

# REPUBLIC OF TAJIKISTAN



## **Poverty Reduction Strategy of the Republic of Tajikistan for 2010-2012**

### **ANNUAL PROGRESS REPORT FOR 2010**

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## 1. INTRODUCTION

The Government of the Republic of Tajikistan ratified the Millennium Declaration along with 191 states of the world ten years ago, i.e. in 2000 and the Republic of Tajikistan joined this Declaration as a competent and inseparable member of the world community.

The fields of activity of the world community outlined in the Millennium Declaration comply with the national goals and priorities of Tajikistan.

In this regard, in order to provide basis for future development of the country, a long-term socio-economic programme – National Development Strategy for the period to 2015 developed to regulate development process of the country, taking into account long-term perspective and compliance with the Millennium Development Goals, currently implemented through medium-term Poverty Reduction Strategies.

National Development Strategy of the Republic of Tajikistan mainly complements future renewals, ensures implementation of development process of the country, which comprises from improvement of political situation, social welfare and development of economic opportunities.

As it is well known, the main feature of the present development stage is that we have achieved certain limit of quantitative growth and afterwards it should be started a qualitatively new stage of development.

Such change requires completely new conceptual vision regarding the issue of development so that it takes into account the interests of present and future generations.

The Government of the country gradually implements the ways of future development of Tajikistan and systematic improving people's living standard around three strategic goals, these are ensuring energetic independence, taking out the country from communication deadlock and ensuring food security.

With the aim of further implementing the goals of the above-mentioned strategy, the Government of Tajikistan has a decisive intention to resolve issues on sustainable macroeconomic development, improving regulation of public administration, development of real sectors of economy, diversification of production as well as enhancing country's exporting capacity, improving investment climate, supporting entrepreneurship, social protection of population, strengthening labour market and developing potential of human resources.

Based on this, to ensure implementation of the National Development Strategy of the Republic of Tajikistan for the period to 2015 and Millennium Development Goals, the following medium-term paper, 'Poverty Reduction Strategy in the Republic of Tajikistan for the period of 2010-2012' has been developed, which endorsed by Resolution of the National Development Council under the President of the Republic of Tajikistan, Decree No. of 1 of 22 January 2010 and Decree of the Government of the Republic of Tajikistan, No. 20 of 30 January 2010 and it is approved with the resolution of the Majlisi Namoyadagoni Majlisi Oli (Lower Chamber of Parliament) of the Republic of Tajikistan, Decree No. 1557 of 24 February 2010 about 'On approving Poverty Reduction Strategy of the Republic of Tajikistan for the period of 2010-2012'.

In accordance with the National Development Strategy of the Republic of Tajikistan and Poverty Reduction Strategy for the period of 2010-2012 priority areas for further development of complex of spheres in separate sectors are unified, which basically covers public administration reform,

private sector development, investment promotion and developing human capital, a number of measures, concrete and realizable indicators expected to achieve these goals.

The Poverty Reduction Strategy of the Republic of Tajikistan for the period of 2010-2012 identifies below following main areas of the country's development and poverty reduction:

- improving public administration in order to promote transparency, accountability and efficiency of activities of public bodies in combating corruption and ensuring conducive macroeconomic conditions, institutional and legislative environment for development;
- support to sustainable economic growth and diversification of economy through private sector development and encouragement of investments, especially, in the field of energy, transport infrastructure, agriculture, and etc. Achievement of these objectives is possible through expansion of economic freedoms, strengthening property rights towards improving cooperation between state and private sector;
- capacitating human capital through availability of social services to poor people, improving its quality, activating people's participation in development process, strengthening social collaborations;

In this regard, main components of development identified in the Poverty Reduction Strategy of the Republic of Tajikistan for the period of 2010-2012, which basically include provision of general conditions for development (functional block), promotion of sustainable economic growth (production block) and development of human potential (social block).

In general, the National Development Strategy of the Republic of Tajikistan and medium-term poverty reduction Strategies as the main strategic papers identify priorities and general areas of the state policy, which aim at sustainable economic growth, simplifying accessibility of people to established social service provision and reducing poverty rate.

## 2. PROCESS OF POVERTY REDUCTION: CURRENT SITUATION AND RESULTS OF LATEST LIVING STANDARD SURVEY

Improving living standard of population and based on this reducing poverty rate known as an important priority task of the Government of the Republic of Tajikistan.

Further development of economic reform, covering new sectors of economy, implementation of strategic and programmatic tasks, undertaking measures on promotion of macroeconomic stability contributed so that the speed of economic growth ensured in the country, poverty rate has been declining year by year in the country.

Based on this, Living Standard Survey of the population of Tajikistan conducted in 2009 by the Agency of Statistics under the President of the Republic of Tajikistan proves that the country has achieved such significant results.

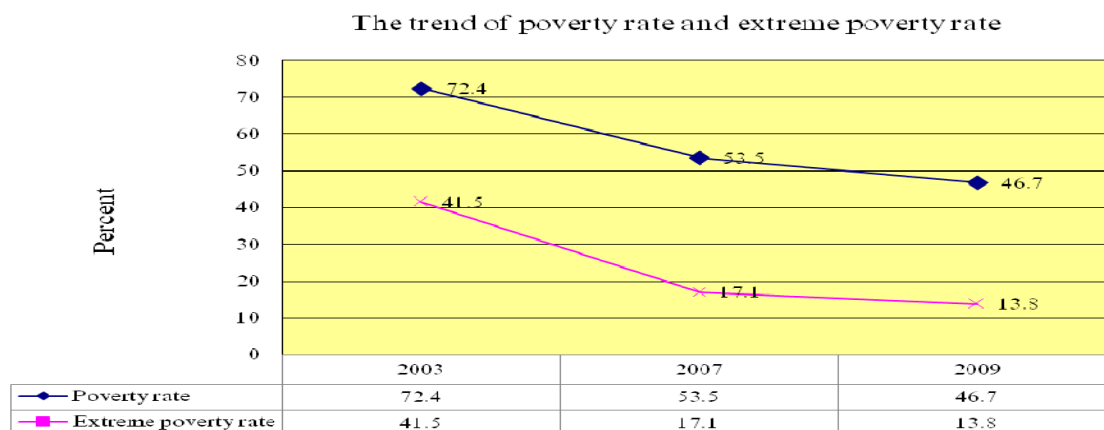
The main purpose of the Living Standard Survey of 2009 is to support the Government of Tajikistan in monitoring of national strategies, such as National Development Strategy, Poverty Reduction Strategy as well as making progress in achievement of Millennium Development Goals.

Despite of the fact that improvement in living standard of population during last several years has been observed, unfortunately, poverty rate in Tajikistan to some extent is high.

Tajikistan population's Living Standard Survey of 2009 was conducted using two methods, first, taking the threshold of the cost of basic consumption demand per capita (main) and second, the ratio of purchasing power on the base of the international poverty of 2,15 USD per capita per day (for comparison).

According to the cost of basic demands for overall consumption, 46.7 % of population was assessed as poor by the end of 2009, where 13.8 % out of this number was in extreme poverty.

If we look at previous living standard surveys, it becomes clear that the poverty rate gradually has been being declined, for example, if this figure was 72.4% in 2003, then in 2007 it was 53.5% and 46.7% in 2009. Similarly, extreme poverty rate has been declined: 41.5% in 2003, 17.1% in 2007 and 13.8% in 2009. These figures are depicted in below graph.

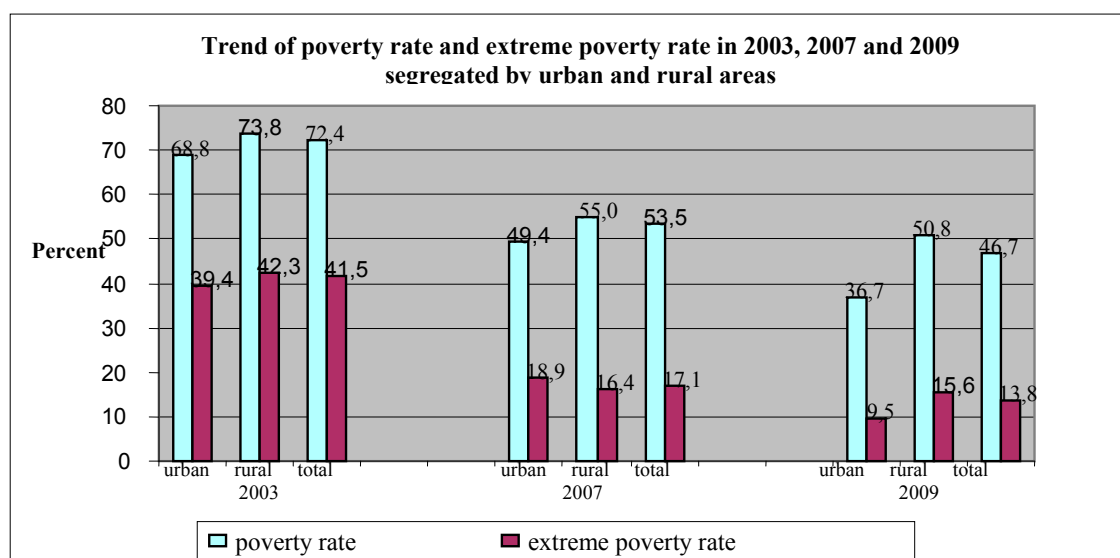


At the same time, declining poverty rate in rural and urban areas is considerable. In particular, poverty rate in rural area was 73.8% in 2003, 55.0% in 2007 and 50.8% in 2009. In urban areas, where poverty rate reached 68.8% in 2003, it declined to 49.4% in 2007 and 36.7% in 2009.

In such a way, the decline of extreme poverty rate in rural and urban areas also visible. Particularly, extreme poverty rate was 42.3% in rural areas in 2003, this figure was determined as 16.4% in 2007 and 15.6% in 2009. Extreme poverty rate in urban territories reported 39.4% in 2003, where it dropped to 18.9% in 2007 and 9.5% in 2009. Aforesaid figures are given in table below:

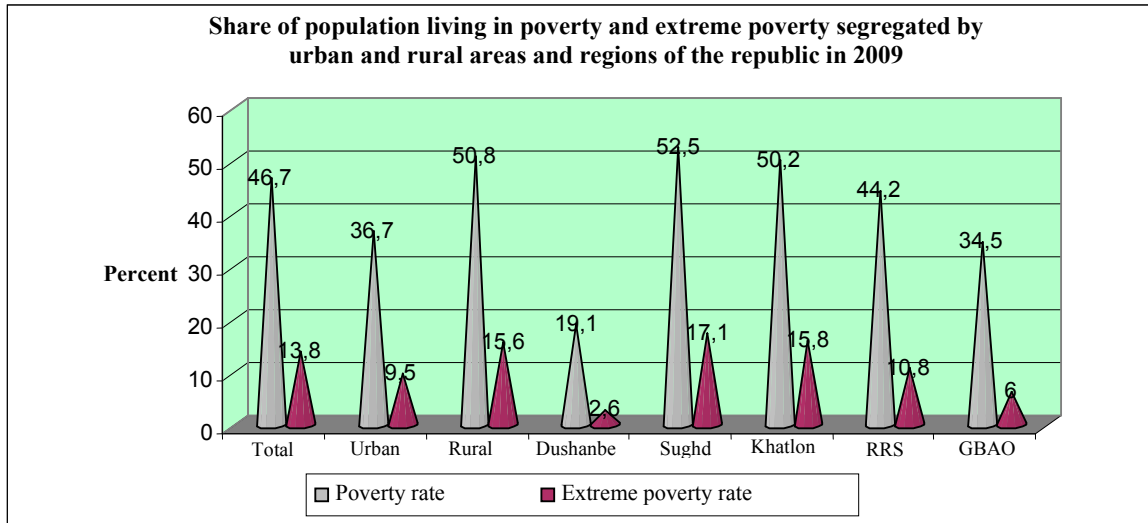
Description	2003	2007	2009	Change	
				2007 compare to 2003	2009 compare to 2007
Poverty line: 195 Somoni (food, non-food, service provision)					
urban	68,8	49,4	36,7	-19,4	-12,7
rural	73,8	55,0	50,8	-18,8	-4,2
total	72,4	53,5	46,7	18,9	-6,8
Extreme poverty line: 124 Somoni (food)					
urban	39,4	18,9	9,5	-20,5	-9,4
rural	42,3	16,4	15,6	-25,9	-0,8
total	41,5	17,1	13,8	-24,4	-3,3

The trend of poverty rate and extreme poverty rate in 2003, 2007 and 2009 segregated by urban and rural areas are shown in below graph as following:



According to the data for 2009, the difference between poor people living in urban and rural areas at the country level is significant. Actually, poverty in cities and towns in comparison with countryside is 14.1% less (i.e. if it is 36.7% in urban territories, it is 50.8% in rural areas).

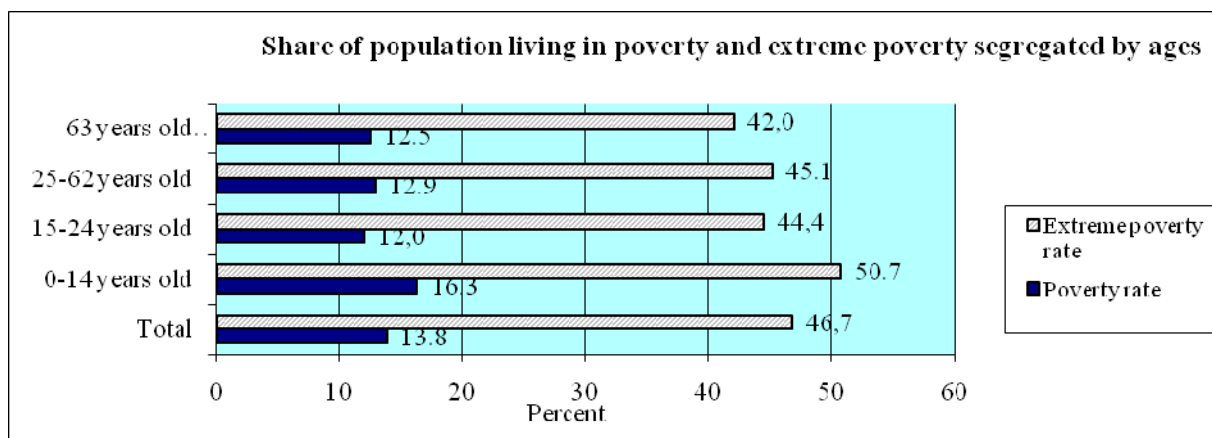
The analysis of poverty tendency shows that the difference of poverty between urban and rural areas after 2007 increased, the reason of which was a rapid increase of poverty rate in the rural areas. It is worth to mention that the extreme poverty rate in urban areas is lower: it is registered 9.5% in urban areas and 15.6% in rural areas. The next chart gives following figures on poverty rate segregated by urban and rural areas as well as regions of Tajikistan during 2009:



The present graph shows that poverty rate in among regions of Tajikistan also varies, particularly, in Dushanbe it is reported 19.1% as the lowest, Gorno-Badakhshan Autonomous Oblast – 34.5%, Regions of Republican Subordination 44.2%, Khatlon region 50.2% and the highest one is Sughd region where registered 52.5%.

Poverty during childhood – is an important stage of the development of life period. Poverty during childhood includes the reason and emergence of poverty suffered by adults, and the main difference is in cause and impact. The impact of poverty during childhood can have lifelong consequences. Vulnerability to poverty is very high during childhood. The number of poor as well as its affect and severity in households, where 2-3 or more children live felt much more.

The information on poverty rate and extreme poverty rate in 2009 by different ages given in the below graph:



The present graph shows reveals that unfortunately, the poverty rate and extreme poverty rate during childhood is high.

Taking into account suggestions outlined in detail handbook on poverty rate based on measurement of the cost of basic demands of overall consumption, below is also proposed brief information for

comparison with the measurement of purchasing power parity on the base of international poverty measurement (\$2,15 per capital per day).

