, great distances to markets of high-income countries, instability of the regional situation, threat of drug trafficking and terrorism — and some internal factors — the low level of competitiveness, the high demographic rate and the degradation of human and physical capital inherited from the former Soviet Union period — negatively impact the country's development. At the same time, implementation of the PRS measures can create the basis for achieving the NDS goals. The Government believes that donor organizations will include amendments in their programmes to the greatest extent possible, taking into consideration the NDS/PRS, and with a view to provide assistance to the country.

6. The PRS is aimed at openness, transparency and accountability of state policy to society and the strengthening of democracy. It will serve as the basis for establishing cooperation between the Government and civil society, which is a priority at all stages of PRS implementation, including the reinforcement of the monitoring and distribution of resources. The budget expenditures should be harmonized with the PRS through medium-term budget programmes, the state annual budget and the state investment programmes, and must ensure the basic resources for its implementation.

7. Taking into consideration the NDS, the current problems related to the social and economic development and the lessons learned from the implementation of PRS 2 (see Chapter 2), the following was determined in this Strategy as the main directions for the country's development policy and poverty reduction:

- Improvement of the public administration in order to increase transparency, accountability and effectiveness of the activities of the government agencies in the fight

against corruption and to create favourable macro-economic conditions and institutional, regulatory and legal environment for development;

- Promotion of sustainable economic growth and diversification of the economy by developing the private sector and attracting investments, particularly in energy, transportation infrastructure and the cotton sector. By expanding economic freedom, strengthening ownership rights and developing cooperation between the government and the private sector, these goals can be achieved;
- The development of human potential by increasing the accessibility of social services provided to the poor, improving their quality, promoting active participation of the population in the process of development and boosting social partnerships.

8. The concentration of the efforts of the Government and society in these directions will ensure more effective use of the available internal resources and foreign aid provided to Tajikistan, and the development of all of the segments of the country's population, and as a result, promote the development of the society and thus reduce the poverty rate.

9. The measures within the government policy aimed at improving the public administration and creating a favourable environment for development are outlined in Chapter 4 of the "Functional Block". Chapter 5 of the "Production Block" includes the policy of institutional and economic development and stimulation of the private sector. Chapter 6 of the "Social Block" encompasses measures to ensure the development of human potential through, *inter alia*, the educational system, healthcare and social welfare.

10. There are a number of multi-level problems in the PRS; the measures in all three major policy directions are aimed at resolving them. The Government plans to undertake further necessary measures to complete systematic change, resolve demographic problems and to ensure sustainable environmental development, gender equality, and improved rights and opportunities of women

11. According to national social and economic development indicators for 2010 and the main parameters of its 2011–2012 outlook, the GDP growth is forecasted at 5.0 percent, 6.5 percent and 7.0 percent, respectively. The growth of the per capita GDP in 2012 will be 19.5 percent compared to 2007. Therefore, the poverty rate in 2010–2012 will decline by 7.9 percent compared to 2009 and will be 41.4 percent in 2012 (Annex 3).

The implementation of the previous PRS shows that the impact of increased GDP per capita on the reduction of absolute poverty is 1.5 times ratio. Therefore, absolute poverty in 2010–2012 will be reduced by 5.8 percent compared to 17.1 percent in 2007, and will be 11.3 percent in 2012.

With respect to GDP growth during 2010–2012, according to an optimistic scenario, under the influence of external market stabilization, an increase in remittances of labour migrants and in national export capacity and in domestic need, from 2009 to 2010, the real GDP will increase by 6.0 percent; by 7.5 percent from 2009 to 2011; and by 8.5 percent from 2009 to 2012. According to the official forecast, this will be 1 percent higher both in 2010 and 2011, and 1.5 percent higher in 2012. The poverty rate would be as follows: from 53.5 percent in 2007 and 49.3 percent in 2009 to 47.0 percent in 2010, 43.4 percent in 2011 and 38.9 percent in 2012. Thus, in case of high (optimistic) GDP growth, the poverty rate may decline by 14.6 percent within the five year period (2008–2012) and may reach 38.9 percent in 2012. In addition, in this same period, the absolute poverty level may decline by 7.0 percent compared to 2007 and may reach 10.1 percent in 2012.

According to the best case scenario for 2010–2012, compared to 2009, the real GDP will grow by 3.5 percent in 2010, 5.0 percent in 2011 and 6.0 percent in 2012. The poverty rate may change as follows: since 2007: 53.5 percent in 2007, 49.5 percent in 2009, 48.6 percent in 2010, 46.7 percent in 2011 and 44.1 percent in 2012. Thus, according to the latter scenario, of GDP growth the poverty rate may decline by 9.4 percent during the five years, reaching 44.1 percent in 2012, while the absolute poverty level may decline by 4.5 percent compared to 2007 and may reach 12.6 percent in 2012.

## **4. ESTABLISHMENT OF THE GENERAL CONDITIONS FOR DEVELOPMENT (FUNCTIONAL BLOCK)**

The functional block of sectoral sections of the PRS (public administration reform; macro-economic development; improvement of the investment climate; development of the private sector and entrepreneurship; regional cooperation and integration into the global economy) aims to establish general institutional conditions to stimulate economic growth and improvement in the scope and quality of the social services provided to the poor.

Joint planning of sectoral priorities and activities within the framework of a single unit allows to reduce interdepartmental disagreements in the drafting and implementation of the economic policy, and to enhance the effectiveness, coordination and targeting of the actions planned.

### **4.1. Public Administration Reform**

1. The Strategy for Reform of the Public Administration System of the Republic of Tajikistan was approved by Presidential Decree No. 1713 of 15 March 2006, which focuses on the following priority areas:

- improvement of the effectiveness of the national development management;
- improvement of the system of public administration according to the principles of the market-based economy;
- improvement of the effectiveness of government financial management;
- establishment of the modern professional civil service;
- improvement of administrative and territorial management.

This sector includes the tasks and measures set out in Presidential Decree No. 1713 of 15 March 2006 “On Approval of the Strategy for the Reform of the Public Administration System of the Republic of Tajikistan”, Decree No. 541 of 16 September 2008, “On Approval of the Concept for Improvement of the Public Administration System of the Republic of Tajikistan”, and Decree No. 582 of 31 December 2008, “On Approval of the Concept of the Government Personnel Policy of the Republic of Tajikistan”, as well as other regulatory legal acts.

Certain issues concerning financial management and institutional improvements are also reflected in measures outlined in the *Macro-Economic Development* section and other sectors of the PRS.

2. The Government has undertaken measures to bring the public administration system in line with democratic principles and the requirements of a market economy. Effective institutional reforms are not keeping pace with the rapidly changing economic situation, however. The public administration system in place today is not sufficiently effective and does not provide for the proper regulation of market processes.

3. The key problems in the public administration system are as follows:

- The system for managing national development processes is ineffective: there is not enough coordination of development programmes and plans, and no clearly defined integration of priorities, goals and results, which also hamper the institutionalization of the strategic priorities in the State expenditures.
- The State is too heavily involved in economic activity and does not perform the proper regulatory functions, which hinders the growth of the private sector.
- The system in place for managing government finances is not particularly effective; the State expenditures on investment is fragmented and not properly linked to the strategic priorities and development goals.
- The mechanism for the management and development of human resources potential is ineffective, and the level of motivation among public employees is low.
- Functions and authorities are duplicated among different levels of the government and their areas of competence overlap; there is no clear distribution of functions related to



providing services to the public and, as a result, the quality of these services is poor and they are difficult to access; the administrative and territorial division of the country is not uniform, which is a barrier to the proper distribution of functions, authorities and resources.

- The local self-government is poorly developed.

4. Historical experience shows that fostering conditions that are conducive to economic development is linked to more active government involvement. Without establishing an effective public administration system and the conditions that promote economic activity, significant results cannot be achieved towards sustainable economic growth and development, nor can poverty therefore be reduced in the country.

The goal of reform is to increase the effectiveness of central and local branches of the government, by: establishing a professional civil service and an optimal system for the elaboration and implementation of the development policies and programmes with enhanced management capacities and accountability; designing and introducing mechanisms for the clear integration of the long-term strategy with the process of planning and implementation of the state budget, annual plans, strategies for the development of the sector and investment programmes; coordinating the development of the public and private sectors with the aim of carrying out top-priority national tasks closely related to the development of the economy as a whole; strengthening active, local self-government with a clear distribution of functions and authorities among the levels of the government and local self-government, combined with the redistribution of financial and material resources to ensure improvement in the scope and quality of services provided to the poor.

5. In order to achieve the set goals, the following tasks and measures should be identified and carried out by the Government:

- design and introduce mechanisms for the coordination of the development priorities at the national, sectoral and territorial levels;
- closely coordinate the development of the public and private sectors to carry out the top-priority national tasks in close connection with the development of the economy as a whole;
- gradually withdraw from direct intervention in the economy and the transition to the predominantly indirect methods of state regulation;
- coordinate strategies and investment programmes with the budget process;
- develop the strategy of the state budget that ensures the long-term financing of the strategic development initiatives, taking into consideration that the resources are provided from the budget for annual and other plans of the sectors;
- improve mechanisms of public investment management; expand partnerships between the public and private sectors aimed at the development; improve the coordination of the development policy; and create mechanisms for effective mutual cooperation with foreign investors and development partners;
- streamline the mechanism used for distributing the budget's revenue sources among the various levels of the government, taking into account the redistribution of functions and identifying their financial authorities;
- strengthen the capacities and motivation of the civil service, including by modernizing the human resources management system and developing staff capacities according to the principle of separating political and administrative positions; strengthen the incentive role of wages; and reinforce professional ethics and professional standards;
- clearly allocate the functions and authorities among the levels of the government and local self-government, including the redistribution of the financial and material resources;
- abandon traditional, centralized mechanisms for the delivery of services to the public and the introduction of flexible and effective financing and management methods in

order to promote higher quality and enhanced accessibility of services provided to the public;

- regulate the relationship between the executive government bodies and local self-government on the basis of legal acts currently in force;
- improve the administrative and territorial division of the country, in consideration of the various concepts for the development of its administrative and territorial division.

6. The following should be key requirements for implementing the public administration reform:

- identifying an agency responsible for the implementation of the reforms;
- involving all the participants in the reform process and developing effective social partnership mechanisms;
- establishing a position involving the development of administrative and territorial management;
- coordinating the public administration reform with the reforms in other sectors;
- performing a cost-benefit analysis of the reform;
- using a selective approach to introduce international experience.

7. The measures planned for 2010–2012 in the area of public administration reform, allow the strategic and tactical decisions to be the basis for an effective national development management system in Tajikistan, ensuring both the vertical and horizontal interconnections and interdependence among all the executive government bodies.

#### **4.2 Macro-economic Development**

1. Tajikistan's economy significantly developed at the end of the pre-crisis period, which promoted important positive changes at the macro-economic level.

The real GDP increased almost by 25 percent and its average annual growth was over 7.5 percent during the last three years (2006–2008). During this period, the nominal salary increased by 2.5 times; the real salary by 1.5 times; and the average pension increased by 3.2 times.

The country's economic development was driven to a large extent by an increase in the daily internal demand due to the large volume of remittances from labour migrants. In 2008, the volume of remittances increased by 1.5 times over the previous year, at 52 percent of the GDP.

The annual inflation rate, which was 20.4 percent in 2008, increased by more than 70 percent over 2006 due to the growth of prices for food and fuel.

Improvement of the monetary and credit policy promoted stability in the currency market. In 2008, the exchange rate against the US dollar did not change significantly, and compared to 2006 declined by 4 percent only. The state budget surplus in 2008 increased by 1 percent of the GDP, showing that the monetary situation has improved.

The overall official unemployment rate did not change, remaining at slightly over 2 percent. Nevertheless, experts believe that the real figure could be 9 percent, and taking into account labour migrants, it could be 25 percent.

At the beginning of 2009, i.e. at the time the global financial crisis, the macro-economic situation of the country showed the following trends:

Since world prices for key export products of the country dropped unexpectedly in 2009, foreign trade turnover dropped by 23.6 percent compared to the previous year; exports decreased by 28.3 percent and imports by 21.5. The trade balance declined because prices for exports (cotton fibre and aluminium) decreased faster than those for imports, which led to the deficit of balance in current operations.

Due to the decline in the economy of the Russian Federation, the opportunities weakened for employment of labour migrants, resulting in a decrease in remittances by 31.4 percent. This trend may have an overall effect on private consumption and the level of the welfare in the future since Tajikistan ranks first in the world in terms of dependency of its economy on remittances (52 percent against the

GDP in 2008); on average, the families with members who are labour migrants, cover about 35 percent of their expenses in this way.

Due to the above factors, the demand on the current foreign exchange increased and the exchange rate of the US dollar against the national currency has grown visibly. The highest growth in the exchange rate of the US dollar was 28.6 percent, observed in June compared to December of the last year. The National Bank has undertaken measures to stabilize the situation to a certain extent.

All of these factors impacted negatively on the budget revenue and financial stability in the country. The approved Programme on Budget Revenue was not implemented. As a result, the country's Parliament adopted the Law on the reduction of the budget revenue by 9.8 percent and the revenue by 9.6 percent. Combined with this, the social sector expenditure was fully financed.

Despite the negative impact of the global financial and economic crisis, the measures undertaken by the Government made it possible to ensure more sustainable economic development. The nominal GDP in 2009 was TJS 20 622.8 million and real sector development was confirmed at 103.4 percent over 2008. The per capita GDP was TJS 2,760, which was 15.5 percent higher than in 2008. The overall State budget revenue for 2009 was 99.7 percent of the envisaged budget at TJS 5 541.2 million, which was 26.9 percent of the GDP. In 2009, inflation in the consumption sector, which was dependent on limitations in public demand and the coordinated monetary policy increased normally. The inflation rate was 5 percent in this period, which was less than 2.4 times that of 2008 (11.8 percent).

It should be pointed out that in 2009, due to the increased effect of the global economic crisis on the country's economy, there was a growing risk of suspending most of the social programmes and an increasing probability of weakening or even stopping the ongoing economic reforms in the country. This situation threatened to dampen the achievements made in the social and economic levels of the country in recent years.

To eliminate the negative impact of the global crisis on the country's internal economic process, the Government's short-term Plan for Additional Anti-crisis Measures was adopted in April 2009. The plan included the following: promotion of macro-economic stability; support of the real sector of the economy; promotion of private sector development; creation of new jobs and support of the labour market; social support of the population; and improvement in the investment climate for attracting investments.

However, due to insufficient internal resources of the country, it is impossible to implement the adopted plan of the country; appropriate support of international financial institutions and developed economies is needed for its implementation.

Within the framework of the anti-crisis measures, in 2009, the donor community approved the provision of a coordinated support of US\$ 154 million to the country. In April 2009, the Executive Board of the International Monetary Fund (IMF) approved a three-year agreement (for 2009–2011) with the Government on the funding mechanism for poverty reduction and the promotion of economic development, for a total of US\$ 116 million (including US\$ 70 million allocated for 2009). Moreover, IMF will allocate an additional US\$ 100 million to support the Government's anti-crisis measures.

These policy measures will provide the foundation for implementing reforms in 2010. In the budget sector, all possible efforts have been made to improve the method of tax collection, including annulling tax privileges for imported goods and services. Success in this sector will also ensure timely spending in the social sector compared to the spending for 2010 earmarked in the budget, which was approved by the Parliament in November 2009. In addition to the impact of the global crisis on the budget in the last two years, due to the termination of external funding of the agricultural sector, there are plans to fund the agricultural sector through the private sector. The agricultural sector funding would not be sustainable if funded by state budget through a commercial bank loan, because these types of loans are ineffective and weaken the bank's repayment capabilities. In this case, the recently adopted Cotton Debt Resolution Programme should provide a good basis for increasing donor assistance to commercial banks. Funding through aid will make it possible to end budget funding of the agricultural sector and will also strengthen the banks' operational capacity for rehabilitating external commercial funding of the national economy in the medium term. Furthermore, according to

the recapitalization mechanism of the National Bank of Tajikistan (NBT), the state loan can temporarily increase from 40 percent of GDP, but its indicator may probably be lower in the medium term.

The primary goal of NBT's monetary policy for 2010 is to maintain price stability, i.e. a one-digit inflation and low overall prices of consumer goods, and to implement the monetary programme. The exchange policy depends on the fluctuation of the nominal market exchange rate against the currency of commercial partners. NBT will not interfere except in circumstances where it becomes necessary to deal with extremely unsustainable exchange rates and to strengthen its currency policy as a result of an unexpected increase in demand for money. NBT will limit its position strictly to implementing monetary policy and will remain the creditor of the last level; i.e. it will stop providing loans to the private sector in order to promote banks' solvency.

Sustainability of the commercial banks system became a cause for concern as a result of the economic crisis. As a result of a decrease in the prices of export goods, the reduction of remittances, inflation, an overall increase in uncertainty, bank solvency decreased. Consequently, the banks increased their interest rates in order to prevent a possible massive withdrawal of deposits by clients because there was a limited paying capacity of NBT due to the lack of relevant deposits. Despite these protective measures and relatively high incomes of banks related with risks related to crisis, and despite the decrease in inflation rate, the lending interests rates are still high. As a consequence, the banks' solvency is at risk, which is evident by the rapid increase in unserved loans in 2009. This situation in its turn has lowered the lending rate. In fact, lending to the private sector declined by approximately 5 percent in 2009.

All of these factors make it necessary to strengthen macro-economic standards in the banking sector. In the banking sector, all of the banks must implement economic standards in time; the banks' capital must be immediately strengthened.

2. Within the context of the global economic crisis, the main goal of the PRS in this sector is to maintain macro-economic stability, increase economic development and improve the welfare of the population, particularly the poorest, through the improvement of the scope and quality of social services provided.

3. The major challenges in achieving macro-economic stability are as follows:

- the lack of interconnection between the activity of the agencies in the economic sector for developing the macro-economic planning/prospects — monetary and fiscal — and the budget, which creates barriers to making better economic decisions on a timely basis;
- the poorly developed mechanisms and instruments for macro-economic regulation;
- the low effect of the financial mechanisms of the budget policy on the accelerated economic development process;
- the insufficient monetary and fiscal policy instruments and the poor development of the securities market;
- insufficient diversification of the economy and the country's export capacity, which leads to a high level of dependency on external factors, including the negative impact of the global crisis;
- the gap between the rapidly developing labour resources and the creation of new jobs, which results in an increased external labour migration.

4. Proceeding from NDS's main directions and priorities, the main goals of the PRS in the macro-economic development sector are:

- 1): Improvement of the tax and budget policy;
- 2): Further improvement of the monetary and fiscal policy; and
- 3): Continued implementation of the institutional reforms.

5. The tax and budget policy (task 1) will be improved through: improvement in the budget process; planned implementation of the short-term Strategy for State Financial Management; increase

of budget stability, reliability, comprehensiveness and transparency; improvement in the administration of tax; improvement of the tax administration; establishment of the procedures of unilateral state registration and enrolment of taxpayers by introducing the “one-stop shop” principle; simplification of customs procedures; and optimization of customs tariffs.

To address the tasks related to the improvement of the monetary policy (point 1), there are medium-term plans to implement measures aimed at widening the range of monetary policy instruments, improving the payment system, developing financial and currency markets, increasing the resource base of the financial institutions, making credit more accessible and strengthening banking supervision. Problems related to long-term bank loans to SMEs and to the use of the instruments of inflation control will be analysed.

6. Further improvement of the monetary and fiscal policy (point 2) includes measures aimed at: the sustainable development of the banking system; improvement of the legal base of banking activity; improvement of the procedures of deposit insurance; attraction of funds of international financial institutions to increase the resource base of the financial institutions, making credits more accessible and strengthening the banking services system; and use of effective tools for maintaining inflation.

7. Implementation of the institutional reforms of the sector and improvement of the efficiency of the government bodies (point 3) taking into account the requirements of the changing economic situation will probably continue.

The macro-economic planning methods will be improved, the development of the national statistics system will be enhanced, and the effectiveness and transparency of the state finance management will be improved. Efforts will be continued to increase the capacities of the government bodies responsible for the implementation of the macro-economic policy, to improve the regulatory legal base aimed at promoting macro-economic stability. There are plans to account for all financial resources, including attracting and using foreign aid for implementing the sectoral measures of the PRS.

#### **4.2.1 Development Promotion Strategy**

1. It is impossible to rehabilitate the high rate of economic development in the medium term, particularly without changing the trend of economic policy measures. The previous period, known for its rapid development, was supported mainly by external labour migration and further remittances, as well as foreign aid of bilateral donors, which could provide the appropriate level of investment in the country.

It is doubtful whether this type of support would significantly promote development over the next years. If remittances reach their previous level or even increase according to the economic development of the Russian Federation, development would not grow as in previous years. The greatest risk is that if the country does not increase economic opportunities, particularly in the agricultural sector, migrants will leave permanently with their families to foreign countries. In this scenario, remittances would decrease the contribution of labour, expenses for the economic development would decrease, and in particular, development prospects would diminish in the agricultural sector.

Bilateral assistance in investment has been reduced in the medium term due entirely to the large current external debt. According to preliminary estimates, from 2008 to 2012, the share of state funding for investment has decreased by 3.5 percent of the GDP. In addition, it is expected that the share of private investment will remain the same as in 2008, at approximately 6.0 percent of the GDP.

2. The major challenge for future development is the limited amount of private deposits and the insufficient proportion of investment, which according to estimates, will account for approximately 6.0 percent of the GDP. It is difficult to predict how it will be possible to rehabilitate the share of 20 percent investment – of which two thirds is State investment – to 8 percent of the development rate. In order to achieve this goal through State deposits, taxes must be increased or expenditures decreased, which is far from possible considering the low level of income and the increasing daily demand for social welfare. Thus, the only option is to increase private savings. In turn, transferring increased

deposits into private investment requires the establishment of a sustainable and reliable banking system and the creation of favourable economic conditions for entrepreneurs.

3. Despite these challenges, Tajikistan has great economic potential. Long-term productivity improvement, which can be achieved by increasing the share of the private sector in the economy, is the guarantee for success, because both private deposits and private investment will promote productivity in general. The sectoral policy measures, including in the energy and agricultural sectors, have sufficient potential to promote improvement of productivity. Their implementation requires strict restructuring of the management sector in the country.

4. The planned indicators for economic development should be ambitious. The goal for the next 20 years is to lift the country out of poverty, remove it from the list of the poorest countries of the world and place it on the list of, at a minimum, medium-income countries. These long-term development indicators require a 6.5 percent average annual development rate. There is a possibility of a decline in the development rate in the long term due to higher incomes level. Therefore, a development indicator of no less than 7 percent per year should be set for the medium term. In order to achieve these indicators, the economic policy measures should be directed at full implementation of production capacity. Macro-economic stability is the main prerequisite and will be ensured by undertaking fiscal and monetary policy measures. With respect to the structural policy measures, the main tasks are to significantly enhance the balance against deposits and investment, and ensure productive employment, rather than create new positions by merely redistributing the national revenue.

5. The strategy for ensuring growth in the country should be based on comparative advantage. Having taken into account the sufficient amount of natural resources, hydro-energy generation is considered to be this advantage. Potential for hydro-energy generation exceeds the internal demand and can become a source of energy for neighbouring countries facing electricity shortages and/or that have huge production expenses, particularly Afghanistan, Pakistan and China. Tajikistan also has significant resources of high quality coal, which can be used to reduce seasonal shortages of electricity – lack of electricity in the winter and its excessive production in summer season. A strategy for ensuring growth in the energy sector has two directions. Rehabilitation and modernization of the electricity sector for the medium term requires full compensation of production cost. The current, large, quasi-fiscal deficit in electricity generation should be completely eliminated by reducing losses and embezzlement during energy distribution through collection, metering and payments data as well as by increasing tariffs and ending cross-subsidies. At the same time, investments in the generation of coal-based heat energy should be a primary task. Significant restrictions hamper increased productivity. According to a recently conducted review, enterprises cannot operate their activities due to insufficient and unequal supply of electricity; eliminating such restrictions could promote progress in this sector.

6. The long-term strategy in the energy sector is based on enhancing electricity export opportunities and ensuring energy independence of the country. The key priority in this sector is to continue the construction of Roghun HPP as well as lines for the transmission of electricity to potential export markets. The national comprehensive plan for energy development, including short- and long-term goals and objectives, will be drafted clearly and in detail, taking into account possible concern of neighbouring countries over the country's investment plans. Having taken into consideration the need for investments, specifically in energy, close cooperation with international financial institutions and bilateral donors will be continued.

7. Diversification in the agricultural sector will ensure good opportunities to promote economic growth in other sectors. As a result of its favourable climate, in the past, the country exported great quantities of agricultural products, not only cotton, but also horticulture products to other countries of the former Soviet Union. Reforms carried out in the agricultural sector have already promoted the reduction of excessive production of cotton and an increase in the production of more profitable crops. The Cotton Farm Debt Resolution and progress in restructuring farms while issuing land use certificates to family farms will help eliminate two major barriers to the flexibility of the farm and production structure. Further diversification will stimulate the export of non-cotton agricultural

products and replace imports by domestic products. Regarding the cotton production the high fertile lands will be used for this purpose and it will remain the agriculture product for export.

8. In the coming years, progress in land reform (rapid issuance of land use certificates) will be the primary task of the agricultural sector after the Cotton Farm Debt Resolution. At the same time, the reform process will be deepened through a change in State authorities' functions in the agricultural sector. Rather than intervening in farm activity, they will distribute information on markets and prices, and organize farmer training. The social welfare system also needs to be improved and the governmental working group has started developing options in this regard.

9. Despite their important role in the strategy for ensuring growth in Tajikistan, sectoral policy measures alone cannot ensure success. Further, these policy measures will be only effective if measures for improving the business environment do not limit themselves to eliminating irregularities barriers and excessive regulatory measures. Business environment surveys and the low level of private deposits and investments show that, in general, it will be impossible to achieve economic growth in the country without taking firm measures to improve the investment climate. In addition, instead of dynamic growth to reduce the national poverty rate, stagnation will occur, and the export of labour migrants services will be replaced by the export of labour resources (i.e. outflow from the country).

10. The primary strategic task is therefore to improve the business environment and to ensure effective public administration. According to an assessment of international experts and research conducted, there are barriers to entrepreneurship in all important spheres in the country, showing the need to implement urgent measures; results were more negative from 2002 to 2008. Nevertheless, the assessment was controversial: what is important is that it shows that increases in the risk for investors, will hamper both external and internal funding of long-term investment projects, and thereby undermine the prospect of growth.

11. Many aspects of administration have improved over the recent years; however, progress started from a very low level. In fact, according to an international ranking, Tajikistan remains far behind the most of the Commonwealth of Independent States (CIS) countries on corruption, public resources management, ensuring rule of law, quality of regulatory framework and accountability of state authorities. These administration problems seriously ruin the efforts of the Government to attract foreign investment and expand the export base.

12. Taxation is often cited as one of the major barriers in entrepreneurship. Nonetheless, income tax is not high, and tax collection and inspections are non-transparent and unpredictable. As a result, enterprises often suspend their activities and terminate operations. The non-transparent application of procedures and provisions promotes bribery.

13. It is also extremely important to improve the management of State-owned enterprises. This can be initiated by a high-quality audit of the energy monopoly Barqi Tojik and the aluminium company TALCO, and the implementation of recommendations provided by auditors. It is necessary to speed up the process of privatizing State enterprises since the Government's share accounts for more than 50 percent in the majority of them. Many State enterprises are subordinate to sectoral ministries, which are considered to have selfish interests in the former, which is the main barrier to transparent privatization.

14. The regulatory and legal framework of export and import operations needs to be significantly simplified. Tajikistan companies face numerous legislative barriers in export and import activities. External observers correctly point out that this causes additional harm to the country, which has no access to the sea. Furthermore, such an assessment increases the risk premium, creating barriers to FDIs. Moreover, such complicated procedures promote more corruption. Time spent on implementing export procedures increased from 72 days in 2006 to 82 days in 2009, while time spent for implementing import procedures increased from 44 days in 2006 to 83 days in 2009. Moreover, the number of export and import documents in Tajikistan exceeds the number of similar documents in most other countries.

15. Protection of property rights should be the primary task in improving management. Tajikistan is behind other CIS countries in terms of protection of the rights of investors. a situation that must be improved in order to ensure more inflow of private investment. User rights guaranteeing private

enterprises the right to use property at their disposal are also extremely weak. There is progress in terms of farmers' land use rights, and similar rights should be provided to entrepreneurs operating in other spheres.

16. Finally, launching a business in Tajikistan is more complicated than in most other CIS countries, which is also the reason for the low level of FDIs. It is necessary to significantly reduce the number of steps that entrepreneurs need to take to launch their businesses. They should be reduced by at least 50 percent in order to ensure privileges as in other CIS countries. Moreover, the process of renewing business licences is not transparent and promotes bribery.

17. With the aim of improving the balance between private deposits and investments, it is necessary to undertake measures to ensure effective management, which would serve as a basis for progress. This goal can be achieved by reducing premiums for additional risks in both foreign and domestic investments. As a result of a reduction of real interest rates, the risks of non-compliance of obligations will decrease and thereby the quality of assets will be improved in the commercial bank sector. At present, however, the low level of financing and weakness of the banking sector have increased the country's vulnerability to internal and external turmoil, which increases the investors' premium for additional risk. In order to break this vicious cycle, strengthening of the country's commercial bank system should be the focus of the primary economic policy measure for the next several years. Stimulation measures for attracting deposits from remittances to the banking system will promote the inflow of foreign currency; banks should initiate such stimulation measures themselves. State policy on ensuring a level playing field for banks and fair competition is fundamental for a sustainable and effective banking system. As pointed out above, early resolution of cotton debt will also help improve the solvency of the banks (debt-paying ability) and liquidity management. Moreover, in order to support the financial basis and to develop the banking system to ensure solvency in operations of external commercial funding for the medium term, it is necessary to broadly introduce the Tajik Agricultural Finance Framework (TAFF) together with financial support of international financial institutions.

18. The strategy for ensuring economic growth of Tajikistan is ambitious and need significant financial support from international financial institutions and bilateral donors. Although the country was able in the past to cover the significant funding deficit from remittances of labour migrants, such expansion of inflows of foreign currency to support the economic growth is unlikely in the future. This strategy promotes increases in internal deposits and FDIs to satisfy the growing needs in funding investment projects. The successful implementation of the PRS for 2010–2012 requires significant assistance from the donor community.

19. The above-discussed issues form the basis of essential policy measures to implement. Through strong leadership and by taking firm measures, the country could have sufficient human potential to transform the current problems into policy measures for the purpose of development.

#### **4.3. Improvement of the investment climate, development of the private sector and entrepreneurship**

1. Expanded access to the market by improving the business and investment climate in Tajikistan is a key factor that can promote strong economic growth in the future and improve the scope and quality of the social services provided. The enhancement of the business and investment climate can help foster a competitive environment and the conditions for employment of the unemployed population, including self-employment, and help stabilize tax revenues.

In view of the objective difficulties related to doing business in Tajikistan, as well as the high poverty rate, the business environment and investment need to be more favourable than in other countries in order to compete for investment.

The high level of unemployment, the limited nature of the domestic market and lack of investments expand the role of such forms of entrepreneurial activity such as sole proprietorships and small businesses.



The priority assigned to the development of the private sector and the attraction of investments by NDS/PRS lead to the gradual commercialization of the social sectors of the economy and an increase in the proportion of services provided on a private basis. This will not only increase the quantity and quality of social services, but will also make it possible to earmark more budget funding to provide social services to the poorest segments of the population.

2. In the post-Soviet period, there was a marked decline in the fixed capital and human potential for both objective and subjective reasons; at present, the rate in Tajikistan is still very high, however, in comparison to other poor countries with similar GDP figures (US\$ 707.9 per capita in 2008). This indicates that the available resources are not being used effectively enough.

The interest of foreign investors in Tajikistan remains limited and is concentrated on the traditional sectors (energy, light industry, processing of agricultural products and manufacturing at low investment levels).

On average, Tajikistan has approximately 1.4 small enterprises per 1,000 people, while the Russian Federation has six and European Union countries have at least 30. In terms of the sectoral structure, commercial activity that does not require significant investments dominates small and medium-sized enterprises (SMEs) and individual entrepreneurial activity (accounting for as much as 60 percent).

Entrepreneurial activity is limited due to a shortage of electricity (particularly in winter) and natural gas, as well as problems in processing products and transportation between the various regions of the country and abroad.

The availability of credit resources for entrepreneurial activity is limited due to high bank loan interests (24–30 percent per annum). Approximately four fifths of the SMEs do not use bank accounts in their business operations and resort to cash transactions. Insurance companies and banking institutions, which do not have enough capital, operate as monopolies, limiting the use of their services.

Simplified forms of SME regulation, including household businesses, have not yet been put into place, and the legal protection provided for their employees is inadequate. Serious problems involving protection of ownership rights, including those related to the use of land, and current relations involving the purchase and sale of land, have not been fully resolved. In addition, there are difficulties related to the enforcement of contracts (due to weakness of the court/legal system) and corporate governance.

3. The analysis of the business and investment climate in Tajikistan reveals serious and significant problems as well as the need to carry out the fundamental institutional and economic reforms. The main problems in the investment and business sectors are:

- delays in implementing heavy institutional and economic reforms; weakness of the incentive system for productive labour in the real sector of the economy and low labour productivity; an inadequate administrative structure; and a decline in the level of production and human capital;
- protracted difficulties in enforcing contractual relations and protecting ownership and other related rights, as well as the ineffectiveness of the legal system;
- administrative barriers to market entry (limited information support; poor truck, air freight and hotel services; complicated procedures for obtaining visas);
- the high cost of doing business (insufficient access to financing, insurance and leasing services; difficulties with electricity, gas, water and heating supply (especially during winter months); a large number of audits; and serious limitations related to certification);
- insufficient state support for business and investment (a low level of knowledge, lack of market research, unprofitable cotton production operations, poor job skills among labour migrants and school graduates);
- the lack of a unified mechanism for attracting investments and using privileges and guarantees;
- inadequate taxation for operating businesses and its improvement;

- the lack of a single procedure for the attraction, use, coordination and monitoring of foreign aid as well as a mechanism for coordinating government agencies, including the local self-governments;
- protracted difficulties in obtaining permits, insurance and accessibility to land for the construction of commercial and production facilities; and
- limited information for entrepreneurs and the lack of an effective and common database of investors' activities.

4. Bearing in mind the NDS/PRS goals and priorities, and in view of the problems that have been outlined above, the following key tasks have been identified for the sector in 2010–2012: (i) implementation of structural reforms; (ii) establishment of a single legal procedure for attracting investments and providing guarantees and privileges to foreign and domestic investors; (iii) coordination of the government bodies regarding the attraction and effective use of the foreign aid, and the development of a single mechanism for its proper coordination and monitoring; (iv) establishment of a single database for investors and entrepreneurs; (v) lowering of the barriers and reduction of the costs related to entrepreneurial and investment activity; and (vi) state support for business and investments.

5. Within the framework of the structural reforms (task 1), there are plans to strengthen the role of the authorized government agencies responsible for attracting investments, which are identified by the Government. The main goal is to concentrate and coordinate the activity of the government bodies in order to attract investments and support the private sector through them. In addition, there are plans to strengthen the potential of the management agencies responsible for implementation, monitoring and evaluation of measures outlined in the PRS. There are plans to strengthen the potential of these bodies, develop calculation methods for rating the country's competitiveness] in terms of attracting investment and business, and to improve the relations between these bodies and the local government bodies, entrepreneurs, investors and international organizations.

6. There are plans to improve national legislation on investment with a view to identifying a single mechanism for attracting and managing investments and providing privileges to foreign and domestic investors (task ii).

7. Task iii concerns the promotion of effective cooperation with investors, international organizations (donor organizations) and international financial institutions, and coordination of their activities. At the same time, there are plans to develop a single mechanism within the project implementation process for attracting and using funds as well as coordinating and monitoring and evaluating their implementation.

8. Task iv concerns improving the access and provision of detailed information on investment projects in different parts of the country, and fully benefiting from guarantees and privileges provided by the government to investors. Within the framework of this task, there are also plans to improve legal knowledge of entrepreneurs in the regions by raising their awareness of the economic reform process and of regulatory legal acts adopted in the sphere of investments.

9. To improve the entrepreneurial and investment activities (task v), there are plans to analyse the taxation mechanism in the country and to bring it in line with the modern requirements. With regard to the complicated procedure of granting permits, there are plans to eliminate unnecessary permits that are not compatible with market conditions and to introduce them to the use of "a single window" system for improving insurance procedures, as well as increasing the responsibilities of entrepreneurs and introducing limited control of their activity.

10. In order to improve the investment and business climate in the country (task vi), there are plans, above all, to provide assistance to entrepreneurs through training, including legal training. Support for the establishment of business associations and cooperation with entrepreneurs will lead to civil society development. It would also involve them in the decision-making process, which would help increase the focus and effectiveness on the planned activities.

To support business and investments, there are plans to study the comparative advantages of various types of entrepreneurial activity in the country and to turn them into competitive advantages. Programmes will also be prepared to attract foreign direct investments.

11. It is anticipated that the implementation of these measures will allow private sector contribution to the GDP to increase to 66 percent by the end of 2012 (compared to 44.5 percent in 2008). Tajikistan's international rating of doing business should improve by 40 points.

#### **4.4. Development of the regional cooperation and integration into the global economy**

1. The principal goals of the country's foreign economic policy and the basis for forming a global partnership for development (MDG 8) are: a deeper integration of the country's economy into the global economy and ensuring its fair participation in the international division of labour and in international trade; the creation of a conducive environment for including domestic enterprises in international production processes; incentives to stimulate export and investment activity; the systematic participation of domestic businesses in determining the rules of international trade; and the achievement of sustainable human development.