There has been some development and prosperity with the economy of Tajikistan during 2003 to 2009. Due to increase of consumption, poverty rate is significantly dropped. On the base of using the measurement of \$2,15 per day in terms of purchasing power parity (PPP), poverty rate was declined in 2003 as compared with 2009, from 63.5% to 39.6% accordingly.

The table below describes the change in number of poor (\$2.15 in terms of purchasing power parity in 2003, 2007 and 2009 years, in percentage) as following:

Years	Total	Urban areas	Rural areas
2003	63,5	59,1	65,1
2007	40,9	40,3	41,1
2009	39,6	30,3	43,4

With the aim of measuring poverty different methodologies: as a measurement, the cost of basic demands of overall consumption per capita (main) and ratio of purchasing power based on international poverty threshold \$2,15 per capita per day (for comparison) have been applied, where living standard indicators of the Republic of Tajikistan for 2009 are shown in detail.

In accordance with Tajikistan Living Standard Survey, additional information of selective survey of households in 2009 by regions of Tajikistan provided in below table, including the following fields: monthly average income of each member of household, monthly average gross expenditure of each member of household, monthly average expenditure of each member of household for food commodities, monthly average expenditure of each member of household for non-food items, monthly average expenditure of each member of household for paid service provision.

Name of cities and districts	monthly average income of each member of household	monthly average gross expenditure of each member of household	monthly average expenditure of each member of household for food commodities	monthly average expenditure of each member of household for non-food items	Monthly average expenditure of each member of household for paid service provision
<b>In accordance with the selective survey of households in 2009 (in Tajik Somoni)</b>					
Dushanbe	324,3	401,3	257,6	87,4	56,3
Sughd	236,4	241,0	138,1	63,1	39,8
Khatlon	193,1	201,5	132,6	46,5	22,4
RRS	263,5	201,3	127,0	47,0	27,4
GBAO	210,5	218,0	141,2	45,0	31,9
Total	235,2	240,3	149,3	57,3	33,7

In addition, according to the selective survey of households in 2009 the structure of expenditure for consumption is as following:

	(in percent, %)		
	Total	Urban areas	Rural areas
Expenditure, total	100.0	100.0	100.0
In particular:			
Expenditure for food commodities (together with beverages)	62.1	59.5	64.7
Expenditure for non-food items	23.8	25.0	22.7
For service provision	14.0	15.5	12.6

Incorporating supplementary information of above tables, summary of results of Tajikistan Living Standard Survey for 2009 are provided in table below.

	<b>Total</b>		<b>Urban areas</b>		<b>Rural areas</b>	
	<b>Poverty rate</b>	<b>Extreme poverty rate</b>	<b>Poverty rate</b>	<b>Extreme poverty rate</b>	<b>Poverty rate</b>	<b>Extreme poverty rate</b>
The Republic	46.7	13.8	36.7	9.5	50.8	15.6
Dushanbe	19.1	2.6	19.1	2.6	-	-
Sughd	52.5	17.1	44.7	12.4	57.0	19.8
Khatlon	50.2	15.8	50.7	16.7	50.1	15.5
RRS	44.2	10.8	26.4	3.2	48.0	12.5
GBAO	34.5	6.0	38.0	5.0	33.5	6.3

Reduction of poverty and extreme poverty during these years from many perspectives links to economic growth and thus, achieved because of ensuring macroeconomic, social and political stability of the country.

Effective implementation of measures envisaged within the Poverty Reduction Strategy for 2010-2012 supports to sustainable socio-economic development of the country and it is forecast that the poverty rate will drop to 41.4% during the period of implementation of this strategy.

### **3. FUNCTIONAL BLOCK – PROMOTION OF SUSTAINABLE ECONOMIC GROWTH**

The functional block includes provision of overall conditions for growth, it also covers ways to provide overall institutional conditions in the fields of public administration, macroeconomic development, improving investment climate, development of private sector and entrepreneurship, regional cooperation and integration to the world economy.

#### ***3.1. Public Administration Reform***

This sector covers improvement of public administration towards promotion of transparency, accountability and efficiency of the public bodies, at the same time, providing enabling macroeconomic conditions, institutional and legislative environment for development.

Considering the goal and priorities of PRS, the following measures have been undertaken in the field of Public Administration Reform during 2010:

*With the purpose of ensuring cooperation in the spheres of national development under the frame of National Development Council*, based on joint creative principles of all sectors of executive power and civil society, the inception meeting of the National Development Council under the President of the Republic of Tajikistan on 22 January 2010 with the participation of the President of the Republic of Tajikistan, His Excellency, Emomali Rahmon, members of the Council and meeting participants took place.

Pursuant to the Resolution of the Chairman of the National Development Council under the President of the Republic of Tajikistan, No. 1 of 22 January 2010, the report of the Minister of Economic Development and Trade of the Republic of Tajikistan on the progress of implementation of Poverty Reduction Strategy of the Republic of Tajikistan for 2007-2009 and the draft Poverty Reduction Strategy of the Republic of Tajikistan for 2010-2012 were approved.

As a result, the draft Poverty Reduction Strategy of the Republic of Tajikistan for 2010-2012 was approved in accordance with the decree of the Government of the Republic of Tajikistan, No. 20 of 20 January 2010 and it was adopted in accordance with the resolution of Majlisi Namoyandagon Majlisi Oli (Lower Chamber of Parliament) of the Republic of Tajikistan, Decree No. 1557 of 24 February 2010, ‘On endorsement of the Poverty Reduction Strategy of the Republic of Tajikistan for 2010-2012’.

In this regard, under the frame of the regular meeting of the National Development Council under the President of the Republic of Tajikistan, a Development Forum of Tajikistan took place. There have been about 200 participants at this event, especially, representatives from higher organs of the Government of the Republic of Tajikistan, representatives of more than 20 countries and 19 international organizations.

During the present Meeting – Forum, it was considered and discussed the issues of the process of implementation of strategies goals, national priorities of the Republic of Tajikistan and future steps, in addition, the ways of further cooperation of the Republic of Tajikistan with development partners and plans were identified.

During this meeting, members of the Government and representatives of Donor Coordination Council presented and discussed priority areas of the country’s development and further steps within the frame of main strategic papers – National Development Strategy of the Republic of Tajikistan, Poverty Reduction Strategy and Joint Country Strategy Paper, also, about future development of energy sector and infrastructure of the country, development of human potential,

especially, in education, health, social protection sectors as well as analysis of the ways of agriculture sector reform and private sector development.

At this time, the Government of the Republic of Tajikistan and development partners' joint statement has been delivered, which underpins trustworthy basis for strengthening further cooperation and envisages involvement of supplementary reserves for implementation of further economic reform.

At the same time, the Resolution of the meeting of the National Development Council under the President of the Republic of Tajikistan, Decree No. 2 of 04.12.2010 was adopted, which underlines the following parts: taking into account joint Statement of the Government of the Republic of Tajikistan and development partners; submission of analytical reports on implementation of measures and indicators of the National Development Strategy and Poverty Reduction Strategy on a quarterly basis; to accomplish establishment of relevant bodies for monitoring and evaluation of NDS and PRS. Currently, constructive activity is going on in this regard.

*Matters on research about collation methodology and data processing, establishing electronic information centre* as well as developing and introducing analysis means in basic policy sectors are under review of the Civil Service Department, Ministry of Justice and Executive Office of the President of the Republic of Tajikistan. In general, the main purpose of expanding the net of information and communication technology among ministries and committees is to automatise the state list of civil servants, which can also support to data collection, analysis of inquiries and document turnover among ministries and committees of the country.

*With regard to establishment and development of centralized Database of the Government of the Republic of Tajikistan*, it is worth to note that pursuant to the Agreement on handing over the property right between the Ministry of Justice and the United States Agency for International Development (UASID) signed on 9 November 2010, the Centralized legal database 'Adliya' is completely transferred to the balance of the Ministry of Justice of the Republic of Tajikistan.

*With respect to the issues of official publication of the Unified state list of legislative acts of the Republic of Tajikistan*, it is registered that 10 issues of the magazine of Unified state list of legislative acts of the Republic of Tajikistan have been published during the reporting period.

*In order to design and introducing new mechanisms for management of human resources looking forward to the market*, an 'Exemplary regulations on human resource service of the public bodies of the Republic of Tajikistan', No. 901 of 12 July 2010 was endorsed and disseminated among human resource service of the public bodies of the republic for further implementation. In this Regulations, taking into account the number of staff working in a public body, the structure of human resource service (responsible person, department, office, section) identified, which strengthens the process of development and implementation of the mechanisms for management of human resources.

*At the same time, in order to strengthen mechanisms for organizing human resources*, a 'Regulations on human resources of civil service of the Republic of Tajikistan with the aim of enhancing civil service basis and organizing active regulation on human resources of civil service' has been adopted in accordance with the Decree of the President of the Republic of Tajikistan, No. 756 of 14 January 2010. The present Regulations concretely outline the procedure of establishing human resources and working with them, setting a database on human resources and it is mentioned the establishment of commission for human resources of public bodies for recruitment of human resources and authorities of this commission envisaged. The principles of organizing job with human resources are stipulated and the procedure for setting up a database of human resources is identified.

*To enhance supervisory responsibilities (monitoring and evaluation) of civil service development,* legal basis of the sector enhanced and the Law of the Republic of Tajikistan, No. 603 of 11 March 2003, 'On civil service' was adopted in new edition, which is recognized as a basic law on civil service of the Republic of Tajikistan. According to the Article 8 of the current Law, managerial and supervisory function of the Civil Service Department is enhanced in the spheres of application of human resource technology, overseeing implementation of legislative acts related to civil service, annulling and amending legal acts adopted illegally by the public bodies on legislation of civil service and monitoring of civil service personnel. In order to strengthen the function and responsibilities of the Civil Service Department, 29 inspections and assessment of activity of public bodies on implementation process of legislation on civil service, especially, in ministries and committees, cities and districts of the republic were conducted during 2010.

*With respect to training of managerial staff of ministries to methods of designing improved policy and refreshing their qualification in the sector of managing development projects,* Civil Servants' Professional Development Institute developed relevant learning programmes and modules, which used in beginner and professional development courses for civil servants. In particular, based on the programme of 'Leadership in public administration structure' and 'Diplomatic etiquette and rules of state protocol', there have been conducted educational courses for deputies managers of public bodies during 2010.

At the same time, towards professional development of managerial personnel of central bodies of the government in the fields of managing projects, various activities on the subjects of 'Projects' management' and 'The goal and strategic directions of development of Tajikistan' included in educational and thematic plans for beginner courses and professional development of civil servants.

In addition, within the programmes of 'Management of personnel' for staff of human resource service of the local public bodies of the government in regions, cities and districts, and on the base of the programme of 'Legal basis for civil service in the Republic of Tajikistan', a course on professional development conducted for civil servants of the local branches of government's public bodies.

*For organizing courses / special qualifications in the field of managing development at advanced universities,* Civil Service Department and Japan International Cooperation Centre (JICE) within the frame of the Programme of grant for preparing specialists for the Republic of Tajikistan (JDC Programme) in universities of Japan and Japan International Cooperation Agency a new agreement was signed on 15 July 2010. At the moment, the next term of selection of applicants by universities of Japan has been completed, and as a result of selection process 5 candidates have been selected for 2011-2012 academic year, 3 candidates have been included into the human resource list of this Programme, whose study starts from August 2011. In addition, in accordance with the Agreement between Civil Servants' Professional Development Institute and Foundation of Hanns Zaidel (Germany) 61 civil servants has graduated a master course on 'Public administration', consequently, they have been directed to public bodies for performing professional activity. At present, a study of 65 master students is underway.

*In order to establish the catalogue and database of civil servants,* in cooperation with Public Administration Reform Project (IBTA-2) a data processing Centre connected to the information Network of state ministries and committees (Server) is operational at the Civil Service Department. The present connected to 17 state bodies and its central server is fixed at the building of the Civil Service Department, which functions for establishing operation of that particular section of the Civil Service Department – section for developing database and verification.

*For the purpose of developing unified table of salary scale for civil servants of the Republic of Tajikistan, a Working Group on improvement of payment system of civil service wage is established, which in Unified tariff table from vertical side eight categories of administrative positions, difference between each position 22 percent and from horizontal side from 14 steps the difference of 5% between each step and using it by every concerned public bodies from 5 steps taking into account civil service experience has been approved.*

*With respect to designing unified tariff scale for civil service wage at the Republic of Tajikistan, a Working Group on improving the system of wage payment to civil servants established and under the frame of the Unified tariff scale, from the vertical side eight categories of administrative job positions, the difference between each job position has been determined as in the amount of 22 percent and from the horizontal side out of 14 steps, the difference between each step defined being as 5 percent and applying it in each relevant public body out of 5 steps, taking into account seniority of civil service, it has been approved. Following the conclusion of the Working Group on improving the system of wage payment to civil servants, first, the implementation of the Unified tariff scale has been piloted, which targets the civil servants of administrative civil service positions of the Executive Office of the President of the Republic of Tajikistan, Civil Service Department, Ministry of Economic Development and Trade, Ministry of Labour and Social Protection of Population, and Ministry of Finance.*

The Decree of the President of the Republic of Tajikistan, No. 923 of 6 September 2010, ‘On measures to improve conditions for social protection of population and increasing operational functionary wage of employees of budgetary institutions and organizations, rates of pension and stipend’ was adopted towards implementation of the Concept of wage reform in the Republic of Tajikistan from 01 October 2010 towards introducing Unified tariff-coefficient tariff payment of wage of civil servants working in administrative civil service positions of public bodies and local public bodies of the government and increasing operational functionary wage of employees of budgetary institutions and organizations, rates of pension and stipend.

*In order to fully implement the unified tariff salary scale of civil servants of the Republic of Tajikistan and implementing the requirements of the Concept of wage reform and improving the system of wage payment to civil servants, in accordance with the requirement of the paragraph 2 of Decree of the President of the Republic of Tajikistan, No. 923 of 6 September 2010, and implementing the paragraph 2 of the resolution of the Government of the Republic of Tajikistan, Decree No. 526 of 2 October 2010, ‘On measures for implementation of the Decree of the President of the Republic of Tajikistan, No. 923 of 6 September 2010’, educational seminars and workshops in Gorno Badakhshan Autonomous Oblast, Sughd, Khatlon regions and Civil Service Department are conducted with involvement of relevant experts of executive power of the government of Dushanbe city, Regions of Republican Subordination and ministries and committees.*

At the same time, under the frame of concept of wage reform for employees of budgetary sector, pursuant to the requirement of the first sub-paragraph of the paragraph 2 of the Decree of the President of the Republic of Tajikistan, No. 923 of 6 September 2010, the rate of basic wage as the basis of tariff coefficients in pilot public administration bodies is set as 350 Somoni. Extra payments to civil servants of the pilot public bodies for professional ranks, seniority of civil service and other additional wage payment defined on the base of legislation of the Republic of Tajikistan stopped.

*With the aim of establishing an effective system of personnel management in public bodies, especially, central executive office and regional public bodies, taking into account gender factors during giving an employment in central and local bodies in line with the Regulation on procedure*

for conducting competition for filling the administrative civil service vacant posts, necessary amendments have been made in compliance with the requirement of mechanism for placing civil service human resources. After considering an existence of relevant supervising regulation for ensuring gender factors, it has been identified that giving a civil service employment to women in central bodies are better placed in comparison with the local bodies. Based on statistical indicators of civil service, the number of women working in central body reached 2611. The number of women is 1151 in local bodies of executive power and 676 in local self-governance bodies.

*As regards the development and enhancement of capacity of Civil servants' professional development institute*, an electronic library with more than 60 000 learning materials on public administration sphere, civil service and belles-lettres established, Website of the Institute describing operation of the Institute and scientific researches on civil service launched. Similarly, an agreement with the State Pedagogical University of Tajikistan on provision of medical service and cooperation agreement have been signed.