2. Flexible regionalism is a defining feature of the Tajikistan's foreign economic policy. This approach entails Tajikistan's participation in the regional and bilateral trade agreements to stimulate trade and the rational use of the available resources and factors of production based on the recognition of, and compliance with, the rules and regulations of the multilateral trade system.

3. The analysis of the situation shows that the key problems in the area of the regional cooperation and integration into the global economy are:

- the lack of the necessary potential for effective implementation of the trade and investment policy measures; the underdeveloped legislative and legal frameworks governing relations in this sphere; as well as a weak mechanism for implementing regulatory legal acts;
- the unsuitable business environment and investment climate as a result of the lack of transparency in the application of the trade and investment policy instruments, as well as high transaction costs;
- poorly organized and insufficiently diversified exports, which are heavily dependent on prices of a limited number of unstable raw material markets. Insufficient attention is given to the development of the cluster option for the diversification of exports, taking into account all parameters;
- the country's great distance from seaports and its transportation and transit problems. At present, its transportation and transit policies heavily depend on conditions in neighbouring countries with regard to the transit of goods and vehicles across their territories;
- the inadequate marketing: there is not a single company in the country today that operates effectively in this area;
- the lack of healthy competition in the air transport services market and the weak material and technical base of the SUAE Tajik Air;
- the underdeveloped transportation infrastructure and the lack of healthy competition in the transportation services market; and
- the lack of an effective mechanism for border and customs control of the movement of goods, work, services and capital; a complicated mechanism for entry and temporary visits by foreign nationals; visa problems; and difficulties with the migration of labour forces.

4. Proceeding from the goals of the PRS and the priorities of the NDS, and taking into consideration the problems mentioned in regional cooperation and integration into the global economy, the tasks of the Strategy in this sector are to: (i) improve the system for managing foreign economic activity; (ii) strengthen the country's participation in global trade; (iii) develop regional cooperation;

(iv) diversify the commodity and sectoral structure of trade and simplify trading procedures; (v) develop tourism; and (vi) regulate labour migration processes.

5. The system for managing foreign economic activity (task i) will be improved by developing the institutional foundations for the regulation of foreign economic activity, including the elaboration of policies in this area and harmonization of the country's legislation with the norms of the international law; enhancement of the investment and business environment; access to the regulatory legal acts concerning foreign economic activity; the establishment of information and marketing centres; and improvement of measures for non-tariff regulation of foreign trade activity.

6. To expand Tajikistan's participation in global economic relations and to complete the process of the country's accession to the World Trade Organization (WTO) (task ii), there are plans to carry out a package of measures aimed at: analysing the consequences of globalization; providing access to the domestic market, in consideration of the country's economic interests; fulfilling the conditions of WTO Agreements on the protection of intellectual property rights, reduction of technical barriers to trade, and sanitary and phytosanitary standards; training highly qualified specialists in international trade and law; strengthening the activity of the Tajikistan Representative Office at the United Nations and other international organizations in Geneva related to the WTO; and fully participating in the drafting and adoption of decisions on international trade.

7. The development of regional cooperation (task iii) entails: improving the regulatory legal framework for regional cooperation; developing cooperation in transportation and transit systems between regions to resolve regional transit problems and to offer a way out of the transportation communication barriers developing cooperation in the provision and effective use of water and energy resources and hydrocarbon reserves; developing regional trade and adopting measures to simplify trade procedures within the region; accelerating the process of accession to the Customs Union and Common Economic Area within the Eurasian Economic Community (EurAsEC); participating more actively in the Shanghai Cooperation Organization (SCO); developing relations within the framework of the Economic Cooperation Organization (ECO); developing transportation corridors; and creating an International Energy Consortium and increasing potential for electricity transmission to the countries in the region by constructing electric power lines.

8. One of the most challenging tasks in the sector is the diversification of the commodity and sectoral structure of trade and the simplification of trade procedures (task iv). Given the limited resources available, the primary focus will be on: increasing the volume of the country's foreign trade turnover through rational implementation of a policy to develop the export-oriented sectors of the economy; drafting sectoral programmes for the development of export, taking into account the country's relative advantages in international trade; improving the tariff and customs policies, establishing a Consultative Committee on Trade Procedures, conducting negotiations with Kazakhstan, Uzbekistan and the Russian Federation on the elimination of the requirements that a deposit be paid for the transit shipment of goods across the territories of these countries; improving the mechanism for issuing licences for the production, handling and sale of alcohol products; improving the insurance system for legal entities and individuals; and resolving the issue of establishing and activating free economic zones.

9. The development of tourism (task v) is of considerable importance in achieving the Strategy's goals. This entails the implementation of the following measures: elaborating an effective mechanism for the implementation of policies and planning in the sector, creating the proper institutional base for the development of the sector; strengthening advertising and public information work by producing television and radio programmes for broadcast in foreign countries; publishing various advertising and public information materials; developing international cooperation to expand the legal base of the sector; establishing an attractive image of the country by more actively involving the domestic tour operators in international tourism exhibitions and trade fairs abroad, and by organizing a single exhibit to promote the country; organizing activities by tourism offices abroad that carry out advertising and public information roles; promoting Tajikistan's tourism opportunities in other countries; and developing the tourism infrastructure, including, *inter alia*, a network of hotels and other facilities that encourage the tourism development.

10. Regulation of the labour migration process (task vi): export earnings, FDI and remittances by migrants are now among the most important and relatively stable sources of foreign private financing. There is need for external labour migration, above all, to reduce the social strain, which results from unemployment among the economically active population. Given the insufficient legal sources to increase income and the lack of real economic opportunities to improve living conditions through employment in the country, external labour migration is the key factor to resolve this issue.

Issues that restrict the regulation of the labour migration process include:

- the spontaneous migration of labour migrants from Tajikistan abroad in search of jobs;
- the lack of knowledge of Russian or the language of the destination country;
- the lack of specific skills or profession;
- the low level of legal knowledge of labour migrants; and
- the lack of knowledge on appropriate ethics, behaviour and dress.

At present, there are 34 companies on employment of national citizens abroad with licences from the Migration Service. They have experienced the following difficulties in their activities:

- insufficient financial resources;
- high interest rates for bank loans;
- the non-fulfilment of terms and conditions of contracts by some foreign employers;
- the lack of professionals in Tajikistan who are needed by foreign employers.

When sending labour migrants to work under bilateral contracts, their interests should be protected including their rights, social needs and working conditions.

In this context, steps need to be taken to improve the mechanism for regulating and organizing external labour migration, to develop political dialogue in order to protect the rights and interests of Tajik migrants in foreign countries and to create the conditions for simplified entry and exit, as well as the conditions for visits to and movement within these countries. In addition, the modern, organized methods and means for delivering services in foreign markets should be developed by, *inter alia*, establishing a commercial presence.

11. The implementation of these measures in the area of the regional cooperation and integration into the global economy will allow to boost the country's foreign trade turnover by 45.7 percent by 2012.

At the same time, the favourable conditions for forming a global partnership for development will be created (MDG 8).

## **5. PROMOTION OF SUSTAINABLE ECONOMIC GROWTH (THE PRODUCTION BLOCK)**

### **5.1 Food Security and Development of the Agricultural Sector**

1. Food security and development of the agricultural sector is the key sector of the country's economy. Agricultural development ensures a reliable, stable and balanced food supply for the country through a dynamic and steady increase in agricultural output, higher incomes and employment levels among the rural population, as well as natural resources conservation for expanded growth. Taking into account these factors and to ensure food security, the Programme on Food Security in the Republic of Tajikistan until 2015 was established by Decree No. 72 of 2 February 2009, within the framework of the NDS until 2015.

The priority areas of the Programme are:

- To make food available and accessible (economic and physical access) based on the sustainable development of the agricultural sector;
- To ensure food security and to provide nutritional food for the population, particularly the more vulnerable segments;
- To ensure a stable food supply.

The strategic goals of the country, including poverty reduction will be achieved by implementing the outlined priorities.

2. The principal goal of the PRS in this sector is to increase gross agricultural output and labour productivity in key areas such as agriculture, water resources management, land use rights and nutrition. Ultimately, this will ensure food security, and allow to achieve the MDGs and the priorities of the NDS, including poverty reduction, particularly in the rural areas.

3. The country's agricultural sector showed significant achievements in implementing the PRS for 2007–2009. The overall volume of agricultural output grew during this period. However, some production indicators of the sector are not yet satisfactory, in particular, the rational use of the water and land resources.

The orientation of cooperation with foreign donors in terms of assistance in the agricultural sector should be changed and investments in developing infrastructure and the basis for food production should be a priority. The reason for this is that, in most cases, the donors are attempting to provide ad hoc assistance to the agricultural sector and due to the false perception that the country's population is poverty-stricken and needs primary humanitarian assistance, donors do not consider providing systematic assistance for the development of infrastructure and the agricultural sector. Therefore, it is necessary to boost cooperation with donors, who provide long-term systematic assistance in developing the individual agricultural sectors. This will ensure food security from the available domestic resources and will promote the establishment of a certain system of the sector's development as well as job creation.

Establishing an agricultural output reserve and improving the agricultural sector management system in the regions will play key roles in overcoming the effects of the food crisis and maintaining price stability on the domestic market.

Farmers will be encouraged if given the freedom to choose which crops to grow and determine which ones are in demand on the market, providing privileges and guarantees, strengthening the material and legal bases, and establishing favourable conditions for selling their products.

Taking into consideration the proposed activities and plans, it should be pointed out that, although some difficulties in the sector were resolved, there are still other problems, principally: debts to investors in the cotton sector; limited access to credits, technology and markets to sell products, including domestic consumers' markets; the underdeveloped agricultural infrastructure; increased costs of industrial vegetable and fruit processing; insufficient feed due to a reduction of the planting of feed crops; disruption of the system of moving livestock to remote pastures for grazing; the decline of livestock productivity; and inadequate veterinary services. It is also necessary to consider the difficulties related to the poor awareness of land reforms, lack of knowledge in establishing modern agricultural production, the increase in food-related illnesses and weak and insufficient personnel in laboratories for ensuring proper nutrition.

In combination with the above, the rational use of the water and land resources need to be significantly improved, because the country's consumer market is still dependent on imports of essential foodstuff. In order to ensure food security, production of essential foodstuff must be increased by implementing the programmes on the agricultural sector development, rehabilitating infrastructure, repairing and renovating irrigation networks, improving the water resources management system, and procuring technology, high-quality seeds and fertilizers.

4. Proceeding from NDS/PRS goals and priorities for 2007–2009, and in view of the problems in the food security sector and agricultural sector development, the following main medium-term tasks have been identified for 2010–2012:

- 1) increasing the efficiency of all agricultural sectors;
- 2) improving the conditions for the development of rural entrepreneurial activity;
- 3) increasing efficiency in the cotton sector;
- 4) providing guarantees and secure land use rights;
- 5) improving conditions for the effectiveness of the agricultural and water resource management infrastructure;
- 6) guaranteeing proper nutrition.

5. In order to increase efficiency in all agricultural sectors (task 1), the following are planned: (i) to implement the Programme on Food Security until 2015; (ii) to draft and implement the Programme on the Social Development of the Rural Areas for 2010–2020, the National Programme for the Study on Labour Safety in the Agricultural Sector, the Programme for the Study of Rights and Obligations of *Dehkan* Farms as per the national Labour Code and the national law “On the Labour Protection”, the Project for Creating Accounting and Financial Centres for *Dehkan* Farms; (iii) to resolve the issue of converting farms into associations, companies, cooperatives, etc.; (iv) to strengthen the potential of *dehkan* farms led by women; and (v) to train specialists in apiculture, potato growing, husbandry, cattle breeding, agribusiness, etc.

The country’s consumer market is still significantly dependent on the import of essential foodstuff. In order to ensure food security, it is necessary to increase production of essential foodstuff, and strengthen the material and technical base of agricultural farms in order to meet the food needs of the population.

The country’s capacity for export of agricultural output has only been partially exploited. Therefore, it is necessary to implement the State sectoral programmes in a timely manner and to undertake concrete measures for the wide use of the high-yield varieties of grain crops, vegetables and potato, as well as for developing horticulture in order to provide the domestic market and increase the country’s export capacity.

6. Special measures are planned to improve the conditions for developing rural entrepreneurial activity (task 2), including measures in the project “Rural Development”. These measures are aimed at, above all, the promotion of investment projects, including: attracting financial resources and credits of banks, foreign and domestic investors, and funds from labour migrants in order to develop animal husbandry at private farms; supporting the establishment of dairy farms, sheep farming to increase meat production, poultry farming, yak and goat herding in the mountainous and high-elevation regions; and establishing apiculture and fish farming, among others. Farms will be provided with better access to financial resources, and support will be provided to ensure that they are supplied with seeds, fertilizers, chemicals and other materials. There are plans to improve the quality of the veterinary, seed selection and seed production services by involving the private sector. It is also expected that economic, legal and consulting services will be provided on issues of land use and private business development in the agricultural sector. Further access to information will be improved, and knowledge and skills of specialists in the agricultural sector will be strengthened.

7. There are plans to increase efficiency in the cotton sector (task 3). First, it is necessary to implement, in a timely manner, Governmental Decree No. 406 of 2 July 2009, “On measures for implementing Presidential Decree No. 663 of 30 May 2009, ‘On the additional measures on support of the agricultural sector in the Republic of Tajikistan’ ”.

Despite the significant achievements of Tajik farmers in most of the sectors, there has been a yearly reduction in the production of cotton, their main crop.

The main reasons for the low indicators of the cotton sector are the insufficient financing of the sector, farmers’ discouragement by the final yield of their activities, the poor quality of seeds, the degraded land and inefficient functioning of irrigation networks. Proper measures are needed to increase the sectors’ efficiency and make it profitable.

Special attention should be focused on the cotton sector, the main sector employing the rural population and providing them with food and fuel.

There are plans to implement a package of measures to develop the cotton sector, conduct research and develop a mechanism to increase competition among cotton mills, improve cotton export procedures and import of fertilizers, equipment and other materials for cotton production, and develop the project “Cotton Processing and Market Development”.

8. It is planned to include amendments in the regulatory acts in force to simplify and increase the transparency of procedures for the registration of the land use rights in order to provide guarantees and secure the land use rights (task 4). By developing and establishing a single mechanism for completely

reorganizing and subsequently rehabilitating farms, giving farmers real land use rights, the sector will improve in the future.

Measures aimed at ensuring equal rights and opportunities to men and women with regard to land access will be supported to the greatest extent possible. They will include: public information and educational and promotional measures to inform the population of their equal rights to resources; training in land use practices; and the development of a network of micro-credit institutions. There will be continued monitoring of the observance of equal rights to land and related guarantees.

Accordingly, it is necessary to undertake measures for improving the legislative basis for the new phase of the reforms in the agricultural sector, ensure their implementation and include new lands in the agricultural sector turnover, and thereby increase the areas for crop rotation.

9. There are plans to undertake measures to improve working conditions and increase the effectiveness of agricultural and water resource management infrastructures (task 5). To resolve problems in the sector, there are plans to: restore and renovate irrigation and drainage systems; develop new land and support the establishment of WUAs to manage and rationally use water resources; restore irrigation systems; and irrigate newly developed land. In this context, there are plans to implement programmes “On the rehabilitation of irrigation and drainage systems, water development facilities and on-farm water pumps in the Republic of Tajikistan for 2010–2014”, “On the rehabilitation of arable lands of the Republic of Tajikistan and their inclusion into the agricultural turnover for 2010–2014”, “On the improvement of the reclamation situation of agricultural arable lands of the Republic of Tajikistan for 2010–2014” and “On the rehabilitation of high-pressure pipes in water pumps for 2010–2015”.

To increase soil fertility and reduce erosion and desertification, there are plans to plant trees and shrubs. Accordingly, the necessary measures will be undertaken to provide farmers with equipment, seeds and fertilizers. In addition, new land areas and their irrigation will be developed as one means for employing the rural population and thus reducing poverty.

Moreover, serious attention will be paid to improving the land certificate market and its effectiveness, and introducing market-based relations, the rational use of water and land resources, and crop rotation.

It should also be pointed out that the sustainability of agricultural production is linked to the rational and efficient use of the country’s water resources.

Taking into consideration the lack of water in the region, the consequences of droughts and the effects of climate change on the glaciers in Badakhshon, which are the major water sources of the Central Asia, there are plans to study the possibility of introducing new water resources management principles based on river basin and coordinated management mechanisms.

In light of the above, in order to develop new lands, curb land erosion and encourage the rational use of water resources, relevant ministries and agencies have been developing investment projects for separate regions of the country and have been undertaking special measures to attract foreign and domestic investments.

In the context of the global financial and economic crisis and low-water season and drought, farmers, agricultural entrepreneurs, rural people and owners of farmland have been using water resources rationally and efficiently, and have been contributing towards ensuring national food security.

10. Task 6, which relates to ensuring proper nutrition, aims at reducing the incidence of food-related illnesses and strengthening the legislative and laboratory bases. It includes the following package of measures: drafting and/or adapting the recommended, temporary, national, physiological and sanitation standards for food quality and safety; providing equipment for information collection and evaluation in order to implement the Law “On salt iodization”; enriching processed flour with iron; addressing medical problems related to nutrition; supporting scientific research to supply laboratory equipment for food safety assessment; and supporting scientific and practical research to ensure proper nutrition, taking steps to prevent and treat malnutrition.

Implementation of these measures will reduce the incidence of the food-related illnesses, particularly among the vulnerable segments of the population.



11. Implementation of the measures outlined above will help boost the gross agricultural output by 18.1 percent and increase labour productivity by 12.0 percent by 2012 compared to 2008.

## **5.2 Development of infrastructure, energy and industry**

1. The development of infrastructure, energy and industry would promote economic development and to create favourable conditions to reduce the poverty rate and achieve the main NDS goals.

2. Infrastructure. The most important sectors of Tajikistan's infrastructure are rail transport, road transport, air transport and the communications sector.

One of the main objectives of the Government is to lead the country out of the communications dead-end, which can be achieved by constructing railroads and highways.

Although trains and railroads were repaired, and locomotives and railcars renovated in the post-Soviet period, the infrastructure still does not meet international requirements and norms for shipping and passengers transportation and cannot ensure economic development of the sector within the market-based economy.

Most railroads and highways of the country are in need of major repairs, but the funds available for this purpose are not sufficient to do so.

Therefore, measures to lead the country out of the communication dead-end are included in the Matrix of Actions for 2010–2012, whose implementation will improve the economic and social situation in the country.

It should be pointed out that approximately 362.8 km of roads were repaired and renovated from 2002 to 2008 through foreign investments and government contributions.

With the completion of the construction works in the largest facilities of the sector, the first stage of the strategic task of the transport sector and the socio-economic development of the country will be implemented, ending the stagnation in communication. These works include: the construction of the Murghob-Kulma Highway; Phase 1 and 2 of the construction of the Shohon-Zighar; Shikev-Zighar Highways; Phase 1 of Dusti-Panji Puyon Highway; Phase 1 of the rehabilitation of the highway from Dushanbe to the Kyrgyz border; Dushanbe-Kurghontepa-Danghara-Kulob Highway; improvement of the local roads in towns and districts of Khatlon Province; and rehabilitation activities in some parts of the Dushanbe-Chanok Highway.

It should be pointed out that, in recent years, 14 investment projects on the construction and rehabilitation of the highways, for a total of US\$ 648.8 million, have been implemented in the country. These projects cost US\$ 332.9 million, or 51.3 percent of the total funding.

It is anticipated that some projects will be finished by 2012, as a result of which 1,632.6 km of roads, 15 km of tunnels and more than 100 bridges will be reconstructed and newly constructed. In addition, in order to improve the quality of the highways and bring them in line with the international standards, a number of investment projects have been developed and are proposed to foreign and domestic investors.

Road transportation currently accounts for less than 5 percent of the total volume of international shipping. The main reasons for this are that the amount of freight to deliver is limited, freight delivery and passenger transportation do not meet international requirements, and conditions of Tajikistan highways are poor.

Tajik Air and Somon Air have made visible contributions to the air transport sector. Further, a number of measures have been undertaken to strengthen the material and technical base of these companies, including the purchase of three Boeing aircraft by Tajik Air and two similar aircrafts by Somon Air. At present, flight routes have been expanded to about 60 CIS and distant countries.

The main problem of the sector was that the country's airport did not meet international standards; this has been resolved. The construction of a new modern terminal in Dushanbe Airport started with foreign and domestic investments, and a new terminal with a passenger handling capacity of 500 passengers/hour is anticipated to be commissioned by the 20<sup>th</sup> anniversary of national independence, on 9 September 2011.

Communications. Communications is a priority sector, which plays an important role in providing fee-based services to the population. The outdated analogue automatic telephone exchanges have been replaced by digital equipment.

Wireless communication contributes significantly to the communications services market. There are 11 private operators in the country, whose profits are 10.1 times greater than that of national operators. Every year, the national communications company is losing ground on this market.

3. The main infrastructure challenges are:

- promoting stability and quality of national radio and television as well as communications and free access to modern information and interactive services for the population in the eastern, western and southern parts of the country;
- establishing at least 180 E1 traffic to meet the demands of all customers in the eastern, western and southern parts of the country;
- establishing the satellite mobile system;
- provide access to information sources in remote and hard-to-access areas of the country.

4. In view of these challenges and NDS/PRS goals, the main tasks of the infrastructure development for 2010–2012 are to:

- 1) Completing the construction of transit roads to promote international automobile delivery
- 2) Improving the condition of the local roads and maintenance of the roads in the rural areas
- 3) Implementing and proposing new investment projects.

5. Promotion of the international automobile delivery (task 1): In order to increase the volume of international automobile delivery and to create the favourable conditions to do so, a package of measures needs to be implemented. This includes investment projects for the rehabilitation and construction of international highways and the establishment of new international routes under the signed Agreements as well as projects for the construction of border terminals.

6. Improving the conditions of the local roads and maintenance of the rural roads (task 2). To promote the development of entrepreneurship in the rural areas of the country and reduce poverty among the rural population, the condition of the local roads should be improved and rural roads should be gradually maintained.

Therefore the measures in the Matrix of Action for 2010-2012 for improving the conditions of the local roads and maintenance of the rural roads of the country for the future development of rural areas are envisaged.

7. The task of promoting the ongoing and the new investment infrastructure projects (task 3) is of great importance. It involves monitoring progress in the construction of roads that provide internal inter-regional accessibility and allow the country to end the transportation stagnation. Support will be provided to the Tajik Railway and Tajik Air to improve their material and technical base. The possibility of building highways to Afghanistan, which would provide access to Iran and Pakistan, is under consideration.

8. Energy. Tajikistan's social and economic development strongly depends on the development of the energy sector.

The country need 3–3.5 billion kWt/h of electricity. One of the ways to solve this problem is the wide use of energy-saving equipment. For instance, the use of energy-saving bulbs will reduce electricity usage up to five times.

Also, the problem of electricity shortages can be resolved by constructing small and large HPPs. Some activities have been implemented by attracting domestic and foreign investments in the country. The joint construction of the 670 mWt capacity Sangtuda-1 HPP was completed in June 2009, and the 220 mWt capacity Sangtuda-2 HPP was constructed with investment from the Islamic Republic of Iran. The large South-North projects for the construction of the high-voltage, 500 kWt capacity electric

power transmission line and the 220 kWt capacity transmission line Lolazor-Khatlon have been constructed and commissioned through a privileged loan from the People's Republic of China.

The HPPs of the country have currently been in operation for more than 30 years; their technical resources are used fully and need repair. More than 50 percent of the electricity distribution equipment, networks and substations need regular and major repair.

Most of this hydropower is generated at the Norak HPP. Since it has a relatively small reservoir and is capable of regulating the energy resources seasonally, the current capacities cannot be fully utilized all year-round.

Therefore, the project "Repair and Restoration of the Norak HPP capacity" has been developed, which allows to increase the capacity of the plant by 500–600 mWt.

9. "The Long-term Programme to Build Small Hydro-power Plants in 2007–2020" was adopted in order to develop the energy sector. It provides for the construction of 100 small HPPs by 2012, amounting to US\$ 125.1 million, which will generate 480.6 million kWt of electricity per year.

In addition, construction is ongoing for the Roghun HPP, which started in 1980. According to the project, the capacity of the Roghun HPP is 3,600 mWt. After the first aggregate of this HPP is commissioned, annual power generation will reach 4 billion kWt/hour.

When the plant starts functioning to its full capacity according to the project, energy production will reach 13.1 billion kWt per year and will allow the energy system to operate regularly.

In addition, to supply the population of Dushanbe with electricity and heat (hot water) on a permanent basis, construction should begin of the Electricity and Heating Centre Dushanbe-2 with Chinese investment. As per the project, its capacity is 270 mWt.

It should be pointed out that this Electricity and Heating Centre will be constructed with the use of the latest technology, which takes into account environmental protection.

The SUE Tajik Aluminium Company (TalCo) is the largest industrial consumer of electricity, followed by pump structures of the Ministry of Land Reclamation and Water Resources, accounting for some 38–40 percent and 12–15 percent of the total load, respectively.

The proved reserves of oil, gas and condensate in the country represent less than 1 percent of total resources, which are estimated at 1,033 million tonnes of standard fuel. According to the estimates, 184,000 tonnes of coal will be mined in 2010 and 220,000 tonnes in 2012, which is an extremely small share of the country's reserves.

The acting tariffs on electricity consumption, which are still low, also lead to a decline in the technical quality of production tools.

The energy shortage, particularly in winter, means that educational and medical institutions, particularly those in rural areas, cannot operate full-time and the pumping stations that supply drinking water are shut down. This has led to an increase in infectious diseases, and consequently, a lack of available manpower. As a result, industrial production in the country has become seasonal.

10. In light of the above, the main problems in the development of the energy sector are:

- relatively low rates;
- unused alternative sources of power generation;
- significant energy losses;
- limited financial opportunities for renovation and building new energy facilities.

In view of NDS/PRS goals and the NDS priorities, and taking into consideration the above energy problems, the following key tasks in the sector have been identified for the coming years:

- 1) Constructing, rehabilitating and renovating the country's energy facilities;
- 2) Completing investment projects and promoting new investment ones in the energy sector;
- 3) Constructing electricity transmission lines in order to supply the districts of Zarafshon Valley with electricity of domestic production.

11. To construct, rehabilitate and renovate the country's energy facilities (task 1), measures are planned to restructure the largest energy enterprises — the OJSHC Barki Tojik Power Company and SUE Tojiggas. Implementation of a programme to build small HPPs will improve the electricity supply in the remote regions of the country.

The construction of new power-generating facilities – the HPP Sangtuda -2, the first phase of the Rogun HPP, the Energy and Heating Centre Dushanbe-2 – within the series of current investment projects will allow to significantly increasing make energy available to consumers (particularly in the winter), and to create the conditions for summer exports of the surplus power.

12. Special attention has been given to promoting existing and new investment projects in the energy sector (task 2).

The envisaged measures involve not only the modernization of hydroelectric power installations and a corresponding increase in their efficiency, but also the construction of new HPPs and the reconstruction of coal-powered plants. It should be pointed out that the South-North electric power transmission line, which was commissioned in December 2009, will reduce the dependence of the Soughd Province on imported electricity. In addition, the promotion of investment projects involving the construction of power lines for exporting electricity to other countries in the region, including Afghanistan and Pakistan, will make it possible to expand the market for generated surplus electricity.

13. To supply the Districts of Panjakent, Ayni and the Mountainous Mastchoh with the locally produced electricity, it is necessary to construct a 110 kWt capacity transmission line from the substation Severnaya of the Varzob District to the substation Rudaki of the Panjakent District, since they are supplied with electricity through the national electricity network and have experienced cuts of electricity supply.

In addition, Uzbekistan left the Central Asian unified energy network on 1 December 2009.

14. Industry. Tajikistan has sufficient resources to increase the production of industrial goods. Over the recent years, however, the volume of these goods has declined because production capacity has not been exploited to the fullest. Also, nationally produced industrial goods have not been sold and the global financial crisis has had a negative impact.

15. TalCo makes a visible contribution to the production of industrial output. Although the country produces sufficient primary aluminium, a large volume of ready-made aluminium products are imported to the country's domestic market from abroad.

To gradually increase the processing of primary aluminium and production of ready-made products of primary aluminium for 2007-2015, the full processing of cotton fiber and processing of animal products (wool and leather) for the period up to 2015, certain programmes were developed in the country, which envisages the step by step expanding the production of the mentioned products.

It should be pointed out that the full implementation of the measures in these programmes will enhance separate sectors of the country's industry, help resolve issues related to employment, develop the science and technology, increase state budget revenues, and resolve most of the key economic issues.

International practices and economic analyses showed that it is possible to achieve long-term success through the transfer of a long list of products to multisectoral production, thus increasing productivity.

16. The following measures need to be undertaken to increase processing of primary aluminium and to produce products made of aluminium, cotton, leather and wool, and thus create new jobs, increase budget revenues and ensure the development of the industry sectors:

- eliminating barriers to the free exchange of primary aluminium in the country;
- establishing a fund for innovative development of exports;
- implementing the project "The Use of Local Raw Material by TALCO";
- carrying out marketing research on the production of new products;
- developing and implementing investment projects to attract FDI to the separate spheres of the industry.

Regarding the introduction of processing of local industrial raw material, approximately one million people will be employed, which would help improve their living standards.

17. In recent years, the rate of growth of industrial output has been relatively rapid due to, albeit, the low starting point. The main reasons were varied: at the beginning it was linked to the restoration of peace in the country; now it is related to migrants' remittances and higher domestic demand. Tajikistan has significant resources — agricultural raw materials, medicinal herbs, coal, gold, precious

stones and other mineral resources — and needs the infrastructure to develop regional industrial production.

18. Proceeding from NDS/PRS goals and the NDS priorities, and in view of the problems in the industrial sector described above, the following main development tasks have been identified for the coming years:

- supporting the development of the priority sectors of the industry
- widely establishing the processing of primary aluminium, cotton, leather and wool.

19. A package of measures is planned within the framework of “Supporting the development of the priority sectors of the industry” in order to capitalize on Tajikistan’s production advantages. These measures involve, above all, promoting major investment projects in heavy and light industry, and the food industry, and, in particular, the construction of enterprises with an integrated production cycle for processing cotton and other agricultural raw materials. Special attention is currently focused on the building materials industry due to the growth of demand for building supplies resulting from the construction of energy projects, road construction projects, and also increased demand from private individuals. Serious efforts have been made to attract investments specifically for the processing of aluminium and precious metals and stones, as well as investments in mining. In view of the steady demand by the agricultural sector, there are plans to promote projects to set up plants for the manufacturing of spare parts and for the assembly of new agricultural equipment. Improvement in the energy supply of small enterprises and households could promote the implementation of projects to produce equipment for generating alternative energy (wind and solar power), and for biogas production, which is linked directly to poverty reduction in the remote regions of the country.

20. In view of the importance of the transportation and energy in supporting a strong economic growth and ensuring access to social services for the population, new investment projects are being promoted in these spheres, which have been included in the PRS Sectoral Activity Matrix for 2010–2012. The implementation of these measures will ensure the following:

- in the infrastructure sector – to increase freight and passenger turnover by 12.6 percent and 4.7 percent, respectively, and to increase the contribution of the communications sector as a proportion of the GDP to 38 percent;
- in the energy sector – to expand the average daily availability of electricity to all consumers from 16 hours to 24 hours; reduce the quasi-fiscal deficit from 20.5 to 5 percent; and introduce a concrete schedule for the delivery of gas, electricity and heating;
- in the industrial sector – to increase industrial output by restoring and developing enterprises by 25.6 percent; boost labour productivity in the industry by 16 percent; expand industrial exports by 18 percent; and increase the number of employees in the industry by 20.5 percent.

## **6. DEVELOPMENT OF HUMAN POTENTIAL (THE SOCIAL BLOCK)**

During the global financial and economic crises, Tajikistan faced a drastic deterioration of conditions in the Social Block (healthcare, education and science, social welfare, water supply, sanitation and housing and municipal services, environmental protection and gender equality). Due to the crises, public access to high-quality social services has declined two-fold, and living standards have been lowered.

During the last five years, TJS 4,900 million were spent on social sector needs. Despite the qualitative improvement in the country’s financial status and the increased value of budget expenditures on the social sector, the level of poverty remains high in the country.

The country’s limited ability to finance the social sectors has made it impossible to perform the meaningful and integrated reforms, or to strengthen human as well as the material and technical base of the social sectors.

The relatively underdeveloped business environment and difficult administrative barriers hinder the development of the private sector, which could help meet some of the social services demands and boost the government's ability to provide guaranteed social services.

The considerable foreign aid provided to restore the potential of the social block aims at resolving current, urgent problems and is not always most effectively used.

In the future, the Government aims to continue implementing the market reforms in this area, and at the same time, increase the financing of—and ensure the implementation of—measures in the social sectors. It also aims to improve the quality of social services.

## **6.1 Development of the educational system and science**

Creating the basis for societal changes has focused on promoting the potential of, and developing education and science, taking into account opportunities for developing human potential. The ability to address these issues was seriously complicated by the impact of the economic crisis and the high poverty rate, as well as the slow implementation of the deep institutional reforms and an ineffective use of the available resources.

In 1991, government expenditures on education reached 8.9 percent of the GDP, or 23.6 percent of total government expenditures; in 2008 the figures were 4.1 percent and 14 percent, respectively. Estimates show that in order to meet the minimum requirements to maintain and develop the educational system, taking the demographic factor into account, the annual education expenditure must be raised to 6–7 percent of the GDP. The insufficient financial support for science is slowing down the development of high-tech production operations. In 2005, the total budget funding for science and technology was US\$ 2.7 million, or 0.1 percent of the GDP.

### **1 Education**

1.1 Education is the key sector for achieving the PRS goals; ultimately, its progress significantly determines the outcome of all efforts to improve governance and to promote the sustainable economic growth and the development of the country's human potential.

1.2. Tajikistan's educational sector consists of: pre-schools; primary, basic secondary and general secondary schools; and basic secondary and higher vocational and professional educational institutions. In line with the goals and priorities of the NDS/PRS and the National Development Strategy for Education for 2006–2015, the main goal of the PRS in the educational sector is to ensure universal and equal access to basic secondary education for all girls and boys.

1.3. An analysis of the educational situation reveals the key problems in the sector:

- The educational management system is underdeveloped and has low potential, which results in, *inter alia*, a shortage of resources in the sector and an ineffective use of the available resources, as well as an insufficient participation by the private sector in providing educational services.
- The quality and level of education has declined as a result of the low wages paid to teachers at general education schools and a shortage of teachers.
- There are educational institutions with very poor physical infrastructure and without the capacity to meet demands;
- There are problems with access to education for children from the poor and socially vulnerable segments of the population, and secondary education coverage for girls is inadequate.
- Due to the limited availability of electricity, basic computer training courses cannot be offered.
- The community is not involved enough in the management of general schooling.

1.4. Proceeding from the goals of the PRS and the NDS priorities, and keeping in mind the problems in education, which have been outlined above, the tasks of the Strategy in this sector are: (i) improving the educational management system; (ii) establishing a more effective system for the use of available resources and improving the quality of education; (iii) improving methodological and

personnel support to the educational system; (iv) providing better access to education for girls and boys, especially those from socially vulnerable segments of the population; and (v) upgrading the material and technical basis of the educational sector.

1.5. The education management system (task i) will be improved by:

- clarifying and assigning and/or limiting functional responsibilities of the various administrative bodies in the sector;
- optimizing the network of the basic and secondary schools, which will allow for better use of resources, while maintaining and increasing the coverage of the primary and basic secondary education;
- increasing the independence and responsibilities of educational institutions, while involving parents and the communities in the organization of the educational process and quality control; strengthening the potential of school principals and other administrative personnel;
- enhancing informational support to education and establishing a monitoring system of school activities and the quality of education;
- studying the demand on the labour market for qualified personnel and re-focusing vocational and professional educational institutions to meet it.

1.6 A package of measures aimed at improving the use of government funding of the educational system, increasing public funding and attracting private resources to this sector is planned in order to establish a more effective system for the use of available resources (task ii). There are plans to adopt a Conceptual Framework for the Financing of Education in the Republic of Tajikistan until 2015 and to continue the pilot programme for a per capita financing system, which are aimed at: increasing transparency in the use of public resources; establishing a close connection between the funding and the performance of educational institutions; distributing resources by taking into account the number of students and the specific regional or local conditions; and granting educational institutions considerably more freedom and responsibility in the allocation of government resources. The introduction of a new salary system will more closely link the remuneration to teachers' qualifications with the real labour costs of teachers and will prevent teachers' resignations. It will also help improve the quality of education. The proper organization of the system for delivering paid services by public schools and intensive efforts to support the development of private educational institutions will create opportunities for injecting additional funding into the sector and reallocating some government funding to meet the educational needs of children from the poorest and the most vulnerable segments of the population.

1.7. The improvement of methodological and personnel support to the educational system (task iii) is vital in order to raise the overall quality of education. This will be addressed by updating educational content, improving curricula and study programmes, and preparing textbooks that reflect new approaches to education.

There are plans to include changes in the educational sector – to convert basic secondary education schools into a ten-year compulsory system of education.

Another important focus is the re-training and professional development of teachers aimed at improving the quality of instruction and reduce the shortage of teachers, particularly in the rural areas. There are plans to organize professional development courses for teaching personnel, taking into account modern requirements for introducing new technologies in the educational process. Local government bodies will take steps to attract young teachers to work in the rural schools and thus help resolve this problem. An independent educational quality control system will be set up and the possibility of correlating school performance assessments to its results will be studied.