*To train civil servants with the new principles of administration, the Civil Servants' Professional Development Institute designed relevant educational courses for all groups of civil servants* and conducted 15 beginner and professional development courses, 10 mobile courses in local areas, with the overall number of 25 courses attended by 1229 civil servants on various programmes, such as 'New methods of planning and inspection activity over economic subjects', 'Legal basis of civil service', 'Office work and documentation in local self-governance bodies', 'Code of administrative violation of the Republic of Tajikistan', 'Management of database in public bodies', 'New public management', 'Public agrarian policy of the Republic of Tajikistan', 'Management of personnel', 'Leadership in the frame of public administration', 'Diplomatic etiquette and rules of state protocol'.

*Towards improvement of the Code of civil servant and establishment of commissions on conduct of service*, in accordance with the decree of the President of the Republic of Tajikistan, No. 932 of 15 September 2010, the new edition of the 'Code of Conduct of civil servant of the Republic of Tajikistan' has been adopted. As regards to ensuring implementation of the present Decree, the Civil Service Department developed a Working Plan (Department's Decree No. 191 of 19.10.2010) and Commission on conduct (Department's Decree No. 197 of 01.11.2010), which are currently under implementation.

*In respect to arranging human resources in a way to ensure professional promotion of women out of competent and initiative women with high level of professional preparedness and organizational skills*, civil service Department annually monitors women participation and their position in civil service and ensures that women are more involved in to civil service. Analysis discover that till 20 December 2010 the total number of human resources being in reserve reached 2450 (in 2009 – 2910 persons), out of them 604 (in 2009 – 769 persons) or 24,6 percent are women. In 2010, 133 persons from human resources, including women – 28 or 21 percent appointed in public job positions. With the aim of professional development and afresh professional preparing of women included in the roster of human resources, the course on professional development within 'New public management' module with the attendance of 87 women was conducted.

### **3.1.1 Challenges, solutions and expected results in Public Administration Reform sphere** Based on measures

*Challenges of the sector:*

- Insufficient development of local self-governance;

- Inconsistency of the required number of candidates possessing English language with the requirement of JDS Programme;
- No submission legislative acts to the central legal Database of the Republic of Tajikistan.

*Suggestions for overcoming challenges:*

- Distributing functions and authorities among levels of public administration and local self-governance, at the same time, to re-distribute again financial and material resources;
- Introducing merit-based competition during recruitment of candidates based on other human resources of public bodies, organizations and institutions;
- Providing information to the central legal Database of the Republic of Tajikistan in the approved form as well as electronic version.

*Expected results:*

- Remarkable achievements are obtained during acceptance process and implementation of legislative acts;
- Increased number of quota for Tajikistan under JDS Programme;
- Timely entered legislative acts of the Government of the Republic of Tajikistan into the central legal Database the Republic of Tajikistan.

### **3.2. Macroeconomic Development**

Further development of economic reform, seizing new sectors of economy, implementation of strategic and programmatic objectives, undertaking measures for ensuring macroeconomic stability conducted to the situation, where the degree of economic growth ensured in the country and the poverty rate tended to decline in the country year by year.

Taking into account goals and objectives of the NDS and PRS, following measures have been applied in macroeconomic sector during 2010.

In the sphere of strengthening a budgetary and tax policy, from time to time implementation of Min-term Public Expenditure Programme and making amendments and changes into the legislative acts, in conformity with the Resolution of the Government of the Republic of Tajikistan from 7 September 2006, reference #409 ‘On mid-term public expenditure programme of the Republic of Tajikistan’, it is gradually introduced within budgetary sectors on a pilot basis. According to the plan of the mid-term public expenditures Programme and Resolution of the Government of the Republic of Tajikistan from 30 December 2009, reference #133 ‘On developing mid-term public expenditures programme’, budgets of education, public health, social protection, agriculture, energy, transport and communication, land management, water industry and culture sectors deemed as a priority spheres of the National Development Strategy and Poverty Reduction Strategy, developed in line with mid-term public expenditures Programme for 2011-2013.

*Similarly, for restructuring budgeting process in education sector in 2010 towards improvement of operations of education sector 1162,2 Somoni has been allocated and 97.7% out of it has been delivered.*

*Likewise, it was allocated 403861 Somoni during 2010 for restructuring of budgeting process in health sector, which is 17 mln. Somoni or 4.4% more than 2009 and amounted to 1,6% of gross domestic products and 6% of total public budget.*

*With regards to implementation of the project on foreign debt management and the ratio of public, according to the resolution of the Government of the Republic of Tajikistan, Decree No. 526 of 31*

October 2008, a 'Public debt management strategy of the Republic of Tajikistan for 2009-2011 has been approved, the main goal of the present strategy is to improve the quality of public debt management through reduction of degrees of risks, which result from the impact of internal and external factors, if directed. In 2010, provision of service of foreign debt amounted to \$1794.64 mln., which equals to 31.21% out of GDP. There were totally 11 credit agreements signed with the amount of \$334.30 for project implementation.

In addition, during this period a draft Agreement between Republic of Tajikistan and Republic of Uzbekistan on amending the terms of debt instruments of the Republic of Tajikistan with Republic of Uzbekistan has been preliminary countersigned, where the present draft paper amended the deadline of debt instruments from 2013 to 2015.

*With respect to evaluation of public expenditures and financial report system (PFA), public expenditures annually evaluated by the Ministry of Finance and the limit of expenditures for budgetary sectors depending on sectors' priorities developed. During 2011-2013, evaluation of state budget expenditures based on sector's priorities designed and included into the mid-term public expenditures Programme, which approved in accordance with the resolution of the Government of the Republic of Tajikistan, Decree No. 315 of 30 June 2010, 'On mid-term public expenditures programme for 2011-2013'.*

*Regarding implementation of the Strategy of internal state financial control, the Law of the Republic of Tajikistan 'On financial management and internal control in public sector', No. 626 of 21 July 2010, and the Law of the Republic of Tajikistan 'On internal audit in public sector', No. 631 of 21 July 2010 were adopted and now under implementation.*

*In regards to establishment and implementation of activities related to entrepreneurs, explaining tax legislation issues and its payment procedure, in 2010 through various state and local TV channels, magazines and diaries, information and radio centres almost 261 analytical performance with the slogan of 'Tax – state's wealth', 'About day's news', 'Culture of taxpayers in tax payment', reports for information programmes of radio and TV nets, articles and interviews reported in regular publications issued and distributed among wide range of readers and listeners.*

At the same time, the Law of the Republic of Tajikistan 'On amending the Tax Code of the Republic of Tajikistan', No. 627 of 21 July 2010 was adopted, the purpose of adopting this law first of all is to increase revenue of the state budget, simplification and public awareness of regulations of the Tax Code of the Republic of Tajikistan and decreasing the number of tax reports and to the possible extend improve tax administration.

In regards to submission of declaration of income, the new form of declaration of value-added tax, registration of value-added taxpayers on social protection tax, and on effective usage of the machine of treasury inspection with fiscal memory, 28 announcements and advocacy rolls are showed through TV and broadcasted through republican radios to watchers and listeners. Also, with the support of the International Finance Corporation a small booklet (brochure) of 'Procedures for taxation of small and medium entrepreneurial subjects – 20 questions and answers' was published and disseminated among entrepreneurs.

*About planning for conducting verification of taxes, taking into account risks with violation of tax legislation by taxpayers, enhancing legal basis for taxation, a Working Group has reviewed the matter of organising tax control against risks of violating tax legislation on planning of taxes looking at practices of Great Britain, Germany and Turkey. Following the recommendations of international organisations and global experience, applying the concepts of 'responsible taxpayer' and 'irresponsible tax-payer' in legislation has been explored and these mentioned concepts are*

included into the Law of the Republic of Tajikistan ‘On amendment of Tax Code of the Republic of Tajikistan’, No. 665 of 29 December 2010.

*In the field of developing tax administration*, a ‘Programme of developing tax administration for the period of 2011-2015’ adopted under the resolution of the Government of the Republic of Tajikistan, Decree No. 626 of 3 December 2010. Implementation of the present Programme introduces serious reform in the process of tax administration and will support to record registration of taxpayers and source of their taxation, promoting taxation mechanisms by establishing tax database and exchange of information with taxpayers and interested organisations, introducing computerised systems of tax inspection, re-delegation of functions to the tax bodies, enhancing knowledge of employees working in tax authorities and taxpayers, taking into account the risk of violation of taxation procedure and other factors.

*In the field of simplifying tax administration through introducing computerized methods of accepting declarations, inspection and analysis of tax collection*, a computerized programme of Information system of tax (IST) ‘Registration of taxpayers’, IST ‘Recording of taxes’, IST ‘VAT an following up invoices’ and IST ‘Recording taxes from individuals’ is currently under development and introduction, which implemented step by step across all bodies of tax system.

According to the task given by the management of the Tax Committee under the President of the Republic of Tajikistan, introduction of the aforesaid computerized programmes are initiated and developed in several territorial tax structures, including, tax inspection bodies of Dushanbe, Sughd region, Isfara, Khujand, Chkalovsk, Qayroqqum, Konibodom, Istaravshan cities and B.Ghafurov district, cities and regions of republican subordination: Tursunzoda, Vahdat and Roghun cities, Shahrinav, Gissar, Varzob, Rudaki and Faizobod districts.

In the sphere of improving monetary and credit policy, in the medium-term perspective some measures developed towards improvement of leverages of the monetary and credit policy, promotion of financial and foreign exchange market, increasing capital reserves of financial institutions, access to credit, and strengthening bank supervision.

*For restoring capital of inactive credits*, handed over to enterprises the property type of which is state-owned, the amount credit fund of state organisations amounted to 100,5 Somoni as of 1 January 2011. In this regards, concrete measures are envisaged to return credits of state enterprises as well as some meetings and negotiations have been arranged. The list of some of them are submitted and claimed at relevant law enforcement entities.

*For restructuring the debt of the Government of the Republic of Tajikistan borrowed from the National Bank of Tajikistan, which is set in the form of long-term obligations of the Ministry of Finance of the Republic of Tajikistan under market conditions*, according to the Agreement between National Bank and Ministry of Finance on regulation of financial relations, obligations of signatories identified on a quarterly basis and accounts settled.

The amount of repayments of National Bank’s obligations during 9 months of 2010 reached 19,6 mln. Somoni and repayments of the Ministry of Finance reached 14.9 mln. Somoni, where obligations of sides for the 4<sup>th</sup> quarter if 2010 currently under reasonable situation.

*Under the frame of promoting non-cash accounts settling by usage of plastic cards*, the market of retail payments (goods and services) in the Republic of Tajikistan by plastic cards are stably developing. At the moment, there are 8 credit organisations engaged in producing payment cards and they are participants of international payment regulations. In particular, 3 credit organisations are principal members of international payment standards VIA and MasterCard. As of 1 December

2010, the overall number of payment cards reached more than 149 thousand, which is 48.9% more in comparison with the year earlier. For plastic cards holders there are 218 electronic terminals for taking cash, 92 electronic terminals in trading and service centres, 217 ATM machines serving across the country.

*In regards to application of unified electronic system of selling foreign currency at inter-banking foreign exchange market, 15 credit organisations are member of this regulation, through which buying and selling transactions of three foreign currencies, i.e. US Dollar, euro and Russian ruble with Somoni at the actual time of transaction take place.*

*In terms of development and progress of projects on involvement of foreign investment to banking structure, attention of international financial institutions to country's banking system is evolving and European Bank for Rehabilitation and Reconstruction invested 50 mln. Somoni in the capital of JSCC 'Agroinvestbank'.*

*In terms of improving regulating basis for inter-banking market activity of credit reserves, a Guideline 'About credit stocks of the National Bank of Tajikistan' designed in new edition and it is approved following the decree of the Department of the National Bank of Tajikistan, No. 234 of 29 September 2010. Moreover, in accordance with the resolution of the Department of the National Bank of Tajikistan of 4 March 2010, the 'Rules of giving credit by the National Bank of Tajikistan to credit organisations for ensuring creditability' of 4 March 2010 adopted.*

*Analysis and providing proposals on possibility of expansion of long-term crediting by banks for small and medium entrepreneurship, in order to increase accessibility of long-term credit resources to population, banking regulation of the country uses all its possibilities and relevant measures are considered in regards to more involvement of internal external capitals. In this regard, as of 1 December 2010 the balance of long-term debts provide to various industries of economy amounted to 1227.3 mln Somoni.*

*Under the frame of involving savings through providing reliable conditions within banking system, increment of deposits deemed as one of the elements of sustaining people's trust to national banks and known as a source for increasing domestic capital for promoting of which banking system constantly develop new measures. Moreover, through agitation and propaganda over mass media, different forms of provision of banking services are presented in this sphere. During 2000 development process of the volume of deposits was considerable, its balance increased by 34.7% and amounted to 3233.9 mln Somoni. Deposits in national currency is 42.0% and in 58% in foreign currency out of total amount.*

*To ensure development of small investment by increasing the number of small investment organizations and structural units of banks in mountainous and remote territories of the country at the expense of involving foreign investment, the license has been granted to 'Accessbank of Tajikistan' on 29 March 2010 for starting its operation. In general, in accordance with the 'Procedure of establishment of structural units of credit organizations and their affiliates', which is registered at the Ministry of Justice of the Republic of Tajikistan, No. 559 of 19 January 2010, credit organizations and their affiliates beyond their located territory can open and establish centres of banking service and points of remittances.*

At the same time, with the aim of providing opportunities for establishment of banks in separate regions and territories of the Republic of Tajikistan and expanding the space of providing banking services, following the resolution of the Management of the National Bank of Tajikistan a Guideline 'About procedure of regulating operations of credit organizations', No. 104 of 19 April 2010 was adopted, where the minimum authorized capital stock for newly established area banks

operating only in territory of one region or Nurobod, Rasht, Tavildara, Tojikobod and Jirgato'l of the republic of Tajikistan has been identified in the amount of 10 mln Somoni.

In regards to developing and improving small investments in the republic, number of credit organizations increases and the map of their location is expanding during last few years, especially, in remote areas. During January – November 2010 the positive tendency of small investments was observed, where its volume reached 1619,5 Somoni, which is 9,6% more than the similar period of the earlier year.

Under the frame of accomplishment of institutional reform, necessary measures have been undertaken to develop strategies, programmes and concepts for renewal and updating vision of previously adopted legislative acts,.

*To strengthen accountability potential of the public sector*, in order to implement macroeconomic policy, accomplishing institutional reform, the Methodological Council of the Agency of Statistics considers various issues, such as reducing workload of reporters, avoiding duplication of data in different forms of statistics reports and elimination of those indicators, which lost their importance, and makes relevant decisions.

*What concerns to implementation of project on capacity development of national statistics: improving statistics on poverty, employment and national reports system (NRS)*, the Agency of Statistics under the President of the Republic of Tajikistan in July 2010 submitted summary information about living standard survey conducted in June 2009. The information is also available on Agency's website in three languages.

Accordingly, survey of households, remittances and poverty for the period of 30 July to 16 August 2010 included in the base of 3133 of selected household. The present survey helped to make correct assessment the total amount of remittances and better percept the impact of remittances to the welfare of households, the difference between the living standard of households with migrant and without migrant, impact of migration to income and poverty levels. It is planned to publish the findings of the present survey during early 2011.

*For professional development and enhancement of professional knowledge of employees at tax authorities, acquiring new management skills and usage of computer technology*, necessary measures undertaken and according to the Article 18 of the Law of the Republic of Tajikistan 'On civil service' and paragraph 10 of 'Regulation of conducting competition for filling up job vacancies of the administrative civil service', more attention is given to the selection and recruitment of human resources and compliance of candidates to the mentioned criteria. With respect to establishment of comprehensive procedure for selection and placing of human resources, 9 rounds of competition have been conducted during 2010 towards transparent recruitment and placing human resources in tax authorities, where according to the decisions of Selection Committees 358 applicants (including 198 employees of tax bodies through professional promotion and 160 persons from other applicants) have been successful in competition and eventually appointed to relevant job positions.