1.8. One of the most challenging tasks in education is to provide better access to education for children (girls and boys) from the socially vulnerable segments of the population (task iv). Given the limited resources, a large-scale government intervention is not possible. Primary attention will then be focused on making more effective use of the available funds and methods, and on developing new mechanisms to support children from vulnerable groups. In order to overcome barriers to school attendance, which directly link to poverty, school children in the primary grades will be given hot

meals. Targeted economic assistance will be provided to children from the needy families, with resources concentrated on the poorest and the most isolated parts of the country.

The transition to the ten-year compulsory educational system is essential for the introduction of the new educational system, which will help improve gender inequality in the educational sector and bring the educational system in line with the requirements of international educational standards.

1.9. The outdated and ageing infrastructure of the educational sector, insufficient funding, and the growing number of children who need to attend school require immediate measures to upgrade its material and technical base (task v). There are plans to implement a package of measures for the construction and major renovation of school buildings, the purchase of the necessary classroom and other equipment for schools and the publication of textbooks. The main condition for establishing a conducive environment for students is to take into account the minimum standards of lighting, heating and sanitation and hygiene norms.

1.10. Implementation of these measures in education will make it possible to bring the basic secondary school attendance rate up to 91 percent among children aged 7–15 and to increase the percentage of girls among the total number of children attending school to 50 percent. At the same time, there should be an improvement in the quality of education and in its relevance to the demands of the country's socio-economic development.

## 2 Science

2.1. The development of science could make a serious contribution to poverty reduction by carrying out important research, in particular, applied research targeted at developing the real sector of the economy. This could also contribute to the training of highly qualified personnel.

2.2. The country's scientific potential consists of academic and sectoral research institutes and institutions, including scientific research at higher education institutions. The NDS for 2007–2015 and the PRS for 2010–2012 in the science and technology sector aim to strengthen the role of science in promoting the country's socio-economic development.

2.3. The analysis of the situation in the science sector reveals several issues:

- underdevelopment of the management system and ineffective use of the resources in the sector;
- limited use of scientific potential in developing the comprehensive national scientific and technical programmes aimed at addressing the key problems in the country's socio-economic development;
- inadequate material and technical support for sciences;
- an insufficient level of the international scientific and technical cooperation.

2.4. Proceeding from the goals of the PRS and the priorities of the NDS, and keeping in mind the problems in science identified above, the tasks in this sector are to: 1) Improving the institutional system of institutional system of the science sector; 2) Concentrating scientific potential in the priority research areas; 3) Improving the material and technical base of the science sector; 4) Training highly qualified specialists in the sciences.

2.5. Reform of the management system in the science sector entails improving its institutional system (task 6). To achieve this, a horizontal and vertical functional survey was conducted and practical recommendations prepared. Measures will also be undertaken to integrate academic, applied and higher education in the sciences, and to provide incentives for scientists.

2.6. In order to increase the proportion of scientific developments that are incorporated into the real sector of the economy, the main emphasis will be on concentrating scientific potential on the priority research areas that would contribute to the country's economic development (task 7). Scientific research will be carried out primarily in the high priority areas of the natural sciences, engineering, medicine and agriculture.

2.7. The insufficient financial support to the sector and the partial destruction of science sector infrastructure during the civil war underline the urgency for measures to improve the material and technical base of the science sector (task 8). There are plans to restore and update the material and



technical base of scientific research institutions and to furnish them with instruments, equipment and reagents.

2.8. According to the Training Programme for Scientists in the Republic of Tajikistan for 2009–2019 (task 9), approved by Resolution No. 396 of 2 July 2008, the necessary measures will be undertaken to improve the system of training high-calibre scientists.

2.9. The implementation of these measures in the science sector will make it possible to increase the practical relevance and introduction of scientific advancements in the real sector of the economy by 30 percent.

## **6.2. Development of the healthcare system**

1. In the new economic environment, the healthcare system cannot operate effectively without significant reforms. Total government expenditure on the healthcare fell from 4.5 percent of the GDP in 1991 to 1.9 percent in 2009, indicating that healthcare is increasingly dependent on unofficial private payments for medical services and on foreign aid.

The healthcare system of Tajikistan is based on following: NDS for 2007-2015, MDG, PRS, the complex strategy on population health for the period until 2020, The programme fight against tuberculosis for 2010-2015 and other programme and decrees adopted by Republic of Tajikistan. The main attention are given for the timely health care services to people affected by natural disaster. As necessary the continuation of the Health care Management Information System (HMIS) is also envisaged under this document.

There is a significant gap in the distribution of material resources and budget funding between primary health care (PHC) and hospital care; the bulk of the funding is earmarked for the secondary healthcare (hospitals), whose services provided are expensive and unattainable for the poor.

There is evidence of a decline in the qualifications of medical personnel, and a shortage of skilled medical staff, especially in the rural areas. This is due to the imperfect mechanisms of human resources management, low wages of medical personnel and consequently a high turnover of medical personnel. These problems are aggravated by the lack of sufficient modern medical equipment and facilities, and a deterioration in the physical condition of buildings and facilities.

The network of private medical institutions, which could help satisfy some of the unmet demands for medical services, is growing slowly due to serious administrative barriers and inadequate government support.

2. Tajikistan's healthcare system is the key sector to achieving the MDGs, since efforts undertaken to improve public health will promote sustainable economic growth and the development of human potential.

3. In accordance with the NDS/PRS objectives, the main medium-term goal in the healthcare sphere today is to gradually reduce maternal and infant mortality rates and the burden of infectious diseases, and to eradicate certain infections that can be controlled by vaccines.

The top priority in healthcare is to strengthen the primary healthcare system and epidemiological supervision, and to introduce new methods of healthcare services.

4. The main problems in the healthcare system are:

- deficiencies in the healthcare management system, which in their turn lead to inadequate policy analysis and planning with regard to services, healthcare economics and human resources, as well as the poor management of information systems;
- the slow pace of the healthcare system reform and limited private sector participation in the delivery of medical services;
- the shortage and inefficient use of available financial resources, as well as inadequate government funds for overall healthcare expenditure. This has led to a situation in which medical institutions, particularly those in the primary healthcare system, and the state public health and epidemiological supervision centres are significantly weakened in terms of personnel and material and technical resources, which in their turn reduce the poor's access to medical care and basic medicine;

- lack of public awareness of the basic guidelines for a healthy lifestyle and a failure to follow them, which include maintenance of reproductive health, protection of maternal and child health, and prevention of the spread of infectious diseases.

All the above problems lead to the higher maternal and infant mortality rates, and an increase in the incidence of infectious diseases, i.e. “the diseases of the poverty” (tuberculosis, malaria, helminthiasis, etc.).

5. In view of the above problems and the goals of NDS/PRS, the main tasks in the sector are to: (i) increase the effectiveness of the management system and financing; (ii) expand the role of the private sector in the delivery of medical services; (iii) improve maternal and child health protection; (iv) combat HIV/AIDS, malaria, tuberculosis and other infectious diseases; and (v) improve personnel training and reinforce the material and technical base of the healthcare system.

6. In order to increase the effectiveness of the management system and financing (task 1), a package of measures is planned to enhance the utilization and increase the amount of the government financing, to attract additional resources and also to create the favourable conditions for better exploiting the potential offered by the private sector. There are plans to implement the Republic of Tajikistan Health Care Financing Strategy for 2005–2015. This includes the introduction of mechanisms for per capita financing of primary healthcare, a change in the financing system of hospital care using treatment-based clinical cost groups, as well as restructuring primary care and hospital networks.

These measures are also aimed at: increasing the effectiveness and transparency of the use of public funds; establishing a close correlation between funding and performance of healthcare institutions; and distributing financial resources based on the number of people enrolled at the treatment and preventive care institutions, the specific regional/local conditions, and the ability of the healthcare institutions to redistribute savings to improve their operations and provide incentives. The improvement in the quality of medical services will be achieved through the introduction of the new employee compensation programme. There are plans to introduce the Basic Programme for Medical Care Delivery. It establishes a payment procedure for medical care, which exceeds the amount of funding provided under the Basic Programme, to cover free guaranteed healthcare, both at the expense of the state funds and of co-financing (co-payments).

7. One of the most important tasks in healthcare is to expand the role of the private sector in the delivery of medical services (task 2). Development of private treatment and preventive care institutions and the analysis of the second-tier burden in order to assess privatization prospects in healthcare will create the conditions for mobilizing private resources in the sector and reallocating government financing to meet the needs of the poorest and the most vulnerable segments of the population. Simplification of licence procedures for medical care will make a valuable contribution to the development of the private sector and healthcare as a whole.

8. In view of the country’s high maternal and infant mortality rates, measures reflected in task 3 (improvement of protection of maternal and child health) are very important. These measures include improving the qualifications of medical personnel providing healthcare services to mothers and infants and incorporating the basic types of perinatal and neonatal care in the list of guaranteed medical services. Another important issue that needs to be immediately addressed involves strengthening the capacities of the national and the provincial reproductive health centres to perform regular monitoring, assessment and improvement of the quality of medical services provided to the public.

In order to resolve problems related to healthcare for mothers and children, the following is needed: public information; educational measures; public dialogue among government employees, healthcare providers and the population on issues concerning child mortality; safe motherhood, reproductive health and family planning; and improved access to, and better quality of, urgent obstetrical and neonatal care.

The inclusion of family planning, reproductive rights and other issues in the “Healthy Lifestyle” school programme targeted at the upper grades will help raise awareness of these issues, and, in turn, will help mitigate problems related to reproductive health in the future.

9. Problems associated with task 4, combating HIV/AIDS, malaria, tuberculosis and other infectious diseases, need to be addressed without delay, because there has recently been a drastic increase in the incidence of infectious diseases. Measures outlined as part of this effort include: raising public awareness, particularly among the high-risk groups, on the preventive ways of spreading dangerous infectious diseases, including HIV/AIDS, malaria, tuberculosis and parasitic diseases; ensuring universal access to HIV/AIDS prevention and treatment measures; reducing the stigma of HIV/AIDS and discrimination against the high-risk groups; and promoting positive public opinion on prevention programmes to combat HIV/AIDS.

The fight against the HIV epidemic is cross-sectoral, as recognized by the Government; the related issues are a part of the activity of all those sectors responsible for the support of the segments of the population who are at risk of infection.

The new Programme on the Fight against HIV/AIDS for 2011–2015 will be developed based on the National Plan on Monitoring and Evaluation, taking into account the cross-sectoral nature of the fight against HIV/AIDS. It will be coordinated with the goals of NDS/PRS.

Improving the epidemiological supervision system is an integral part of efforts to prevent the spread of infectious diseases. Measures are planned to raise the qualification of specialists in public health and epidemiological services, as well as those working in centres for combating tropical diseases and tuberculosis, immuno-prevention, the promotion of healthy lifestyles, as well as the parasitology divisions of the state public health and epidemiological supervision centres.

One of the most important factors in reducing infant and child mortality is to ensure that as many children as possible are regularly covered by vaccination programmes for all infections that can be controlled by vaccines. A gradual transition to the government-funded immunization programme and its integration into the maternal and child health protection programmes will be a top priority. The strengthening of agencies involved in promoting healthy lifestyles is the key element in ensuring a healthy population. Activities in this area include public awareness campaigns on family planning, introducing hygienic habits and changing behaviour.

10. Improving personnel training and strengthening the material and technical base of the healthcare system (task 5) will be carried out through: improved training and re-training for medical personnel and general practitioners (family doctors and nurses); certification, revision and inclusion of programmes in curricula that are relevant to the country's needs; and improving personnel planning and management policies, which in turn will lead to a steady shrinking of the geographical and organizational gaps, as well as the elimination of shortages of certain specialists. Another important issue is the adoption of measures for improving the material and technical base of the healthcare system. The steps include a package of measures for constructing and renovating treatment and preventive care institutions, and purchasing vehicles and the necessary teaching and medical equipment. These measures will be carried out in accordance with a plan for restructuring treatment and preventive care institutions, including activities in the pilot regions identified by the Government as the poorest and the most vulnerable.

11. The implementation of these measures in the healthcare sector will make it possible by 2012 to reduce maternal and infant mortality and the incidence of infectious diseases, and to eradicate some of the infections that can be controlled by vaccines.

### **6.3. Improvement of social welfare**

1. The goals and tasks of the NDS and the PRS are to resolve socio-economic problems related to improving the quality and the standard of living of the population. In this regard, the priorities in the social welfare sphere for 2010–2012 are: employment, social insurance, pension security and targeted social assistance.

2. An analysis of the situation in the social welfare system shows that the key problems in the sector are:

- financial imbalance of the social welfare system and continued compliance of social policies to the methods and approaches followed in the pre-market period;

- underdeveloped bases for statistics management due to the lack of modern methodology and a system for the collection, processing and dissemination of statistics data;
- an inadequate regulatory and legal base for the social welfare;
- the low level and poor quality of social assistance and services;
- inadequate bases for establishing and developing infrastructure for alternate social services through the involvement of civil society;
- the lack of a policy on the effective prevention of social risks;
- the lack of social justice due to the inadequate social insurance system;
- the presence of a significant shadow underground sector;
- limited opportunities of the state employment agencies, and the poor quality and lack of competitiveness of the country's labour potential;
- lack of a mechanism for the effective social welfare of labour migrants.

3. The following tasks have been identified in light of the goals and priorities of the NDS and the PRS, the current problems, the impact of the global economic crisis and the threat of its consequences, as well as poverty factors in the sector:

- 1) Improving the social welfare management system.
- 2) Ensuring better access to resources for needy people, which would allow them to escape poverty on their own.
- 3) Promoting the reforms in the social insurance and pension security system.
- 4) Updating the social assistance system by covering both its elements: social benefits and social services.

4. The improvement of the social welfare management system (task 1) is based on drafting a conceptual reform and state strategy framework for the development of the entire social welfare system. These documents should define the Government's targeted social policies, which aim to foster real conditions to enable citizens to exercise their right to social welfare. The central problem of the improvement of the social welfare should be resolved by:

- improving the structure and revision the authorities and competences of the Ministry of Labour and Social Welfare by drafting and implementing the priority measures in the medium-term period (2010–2012);
- reviving the activity of the structural units or agencies responsible for labour issues within the local state authorities of towns and districts;
- establishing a multi-tiered and unified system to manage the protection of children's rights: this aims to eliminate barriers that hinder the timely and full protection of the social rights of needy children, which could affect the effectiveness of poverty reduction among children as one of the priorities for the poverty reduction.

5. To ensure access to resources, which would enable needy people to overcome poverty directly (task 2), measures in the two directions should be undertaken:

- a) labour and wages;
- b) regulation of the labour market and labour migration process of promoting employment and assistance to the unemployed.

The strategy on labour and wages focuses on resolving the following issues through several measures:

- reform of the wage system of civil servants and workers in the educational and the healthcare sectors in order to implement actions included in the conceptual framework of salaries in the first phase until 2012;
- expanding the range of services for regulating social relations – labour with the use of the norms and standards, and methods of social partnership;
- developing and implementing mechanisms for the effective indexation of salaries, with resources provided from the budget;
- monitoring the annual increase of wages, including the minimum wage;

- introducing and implementing measures to continue the policy on the gradual elimination of the hard forms of child labour;
- improving the regulatory and legal, administrative, and material and technical base of the State services for the supervision of labour, employment and social welfare, in particular, in order to increase the effectiveness of measures to lobby (and, if necessary, sanction) employers who do not observe the labour and social welfare legislation.

In order to reduce the impact of the global financial crisis on the labour market and employment in the country, promote job creation, implement active policy on the labour market, and ensure state guarantees of employment, the following PRS measures are necessary:

- implementing mechanisms for the effective drafting of state policy on the regulation of the labour market and employment;
- expanding and strengthening opportunities of the government agencies responsible for employment to be intermediaries in the labour market;
- improving the quality of professional orientation activities and implementing education programmes on helping the unemployed and labour migrants adopt to the internal and external labour markets;
- promoting self-employment of the unemployed as well as domestic labour; and drafting and implementing effective mechanisms to promote paid public jobs;
- revising the procedure and guaranteeing timely payments of unemployment and social benefits;
- computerizing the government employment agencies; introducing training, research and regular monitoring of the labour market; and developing databases on labour market indicators and on the activity of these agencies;
- promoting employment of the vulnerable segment of the population in the labour market by offering special jobs through quotas; providing professional training, professional development and re-training; drafting and implementing targeted programmes on the promotion of employment; creating additional jobs; developing SMEs (by involving the disabled and promoting domestic jobs); and rehabilitating services through vocational training;
- promoting technology for adult education.

The implementation of the above-mentioned measures will promote the reform of the system of social insurance and the introduction of multi-level, financially sustainable, pensions and principles, which are based on it.

6. Promotion of the reforms of the state social insurance and pension system (task 3) aims at ensuring a sustainable financial basis and achieving significant changes. This entails the implementation of the following measures:

- strengthening the regulatory base of the reforms by drafting and elaborating laws on: (i) state social insurance; (ii) pension insurance, including state pensions; and (iii) individual records;
- increasing the effectiveness of the social insurance management system by computerizing the records of the insured and the beneficiaries of the social insurance social benefits;
- automating the process of pension assignment and improving the insurance statistics system;
- finding ways to cover labour migrants with a social insurance system;
- preventing and eliminating cases of arrears of payment of both social taxes and payments to the insured entities;

Implementing measures to facilitate the enhancement of the reforms of the social insurance and pension system will promote the gradual establishment of a multi-tiered, financially sustainable pension system that fulfils the principles of social insurance.

7. Poverty reduction depends on the effectiveness of the social assistance system (task 4) and consists in expanding access to social services that meet the latest standards. These issues can be resolved by drafting and implementing the State strategy on the reform of the social services system and providing the State with socially targeted assistance to the vulnerable segments of the population. This entails the following measures:

- further strengthening of the regulatory and legal bases, including the development and adoption of laws and other regulatory and legal acts on: (i) social support for the elderly; (ii) protection of children's rights; (iii) improvement of the guardianship system for under-adult children; and (iv) procedures for social services provision;
- targeted social assistance;
- further expansion and implementation of new forms of social services by improving the system of the relevant local institutions at the level of the self-governing local councils (*jamoats*) in cooperation with non-governmental organizations and civil society representatives;
- revision of the system of privileges and further establishment of a unified database on its beneficiaries and on those who need social assistance, including children;
- improvement of methods of social services delivery as well as further enhancement of the social services system for children, on the basis of advantages of jamoat and family-based services
- drafting a national strategy to cover the issues related to the content, volume and minimum standards of services, as well as the competences and responsibilities regarding childcare, including support from the budget for children's protection rights;
- drafting and gradual implementation of the national system of monitoring children's social welfare;
- strengthening of the regulatory and legal bases for establishing a joint activity system among institutions for the assessment of the demand on social services according the "social one-stop shop" method;
- review of the administrative mechanisms for social services delivery at the town and district levels based on needs to change the directions of financial flows; implement a system to regularly monitor the quality of social services;
- drafting and approval of a list of social services guaranteed by the state and establishment of mechanisms to assess the demand for services and the procedures of their delivery;
- drafting and piloting of the standards for the assessment of the activity of the institutions responsible for social services and professional qualification of their workers;
- strengthening of public information activities to improve people's legal knowledge and increase their awareness on the methods of social services delivery;
- development of methods for enhancing social welfare for the employees of social services institutions by improving the wage system.

8. The implementation of measures in the Strategy regarding the social welfare sector for the medium term (2010–2012) will make it possible to:

- strengthen the regulatory, legal and financial bases of the sector, ensure further reforms for the effectiveness of the system, and gradually increase wages, pensions and social benefits;
- expand modern methods of the social service delivery and increase the number of institutions for social services;
- improve the social infrastructure in the future to promote growth of the targeted privileges, services and social benefits received;
- reduce unemployment and increase competitiveness of the labour market;

- improve the quality of management and operate the multi-tiered and unified system to manage children's rights protection;
- enhance the procedures for labour protection management, promote the improvement of working conditions, prevent occupational accidents and diseases, and increase the means for labour productivity;
- reduce poverty by 10 percent.

#### **6.4 Expansion of access to the water, sanitation, and housing and municipal services**

1. The goal of this sector is to establish economic and administrative mechanisms to implement the first stage of restoring the water supply and sanitation systems, and housing and municipal services. Civil society and the business community need to participate in the housing and municipal services reform. The main task at this stage of the reform is to introduce to the public the sense of ownership and interest in the management of the housing stock.

2. Tajikistan mainly uses surface and groundwater sources, more than half of which have elevated hardness and mineralization levels. Overall, 87 percent of the urban population and 20 percent of the rural inhabitants in the country receive their water from centralized water systems that do not meet the drinking water standards. These problems arise as a result of serious difficulties related to water delivery, public sanitation, and housing and municipal services, which occur in the cities and the rural areas.

Sewage services are available to 23 percent of the country's urban population and 5 percent of the rural population. Most of the population centres do not offer solid waste collection and recycling services.

In the process of privatizing agricultural enterprises, some of the water supply, sanitation, and housing and municipal services facilities were overlooked and left without any responsible supervision and management. The lack of interagency coordination has led to a situation of little contact and interaction among the various structures responsible for drafting and implementing these policies.

3. The main goal of the reforms in this sector is to provide the following by the end of 2012: 1) access to drinking water, in compliance with government standards, to 96 percent of the urban population and 51 percent of rural residents; 2) access to basic sanitation and hygiene services to 47 percent of the urban residents and 37 percent of the rural population.

4. The main problems in the water supply, sanitation, and housing and municipal services sectors are the following:

- Competences related to policy development and regulation are not assigned to a single government body and there is no coordination among the agencies responsible for the policy development and implementation in the sector. There are not enough comprehensive programmes and plans aimed at restoring the water supply and sanitation systems, and the housing and municipal services, etc;
- The regulatory legal basis is insufficient and limited; there are facilities in the rural areas for which no one is responsible.
- There is a lack of a stable electricity supply, which hinders the uninterrupted operation of facilities.
- The technical conditions of the current water, power and heating supply facilities, sanitation systems, and housing and municipal services are unsatisfactory.
- There is no clearly defined and transparent policy for providing the targeted social assistance related to payments for water, power and heating, and housing and municipal services.
- Domestic and foreign investments are not used effectively enough; there is no rate policy in place designed to ensure the profitability of providing these services; and the institutional and functional potential of the sector with regard to collecting payments for services is inadequate.

- The quality of housing and municipal services is declining, while inefficient spending is on the rise.
- Measures aimed at developing the social sphere and the public utility infrastructure in the rural municipalities (*jamoats*) are insufficient.
- The rural areas have almost no centralized sewage systems or facilities for collecting and recycling solid household waste.
- The rapid population growth is not leading to a corresponding development of the sector.
- There is a shortage of skilled personnel.

5. In view of the above problems and NDS/PRS goals, the main tasks of the sector at this stage of the reform are: (i) implementing institutional reforms in the sector; (ii) attracting private business and investments; and (iii) increasing effectiveness and optimizing the performance of the sector's infrastructure.

6. Within the framework of the institutional reforms (task i), there are plans to carry out operational and institutional measures and to clarify the roles and increase the capacities of the agencies responsible for the development and implementation of the policy and the drafting of the relevant laws, standards, programmes and regulatory documents. This will ensure the preparation of the necessary legislative and other regulatory legal acts, and funds raised for the modernization of electrical power and hydro-mechanical equipment. There are also plans to improve the system for recording water use, to install water meters and to renovate the key facilities in centralized heating systems in towns and villages. A conceptual plan for the development of housing stock will be prepared in order to provide incentives for private construction activity. In addition, the rating system will be analysed and a mechanism developed for the collection of payments for municipal services. A conceptual plan for the development of housing will help coordinate efforts in this sector.

7. One of the priority tasks of the "water supply, sanitation, and housing and municipal services" sector is to strengthen private business efforts and attract investments (task ii). Accordingly, there are plans to analyse the attractiveness of the sector from an investment perspective in order to evaluate the prospects for privatization or restructuring of facilities in the sector; proposals will be prepared with regard to providing state support for activities in this sphere.

8. Another important task of the "water supply, sanitation, and housing and municipal services" sector is to increase effectiveness and optimize performance of the sector infrastructure (task 3). To achieve this, the following measures must be carried out:

- drafting or revising and implementing the general local development plans; developing or restoring the public utility infrastructure;
- promoting public housing construction projects;
- providing greater access to housing and municipal services for the low-income and socially vulnerable segments of the population.

As a result of these measures, housing and municipal services enterprises will increase incomes, the technical expertise of the sector will be restored, the collection rates for the public utility payments will be increased, and the quality of services provided will improve.

To better address the tasks outlined above, measures will be undertaken to: restore and rebuild the reservoir for the daily regulation of water levels; protect public health zones; restore and rebuild the heating and water supply networks, interior plumbing systems and the water supply systems of towns, district centres and rural localities; restore and rebuild sewage treatment plants; build treatment facilities; and improve sanitation and hygiene conditions.

9. Performing these tasks and measures of the "water supply, sanitation, and housing and municipal services" sector will ensure wider access of the country's urban population and the rural residents to safe drinking water, sanitation services, and housing and municipal services.



## **6.5. PROMOTION OF ENVIRONMENTAL SUSTAINABILITY**

### **6.5.1. Description of the relationship between the poverty and environmental sustainability.**

The Global Environmental Facility (GEF) defined the relations between environmental degradation and poverty as follows:

Poverty is the main reason and consequence of global environmental problems. Therefore, there would be no reason to make attempts to resolve environmental problems without taking into account wider opportunities, which include poverty factors.

Poverty reduction in Tajikistan is the key issue of state policy. There are political/legislative measures related to poverty reduction and environmental protection issues in Tajikistan, but they do not appropriately cover the ecological, poverty, production and social development issues. The policies and programmes of most sectors regarding environmental protection have not yet been harmonized (e.g. issues related to land degradation and increased waste production and consumption remain).

To promote environmental sustainability, it is necessary to implement the Environment Protection Concept of the Republic of Tajikistan, which has provisions for shifting from the principles of temporary economic impact to those of long-term sustainable development.

The Government is paying increasingly greater attention to sustainable social and economic development. For this reason, Tajikistan has joined a number of international conventions such as the United Nations Convention on Climate Change (1998), the Qyoto Protocol (2008) and a number of other international conventions and agreements. In addition, the Centre for Study of Climate Change and Ozone has been established within the Committee for Environment Protection under the Government, bring together scholars and experts.

The NDS includes the following priorities regarding environmental sustainability on the basis of national goals and priorities:

1. To strengthen the institutional capacity on environment in order to promote environmental sustainability;
2. To address the issues of natural disasters through prevention and the effective natural resources management;
3. To maintain and manage biodiversity and the ecosystem.

### **6.5.2. Problems in environmental sustainability of Tajikistan**

1. Tajikistan faces problems of soil degradation such as erosion, swamping, deforestation and salinization. These problems are both due to climate change and man-made factors. Together they cause changes in soil activity, i.e. changing the quantitative and qualitative features of the land, which leads to decrease in quality of the natural and economic environment.

A decrease in agricultural land fertility seriously threatens national food security. The farmlands have been reduced by 4 percent in the country over the last ten years.

Desertification has become one of the burning issues of the country. Development of new lands from steep mountain slopes, cutting forests, and raising livestock without respecting national regulations have led to a decline in the mountain terrain, which aggravated different natural and manmade environmental impacts.

2. Sparsely populated mountainous areas of Pamirs have also become subject to man-made impact. As a result of this impact on the mountainous ecosystem, the overall situation of the mountainous plants has changed, including that of the rare species of medicinal herbs; soil degradation has worsened; and useful species of plants have disappeared and been replaced by weed. All of these factors have led to the progressive reduction of biodiversity and, consequently, to desertification.

3. In the past, private entities would collect medicinal herbs to prepare and resell unprocessed drugs abroad. Granting permission and registration of activity related to the collection of medicinal herbs will make it possible to regulate it. Where material stimulation is introduced, this may become an additional source of income for the people living in mountainous areas. In addition, this will

strengthen the implementation of one of the priority objectives of the NDS, i.e. *the protection and management of biodiversity and the ecosystem*.

4. The main sources of pollution of the water resources are the communal, industrial and agricultural wastewaters. The agricultural water wastes account for more than other types of waterwastes by volume (3.3–4.1 km<sup>3</sup>). The percentage of pesticides, nitrate and phosphate in the drainage water currently exceeds the threshold established by regulations (up to 25 percent of nitrogen, 5 percent of phosphate and 4 percent of pesticides).

5. According to the UNDP/United Nations Environment Programme (UNEP) Survey conducted in the framework of the Poverty and Environment Initiative (PEI), the country's population, particularly in the rural areas, has limited access to electricity supply. The energy crisis in 2007–2008 led to massive forest cutting.

The Government has been seriously concerned over the recent energy crisis. Therefore, decisions have been taken to design programmes for energy independence, including for the construction of small HPPs throughout the country.

At the same time, options should be considered to introduce new technical developments available at scientific and research institutions in order to apply alternative energy resources (for instance, small wind power plants generating power through air pressure).

6. Air pollution in industrial centres and urban areas is one of the serious problems of the environmental safety. Large industrial enterprises and vehicles are the main air pollutants. According to the Ministry of Transport and Communications, the number of vehicles increased by approximately 125 percent over the last five years in Dushanbe alone, more than 80 percent of which are very old vehicles. At present, the relevant agencies insufficiently control the level of engine exhaust; therefore, environmental compliance needs to be improved.

7. There are a number of problems related to waste management in the country. The country's system of waste recycling is poorly developed; waste collection and disposal areas do not meet the sanitation standards; and low-waste technology for waste recycling and utilization is limited. Also, adequate efforts should be made to eliminate the potential hazard of radioactive and metallurgy wastes.

8. According to a Survey conducted by United Nations Framework Convention on Climate Change (UNFCCC), temperatures in the country will rise from 1.8 °C to 2.9 °C by 2050. Should these forecasts be realized, climate change in the country will negatively impact:

- water resources;
- the agricultural sector;
- transportation infrastructure; and
- public health.

9. More than half of the country's territory consists of mountains, at altitudes of 3,000 m. This makes it significantly vulnerable to natural disasters, mainly soil drying in the summer and landslides in the spring. One of the priority objectives of the NDS is to address natural disasters through prevention and effective management of natural resources.

According to the European Commission Aid Department, in Central Asia, as a result of natural disasters over the last decade, 2,500 people have died and 5.5 million people (approximately 10 percent of the population) have been injured. The UNDP Resident Coordinator in Tajikistan pointed out that natural disasters cause US\$ 600 million of damage to Tajikistan annually. Natural destruction represent 4.8 percent of the GDP and mainly effect the poor segments of the population.

10. Ecological education.

The following measures should be created and implemented:

- new programmes and teaching manuals on environmental protection and sustainable development in industry, agriculture and services, taking into account the impact of these sectors on the environment;
- professional development, re-training of engineers, technical specialists and teachers, training and re-education of professionals whose activity is directly related to the use of natural resources;

- the inclusion of the subject “environment and sustainable development” in the curricula of secondary and higher education schools;
- the development of a series of educational presentations on environmental protection and the effective use of natural resources for different groups of the population, including pre-school age children;
- the development of training programmes of journalists and other specialists of mass media to cover environmental issues and introduce them to the sectoral learning process.

### 6.5.3. Action Plans

#### A. Waste management

Background information: Environmental problems are the key issues for environment protection in the country due to their complexity associated with waste disposal, recycling and use. These problems exist in all spheres of the humankind activity and affect all components of the environment—soil, air and water resources.

Assessment: It is necessary to focus on the following specific features while conducting an analysis of the problems associated with the waste management in the country:

- Most of the country’s territory consists of high-elevation areas ecosystems, which are particularly vulnerable to natural and man-made impacts.
- The country’s territory is significantly subjected to natural disasters, such as earthquakes, landslides, mudflows, floods, overbank flow, excessive humidity level, rockslides, avalanches, etc.
- There are many polymetallic and radioactive minerals storages in the country. There is a constant threat of possible environmental catastrophe as a consequence of destruction of tailing ponds located in districts of high seismicity and frequent landslide incidents.
- There is a high risk of possible environmental catastrophes that may impact not only Tajikistan, but also neighbouring countries.

#### Tasks to 2012:

- Perform an inventory of the country’s tailing ponds.
- Develop and adopt fiscal (tax, credit and other) regulations to introduce non-waste technology in production.
- Establish a system for the collection and use of solid household wastes, taking into account technology for their processing to generate electricity.
- Rehabilitate the toxic chemical tailing ponds in the districts of Vakhsh and Konibodom, and dispose of outdated toxic chemicals whose use is prohibited.

#### B. Control over the air quality

General information: Tajikistan ranks only 150<sup>th</sup> among more than 200 countries in terms of CO<sub>2</sub> exhaust emissions per capita, but the trend over recent years shows that a number of factors can negatively effect air quality, such as an intensive increase of number of vehicles, most of which are very old.

#### Tasks to 2012:

- Improve and harmonize air protection laws and regulations with the international standards and requirements.
- Develop a system for monitoring the movement of polluting substances and improving the waste control system.
- Carry out scientific and research activities on air protection and establish an on-line system of information exchange and an automated database.

### C. Improvement of water resources management

General information: The country's major rivers are Syrdarya, Amudarya (Oxus), Vakhsh, Kofamihon and Zerafshan Rivers.

Tasks to 2012:

#### Water resources quality management

- Develop and apply a single regulatory and methodical documentation on water quality, taking into account international requirements.
- Create a database on the environmental situation of the water resources.

#### Prevention of water resources deficit

- Improve and modernize the water distribution system.
- Develop methods of purifying waste water and drainage water, taking into account their further treatment in water supply facilities.
- Introduce water-efficient irrigation and water-cleaning technology at the national level.

#### Improvement of water quality

- Identify the sources of water pollution.
- Improve the payment system for the use of water and penalties for water pollution and damage caused to water resources.
- Rehabilitate and construct new drainage systems to reduce the level of groundwater and to prevent the secondary salinization of soil.

### D. Land management

General information: A significant part of land resources of the country are subject to, *inter alia*, water and wind erosion, salinization of arable lands, man-made desertification, and swamping and water pollution by industrial and household wastes.

In general, these factors have been leading changes in the soil function, i.e. to quantitative and qualitative deterioration, and, therefore, a reduction in its natural and economic significance.

Tasks to 2012:

- Improve and coordinate legislation on environmental protection in order to establish the institutional conditions to successfully combat desertification.
- Introduce a monitoring system to assess the desertification process and environmental aspects, and support a sustainable mechanism of coordinating activities to combat desertification.
- Rehabilitate degraded pastures and introduce pasture conservation methods.
- Fight against the degradation of arable lands.
- Recultivate lands disturbed by humans.

### E. Protection and management of the mountainous ecosystem

General information: As a result of the uncontrollable man-made burden on the mountainous ecosystem of Tajikistan, the main type of plants have changed, the phytogenetic resource base of plant formation has been lost, and the land is degraded throughout the country, which in turn has led to an expansion of weeds in pastureland replacing useful species of plants. All of this has led to growing loss of species diversity and, ultimately, to desertification of the territory and disturbance of the environmental sustainability. Profound changes in the hydrothermal process/regime of the surface of mountains, attenuation of renewable water resources and high risk of hazardous natural disasters are inevitable consequences of these processes.

Tasks to 2012:

- Develop and widely apply alternative energy sources in mountainous, populated areas.

- Promote the protection of households, territories and the population from the effect of hazardous geodynamic processes.
- Establish mechanisms for implementing regulatory, legal and economic tools and instruments for natural resources use and mountain areas conservation.
- Rehabilitate and improve the system of monitoring the degradation of the ecosystem of mountainous uplifts/ridges.
- Establish conditions promoting the sustainable use of tourism and the recreational potential of the mountainous areas as well as for organizing ecotourism and agritourism.
- Identify the environmental and economic effectiveness of developing the potential of natural resources in mountainous areas.

#### F. Climate change

Background information: The impact of climate change on the economy of Tajikistan has already been observed. The rise of temperature and desertification, heavy rains and mudflows, floods in the river basins, severe winds and typhoons can prove the climate change in the country.

Tasks to 2012:

- Strengthening the Centre for Climate Change Studies.
- Developing the norms necessary for adaptation to climate change.
- Rehabilitating mountainous, river banks and desert forests to strengthen foothills and stabilize the water flow process.
- Rehabilitate the networks of snow measurement stations.

#### G. Prevention of natural disasters

Background information: According to the European Commission Aid Department, in Central Asia, as a result of natural disasters over the last decade, 2,500 people have died and 5.5 million people (approximately 10 percent of the population) have been injured. The UNDP Resident Coordinator in Tajikistan pointed out that the natural disasters cause US\$ 600 million of damage to Tajikistan annually. Damages from natural destruction represent 4.8 percent of the GDP and mainly affects the poor segments of the population.

Tasks to 2012:

- Planting trees on foothills and areas subject to natural disasters.
- Strengthening the banks of major rivers.

## 6.6 Promotion of gender equality

1. Implementation of gender policy currently demonstrates the Government's commitment to promote gender equality. Specific steps have been taken to improve the institutional mechanisms for promoting women within the government agencies. To train and promote women – leaders of the State Programme “Training, selection and placement of managerial personnel of the Republic of Tajikistan out of the talented women and girls” for 2007–2016 was elaborated and funds were allocated from the State budget, and the Decree “On the establishment of Presidential grants to develop women's entrepreneurship for 2008–2010” was adopted to increase women's economic opportunities. TJS 1 million are allocated every year for the implementation of this programme and to strengthen the capacities of the main government agencies to promote gender equality. In 2009, financing doubled for the Committee for Family and Women Affairs under the Government.