**As a result of implementation of measures in the field of macroeconomic development in 2010 below indicators have been as following:** the degree of GDP growth was 6,5% (immediate); the share of total amount of revenue of state budget to GDP 25,8%, ratio of current income to GDP 20,0%; share of investment in authorized capital stock to GDP 17,5%, ratio of the total amount of public budget expenditures to GDP 26,8%, ratio of repayment of foreign debt to GDP 0,57%; inflation rate 9,8%, share of export of goods and services to GDP 21,2% (immediate); ratio of broad indicator of monetary resources to GDP 20,4%.

### ***3.2.1. Challenges, solution and expected results in the area of Macroeconomic development***

Based on measures

#### *Challenges of the sector:*

- Incomplete activity of settling accounts of both sides;
- Non-usage of plastic cards in the process of implementation of strengthening non-cash settling of accounts;
- Population's deposits are not involved.

#### *Suggestions for overcoming challenges:*

- Improving accounts settling with both sides of National Bank of Tajikistan, to develop the projects of 'Agreement on regulation of obligations of both side of the Ministry of Finance of the Republic of Tajikistan and National Bank of Tajikistan', 'Procedure for financial settling accounts between National Bank of Tajikistan and Ministry of Finance of the Republic of Tajikistan'.
- Encouraging further development of non-cash regulation of settling accounts through plastic cards, usage of them within retail trade, paying of communal services and type of services, also reducing turnover of amount of money outside the banks;
- Introducing amendments and changes to the Tax Code for decreasing the percent of tax from income of interest rate obtained from deposits.

#### *Expected results*

- Approved projects 'Agreement on regulation of obligations of both side of the Ministry of Finance of the Republic of Tajikistan and National Bank of Tajikistan', 'Procedure for financial settling accounts between National Bank of Tajikistan and Ministry of Finance of the Republic of Tajikistan' in 2011;
- Establishing National Processing Centre is included in 2011 plan;
- People's trust-based effective environment is provided, draft of the Law of the Republic of Tajikistan 'On insuring deposits of individuals' is developed.

By indicators:

#### *Suggestions*

- Ensuring average annual Gross Domestic Product growth.

#### *Expected results*

- According to the perspective of macroeconomic indicators of the Republic of Tajikistan for 2011-2013, an average annual growth of Gross domestic product for 2011 expected 6,5%.

### ***3.3. Improving investment climate, development of private sector and entrepreneurship***

By improving entrepreneurship and investment environment in Tajikistan, opportunity for access to markets considered as one of the principle factors for ensuring strong economic development in future and improving volume and quality of social services. Improving entrepreneurship and investment environment conduces to ensure foundation of competitive environment, facilities for employment of unemployed population, including self-employment and stability of tax income.

Providing support to sustainable economic development and diversification of economy by private sector development and promoting investments, especially, in the sectors of energy,

transport infrastructure, agriculture and etc. These tasks and goals can be achieved through expansion of economic freedoms, promoting property right, improving public-private partnership.

Keeping in mind the goals and priorities of NDS and PRS in the sector of Improving investment climate, development of private sector and entrepreneurship in 2010 below following measures have been implemented.

*Strengthening the role of the State Committee of Investment and State Property Management of the Republic of Tajikistan*, the Government of the Republic of Tajikistan as a state authorized body identified in the sphere of investment and protection of state entrepreneurial support. For this reason, to ensure attraction and effective usage of all kinds of foreign aid, which arrives to the Republic of Tajikistan and for improving its coordination and monitoring, to regulate job position and authorities of public administration bodies during involvement process, usage and coordination of foreign aid ‘Procedure of attraction, usage, coordination and monitoring of foreign aid in the Republic of Tajikistan’ has been developed and approved by the Resolution of the Government of the Republic of Tajikistan, No. 389 of 1 August 2010.

According to the mentioned Rules of the State Committee of Investment and State Property Management acting as a central authorized body in coordinating overall process of attraction, utilization and monitoring of foreign aid, and it is assigned as the main responsible entity for improvement of partnership of the Government of the Republic of Tajikistan with donor agencies and international organizations in regards to foreign aid, including develop and implementation of the Joint Country Partnership Strategy. In order to ensure economy, effectiveness, transparency and impartiality of procurement procedure, under the frame of national investment projects of the Republic of Tajikistan a resolution of the Government of the Republic of Tajikistan ‘On approval of Rules about opening of tender bids for procurement of goods, work and services in compliance with the national investment projects of the Republic of Tajikistan’, No. 500 of 2 October 2010<sup>1</sup> adopted.

*To strengthen relations of the State Committee of Investment and State Property Management of the Republic of Tajikistan with local government bodies, entrepreneurs, investors and international organizations*, jointly with the regional representative bodies, main directions of attraction and utilization of foreign aid for development of territorial-administrative units and relevant region in line with national and regional development programmes identified and under the frame of close cooperation, measures towards renewal of list of territorial priority projects on foreign aid undertaken.

At the same time, in accordance with the resolution of the Government of the Republic of Tajikistan, Decree No. 284 of 23 May 2010, it is established a State Unitary Enterprise of ‘Tojikinvest’ under the State Committee of Investment and State Property Management. The main purpose for establishing of such enterprise is first of all implementation of investment activity, presentation of investment opportunities and attracting as much investment to the economy of the Republic of Tajikistan by offering services to domestic and external investors.

On this basis, certain activities are implemented, such as ‘Meeting of entrepreneurs of Tajikistan and Pakistan’ held in Dushanbe on 18-20 July 2010, Conference of entrepreneurs of Tajikistan and Kazakhstan on 23-24 November 2010 within the frame of official visit of the Prime Minister of the Republic of Tajikistan to the Republic of Kazakhstan, launching operation of JSC ‘Direct Investment Fund of Kazakhstan and Tajikistan’ and signing approximately 30 agreements with national and foreign companies about offering services.

Progress of reform on improvement of investment climate and providing enabling environment for development of entrepreneurship activity considered as one of the main directions of economic policy of the Government of the Republic of Tajikistan. The next meeting of the country's President with entrepreneurs, which held on 15 January 2010 with participation of more than 2000 entrepreneurs and businessmen from all territories of the republic and outside of country, made another tangible impulse for the development of entrepreneurship.

Depending on the results of the present meeting and following the orders and instructions of the Head of the state, who expressed during the meeting, in accordance with the Resolution of the Government of the Republic of Tajikistan 'About approval of Working plan for implementation of orders and instructions of the President of the Republic of Tajikistan, resulted from the meeting with national entrepreneurs from 15 April 2010', No. 64 of 18 April 2010 adopted and is under implementation.

*In regards to identification of attractiveness of investment environment and promotion of entrepreneurship on the base of indicators of international rating 'Doing Business', at the end of 2009 and beginning 2010 an implementation of the Programme of 'Improvement of entrepreneurship environment – 200 days of reform' by the Government of the Republic of Tajikistan appeared to be a very timely and fruitful measure. The mentioned Programme designed to simplify administrative formalities during starting-up of entrepreneurial activity, reduce intermediate and financial expenditures during implementation of entrepreneurial and investment activity, its Working Plan, which consists from 24 concrete paragraphs, covers a number of events and measures.*

*With respect to designing mechanism and monitoring procedure over activity of subjects of economy and for implementation of the Working Plan of 'The Programme on the Improvement of the Business Climate – 200 Days of Reform' the relevant ministries and bodies along with participation of private sector and international organizations concrete actions have been accomplished. Particularly, under the frame of the present Programme towards making changes and amendments in legislative acts in accordance with the mechanism of registration of individuals on basis of 'Single window shop' principle relevant draft laws and legislative acts developed jointly with international organizations.*

*Regarding research for annual calculation of those indicators, which used in assessing international rating of entrepreneurship and investment environment, in line with implementation of the Programme 'Improvement of entrepreneurship environment – 200 days of reform', there have been made changes and amendments in 6 laws and resolutions of the Government of the Republic of Tajikistan, 11 new resolutions of the Government of the Republic of Tajikistan and 2 rules and regulations of concerned bodies have been adopted. With the aim of future improvement of the republic's indicators and synchronization of the ongoing private sector reform with World Bank methodology of 'Doing business', the State Committee of Investment and State Property Management in cooperation with the Secretariat of Advisory Council under the President of the Republic of Tajikistan on improvement of investment climate and experts from World Bank developed a 'Plan of further events of the Government of the Republic of Tajikistan on improvement of investment climate and indicators of the Republic of Tajikistan at the international rating', which is approved according to the resolution of the Government of the Republic of Tajikistan, Decree No. 276 of May, 2010 and is currently under implementation.*

*In regards to monitoring the reform of regulation of granting licenses and ensuring implementation of the Decree of the President of the Republic of Tajikistan number, 633 of March 7, 2009 'On reform of regulation of granting licenses in the Republic of Tajikistan' and resolution of the Government of the Republic of Tajikistan, number 305 of May 28, 2009 'About measures to*

implement the Decree of the President of the Republic of Tajikistan ‘About reform of regulations of granting licenses in the Republic of Tajikistan’ under the leadership of the First Deputy of Prime Minister of the Republic of Tajikistan, it is established a Commission on improvement of legislative and regulative acts of the procedure for issuance of license documents to subjects involved in entrepreneurship.

The aforesaid Commission reviews and considers the license related papers of all sectors, out of 189 documents 90 of them recommended for exclusion.

*With respect to introduction and developing transparent and effective mechanism of customs inspection and synchronization of legislation in the field of intellectual property, to meet agreement of the World Trade Organization on protection of intellectual property right, it is worth to note that Customs Code of the Republic of Tajikistan is under implementation since 1 January 2005 and it is adjusted in conformity with the principle and standards of the World Trade Organization and International Convention on coordination and simplification customs formality (Kyoto Convention of 18 May 1973). In compliance with the mentioned Code, a number of legislative acts were adopted, which ensure simplified export and import formalities, transparency of the process of customs declaration of goods and transport.*

*With the purpose of improving legislative acts related to investments and harmonization of other legislative acts, a Working Group has been established in September 2010 out of specialists of relevant ministries and committees and in compliance with orders and instructions highlighted in the Address of the President of the Republic of Tajikistan, the Working Group started its operation on improving legislation of the Republic of Tajikistan concerning investment and activities are underway in this field.*

*With the aim of refining operational customs tariffs, it is adopted a resolution of the Government of the Republic of Tajikistan number 110 of March 4, 2010 ‘About making change in the resolution of the Government of the Republic of Tajikistan number 450 of October 25, 2003 ‘On customs tariffs of the Republic of Tajikistan’.*

In order to improve and adjust legislation of excise tax of the Republic of Tajikistan in conformity with international standards, a resolution of the Government of the Republic of Tajikistan, number 189 of March 30, 2010 ‘On making changes and amendments to the resolution of the Government of the Republic of Tajikistan, number 126 of April 2, 2005 ‘On standards of excise tax for some goods which produced in the Republic of Tajikistan and imported to the Republic of Tajikistan’ was adopted.

*In the field of developing National development strategy of infrastructure of quality, it is worth to mention that necessary activities have been accomplished and as a result, the Resolution of the Government of the Republic of Tajikistan ‘On National Development Strategy of infrastructure of quality’ number 54 of February 12, 2010 was adopted and is under implementation.*

*For designing and adoption of other sectoral laws and legislative acts and harmonizing them with international standard in the sector of technical regulation, according to the Law of the Republic of Tajikistan ‘On technical standardization’, the Agency of Tojikstandard as an authorized state structure body in the sphere of technical standardization learnt the fund of standards of the Republic of Tajikistan, developed a standard-technical documents, which reflect safety requirements, and out of them prepared a list of technical and standard documents with obligatory requirements (temporary technical regulations) and submitted to the Government of the Republic of Tajikistan.*

*In order to establish unified information list with respect to investments in the Republic of Tajikistan and keeping reliable statistics information, a constantly operating Working Group out of specialists of the State Committee of Investment and State Property Management and Agency of Statistics was established. During the period of its operation, the Working Group identified 5 investment projects with the amount of more than 100 mln US Dollars and included them into the information list of the Agency of Statistics.*

Similarly, the State Committee of Investment and State Property Management towards setting unified information list about state investment projects in the Republic of Tajikistan and keeping reliable statistics data implemented and applied an example of 11(M).

*In regards to designing investment map of the Republic of Tajikistan with indicating delivery of investment opportunities in all territories of the republic, the present map designed and posted on website of the State Committee of Investment and State Property Management. The map depicts complete and accurate information of each investment project and it ensures that national and foreign investors can find detail information about priority projects of each region of the republic. Nowadays, there are 173 investment projects on hydropower energy, mining industry, light industry, agriculture, social sector and tourism included at the investment map.*

*With the purpose of extending the period of strategic Plan for privatization of small and medium enterprises towards 2012, restructuring of subjects of natural monopoly and especially big enterprises for 2003-2009, it is developed a resolution of the Government of the Republic of Tajikistan, Decree No. 486 of 7 November 2003, ‘On making changes and amendments to the resolution of the Government of the Republic of Tajikistan’ and approved on 30 March 2010, No. 187.*

*Regarding monitoring and supporting privatized enterprises, since early 2004 until 1 December 2010, 65 winners of investment tenders for implementation of terms of agreements invested 76.0 Somoni in manufacturing potential of privatized enterprises and 3355 of new job vacancies have been established, where these indicators exceeded the contract’s obligations, by 7.0 mln Somoni and 971 job vacancies respectively.*

*With respect to analysis of implementation of the strategic Plan for privatization of small and medium enterprises, restructuring of subjects of natural monopoly and especially big enterprises for 2003-2009, to date the Government of the Republic of Tajikistan approved the drafts of Individual Plans for restructuring of SUE ‘Tojikkement’, OJSC ‘Tojiktelecom’, OJSC ‘Teleradiocom’, OJSC ‘Tojikkhimprom’, SUE ‘Tojik-Air’, SUE ‘Tojikkaz’ and SUE ‘Rohi Ohani Tojikiston’.*

*With the aim of setting new, effective and transparent regulation for preparation of each enterprise and structure towards enhancement of effectiveness of operation of privatized enterprises, implementation of investors’ obligations and continuous review and supervision of responsibility of property owners, resolutions of the Government of the Republic of Tajikistan number 187 of March 30, 2010 ‘About making changes and amendments to the resolution of the Government of the Republic of Tajikistan number 486 of November 7, 2003 ‘About strategic Plan of privatized medium and large enterprises for 2003-2012’; from March 30, 2010, number 188 ‘About making changes and amendments to the resolution of the Government of the Republic of Tajikistan number 98 of March 1, 2004 ‘On procedure of selling objects of state property through auctions and tenders’; from August 2, 2010 number 392 ‘On approval of Procedure of transforming state enterprise and its structural unitary into the open joint-stock company’; from August 2, 2010, number 391 ‘On approval of Procedure for selling state property as an independent object for privatization’ have been adopted.*

**Implementation of previously mentioned actions in the field of Improvement of investment climate, development of private sector and entrepreneurship gave an opportunity that below indicators have been ensured during 2010 as following.** In accordance with the preliminary reports, the annual increase of the volume of investments (excluding investments in primary sector) reached 111.5%; improvement of international rating of Tajikistan in regard to business and investment climate moved up from 149<sup>th</sup> rank to 139<sup>th</sup> out of 183 countries of the world.

### ***3.3.1. Challenges, ways to overcome them and expected results in the sphere of Improvement of investment climate, development of private sector and entrepreneurship***

Based on actions and measures:

#### *Challenges of the sector:*

- insufficient unified mechanism for attracting investments, foreign aid and using concessions and guarantees;
- unfortunately existing constraints and supplementary expenditures during implementation of entrepreneurship and investment activities;

#### *Recommendations for overcoming challenges:*

- to provide unified legal regulation of attracting investments and offering guarantee and concessions to foreign and domestic investors as well as coordinating public bodies in attracting and effective utilization of foreign aids and designing unified coordination mechanism and their accurate monitoring;
- to decrease constraints and expenditures during business and investment activities and within this frame, state support of business and investments.