2. Analysis of the current status of gender issues shows that there are still problems that hinder the real promotion of gender equality, which were identified as follows:

- an underdeveloped legislative base to ensure gender equality;
- a lack of institutional mechanisms of gender policy;

- inadequate budget funding to support measures to implement gender policy;
- a lack of models for constant monitoring and evaluation of gender policy;
- women's low level of awareness and legal knowledge, and weak competitive abilities;
- society's tolerance of violence against women and children;
- inadequate social partnerships between the government, civil society, the business community, and donors in addressing gender problems.

3. The PRS is based on the goals and tasks set forth in the MDGs and the NDS, and calls for a range of measures to be carried out in all sectors, including those aimed at achieving gender equality.

It is expected that the measures outlined in the gender equality matrix will help narrow the gender gap if fully implemented.

4. It should be noted that gender issues cut across a number of different sectors and, with the aim of integrated approach for solving the above mentioned problems accordingly, are included, albeit in a limited way, in the matrixes of other sectors in the draft PRS. For example, ensuring equal access for boys and girls to basic education is reflected in the "Education" sector; measures to promote equal access to medical services are found in the "healthcare" sector; measures to support women's entrepreneurial activities are included in the "Improvement of the investment climate, development of the private sector and entrepreneurship" sector; and issues concerning employment and social welfare for men and women appear in the "social welfare" sector.

5. The matrix of measures to achieve gender equality covers problems will have to be addressed on a priority basis and are aimed exclusively at implementing the government gender policy. The measures are grouped by the issues currently addressed and consist of the following tasks:

- 1) Improving the institutional basis for gender policy
- 2) Creating of effective mechanisms to promote equal access to resources
- 3) Reducing of the level of domestic violence and violence in the society.

6. Improving the institutional base of gender policy (task 1) entails a study of the need for amendments to the law on the civil service and the drafting of the relevant by-law documents. There are plans to establish an inter-agency coordination body to carry out a functional survey and to define the specific functions and authorities of the agencies responsible for the drafting and implementation of gender policy. Plans have been made to introduce "soft" quota methods for women in the government agencies, strengthen the capacities of women civil service employees, and draft and implement a targeted programme to promote women to management positions.

7. Establishing effective mechanisms to expand women's access to resources (task 2) entails carrying out information campaigns and increased setting of quotas for young women and men from remote regions. Assuming that additional funds can be raised, there are plans to set up education and training centres. In order to overcome traditional stereotypes about women, expert reviews of curricula and textbooks will be conducted from a gender perspective, as well as measures to reduce the employment of women in domestic service jobs.

8. Reducing all types of violence (task 3) entails improving the information available to the public, raising the level of gender awareness among the law enforcement personnel, and establishing a National Analytical Centre under the Ministry of Internal Affairs.

9. Implementation of the measures for 2010–2012 will allow to increase the percentage of women in public administration, in among the economically active people as well as to reduce the level of domestic violence and violence in society.

## **7. FINANCING OF THE POVERTY REDUCTION STRATEGY IMPLEMENTATION**

1. Implementation of the priorities, tasks, indicators and measures outlined in this PRS requires funding and/or resources. The state budget, foreign aid and FDIs are the main source of funding. The State budget will provide the bulk of the funding. The internal budget resources for the implementation of the key projects aimed at infrastructure development and the pursuit of the institutional reforms will

be supplemented by foreign aid provided to Tajikistan by international organizations and bilateral donors.

FDI is the main source to address economic development tasks, which are the central tasks in the PRS. These three main sources of financing should make it possible to mobilize resources for PRS implementation.

2. The main principles for attracting and using financial resources for the PRS are as follows:

- Focus on long-term development.  
The Government will address the identified tasks of social, economic and political stability and is taking steps towards implementing them to ensure long-term development. The country can receive long-term investments, support the development of the private sector and economy, and promote stable operation of the social and economic sector through this.
- The reality.  
PRS financing is based on the evaluation of the real opportunity for mobilizing internal resources, attracting foreign aid and FDIs. It also relies on the country's capacity to effectively and beneficially use the available resources.
- Prioritization of the expenditures sector. The main tool for ensuring true implementation of the PRS and improving the effectiveness of resource use is focusing on the most important political sectors.

3. The financing of the PRS measures is based on the scenario of the country's macro-economic development, as outlined in Table 1. This will be based on the real situation of external assumptions/ on the country's economy. According to the scenario, the national economy will grow in 2010–2012 and the GDP's annual growth will be at least 5–6.5 percent in 2010–2011 and at least 7 percent in 2012. The inflation rate will be 7 percent, and the share of general investments in the statutory capital will be no less than 18 percent of the GDP, on average. If the large energy and infrastructure projects are implemented, the proportion of the general investments can significantly increase.

*Table 1*

*Major indicators of macro-economic development of Tajikistan for 2010–2012*

	2009	2010	2011	2012
		Estimates		
GDP (TJS million)	20,622.8	24,500.0	29,400.0	35,280.0
GDP per capita (TJS according to the prices of relevant years)	2,759.3	3,217.0	3,778.2	4,439.0
GDP real growth rate (%)	3.4	5.0	6.5	7.0
Average annual inflation (%)	5.0	7.0	7.0	7.0
Export of products and services against the GDP (%)	28.3	26.7	30.5	33.1
Import of products and services against the GDP (%)	53.5	58.8	66.6	60.2
Broad financial indicators against the GDP (%)	11.2	23.2	22.5	20.2
Total investments in the statutory capital against the GDP (%)	18.1	18.4	17.0	17.5
The State Budget Revenue against the GDP (%)	26.9	26.7	26.8	26.1
The State Budget Expenditure (excluding the State Investment Programme – State Investment Programme) against the GDP (%)	27.4	27.7	27.3	26.6
Profit/deficit of the state budget (excluding SIP) (%)	-0.4	-1.0	-0.5	-0.5
Broad indicators for the deficit of the state budget against the GDP (%)	5.9	9.4	7.4	6.4
Government external debt against the GDP (%)	35.0	38.1	38.0	32.3

	2009	2010	2011	2012
		Estimates		
Repayment of the external debt against the GDP (%)	0.52	0.57	0.49	0.41

\* The following were used in drafting the plan: Outlook of the Ministry of Economic Development and Trade, the Ministry of Finance and the National Bank of Tajikistan and the indicators approved by the Law on the state budget of the Republic of Tajikistan for 2010.

4. A sustainable increase of the State budget is anticipated in the PRS implementation period due to economic growth and measures undertaken on tax and customs policies. It is anticipated that the State budget revenue will account for 26.7 percent of the GDP in 2010, 26.8 percent in 2011, and 26.1 percent in 2012.

To cover the deficit of the PRS, financing will be based on the principles of attracting privileged loans based on opportunities or grants, and to reduce the macro-economic instability to the possible extent.

5. Changes are included into the expenditure part of the sectors of the PRS due to the increased concentration of the State Budget Expenditures policy. The structure of the budget expenditures is outlined in Table 2. Based on this, it is anticipated that the Government would increase the expenditures for the sectors of the PRS, which are mainly financed by the state budget. It is important to point out that the changes in the budget expenditure policy will cover both the national and the local budgets. The financing of the sectors of the PRS will also increase in the structure of the budget of the local authorities.

6. The Government concentrates its efforts on developing the country's economy in order to create a favourable business environment and investment climate (Table 2). It aims to encourage private investments in energy and transportation, production, processing and sale of agricultural output, particularly cotton, which is of great importance for the country's development. It allocates funds out of the State budget for co-financing the investment projects in certain cases. These projects are implemented on the basis of the equal co-partnership principle, which are beneficial for both the government and the investors.

Table 2.

The structure of the state budget expenditures (in percentage)

	2010	2011	2012
	Estimates		
Total expenditure (including SIP)	100	100	100
Agriculture (agricultural and industrial complex)	5.8	4.8	4.5
Transport and communications	9.1	5.0	4.8
Mining industry and construction	0.9	0.4	0.3
Fuel and energy complex	15.8	26.4	24.3
<i>Khojagii manziliyu kommunali</i> (Communal Service Agency)	5.8	3.3	3.7
Education	15.8	19.2	20.8
Healthcare	6.0	6.2	6.7
Social welfare	15.7	12.2	12.5
Other social sectors	3.2	3.3	3.6
Public administration and other budget expenditures	21.9	19.2	18.8

7. The SIPs, which are funded by the foreign aid on a priority basis (Table 3) and the Centralized Investment Programme (CIP), which is funded by the internal budget (Table 4), remain the main tools, and will be harmonized with the PRS key policy directions.

8. The funding within the SIP includes a large package of investment resources: an investment equal to 4.3 percent of the GDP (preliminary information) was invested out of the SIP funds in 2009; it



is anticipated that the level of investments within the framework of the SIP for 2011–2012 will be 6.6, 10.5 percent and 8.5 percent of the GDP accordingly.

The process of development of the State Investment Programme for 2010–2012 is closely related and coordinated with the development process of this PRS, which makes it possible for the SIP for 2010–2012 to reflect the measures of the PRS (Table 3).

The bulk of the SIP funds will be spent on the implementation of the following measures of the PRS (see Chapter 3): (i) development of the private sector and encouragement of investors by implementing investment projects on energy, transport, agricultural sector and water services; and (ii) development of human potential by implementing institutional reforms in education, healthcare and social welfare and by increased investment in the social infrastructure. These measures within the framework of the PRS will, at the same time, promote the improvement of public administration, i.e. implementation of the priority area of the next PRS, because most the SIP projects include measures for the institutional development of the relevant sectors of economy.

9. The expected the MTBF for 2010–2012 (US\$ 820 million) annually is 5.1 percent of the GDP (1.5 percent of the overall cost of the PRS programmes). This amount is shown as the contribution of the budget to finance the needs of the PRS, which must be covered, without distribution based on separate measures (Table 5). The sectoral sample distribution of the MTP within the period of action of the PRS is outlined in Table 4. Every year, the Government identifies the distribution of resources of this Programme according to the sectors and measures outlined in the matrix of actions within PRS aligned to PRS priorities

10. The main part of the PRS funds will be spent on implementing the PRS priority and top priority measures. General information about the financial need for this programme is outlined in Table 4, and more detailed financial information on each measure is outlined in Annex 1.

*Table 3.*

*Prospect of the distribution of the State Investments Programme funds*

	2010	2011	2012
Totak SIP, in percentage against the state budget expenditures	50.4	39.7	33.6
Including on sectors:			
Economy management	6.9	0.2	0.3
Agriculture, irrigation and water supply of rural areas	6.7	6.1	5.6
Water supply and sewage system	3.0	3.6	3.5
Energy	11.0	11.7	10.4
Transport	15.0	12.7	8.7
Education	2.8	3.8	3.0
Health care	5.0	1.2	1.2
Multi-sectoral and other spheres	0	0.4	0.9

11. The total cost of the PRS programme was US\$ 10,976.9 million, including US\$ 1,914.1 million of the external privileged loans and grants. The funds approved are currently US\$ 2,875.5 million, including US\$ 935.8 million out of the budget funds, US\$ 1,139.7 million out of the SIP and US\$ 800.0 million out of the FDI.

Table 4.

*Estimates on the distribution of the MTP funds*

	2010	2011	2012
The MTP– total, in percentage against the state budget expenditures	18.6	19.9	17.6
Including:			
Education	1.9	1.7	1.5
Healthcare	0.4	0.4	0.4
Agriculture	0.005	0.01	0.01
Transport	0.2	0.3	0.3
Energy	10.2	12.8	11.5
<i>Khojagii manziliyu kommunali</i> (Communal Service Agency)	3.3	2.8	2.4
Other sectors	0.9	0.9	0.8

12. The financial needs that have not yet been allocated to the programme are valued at US\$ 8,242.5 million. In order to cover the financial gap, there are plans to attract US\$ 774.5 million of privileged external aid within the SIP and US\$ 7,153.1 million within the framework of FDI. While identifying the size of the external debt, particular attention is given to observe the prudential factors of the fiscal sustainability and the external debt resistance, such as conducting an assessment of the external debt against the GDP. During the identification of Tajikistan's external loans volume, primary focus will be on the sustainability of the external debts, such as the net value of the external debt per GDP. The main source to cover the deficit of the programme is FDI and the additional needs are 65.2 percent of the total amount of the programme.

13. It is considered that all of the funds provided by the development partners to Tajikistan for poverty reduction, above all, the investment funds, will be accounted for in the state budget and will be used to implement the measures outlined in the matrix of activities of this PRS.

Table 5.

## Needs for financing of the Poverty Reduction Strategy measures (US\$)

Economic sector of the Republic of Tajikistan	General needs	Approved financing*				Needs to be covered				Comparative weight of the needs to be covered against the general needs in percent			
		Budget	Foreign aid/financing		Total	Budget	Foreign aid/financing		Total	Budget	Foreign aid/financing		Total deficit
			SIP- total (cred./gr.)	FDI			SIP-total (cred./gr.)	FDI			SIP total (cred./gr.)	FDI	
Public administration	86,000	–	–	–	–	–	86,000 (0/86,000)	–	86,000	–	100.0	–	100.0
Macro-economic policy	44.88 m	2.36 m	12.52 m (0/12.52 m)	–	14.88 m	–	30.0 m (0/30.0 m)	–	30.0 m	–	66.8	–	66.8
Improvement of the investment climate and development of the private sector	2.8 m	–	–	–	–	–	2.8 m (0/2.8 m)	–	2.8 m	–	100	–	100
Regional development, cooperation and integration into the global economy	10.1 m	–	0/200,000	–	200,000	–	9.9 m (0/9.9 m)	–	9.9 m	–	98.0	–	98.0
Development of transportation	721.4 m	44.5m	347.4 m (300.0m/47.4m)	–	391.9 m	–	288.0 m (288.0m/0)	41.5 m	329.5 m	–	40.0	5.7	45.7
Development of communications	4.9 m	–	2.9 m (2.47m/430,000)	–	2.9 m	–	2.0 m (0/2.0 m)	–	2.0 m	–	40.8	–	40.8
Development of energy	3,501.6 m	69.4m	339.2 m (313.7 m/25.5 m)	658.5 m	1,067.1m	–	322.5 m (309.9m / 12.6m)	2,112.0 m	2,434.5m	–	9.2	60.3	69.5
Development of industry	5,303.1 m	303.0m	–	141.5m	444.5m	–	-	4,858.6m	4,858.6m	–	–	91.6	91.6
<b>Total for development of infrastructure, communications, energy and industry</b>	<b>9,531.0m</b>	<b>416.9m</b>	<b>689.5m (616.2m/73.3m)</b>	<b>800.0m</b>	<b>1,906.4m</b>	–	<b>612.6m (597.9m/14.6m)</b>	<b>7,012.1m</b>	<b>7,624.6m</b>	–	<b>6.4</b>	<b>73.6</b>	<b>80.0</b>
Food security and development of the agricultural sector	507.5m	84.7m	345.7m	–	430.4m	77.1m	–	–	77.1m	15.2	–	–	15.2

Economic sector of Tajikistan	General needs	Approved financing <sup>1</sup>				Needs to be covered				Comparative weight of the needs to be covered against the general needs in percent			
		Budget	Foreign aid/financing		Total	Budget	Foreign aid/financing		Total	Budget	Foreign aid/financing		Total deficit
			SIP-total (cred./gr.)	FDI			SIP-total (cred./gr.)	FDI			SIP-total (cred./gr.)	FDI	
Development of Education sector	310.5m	68.6 m	69.7m	–	138.3m	172.2m	–	–	172.2m	55.5	–	–	55.5
Development of Science sector	14.0m	4.45m	–	–	4.45m	9.55m	–	–	9.55m	68.2	–	–	68.2
<b>Total in Education and Science Sector</b>	<b>324.5m</b>	<b>73.05m</b>	<b>69.7m</b>	–	<b>142.75m</b>	<b>181.75m</b>	–	–	<b>181.75m</b>	<b>56.0</b>	–	–	<b>56.0</b>
Development of the healthcare system	325.6m	309.9m	15.7m	–	325.6m	–	–	–	–	–	–	–	–
Development of the social welfare	50.55m	1.37m	14.08m	–	15.45m	35.1m	–	–	35.1m	69.4	–	–	69.4
Expansion of access to water supply, sanitation and housing and municipal services	90.9m	1.0m	–	–	1.0m	1.0m	88.9m	–	89.9m	1.1	97.8	–	98.9
Promotion of environmental sustainability	61.0m	2.5m	9.6m	–	12.1m	20.0m	28.9m	–	48.9m	32.7	47.3	–	80
Promotion of gender equality	2.2m	164,000	735,000	–	899,000	–	1.3m (0/1.3m)	–	1.3m	–	59.1	–	59.1
<b>Total expenditures on the PRS</b>	<b>10,951.1m</b>	<b>891.94m</b>	<b>1,157.74 m</b>	<b>800.0</b>	<b>2,849.7m</b>	<b>314.95m</b>	<b>774.4m</b>	<b>7,012.1</b>	<b>8,101.4m</b>	<b>2.9</b>	<b>7.1</b>	<b>64.0</b>	<b>74.0</b>

<sup>1</sup> This includes the following projects: (i) projects that are signed and that will be implemented within this Strategy; (ii) projects that are being developed and that are ready for the implementation of this PRS; and (iii) project that are included into the donors' assistance programmes and that will be implemented within this PRS.

14. The PRS will be primarily funded by the State budget, which outlines goals, tasks and measures. The Medium-term Budget Programme (MBP) will have a key role to play in aligning the state budget to the policy priorities determined in NDS/PRS. Since the sectoral approach is accepted in the NDS/PRS, the MBP also needs to be based on the sectoral distribution of the state budget.

## **8. MONITORING AND EVALUATION OF THE POVERTY REDUCTION STRATEGY**

1. The monitoring and evaluation of the PRS will involve all the various segments of society in the poverty reduction effort and the rational use of the internal and the external resources, ensuring independent, transparent assessment and result-oriented activities. As a result, proposals will be prepared to improve the development process, taking into consideration the achieved results.

2. To ensure cooperation between all the government branches and civil society for national development based on constructive partnership principles, the National Development Council under the President of Tajikistan was established by Presidential Decree No. 355 of 19 December 2007 and its Charter was approved. Membership of the National Development Council under the President of the Republic of Tajikistan was approved by Decision No. 122/10-4 of 2 March 2009 of the Chairman of the National Development Council under the President. In accordance with this Decree, the President was appointed the Chairman of the National Development Council. Membership of the Council includes representatives of the Government, the Parliament and civil society. The Council determines the overall reform strategy and was established to ensure cooperation between government agencies, the private sector and civil society in order to implement the measures of the NDS and the PRS.

3. All of the practical activities aimed at PRS implementation will be coordinated by the Government. Also, it will be ensured that the Medium-Term Budget Framework and annual budgets are consistent with the PRS goals, tasks and measures. Sectoral ministries, departments and local government authorities will be the principal working bodies engaged in the implementation of the PRS within the relevant sectors and regions. They will be responsible for the implementation of the relevant sections of the activity matrix, which are integral components of the PRS. In their annual reports, the sectoral ministries, agencies and local authorities will include actions for implementing PRS priorities. The Government will engage in constructive cooperation with the donor organizations to ensure the coordinated and effective use of the foreign aid provided to the country. Further, it will foster a favourable environment to attract FDI and domestic investment in the economy.

4. The Lower Assembly of the Parliament is called on to draft legislation that reflects the policy measures outlined in the PRS, and to take into account PRS goals and priorities in the review and approval of the state budget.

5. The non-governmental and civil society organizations will have an important role to play in achieving the Strategy's goals. The various forms of participation by civil society will include dissemination of information on the PRS to the public, participation in PRS monitoring and in the consultative process related to its implementation, and ensuring transparency and accountability in the implementation process. Effective cooperation and partnership between the government bodies and the non-governmental organizations, civil society and the international organizations will be particularly important.

6. By Decree No. 216 of 2 May 2008, the Ministry of Economic Development and Trade was appointed the responsible authority for conducting the monitoring and evaluation of the effectiveness of the implementation of the medium-term poverty reduction strategies (PRSs). The ministries, departments and government agencies established and/or identified special structures (directorates, departments, units) to conduct sectoral monitoring and evaluation within the medium-term PRSs.

7. One of the most important elements of the PRS implementation management system is the PRS Monitoring and Evaluation System (MES). Its purpose is to track progress towards achieving PRS goals, identify positive experience gained and the current problems in the Strategy implementation, analyse development processes within the PRS framework, and develop sound proposals to make adjustments in the poverty reduction policies aimed at enhancing its effectiveness.

The MES allows transparent and direct feedback on policy decisions, the results of their practical implementation, as well as transparency and accountability in activities related to the PRS goals.

8. The fundamental principles of the PRS monitoring and evaluation are: independence of the evaluation process; transparency and accountability; a focus on results; use of the latest monitoring methods by the PRS priorities; and involvement of the Parliament, the executive government authorities at all levels, the local self-government bodies and the development partners.

9. The quantitatively defined PRS goals form the basis for the MES structure. A system of indicators is used to measure the country's progress toward these goals, which makes it possible to track the effectiveness and outcome of the policy measures set out in the PRS. The data collection system for monitoring indicator values and other quantitative and qualitative information that describes Tajikistan's socio-economic development is the key subsystem of the MES. Other components of the MES include:

- a system for analysing the information collected in the monitoring process, which would evaluate the effectiveness of measures aimed at the country's socio-economic development within the PRS framework and the drafting of proposals to improve PRS policies;
- a system for disseminating information on the results of the monitoring of PRS implementation and collecting feedback by the various participants in the PRS implementation process;
- the effective functioning of the entire MES, which is determined by the institutional and financial support provided for monitoring and evaluation processes.

10. The PRS goals fully incorporate the MDGs, which Tajikistan adopted together with the international community and which are, at the same time, the intermediate goals of the NDS.

Effective monitoring and evaluation of the PRS implementation activities are possible since these goals are interdependent, have been quantitatively defined, and are linked to the PRS time horizon.

11. The system of monitoring indicators includes all PRS policy directions, all types of resources used for its implementation, and all results to be achieved in its implementation process. PRS monitoring will be carried out using baseline and target indicators for the country and, where possible and appropriate, by region. The sectoral and the local government bodies may use additional indicators that reflect their specific development tasks. Thus, the system of indicators will provide a full range of information for monitoring at all the levels: national, sectoral, regional, project and programme.

12. The information collection system will be organized to ensure that the requirements for complete data in order to make management decisions and economical use of the government resources for obtaining this information are both taken into account. Substantial improvements will be made in the collection of information on the level and the nature of poverty in the country. This information will become the basis for PRS monitoring.

13. The period of data collection for various indicators will be determined by the degree of variability of the phenomena reflected by them and by the need for new data to make management decisions and develop policies; data will be updated at least once a year for all indicators. Measures will be taken to reduce the time taken to publish indicator values, particularly in regard to the poverty rate and other poverty indicators. This will allow decision-makers to base policies on the actual data.

14. The relevant statistical agencies, which will provide for the timely collection, processing and presentation of most of the data for all the indicators, have a central role to play in the data collection system. With the support of the international development organizations, steps will be taken to reinforce the capacities of the statistical agencies, including regional offices, to obtain objective, accurate and timely information on the country's socio-economic development.

15. The ministries and departments responsible for the sectors under their jurisdiction in the Strategy implementation process will prepare information on the state budget expenditures under all components of the PRS in drafting and implementing the MTB Framework and the annual budget. To accomplish this, formats will be adapted to the PRS monitoring and evaluation needs for presenting the budget information, including changes in the budget classification.

16. Specialists from the government and independent research organizations, NGOs and other representatives of civil society will be increasingly involved in the analysis and drafting of proposals on government policy.

17. According to the institutional structure of the monitoring and evaluation system, the Ministry of Economic Development and Trade is the competent body of the NDC Secretariat in this area.

The principal functions of the Ministry of Economic Development and Trade in monitoring and evaluation are to:

- establish the legislative basis for the legal status of NDS/PRS;
- organize monitoring and evaluation processes at all levels of management;
- draft regulatory legal acts in the monitoring and evaluation component;
- integrate monitoring and evaluation results into the entire Strategy;
- prepare annual reports on PRS implementation;
- coordinate the activities of other MES participants and to maintain a dialogue with the development partners; and
- disseminate information on monitoring and evaluation processes and results.

The Ministry of Economic Development and Trade will also provide full information on the foreign assistance received by the country to assist in PRS implementation.

18. The statistical structures and relevant ministries and agencies will be the main sources of monitoring data. In addition, these bodies will hold an important role to provide expert support to other participants in the monitoring and evaluation process with regard to data collection methodologies.

19. Specially identified units (monitoring and evaluation divisions/analytical divisions) within each of the specialized ministries and departments will be assigned responsibility for the monitoring and evaluation of the PRS sectoral components. These units will coordinate the data collection activities and present integrated results of the monitoring of the PRS implementation in the respective sectors on the basis of the departmental and statistical committees' data, linked to information on execution of the state budget, including the PIP and the Central State Investment Programme (CSIP), and if available, the data from independent studies performed by civil society organizations and international organizations. These units will prepare regular sector reports on the PRS implementation.

20. The Lower Assembly of the Parliament will be actively involved in PRS monitoring and evaluation. The Head of the Lower Assembly participates as a member of the NDC under the President of the Republic of Tajikistan by Decree No. 122/10-4 of the Chairman of the NDC of 2 March 2009. Annual government reports on the PRS implementation will be presented to the Lower Assembly of the Parliament together with the annual state budget.

21. The role of the local government authorities in the monitoring and evaluation system will consist of organizing the data collection on the implementation of government programmes being carried out within their jurisdiction, analysing progress in the PRS implementation within their regions and, on the basis of this analysis, preparing proposals for improving PRS policies and implementation mechanisms. To this end, the local government authorities will maintain a regular dialogue and discuss monitoring results pertaining to their region with the respective ministries (departments), the local communities and civil society organizations.

22. The participation of civil society in the PRS monitoring and evaluation processes will be broad and varied. The local communities (*jamoats*) are called on to provide information on how the PRS implementation process is perceived by the population and on the problems at the local level that require particular attention. They have been assigned an important role in the monitoring processes. The public will have access to all the results of PRS monitoring and evaluation, and suggestions and comments will be collected from citizens and public organizations on all aspects of the PRS implementation policies and practices. Civil society organizations will be involved in conducting research on PRS problems, particularly in the areas not covered by the official statistics.

23. The system for reporting on the results of PRS implementation in regions will be organized as follows. The local government authorities will provide summary reports to the Ministry of Economic Development and Trade on the PRS implementation activities in their region, and sectoral

reports to specialized sectoral ministries. Projects carried out under the PIP and the CSIP will also be reported to the State Committee on Investment and State Property Management and to the specialized ministries. The sectoral ministries will collate all the information pertaining to their specific sector and will present the summary reports to the Ministry of Economic Development and Trade, where all the information on the PRS implementation will be collected.

24. The monitoring of projects carried out with the support of the international donor organizations will be integrated into the overall monitoring system, which will increase the effectiveness of monitoring funds and will allow to strengthen the country's Monitoring and Evaluation System (MES). Organization of the MES will take into account the interests of all the participants in the PRS implementation process. Significant efforts will be made to strengthen the capacities of all the participants in the monitoring and evaluation process. This will include attractive additional donor funds for these purposes. Many international organizations are already carrying out or planning to begin technical assistance projects in this area. In addition, there will be an increase in government resources earmarked for monitoring needs.

25. The appropriate amount of funding of the monitoring system will be provided through the state budget. Donor funds will be allocated for investments in the human and organizational capacities of the MES. Support will be provided for donor efforts to develop the capacities of civil society in monitoring and evaluation.

26. The MES structure, functions and mechanism will be detailed in the relevant regulatory act (Decree No. 216 of 2 May 2008 "On Monitoring and Evaluation of the Implementation of the Medium-Term Poverty Reduction Strategy in the Republic of Tajikistan").

27. The Government, together with donor organizations, will undertake a number of measures to establish an effective MES, including:

- training of personnel capacities on the monitoring and evaluation system;
- analysis of the key aspects of the current system and development of a system for the management of the PRS results; and
- establishment of the special monitoring and evaluation units in the ministries, agencies and local authorities in the regions.



- APPENDIX 1. MATRIX OF ACTION FOR 2010–2012**
- APPENDIX 2. GENERAL INDICATORS FOR MONITORING THE POVERTY REDUCTION STRATEGY FOR 2010–2012**
- APPENDIX 3. DYNAMICS OF THE POVERTY RATE DECLINE, 2007–2012**
- APPENDIX 4. PARTICIPATION IN THE DEVELOPMENT OF THE POVERTY REDUCTION STRATEGY FOR 2010–2012**

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
<b>1. Public Administration</b>										
1. Increase the effectiveness of national development management	1.1 Establishment of national coordination system and ensuring reform implementation	1.1. Whether National coordination system and provision of reform implementation is established or not.	1.1.1 Establishment of a body on reform and development, as well as a body on administrative and territorial development in EOP of the RT with a precisely defined mandate	Whether the body on Reform and development established or not.	EOP					
			1.1.2 Permit the body for reform and development to lead the process in restructuring the state administration system on the basis of functional reviews	Whether the body on reform and development led the process of restructuring the state administration system on the basis of conducted functional reviews	EOP					
			1.1.3 Development of a coordination plan for the functional review process	Plan developed.	EOP					
			1.1.4 Clarification of cooperation of the body on reform and development with the National Development Council	Whether the regulatory documents regulating the issues of cooperation of the body on reform and development with National Development Council adopted.	EOP					
			1.1.5 Development and introduction of the pilot method of implementation reform	The pilot method on implementation of reform developed and introduced (centralization of institutional, financial and intellectual capacities for solving the priority problems)	EOP					
			1.1.6 Testing of the pilot mechanisms of management by concrete demonstration projects	Pilot mechanisms tested.	EOP					
			1.1.7 Conducting of analysis on the effectiveness of pilot methods of reform implementation	The analysis of the effectiveness of pilot methods of reform implementation conducted.	EOP					
			1.1.8 Identification of responsible persons for developing and conducting reform in ministries	Responsible persons for conducting reform identified.	EOP					
	1.2 Segregation of duties and responsibilities on adoption and implementation of strategic decrees between the EOP and executive bodies	1.2. Whether the duties and responsibilities on adoption and implementation of strategic decrees between EOP of the RT and executive bodies divided or not.	1.2.1 Restructuring of the EOP of RT	Whether the restructuring of EOP completed or not.	EOP					
			1.2.2 Evaluation of restructuring effectiveness	Whether the evaluation of restructuring effectiveness conducted or not.	EOP, GoT					
			1.2.3 Development and introduction of harmonised mechanisms for development priorities at the national, sectoral and regional levels	Whether harmonised mechanisms of development priorities developed and introduced or not.	EOP					
			1.2.4 Linking of the mechanisms of adoption and implementation of strategic decrees to the budgeting process at each level of state administration	Whether mechanisms are adopted and implementation of strategic decrees at each level of state administration linked or not. Whether implementation of strategic decrees provided with financial resources or not	EOP, GoT					
	1.3 Increase the capacity for development of policy in ministries	1.3. Whether new capacities established and capacity of existing structures in the development of policy in the ministries strengthened.	1.3.1 Training of management staff of the ministries on the new methods of policy development and enhancing their qualifications in management of development projects (project managers)	Whether the management staff of the ministries trained in methods of additional policy development; their qualifications in managing development projects improved or not.	CSD, ICST					
			1.3.2 Organization of courses/specializations in development management at advanced universities	Whether the special courses/specialties in development management in advanced universities organized or not.	EOP, GoT, CSD					
	1.4 Development of information capacity and increasing the level of using information technologies in the development and implementation process of state policy at all levels of government	1.4. The number of state administration bodies at all levels of government where modern information technologies in developing and implementing state policy in all levels of government is used.	1.4.1 Identification of basic information needs in the field of development and implementation of state policy at all levels of government	Report on the progress is submitted and practical recommendations prepared	GoT					
			1.4.2 Development and adoption of the strategy on information capacity, including capacity of information and technological management systems for developing fact-based policy and monitoring	Whether the strategy adopted or not.						0
			1.4.3 Testing the methods for information collection and processing; establishment of an electronic information centre, and development and implementation of analysing methods in the main fields of policy	Whether the envisaged plan implemented or not.	GoT					

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
		1.5 Establishment of unified legal information system and provision of legal information to ministries and departments of the Republic	1.5.1 Establishment and promotion of centralized Tajikistan legal information Database by the Ministry of Justice	Whether the level of legal awareness of population on public administration increased or not.	Moj	72,000	0	0	0	72,000
		1.6 Development, printing and dissemination of regulatory and legal acts of the Republic	1.6.1 Official publication of unified State Catalogue on regulatory and legal acts of the Republic of Tajikistan	Whether the level of legal awareness of civil servants and provision of effective public administration increased or not.	MoJ	14,000	0	0	0	14,000
2. Improve the public administration system according to market-economy principles	2.1. Minimization of the government's interference in the activity of enterprises	2.1. Number of controlling state bodies liquidated and the number of inspections per year minimized	2.1.1 Conducting of a thorough functional review of all ministries and agencies: - Identification of superfluous (unnecessary) duplicated functions; - development of table of re-review of functions; - determination of the certain unit of the public administration bodies; - Inclusion of necessary amendments in the legal and regulatory documents	Whether the report on progress and practical recommendations submitted or not.	EOP, GoT					
			2.1.2. Development of a timeframe (matrixes) for separating ministries from state enterprises, which are not included in the privatization programme	Whether timeframe matrixes prepared and approved or not.	EOP, GOT					
			2.1.3. Implementation of separation plan of ministries from state enterprises, which are not included to privatization program	Whether the relevant decrees adopted or not.	EOP, GOT					
			2.1.4. Conducting of a thorough review of non-commercial organizations subordinate to relevant ministries, development of a programme for their restructuring and/or privatization	Whether the report on progress and practical recommendations submitted or not.	EOP, GOT					
			2.1.5. Privatization on the bases of experimentation and/or restructuring of some non-commercial structures subordinate to ministries	Whether the envisaged plan implemented or not.	EOP, GOT					
	2.2 Adjustment of the state's function in regulation issues	2.2. Proportion of regulatory and legal acts adopted with the use of factors for analysing the economic consequences of state regulation	2.2.1. While developing laws, implementation of the formal analysis of economic consequence of state regulation and assessment of newly established functions with the aim of avoiding duplication and unnecessary state intervention for economy by setting forth the implementation of such measures at all levels of public administration	Whether the relevant legislative documents adopted or not	EOP, GOT					
			2.2.2. Restructuring of the inspection bodies at all levels of public administration in accordance with new legislation	Whether the relevant decrees adopted or not.	EOP, GOT					
			2.2.3. Development of a review on the development of administrative justice in accordance with a prepared code on administrative procedures	Whether the report on progress and practical recommendations submitted or not.	GOT					
			2.2.4. Development and implementation of an administrative justice development programme	Whether the programme developed and implemented or not.	GOT					
			2.2.5. Development of a review on the regulation of regulatory and legal administrative procedures in terms of implementation of functions and cooperation of executive government bodies and their departments in districts	Whether the report on progress and practical recommendations submitted or not.	GOT					
			2.2.6. Development and adoption of regulatory and legal documents regulating administrative procedures	Whether the relevant decrees adopted or not.	GOT					
			2.2.7. Specification of the function of authorized bodies in state property management aimed at centralization of the main functions of state property management	Whether the relevant decrees adopted or not.	EOP, GOT					
			2.2.8. Undertaking of legal measures that eliminate the intervention of regional authorities in the economic activity of organizations, especially in the agricultural sector	Whether the relevant decrees adopted or not.	GOT					
		2.2.9. Conducting of a post-situational analyses on implementation of relevant measures	Whether the report on progress and practical recommendations submitted or not.	GOT						