#### *Expected results:*

- identification of unified mechanism for attracting investments, offering concessions to foreign and domestic investors, full improvement of country's legislation in the sphere of investment and business support;
- overall support of entrepreneurship and investments and in this process develop various forms of entrepreneurship and private sector, at the same time create strong basis for attracting foreign direct investments.

From indicators perspective:

#### *Recommendations*

- Implementing reforms in the field of improvement of international rating indicators of Tajikistan related to business and investment environment.

#### *Expected results:*

- Tajikistan constantly recognized as a reformer country and the Republic of Tajikistan appeared in the list of ten reformer countries.

### ***3.4. Improving regional cooperation and integration to the world economy***

Strengthening integration of the country's economy to the world economy and ensuring its relevant participation in international division of labour and international trade, providing conditions for including national enterprises in the process of international production, encouraging export and investment activities, ensuring their regular participation in developing rules of international trade

achievement of sustainable human development considered the main goal of the country's foreign economic policy and basis for joint global foundation for development purposes.

A special feature of the foreign economic policy of the Republic of Tajikistan comprises from a wide range of regions. Such relationship envisages participation of the Republic of Tajikistan in regional and bilateral trade arrangements for promoting business, effective utilization of available resources and factors of production based on recognition and observance of rules, and regulation of the system of multi-lateral trade.

Taking into account goals and objectives outlined in NDS and PRS in the field of improving regional cooperation and integration into the world economy below steps have been undertaken during 2010.

*For conducting functional review of those institutes, which develop policy in the sphere of economic activity and international trade*, under the frame of implementation of the Decree of the President of the Republic of Tajikistan, number 832 of March 9, 2010, 'On further improvement of the structure of central bodies of the government of the Republic of Tajikistan', an anti-monopoly office was excluded from the structure of the Ministry of Economic Development and Trade and it was established in the form of Service under the Government of the Republic of Tajikistan. There are changes made in the Regulation and functional responsibilities of the Service, where its main responsibilities strengthened in the fields of economic development and trade, management of joint actions of institutes of economic sector, including Ministry of Finance, Tax Committee, Customs Committee, and National Bank. During working process, these bodies have close cooperation for implementation of policies of budget and tax, monetary and credit, regulation of international trade, where experienced and highly qualified employees work jointly with the scientific and potential institutes.

*Regarding further improvement of present legislation on intellectual property*, five sectoral laws are operational, which adjusted to the possible extend in conformity with the requirements of the Agreement on commercial aspects of intellectual property rights, famous by abbreviation of TRIPS. In this regard, the Law of the Republic of Tajikistan 'On secret invention' was approved by the resolution of Majlisi Namoyandagon of Majlisi Oli number 624 of July 21, 2010, for implementation of the 3<sup>rd</sup> article of the present law, a Resolution of the Government of the Republic of Tajikistan No. 633 of 3 December 2010, 'On identification of public body for protection of invention and secret discoveries'.

*For further improvement of potential of bodies involved in issues of protection of rights of intellectual property*, an inter-university Chair of 'Protection of objects of industrial property' (POIP) operates under the national Centre of patent and information of the Ministry of Economic Development and Trade in order to enhance legal awareness of specialists and studying regulations of sectoral laws and implements educational and scientific-research activities in the field of protection of objects of industrial property.

*To conduct bilateral meeting with member-states of WTO about accession of Tajikistan into the market of goods and services*, under the frame of Working Group on accession of Tajikistan to WTO, a delegation of Tajikistan had bilateral meetings and negotiations with several member-states of WTO, including USA, European Union, Ukraine, Honduras, Dominican Republic, Canada, Japan, El-Salvador and Taiwan, where discussed the ways for Tajikistan to enter the market of goods and services. It is worth to highlight that the United States of America considers participation of Tajikistan in sectoral initiatives important and requested Tajikistan to accept three main sectoral initiatives, including goods for aircraft industry, goods of information technology and chemical goods.

*In regards to drafting a Work Plan for accelerating and completion of negotiation process on accession to WTO*, it was adopted a resolution of the Government of the Republic of Tajikistan ‘On measures to accelerate the process of accession of WTO to the World Trade Organization’ number 279 of May 29, 2010. The main purpose of the present resolution is to speed up the process of accession of the Republic of Tajikistan to WTO, preparation to the upcoming meeting of the Working Group on accession of Tajikistan to WTO and enlivening bilateral meetings with WTO member-states.

*In order to establish information points on technical barriers of trade and sanitarian and phytosanitarian measures*, it is set an information centre under the Ministry of Agriculture on implementation of issues of the World Trade Organization against sanitarian and phytosanitarian measures. Need to note that according to the plan of International Trade Centre (ITC), a meeting was held on 10 November 2010 at the Ministry of Agriculture with representatives of International Trade Centre about establishment of information centre on sanitarian and phytosanitarian measures, as an outcome the meeting the representatives of the International Trade Centre concluded that an information centre should start its operation jointly with the Ministry of Economic Development and Trade, with the technical assistance of the International Trade Centre and the United States Agency for International Development (USAID).

*To reinforce the activity of the permanent representation of the Republic of Tajikistan in UN branch and other international organizations in Geneva regarding the issues related with WTO*, the permanent representation of the Republic of Tajikistan in the United Nations Branch and other international organizations based in Geneva continued its activity for accelerating accession of process of the Republic of Tajikistan to the World Trade Organization in 2010 and during reporting period the main activity of the Representation has been preparation to the fifth meeting of the Working Group on accession of the Republic of Tajikistan to WTO. In order to discuss the issues on accession process of Tajikistan to WTO and identify the date of the upcoming regular meeting of the Working Group, the Representation had a meeting with the secretary of the relevant Division of the Secretariat of WTO. For preparation to the bilateral meetings of the Republic of Tajikistan with WTO member-states, the Representation together with the Ministry of Economic Development and Trade and experts of the Centre ‘IDEAC’, acting Aid Programme of the Federal Government of Switzerland for accession of Tajikistan to WTO was involved in developing the 4<sup>th</sup> draft of proposals of the Republic of Tajikistan on allowing foreign companies to the market of goods (tariff proposals) and market of services of Tajikistan. After drafting the present documents, separate information on tariff and service proposals has been developed.

*In the sphere of raising awareness of business environment, civil society and mass media about issues related to accession of the Republic of Tajikistan to WTO*, the Ministry of Economic Development and Trade of the Republic of Tajikistan during 2010 in cooperation with the regional project of the United States Agency for International development on free trade and customs reform and national Association of small and medium entrepreneurs of the Republic of Tajikistan had several press conferences.

*With respect to increase of the volume of the country’s foreign trade turnover by implementation of rational policy for developing export-oriented sectors of economy*, it is worth to note that rising of global prices of primary aluminum and cotton fibre in the middle of the current year is continuing. In general, as a result of implementation of coordination and financial activities of the ‘Export Promotion Programme of the Republic of Tajikistan for the period to 2015’, which adopted by the resolution of the Government of the Republic of Tajikistan number 299 of July 4, 2010, the volume of foreign trade turnover increases and conduces to development of export-oriented sectors.

Need to emphasize that during 2010 it is observed the growth of foreign trade and economic and commercial relations of the Republic of Tajikistan with distant and near foreign countries under the frame of international economic and commercial organizations and international practice and integration to the global economy. In accordance to the immediate reports of the Customs Committee, the volume of foreign trade turnover in 2010 totaled 3849.8 mln US Dollars, including export 1195.3mln US Dollars and import 2654.5 mln US Dollars. The analysis of the foreign trade turnover for 2010 shows that foreign trade turnover in comparison with this period of 2009 moved up to 7.5% or 271.1 mln US Dollars and export of goods from the territory of the republic to 18.3% or 185.3 mln US Dollars, the import of goods increased to 3.3% or 85.8 mln US Dollars.

At present, export orients to primary commodities and comprises predominantly from primary commodities and products of primary processing, primary aluminum and cotton fibre, however, there are no processing of primary goods to the final product and high-grade processed products. The ratio of export to foreign trade turnover in 2010 has been 31.0% and the net export moved up to 2.8% compare with similar period of a year earlier, the increment index was 1.09.

*With the purpose of introducing the system of 'Single window' for formalizing export and import and commercial operations in the Republic of Tajikistan, a resolution of the Government of the Republic of Tajikistan 'On approval of the Programme for introducing a Single window system for registration of export and import and transit operations in the Republic of Tajikistan', number 222 of May 3, 2010 adopted, some actions have been being implemented with respect to its technical and economic substantiation. Regarding implementation of requirements of the present Programme, a resolution of the Government of the Republic of Tajikistan 'On establishment of Committee for coordination of activities for implementation of the Programme of introducing Single window system for registration of export and import and transit operations in the Republic of Tajikistan' is adopted by resolution of the Government of the Republic of Tajikistan number 503 of October 2, 2010.*

With regard to the 'Work Plan of the preparatory measures for introducing a Single window system for registration of export and import and transit operations in the Republic of Tajikistan', the first meeting of the Coordination Committee and representatives of private sector as permanent observers having advisory vote was conducted on 30 December 2010, where anticipated goals and objectives have been considered and solutions provided. At present, a resolution of the Government of the Republic of Tajikistan number 630 of December 3, 2010 'On establishment of State Unitary Enterprise of the Centre of Single Window' was approved and preparatory actions for its implementations is underway.

*For resolving issues for establishment and starting activity of free economic zones across the Republic of Tajikistan, in Danghara district of Khatlon Region and Ishkashim district of Gorno-Badakhshan Autonomous Oblast, according to the third paragraph of the resolution of the Government of the Republic of Tajikistan number 103 of March 5, 2008 'On initial measures for establishment of free economic zones in the Republic of Tajikistan', a resolution of the Government of the Republic of Tajikistan 'On establishing the free economic zones of 'Ishkoshim' and 'Danghara' number 74 of February 2, 2009 adopted and approved by Majlisi Namoyandagoni Majlisi Oli (Lower Chamber of Parliament) of the Republic of Tajikistan, Decree No. 1545 of January 20, 2010.*

In such a way, to implement requirements of the Rules on procedures for registration and visa issuance of the Republic of Tajikistan to foreign citizens and statelessness people, it was approved a Decree of the Ministry of Economic Development and Trade of the Republic of Tajikistan with regards to identification of 'Locations for living of foreign citizens, who hold for free economic zones', number 21-11 of March 11, 2010.

In regards to foundation and developing free economic ones in the republic, it was signed a Memorandum of Understanding on free economic zones between the Ministry of Economic Development and Trade and the Organization for Security and Cooperation in Europe on 29 March 2010. In order to implement requirements of the present Memorandum of Understanding, the Ministry of Economic Development and Trade held the first meeting of the Coordination Council for development of free economic zones on 27 April 2010. The Coordination Council for development of free economic zones established for effective partnership of all stakeholders and promoting joint actions in the process of coordinating operation of international and assistance organizations in the sphere of promoting free economic zones in the Republic of Tajikistan, including avoiding duplication of actions and objectives.

With the aim of promoting free economic zones, a concessionary loan with the amount of 10 mln US Dollars as an investment project for free economic zone of ‘Sughd’ and 5.352 mln US Dollars for free economic zone of ‘Pyanj’ are allocated by the Republic of Poland.

Similarly, as an outcome of negotiation with the Organization for Security and Cooperation in Europe, it is agreed to allocate 20 thousand Euro first for conducting ecological researches and designing General Plan for projecting Free Economic Zone of ‘Sughd’ 20 and 6 thousand Euro for developing investment project for construction of top-priority premises of the region, and necessary papers for announcing tender among design institutes and consulting companies are prepared.

Through assistance of the mission of the Organization for Security and Cooperation in Europe (OSCE) to the Republic of Tajikistan, it was developed a Programme of actions of administrations in free economic zones of ‘Sughd’ and ‘Pyanj’ for 2010 – 2011 to much more ensure effective attraction of funding and investment towards implementation of measures of administrations, setting active partnership with international organizations and donor countries within the frame of their aid strategies to the Republic of Tajikistan, which comprises from 25 paragraphs.

Also, the Department for International Development of the United Kingdom provided 40 thousand US Dollars to support a joint project of Administration of free economic zone ‘Sughd’ and National Association of small and medium entrepreneurs of Tajikistan about connecting the administration to internet network through optic fiber and designing website for dissemination of information in line with international standard.

In general, from the beginning of establishing administration of free economic zone ‘Sughd’ 1.2253 thousand Somoni has been mobilized, which 16.8% or 206.9 thousand Somoni out of it allocated as a credit loan by the Government of the Republic of Tajikistan and 83.1% or 1.0184 thousand Somoni from the sources of programmes of international and assistance programmes.

*With respect to setting information and marketing centres for promoting trade*, it was adopted a resolution of the Government of the Republic of Tajikistan ‘About approval of the Agreement on cooperation with participating countries from CIS about establishment, utilization and promoting centres of inter-country marketing-information centres for movement of goods and services in national markets’ on 3 December 2010.

*For strengthening partnership in the sphere of rational exploitation of water and energy resources and carbonyride resources, resolving transit issues and transfer of electricity to countries of the region*, jointly with the People’s Republic of China large construction projects of PTL-500 (PTL-500) kWt ‘South – North’ (project costs 281.3 mln US Dollars) and PTL 220 kWt ‘Lolazor – Khatlon’ (project costs 58,1 mln US Dollars) were completed and a several other projects are ongoing.

*To increase transmission of electricity to countries of the region through construction of power transmission lines, it is implemented a project of 'Construction of PTL 220 kWt Tajikistan – Afghanistan' (till border of Afghanistan) in Tajik side by Asian Development Bank – 25.9 mln US Dollars, OPEC – 7.9 mln US Dollars, OJSHC 'Barqi Tojik' – 5 mln US Dollars. Additional electricity generated during summer period with the capacity of 300 mWt from the Republic of Tajikistan through present line transmitted to the Republic of Afghanistan. Since beginning of project implementation to 1 December 2010 – activities with the cost of 23.4 mln US Dollars were delivered.*

*In the sphere of improving relations within the frame of ECO for resolving issues of goods transit through territory of the Organization's member-states and simplification of trade registration, during 28-29 October 2010 it was held a meeting of five minister of transport of Tajikistan, Afghanistan, Iran, China and Kyrgyzstan in Dushanbe. The main purpose of the present meeting is to connect railways between above-mentioned countries. During the process of the meeting between Minister of Transport and Communication of the Republic of Tajikistan and a Company of 'Metro' Company of the Islamic Republic of Iran, it was signed an agreement on advisory services. In case of implementation of the present project, the volume of transportation of export, import and transit goods through railways transportation of the Republic of Tajikistan will increase.*

*With respect to completion of the process of integration to highways of Asia and improving transport corridors, the Republic of Tajikistan had signed an inter-governmental Agreement on net of highways of Asia in 2004. According to this agreement, 3 transport corridors of highways of Asia AN-7, AN-65 and An-66 cross the Republic of Tajikistan, where reconstruction, rehabilitation and construction works are going on at all of them for promoting transport corridors.*

At the same time, the Republic of Tajikistan is a member of international organizations, Central Asian Regional Economic Cooperation (CAREC), Transport corridor of Caucasus-Europe-Asia (TRACECA), Economic Cooperation Organization (ECO), North-South (Sever-Yug), CIS, Euroasian Economic Cooperation organization (EURASEC), each step of it separately possesses transport corridors.