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
3. Increase the effectiveness of state funds management	3.1 Strengthening of the linkage between the budget and development priorities and state economic policy	3.1. Whether the forecasted budget indicators developed on the basis of prospect plans and development perspectives or not	3.1.1 Development of a review on the consequences of state budget disbursement on the current expenditures budget and on the development budget	Whether the review prepared or not	EOP, GOT					
			3.1.2 Implementation of budget distribution by taking into account the outcomes of review	Whether the regulatory materials and other guidance documents developed and introduced.	EOP, GOT					
			3.1.3 Introduction of the practice of conducting compulsory analysis of financial, budget and taxation implications of political decrees	Whether in the agenda of the activity of state bodies the guidance on necessity of availability of experts' opinion on financial implications used or not	EOP, GOT					
			3.1.4 Reconsideration and coordination of all planning tools of social and economic development within one state body	Whether the functions and analytical capacity of MEDT on strategies improved or not	EOP, GOT					
			3.1.5 Evaluation of the effectiveness of the new mechanism	Whether the evaluation conducted or not.	EOP, GOT					
			3.1.6 Adoption of a manual on projects management for investment programmes using project management cycle	Whether the manual developed and adopted or not.	EOP, GOT					
			3.1.7 Use of new regulations on projects management for all investment programmes	Whether the new regulations developed and implemented or not.	EOP, GOT					
			3.1.8 Identification and implementation of pilot projects for increasing the effectiveness of the two-side subordination system of finance departments in regions (treasuries)	Whether the coordination of interests of central and local executive government bodies ensured or not.	EOP, GOT					
			3.1.9 Launching of stage-by-stage introduction of the new accountability system of the financial departments (treasuries) in the regions	Increased financial authority of bodies to which the financial departments (treasury) are accountable	EOP, GOT					
			3.1.10 Linking part of the budget to measures (effective measures) to education and healthcare (per capita funding) on a pilot basis	Improved implementation of a expenditure part of budget due to the budget planning system change.	EOP, GOT					
			3.1.11 Linking the expenditure part of budget for effective measures in education and health at all levels of public administration and local self-governance, taking into consideration the division of the authorities in this sector (comprehensive implementation until the end of 2015)	Improved implementation of a expenditure part of budget due to the budget planning system change.	EOP, GOT					
3.2 Identification of responsibilities on financial functions	3.2 Improved financial responsibilities and independence of ministries	3.2.1 Redistribution of functions among economic block ministries and ensuring compliance of strategies and investment programmes with the budgetary process	Complied strategies and investment programmes with the budgetary process and redistributed competences between ministries.	EOP, GOT						
		3.2.2 Making MOF responsible on identification of reserve fund package and linking the strategies and investment programmes with the budgetary process	Implemented medium-term budgetary framework	EOP, GOT						
		3.2.3 Consideration of non-budgetary expenditures and revenues in the budget, with the exception of social non-budgetary funds	Increased budget income.	EOP, GOT						
3.3. Improvement of shortages in financial management in the ministries	3.3 Improved effectiveness of the use of budget funds by ministries	3.3.1 Adjustment of the ministries' functions for inspection of special means and increasing their responsibilities on better budget delivery	Adopted relevant decree.	GOT						
3.4. Increasing the capacity of governmental bodies in conducting external and internal financial audits	3.4. Established structures on conducting external and internal audits within governmental bodies and strengthened capacity of existed structures	3.4.1 Development of an action plan on increasing of the effectiveness of internal and external audit and the start of implementation	Developed plan its implementation begun.	EOP, GOT						
		3.4.2 Implementation of the plan on improvement of the system on external and internal financial audit of public sector	Implemented plan	EOP, GOT						
3.5. Increasing of the effectiveness of distributing funds among different levels of administrative bodies	3.5. Distributed revenues between different levels of administration, taking into account the distribution of competences	3.5.1 Improvement of the income resources distribution mechanism taking into account allocation of functions among different level of administration	Assigned financial competences and improved financial independence of local self-governance bodies	GOT						

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			3.5.2 Introduction of income resources distribution mechanism taking into account the allocation of functions among different levels of administration		GOT					
4. Organization of modern professional public services	4.1 Improvement of the information collection and processing process, and development of mechanisms for determining the effectiveness of salary scale (which is connected to each	4.1. Prepared mechanism for determining the effectiveness of the salary scale	4.1.1 Organization of the Civil Servants' Catalogue and database	Operational Civil Servants Register and Information Center	EOP, GOT, CSD					
			4.1.2 Establishment of an effective personnel management system of the public authorities, including central administration and regional administration authorities, taking into account gender equality	The functions of human resources departments in all public authorities are reviewed. The human resources and personnel qualification improvement system is established.	EOP, GOT, CSD, CFWA					
	4.2 Increasing the level of interest to civil service as an employer in the labour market	4.2. Increased admission of personnel to civil services	4.2.1 Development of a unified salary scale of national civil servants	The unified salary scale of civil servants of Tajikistan is developed and introduced on a pilot basis.	MoF, MoL&SP, CSD					
			4.2.2 Monetization of all types of payment	All payments are fully monetarized	EOP, GoT, CSD					
			4.2.3 Establishment of an incentive system, which could help the Government keep or attract qualified specialists from high-tech fields (lawyers, accountants, information technology specialists)	Increased number of qualified specialist who participate in bidding contests for vacant civil service positions; reduced number of qualified specialists who leave the civil service for other spheres of activities	EOP, GoT,					
			4.2.4 Development and approval of the strategy on salary system reform for civil servants financed from state budget	Approved salary system reform strategy for civil servants financed from state budget	EOP, GoT					
			4.2.5 Wide application of the unified salary scale of national civil servants	Widely applied unified salary tariff chart of national civil servants.	EOP, GoT, CSD					
	4.3 Development of basic skills of human resources management in the civil service system	4.3. Share of civil servants who were trained on the new principles of management	4.3.1 Development and improvement of the capacity of the Civil Servants Professional Development Institute (CSPDI)	CSPDI is equipped with modern material and technical equipments, CSPDI staff are fully trained on basic skills and are using these skills.	GoT, CSD, ICST					
			4.3.2 Teaching of civil servants on new principles of management, development of relevant courses for all groups of civil servants	Relevant training courses are developed, civil servants are trained on new principles of management in all public authorities. Share of civil servants who have undertaken gender-related training is increased.	GoT, CSD					
			4.3.3 Development of curriculum for the staff of public authority human resources departments on the topic of "Human Resources Management"	Existence of the civil servants qualification improvement plan	GoT, CSD					
			4.3.4 Development of curriculum and organization of short-term training on public administration in contemporary conditions, basics of labour, administrative legislations, accounting, political science, psychology and diplomatic ethics	The curricula are developed.	GoT, CSD					
			4.3.5 Development, regularly updating of and ensuring implementation in each ministry and department, at the local public authorities and in local self-governance bodies in the process of developing budgetary requests and the plan for improving of civil servants' qualifications	Existence of civil servants qualification improvement plan	GoT, CSD					
			4.3.6 Development and introduction of new market oriented mechanisms of human resources management in civil service	Existence of a simplified and transparent mechanism of human resources management	GoT, CSD					
			4.3.7 Improvement of mechanisms for organization of human resources	Existence of a simplified and transparent mechanism of human resources management	GoT, CSD					
4.4. Share of civil servants who were trained by CSPDI and State Service Department	4.4. Share of civil servants who were trained by CSPDI and State Service Department	4.4.1 Strengthening of supervision functions (monitoring and assessment) for the development of the civil service	Regulatory document on allocation supervision functions is developed and adopted	EOP, GOT, CSD						
		4.4.2 Developing a new sample Guideline for personnel services of the state bodies, development of a mechanism to transfer the methodical supervision of personnel services of state agencies to the State Service Department under the President of Tajikistan and building of capacities of personnel services of state bodies	A new Guideline are developed on human resource of state bodies; the mechanism for transferring state bodies' personnel services methodical supervision to SSD is developed, and capacity building of state bodies' personnel service is determined	EOP, GOT, CSD						

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
	4.5 Increasing the justification and transparency of state employees' actions	4.5.The level of corruption among civil servants at all levels of government agencies (according to the public poll information)	4.5.1 Improvement of the Code of Conduct of Civil Servants and establishment of commissions on professional behaviour	New Code of Conduct of Civil Servants is developed and adopted.	GoT, CSD					
4.5.2 Strengthening of institutional mechanisms to combat corruption at all levels of state agencies and local self-governance bodies			The regulatory document on strengthening institutional mechanisms to combat corruption is adopted. The level of corruption among employees at all levels of state agencies and local self-governance bodies is reduced.	GoT, CSD						

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
5. Improving the administrative and territorial management	5.1. Harmonization of local authorities systems through granting relevant authorities	5.1. The competences of local authorities are expanded by providing them according to developed functional classification for each level	5.1.1 Conducting of a functional review of all local state management levels aiming at determining duplication and new functions (coordination in conducting the functional review in regions with a functional review in the ministries)	A functional review is conducted.	EOP, GOT, ACEC, General Prosecutor's Office, CSD					
			5.1.2 Begin implementation of recommendations on the functional review at all levels of local state management and local self-governance bodies aimed at specifying functions	Functions of local state management bodies are expanded and specified.	EOP, GoT					
			5.1.3 Development of a functional classification for every level of the local state authorities	A functional classification is developed.	EOP, GoT					
			5.1.4 Constant consultations held with ministries and representatives of local authorities and local self-governance bodies	Consultations regularly conducted (coordination of interests at different levels of management, improved quality of civil services).	EOP, GoT					
			5.1.5 Conducting a review of current legislation aimed at determining the necessary changes according to the functional review's recommendations	Review of current legislation is conducted and changes are included according to the recommendations of functional reviews.	EOP, GOT					
			5.1.6 Introduction of relevant changes to the legislation documents in force with regard to functional responsibilities and authorities	Necessary changes are included to the legislative documents in force. The functional responsibilities and authorities of governance and local self-governance bodies are expanded.	EOP, GOT					
			5.1.7 Allocation of roles to every level of local state governance bodies according to the subsidiary principle	Functions are allocated.	EOP, GOT					
	5.2 Improvement in the quality of services provision, especially in the social sector	5.2. Relevant regulatory and legal documents are adopted	5.2.1 The necessary measures undertaken to share MoL&SP experience with other pilot ministries and departments	The experience of the MoL&SP is shared with other pilot ministries and agencies.	EOP, GOT					
			5.2.2 Harmonization and specification of the subordination system of units responsible for providing services at the local level	The level of providing services at the local level is improved.	EOP, GOT					
			5.2.3 Harmonization of the system of services to the population, taking into account the identification of authorities among different levels of state authorities and local self-governance bodies	The relevant action plan is implemented.	EOP, GOT					
			5.2.4 Development of a list of information available through the Internet	The list is approved.	EOP, GOT					
			5.2.5 Introduction of monitoring and dissemination of best practices	The relevant action plan is implemented.	EOP, GOT					
			5.2.6 Development and adoption of a programme for developing mechanisms directed at settling disputes between state bodies and service users, as well as inspection entities before going to court	The programme is approved.	EOP, GOT					
			5.2.7 Introduction of the dispute settlement system on a pilot basis, before going to court	The system is implemented.	EOP, GOT					
	5.3 Regulation of administrative and territorial division taking into consideration the capacity of local authorities and self-governance bodies in the regions	5.3. The administrative and territorial division is changed	5.3.1 Establishment of a body on administrative and territorial development under the EOP RT	The relevant body is established.	EOP, GOT					
			5.3.2 Development of relevant factors regarding administrative and territorial division in line with functional obligations of local authorities	Relevant factors are developed.	EOP, GOT					
			5.3.3 Development and adoption of a new draft law on administrative and territorial division	The Law is adopted.	EOP, GoT					
			5.3.4 Expansion of the level of local self-governance aimed at discussions after adopting a draft law on administrative and territorial division	The relevant Resolution is adopted.	EOP, GoT					
	6. Development of the local self-governance system	6.1 Strengthening of the government level closest to population and according to the local self-governance principles	6.1. Relevant regulatory and legal documents are adopted	6.1.1 Development of a new draft law on local self-governance and organization of consultations on the draft law that determines functions, funds and property rights	The draft law is developed.	EOP, GOT				
				6.1.2 Implementation of a new state Law on local self-governance	The law is implemented.	EOP, GOT				

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			6.1.3 Monitoring of its implementation	Monitoring is conducted.	EOP, GOT					
	6.2 Development of the capacity of local self-governance	6.2.The number of local self-governance bodies staff who were trained	6.2.1 Development of a national programme for building the capacities of local councils ( <i>jamoats</i> ) on self-governance	The programme is developed.	EOP, GOT					
6.2.2 Development and implementation of a national programme on capacity building of local self-governance bodies			The National Programme is developed and will be implemented.	EOP, GOT						
6.2.3 Support for the initiative on organizing local self-governance associations			The relevant Resolution is adopted.	EOP, GOT						
6.3 Secondary consideration of functions and authorities of local self-governance bodies for locally important problems	6.3 Relevant regulatory and legal documents are adopted	6.3.1 Determining of functions and authorities of local self-governance bodies at the initial period of local self-governance development	Functions and authorities are determined.	EOP, GOT						
		6.3.2 Determining and granting of new functions and authorities to local self-governance bodies within the implementation of structural reform	New functions and authorities are allocated.	EOP, GOT						
6.4 Development of a new system of financing of local governance bodies aimed at improving the financial capacity of local governance bodies in locally important problems	6.4.Adoption of relevant regulatory and legal documents	6.4.1 Development of a new system of local self-governance bodies financing, including local taxes and fees, property income, as well as state transfers formula	The financing system is developed.	EOP, GOT						
		6.4.2 Review of the acting legislation and development of local self-governance functions in jamoats; relevant amendments to introduce a new financing system	The report and practical recommendations are submitted.	EOP, GOT						
		6.4.3 Inclusion of necessary changes to introduce a new financing system for local self-governance functions	The relevant resolution is adopted.	EOP, GOT						
		6.4.4 Implementation of a new financing system for local self-governance	The financing system is introduced.	EOP, GOT						
6.5 Granting the right to property ownership to local-self-governance bodies	6.5.Relevant regulatory and legal documents are adopted	6.5.1 On a par with granting functions to <i>jamoats</i> , conducting of an inventory of jamoats property and granting them the necessary property	An inventory was performed, owners of property are identified	EOP, GOT						
6.6. Strengthening of civil society's role in settling locally important problems	6.6.Relevant regulatory and legal documents are adopted	6.6.1 Development and implementation of a national programme for strengthening civil society's role in local self-governance issues	The programme is developed and will be implemented.	EOP, GOT						
		6.6.2 Development of a legislative framework for public self-acting bodies (such as <i>mahalla</i> )	Relevant draft laws are developed.	EOP, GOT						
<b>TOTAL</b>						86,000				86,000



Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million	
							Budget	Foreign investment	Donors		
<b>2. Macro-economic Policy</b>											
1. Preserving macro-economic sustainability	1.1.Improvement of the budget and tax policy	1.1.Level of budget deficit	1.1.1. Step-by-step introduction of MTEF and inclusion of changes and amendments to relevant regulatory and legal documents	MTEF is introduced in the education and healthcare sectors; changes are included into legal documents.	MoF						
			1.1.2.Improvement of the management process of state investments: harmonization of the development process of the State Investment Programme (SIP) and Centralized Investment Programme (CIP) with the process of developing the state budget, MTEF and PRS privileges. Discuss the ways of integrating SIP and CIP; include SIP (foreign investment) in the revenue part of the budget	The analysis is conducted and harmonization is identified.	MOF, MEDT	300,000	0	0			
			1.1.3.Restructuring of the budget process in the education sector and approval of MOE as the body responsible for adjusting (equalizing) the sector's budget within the proposed limit of MOF	The 2010 budget for the education sector is managed by the MOE according to PRS priorities.	MOF, MEDT	50,000	0	0	50,000		
			1.1.4.Development of the expenditure plan for the education sector within the sector's limit	The Plan is developed.	MOF, MEDT	10,000	0	0	10,000		
			1.1.5. Establishment of Education sector Working Group (WG) for development of sector mid-term expenditure where the sector tasks, the expected results and priorities for expenditures identified	The Working Group is active		10,000	0	0	10,000		
			1.1.6.Restructuring of the budget process in the health sector and approval of MOH as the body responsible for adjusting sector's budget within the proposed limit of MOF	2010 budget for health care sector is managed by the MOH according to the PRS priorities		50,000	0	0	50,000		
			1.1.7. Development of the expenditure plan on the healthcare sector within the sector's limit	The Plan is developed.	MOF, MOH	10,000	0	0	10,000		
			1.1.8. Establishment of a working group (WG) on the public health sector to develop the sector's medium-term expenditure plans, identifying the sector's tasks, expected results and expenditure priorities	The WG is active.		10,000	0	0	10,000		
			1.1.9.Development of a medium-term sectoral limit for all sectors	The Budget for 2010-12 is developed taking into account sectoral limits.	MOH, MOF	60,000	0	0	60,000		
			1.1.10.Conducting of the reform on the salaries of state-funded bodies' employees	Relevant regulatory and legal document is adopted, including an increase in the salaries of social sector employees.	MoL&SW, MOF, MOE, MOH						
			1.1.11.Practical application of a mechanism for the analysis and accounting of budget expenditures from proposed privileges of taxes and customs	A new system of accounting is practically applied and all privileges of tax and customs will be reviewed.	MOF, MEDT, Tax Committee, Customs Committee	40,000	0	0		40,000	
			1.1.12. Assessment of state expenditures and Public Finance Accounts (PFA)	The assessment is developed and is gradually applied in practice.	MOF, Other Agencies						
			1.1.13.Development and start of implementation of the strategy on internal state financial supervision	The strategy is developed.	MOF, Other Agencies	300,000	0	0		300,000	
			1.1.14. Implementation of the external debt management project	Official procedures of foreign debts management are strengthened.	MOF	600,000	0	600,000	SECO	0	
			1.1.15. Improvement in the coordination of foreign aid and general debt management	the procedures for coordinating foreign aid are enhanced.	SIC, Other Agencies						
			1.1.16.Provision of investment and restoration of inactive debts to state-owned enterprises	The mechanism is developed and the regulatory and legal documents are adopted.	NBT, MOF	20,000	0	0		20,000	
			1.2.Level of tax revenue in % against GDP		1.2.1. Organization of awareness-raising activities for entrepreneurs on the provisions of tax legislation and procedures of their payment	Measures are organized and carried out.	MOF, TAX COMMITTEE,	100,000	0	0	
		1.2.2. Development and implementation of depreciation policy, which enables the restoration of state enterprises' assets			The regulatory document is adopted and will be reviewed.	MOF, TAX COMMITTEE,	20,000	0	0		20,000
		1.2.3. Planning of tax inspections, taking into account the risk of taxation law violation by taxpayers; improvement of the taxation legal framework			The tax inspection are planned according to the taxation law violation	Tax Committee, MOF	60,000	0	0		60,000

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			1.2.4. Implementation of a project for restructuring public finance management.	Necessary measures are implemented.	MOF	4,000,000				4,000,000
			1.2.5. Improvement of tax administration	The programme for improving the tax administration is developed and approved, and is being implemented. Tax revenues are increasing by 10% every year.	Tax Committee, MOF, MEDT, Investment Committee	12,500,000	0	0	WB, USAID	12,500,000
			1.2.6. Continued simplification of tax administration through the introduction of electronic reception of tax declarations; supervision and analysis of collection of taxes	The tracking of receipt invoices of value-added tax and the reception of value-added tax declarations is ensured. Up to 70% of value-added tax declarations are received electronically, this system will be used in 70% of tax inspections.	Tax Committee, local authorities, other agencies	4,500,000	0	0		4,500,000
	2.Improvement of the monetary policy	2.1.Average annual inflation	2.1.Restructuring of the debt of the Government before the NBT, which is formalized as long-term obligations of the MoF within the market economy	The rate of long-term loans of the MOF reached the market level.	NBT, MOF	20,000	0	0		20,000
			2.2.Strengthening of the electronic payment system with the use of plastic cards.	Service delivery expanded in regions of the country.	NBT	4,500,000	0	0		4,500,000
			2.3.Introduction of a unified electronic system of foreign currency exchange in the inter-bank currency market	Exchange is carried out daily.	NBT	200,000	0	0		200,000
			2.4.Development and promotion of projects to involve foreign investments in the banking system	Meetings with donors are prepared.	NBT, SCI	50,000	0	0		50,000
			2.5.Improvement of the regulatory framework of the inter-bank market of credit resources activities	Relevant regulatory documents are adopted.	NBT	40,000	0	0		40,000
			2.6.Conducting of an analysis and development of proposals on expanding long-term financing of small- and medium-sized enterprises through banks	An analysis is conducted and practical recommendations are developed	NBT, SCI, Financial Institutions	20,000	0	0		20,000
			2.7. Greater attraction of savings by creating a reliable environment based on the population's trust	A fund is established for guaranteeing savings of natural persons with the participation of the Government.	NBT, Financial Institutions	50,000	0	0		50,000
			2.8.Promotion of the development of microfinance by increasing the number of micro-loan organizations and branches of banks in remote mountainous areas of the country by involving foreign investment	The plan for setting up bank branches in remote areas is implemented.	NBT, Financial Institutions	7,947,000	1,478,000	6,469,000	ADB	0
			2.9 Implementation of a microfinance project in the country	The project is under implementation.	NBT	440,000	40,000	400,000	IDB	0
			2.10. Implementation of a small business microfinance project	The project is under implementation.	NBT	2,622,000	0	0		2,622,000
			2.11. Development and adoption of laws on currency regulation and on the fight against money laundering and terrorism funding	Laws are adopted and are under consideration.	NBT, MoF, MEDT, MJRT	100,000	50,000	0		50,000
	3.Carrying out of institutional reform	3.1.Regulatory and legal documents aimed at performing macroeconomic coordination policy	3.1.1.Conducting of a functional review of state agencies and NBT that are responsible for implementing macro-economic policy	Functional review is conducted and practical recommendations are developed.	EOP	500,000	0	0		500,000
			3.1.2. conducting of another review of ongoing programmes, concepts, strategies and plans, taking into account NDS/PRS standards	Practical recommendations are developed and have been implemented according to the approved schedule.	GoT	1,000,000	0	0		1,000,000
			3.1.3.Conducting of an analysis of the regulatory and legal framework, and an institutional review aimed at integrating NDS and PRS into the national system	An analysis is conducted and necessary changes are included in the regulatory and legal documents.	MEDT, MOF, MOJ	300,000	0	0		300,000
			3.1.4. Calculation of all financial tools of PRS, including foreign aid attracted and used for implementing sectoral measures	Database about foreign aid is established and maintained.	EOP, SCI, Other Agencies	200,000	0	0		200,000
			3.1.5. Annual assessment of expenditures, including foreign aid and results of implementation of PRS measures. Development of recommendations on the specifications of implemented measures	Assessment is conducted; recommendations developed and implemented.	EOP, GOT, SCI, MEDT	300,000	0	0		300,000

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			3.1.6. Completion of the assessment of financial resources (within the limit of funds) necessary for implementing NDS measures	The amount of financial expenditures for implementation of NDS measures is identified.	MOF, MEDT, SCI	1,000,000	0	0		1,000,000
			3.1.7. Capacity building of the central monitoring and assessment structure of the NDS/PRS implementation process. Promotion of the establishment of the regulatory and legal basis framework for monitoring and assessment	The structure is organized. The necessary regulatory basis for monitoring and assessment is created; a report on monitoring and assessment will be developed according to the approved schedule.	EOP	100,000	0	0		100,000
			3.1.8 Organization and operation of regional units for the monitoring and assessment of the implementation process of NDS and PRS (within ministries, departments and local authorities)	Structures are established; coordination is introduced; the report on monitoring and assessment will be developed according to the approved schedule.	EOP, MEDT, MOF, Other Agencies	1,000,000	0	0		1,000,000
			3.1.9. Implementation of a project for improving the national statistics system: the project on improving statistics on poverty, employment and the national accounts system (NAS)	The review of living standards is conducted according to the approved methodology; The review of employment level is conducted according to the approved methodology; NAS development methodology, including GDP calculation is improved	SSC, MEDT	4,395,000	792,000	3,603,000	0,838 EBRD; 2,765- DFID, SIDA	0
			3.1.10 Development of the methodology on observable economic measurement and informal employment	Methods are developed and proposed.	SSC	91,000	0	0		91,000
			3.1.11. Increasing of the reporting potential of the state sector	Additional measures are introduced in the area of reporting.	SSC	295,000	0	295,000	Japanese Government	0
			3.1.12. Capacity building of state structures responsible for macro-economic policy implementation	The percentage of state structure and NBT specialists trained	MEDT, MOF, SSC, NBT	1,151,495	0	1,151,495	EC	
			3.1.13.Improvement in the professional skills and knowledge of tax agencies' employees.	Up to 15 percent of the total number of employees have attended professional development training.	TAX COMMITTEE, MOF	200,000	0	0		200,000
<b>TOTAL</b>	<b>43,625(€0,850m)</b>	<b>2,36</b>	<b>11,367(€0,80m)</b>	<b>0</b>		<b>49,161,495</b>				<b>33,783,000</b>

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million	
							Budget	Foreign investment	Donors		
<b>3. The investment climate has improved. The private sector and entrepreneurship are developed.</b>											
1. Increase private sector's contribution in GDP up to 66%	1.1. Implementation of sectoral reform	1.1. Regulatory and legal documents are improved	1.1.1. Strengthening of the role of the Committee, which the Government appointed as the body authorized for investment and the protection of state support for entrepreneurs	The relevant resolution is adopted.	SCI						
			1.1.2. Enhancement of the Committee's potential to determine the attractiveness of the investment climate and entrepreneurship development according to indicators of the international rating on "Doing Business"	The relevant resolution is adopted.	SCI						
			1.1.3. Strengthening of the Committee's relationship with local authorities, businesses, investors and international organizations	Relationships with relevant agencies have been strengthened.	SCI						
			1.1.4. Conducting of an inventory of state property within the country	Reports with recommendations are submitted.	SCI	2,600,000	0	0		2,600,000	
		1.2. Structural framework of investment and entrepreneurship is improved	1.2.1. Introduction and development of a transparent and effective customs control mechanism	A transparent and effective mechanism is introduced.	Customs Committee						
			1.2.2. Coordination of legislation on intellectual property in compliance with the requirements of World Trade Organization's (WTO) on the protection of intellectual property rights (TRIPS)	Relevant laws are developed and adopted	Customs Committee	0					
			1.2.3. Conducting of research on the annual calculation of indicators used for determining the country's international rating on entrepreneurship and the investment climate	Reports and recommendations for calculation of indicators are submitted.	SCI, SSC	200,000	0	0		200,000	
			1.2.4. Conducting of general statistical research on small enterprises once every five years and introduction of simplified procedures for developing their statistics reports in the medium period of registration (in addition to macro-economic sector measures)	Relevant regulatory and legal documents are adopted.	SSC, SCI, Local Authorities	0					
			2.1. Regulatory and legal documents are improved	2.1.1. Improvement of regulatory and legal documents related to investment and harmonization with other regulatory and legal documents	Relevant draft legislation documents is developed.	SCI					
				2.1.2. Development of new regulation to regulate projects of all investment programmes	Necessary measures are undertaken.	SCI					
2.2. Coordination of state bodies with a view to effectively involve and use foreign aid and develop unified coordination mechanism and their accurate monitoring	2.2.1. Development of a unified mechanism of involving, using, coordinating, monitoring and assessing implementation process and the use of funds in project implementation.	2.2.1. Development of a unified mechanism of involving, using, coordinating, monitoring and assessing implementation process and the use of funds in project implementation.	Relevant legal documents is adopted.		0						
		2.2.2. Organization of a single mechanism for coordinating the central and local executive bodies aimed at speeding up the process of developing projects and their further implementation	Necessary measures are undertaken.	SCI							
		2.2.3. Organization of annual international investors' forums, involving potential investors (similar to forums of Dubai, Washington, London, St. Petersburg and Sochi).	Necessary measures are undertaken.	SCI	-						
		2.2.4. Development of a mechanism and monitoring procedure of enterprises' activities	Mechanism and procedure of monitoring are developed.	SCI	0						
	2.3. Establishment of a unified improved database for investors and entrepreneurs	2.3.1. Establishment of a unified information catalogue of investments in Tajikistan and collection of accurate statistic information	Information catalogue on investments is established.	SCI	0						
2.3.2. Establishment of the Information and Analytical Center (IAC) to meet the needs of entrepreneurs in administrative centres of GBAO, provinces and Dushanbe		Resolutions are adopted.	SCI	-							
2.3.3. Development of an investment map of the country indicating possibilities of investment use in all regions		Necessary measures are undertaken.	SCI	0							

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			2.3.4. Development of television analytical-legal programme on improving the legal knowledge of entrepreneurs	TV programme is developed and broadcast.	SCI, TV and Radio Committee	-				
			2.3.5. Incorporation into a unified database description of all projects implemented by one or several donors, as well as by domestic investors. Coordination and linkage of this database with the information basis of PRS MEDT.	The database is created and will be improved.	SCI	0				
	2.4. Reduction of barriers and expenditures for entrepreneurship and investment activities	2.4. The procedure for doing business in Tajikistan is simplified (according to the indicators of business climate rating)	2.4.1. Conducting of an analysis on the elimination of administrative barriers for entrepreneur activity	The analysis conducted and proposals on elimination of barriers are proposed.	SCI	0				
2.4.2. Monitoring of the reform in the permit issuance procedure			Monitoring is conducted in all regions.	SCI	-					
2.4.3. Improvement in the tariff and customs policy			Necessary measures are undertaken.	Customs Committee	0					
2.4.4. Development of a National Quality Infrastructure Development Strategy				TAJKSTAND ARD, MEDT	-					
2.4.5. Development and adoption of the Law on Standardization and the Law on Compliance Assessment			Necessary measures are undertaken.	TAJKSTAND ARD, MEDT	0				0	
2.4.6. Development and adoption of other sectoral laws and regulatory and legal documents. Alignment of these laws and documents with international requirements with respect to technical regulations			Necessary measures are undertaken.	TAJKSTAND ARD, MEDT	0					
					2.5. State support of entrepreneurship and investments	2.5. The country's business climate rating The country's investment climate rating The proportion of enterprises with 10 to 50 employees against the total number of enterprises with up to 50 employees				
			2.5.1. Establishment of industrial platforms in centers of cities and regions that could promote production	Necessary decisions were adopted to establish industrial platforms.	SCI	0				
			2.5.2. Development of the tourism business	The relevant decision is adopted.	SCI	0				
			2.5.3. Organization of the competition of "The best entrepreneur of the year" according to the indicator on the introduction of production and job creation	The competition is organized and winners are awarded.	SCI	0				
			2.5.4. Inclusion of changes and amendments with a view to granting legal entity status to <i>dehkan</i> farms	Relevant regulatory documents are adopted.	SCI	0				
			2.5.5. Implementation of measures to rehabilitate huge enterprises of communications, transportation and energy	Relevant documents are drafted.	SCI	-				
			2.5.6. Extension of the duration of the "Strategic plan of privatization of medium and large enterprises, restructuring of natural monopoly entities and giant enterprises for 2003-2009"	Relevant document is developed.	SCI	0				
			2.5.7. Conducting of an analysis of the implementation of the "Strategic plan of privatization of medium and large enterprises, restructuring of natural monopoly entities and giant enterprises for 2003-2009"	Report and recommendations are submitted.	SCI	0				
			2.5.8. According to the competition, discussions on the possibility of long-term renting state-owned idle buildings to private structures	Relevant proposals are prepared.	SCI	0				
			2.5.9. Monitoring and support of privatized enterprises	Analyses are conducted and recommendations for support for privatized enterprises are submitted.	SCI	0				
			2.5.10. Organization of a new, effective and transparent procedure for preparing enterprises and for ease of sales. This procedure would aim at improving the effectiveness of privatized enterprise activities, the performance of investors' obligations and constant training and inspection of new owners' responsibilities.	A new procedure is established.	SCI	0				
			2.5.11. Development of a mechanism for motivating employees of ministries and bodies, who are directly involved in, coordinate and monitor foreign investments.	Necessary measures are undertaken.	SCI	0				

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementor <sup>s</sup>	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			2.5.12 Development of the order for participation of citizens and enterprises in the construction of hydro-electric power stations after taking into consideration their interests.	Necessary measures are undertaken.	SCI	0				
<b>TOTAL</b>						2,800,000				

## Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
<b>4. Development of regional cooperation and integration into the global economy</b>										
1. Increase of foreign trade will constitute 45.7% in 2012, including through diversification of imports	1.1. Improvement of the foreign economic activity management system	1.1. Institutional reform is conducted	1.1.1. Conducting of a functional review of institutes that determines policy on economic and foreign trade activities	The functional review is developed.	MEDT, CUSTOMS COMMITTEE, TAX COMMITTEE, NBT, MOF	50,000	0	0	0	
			1.1.2. Further improvement of the acting legislation and its harmonization with the international regulatory and legal documents	The acting legislation is harmonized with international regulatory and legal documents.	MEDT, MOJ, Other agencies	500,000	0	0	0	500,000
			1.1.3. Development of a draft law on special measures to protect, prevent anti-dumping and compensate goods import	The law is adopted. Mechanisms for using special measures were created to protect, prevent anti-dumping and import substitution	MEDT, OTHER AGENCIES	30,000	0	0	0	30,000
			1.1.4. Further improvement of current legislation in the sphere of intellectual property	A legislative basis is created that regulates mutual relationships in trading the intellectual property rights	MEDT, OTHER AGENCIES	50,000	0	0	0	50,000
			1.1.5. Development of a draft Law on permit issuance procedure in the country	The Law is adopted. The permit issuance procedure is improved in the country.	SCI, MEDT, MOJ, OTHER AGENCIES	20,000	0	0	0	20,000
			1.1.6. Programme for introducing the "single entrance" system in formalizing export and import and trade operations in the country	Through implementing the above-mentioned programme, the corresponding formalization is carried out, aimed at reducing the term and time of document exchange and enhancing transparency and service quality, by using information and communication technologies	MEDT with other relevant ministries and agencies					
			1.1.7. Establishment of information and marketing centres to promote trade	WTO Information Center and Entrepreneurship Initiative Support Center is established .		100,000	0	0	0	100,000
			1.1.8. Further improvement of an out-of-tariff regulation on foreign trade activity while exporting within the frameworks of legislation and labour state regulation on foreign trade activity	Limitation of out-of-tariff measures in trade	MEDT					
2. Completing accession of RT into WTO by the end of 2012	2.1. Increasing participation of the Tajikistan in world trade	2.1. Membership in WTO	2.1.1. Conducting of an analysis on the consequences of accession of Tajikistan into the WTO by using the World Bank model	The analysis is conducted.	MEDT, Other Agencies	500,000	0	0	0	500,000
			2.1.2. Organization of working group meetings to discuss the entrance of Tajikistan into WTO in Geneva	Systematic coordination of national trade issues are resolved through the comprehensive system of trade measures.	MEDT, MFA	500,000	0	0	0	500,000
			2.1.3. Conducting of a bilateral meeting with the WTO member states concerning the entrance into the goods market and servicing of the Republic of Tajikistan	Protocols regarding entrance conditions of Tajikistan into WTO are ratified.	MEDT, MFA	500,000	0	0	0	500,000
			2.1.4. Development of an action plan on activating and completing the negotiation process with respect to entrance into WTO	The action plan is approved	MEDT, OTHER AGENCIES					
			2.1.5. Capacity building of bodies concerned with the issues of intellectual property rights protection	Reform is ongoing.	MEDT, MK	250,000	0	0	0	250,000
			2.1.6. Improvement of the potential of those bodies that implement policy on technical regulations, and sanitary and phytosanitary measures	Personnel is trained and the financial basis is strengthened.	MEDT, MOAG, MOH	5,000,000			0	5,000,000
			2.1.7. Establishment of information points regarding technical barriers in trade (TBT) and sanitary and phytosanitary measures	Information points are established and notification is sent to WTO Secretariat	MEDT, MFA, OTHER AGENCIES					
			2.1.8. Strengthening of the activities of continuous representation of Tajikistan in United Nations departments and other international organizations in Geneva in issues related to WTO	The issue of the Tajikistan's entrance into WTO is resolved. Tajikistan participated in the process of development and decision-making regarding international trade.	MEDT, MFA	0	0	0	0	0,0
			2.1.9. Improved potential of the Department of Cooperation with WTO of the Ministry of Economic Development and Trade	Citizens of Tajikistan are informed about Government actions concerning problems of Tajikistan's entrance into WTO.	MEDT, OTHER AGENCIES	1,000,000	0	0	0	1,000,000

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million		
							Budget	Foreign investment	Donors			
	2.2. Development of regional cooperation	2.2. Increased bilateral trade with the regions	2.2.1 Development of cooperation on the effective use of water and energy resources and carbohydrate resources, settling transit issues, and transit of electricity to region's countries	Relevant international agreements are ratified and implemented.	MOE&I, MEDT, MFA	50,000	0	0	0	50,000		
			2.2.2 Improvement of the regulatory legal and institutional basis for the development of regional trade and coordination of trade formalities		MEDT, CUSTOMS COMMITTEE, TAX COMMITTEE	200,000	0	0	0	200,000		
			2.2.3. Completion of the entrance process to the Customs Union within the framework of EurAzEC		MEDT, CUSTOMS COMMITTEE	100,000	0	0	0	100,000		
			2.2.4 Development of relationships within the framework of the Organization of Shanghai cooperation and completion of the process of organizing OSC Development Fund aimed at implementing the Measures' plan concerning Comprehensive Cooperation Programme		MEDT, MOF, HB, MOE&I, MOT&C							
			2.2.5 Development of relationships within the framework of OECD aimed at solving the problems of goods transit through the territories of Organization member states and simplification of trade formalities		MOT&C, MEDT, MFA							
			2.2.6 Establishment of transportation and shipping companies with the involvement of foreign investors	The company is established.	MOT&C							
			2.2.7 Completion of the process of joining to Asia highways and development of transportation corridors	Relevant international agreements are signed and implemented.	MOT&C, MEDT, MFA							
			2.2.8 Establishment of a transportation consortium within the territories of Central Asia		MOT&C							
			2.2.9 Establishment of an international energy consortium		MOE&I	500,000	0	0	0	500,000		
			2.2.10 Enhancement of the potential of electricity transiting to the regions through the construction of electricity transfer lines	Length and potential of constructed electricity transfer lines are established.	MOE&I, MEDT, MOF	50,000	0	0	0	50,000		
			2.2.11 Increase in the amount of country's foreign trade exchange by implementing a rational development policy on export-oriented economy	Volume of the export within foreign trade is increased.	MEDT							
			2.2.12. Establishment of an Advisory Commission to deal with trade formalities	Commission is established and is active.	MEDT	100,000	0	0	0	100,000		
			2.2.13. Negotiations conducted on the elimination of the procedures for paying duties while transferring goods from the territory of Kazakhstan, Uzbekistan and the Russian Federation	Relevant international agreement has entered into force.	MEDT							
			2.2.14. Improvement in the mechanism of issuing licences and quotas for production, exchange and sale of alcohol drinks	The mechanism of giving quotas for alcohol drinks is improved.	MOE&I, MEDT							
			2.2.16. Improvement in the insurance system for legal and natural persons	A relevant system of insuring trade risks is established.	MOF							
			2.2.17. Resolution of the problem of establishing and starting activities in the free economic zones within the territories of the Republic	Four free economic zones are established within the territories of GBAO and Sughd and Khatlon Regions.								
			2.3. Tourism development	2.3. Number of tourists increased; increase of income from tourism	2.3.1 Development of proposals for improving tourism in Tajikistan	The review and proposals are submitted.	Committee on youth, sport and tourism	100,000	0	0	0	100,000
					2.3.2 Development of advertisement and informational programme on the development of international tourism, including a TV and radio programme for foreign countries	The publications are published.	Committee on youth, sport and tourism, MEDT	100,000	0	0	0	100,000



Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementor s	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			2.3.3 Publication of catalogues, booklets, posters, maps and other products for advertising and information	These products are published.	Committee on youth, sport and tourism, MOF					
			2.3.4 Promotion of the participation of domestic tourism companies in international tourism exhibitions/fairs organized abroad by establishing a single national stand	The number of international exhibitions with the participation of domestic tourism companies	Committee on youth, sport and tourism, Commerce and Industry Chamber					
			2.3.5 Organization of activities of tourism representations abroad, which would have publicity and information management roles within the activities of diplomatic missions and trade representations of Tajikistan abroad	Process of publicity and information campaign is reinforced.	Committee on youth, sport and tourism, MFA, MEDT					
			2.3.6 Development of tourism statistics that fulfill the requirements of the International Tourism Organization and take into account the indicators of the spheres linked to the tourism sector	Quality of statistic indicators on tourism is improved.	SSC, Committee on youth, sport and tourism ,					
			2.3.7 Promotion of investment projects aimed at tourism infrastructure development	Projects are developed.	Committee of Youth, Sport and Tourism , SCI	100,000	0	0		100,000
			2.3.8 I Introduction of a visa-free regime for citizens of EU member countries and Japan who enter the country as tourists	Relevant regulatory documents are adopted and will be implemented.	Committee of Youth, Sport and Tourism, MFA					
	2.4.Regulation of the labour migration process	2.4.Increase in the number of legal labour migrants	2.4.1.Improvement in the mechanism of regulation and procedures of foreign labour migration, activating political dialogue aimed at protecting rights and interests of Tajik migrants within the territories of foreign countries (on a par with measures mentioned in the sphere of social protection)	International agreement ensuring the protection of rights and guarantees of labour migrants outside the country are signed and ratified.	MIA, MFA,MOL&SP					
			2.4.2.Employment of Tajik citizens overseas through licensed employment companies and on the basis of agreements		MIA, RELEVANT COMPANIES					
<b>Total</b>						<b>9,800,000</b>				<b>9,750,000</b>

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
Promotion of sustainable economic development (Production Block)										
Food security and development of the agricultural sector										
1. Increase general agricultural output by 18.1% 2. Increase labour fertility by 12%	1.1 Increasing the effectiveness of the agricultural sector	Guarantee of food security 1.1.Provision of equal rights 1.2. Increased number of highly qualified specialists	1.1.1.Implementation of a food security programme for the period until 2015	Improved justification and the number of adopted decisions	MOAG, MOH, MOE, MOWR&LR, MOL&SPA, Land Committee, SSC, MEDT	208,170,000	42,560,000	165,610,000	FAO, EC, ADB	
			1.1.2.Development and implementation of a rural social development programme for 2010-2020	The rural, social development programme is developed, adopted, and under implementation.	MOL&SPA, MOAG, MEDT					
			1.1.3.Development and implementation of the programme for enhancing the potential of women-led dehqan farms	Gender-related problems resolved	MoAG, NADF	150,000	0	0	EC/FAO	150,000
			1.1.4.Development and implementation of a programme on human rights and duties of <i>dehqan</i> farms based on the National Labour Code and the Law on Labour Protection	Work security is provided in the agricultural sector.	MOAG, NADF	200,000	0	0	EC/FAO	200,000
			1.1.5.Development and implementation of the programme to unite farmers into associations and cooperatives	The effectiveness in agricultural sector is increased with the organization of new forms of progressive farming.	MOAG, NADF	500,000	0	0	EC/FAO	500,000
			1.1.6. Development and implementation of a project on accounting and financial centers for dehqan farms	The number of trained specialists regulating accounting procedures is increased, thus increasing the effectiveness of farmers' work.	MOAG, NADF	300,000	0	0	EC/FAO	300,000
			1.1.7. Compilation of the national programme for training on labour security in the agricultural sector	Work security is provided in the agricultural sector.	MOAG, NADF	100,000	0	0	EC/FAO	100,000
	1.2. Improvement in the conditions for entrepreneurship development in rural communities	1.2.1. Increased income of agricultural farms 1.2.2. Increased amount of agricultural products 1.2.3. Increased productivity in the agricultural sector	1.2.1.Training of <i>dehqan</i> farm specialists in agricultural development centers of National Association of Dehqan Farms (NADF) in rural communities	More than 2,100 new job placements are created.	MOAG, NADF	600,000	0	0	EU/FAO	600,000
			1.2.2.Implementation of a rural development project	The amount of material and economic resources given to farmers is increased. Labour productivity is increased.	MOAG	23,300,000	1,650,000	21,650,000	ADB	
			1.2.3.Improvement in the quality of veterinary services, selection and seed-growing by involving the private sector	The number of entities and the volume of private servicing	MOAG, Academy of Agric Sciences	200,000	0	0		200,000
			1.2.4.Assistance in improving cattle-breeding investment projects at the level of separate farms and dehqan farms (first phase)	Cattle-breeding productivity is increased.	MOAG	220,000	0	0		220,000
			1.2.5.Assistance in implementing investment projects for establishing dairy farms, sheep-breeding farms, poultry-farming, buffalo-breeding and goat-breeding farms in mountainous and high mountain areas, beekeeping and fisheries-- FDI	Product manufacturing is increased: cattle-breeding, beekeeping, poultry-farming, and fisheries.	MOAG	13,500,000	0	0	EU/FAO	13,500,000
			1.2.6.Promotion of investment projects for establishing private insemination points in the communities	Cattle productivity is improved.	MOAG	1,300,000	0	0	EU/FAO	1,300,000
			1.2.7.Capacity building aiming at managing controlling harmful insects	The number of trained specialists	MOAG	6,000,000	6,000,000	0		
1.2.8.Implementation of the poultry-farming development programme	The poultry-farming sector is improved.	MOAG	100,000	100,000	0					
1.2.9.Implementation of the fishery development programme	Fishery development is restored.	MOAG	100,000	70,000	0					
1.2.10.Implementation of the beekeeping development programme	The beekeeping sector is restored and further developed, and new jobs are created.	MOAG	100,000	70,000	0					
1.2.11.Implementation of the buffalo-breeding development programme	Buffalo-breeding economic units are restored and established in high mountain areas of the country.	MOAG	50,000	50,000	0					
1.2.12.Implementation of the horse-breeding development programme	The horse-breeding sector is restored.	MOAG	60,000	60,000	0					

Annex 1. Matrix of Action PRS 2010-12

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							Budget	Foreign investment	Donors	
			1.2.13.Improvement of the conditions and effective use of pastures in the country	National pastureland is improved.	MOAG	70,000	70,000	0		
			1.2.14.Implementation of the seed-growing development programme in the country	The material basis of this sphere is strengthened, providing the seed-growing farms in the country with high-quality reproductive seeds.	MOAG	8,500,000	2,100,000	6,400,000	SIDA	
			1.2.15.Development and implementation of the cotton-growing development programme	Crop fertility is improved and the total harvest is increased, providing industry with cotton processing.	MOAG	1,500,000	1,500,000	0		
	1.3. Increasing the effectiveness of the cotton-growing sector	1.3.1. Resolving the debt problem in cotton-growing sector; 1.3.2. Increasing the cotton fertility; 1.3.3. Increasing the amount of internal processing of raw cotton	1.3.1.Implementation of project on developing the cotton-growing sector	Evaluations are always performed according to the international standards. Farmers' incomes increase from every tonne of sold cotton.	MOAG, OTHER AGENCIES	15,000,000	0	15,000,000	WB	
	1.4. Application of guarantees and the rights of land use	1.4.1. Provision of cadastre certificates aiming at granting land use rights to <i>dehqan</i> farms; household land plots; objects having non-agricultural specification. 1.4.2. Certification for a plot of land. 1.4.3. Based on pilot action, inclusion of a single land registration relationship and real estate	1.4.1. Conducting of research and development of a mechanism to increase competitiveness among cotton-processing factories	The amount of cotton production is increased.	MoAg, MoE&I	300,000	0	0		300,000
1.4.2.Improvement of procedures for exporting cotton and importing fertilizers and technical and other materials for cotton production			The reform in the laws is adopted. The number of agreements and contracts	MoAg, OTHER AGENCIES	100,000	0	0		100,000	
1.4.3.Development and implementation of the project "Cotton processing and market development"			The quality and fertility of cotton is improved; seed quality is improved; and <i>dehqan</i> farms are provided with privileged loans	MoAg	29,000,000	500,000	28,500,000	ADB		
1.4.4.Including changes to the legislation with the aim of simplifying registration process, strengthening rights of land use and increase transparency			Changes to the Land Code are adopted. Expenditures are reduced for the formalization of documents on land use rights. Cases of land confiscation from farmers are reduced.	LAND COMMITTEE, MOAG, OTHER AGENCIES	2,000,000	0	0		2,000,000	
1.4.5.Development of a single mechanism of land use rights registration			A single catalogue of land use is established and updated regularly.	LAND COMMITTEE,	16,100,000	0	0		16,100,000	
1.4.6.Completion of the reorganization of farms and their further restoration			Farmers are granted all land use rights.	LAND COMMITTEE, MOAG, OTHER AGENCIES	1,200,000	0	0		1,200,000	
1.4.7. Conducting of soil research and land assessment and developing recommendations according to a single standard of tax and land			Fair taxation is established in regard to land fertility.	LAND COMMITTEE, MOAG, MJC	3,400,000	0	0		3,400,000	
1.4.8.Regular monitoring of equal rights and guarantees on the right of land use			Regular monitoring is carried out on the observation of equal rights.	LAND COMMITTEE, WOMEN COMMITTEE	1,800,000	0	0		1,800,000	
1.4.9.Development of proposals aimed at providing targeted use of agricultural lands and punishment for their improper use			Agricultural lands are used effectively.	LAND COMMITTEE, MOAG	300,000	0	0		300,000	
1.4.10.Assistance for establishing public associations aimed at land resources management and protection of land use rights by farmers			Farmers are provided with necessary information on land use rights.	LAND COMMITTEE, MOAG, OTHER AGENCIES	600,000	0	0		600,000	
1.5. Improvement in employment condition and increasing the effectiveness of agricultural infrastructure and water resources management	1.5.1. Out-of-use agricultural lands are restored (1,000 ha). 1.5.2. Reducing salinity and marsh level (%). 1.5.3. Responsibility for use and support of agricultural infrastructure in all determined levels.	1.5.1.Restoration of irrigation networks and ditches, exploration of new lands, supporting the establishment of WUA aimed at effectively managing water resources	The quality of irrigation service is improved. The irrigation networks are kept in working condition. The WUA is supported.	MOWR&LR, LAND COMMITTEE	30,000,000	0	0		30,000,000	
		1.5.2.Restoration of irrigation systems	Irrigation systems are being restored and are operational as usual	MOWR&LR, LAND COMMITTEE	29,014,000	6,290,000	22,720,000	ADB	0	

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementor s	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			1.5.3.Irrigation of Danghara Valley lands (two phases)	The second phase of irrigating Danghara Valley lands is started	MOWR&LR, LAND COMMITTEE	30,480,000	3,510,000	26,970,000	IDB	0
			1.5.4.Management of the water resources of Ferghana Valley	The valley's water resources are used effectively.	MOWR&LR, LAND COMMITTEE	14,174,000	1,174,000	13,000,000	WB	0
			1.5.5.Implementation of flood risk management project in Khatlon Region	Planned events are being practically implemented.	MOWR&LR, LAND COMMITTEE	24,499,000	6,490,000	18,009,000	ADB	0
			1.5.6.Technical and economic justification of irrigation and land exploration (700 ha) project aimed at increasing the gardening square and agricultural products, fruit and grapes	Technical and economic justification of the project is completed	MOWR&LR, LOCAL AUTHORITIES	8,400,000	2,100,000	6,300,000		0
			1.5.7.Technical and economic justification of the project for irrigating the lands of Darband settlement of Nurobod District	Technical and economic justification of the project is completed.	MOWR&LR, Local Authorities	2,690,000	2,690,000	0	0	0
			1.5.8.Justification of Sebiston (formerly Almalik) canal construction project in Tojikobod District	Technical and economic justification of the project is completed	MOWR&LR, LOCAL AUTHORITIES	547,000	547,000	0	0	0
			1.5.9.Planting of trees and bushes, use of crop rotation and others aimed at improving the quality of soil, reducing soil erosion and desertification	Crop area is increased and improve crop fertility is improved.	Land Committee, MOAG, Local Authorities	4,200,000	0	0	0	4,200,000
	1.6.Organization of healthy nutrition	1.6.1. Reduction in the level of diseases as a result of food, strengthening of legislation, regulations, laboratories and personnel	1.6.1.Strengthening of the regulatory and legal framework	Regulatory documents are developed.	MOH	13,000	20,000	11,000	-	-
			1.6.2.Enhancement for laboratory and scientific research	Equipment is supplied and scientific research is conducted.	MOH	89,000	8,000	81,000		
			1.6.3.Reduction in the level of food-related diseases	Information was regularly provided according to approved indicators.	MOH	59,000	12,000	47,000		0
			1.6.4.Development and implementation of a scientifically justified strategy for preparing healthy food for schoolchildren	Document are approved.	MOH	0	0	0	0	0
<b>Total</b>						<b>478,985,000</b>	<b>77,571,000</b>	<b>324,298,000</b>		<b>77,070,000</b>
<b>5. Development of infrastructure, energy and industry</b>										
<b>5.1 Development of infrastructure (transportation and communications)</b>										
1.Increase of goods transportation by 11.3% Increase of passenger turnover by 25.9%	1.1. Development of international transportation	1.1.Problems ratified within the framework of inter-state agreements solved	1.1.1. Opening of international passenger carrier itinerary in the directions of Dushanbe-Kabul and Khorog (RT)-Qashgar (PRCh)	Small- and medium-sized enterprises are developed; as well as economy of population's funds aimed at finding access to markets of neighboring countries (IRA, PRCh)	MOT&C					
	1.2.Promotion of acting new investment projects in transportation sector	1.2.Increased number of automobile roads with a satisfactory quality; The amount of investment for the implementation of transportation projects	1.2.1. Promotion of automobile road construction project of Dushanbe-Danghara		MOT&C	154,600,000	2,600,000	49,000,000	Chinese EximBank	103,000,000
			1.2.2. Promotion of the restoration of the automobile road project of "Kurgan-tyube-Dusti"	42 km of road is restored.	MOT&C	32,755,000		32,755,000	Japanese Government	
			1.2.3. Implementation of the project "Construction of automobile road Kulob-Qal'aikhumb"		MOT&C	158,090,000	7,900,000	150,190,000	IDB, and Arab Funds	65,190,000
			1.2.4. Promotion of the project "Restoration of automobile road Dushanbe-Kyrgyzstan border" 3 phase	114 km of road is restored.	MOT&C	76,600,000	23,200,000	53,400,000	ADB	

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			1.2.5. Conducting of feasibility study of the project "Restoring the automobile road of Dushanbe-Tursunzoda"	The project is prepared for implementation.	MOT&C	800,000	150,000	650,000	ADB	
			1.2.6. Implementation of the project "Construction of automobile road Shohon-Zighar" 3 phase	18.1 km of road is restored.	MOT&C	20,300,000	0,00	20,300,000	IDB	
			1.2.7. Implementation of the project "Restoring the automobile road of Dusti-Lower Panj (Panji poyon)" 2 phase	15.36 km of road is restored.	MOT&C	12,200,000	0,00	12,200,000	Japan	
			1.2.8. Promotion of the project for a new railway track construction of Dushanbe-Kurghan-tyube and Vahdat-Yovon line	Measures are taken for the construction of 46 km of the new railway.	MOT&C, RAIL ROAD	130,000,000				130,000,000
			1.2.9. Implementation of the project "Construction of international terminal in Dushanbe airport"		MoT&C, SUC Airport of Dushanbe	37,254,250	10,160,250	27,094,000	French Government, SUE "Dushanbe International Airport"	
			1.2.10. Promotion of investment projects for general repair of 142 km of railway and installation of 135 km of communication line, 1 phase FDI	The initial planned work is completed.	MOT&C, RAIL ROAD	8,500,000	0,00	0,00	TBC	8,500,000
			1.2.11. Promotion of investment projects for the construction of railway "Kolkhozobod-Lower Panj (Panji poyon)", first phase		MOT&C, RAIL ROAD	55,000,000	0,00	0,00	TBC	55,000,000
			1.2.12. Promotion of investment projects to increase the number of goods wagon park (600 units) FDI	Initial number of wagons are purchased.	MoT&C	33,000,000	0,0	0,00	TBC	33,000,000
			1.2.13 Community Project on maintenance of rural roads	75% of funds are used.	MOT&C, RAIL ROAD	2,300,000	500,000	1,800,000	Japanese Gov. and contribution of the GoT	
2. Increase of communications coverage up to 50%	2.1. Increasing coverage of electronic communication		2.1.1. Promotion of the investment project "Transportation and telecommunication networks" 3 phase	Works are being implemented in this sphere.	MOT&C	2,470,000	0,00	2,470,000	EBRD	0,0
			2.1.2. Rehabilitation of in-country radio rele lines	180 traffic lines of E1 are established to satisfy the needs of major customers.		1,970,000	0,00	0,0	TBC	1,970,000
			2.1.3 Establishment of a mobile radius system for live broadcasting of national events throughout the world	The mobile satellite system is established.	MoTC	430,000	0	0	TBC	430,000
<b>Total</b>						<b>726,269,250</b>	<b>44,510,250</b>	<b>349,859,000</b>		<b>397,090,000</b>
<b>5.2 Development of energy sector</b>										
1. Prolonging the term of permanent electricity transfer to population from 16 to 20 hours.	1.1 Conducting of institutional reform in the energy sector	1.1 Improvement of positions and restoration of the energy sector	1.1.1. Conducting of the the functional review of bodies responsible for the development and implementation of policy in the energy sector	The report is prepared with practical recommendations.		250,000	0,00	0,00	0,00	250,000
			1.1.2. Capacity building of the bodies responsible for the development and implementation of policy in the energy sector, including the establishment of the monitoring system for currently implemented policy	the monitoring unit is established. % of employees are trained.		250,000	0,00	0,00	0,00	250,000
			1.1.3. Development and implementation of the re-establishment plan "Barqi Tojik", which foresees the company into producer, transmitter and distributor ones	Rebuilding plan is adopted and is being implemented.		450,000	0,00	0,00	0,00	450,000
			1.1.4. Development and implementation of the Tojikgaz rebuilding plan	The rebuilding plan is adopted and is being implemented.		300,000				300,000
			1.1.5. Development of a protection programme for poor segments of the population aimed at increasing tariffs for electricity and gas	Mechanisms are developed and approved.	MOE&I, MOL&SP, MOF, MEDT	400,000				400,000

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			1.1.6. Development of a long-term concept for the development of the energy sector for the period until 2025. During the establishment of an energy concept, consideration is given to the development of an industrial, water and electric complex, a regional electrical consortium, gradual change through provision with gas in exchange to electricity	The concept development plan of OJSC "Barqi Tojik" for 2009-2020 is developed and submitted for approval.	MOE&I	200,000				200,000
2.Reducing quasi-fiscal shortcoming from 20.5% to 0%	2.1. Improvement in the effectiveness of using the available resources	2.1.Reduction in the electricity loss	2.1.1. Implementation of a strategy for the periodic increase of tariffs for 2007- 2010	The annual increase of tariffs will be practically implemented according to the Strategy.	MOE&I					
			2.1.2. Conducting of study on the opportunities and promotion of investment projects for the transfer of thermal plants into coal (in addition to the water measures in the water sector)	Report and recommendations are submitted. Negotiations are held with investors regarding investment in heating power stations with the use of coal.	MOE&I	50,000				50,000
			2.1.3. Promotion of an investment project for the construction of electric power stations with the use of coal	Feasibility study on the construction of the first heating power station is developed. Negotiations are held with investors and construction work has started.	MOE&I	57,520,000				57,520,000
	2.2. Promotion of investment projects in the energy sector	2.2.Increase in the potential of electricity production and in the production of coal, oil and gas	2.2.1. Implementation of the project "Development of the Regional Electricity Market"	Contracts were concluded. The market for selling electricity is determined.	MOE&I	25,500,000		25,500,000	USAID	
			2.2.2. Conducting of an analysis and implementation of measures to reduce energy loss	The analysis is conducted and practical recommendations are provided.	MOE&I,	48,000,000				48,000,000
			2.2.3. Determining and definite implementation of the schedule of consumer supply – heat, electricity and gas-- primarily in winter season	The schedule of consumers' supply of heat, electricity and gas is adopted and will be implemented.	MOE&I, MEDT	500,000	0	0	0	500,000
			2.2.4. Gas exploration, establishment of a condensed gas stations network (according to the contract with Gazprom) (FDI)	Exploration of natural gas has increased.	MOE&I,	8,000,000		8,000,000	OJSC OF "Gazprom"	
			2.2.5. Implementation of an investment project for the construction of ETL-220 kW Lolazor-Kulob, the substation of Khatlon-220 kW	Technical loss is reduced by 4-5%.	MOE&I,	58,200,000		58,200,000	China	
			2.2.6. Implementation of the project Dushanbe-2 Heating and Electricity Centre (270mWt) (FDI)	There is an additional production of approximately 1 billion kWt/hour.	MOE&I,	400,000,000	0,00	400,000,000	TBEA Company	
			2.2.7. Implementation of the investment project for the construction of Sangtuda-2 hydropower station (FDI)	There is an additional production of 1 billion kWt/hour.	MOE&I,	256,000,000	40,000,000	216,000,000	Iran	
			2.2.8. Implementation of the investment project for the first phase in the construction of Roghun hydropower station, 1 <sup>st</sup> phase started (FDI)	Implementation has started.	MOE&I,	280,000,000				280,000,000
			2.2.9. Conducting of an independent expert assessment of the proposed project of feasibility study of Roghun hydropower station	The report is prepared with practical recommendations.	MOE&I,	700,000				700,000
			2.2.10. Implementation of a concession project of electrical networks in GBAO (next phase) FDI	Technical loss is reduced, the contract is concluded for export of electricity to Afghanistan.	MOE&I,	26,500,000		26,500,000		
			2.2.11. Implementation of the compulsory requirement for ecological expertise for large under-construction object with the participation of experts and national scientific organizations	Ecological expertise will be provided for all new major construction projects.	MOE&I, Academy of Science. MOAG					
			2.2.12. Promotion of the investment restoration project of the Norak hydropower station	Negotiations with possible investors are held; a feasibility study is prepared.	MOE&I	405,000,000				405
			2.2.13. Restoration/rebuilding of Norak 500/220 kW (within the framework of point 3.3.14)	An international tender is announced.	MOE&I	87,500,000	4,000,000	83,500,000	ADB, KfW	
2.2.14. Implementation of the investment restoration project Norak hydropower station FDI	An extension of service term for another 35 years is expected, increasing capacity to 10%.	MOE&I	321,000,000				321,000,000			
2.2.15. Implementation of the project on the "Construction of 220kWt ETL of Khujand-Aymi (85km)"	Electricity is regularly supplied to regions of the country.	MOE&I	21,600,000				21,600,000			
2.2.16. Promotion of the investment restoration project of Kayrokkum hydropower station	Negotiations with potential investors are conducted; a feasibility study is developed.	MOE&I	125,000,000				125,000,000			

## Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			2.2.17. Promotion of the investment restoration project on the Varzob hydropower station	Negotiations with possible investors are made and a feasibility study is prepared.	MOE&I	250,000				250,000
			2.2.18. Implementation of the investment restoration project on Varzob hydropower station (FDI)	The service term is extended of another 25 years, increasing capacity to 5 MWt	MOE&I	40,000,000		17,000,000		23,000,000
			2.2.19. Promotion of the investment restoration project on Vakhsh hydropower station	Negotiations with possible investors are held and a feasibility study is prepared.	MOE&I	240,000,000				240,000,000
			2.2.20. Implementation of the investment restoration project on Varkhsh hydropower station – FDI	The service term is extended for another 50 years, increasing capacity to 30 MWt	MOE&I	57,000,000				57,000,000
			2.2.21. Promotion of the investment project aimed at "Eastern" perforation construction of Fon-Yaghnob coal mine	Negotiations with possible investors are held and a feasibility study is prepared.	MT	150,000				150,000
			2.2.22. Implementation of investment projects aimed at the "Eastern" perforation construction of Fon-Yaghnob coal mine – FDI	There is an additional yearly production of nearly 450 thousand tonnes of coal .	MT	70,200,000				70,200,000
			2.2.23. Promotion of the investment project for perforation construction and Ziddi coal mine	Negotiations with possible investors are held and a feasibility study is prepared.	MOE&I	150,000				150,000
			2.2.24. Implementation of investment project for perforation construction and Ziddi coal mine– FDI	There is an additional production of nearly 400 thousand tonnes of coal in a year	MOE&I	63,500,000				63,500,000
			2.2.25. Promotion of the investment project for rebuilding the coal mine №8 of Shurob	NeGoTiations with possible investors are made, feasibility study is prepared	MOE&I	150,000				150,000
			2.2.26. Implementation of the investment project for rebuilding the coal mine №8 of Shurob FDI	Coal production has increased.	MOE&I	1,780,000				1,780,000
			2.2.27. Implementation of the investment project "Construction of ETL-500 kWt - Sangtuda-1 HPP – major HPP – Afghan border	Conditions are established to export electricity in the summer.	MOE&I	32,000,000				32,000,000
			2.2.28. Restoration of the energy sector in 1, 2 phases	The list of determined actions was prepared.	MOE&I	68,400,000	5,900,000	62,500,000	ADB, IDB, Swiss Govt	0
			2.2.29. Construction of the high voltage line-220 "Lolazor-Obi Mazor" and substation 220 kВ	The list of determined actions was prepared.	MOE&I	58,100,000	2,900,000	55,200,000		0
			2.2.30. Implementation of the electricity sale project between Central and Southern Asia countries	The list of determined actions was prepared.	MOE&I, MEDT, MFA	3,000,000	500,000			2,500,000
			2.2.31. Regional projects for improving gas transportation	The list of determined actions was prepared.	MOE&I	7,410,000	2,080,000	5,330,000	ADB	
			2.2.32. Project for regional inter-system electricity transfer line	The conditions were created that aimed at exporting electricity in the summer season.	MOE&I	54,000,000	14,000,000	40,000,000	ADB	
			2.2.33 Implementation of the project on "ETL of Sangtuda-Dushanbe 500kW", 228 km with substation of Sangtuda – 500/200kW	Electricity is supplied regularly to country regions.	MOE&I	161,000,000	0	0		161,000,000
			2.2.34. Implementation of the project "Construction of 220kW ETL of "Kayrokkum-Asht" (86 km)	Electricity is regularly supplied to country's regions.	MOE&I	16,300,000	0	0		16,300,000
			2.2.35. Project of "Construction of ETL within CASA 1000 Project" (750 km)	Electricity is exported to Afghanistan and Pakistan with the capacity of 1,300mWt	MOE&I	450,000,000	0	0		450,000,000
			2.2.36. Project on "Reduction of Loss"	Loss of electricity and gas is reduced to the greatest extent possible within internal networks	MOE&I	30,000,000	0	0		30,000,000
<b>Total</b>						<b>3,476,310,000</b>	<b>69,380,000</b>	<b>997,730,000</b>	<b>0</b>	<b>2,004,200,405</b>

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
<b>5.3 Development of industry</b>										
1. Increase in industrial output by 25.6% 2. Growth in labour productivity in industry up to 16% 3. Growth in industrial exports by 18% 4. Increase in number of people employed in industry by 20.5%	1.1. Carrying out of institutional reforms in the industrial sector	1.1. Functions of government structures involved in regulating the industrial sector optimized, industrial development strategy adopted	1.1.1. Conducting of a functional survey on the system of agencies involved in policy implementation in the sector	Analysis conducted and practical recommendations are given	EOP	500,000	0,00	0,00		500,000
			1.1.2. Capacity building of agencies responsible for the development and implementation of industrial policy	Percentage of employees of the relevant agencies who have received training	MOE&I	500,000	0,00	0,00		50,000,000
			1.1.3. Preparation and adoption of a programme to modernize the system for managing large public industrial enterprises	Programme has been adopted and is being implemented.	MOE&I	400,000	0,00	0,00		400,000
			1.1.4. Revision of the statistical register of current industrial capacities for preparing proposals for their development, including the establishment of industrial-energy complexes, the creation of a register of industrial sites based on unpromising enterprises (in addition to measures under the Macroeconomics sector)	Register of existing industrial capacities is revised. Register of industrial sites is created.	MOE&I	500,000	0,00	0,00		500,000
			1.1.5. Support for the creation of sectoral manufacturers' associations and involving them in the development of decisions	At least three associations are created.	MOE&I, MEDT	100,000	0,00	0,00		100,000
			1.1.6. Creation of conditions for the diversification of the economy by developing the mining industry	The conditions are created.	MOE&I	100,000	0,00	0,00		100,000
			1.1.7. Updating of current legislation (on taxes, property, licensing, state-owned enterprises, etc.)	Legislative proposals are prepared and adopted.	MOE&I, geology agency	200,000	0,00	0,00		200,000
			1.1.8. Organization of a system to provide information to potential investors on existing mineral deposits	The information system is created.	MOE&I, geology agency	100,000	0,00	0,00		100,000
			1.1.9. Modernization of the database for registering and transferring mineral rights	the database is created.	MOE&I, Geology agency	100,000	0,00	0,00		100,000
			1.1.10. Increase in the education potential of national personnel specializing in mining	Decisions on forms of personnel training are adopted and being implemented.	MOE&I, MOE	200,000	0,00	0,00		200,000
			1.1.11. Design and implementation of a programme to develop the building materials industry (taking into account major construction projects planned)	The programme is approved and launched.	MOE&I	300,000	0,00	0,00		300,000
			1.1.12. Monitoring and assessment of activities in the industrial sector by public enterprises and joint ventures with state participation	Monitoring and assessment structures are created and functioning.	MOE&I	3,800,000	0,00	3,500,000		300,000
			1.2. Support for the development of priority sectors of industry	1.2. Growth in the proportion of domestic raw materials that undergo processing with the implementation of the scientific and technical achievement	1.2.1. Development and promotion of investment projects to establish production facilities for cotton processing	Feasibility studies are prepared and negotiations are conducted with potential investors.	MOE&I	184,000,000	0,00	23,000,000
1.2.2. Development and promotion of investment projects to establish production facilities for the intensive processing of leather, wool, tobacco, silkworms and other raw materials (FDI)	Feasibility studies are prepared and negotiations conducted with potential investors.	MOE&I			886,500,000	0,00	0,00		886,500,000	
1.2.3. Development and promotion of a programme to increase the processing of aluminium and monitor its implementation, including the setting of quotas for domestic processing and implementation of a programme to increase aluminium processing	Programme developed and adopted. Feasibility studies are prepared and negotiations conducted with potential investors.	MOE&I			200,300,000	0,00	0,00		200,300,000	
1.2.4. Preparation and promotion of investment projects to develop the construction materials industry	Feasibility studies are prepared and negotiations conducted with potential investors.	MOE&I			607,500,000	0,00	0,00		607,500,000	
1.2.5. Implementation of investment projects to develop the construction materials industry (FDI)	Investments in the sector are increased.	MOE&I			200,000,000	0,00	105,000,000	Czech Republic	95,000,000	
1.2.6. Development and promotion of a programme to increase the processing of precious metals and stones	The programme is developed and adopted. Feasibility studies are prepared and negotiations conducted with potential investors.	MOE&I			2,851,100,000	303,000,000	0,00		2,548,100,000	
1.2.7. Implementation of the programme to increase the processing of precious metals and stones (FDI)	Growth is shown in the gross output in the sector.	MOE&I			100,000,000	0,00	0,00		100,000,000	



## Annex 1. Matrix of Action PRS 2010-12

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							Budget	Foreign investment	Donors	
			1.2.8. Preparation and promotion of investment projects to create production facilities for the assembly of agricultural equipment	Gross output is increased by sector	MOE&I	75,500,000	0,00	10,000,000	Iran	65,500,000
			1.2.9. Preparation and promotion of investment projects to produce equipment for alternative energy (wind and solar, biogas production)	Feasibility studies are prepared and negotiations conducted with potential investors.	MOE&I	500,000	0,00	0,00		500,000
			1.2.10. Implementation of investment projects to produce equipment for alternative energy (wind and solar, biogas production) (FDI)	The number of enterprises with their own electricity resources has increased.	MOE&I	15,000,000	0,00	0,00		15,000,000
			1.2.11. Preparation and promotion of investment projects in the mining industry	Feasibility studies are prepared and negotiations conducted with potential investors.	MOE&I, Geology agency	400,000	0,00	0,00		400,000
			1.2.12. Implementation of investment projects in the mining industry (FDI)	Investments in the sector have increased.	MOE&I, Geology agency	120,000,000	0,00	0,00		120,000,000
			1.2.13. Preparation and promotion of investment projects in the chemical industry, including projects involving the processing of table salt	Feasibility studies are prepared and negotiations conducted with potential investors.	MOE&I	500,000	0,00	0,00		500,000
			1.2.14. Implementation of investment projects in the chemical industry, including projects involving the processing of table salt (FDI)	Investments in the sector have increased.	MOE&I	55,000,000	0,00	0,00		55,000,000
<b>Total</b>						<b>5,303,100,000</b>	<b>303,000,000</b>	<b>141,500,000</b>		<b>4,908,100,000</b>
<b>Total for the development of infrastructure, communications, energy and industry</b>						<b>9,505,679,250</b>	<b>416,890,250</b>	<b>1,489,089,000</b>		<b>7,309,390,405</b>
<b>Total for the Production Block</b>						<b>9,984,664,250</b>	<b>494,461,250</b>	<b>1,813,387,000</b>		<b>7,386,460,405</b>

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
<b>Human Potential Development (Social Block)</b>										
<b>Education</b>										
1. Increase the percentage of girls and boys covered by basic secondary education to 98%	1.1 Improvement in the educational management system	1.1. Increase in the effectiveness of the system for using and managing available resources	1.1.1 Continued per capita funding system in secondary education by 2010 (completion of the PCF module; conducting of public awareness campaigns; seminars for officials in districts; training for school principals; training on financial management for school principals; training for parents (Teacher-Parent Association)	Proportion of funding based on per capita method in the overall financing of secondary education reached 100%.	MoEd, Local Authorities	650,000	50,000	600,000		
			1.1.2 Restructuring of the network of schools (to draft proposals on restructuring the network of schools, assessment and restructuring)	Plan and programme for implementation is approved by MOE. Number of restructured network	MoEd, Local Authorities	94,000				94,000
		1.2 Gradually introduced system for studying demand in the labour market for skilled personnel and changes made in the number of specialists and in the structure of training for specialists graduating from the public secondary and higher vocational education system	1.2.1 Projection and demand reports published. Changes and additions made to study plans and curricula of educational institutions on a pilot basis.	Pursuant to Decree No. 1905 of 18 July 2007, short-term training courses are established by the MOE to train specialists on specialties demanded on the labour market. The one-, two-, three-, and 6-month courses are established to train specialists.	MoEd	50,000		50,000		
			1.3. Increase in the available information on the education system and education institutions via the Internet for interested parties	1.3.1 Increase in the number of participants according to MOE	The new design of the MOE website is completed in three languages and the public portal is developed.	MoEd, Local Authorities	10,000		10,000	
	2.1 Increasing of the effectiveness of the education system through decentralization and involvement the community and institutions in the education process	2.1 Introduction of a management programme, strengthening of the capacities of school principals and identifications of their tasks and responsibilities, taking into account the independence of schools	2.1.1 Establishment of a management programme for school principals (comprehensive programme of training) 10-day educational programme for 760 people per year); assessment of the activity of school principals	Programmes are approved and implemented. According to the assessment report, the number of school principals for professional development courses has increased.	MoEd, Local Authorities	637,000				637,000
			2.1.2 Financial management independence established for schools and mobilization of resources strengthened (regulatory and legal bases) for ; a new method has been established for cooperation between schools and the community; investment attracted for the development of schools	the legal framework of plan on independence of schools is approved and implemented. The plan on the development of schools is drafted; % of investment of attracted.	MoEd, Local Authorities	178,000				178,000
		2.2 Establishment of system of monitoring schools and the quality of education through the introduction of the information system	2.2.1 Drafting of regulatory and legal frameworks to ensure budget transparency	The information system is based on public opinion on locations.	MoEd	84,000				84,000
			2.2.2 Establishment of the potential and promotion of school councils	Number of active school councils.						
		2.3 Introduction, on a pilot basis, of a medium-term budgeting for the education sector	2.3.1 Financing of the education sector in 2010 on the basis of medium-term budgeting	Medium-term state spending is approved by Governmental Decree No. 305 of 2 July 2008.	MoEd, MoF	1,330,000	70,000	1,260,000		
		2.4 Upgrading of the institutional, regulatory/legal and personnel bases with regard to purchasing, financial management, reporting and monitoring of financing in the education sector.	2.4.1 Preparation and implementation of plan to increase the potential of the education sector	Vertical analysis of the education sector will be conducted within the framework of public sector reform.	MoEd, MoF	103,000		103,000		
			2.5 Promotion of the development of private pre-school and other educational institutions thby creating a conducive regulatory and legal environment, including improvement of the licensing and accreditation system	2.5.1 Established number of private pre-school institutions	7% of pre-school age children are covered in 2008, which is more by 1% than in 2007.	MoEd, Other Agencies	34,000	10,000		
		2.5.2 Increase in the proportion of children attending pre-school institutions (as a % of total number of pre-school age children); increase in the number of children attending private educational institutions		Number of pre-school institutions in 2008 has increased by three institutions compared to 2007.						
		2.6 Attraction of investments to develop private pre-school and other educational institutions	2.6.1 Negotiations conducted with potential investors and necessary funds raised		MoEd, MoF	30,000,000				30,000,000