*In order to improve mechanism for issuance of licenses and quotas for production, circulation and sale of alcoholic drinks, in 2010 the Ministry of Energy and Industry as a body for granting licenses to legal entities and individual entrepreneurs issued 642 licenses, the total amount of which is 883 570 Somoni. At the same time, the Government of the Republic of Tajikistan granted licenses to 7 legal entities during 2010 for exploitation of underground resources, which led to creation of new job opportunities and enriching the republic's budget.*

*In regards to improving mechanism for issuance of quotas for production, circulation and sale of alcoholic drinks, it is worth to note that for import and export of sub-excite goods are regulated on the base of requests of enterprises and entrepreneurs, who are entitled with permission of importing such kind of products and in compliance with the law of the Republic of Tajikistan, number 131 of 07.04.1999. Need to mention that issuance of quotas for buying ethyl alcohol – which used for production of strong drinks in the republic – is set to regulate production of goods and such procedure satisfies the modern requirement.*

*Regarding drafting proposals for improvement of tourist activity in the Republic of Tajikistan, with the purpose of sustainable development of tourism in the country, a resolution of the Government of the Republic of Tajikistan, Decree No. 2020 of 2 April 2009, 'Concept of promoting tourist sector in the republic of Tajikistan for 2009-2019' and 'On the state Programme for promoting tourism for the period of 2010-2014', Decree No. 299 of May 28, 2009 developed and approved. The main purpose of the present documents is to identify perspective, development, strategy, priorities,*

objectives and implementation mechanism for the public policy in regards to tourism sector in the mid-term, first establishment of effective mechanism of state regulation and supporting tourism, foundation of the marketing strategy for development and further promotion of the national tourist products in the local and foreign markets and high tourist image of the country, strengthening international cooperation and improving statistics.

*The issue of applying non-visa procedure for citizens of European Union and Japan, who come to Tajikistan as a tourist* is under consideration of the Committee on Youth Affairs, Sport and Tourism with the support of the Ministry of Foreign Affairs.

Need to note that, in accordance with the paragraph 1.2 of the actions plan of the state Programme for promoting tourism in the Republic of Tajikistan for the period of 2010-2014, as a result of fruitful partnership of the Committee on Youth Affairs, Sport and Tourism under the Government of the Republic of Tajikistan and the Ministry of Foreign Affairs agreed to decrease the single fee for tourist visa from \$100 to \$12, regardless of number of entries. It means by the present initiation of the country's Government, one more positive step undertaken for decreasing state price-list, which was negatively affecting to the competitiveness of the country's tourist products.

*With the aim of designing the propaganda and awareness programme on promotion of international tourism, including arrangement of television and radio programmes for foreign countries*, information was broadcast through programmes of TV on situation, opportunity, tourist resources of the country, challenges of the development of tourist sector in Tajikistan and progress of the sector. In such a way, cooperation set with groups of television's camera operators for raising awareness about districts' tourist sites and to increase awareness of the country's tourism at the international level, useful programmes and meetings held with foreign partners broadcast through national information Centre 'Khovar'. One of the evidence of what mentioned previously is a visit of a Senator of North Ireland's Parliament, a press conference on findings of the travel and perspective of mutually beneficial cooperation with North Ireland on tourism held, which attended by representatives of local and foreign mass media. In addition, during 2010 two groups of 15 journalists from countries of Europe, United States of America, Great Britain, Russia and other developed countries, whose job is to increase awareness and advocate tourist resources available in member-states of the World Tourist Organization, paid a visit to the Republic of Tajikistan. In order to introduce them with tourist opportunities of mountainous areas, the representatives of the Committee on Youth affairs, Sport and Tourism accompanied to Gorno-Badakhshan Autonomous Oblast and Zeravshan valley. As a result, international journalists are publishing interesting articles about abundant natural, historic and cultural resources of Tajikistan through global information channels.

*For dissemination of catalogues, brochures, banners, maps and other advertising and information products*, tourist maps 10 000 copies, notes on sightseeings of the country 10 000 copies, video film in DVD 200 copies and brochures have been prepared and disseminated free of charge among diplomatic representations of the country located overseas and diplomatic representations of other countries accredited in the republic. Moreover, it was designed a map of archeological and architectural monuments of the Republic of Tajikistan.

*Supporting domestic tourist companies to participate in international tourist exhibitions oversea by setting single stand of the republic*, in order to promote tourist opportunities of Tajikistan, responsible persons of tourism sphere had actively participated in international high-level events during 2010. Particularly, a participation of high-level delegation of country's tourism sector at international tourist Exhibition ITB-Berlin, 'Intermarket' and 'WTM-London' 2010 during 10-14 March 2010 was very important, which considered another step towards attracting attention of world community to the country's tourist opportunities. In this regard, during reporting period

responsible staff of the Committee on Youth Affairs, Sport and Tourism held several fruitful meetings with representatives of tourism sector of the Kingdom of Thailand, international tourist company of Japan and representatives of Economic Cooperation Organization (ECO).

One of the historical actions in this field is considered an organization and arranging an official visit of General Secretary of the World Tourist Organization of the United Nations, Mr. Taleb Rifay. Under the frame of his visit, an international-level political figure had meetings with the President of the Republic of Tajikistan, management of the Ministries of Foreign Affairs and Finance, Committee on Youth Affairs, Sport and Tourism, health related institutions and a number of international organizations accredited in the country. As a result, Mr. Taleb Rifay highly appreciated the relation of the political leadership of the country on plans for further promotion of tourism sector and brightly appraised the future of tourism in Tajikistan.

*To move forward investment projects on improving infrastructure for tourism*, taking into account the proposal of domestic investors the Committee on Youth Affairs, Sport and Tourism fully rehabilitated sanatorium of ‘Garm-Chashma’ of Gorno-Badakhshan Autonomous Oblast and negotiations for restoration of Khoja-Obi-Garm sanatorium also started.

*With respect to reinforcing mechanism for systematization and regulation of foreign labour migration, enliven political discussions to ensure protection of rights and interests of Tajik migrants in the territory of foreign countries*, the Migration Committee of MI of the Republic of Tajikistan drafted a ‘National Strategy of labour migration of citizens of the Republic of Tajikistan for the period of 2010-2015’ and actions plan, which are now under consideration.

Within the frame of implementation of an Agreement between Federal Government of Russia and Republic of Tajikistan about labour activity and protection of rights of citizens of the Republic of Tajikistan, the fifth meeting of the joint working group was held on 28-30 June 2010 in Sochi, Krasnodar, Russian Federation, where the reinforcement of mechanism for systematization and regulation of migration to ensure protection of rights and interests of Tajik migrants working in Russian Federation was considered, and accordingly, measures for social protection of labour migrants were discussed.

During the present meeting, the issues of protection of rights of labour migrants, opportunities for employing specialists of the Republic of Tajikistan in construction of olympic premises, proposals and suggestions on resolving problems for observance of rights and interests of citizens of the Republic of Tajikistan, organized involvement of republic’s citizens for labour activity in the territory of Russian Federation as well as doing public awareness campaigns by the Migration Service of the MI of the Republic of Tajikistan and Federal Migration Service of Russia about providing methodical, practical and technical assistance to vocation schools of the Republic of Tajikistan and other matters related to migration were resolved.

*By involvement of economic subjects, who possess license, in accordance with a joint agreement on providing of jobs to citizens of the Republic of Tajikistan oversea*, by the relevant units of the country’s Ministry of Interior, in total 37 economic subjects during 2010 granted with license of Migration Service of MI of the republic of Tajikistan to engage with jobs provision to the republic’s citizens oversea, 19536 citizens of the republic have been employed during 2010 oversea, 18661 out of whom are men and 875 are women.

**Implementation of above-mentioned measures in the sphere of Promoting regional cooperation and integration to the world economy ensured to yield below following results in 2010** – 8.5% (immediate) of increase in exports of fruits and vegetables; 10.2% (immediate) of increase in volume of inter-regional trade; increase in number of tourists, 160 thousand; 91 mln

Somoni (immediate) of increase in export of industrial goods. In order to resolve issues with establishment and starting operation of free economic zones in the territory of the Republic of Tajikistan, at present, 4 free economic zones are established.

### ***3.4.1. Challenges, ways to resolve them and expected results in the field of Promoting regional cooperation and integration to the global economy***

Based on measures:

#### *Challenges of the sector*

- Low level of the process of construction activities of PTL with the length of 159km, 583 base stations and substations in the territory of the Islamic Republic of Afghanistan;
- Untimely implementation by relevant ministries and committees of the country some drafts of resolutions and laws on making changes and amendments to the operational legislation of the Republic of Tajikistan, which are harmonized with internationally recognized standard-legal acts.

#### *Suggestions for overcoming challenges*

- Within the frame of joint inter-governmental Commission of Tajikistan and Afghanistan on economic and commercial collaboration, initiating process of accelerating the process of handing over power transmission line for 159 km, 583 high-tension base power stations and substation;
- Relevant ministries and committees of the country should undertake necessary measures for development and implementation of draft resolutions and laws on making changes and amendments to present legislation of the Republic of Tajikistan and harmonizing them with internationally recognized standard-legal acts.

#### *Expected results*

- Giving PTL of Tajikistan-Afghanistan, with 220 kWt capacity to exploitation ensured generation and export of electricity power during six months (April-September) with the amount of 1.3 bln kWt/hour using the tariff of 3.5 cents (USA);
- Aligned legislation of Tajikistan with international acts and standards, including agreements of World Trade Organization.

By indicators:

#### *Suggestions*

- Establishing free economic zones in the Republic of Tajikistan, in order to ensure enabling environment for reinforcing economic growth of the Republic of Tajikistan, including with the aims of attracting domestic and foreign investments, promoting production of consumption goods and services, increasing export of goods and resolving other socio-economic objectives;
- Initiating production of cotton thread, ready cotton fabric, ready sewing products at the LLC 'Tajik Textile', products of cotton socks at the OJSC 'Nafisa', ready sewing products at the CJSC 'Guliston' and LLC 'Yoqut', ready carpet products at the LLC 'Kolinhoi Sughd', primary processed skin of wet-blue at LLC 'Pomir-Charm' for exporting to other countries.

#### *Expected results*

- Free economic zone established to provide job opportunities to general population, steady economic growth on the basis of innovative technology, applying best practices of advanced economies, integration and complex utilization of public, commercial and foreign investment, verification of new methods of management, introducing invention and scientific-technical processing in the economy and provide conditions for using of them;
- Increased growth of export goods 2-3 times and meeting international standards.

#### **4. PRODUCTION BLOCK – ENSURING SUSTAINABLE ECONOMIC GROWTH**

Production block reflects a sustainable economic growth and covers the matters of ensuring food security and promoting agricultural sector as well as improving infrastructure, energy and industry.

##### ***4.1. Ensuring food security and promoting agricultural sector***

Ensuring food security and promoting agricultural sector are among the most important sectors the national economy and firm food security of the country heavily depend on development of this sector. Promoting agricultural sector conduces to firm and proportionate provision of food for country's population by regular increase and sustainable production of agricultural products, increment of income level and providing employment opportunities to population as well as conservation of natural resources, which is crucial for expansion of reproduction.

The sphere of food security and promoting agrarian sector includes important sectors, such as agriculture, water and land resources and food. The main purpose of PRS in this regard consists of increasing gross agricultural products and increasing the efficiency of labour productivity, in its turn, it supports to achieve PRS goals and generally reduction of poverty, particularly in rural areas.

Bearing in mind the goals and priorities of PRS in the field of ensuring food security and promoting agricultural sector below following actions have been undertaken.

*With respect to implementation of the resolution of the Government of the Republic of Tajikistan number 72 of February 2, 2009 'On programme of food security in the Republic of Tajikistan for the period to 2015', a Report on progress of implementation of the Programme of food security in the Republic of Tajikistan for the period to 2015 has been prepared in 2009, and accordingly submitted to the Government of the Republic of Tajikistan. Based on monitoring of the Programme of food security in the Republic of Tajikistan for the period to 2015 and with the aim of improving follow up actions in implementation of priority actions and improving food security situation, as a whole, more than 14 useful recommendations and suggestions have been provided to corresponding ministries and committees in 2010. In such a way, the present report analyses, evaluates the situation of food security in the view of availability, accessibility and consumption of food in the country, and provides thorough information about the progress of implementation of the Programme during last year.*

*Regarding implementation of the project of 'Rural development', which is funded by the Government of the Republic of Tajikistan and Asian Development Bank, with the total cost 102.520 mln Somoni (equivalent to 23.3 mln US Dollars) and implemented for the period of seven years in five pilot regions (Rudaki, Varzob, Faizobod districts and Vahdat, Roghun towns), international experts and project management Unit are jointly developing a concept for promoting livestock breeding and improving conditions of pastures in selected pilot areas. One of the important and superior directions of project implementation – considered a development of infrastructure of the territory and within the frame of this component, rural population develops sub-projects.*

*With regards to supporting entrepreneurship in rural areas and agricultural training, activities are going on for opening four Centres of information and advisory and market information, since beginning of the project to date totally 2 626 000 US Dollars have been delivered, which comprises 11.3% out of total project cost.*

*In the field of improving the quality of veterinarian, breeding and seed-growing services, a number of important actions have been accomplished by involving private sector. In particular, with the*

purpose of improving the quality of veterinarian services in the republic, 108 private veterinarian clinics were established, including 4 in GBAO, 33 in Sughd, 47 in Khatlon and 23 in RRS. As a result of taking anti-epizootic steps during reporting period to prevent infectious livestock diseases, there have been taken 26.7 mln diagnostic and preventive actions, which is 6 mln more than previous years. At the same time, for supplying anti-epizootic materials, diagnostics and prevention of dangerous infectious diseases of cattles free of charge during 2010, anti-epizootic materials purchased with the total cost of 1 895 250 Somoni and further distributed to regions, cities and districts of the republic engaged with epizootic situation of their respective territory.

For promoting seed-growing sector, for which 6 mln Somoni was allocated from the republic's budget, 2 100 metric tons of various sorts of seed potato purchased from Russian Federation, distributed to Khatlon region – 303.1 tons, Sughd region – 466.8 tons, GBAO – 112.1 tons and RRS – 466.8 tons.

*With regards to livestock breeding*, according to the resolution of the Government of the Republic of Tajikistan number 501 of October 1, 2007, 200 thousand Somoni allocated in 2010.

One of the best ways to improve breed of livestock and on this basis increase its productivity is an artificial insemination, at present, 242 points for artificial insemination for cattle, including 85 points in public sector and 157 points in private sector are operational. According to the immediate information of republican Institution for making pedigree and artificial insemination of livestock, 135 593 cattles were inseminated in 2010 at these points, 6 839 of which belong to private sector. The number of artificially inseminated domestic livestock is 1568 more than year-earlier period. So far, 9 150 calves yielded, which is an increase of 2 045 in compare with the year-earlier period.

*In the field of prevention and fighting against agricultural plant pests* and locust, observations over 275 200 hectare of land have been conducted in 2010, it was discovered that locust spawned at 108 000 hectare of land. Out of 105 080 hectare of land occupied by locusts, 81 724 hectare processed and by such kind of intervention, agricultural products are saved from pests of agricultural plants.

In addition, for further improvement of agricultural sector, by resolutions of the Republic of Tajikistan number 625 of December 03, 2010 and number 573 of October 30, 2010, 'Programme to fight against pests and diseases of gardens and vineyards for the period of 2011-2015' and 'Programme to fight against locust in the Republic of Tajikistan for the period of 2011-2015' have been adopted and they are under implementation.

*With respect to promoting poultry farming*, it is important to note that there are 23 poultry farming factories operating across the country, in accordance with the reports of SUE 'Sanoati Parrandaparvarii Tojikistan', 1 478 810 thousand of poultries farmed by the end of 2010 and 123.499 mln eggs produced. In comparison with the year-earlier period, the number of poultries rose by 530 871 and production of eggs rose by 32 510.7 thousand.

It is worth to highlight that an incubatory shop built and handed over for using in Vanj district, where the first generation of chickens and turkey produced. Accordingly, similar incubatory shops in Khorog and Danghara district have started their operation. There were totally 350 336 chickens and poultries sold, an increase of 104 728 compared with the year-earlier period.

*In order to promote fish-breeding*, in compliance with the Programme of promoting fish-breeding in the Republic of Tajikistan for the period of 2009-2015 adopted by the resolution of the Government of the Republic of Tajikistan number 306 of July 2, 2008, for which 300 thousand Somoni was allocated from the state budget in 2010. It was transferred 170 thousand Somoni out of

this amount to OJSC ‘Sughd-Mohee’, Kayrakum city. In such a way, in concurrence with the Agency for public procurement of goods, works and services and at the expense of the Programme, 22 500 small trout fish amounted 100 thousand Somoni has been purchased from LLC ‘Farel’ of Vahdat city and the whole amount of the mentioned small fish distributed to fish-breeding farms.

At present, there are 8 large fish-breeding farms and 85 dehkan fish-breeding farms operating in the republic. Statistics information reports a fishing of 677,9 tonnes fish by republic’s fish-breeding farms in 2010, including production by farms of Khatlon region – 459 tons, Sughd region – 138 tons, GBAO – 50,5 tons, Vahdat – 29,2 tons and Shahrinav – 1,2 tons.

*For promoting beekeeping sector*, 300 thousand Somoni was allocated in 2010 and 425 families of bees have been established with necessary facilities. Based on requests received from local public bodies of the government, 140 families to GBAO, 30 families to Sughd, 180 families to Khatlon, 70 families to the regions of republican subordination and 5 families to Dushanbe city were provided.

In order to retrain employees, a retraining course conducted with the financial support of the UN International Food and Agricultural Development organization, among participants were 53 beekeepers, to whom certificate has been granted.

According to the immediate reports of SUE of beekeeping ‘Asali Tojikiston’, there are totally 156 families of bees in all forms of the farming of the republic, which produced 3 thousand tones of honey, an increase of 16 thousand families of bees and 300 tonnes of honey compared with the year-earlier period.

*To promote yak-breeding sector*, 200 thousand Somoni allocated for the current year and 120 thoroughbred yaks were purchased from livestock breeding farm ‘Bulunkul’ of Murghob district. Out of this total number, 70 yaks have been distributed to the State unitary enterprise of livestock breeding of Jirgatal district, 20 yaks to Farm ‘Revomutk’ of Kuhistoni Mastchoh district, 15 yaks to Farm ‘Sulh’ of Roshtkala district and 15 yaks to Farm ‘Sarez’ of Rushon district. According to the immediate reports, there are 21 578 yaks at the republic by the end of 2010, which is 2 023 more than in 2009.

*In the field of promoting horse breeding*, by resolution of the Government of the Republic of Tajikistan number 662 of December 31, 2008 ‘About the Programme for promoting horse breeding sector in the Republic of Tajikistan for the period of 2009-2016’ 250 thousand Somoni from state budget has been allocated in 2010. Using this fund, 57 thoroughbred horses were purchased from livestock breeding dehkan farm ‘Horse breeding’ of Rudaki district and handed over to SUE ‘Horse breeding’. Moreover, 15 thousand Somoni allocated for publication of a book on Tajik breed horse.

*With regards to improvement of pastures in the republic*, in line with the Programme for improving conditions and effective utilization of pastures in the Republic of Tajikistan for the period of 2009-2015 – which is adopted by the resolution of the Government of the Republic of Tajikistan number 481 of October 1, 2008 – 200 thousand Somoni from state budget allocated in 2010 for implementation of the Programme. To date, 30 thousand Somoni out of this resource spent for improving pastures’ in GBAO, where conditions of more than 64 hectare of pasture improved. Similarly, it was allotted 40 thousand Somoni towards improvement of pastures in Sughd region and 130 thousand Somoni for pastures of Khatlon region, where ploughing up of lands is currently going on and accordingly sowing of seeds of natural grass will take place straight after precipitations stop.

*In regards to implementation of the Programme for promoting seed-growing* in the Republic of Tajikistan, during 2010 in order to improve activities of seed-growing farms and ensuring state

support in seed-growing sector, a draft resolution of the Government of the Republic of Tajikistan ‘On making changes to the resolution of the Government of the Republic of Tajikistan number 413 of July 28, 2009’ developed and proposed to the Government of the Republic of Tajikistan, which is approved on 30 March 2010 by the resolution of the Government of the Republic of Tajikistan number 170.

In cooperation with the Swedish International Development Agency, under the frame of the project of ‘Support to the process of seed-growing in the Republic of Tajikistan’, a number of remarkable actions implemented as a support in breeding and seed-growing sectors amounted to 15 mln Somoni. In particular, a building of State inspection for seed control, Research centre for piloting seeds in the centre of republic and research centres in Sughd and Khatlon rehabilitated, and they are provided with modern laboratory equipment. In such a way, towards implementation of breeding programmes, modern machines and technologies were provided to the Institute of farming under the AAST, Branch of institute of farming in Sughd region, production Cooperative of L.Murodov of Gissar district, farm ‘Chilgazi’ of Isfara district, stations for testing sorts in Qubodiyon, B.Ghafurov, Muminobod districts and Tursun-zade city, State inspection of seeds.

*Cotton-growing industry in the republic remains as a dominant sector of the country’s agriculture, plays an important role in forming economy and national economy of Tajikistan. In 2010, 162389 hectare of land was sown with cotton-seed, which comprises 88.5% of perspective and 8020 hectares less than previous year. In fact, due to the adverse weather conditions of the last year and continuous precipitations, sowing the cotton was conducted in 53 977 hectare (98.1%) of Sughd region, 100598 hectare (82.7%) of Khatlon region and 7812 hectare (115.5%) of regions of republican subordination. The second sowing of cotton was in 7 891 hectare of land in the country, of which 1445 hectare belongs to Sughd region, 6 152 hectare to Khatlon region and 297 hectare to regions of republican subordination. Nevertheless, the country’s cotton-growers gathered 309 553 tons of cotton in 2010, which is 103 percent of perspective, an increase of 13 538 tons compared with the year earlier. Per hectare productivity makes up 19.1 centners, which is 1.3 centner more than previous year. Out of total collected harvest, 92 128 tons belong to Sughd region, 201 154 tons to Khatlon region and 16 271 tons to regions of republican subordination.*

*Within the frame of implementation of Asian Development Bank projects ‘Sustainable development of cotton-growing sector’, World Bank projects of ‘Urgent project of ensuring food security and import of seeds’ and project ‘For fighting and stabilizing persistent organic polluting pesticides and management of their conservation sites’, concrete activities have been being implemented.*

Under the frame of the project of ‘Sustainable development of cotton-growing sector’ as of January 1, 2011, totally 2 896 thousand US Dollars of funds have been delivered, which is 18.9% out of total project cost.

At the same time, implementation of the project of ‘Reestablishment of cotton-growing sector’ consists from 3 parts and the total project cost is 66.3 mln Somoni (equivalent to 15 mln US Dollars). The main goal of the present project is to improve living standard of rural population and provide conditions for sustainable development of cotton-growing sector in pilot districts (Bokhtar, Vakhsh, Qumsangir, Qabadiyan, Shahrituz, Vose and Farkhor) through resolution of credits, increasing the volume of cotton production and increasing productivity of cotton production. Since beginning of project implementation to January 1, 2011, totally US\$ 6 799 thousand of resources have been delivered, which is 45.3% out of total project cost.

*In the sphere of reconstruction of water supply and drainage systems, developing new lands and support to establishment of WUAs, in order to effectively manage water resources in the republic, an agreement has been signed in 2010 between Public bodies dealing water resources of the*

Ministry of land reclamation and water resources of the Republic of Tajikistan and 10 525 farms for provision of irrigation services in 518 684 hectare of land, where upon request 3.96 bln m<sup>3</sup> of water amounted to 79 756.3 thousand Somoni was provided.

In order to implement a plan of basic construction, 8282.04 thousand Somoni was allotted in 2010 from central state budget, eventually, to date the annual plan has been fully implemented. With the aim of promoting agroindustrial complex, subject to implementation of planned actions, 933 he of new lands developed, as of 31 December 2010 – 533 he of it accepted by the state Commission. Land-reclamation and water supply activities accomplished, respectively in 270 he and 670 he of land, in addition, shore protection actions have been taken in line with plan.

In relation to implementation of the Law of the Republic of Tajikistan ‘On Water user associations’ number 387 of November 8, 2006, a number of established associations at the country level reached 219, which serves for 210 thousand hectare of land. Particularly, 82 WUAs have been established in Sughd region serving 72.7 thousand hectare of agricultural lands. As for Khatlon region, 92 WUAs established to provide services to 123.5 thousand hectare of lands. The number of established WUAs in the regions of republican subordination made up 34, which serves the land territory of 11.4 thousand hectare of land and 10 WUAs established in GBAO to provide services for 1.5 thousand hectare of land.

*In the field of reconstruction of water supply systems*, for reconstruction activities of irrigation sites, relevant contracts signed with companies in Vahdat, Asht, Pyanj, Farkhor and Rushon districts, where reconstruction and rehabilitation activities fully completed and they are given for exploitation. The total cost of completed works amounted to \$1 072 085.70 for Vahdat district, \$7 645 905.44 for Asht district, \$3 224 478.34 for Pyanj district, \$3812545.09 for Farkhor and \$714 865.37 for Rushon districts. Implementation of projects resulted to creation of temporary employment opportunities in sites for specialists and local workers.

*In regards to irrigation of lands of Danghara valley (stage 2)*, 1 830 hectare of new lands were irrigated, which is planned for horticulture – 360 hectare, growing of cotton – 850 hectare, cereals – 360 hectare, vegetables – 160 hectare and fodder – 100 hectare. There are employed 201 workers in construction sites, including engineers, concretors, machine-operators and drivers, 21 of whom are foreign experts.

*For management of water resources of Fergana Valley*, according to the signed agreements with the company ‘BETS’ (Bangladesh) jointly with the LLC ‘Interproject’ (Tajikistan), all designing works for reconstruction of irrigation and drainage systems and dams of the shores of Qayraqum basin were finished. Within the first project component, 30 contracts signed to complete activities and activities in 23 sites have completed, which the cost of completed works amounted to 19.2 mln Somoni or 94.3%. On the whole, for implementing the first project component, 8.48 mln US Dollars allocated, of which 7.22 mln US Dollars or 84.7% percent was delivered by the end of 2010, which makes up 99.9 percent of scheduled plan. In order to implement the second project component, 3.40 mln US Dollars allotted, and the delivery status is 2.80 mln US Dollars or 82.4% by the end of 2010, which makes up 92.1 percent of scheduled plan. Similarly, to protect dams of costs in Qayraqum basin 6 contracts were signed and activities under 4 contracts are completed, where the amount of completed works made up 5.8 mln Somoni or 93.6%. To date, out of 5.1 km of planned dams, 5.0 km dams of cost in Kayrakum basin have been rehabilitated.

*Within the framework of the project of flood risk management in Khatlon district*, the signed contracts for construction of dams and weirs for stopping water in first and second stages amounted 36.39 mln Somoni, the total length of the dams to be constructed in the first stage is 1 940 metre and in the second stage 3 550 metres, which sums up to 5 490 metres. In addition, 10 weirs for

stopping water constructed and completed activities on construction works of first stage finished and given for exploitation. Preliminary accepting of constructed sites of second stage finished and the work of commission for final accepting is in the process of completion. As of December 1, 2010, the total cost of completed works in the first and second stages was TJS 35 777 086.10 (US\$ 9 851 738.00).

Moreover, according to the request of the Government of the Republic of Tajikistan for immediate coast-protection operations in affected dam areas of Pyanj River, a national tender was conducted and as a result, contracts with the amount of 1363632.24 US Dollars signed with winner companies, eventually, construction and assembling activities are started.

By the end of 2010, the amount of delivered funds at these sites was 1103552.10 US Dollars, which makes up a 80.93% out of total construction works.

With respect to implementation of the second component of the project of ‘Technical conditions of water-gauge constructions and meteorology’, by obtaining agreement of Asian Development Bank there were signed 3 contracts totaling 285 159 US Dollars. Hitherto, in accordance with a contract, reconstruction works at meteorological sites fully finalized, where 96 610 US Dollars spent. Within the framework of 2 other contracts for ‘Rehabilitation of water-gauge sites’, reconstruction activities in water-gauge observation posts started, the cost of completed works made up 123 823.00 US Dollars.

At the same time, the Asian Development Bank within the funds of emergency situations in line with contracts, accomplished rehabilitation of dams and weirs in Vose district, in the territory of house-building company of Kulyab city, accordingly, sites have been handed over to users. The total amount of spent funds was 227282.23 US Dollars.

*In relation to making changes to the legislation for simplification of registration procedure*, the task of improving rights for land use and promoting transparency, by resolution of the Chairman of the Committee of Land and Geodesy of the Republic of Tajikistan number 20 of May 3, 2010 ‘For awarding certificate of land use right in time and under agreed timeframe’, delegated to the land committees of GBAO, Sughd and Khatlon regions.

*Developing and identifying single mechanism for registration of land use rights*, during 2010 with the aim of implementation of the Law of the Republic of Tajikistan ‘On state legalization of real estate and rights to them’, specialists of enterprises in pilot districts of Tursunzade and Gissar by investigation of all objects of real estate in selected jamoats (sub-districts) together with experts implemented the project of Lanmateriet of Sweden by applying modern devices and at present, operational activities on systemic legalization of real estate are ongoing.

*With the purpose of finishing reestablishment and reform of farms*, in line with requirements of the Decree of the President of the Republic of Tajikistan number 1775 of June 30, 2006 ‘On supplementary measures for reestablishment and reform of agricultural institutions’, reestablishment and reform of dehkan (peasant) farms, which excluded from the network of seed-growing farms by the resolution of the Government of the Republic of Tajikistan number 170 of March 30, 2010 ‘On making changes to the resolution of the Government of the Republic of Tajikistan number 413 of August 28, 2009’, have been under reestablishment and reform.

*In the field of conducting research of soil and land assessment and preparing recommendations based on single standard for land tax*, an implementation of the Law of the Republic of Tajikistan ‘On making changes to the average rates of land tax and single tax standards for producers of agricultural products for 2010’ was developed, which was approved by resolution of the

Government of the Republic of Tajikistan number 282 of May 29, 2010. Moreover, wide research activities on soil and salinization were fully accomplished in Jilikul district during 2010, accordingly such kind of actions are going on in Yovon, Pyanj and Shahrituz districts of Khatlon region. Research geobotanical works are continuing in Jirgatol and Tursunzade districts and assessment activities are taking place in Istaravshan city.

*In regards to regular monitoring of adherence to equal rights and guarantees to land use rights*, with the aim of implementing requirements of World Bank mission to the Republic of Tajikistan on promoting land reform, within the frame of ‘Grant Programme for taking political actions for development (ИГРМНП) 4-6’ analytical activities implemented in several cities and districts of the country. Particularly, in accordance with its requirements, it was conducted monitoring over: number of stakeholders of reformed farms, number of individual dehkan farms, number of dehkan farms, which has 2 to 5 and 6 to 25 stakeholders, total number of female-headed dehkan farms, and according to the set procedure findings were forwarded to stakeholders.

*Drafting recommendations for ensuring rational use of agricultural lands*, by imposing punishment due to irrational use of land, during reporting year 9224 cases of violations of land legislation reported, for which instructions imposed over 8289 cases, protocols over 5 422 cases and fine charges over 5411 cases, the total amount of fines summed up TJS 1 880 172, of which TJS 1 262 730 transferred to the bank accounts of land committees of cities and districts. To take measures, 921 evidences forwarded to prosecution offices of cities and regions for legal treatment, 1 387 evidences sent out to courts for forced imposition of fines and it was removed 4 722 cases of violation of land legislation in 23 004.9 hectare.

*Planting trees and bushes, use of crop rotation* and so on towards improving the quality of soil, reducing erosion and desertification, new gardens and vineyards in 17.8 thousand hectare of land planted during last 5 years, including 15 thousand hectare in irrigated areas. In addition, during this period it was planted bushes in 2.5 thousand hectare to prevent desertification in the country.

***Implementation of afore-mentioned actions in relation to Ensuring food security and promoting agricultural sector provided an opportunity to achieve below following indicators***, gross agricultural products increased in 6.8% and made up TSJ 9391 mln (with current prices) at all categories of farming, of which 6617,5 mln Somoni belongs to plant growing and TSJ 2773.9 mln to livestock breeding; labour productivity in agricultural sector increased to 1.2 percent; land-reclamation conditions of 11 780 hectare of land improved, an increase of 1 769 he or 18% against plan. The overall level of salinization of agricultural lands and overall area of swampy lands reduced, respectively, by 97.0% and 98.0%.