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
3.1 Improvement of the quality of educational services at all levels, taking into account the programmes of MDGs.	3.1. Creation and optimization of national standards, study plans and curricula, as well as teaching tools for teachers	3.1.1 Updating of study plans for 5-9 grades, lyceum and gymnasiums, to improve the professional level of teachers (to be submitted for consideration of the Council of the MOE)	3.1.1.1 Updating of study plans for 5-9 grades, lyceum and gymnasiums, to improve the professional level of teachers (to be submitted for consideration of the Council of the MOE)	a) Study Plan for up to 9 <sup>th</sup> grade is considered and approved. b) Curricula for courses on improvement of the professional level of teachers is designed.	MoEd, Local Authorities	625,000	5,000			620,000
			3.1.2 Reforming of the process of developing curriculum.	The national curriculum is designed on areas.	MoEd, Pedagogical Sciences Academy	4,000	4,000			
			3.1.3 Publication of textbooks and teaching manuals (upgrading the plan of publishing, publication of textbooks according to the study plan and assessment of textbooks)	9,334 million textbooks on new subjects are made available.	MoEd, MoF	18,858,000	18,858,000			
	3.2 Ensuring of professional development courses for teachers, taking into consideration contemporary requirements	3.2.1 Re-training of teachers (according to capacity to fulfill contemporary requirements)	3.2.1.1 Re-training of teachers (according to capacity to fulfill contemporary requirements)	22,000 teachers attend courses during the year.	MoEd	14,122,000	14,122,000			
			3.2.2 Introduction of educational programmes	Educational materials are published; reporting is carried out on the assessment of educational programmes.	MoEd, Other Agencies	399,000	399,000			
	3.3 Introduction of new technology in the educational process	3.3.1 Ensured dissemination of information technology during the education process (computerization programme of secondary schools and provision of computers based on the number of students-- 20:1; assessment of the computerization plan; design and approval of plan for 2013 – 2017)	3.3.1.1 Ensured dissemination of information technology during the education process (computerization programme of secondary schools and provision of computers based on the number of students-- 20:1; assessment of the computerization plan; design and approval of plan for 2013 – 2017)	Number of operating computers and printers.	MoEd, Other Agencies	20,371,000	8,550,000			11,821,000
			3.3.2 Ensured dissemination of IT in the teaching process (assessment of educational institutions for talented children, allocation of funds for children's participation in international competitions and the Olympics)	Report on assessment of children's participation in competitions.	MoEd	7,000	7,000			
	3.4 Monitoring and assessment of the quality of students' learning	3.4.1 Monitoring (assessment) of study conditions with the participation of NGOs, parent-teachers associations and the community	3.4.1.1 Monitoring (assessment) of study conditions with the participation of NGOs, parent-teachers associations and the community	Report on monitoring of education quality.	MoEd	14,000	14,000			
			3.4.2 Monitoring of learning (in the most important period of learning)	Report on monitoring of learning	MoEd	11,000	11,000			
			3.4.3 Improvement in the learning assessment by teachers	Indicators are prepared and implemented.	MoEd	183,000	183,000			
	3.5. Establishment of the National Centre for Quality Assessment and systematic assessments of the quality of instruction performed	The establishment and certification of the institution for educational quality assessment	Governmental Decree No. 144 on the establishment of the National Testing Centre state institution of 5 March 2008.	MoEd	7,010,000	10,000	7,000,000			
	3.6 Studying of the conditions for and feasibility of introducing standard state examinations	Preparation of the Report.	The introduction of standard state examinations is considered possible; the Governmental Decree on the establishment of the National Testing Centre" of 5 March 2008 is approved.	MoEd	300,000				300,000	
	3.7. Improvement in on-the-job training programmes in accordance with the conceptual framework for specialized training, Stage 1	Additions made to study plans and curricula based on a decision by the MOE Board.	On-the-job training institutions are re-established based on the Professional (specialized) Training Conceptual Framework.	MoEd	200,000	200,000				
	4.1 Promotion of equal access to basic education and other levels of education, taking into account students' abilities	4.1 Support for children with limited abilities to access education	4.1.1 Support for children from poor families (arranging hot food; compensation for needy families as per the Government Decree.	342,434 students receive hot food; 15 % of students receive TJS40 in compensation during the year.	MoEd, MoL&SP	71,234,000	30,100,000			41,134,000
			4.1.2 Main directions established for specialized education (inclusive) for children with limited physical abilities (development of national standards of education, national strategy and programme, experimental programmes in selected schools and its assessment, development of expenditures and development of specialized education)	Concept of inclusive education, experimental report on inclusive education. Calculation of spending for inclusive education	MoEd, Pedagogical Sciences Academy	81,000		81,000		
			4.1.3 Improvement of basic compulsory education (change to ten-year compulsory education and new education procedures)	Feasibility studies are conducted on the new procedure of education and recommendations.	MoEd	54,000	54,000			
4.2 Promotion of gender equality in education sector		4.2.1.Promotion of information and awareness campaigns.	Annual TV and radio programmes and articles in newspapers.	MoEd, Media	10,000	10,000				

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
		4.3. Assessment and monitoring of achievements in the promotion of equal access to education	4.3.1.Review on education accessibility of education, attracting children to cover by gender programmes and regions and classrooms	Research on accessibility of basic secondary education is carried out.	MoEd, CoWFA	43,000				43,000
		4.4. Conducting of a survey to determine coverage by basic and secondary education, and also to identify reasons for declining school attendance by boys and girls (in urban and rural areas); design and implementation of a strategy to promote the education of girls	4.4.1.Attraction paid to basic secondary education	Special project necessary to study this issue.	MoEd, CoWFA	1,700,000				1,700,000
			4.4.2.Proportion of boys and girls in urban and rural areas who do not attend school	Sample of special statistic forms to identify the level of children's involvement is developed and delivered to districts of the country in 2007						
		4.5. Conductin g of a survey to determine the effectiveness of school meals, design of a targeted programme to organize school meals taking into account specific regional conditions and arrangement for a daily hot meal for students in the elementary grades	4.5.1.Proportion of students (boys and girls) in elementary grades in urban and rural areas who receive hot meals at school	In total, US\$ 11million was spent for school hot meals in 2008 with the support of international organizations.	MoEd, Local Authorities	14,800,000	400,000			14,400,000
		4.6. Provision of material assistance to children from needy families so they can obtain school and writing supplies, shoes and clothing	4.6.1.Percentage of children (boys and girls) receiving material assistance.	Material assistance to children from needy families for obtaining school and writing supplies, shoes and clothing has been provided by the budget.	MoEd, Local Authorities, MOL&SP	1,800,000	300,000			1,500,000
		4.7. Facilitation of access to basic, secondary and higher vocational and professional education for orphans and children from socially vulnerable segments of the population	4.7.1.Percentage of orphans and children from socially vulnerable segments of the population who have enrolled in vocational professional schools		MoEd, MoL&SP	1,700,000	1,700,000			
		4.8 The set-up of social scholarships for young women from poor families who have good or excellent marks at higher education institutions in the country	4.8.1.Percentage of orphans and children from socially vulnerable segments of the population from urban and rural areas who have enrolled in school under a quota system	Quota not identified. Hot meals are provided in basic vocational professional education institutions.	MoEd, Local Authorities	58,000	58,000			
	5.1 Improvement of the physical infrastructure and material and technical bases of the education sector	5.1. Operation of new schools	5.1.1.Analysis of information on the situation with the structure of schools	Report on the situation with structure of schools in the education sector	MoEd, MoF, Local Authorities	9,000	9,000			
		5.2 . Reinforcement of infrastructure and material and technical bases on the basis of population growth	5.2.1 Building of new potential and rehabilitation of existing potential (plans of construction and rehabilitation; renovation and changes in schools' base; construct schools meeting minimum standards	Percentage of children at 1-9 grades studying in one shift.	MoEd	85,497,000	23,500,000	30,100,000		31,897,000
			5.1.3 Promotion of material and technical bases (plan for improving material and technical bases, tables and chairs for students, development of physics, chemistry and biology laboratories)	Implementation of plan Percentage of student chair and table sets Percentage of of the number of blackboards Percentage of laboratories for different disciplines	MoEd, MOF	29,565,000	15,000	450,000		29,100,000
		5.3. Creation of conducive, healthy conditions for children (light, heating, sanitation and hygiene)	5.3.1 Rehabilitation and creation of favourable, healthy conditions and establishment of drinking water and heating sources	Percentage of children covered by schools have fulfilled the minimum standards.	MoEd	8,693,000				8,693,000
<b>Total</b>						<b>231,586,000</b>	<b>68,275,000</b>	<b>39,573,000</b>		<b>130,748,000</b>

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
<b>Science</b>										
1. Public administration reform	1.1.Strengthening of the regulatory and legal bases aimed at further developing science		1.1.1. Carrying out of measures to conduct reform in the sphere of sciences in accordance with country's Strategy on Science and Technology for 2007–2015	Planned measures are implemented	Academy of Sciences					
			1.1.2. Improvement in the legal basis to propose benefits/privileges of the tax and customs sector with a view to encouraging and supporting scientific activities	The legislation in force is amended	Academy of Sciences					
2. Develop the private sector and attract investments	2.1.Focus of scientific potential of the country on priority areas of research that promote the economic development of the country		2.1.1.Distribution of funds and financing for scientific research on a competitive basis	Proportion of research financed on a competitive basis as a proportion of the number of current scientific research projects.	Academy of Sciences, MEDT, MOF					
			2.1.2. Creation of favourable condition for enterprises, banks, international organizations and entrepreneurs to invest in science, guarantee of different sources of funding, and scientific, research, pilot and construction research	Proportion of extra-budgetary funding out of the total funding in science	Academy of Sciences, MEDT, MOF, OPP					
			2.1.3. Selection of new high-yield adaptive varieties and hybrids of agricultural crops	A number of new varieties, hybrids, etc. are developed.	Academy of Sciences, Academy of Agricultural Sciences, MoAg	1,000,000			(500,000 Budget, Grant, source not identified)	500,000
			2.1.4. Pilot introduction of biotechnology methods in agriculture	A number of developments are implemented.	Academy of Science, Academy of Agricultural Science, MoAg	1,100,000			600,000 Budget, Grant, source not identified)	500,000
			2.1.5. Development of environmentally safe, resource-saving intensive technologies in agriculture	Number of new technologies are developed.	Academy of Science, Academy of Agricultural Science, MoAg	700,000			(200,000 Budget, 500,000 Grant, source not identified)	
			2.1.6. Development and implementation of a sustainable system and promotion of environmentally safe agriculture in natural reserves and farms in the country	A system is developed.	Academy of Science, Academy of Agricultural Science, MoAg	500,000	100,000		(100,000 Budget 400,000 Grant, course not identified)	400,000
			2.1.7. Improvement in the structure of using land and water resources, optimization of the balance of the volume of production of food and technical crops, development of the cotton sector, as well as cereal crops, livestock, fruit and other agricultural sectors	Recommendations are prepared and presented.	Academy of Agricultural Sciences, MoAg	430,000			(30,000 Budget, 400,000 Grant, source not identified)	400,000
			2.1.8. Development of methods for preventing and treating particularly hazardous diseases among livestock using new drugs	New drugs are in use.	Academy of Agricultural Sciences, MoAg	600,000			(100,000 Budget, 500,000 Grant, source not identified)	500,000
			2.1.9. Development of practical recommendations for the comprehensive and efficient use of Tajikistan's water resources and transborder water resources	The number of recommendations are prepared and implemented.	Academy of Sciences, Ministry of reclamation and water resources	120,000			(20,000 Budget, 100,000 source not identified)	100,000
			2.1.10. The use of non-traditional, renewable, environmentally clean energy sources (solar, wind energy, hydropower on small rivers, geothermal sources and biomass) and new methods for their conversion and storage	A number of developments are implemented.	Academy of Sciences, MoE&I	540,000			(40,000 – Budget, 500,000 Grant, source not identified)	500,000

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			2.1.11. Development of environmentally clean technologies for the comprehensive processing of mineral raw	A number of developments are implemented.	Academy of Sciences, MoE&I	330,000			(30,000 Budget, 300,000 TTI, source not identified)	300,000
			2.1.12. Recycling of materials and waste, and development of technologies for wastewater treatment and the neutralization of industrial waste	A number of developments are implemented.	Academy of Sciences, MoE&I	330,000			(30,000 Budget, 300,000 TTI, source not identified)	300,000
			2.1.13. Development of technologies and modern chemicals and their usage for industry	Number of developments are implemented.	Academy of Sciences, MoE&I	580,000			(80,000 Budget, 500,000 Grant, the source is not identified)	500,000
			2.1.14. Processing of new medicine from local raw materials	Number of processings	Academy of Sciences, MoH	220,000			(20,000 Budget, 200,000 not identified)	200,000
			2.1.15. Monitoring of bio-diversity and biosecurity	Number of practical recommendations	Academy of Sciences, Committee on Environment	160,000			(60,000 Budget, 100,000 not identified)	100,000
			2.1.16. Monitoring of radiation security, biosphere, population and the environment	Number of practical recommendations	Academy of science, MoH, Committee on Environment, CoES	580,000			(80,000 Budget, 500,000 not identified)	500,000
			2.1.17. Processing on utilization of new technologies on seismology information, recommendations on seismic security of HPS Rogun, Nurek and Sangtuda	Number of implemented recommendations	Academy of science	200,000			(150,000 Bified, 500,000 Grant, not identified)	50,000
3. Develop human potential	3.1. Improvement of the material and technical base for science		3.1.1 Rehabilitation, refurbishment and improvement of science infrastructure	Number of rehabilitated objects	Academy of science, MEDT, MoF	700,000	200,000		(200,000 Budget, 500,000 Grant, not identified)	500,000
			3.1.2. Rehabilitation of seismology stations	Number of rehabilitated stations	Academy of science, MEDT and MoF	600,000	100,000		(100,000 Budget, 500,000 Grant, not identified)	500,000
			3.1.3. Provision of equipment and materials for science organizations	Percentage of expenditures out of total	Academy of science, MEDT, MoF	570,000	70,000		(70,000 Budget, 500,000 Grant, not identified)	500,000
			3.1.4. Improvement of information, access to Internet and establishment of ITC science centres	Number of institutions with ITC technologies and number of centers with access to ITC	Academy of science and others	2,040,000			(40,000 Budget, 2,000,000 Grant, not identified)	2,000,000
	3.2. Development of personnel capacity		3.2.1. Connection the academy science with high schools and capacity development of personnel	Number of joint initiatives and number of trained personnel	Academy of science, MoE	1,050,000			(50,000 Budget, 1,000,000 Grant, not identified)	1,000,000

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							Budget	Foreign investment	Donors			
			3.2.2. Mechanism for post-graduate students	Number of post-graduates	Academy of Science, MoE	1,000,000			(1,000,000 Budget)			
			3.2.3. Set-up of the mechanism for salary payment for young scientists	Percentage of young scientists out of total hired by contracts.	Academy of science, MEDT, MoF	980,000	980,000		(980,000 Budget)			
<b>Total</b>						<b>14,330,000</b>	<b>1,450,000</b>			<b>9,350,000</b>		
Development of the healthcare sector												
1. Decrease the child and maternal mortality, and infectious diseases, and eliminate the diseases that may be controlled by vaccinations	1.1. Enhancement of the efficiency of the administration system and funding	1. Share of the budget expenditures for health; 2. Share of the expenditure for primary healthcare out of the total budget for the health sector (%); 3. Approval on the basis of the pilot project in primary health care	1.1 Development of the medium-term budget for the sector based on the framework of MTEF	Budget resources are effectively used.	MoH, MoF, MEDT	304,000,000	94,000,000	26,200 TJS (2010 – approved) (US \$5,2m) 28,000 000(2011 – prospect) (US \$4,9m) 28,500 000TJS (2012 – strategy) (US \$4,8m) US \$14,9m	469,800 000 TJS (2010 - approved) (US \$94m) 501,800 000 TJS 2011 – prospect) (US \$88m) 631,800 TJS (2012 – stargety) (US \$107,1m) US \$289,1m			
			1.2 State gurantee programme and the norms of healthcare	% of population covered by the programme	MoH, MoF, MEDT	4,200,000		-	21,214 TJS (2010 approved) (US \$4,2m)			
			1.3 Within the framework of the long-term strategy on funding the health sector to develop per capita primary healthcare funding for pilot districts	Per capita funding for primary healthcare facilities and other facilities in pilot districts is approved.	MoH	16,000,000		-	80,000 TJS (2010 approved) (US \$16m)			
			1.4 Implementation of family-based helathcare, renewal of legal basis and enhancing the capacity of primary healthcare personnel on a pilot basis	• Demonstration on family helathcare is approved for pilot districts • All personnel who are responsible for primary healthjcare requirements are trained	MoH							
			1.5 Establishment of the inter-related system on healthcare information resources in pilot districts	The system is working in pilot districts.	MoH							
			1.6 Analysis of the medicines flow and their certification	The report on analysis and recommendations is prepared.	MoH,MoF							
			1.7 Within the framework of public administration reform, improvement in the function of Ministry of Health at the central and local levels	Amendments and changes to the legal documents that govern the function of MoH are introduced.	MoH, MoJ, MEDT, MoF							
			1.8 Set-up of the system for consumer protection as healthcare service users	A number of complaints are addressed.	MoH, MoJ							
			1.2. Improvement of the role of the private sector in the healthcare system	1.2. Percentage of users who use the private healthcare services out of the total service users (%); 1.2. Increase in the number of the private healthcare facilities	2.1 Introduction of privileges and the importance of the new taxes and other advantages for private healthcare entities	Reports and relevant recommendations are prepared.	MoH, MoF, Tax Committee					
					2.2 Second analysis for identifying the relevance of privatizing the healthcare system	Reports and relevant recommendations are prepared.	MoH, SIC					

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PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
2.1. Decrease the cases of child mortality under 5 years age up to 37 persons per 1000 newborns; 2.2. Decrease the number of child mortality under 1 year age up to 35 persons per 1 000 new borns; 2.3. Decrease the number of maternal mortality up to 60 persons per 100,000 people	2.1. Improvement of child and maternal care	1. Percentage of assisted births by health workers (%); 2. Percentage of people at the reproductive age who are aware of their rights and of family planning (%; gender-disaggregated); 3. Maternal mortality; 4. Percentage of children under 5 years age receiving the medicines under the special programme; 5. Percentage of educated people trained in child care; 6. Percentage of healthcare and preventive facilities that use the clinic protocols based on the main children's diseases	3.1 Capacity building for health workers and improving medical equipment provision for the primary healthcare system for maternal care	<ul style="list-style-type: none"> <li>• More than 75% of personnel are educated on maternal primary helathcare and obstetrician services;</li> <li>• Number and percentage of facilities provided with equipment and medicines for antenatal and obstetrician services;</li> <li>• Number of national and regional working referral centres;</li> <li>• Number and percentage of pregnant women and newborns who received the neonatal and obstetrician services</li> </ul>	MoH, UNICEF, UNFPA, Aga Khan Fund, Save the Children, Mercy Corps, JICA				12,850,000	
			3.2 Development and implementation of documents for safe maternity and neonatal services in all stages of healthcare	<ul style="list-style-type: none"> <li>• Number and percentage of health workers educated with safe maternity protocols in all stages of the healthcare system;</li> <li>• Existing monitoring system and feedback system for safe maternity documents;</li> <li>• Existing guideline for neonatal services and reporting on the feedbacks;</li> <li>• Number and percentage of healthcare facilities that use safe maternity documents</li> </ul>	MoH					
			3.3 Awareness raising among the population on safe maternity and on obstetrician and neonatal services	<ul style="list-style-type: none"> <li>• 75% of primary health care facilities provide neonatal services;</li> <li>• Number of administrators and organizaers who passed the courses;</li> <li>• Number of NGOs and volunteers who participated in distribution of information;</li> <li>• Number of people who are covered by NGOs and volunteers</li> </ul>	MoH, Women Committee					
			3.4 Organization of round tables on reproductive health, reproductive rights and family planning (as well women's reproductive health)	Number of meetings, public actions, press-conferences, discussions and radio and TV actions	MoH, Women Committee					
			3.5 Development and implementation of standards and quality feedback mechanisms on family planning services	Existence of the standards, protocols and feedback systems.	MoH					
			3.6 Provision of equipment, contraceptives and information materials to primary healthcare and reproductive facilities in family planning	<ul style="list-style-type: none"> <li>• Number and percentage of primary healthcare facilities with equipment for family planning services;</li> <li>• No less than 3 types of modern contraceptives information materials are available on primary healthcare facilities;</li> <li>• Number of national and regional personnel of MoH;</li> <li>• Availability of report on feedback results;</li> <li>• Number of managers on reproductive health on optimal usage of contraceptives</li> </ul>	MoH					
			3.7 Capacity development of national and regional reproductive centres in monitoring the quality of the services feedback system.	The feedback system is available on qualification of health workers on family planning and reproductive health.	MoH, ILocal authorities					
			3.8 Improvement of access of youth to family planning, reproductive health and goodwill services	<ul style="list-style-type: none"> <li>• Number of youth who receive goodwill services (gender disaggregated);</li> <li>• Number of health posts, advisory centres that provide goodwill services on reproductive health;</li> <li>• Number of qualified personnel and certified for provision of goodwill services</li> </ul>	MoH, women committee, State Committee on Architecture and construction, MOE					



Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			3.9 Facilitation of breast feeding of children	<ul style="list-style-type: none"> <li>Number and percentage of children who receives the services based on the principles of IBDOR;</li> <li>Implementation of law on breast feeding;</li> <li>Number of events conducted on importance of breast feeding</li> </ul>	MOH					
			3.10 Gradual transformation to global standards in perinatal care and improvement of birth registration and child mortality according to the WHO recommendations	<ul style="list-style-type: none"> <li>% of health workers who received trainings;</li> <li>% of health posts equipped with birth facilitating equipment;</li> <li>% provision of birth facilities with registration and reporting facilities</li> </ul>	MoH					
			3.11 Dissemination of the WHO/UNICEF strategy on the cooperative solution of child diseases, as well as raising awareness of parents and increasing civil society participation	<ul style="list-style-type: none"> <li>number of conducted trainings;</li> <li>% of parents able to care about child;</li> <li>Availability of monitoring system and reporting</li> </ul>	MoH					
3.1. Decrease number of HIV-affected people to 3,500 or under; 3.2. Decrease the number of malaria-affected people to 18 per 100,000 people and eliminate tropical malaria 3.3. Decrease the cases of tuberculosis to 130 per 100,000 people; 3.4. Decrease the number of people affected by gastrointestinal parasites up to 250 per 100,000; 3.5. Control and eliminate measles	3.1. Fight against HIV/AIDS, malaria, tuberculosis and other infectious diseases that can be controlled by vaccination.	<p>1. Percentage of young people aware of the fight against HIV (%)</p> <p>2. Percentage of tuberculosis cases treated under DOTs (%)</p> <p>3. Percentage of people located in malaria areas and aware of the fight against malaria;</p> <p>4. Percentage of people aware of gastrointestinal parasites and the fight against it</p> <p>5. Health expenditure on vaccination (%)</p> <p>6. Coverage of children under 1 year of age by vaccination (96%)</p> <p>7. Support to local authorities on antimicrobial free policy</p> <p>8. Proportion of at-risk group of the population covered by the HIV programme</p> <p>-% of population aware of and with a positive attitude towards HIV/AIDS</p> <p>-Implementation of laws and sublaws</p>	3.1.1 Raising awareness of people, particularly groups at risk and vulnerable segments of population on HIV/AIDS, malaria, tuberculosis and gastrointestinal parasites and diseases to be controlled by vaccination.	<ul style="list-style-type: none"> <li>Number of conducted trainings;</li> <li>Number of publications, roundtables and mass media presentations;</li> <li>% of equipped blood and AIDS diagnosis centres;</li> <li>The indicator of people's awareness of malaria;</li> <li>% of people aware of tuberculosis;</li> <li>% of sick people aware about treatment</li> <li>% of educated people aware of the importance of vaccination</li> </ul>	MoH, MoE, MoL&SP, Youth Affairs Committee	120,000	3,703,500	3,703,500	GFATM GFATM	
			3.1.2 Increased access of the proportion of people at risk and the vulnerable segments of the population to programmes on HIV/AIDS	the Number of active hotlines and hospitals for HIV prevention; the Number of conducted training sessions for HIV service provided;	MOH	600,000	5,000,000	5,000,000	GFATM, DFID, WB	
			3.1.3. Reduction of cases of violating the human rights of HIV-affected and other groups of population by introducing a positive attitude within HIV/AIDS programmes	System for review of the epidemiologic control working well and its reports regularly published. -National HIV Programme taking into account multisectoral approach and NDS and PRS objectives for 2010 -2012	MoH, MoE, MoL&SP, Youth Committee		250,000	250,000	GFATM UNAID, UNDP	
			3.1.4 Development of an epidemiological system on the expansion of malaria, helminthiasis, infections controlled by vaccines Provision of vaccines for measles. Awareness raising on immunodeficits. Joining of department on AIDS with other departments of MoH	<ul style="list-style-type: none"> <li>number and % of cases in initial stage;</li> <li>number of operative groups;</li> <li>report on households located in affected areas;</li> <li>% of coverage by vaccination</li> <li>% provision of refrigerators for prophylactic and treatment centres for vaccines;</li> <li>The new vaccines are available.</li> </ul>	MOH					
			3.1.5 Increasing the qualification of medical personnel in tropical diseases and parasitology centres of SES on fight against malaria and helminthoz	<ul style="list-style-type: none"> <li>number of conducted training sessions;</li> <li>number and % of personnel trained on diagnosis treatment and prevention of malaria</li> </ul>	MOH					
			3.1.6 Systematization of the access and treatment for retrovirus-affected people for prevention of infection from mother to child	<ul style="list-style-type: none"> <li>% of HIV affected adults and children covered by retroviral therapy;</li> <li>% of pregnant women covered by retroviral therapy with a view to reducing the risk of transmission of HIV from mother to child;</li> <li>Number of specialists trained on providing services and treatment of HIV.</li> </ul>	MOH	170,000	1,100,000	1,100,000	GFATM	

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			3.1.7 Implementation of measures against tuberculosis, malaria and helminthiasis	<ul style="list-style-type: none"> <li>number of sources where the diseases are eliminated;</li> <li>% of labs equipped and functioning.</li> <li>% of population treated;</li> <li>indicators of initial treatment and parasites treatment;</li> <li>% of identified groups that have undergone treatment;</li> <li>number and % of equipped laboratories.</li> <li>% of personnel trained on DOTS;</li> <li>% diagnosis and treatment on tuberculosis with (MT+);</li> <li>rate of supply of medicines for treatment of tuberculosis;</li> <li>Hospital in Machiton Mahalla is rehabilitated.</li> <li>Medical equipment is procured for DOTS centre in Dushanbe;</li> <li>The reference laboratory is established and equipped.</li> </ul>	MOH, MOE					
			3.1.8 Capacity building of institutions concerned with healthy lifestyles	<ul style="list-style-type: none"> <li>number of trainings conducted;</li> <li>Number of materials published and roundtables conducted in mass media;</li> <li>The number of units involved in HLS;</li> <li>% of personnel trained;</li> </ul>	MoH, MOE, State Committee on Architecture and Construction, Women Committee					
			3.1.9 High coverage of people on fight against infectious diseases based on all vaccines with highly effective vaccines	<ul style="list-style-type: none"> <li>number and percentage of children covered by vaccination;</li> <li>number of measles diseases;</li> <li>% of coverage with vaccination against measles;</li> <li>% of laboratories equipped</li> </ul>	MOH					
	3.2. Enhancement of the capacity of personnel and provision of necessary equipment and other materials for health institutions	3.2. Increased number of primary healthcare personnel who have passed the courses on family-based treatment 3.2. Percentage of health institutions equipped with necessary items	3.2.1 Development of personnel on family-based treatment and nurses in pilot districts	Number of trained personnel Percentage of family-based doctors out of total number of doctors in pilot districts	MOH					
3.2.2. Training of managers on chargeable health services			Percentage of managers who are trained.	MOH, MOF						
3.2.3 Supply of high quality medicines for city and district health posts			Number of medicines provided to village, district and city health centres.	MOH, MEDT						
3.2.4 Construction of health centres in villages, districts and cities			Number of constructed health centres. Percentage out of total and planned numbers	MOH, MEDT	595,000					
3.2.5 Rehabilitation of health centres in villages, districts and cities			Number of health centers in villages, districts and cities rehabilitated. Percentage out of total and planned numbers	MOH, MEDT						
3.2.6 Equipping of the village, district and city health centres			Number of equipped health centres. Percentage out of total and planned numbers	MOH, MEDT	15,000	15,000	0	0		
3.2.7 Provision of vehicles for village, district and city health centres			Number of vehicles provided. Percentage out of total and planned numbers	MOH, MEDT						
3.2.8 Construction of a central hospital in districts and cities			Number and percentage of constructed central hospitals. Percentage out of total and planned	MOH, MEDT						
3.2.9 Capital rehabilitation of central hospitals in districts			Number of rehabilitated hospitals. Percentage out of total and planned numbers	MOH, MEDT						
3.2.10 Equipping of the central district and city hospitals with medical equipment and furniture			Number of hospitals equipped. Percentage out of total and planned numbers	MOH, MEDT						
3.2.11 Construction of SES facilities			Number of SES facilities constructed. Percentage out of total and planned numbers	MOH, MEDT						
3.2.12 Rehabilitation of SES facilities			Number of SES facilities rehabilitated. Percentage out of total and planned numbers	MOH, MEDT						
3.2.13 Equipping of SES facilities			Number of equipped SES facilities with furniture, lab and medical equipments. Percentage out of total and planned numbers	MOH, MEDT						
<b>Total</b>						325,700,000	104,068,500			

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementor s	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
<b>Improvement of social welfare</b>										
9. Social protection										
1.1. Reduce the poverty rate to 41.4% 1.2. Reduce the extreme poverty rate to 11.3%	1.1.Improvement of the Social Protection Management System	1.1.The Social Protection Management System is improved.	1.1.1.Improvement of structuring and revision of competences and authorities of the Ministry of Labor and Social Protection based on results of vertical functional system analysis carried out jointly with the World Bank	The restructuring of the Ministry of Labor and Social Protection based on results of vertical functional system analysis carried out jointly with World Bank is improved, and competences and authorities are undertaken into consideration.	MOL&SP	200,000	0	0,00		200,000
			1.1.2.Re-creation of the function of the units of structure or labour unit towards streamlining of labor issues within the structure of local authorities in districts and cities	Structure and labour units on streamlining of labour issues within the structure of local authorities in district and cities	GoT, Local authorities					
			1.1.3. Strengthening of capacity of personnel of Social Protection system	The capacity of Social Protection system of local structures' staff is strengthened and the job-hopping process is prevented	MOL&SP, MOH	200,000	0	0,00		200,000
			1.1.4. Finalization of the development of the equal system of multilevel control of child rights protection including ways of subordination problems solutions (within the relevant ministries' competencies and authorities) and sectoral financing	The State Secretariat on Child Rights Conduct has been established and is functional. Child Rights Departments in all cities and districts are established. The subordination problems and sectoral financing have been solved.	EOP, MOL&SP, MOF, LOCAL AUTHORITIES	1,000,000	0	500,000	UNICEF, SIDA	500,000
			1.1.5. Introduction of to cross-sectoral system on information exchange between structures of employment, migration, social insurance and pension departments.	The inter-sectoral information system is developed and transparency of statistic data in social sector is ensured.	MOL & SP	2,900,000		1,500,000		1,400,000
	1.2. Ensuring independent opportunities for vulnerable groups to reduce poverty	1. A constant increase of salaries is ensured. 2. The number of signed collective contracts is increased and references to the court are reduced. 3. Arrears of wages are decreased and its further increase is prevented. 4. Further dissemination of child labour worst-case conditions is terminated. 5. A basis of research methodology, monitoring, trimming of labour market and labour migration are established. 6. Professional quality of unemployed people and labour migrants is improved. 7. Employment rate has increased. 8. Unemployment rate has decreased.	1.2.1. Introduction and implementation of wage indexation mechanisms for the budget sphere.	Changes and additions are made to the Law.	MOL&SP, OTHER AGENCIES	200,000	0	0,00		200,000
			1.2.2. Conduction of survey for eliminating the causes of debt on salary and social taxes. Development of legal and regulatory documents for eliminating these kinds of cases.	The survey is conducted, and as a result, feasible recommendations such as the development of regulatory documents have been identified.	MOL&SP, MOF	200,000				200,000
			1.2.3. Conduct of research on child labour	Research on child labour is conducted.	MOL&SP	300,000				300,000
			1.2.4. Development of national strategy for the labor market for 2011-2015	A Government decree is adopted.	MOL&SP	200,000	0	200,000		
			1.2.5. Capacity building of MOL&SP staff on analysis and forecast of labour market indicators	Opportunities of MOL & SPA on analysis and forecast of labour market indicators are enhanced.	MOL&SP	500,000	0	500,000		
			1.2.6. Conducting of research on job placement and the labour force	Data and quality analysis of current job placements based on areas and levels of study are collected.	MOL&SP, SSC	160,000				160,000
			1.2.7. Research conducted to identify labour market demands for specialists based on areas and levels of study	A demand in the labour market for specialists based on areas and levels of study is identified.	MOL&SP	40,000				40,000
			1.2.8. Establishment of common analytical information and computerized network of the state employment structures	An informational resource centre on a number of unemployed people, job-hunters, labour resources, the creation of new jobs, and the demand of internal and external markets with labour forces is established.	MOL&SP	500,000				500,000
			1.2.9. Strengthening of and enhancement in the employment centre on the effective implementation of the programme on assistance to employment and reducing labour market pressure	Organizational and personnel opportunities of the state structure of employment towards implementation of Assistance Programme are strengthened and enhanced	MOL&SP	1,500,000	300,000			1,200,000
			1.2.10. Development of material and technical bases, programmes and personnel of the adults education system in order to conform to the professionalism, legislation and language of unemployed people to internal and external labour market	Material and technical, programme and cadres and adults education basis at the internal and external labour markets on 30 market demanded specialization are provided.	MOL&SP	3,700,000	700,000	2,000,000	GTZ	1,000,000
1.2.11. Ensured development of the adult education module technologies			In 50% of educational centres of the employment centers modular technologies of adults' education are introduced.	MOL&SP	600,000				600,000	
1.2.12. Development of the Programme for Adult Education Development for 2010-2012			A Governmental decree is passed.	MOL&SP	0	0	0	0	0	

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			1.2.13. Creation of an electronic information resource on labour markets indicators and a website on job placements	Electronic information resource is created. A job placement website is placed on the Internet.	MOL&SP	100,000				100,000
			1.2.14. Organization of training, and legal and language courses as well as courses on the social adaptation of labour migrants	The number of official labour migrants has increased.	MOL&SP	200,000				200,000
			1.2.15. Reforming and ensuring o further development of the professional systematic guide	Effective development of labour resources is enhanced.	MOL&SP	670,000	170,000			500,000
			1.2.16. Strengthening capacity and establishment of a polyclinic for labour and social protection	Material and technical assistance is provided.	MOL&SP	300,000	0	0,00		300,000
			1.2.17. Conducting of professional development courses (human potential development) for staff from the labour, employment, protection and service and adult education sectors	Courses are organized and conducted.	MoL&SP, MOE	280,000	100,000	80,000	GTZ	100,000
			1.2.18. Capacity building of organizations and personnel of local executive authorities on regulation of labour market and employment in regions	a series of regional educational seminars are conducted and measures implemented to support the activity of the local committee for the coordination of employment.	MoL&SP, Local Authorities	700,000				700,000
			1.2.19. Strengthening of the material and technical bases of the State Services for the supervision of labour, employment and social welfare.	Laboratories for analysis of labour conditions and other technical means are established.	MoL&SP	300,000	0	0,00		300,000
2. Enhance reform of the social insurance and pension system		1. Financial sustainability of the social insurance and pension system is improved. 2. The system of state social insurance management is enhanced 3. Separation of non-insurance payments out of state social insurance is carried out 4. A constant increase in insurance payments is promoted. 5. Pension arrears are resolved	2.1.1. Improvement of the management of the state social insurance system by establishing and strengthening the technical and methodological bases of information infrastructure	Information infrastructure and archives of individual registration are established. A clear and active form of personal electronic registration of individual insurance is introduced.	MoL&SP	10,000,000	0	0,00		10,000,000
			2.1.2. Increase in the level of legal awareness of citizens with a view to ensuring their awareness on their rights and opportunities provided by the new legislation on pension	A series of regulatory and legal documents to improve and clarify the new pension legislation is drafted and made available for public. The level of awareness of citizens on their rights provided by the new pension legislation is improved.	MoL&SP	300,000	100,000	0,00		200,000
			2.1.3. Automatization of the process of insured pensions and social benefits, taking into account the strengthening of material and technical bases	The volume and cases of the purposeless use of social insurance funds is reduced.	MoL&SP	2,000,000	0	0,00		2,000,000
			2.1.4. Development and implementation of mechanisms for cross-sectoral exchanges of information according to the Law on the registration of legal entities and individual businesses	Regulatory and legal documents are adopted.	MoL&SP, SSC, SSC	500,000				500,000
			2.1.5. Development and adoption of the revised Law on social state insurance by including changes and amendments on social taxes in the Tax Code	The Law is adopted.	MoL&SP	200,000				200,000
			2.1.6. Development and adoption of the Law on individual accounts	The Law is adopted.	MoL&SP	200,000				200,000
			2.1.7. Development and adoption of the Law on pension insurance	The Law is adopted.	MoL&SP	500,000				500,000
			2.1.8. Development and implementation of mechanisms for converting and transferring pension rights of the insured to their personal accounts	Regulatory and legal documents are adopted. Pension rights of insured are converted and transferred.	MoL&SP, MOF,	500,000				500,000
			2.1.9. Strengthening of the legal and regulatory framework, development and implementation of the programme for developing the system of voluntary and professional pension	The Programme is implemented. The Law is developed and adopted.	MoL&SP, TAX Committee,, MOF	150,000	0	0,00		150,000
			2.1.10. Conducting of a review, the study on and introduction of the method for collecting and calculating social demographic indicators	State demographic policy is formulated.	SSC, MoL&SP, MOH, Academy of Science	500,000	0	0,00		500,000
			2.1.11. Development and piloting of the method for assessing the poverty rate	The method is developed and funding sources for its implementation identified.	SSC, MoL&SP, MOH	500,000	0	0,00		500,000

## Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
			2.1.12. Development and approval of the method for calculating the consumer goods basket (minimum living standards)	Methods are approved and implemented.	MoL&SP, MOH	100,000	0	0,00	WB	100,000
			2.1.13. Development and adoption of the law on targeted social assistance	The Law is adopted.	MoL&SP, MOH	200,000	0	0,00		200,000
			2.1.14. Development of a mechanism for providing targeted social assistance to the poor segments of the population, orphans and families who do not leaders. Development and piloting of methods for assessing the poverty rate.	The mechanism is identified and methods developed.	MoL&SP	500,000	0	0,00	EC	500,000
			2.1.15. Review of the method for providing targeted social assistance to schoolchildren from poor families	Methods is developed.	MoL&SP, MOE	100,000	0	0,00	EC	100,000
			2.1.16. Development of methods for identifying the estimated demand for social services via targeted method	Methods are developed.	MoL&SP	100,000	0	0,00		100,000
			2.1.17. Development of a draft law on the single social benefit and compensation	Law is adopted.	MoL&SP	200,000	0	0,00		200,000
			2.1.18. Introduction of the national law on social standards, with the view of implementation: social service standards; The system of assessing the quality of implementation of social programmes; general requirements for the activity of state and private agencies providing different types of social services	Necessary standards and regulatory and legal documents are approved.	MoL&SP	4,500,000	0	0,00	EC	4,500,000
			2.1.19. Improvement in the quality of medical and social analysis of disabled people	Measures for enabling disabled people are implemented and needs for wheelchairs identified.		300,000		200,000		100,000
			2.1.20. Conducting of a study on the situation of pensioners who retired at retirement age and the need for adopting a law on the social protection of the elderly	Regulatory and legal documents are changed. Amendments and changes are included into legislation	MoL&SP, MOH	350,000	0	0,00		350,000
			2.1.21. Development of the production of local products for disabled people. Rehabilitation and modernization of equipment of state enterprises in prosthesis and orthopedics products in Dushanbe city	The State enterprise of prosthesis plants and orthopedy of Dushanbe City is equipped with modern equipment.	MoL&SP	3,000,000	0	0,00		3,000,000
			2.1.22. Improvement to the system of social services and benefits	A new procedure of targeted social assistance instead of the existing benefits is implemented.	MOL&SP	5,000,000		4,500,000	EC	500,000
			2.1.23. Development and adoption of the State programme on reforming the social services system for children, taking into account the need to find effective ways of financially supporting the family, children, and in particular, families in need, children with limited opportunities (encouragement with financial benefits for educators and ets.)	The program on reform adopted, appropriate mechanism of support of redistribution of financial resources according to types and methods of services is proposed	MoL&SP, CoFWA, MOE	500,000	0	500,000	UNICEF	0
			2.1.24. Development of the network of social institutions in the regions, including dayly social services centres for disabled children, disabled people, lonely and elderly people	The number of active centres reached 40.	MoL&SP, Local Authorities, MOF, MOE, MOH, MIA	500,000	0	0,00		500,000
			2.1.25. Rehabilitation of premises and provision of stationary facilities with necessary equipment for disabled people according to international standards of developing assistance stationary facilities	Premises are commissioned, stationary facilities are equipped with necessary equipment for disabled people according to international standards, and the development of assistance facilities has started.	MoL&SP	2,000,000	0	1,500,000	EC	500,000
			2.1.26. Improvement of legislation on free and fee-based social services	Acting legislation is improved and fee-based services for needy people are introduced together with free social services.	MoL&SP, MOH, MEI	0,00	0	0,00		0
			2.1.27. Organization of the system for calculating social integration on the basis of individual study	The system of calculating indicators of social integration on the basis of individual study is organized.	MoL&SP	1,500,000	0	1,500,000	TICA, AKF	0

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million	
							Budget	Foreign investment	Donors		
			2.1.28. Monitoring of child labour in economic and unofficial sectors	Monitoring is conducted and practical recommendation are provided.							
			2.1.29. Development and implementation of community programmes for providing social assistance to children who are in conflict with the law by involving civil society	Programmes are developed and implemented.	MIA, MoL&SP, Local Authorities, MOE,	600,000	0	600,000	UNICEF, Government, Child Rights Centre (UK).	0	
			2.1.30. Development and approval of the strategy for developing family education: child adoption, inheritance, guardianship, host families	The strategy is developed and approved.	CoWFA, Youth Committee, Culture Ministry, MoL&SP, MOE	1,000,000	0	500,000	SIDA	500,000	
<b>Total</b>			<b>50,55</b>	<b>1,37</b>	<b>14,08</b>	<b>50,550,000</b>	<b>1,370,000</b>	<b>14,080,000</b>		<b>35,100,000</b>	
<b>Expansion of access to water supply, sanitation and housing and municipal services</b>											
1.1.Provision of the rights, by the end of 2009, to: 1.2 drinking water according to GOST: cities 96% and villages 51% 1.3. sanitary conditions: cities 47% and villages 37%	1.1. Conducting of institutional reform of the sector	1.1. Regulatory and legal framework on water supply, sanitation and khojagii manziliyu kommunali is provided	1.1.1. Conducting of functional and institutional review	Final recommendations and proposals on institutional improvement of the sector are proposed.			0	0		250,000	
			1.1.2. Development and implementation of the law on drinking water and water supply	The Law is developed and implemented.			0			150,000	
			1.1.3. Implementation first phase of programme on "Improvement of drinking water supply of population for 2007-2020"	Results of the programme implementation by 2012.			146,000				24,454,000
			1.1.4.Rehabilitation of water supply and sewerage system in Kulob, Kurgant'yube and Dangara	The water supply system is rehabilitated and is operating.			0				27,600,000
			1.1.5 Establishment of the metering system for drinking water supply system	The metering of effective use of water system is implemented and fully operating.			0				200,000
			1.1.6.Analysis of the communal tariffs and collection of fees	Final recommendations and proposals on service tariffs and the system of collecting communal service fees are provided.			0				570,000
			1.1.7. Training and capacity development of personnel in communal sectors	Skills of up to 40% of technical staff of KhMK are upgraded.			0				191,000
2. Improve the effective and optimal development of the infrastructure	1.Decreasing of the number of people without homes 2.Decreasing the number of warm-out houses, in emergency situation and requiring rehabilitation 3. Few number of houses that do not comply with norms and communal standards		2.1.1. Construction of waste collection facilities and utilization of household wastes in Rudaki district and in Kurgan-Tyube city	The waste collection and disposal landfill is constructed and commissioned.			0			1,000,000	
			2.1.2. Protection of sanitation zones in Dushanbe, Khujand, Khorug, Kurgant'yube, Tursunzoda, Bokhtar, Buston, Hamadoni, Kulob, Kumsangir, Taboshar, Istaravshan, Hisor, Vahdat, Faizobod, Ayni, Tojikobod, Rudaki, etc.	Sanitation zones are equipped with water meters.			0			5,350,000	
			2.1.3.Installation of water metering devices	All of the enterprises are equipped with water meters.			54,000				546,000
			2.1.4. Development of communal infrastructure SUE of "Khojagii Manziliyu Kommunalii"	Development of communal infrastructure is active			800,000				10,483,000
			2.1.5. Rehabilitation of the sewage network in cities and administrative centres of the following districts: Kurghontepa, Tursunzoda, Kulob, Kumsangir, 14, Taboshar, Istaravshan, Hisor, Vahdat, Fayzobod, Rudaki, Shahritus, B. Ghafurov, Panjakent Isfara; Construction of new sewage facilities in Vose, Asht and Shahrinav	Rehabilitation of sewerage network is continued							
	2.2.Development of communal infrastructure of GBAO	2.2.47% of population have access to drinking water that meets standards	2.2.1.Rehabilitation and expansion of the water supply system of the Province	The water supply system of the province is rehabilitated.			0			9,815,000	
<b>Total</b>							<b>1,000,000</b>			<b>80,609,000</b>	
Promotion of environmental sustainability											

Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
Establish sustainable development principles by halting forestry degradation by 0.3%, expand forested areas, improve the protected areas by 0.6% and decrease land degradation by 1.5%. Decrease the contaminated water by 3.5%, and air pollution from mobile and permanent sources by 2%	1. Conducting of institutional reform and enhancing of legislation	The reform is carried out and the basis for legislation prepared	1.1. Capacity building of national and local authorities responsible for development and implementation of environmental protection policy	Percentage of trained personnel	Committee on Environment of GOT, OTHER AGENCIES.	300,000				300,000
	1. Conducting institutional reform and improvement in the legislative framework	Reform is implemented and legislative framework improved	1.2. Coordination of environment protection with other sectoral legislation in accordance with signed ecological convention	The relevant laws are amended.	Environmental Protection Committee, Other Agencies	750,000				750,000
			1.3. Development of a manual on the inventory of dangerous wastes	The manual is developed and used.	Committee on Environment, MA, OTHER AGENCIES	400,000				400,000
			1.4. Development of a comprehensive programme for the rehabilitation and development of the environmental monitoring system, taking into account the introduction of computer networks and modern information technologies	The project is developed and implemented in pilot districts.	Committee on Environment.	300,000				300,000
			1.5. Conducting of a specific study to review the size of payments, tariffs and penalties for environmental pollution and preparation of recommendations	Proposals, amendments and changes to legal documents are introduced.	Committee on Environment, OTHER AGENCIES.	250,000				250,000
			1.6. Conducting of a study and creation of proposals for reviewing the Water Code	the report and recommendations on review of the Water Code are prepared.	Committee on Environment, Other agencies	10,000				10,000
			1.7. Organization of the forest rehabilitation works	Rehabilitation of forests is conducted.	Committee on Environment, Other agencies	750,000				750,000
			1.8. Conducting of awareness-raising campaigns on ecological education for civil servants and the population at large	Awareness-raising campaigns are conducted.	Committee on Environment, Other agencies, MoJ.	10,000				10,000
			1.9. Identification of methods of organization and support of tourism in protected areas	Negotiations are conducted and resources found for these events.	Committee on Environment, Other Agencies	500,000				500,000

## Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million
							Budget	Foreign investment	Donors	
	2. Promotion of existing and new investment projects on environment	Number of ozone-depleting products and solid organic pesticide wastes; number of dumps in cities that adhere to environmental standards; improvement in the condition of three waste treatment plants for solid domestic wastes; rehabilitation of four waste collectors	2.1. Promotion of projects on establishing a scientific centre for the production of equipment for monitoring atmospheric weather	Negotiations are conducted and resources found for these events.	MOE&I, Committee on Environment of GOT, Other agencies	750,000				750,000
			2.2. Promotion of projects for introducing new technologies on the usage and elimination of ozone-depleting products and chemicals that are prohibited	Negotiations are conducted and resources found for these events.	Committee on Environment, Other Agencies	300,000				300,000
			2.3. Rehabilitation of pest killer poisons waste posts in Vakhsh ad Kanibadam districts and burying the old pest killers and prohibited pest killers	Negotiations are conducted and resources found for these events.	COES, Committee on Environment, MoH, Academy of Science	5,400,000				5,400,000
			2.4. Promotion of projects on conducting public campaigns on environment protection	Number of meetings, press-conferences, TV talks, number of information materials on environment protection	Committee on Environment of GOT	10,000				10,000
			2.5. Promotion of projects on land degradation	Negotiations are held on fundraising.	Committee on Environment of GOT	100,000				100,000
			2.6. Development of national parks of Tajikistan	A number of measures are developed and implemented.	Committee on Environment of GOT, MEDT, MoF	290,000				290,000
			2.7. Rehabilitation of snow metering posts	The post is rehabilitated.	Committee on environment of GoT, MEDT, Other Agencies	150,000				150,000
Adaptation to climate change	Promotion of the reduction of the climate change affect		2.8 Strengthening of the Centre for Climate Change Studies	The Centre for Climate Change Studies has a license for research and predicting climate change.	Committee on environment of GoT, MEDT, Other Agencies	12,500,000				12,500,000
			2.9 Planting of trees along banks of rivers and in deserts and foothills for stabilization of water flow	The area planted with trees has expanded by 10%.	Committee on environment, Other Agencies	9,740,000				9,740,000
			2.10 Protection of river banks in Khatlon Province	River banks under risk of flood are protected.	Committee on environment, ADB, LRWRM, Other Agencies	28,500,000	2,531,000	9,654,000	0	16,315,000
<b>Total</b>						<b>61,010,000</b>	<b>2,531,000</b>	<b>9,654,000</b>		<b>48,825,000</b>
<b>Promotion of gender equality</b>										
1. Expand gender equality and improve the rating of development, taking into account the gender aspect	1.1. Strengthening of the institutional framework of gender policy 1.2. Development of the mechanism of influence with a view to promoting equal	1.1. As a result of an increase in the proportion of women working as civil servants, the average proportion increased from 27.3% in 2005 to 35% in 2012	1.1.1. Inclusion of amendments and additions to legislative, regulatory and legal documents related to civil servants, by promoting women to state authorities. Inclusion of a quota in the process of conducting bids towards the change in the position of civil servants at different levels.	Mechanisms included that promote women according to the principle of "developing gender"	CSA, CoWFA	90,000	0		20,000	70,000



Annex 1. Matrix of Action PRS 2010-12

PRS Goals	Section tasks	Indicator of outcomes	Measures	Indicator of outputs	Implementors	Total funds needed, in USD million	Approved funding in USD million			Total covered funds in USD million		
							Budget	Foreign investment	Donors			
access to resources 1.3. Reduction in the level of violence in families and society	1.2. Proportion of women in managerial positions at local authorities increased by 11%	1.3. Female and male representatives in Parliament (Lower Chamber) Province - 25/75 Town - 25/75 District - 25/75	1.1.2. Inclusion of amendments and additions to the law on state guarantees of equal rights of men and women and equal opportunities for their implementation, as well as other regulatory and legal documents with respect to implementation mechanisms	Relevant regulatory and legal documents are adopted and amendments and additions are included in the laws in force.	CoWFA, MOJ	60,000	0		30,000	30,000		
			1.1.3. Adoption of laws and regulatory and legal documents on domestic violence protection	Legislative documents are adopted. Number of victims of domestic violence, who applied to law enforcement agencies and court	CoWFA, MoJ, MIA, SSC	100,000				100,000		
			1.1.4. Inclusion of amendments to regulatory and legal documents in order to promote gender expertise in state programmes and plans. Development of methodology for gender expertise of existing laws, regulatory and legal documents, state programmes and strategies on human rights	Relevant regulatory and legal documents, as well as corrections and additions, are included in the laws in force.	WOMEN COMMITTEE	100,000	1,000		40,000	59,000		
			1.1.5. Promotion of regular monitoring and an assessment system of gender policy implementation	The pilot monitoring system is developed and implemented.	WOMEN COMMITTEE	90,000			20,000	70,000		
			1.1.6. Promotion of gender groups in ministries and agencies with a view to establishing an institutional mechanism of gender policy implementation at the sectoral level	Gender groups are established for the promotion of gender policy in ministries and agencies.	WOMEN COMMITTEE, CSD	60,000			20,000	40,000		
			1.1.7. Preparation of personnel resources to ensure the promotion of women out of talented and motivated women professionals, who have leadership skills	An information mechanism on potential candidates for replacing civil positions is established. Educational programmes for women are regularly organized.	CSD, WOMEN COMMITTEE	80,000			10,000	70,000		
			1. Balance between the number of boys and girls students of universities (73/27 in 2005, 65/35 in 2012). 2. A series of measures developed for reducing the level of violence against women and children	2.1.1. Conducting of information and educational activities to raise public opinion on the importance of education for young boys and girls.	Materials about the education of girls will be published in media. At the same time measures on this issue will be conducted.	WOMEN COMMITTEE, MOE	100,000	1,000		15,000	84,000	
				2.1.2. Offer of continued programmes and projects to support talented students and young women scientists, taking into account international experiences	the number of supported talented female students and young women scholars.	WOMEN COMMITTEE, MOE, AS, MOF,	100,000	4,000			6,000	
				2.1.3. Implementation of the compulsory study of international standards of women's rights within the human rights subjects and courses for university students	Gender is included in the curriculum.	WOMEN COMMITTEE, MOE	80,000				80,000	
				2.1.4. Development of gender-sensitive textbooks for secondary school students	The gender issue is also included into the standards of assessment of the quality of textbooks. Number of textbooks examined for gender	WOMEN COMMITTEE, MOE	100,000	0		30,000	70,000	
				2.1.5. Assessment of the current spread of domestic violence and the overall violence against women in urban and rural areas. In case of need, to development of a programme on the fight against domestic violence and violence against women and children	The analytical report and practical recommendations are developed.	WOMEN COMMITTEE, SSC, MIA	200,000	1,000		20,000	179,000	
				2.1.6. Support provided to the acting crisis centres and temporary shelters in Dushanbe and establishment of regional centres for the victims of the domestic violence	The number of victims of domestic violence who applied to crisis centres: number of acting and newly established centres reached 30 by 2012	MIA, WOMEN COMMITTEE,	872,000	2,000		470,000	400,000	
				2.1.7. Conducting of awareness campaigns to increase the legal awareness of the population on the negative consequences of polygamy, violence, human trafficking including children and labour migrants	In order to address the traditional framework of domestic violence, press conferences are conducted annually.	WOMEN COMMITTEE, MIA, MFA,	200,000	2,000		40,000	158,000	
			<b>Total</b>						<b>2,232,000</b>	<b>11,000</b>	<b>715,000</b>	<b>1,416,000</b>

**THE MAIN MONITORING INDICATORS OF THE POVERTY REDUCTION STRATEGY FOR 2010–2012**

**Functional Block**

**Macroeconomic development**

<b>Indicator types</b>	<b>Title</b>	<b>Unit of measure -ment</b>	<b>Indicator 2008</b>	<b>Indicator 2012</b>	<b>Organization responsible for assessments</b>
Indicator of impact	The annual real growth of GDP	%	7.9	7.0	State Statistics Committee, Ministry of Economic Development and Trade
	Share of state budget revenues in GDP	%	19.7	23.5	Ministry of Finance
	Share of current revenues in GDP	%	18.6	19.0	Ministry of Finance
	Inflation rate	%	11.8	7.0	National Bank of Tajikistan, State Statistics Committee
	Share of investment in main capital in GDP	%	24.5	17.5	State Statistics Committee, Ministry of Economic Development and Trade
	Share of export of goods and services in GDP	%	34.9	27.8	State Statistics Committee, Ministry of Economic Development and Trade, National Bank,
	Share of broad indicators of remittances in GDP	%	18.0	22.0	National Bank of Tajikistan
Indicator of resources	Share of [State budget] expenditure in GDP (without SIP)	%	17.5	26.6	Ministry of Finance
	Share of repayment of external debt in GDP	%	1.74	0.41	Ministry of Finance

### Improvement of the investment climate, development of the private sector and entrepreneurship

Type of Indicator	Title	Unit of Measure	Indicator 2008	Indicator 2012	Organization responsible for assessments
Indicator of impact	Private sector share in GDP	%	44.5	66	State Statistics Committee
	Annual growth of investment (excluding the investment for primary sector)	%	100	125	State Statistics Committee
	Growth in SME output	%	100	120	State Statistics Committee
	Growth in registered private sector entities	%	100	150	State Statistics Committee, State Tax Committee
	Improvement in international rating of Tajikistan on investment and business environment indicators	Rating	164	124	State Investment Committee, State Statistics Committee
Indicator of output	Percentage of trained staff in in the State Investment Committee, who are trained	%	100	120	State Service, State Investment Committee
	No. of training sessions for entrepreneurs	%	100	115	State Investment Committee

### Development of regional cooperation and integration into the global economy

Type of Indicator	Title	Unit of Measure	Indicator 2008	Indicator 2012	Organization responsible for assessments
Indicator of outcome	External trade per GDP	%	90.7	70.7	State Statistics Committee, National Bank, Ministry of Economic Development And Trade
	Participation in the World Trade Organization (WTO)		No	yes	Ministry of Economic Development and Trade

	Electricity export growth in money terms	%	0.2	18.4	Ministry of Energy and Industry, State Statistics Committee
	Export growth of light industry	%	–	10	Ministry of Energy and Industry, State Statistics Committee
	Export growth of fruit and vegetables	%	22.5	4.8	Ministry of Agriculture, State Statistics Committee
	Growth in intra-regional trade volume	%	13.5	14.0	State Statistics Committee, Ministry of Economic Development and Trade
	Growth in no. of tourists to Tajikistan	1,000 persons	469.0	347.3	State Committee on Youth Tourism and Sport
	No. of employed Tajik citizens abroad through companies with licences for employing people abroad	1,000 persons	9.0	17.0	Ministry of Internal Affairs, Legal Entities
Indicator of output	Implementation of regional projects	No.	–	10	Ministry of Economic Development and Trade, Ministry of Energy and Industry
	Establishment of Free Economic Zones	No.	2	4	Ministry of Economic Development and Trade

**PROMOTION OF SUSTAINABLE ECONOMIC GROWTH (PRODUCTION BLOCK)**

**Food security and development of the agricultural sector**

<b>Type of Indicator</b>	<b>Title</b>	<b>Unit of Measure</b>	<b>Indicator 2008</b>	<b>Indicator 2012</b>	<b>Responsible organizations</b>
Indicator of outcome	Growth in aggregate output in agriculture sector	%	100.0	118.1	Ministry of Agriculture
	Growth in productivity of labour in agriculture sector	%	100.0	112.0	Ministry of Agriculture
	Growth in average productivity of cotton sector	Centre/ha	14.7	25	Ministry of Agriculture
	Export growth in agriculture sector	%	100.0	117.4	Ministry of Agriculture
	Growth in livestock production	%	100.0	121.0	Ministry of Agriculture
	Growth in household income	%	100.0	123.0	Ministry of Agriculture
	Decrease in the level of overall salinization of agricultural land	%	96.6	98.6	Ministry of Land Reclamation and Water Resources
	Decrease in the total area of water-logged land	%	97.0	99.0	Ministry of Land Reclamation and Water Resources
Indicator of output	Rehabilitation of lands no longer used for agriculture? yes	1,000 ha	7.3	6.2	Ministry of Land Reclamation and Water Resources

No. of issued land certificates for <i>dehkan</i> farms during three years	1,000	4,190	4,500	Land Committee
No. of land certificates for household plots during three years	No.	38,363	40,000	Land Committee
No. of evidence documents for land given during three years [for a three-year period?] from 2010 to 2012 (during the PRS period)	No.	38,563	10,000	Land Committee
No. of land certificates for non-agricultural lands given during three years for a three-year period from 2010 to 2012 (during the PRS period)	No.	3,233	6,500	Land Committee

**Development of infrastructure, energy and industry**  
**Indicators of the transport section**

<b>Type of Indicator</b>	<b>Title</b>	<b>Unit of Measure</b>	<b>Indicator 2008</b>	<b>Indicator 2012</b>	<b>Responsible organizations</b>
Indicator of outcome	Vol. of international cargo transportation by track	1,000 tonnes	800.5	820	Ministry of Transport and Communication
	Vol. of international passenger transportation	1,000 passengers	394.7	480	Ministry of Transport and Communication
	Length of good quality roads	km	447.6	1632.6	Ministry of Transport and Communication
	Vol. of internal and external investment for transport projects	US\$ million	360.6	648.8	Ministry of Transport and Communication
Indicator of output	The length of new (rehabilitated) parts of commissioned highways (national and local roads)	km	479.7/167.7	765.3/501	Ministry of Transport and Communication

### The indicators of communication

Type of Indicator	Title	Unit of Measure	Indicator 2008	Indicator 2012	Responsible organizations
Indicator of impact	Vol. of services by private companies	SM million	648.8	805.9	Ministry of Transport and Communication
	Growth in no. of internet users	1,000 users	495.6	543.7	Ministry of Transport and Communication
Indicator of output	Growth in capacity of telephone stations	1,000	409.8	411.7	Ministry of Transport and Communication
	Growth in renovated telephone networks	%	95	100	Ministry of Transport and Communication

### The indicators of the energy section

Type of Indicator	Title	Unit of Measure	Indicator 2008	Indicator 2012	Responsible organizations
Indicator of impact	Growth in duration of electricity provision per day	hour	14	24	Ministry Of Energy And Industry
	Decrease in the quasi-fiscal rate	%	12.5	0	Ministry of Energy and Industry
	Decrease in energy waste	%	13.8	10	Ministry of Energy and Industry



Indicator of outcome	Growth in electricity generation capacity	mWt	4,490.7	6,044.6	Ministry of Energy and Industry
	Coal production	1000 t	199.2	220.0	Ministry of Energy and Industry
	Oil production	1000 t	26.15	28.8	Ministry of Energy and Industry
	Gas production	million m <sup>3</sup>	16.27	24.5	Ministry of Energy and Industry
	No. of constructed small HPPs	No.	27	100	Ministry of energy and industry
	Increase in electricity tariffs	%	1.41	3.12	Ministry of Energy and Industry
Indicator of output	Increase in no. of users of electricity	%	1.7	4	Ministry of Energy and Industry
	No. of households provided with their own source of electricity (non-autonomous)	No. of households	29,129	33,437	Ministry of Energy and Industry

#### The indicators of the industry section

Type of Indicator	Title	Unit of Measure	Fact in 2008	Value in 2012	Responsible organizations
Indicator of outcome	Vol. of industrial production	Million somoni	5,904.9	8737.2	State Statistics Committee

	Vol. of processed cotton fibre	1,000 tonnes	11.4	26.1	Ministry of Energy and Industry, state statistics committee
	Vol. of processed leather	1,000 pieces	8.2	521.0	Ministry of Energy and Industry, State Statistics Committee
	Vol. of processed wool	tonnes	430.3	840.0	Ministry of Energy and Industry, State Statistics Committee
	Vol. of processed silk	US\$ million	0.846	4.5	Ministry of Energy and Industry, State Statistics Committee
Indicator of output	Vol. of products of the light industry/food	TJS million	742.2/1133.2	957.5/1,420.0	State Statistics Committee

## SOCIAL BLOCK

### Development of the educational system and science

Type of Indicator	Title	Unit of measure	Indicator 2008	Indicator 2012	Organization responsible for assessments
Indicator of outcome	Children covered by primary and universal education	% out of no. of concerned children	97.0	98.0	Ministry of Education, State Investment Committee, local authorities
	Computerization (no. of schoolchildren per computer)	Person		20.0	
	Proportion of schools with a parent and teacher committee	%	30.0	40.0	Ministry of Education, local authorities
	Proportion of teaching staff who attended re-training and professional development courses	%	33.0	65.0	Ministry of Education
	Proportion of school principals who attended professional development courses	%		15.0	Ministry of Education, local authorities
	Proportion of schools with per capita financing system	%	65	100.0	Ministry of Education, local authorities
	Proportion of teachers, who attended professional development courses	%	33.0	65.0	Ministry of Education
	Proportion of schoolchildren who receive hot meals	%	48.0	55.0	Ministry of Education
	Proportion of children who receive compensation	%		15.0	Local authorities
	No. of new seats for school children	No.	22,073.0	60000.0	Ministry of Education

	No. of constructed schools	No.	149	500	Ministry of Education
	No. of published books	Million copies	2.5	3.1	Ministry of Education
	Proportion of schools provided with water, a heating system, and sanitation and hygiene conditions meeting relevant standards	%	39.0	50.0	Ministry of Education, Local authorities
	No. of schools provided with furniture	No.	233.07	780.0	Ministry of Education, Local authorities
Indicators of resources	Proportion of spending for secondary education against the total spending for the education sector	%	76.0	79.0	Ministry of Education, Ministry of Finance
	Student/teacher ratio	Person	17.0	20.0	Ministry of Education

### Development of the healthcare system

Type of Indicator	Title	Unit of Measure	Indicator 2008	Indicator 2012	Organization responsible for assessment
Indicator of impact	Mortality of children under 5 years old	Per 1,000 births	53.0*	37.0	
	Infant mortality under 1 year old	Per 1,000 births	46.0*	35.0	
	Maternal mortality	Per 1,000 births	70.0*	60.0	
	No. of HIV-affected people	Persons	2,500.0*	3500.0	
	Malaria-affected people	Per 1,000 births	20.0*	18.0	
	Tuberculosis rate (World Health Organization estimates)			145.0*	130.0

	Helminthic infection rate		292.9*	250.0	
	People affected by measles		0.0*	0.0	
Indicator of output	Proportion of children under 1 year old and elder The elderly] covered by vaccination	%	95.0*	96.0	
	Proportion of deliveries with assistance of doctors		90.0*	90.0	Ministry of Health
Indicator of output	Proportion of primary care health centres that provide family medical services		15.0*	30.0	Ministry of Health
	Proportion of constructed, rehabilitated and repaired health facilities out of the total no. of treatment and prophylactic facilities	%	35.0*	40.0	Ministry of Health
	Percentage of health facilities provided with equipment, furniture and vehicles according to identified standards		40.0*	44.0	Ministry of Health

\*2008 indicators are taken from information provided by the Ministry of Health, collected from the research carried out by international organizations in 2007 and estimated for 2009.

### Improvement of Social Welfare

Type of Indicator	Title	Unit of Measure	Indicator 2008	Indicator 2012	Responsible organizations
Indicator of impact	Poverty rate	%	53.5 (2007)	41.4	State Statistics Committee, Ministry of Labour and Social Protection
	Extreme poverty rate	%	17.1 (2007)	11.3	State Statistics Committee, Ministry of Labour and Social Protection
Indicator of outcome	State social insurance coverage for the economically active people	%	40.0	70.0	State Statistics Committee, Ministry of Labour and Social Protection
	The rate of non-insurance payments from state social insurance resources	% of SPF fund	7.1	0.5	Ministry of Labour and Social Protection
	Vol. of social assistance provided	TJS/person	52.5	120.0	Ministry of Finance, Ministry of Labour and Social Protection
	Social services provided	1,000 persons	6,432.0	11512.0	Ministry of Labour and Social Protection

	No. of collective agreements and contracts signed	No.	9,030.0	12,500.0	Trade Union, Ministry of Labour and Social Protection
Indicator of output	Adopted legislative documents	No.	10.0	8.0	Ministry of Labour and Social Protection
	Developed and implemented methods	No.	3.0	10.0	Ministry of Labour and Social Protection
	Personnel and professional development	2009–100.0%	116.2	160.0	Ministry of Labour and Social Protection
	No. of employed people	2009–100.0%	105.8	150.0	Ministry of Labour and Social Protection
	Social service centres	No.	6.0	12.0	Ministry of Labour and Social Protection
	No. of re-training centres	2009–100.0%		180.0	Ministry of Labour and Social Protection
	No. of training centres for social workers	No.		3.0	Ministry of Labour and Social Protection

### Expansion of access to water supply, sanitation and housing and municipal services

Type of Indicator	Title	Unit of Measure	Indicator 2008	Indicator 2012	Organization responsible for assessments
Indicator of output	No. of houses provided with water meters	%		3.0	
	No. of trained personnel	%		50.0	

### Promotion of environmental sustainability

Type of Indicator	Title	Unit of Measure	Indicator 2008	Indicator 2012	Responsible organizations
Indicator of impact	Forested area	%	100.0	100.3	Committee on Environment, State Statistics Committee
	Expansion of natural reserves	%	100.0	100.6	Committee on Environment, State Statistics Committee
	The area of land out of use	%	100	98.5	Committee on Environment, State Statistics Committee
	Percentage of contaminated water out of total water sources	%	100	96.5	Committee on Environment, State Statistics Committee



	Percentage of permanent sources and mobile emissions in the air	%	100.0	98.0	Committee on Environment, Ministry of energy and Industry, State Statistics Committee
Indicator of output	No. of dumps for domestic garbage responding to the environmental standards	No.	–	3.0	Committee on Environment, SUC “Khojagii Manzilii Kommunalii, State Statistics Committee
	No. of rehabilitated dump	No.	–	4.0	Committee on Environment, SUC “Khojagii Manzilii Kommunalii, State Statistics Committee
	Vol.of ozone-depleting bodies eliminated	Ton	–	18.0	Committee on Environment, State Statistics Committee
	Vol. of eliminated pesticides	Ton	–	500.0	Committee on Environment, State Statistics Committee
	No. of dumps for eliminating municipal waste that respond to the environmental standards	No.	–	2	Committee on Environment, SUC “Khojagii Manzilii Kommunalii, State Statistics Committee
	No. of rehabilitated ecological monitoring posts	No.	18.0	19.0	Committee on Environment, State

					Statistics Committee
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**Promotion of gender equality**

Type of Indicator	Title	Unit of Measure	Indicator 2008	Indicator 2012	Responsible organizations
Impact indicator	The Gender-related Development Index of Tajikistan	rate	**	**	Women Committee, State Statistics Committee
Outcome indicator	Percentage of women among public workers	%	75.9/21.1	70/30	State Statistics Committee, Women Committee
	Percentage of women working in managerial positions at the local authorities	%	70.7/29.3	70/30	State Statistics Committee, Women Committee
	Ratio of student girls and boys in higher education institutes	%	72/28	70/30	State Statistics Committee, Women Committee
	Gender inequality in wages	%	61.3	50.0	State Statistics Committee, Women Committee
Indicator of output	No. of women and men at the Local Assembly of People's Deputies	%	85.1/14.9	70/30	Women committee, Civil Service Administration

	No. of registered crimes disaggregated by gender (total/by women)	Persons	11,658/1,376	-	Ministry of Interior
	No. of violence victims who received assistance from crisis centres and other services (women/men)	Persons	1,195/47	2,592/150	Women Committee

\* Legal and psychological assistance provided by the Committee for Women and Family Affairs under the Government.

\*\* This index is identified on the basis of research.

## DYNAMICS OF DECLINE OF POVERTY RATE IN 2007–2012

	2007	2009	2010	2011	2012
Population (' 000)	7,140	7,465	7,616	7,781	7,948
Gross domestic product in current prices (SM million)	12,780	20,623	24,500	29,400	35,280
Nominal growth of GDP against 2007 (in %)	100	161.4	191.7	230.0	276.0
GDP deflator index against 2007 (in %)	100	143.2	164.1	184.9	207.4
Real growth of GDP against 2007 (in %)	100	111.6	116.8	124.4	133.1
GDP in prices in 2007 (SM million)	12,780	14,263	14,927	15,898	17,010
GDP per capita with prices in 2007 (SM)	1,790	1,911	1,960	2,043	2,140
Real growth of GDP per capita against 2007 (in %)	100	106.7	109.5	114.1	119.5
Poverty rate (in %)	53.5	49.3	47.6	44.8	41.4

*Note:* According to the available data, 1 percent of the growth of GDP per capita within the conditions of Tajikistan will lead to the poverty rate decline by 0.62 percent. Thus, if in 2007 the poverty rate accounted for 53.5%, then in 2009, in comparison to 2007, the poverty rate would decline by 4.2 points ( $6.7 \times 0.62$ ) and be approximately 49.3%; it would decrease by 5.9 points and 47.6% in 2010; 8.7 points and 44.8% in 2011; and 12.1 points and 41.4% in 2012, and so forth. Thus, the poverty rate (in comparison to 19 points of 2003–2007) will decrease by 12.1 points over the last five years. The reason for the slow poverty rate reduction against the previous five years is the slow growth of economy due to the impact of the global financial and economic crisis.

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**International organizations accredited in Tajikistan:**

United Nations Development Programme (UNDP), Food and Agricultural Organization of the United Nations (FAO), United Nations International Children's Fund (UNICEF), United Nations Development Fund for Women (UNIFEM), World Bank (WB), Department for International Development, United Kingdom (DFID), Asian Development Bank (ADB), the European Commission (EC), the International Monetary Fund (IMF) and the Swiss Agency for Development and Cooperation (SDC).