#### ***4.1.1. Challenges, ways to overcome them and expected results in the field of Providing food security and promoting agricultural sector.***

Based on actions:

Challenges of the sector:

- low harvest of seed-growing and livestock breeding farms, high rate of disease and fatality of livestock and poultries;
- insufficiently developed service providing structures, not resolving funding issues for ownerless transport and irrigation systems;
- low level of productivity of cotton and inefficiency of cotton-cleaning, extremely inefficient investments and sale of cotton;

- microelements and vitamins are not accessible to vulnerable group of population;
- lack of single mechanism for registration of land use rights.

*Suggestions to overcome challenges:*

- to take actions for ensuring epizootic welfare, efficiency of sanitarian and phytosanitarian inspection;
- rehabilitation of irrigation systems and use of new lands, renewal water supply sources, restoration and development of ownerless transport objects and social infrastructure;
- introducing transparent methods for giving credit and enhancing competition among transfers of factors of economy, improve competition among cotton-cleaning enterprises;
- develop and propose temporary national physiological standards in regards to foodstuff and energy;
- to make changes in legislation on land issues towards simplification of registration procedure, strengthening land use rights and promoting transparency in shifting to the single window registration.

*Expected results:*

- development of livestock-breeding sector;
- rise up production of agricultural products and exporting it to foreign countries;
- sustainable development of cotton-growing, increasing crop capacity, ensure productivity and profitability of the sector;
- to ensure population health;
- to eliminate administrative barriers in construction activity and dehkan farms, procedure for single-stage adoption of relevant resolutions issued by chairmen of cities and districts and improving entrepreneurship environment.

Based on indicators:

*Suggestions*

- in order to increase agricultural products and complex products of agricultural sector, to provide seeds and agricultural machines to dehkan farms, to improve irrigation systems and to support entrepreneurship in rural areas.

*Expected results*

- complex products of agricultural sector increased;
- iexport of agricultural commodities increased;
- agricultural infrastructure developed.

#### **4.2. Development of infrastructure, energy and industry**

Promoting dominant sectors of economy, which is infrastructure, energy and industry, helps to ensure economic development and by partnership of the state with private sector and development partners in the sphere of attracting investment, it enables to underpin sustainable basis for poverty reduction. In this process, the goals of the Government of the republic, which are leading the country out of the communications dead-end and energy independence are implemented constantly and frequently.

**4.2.1. Development of infrastructure (transport and communications).** The present sector covers a number of important issues, such as private and public investment, especially for roads, road transport and civil aviation; promoting joint public-private investment towards creating reliable

regulative basis; completing reconstruction and revamping main regional transit roads and networks; improving local road conditions and maintenance of rural roads; undertaking measures for eliminating barriers in transport and foreign trade.

Taking into account the goals and priorities of PRS for development of infrastructure, below following actions have been taken during 2010.

*Implementing the project of construction of Dushanbe-Danghara highway*, and revamping Dushanbe – Kulma highway considered very important in socio-economic development of the republic, which connects the south of Khatlon Region with Gorno-Badakhshan Autonomous Oblast and further with main highway of Karokorum of People’s Republic of China. In general, the overall cost of the first stage of this project is 51 mln 578 thousand US Dollars, of which \$49.0 mln belongs to Import and Export Bank of the People’s Republic of China and \$2.5 mln is a contribution of the Government of the Republic of Tajikistan. To date, \$34,1 mln has been paid by the Import and Export Bank of the People’s Republic of China and the Government of the Republic of Tajikistan, \$31,2 mln and \$2,6 mln, respectively.

The volume of construction and rehabilitation activities in this project makes up \$18,2 mln by the end of 2010. In order to implement restoration operations at all sites of road, 293 different road building machines and equipment employed by principle contractor, in addition, 737 specialists and workers involved, 309 of whom are citizens of Tajikistan.

*In regards to rehabilitation of highway rehabilitation of ‘Kurganteppa – Dusti’ highway*, planned actions are implemented in compliance with schedule of construction activities, implementation progress towards the end of 2010 made up 53.0% out of total. At present, 237 workers, including 147 of local citizens and 88 items of devices, equipment and machineries employed at this site.

*Regarding implementation of the project of construction Kulob – Kalaikhumb highway*, after accomplishment of activities related to development of technical and economic substantiation and thorough engineering designing of present project, which is funded by the Economic Development of Arab of Kuwait Fund (300,0 thousand Kumaiti dinar), investing Banks agreed to fund the project in Shurobod – Shohon (40 km) territory and accordingly, a Credit Agreement signed with the cost of US\$ 85.0 mln.

*Revamping highway of Dushanbe – Kyrgyz border*, the total cost (stage 3) of the mentioned project amounts to \$76.5 mln, including \$40.9 mln of credit by Asian Development Bank, \$12.5 mln of grant by Asian Development Bank, \$23.1 mln of contribution by the Government of the Republic of Tajikistan, of which \$30681.86 thousand was delivered by the end of reporting year.

*In relation to technical and economic substantiation of the project of ‘Dushanbe – Tursunzade’ highway*, within the frame of technical assistance of Asian Development Bank, a draft project for improvement of conditions in regional road of Dushanbe – Tursunzade – border of Uzbekistan was developed. Generally, the present project covers rehabilitation of 61.5 km road in the route of Dushanbe – Tursunzade – border of Uzbekistan. In accordance with the preliminary calculation, the total project cost is \$186.0 mln, including the grant by Asian Development Bank – \$120 mln, contribution by the Government of RT - \$39 mln; credit by European Bank for Reconstruction and Development - \$27 mln.

*In such a way, to implement the project of ‘Building the highway of Shohon – Zighar’*, stage 3, the total cost of which makes up \$20.290 mln, it was signed a Memorandum of Understanding between the Government of the Republic of Tajikistan and Islamic Development Bank. In addition to that, a contract for implementing construction activities was signed between construction owner and principle contractor, and topographic activities started in the third stage of ‘Building the

highway of Shohon – Zighar’. The principle contractor, ‘Sobir’ – a company of the Islamic Republic of Iran purchased road building devices and machines, and started construction works.

*With respect to implementation of the ‘project for revamping Dusti-Pyanji poyon’ of stage 2 with the total cost of 1 324 mln Japanese yen, approximately US\$ 13.5, funded by the Embassy of Japan in the Republic of Tajikistan in accordance with the Grant Agreement (grant) and Memorandum of Understanding with the Ministry of Foreign Affairs of the Republic of Tajikistan. Need to note that the length of revamping Dusti – Panji Poyon motor way is 15.36 km, and all main scheduled works in the site completed in 2010 and the site was accepted by the working commission for using starting from November 2010.*

*With the purpose of pushing ahead the project of construction of new railway line of Dushanbe – Kurganteppa, since beginning of construction SUE ‘Rohi ohani Tojikiston’ using its own investments spent 47 mln 753 thousand Somoni in construction activities in the site of Vahdat – Yovon. Currently, the project employs 43 mechanisms and construction machines, and 102 workers for implementation of construction activities of the project, it is continuing in line with the project of SUE ‘Research, design and search institute’ of the Ministry of Transport and Communication.*

*In relation to implementation of the project of construction of international terminal at the airport of Dushanbe city, construction works started by Tajik specialists, and specialists of French companies ‘Sofema’ and ‘Alfa airport’ will be working together with Tajik colleagues starting from early 2011. With the capacity of 500 passenger/hour, this site meets international standards and requirements, therefore, it is a right time to implement this project.*

*In order to promote investment projects on major repairs of 142 km of railway and installing 135 km of communication lines, stage 1 (FDI), revamping of railway lines in Dushanbe, Kurganteppa and Suhd areas is initiated by Rohi ohani Tojikistan. Specifically, 1km in the interval of Rohati – Vahdat, 1 km in the interval of Kurganteppa – J.Rumi and 13 km of paired roads in the interval of Spitamen – J.Rasulov have been rehabilitated. Currently, rehabilitation of road in the interval of frontier to Hoshadi station is underway. Cooperation with Tcell Company is continuing in regards to installation of 135 km of communication lines and reconstructing of communication lines of railway.*

*In the field of implementing investment projects on increasing fleet of freight cars (600 items) (FDI), in order to better develop level and quality of services, Tajikistan Railway (Rohi Ohani Tojikiston) developed a number of investment projects, one of which is procurement of new freight cars. It is worth to mention that SUE ‘Rohi Ohani Tojikiston’ during last three years acquired 437 new freight cars from its own resources.*

*The project of maintenance of rural roads, the total cost of which makes up 2 369 900 USD, including grant – US\$ 2 000 000, contribution by the Government of the Republic of Tajikistan – US\$ 245 600 and contributions by jamoats – US\$ 124 300, to date, building activities in project sites were completed. Preliminary accepting of site took place and is currently under guarantee period. At the moment, eliminating the defects and shortcomings continues, delivery of funds in the first half of 2010 made up US\$ 2119.34. Under the frame of this project, 14 km of locally important motor ways revamped, 1 bridge of length 226.8 metre built in Yangholiq village of Rasht district and handed over for use.*

*In the sphere of expanding the scope of electricity connection, implementing an investment project of ‘Shabakai nakliyyotii telekommunikatsiya’ (Transport Network of Communications) (stage 3) in south across Qumsangir district and Panji Poyon (Qaradum), by using STM-4 equipment a cotton-*

fibrous transport line was connected with the cotton-fibrous transport line of the Islamic Republic of Afghanistan, which is very important for the Republic of Tajikistan and OJSC 'Tojiktelecom'.

In the north part of the country, a connection of cotton-fibrous line in the border of Isfara district of Sughd Region connected with the transport cotton-fibrous line of the Republic of Kyrgyzstan, which can be in future as an alternative direction for connection to the TAE (Trans-Asian European main line) for direction between Tajikistan and Uzbekistan.

Construction of cotton-fibrous transport lines completed in direction of Vahdat – Norak – 47km, Baljuvon – Khovaling -48km as well as in directions of Dushanbe – Vahdat – Faizobod – Obi Garm – Roghun – Nurobod – Darband, Tavildara – Darvoz, Khorog – Rushon. It is going construction activities of cotton-fibrous lines in the sectors of Darband – Tavildara, Darvoz – Vanj – Rushon, Khorog – Murghob, Khorog – Roshtkala, Khorog – Ishkoshim, Darband – Rasht – Tojikobod – Jirgatal. Connecting cotton-fibrous transport lines with the People's Republic of China in the territory of Badakhshan Region and district's centres is currently continuing, at present, 443 km of cotton-fibrous silk hung out.

*For renewal of intra-country radio-relay links*, at present, it is connected a cotton-fibrous line in sectors of Dushanbe – Kulma (Dushanbe – vahdat – Faizobod – Nurobod – Tavildara – Darvoz – Vanj – Rushon – Khorog – Jelondi – Murhob and Kulma) with the distance of 946.2 km and in sectors of Dushanbe – Khujand (Varzob – Ayni - Shahrison) with the distance of 222 km, and handed over for use. Because of this, renewal of intra-country radio-relay links appears to be seasonal and by employing STM-1 equipment the sectors of Dushanbe – Khujand, Dushanbe – Kulob, Dushanbe – Danghara connected and shifted into the digital technology. Restoration of radio-relay links at the country is going on using financial sources of OJSC 'Tojiktelecom'.

**Implementation of the above-mentioned activities on development of infrastructure (transport and communication) enabled achievement of the following results in 2010:** all means of transport - cargo 908.0 thousand metric tons and passengers 424.9 thousand; length of the motor roads with satisfactory quality 1297.9 km with most of the part meeting international requirements; internal and foreign investments attracted for implementation of transport related initiatives US\$ 627.2 million; length of new sections (rehabilitated) of motor roads put into operation 716.5 km of republican significance and 581.4 km of local significance; increase in communication services delivered to population, including private operators, 34.5%; number of internet users 954 569; increase in the capacity of digital telephone stations 4670 numbers and size of all (analog and digital) stations installed 291 695; proportion of telephone networks repaired 95.8%.

**4.2.2. Development of energy and industry.** *Development of energy sector.* Current state of the energy and industry sector of the Republic of Tajikistan is regularly reviewed by the Government of the Republic of Tajikistan. It is also subject to analysis and evaluation by the relevant international institutions. In the course of implementing strategic documents, significant activities were undertaken pertaining to attracting investments and implementation of large-scale energy projects and construction of large industrial plants. As a result of implementing projects on energy sector, volume and quality of services delivered to other production sectors, which had to work partly due to lack of electricity, had improved. It also promoted improvement in population's access to electricity supply.

The following actions had been undertaken in 2010 to achieve the above-mentioned objectives.

*With a view of identifying directions and development phases for the power industry* and based on that ensure energy independence, "OSHC 'Barqi Tojik' Development Concept Outlook for 2009-2020" was prepared. The document includes action plan on construction and rehabilitation of

electricity power stations for 2011-2016, construction of power lines and high-voltage substations, as well as outlook for development of power industry capacities for 2016-2020.

Furthermore, based on the Resolution 212 of the Government of the Republic of Tajikistan of May 3, 2010 “On timely preparation of socio-economic sectors of the country for uninterrupted and effective operation during autumn-winter of 2010-2011”, there were activities plans for preparation to autumn-winter of 2010-2011 prepared and approved by the subordinate to OSHC “Barqi Tojik” agencies. To date, out of total 404 activities planned, 385 are completed. This includes, as of the beginning of December 2010: providing OSHC “Barqi Tojik” agencies with necessary items equal to TJS 160 million; repairing and rehabilitating main and support equipments of power stations and electricity networks equal to TJS 53.345 million; storing 17 294.789 metric tons of fuel-oil in the warehouses of the OSC “Dushanbe Thermal Power Stations”.

*For the purpose of assessing opportunities and promoting investment projects directed to shift power plants in use of coal*, there was construction of Thermal Power Station “Dushanbe-2” with the capacity of 270 megawatt and production capacity of 1.63 billion kilowatt-hours started in 2010. The new station will be functioning on natural resources, specifically on coal, known as a technological fuel. The budget of the project is US\$ 400 million, which is implemented based on the agreement between the Ministry of Energy and Industry of the Republic of Tajikistan and “TBEA” of PRC.

In addition, feasibility analysis for a project designed to construct thermal power station operating on Shurob coal mine with the capacity of 300 megawatt by the “CMEC” of PRC, was prepared. According to the initial estimations, the project will cost US\$ 330 million, which electricity production capacity estimated 1.8 billion kilowatt-hours.

*To analyze and undertake measures on reduction of electricity power loss*, an initiative titled “Reducing the loss of power” (electricity sector) is being implemented in Dushanbe. The project is built on the agreement between the Government of the Republic of Tajikistan and the World Bank. It is funded by the International Development Association (US\$ 6.36 million), the Government of Switzerland (US\$ 6.6 million) and OSHC “Barqi Tojik” (US\$ 2.03 million). According to the Project Implementation Unit managing “Reducing the loss of power” as of December 1, 2010 there were 164 702 electronic meters installed in Dushanbe, including 157 191 residential electricity customers, 945 transformer substations, 806 industrial and 5 760 non-industrial enterprises.

*Pertaining to the establishing gas stations network and supplying population with liquid petroleum gas*, in 2010, there were 11 194.2 metric tons of liquid gas imported to the country by GazPromNeft, which is 9 396.4 metric tons more compared to the previous year. Liquid gas reserves of GazPromNeft in Tajikistan to date, estimated 139.2 metric tons. There are 64 liquid gas retail outlets in the country.

*At the same time, construction of 220 kilowatt power transmission line “Lolazor-Khatlon”*, with total budget of US\$ 58.1 million, was completed. Out of the total amount, US\$ 2.9 million was provided by the OSHC “Barqi Tojik” and remained US\$ 55.2 million was credited by the Eximbank of PRC. The entire projected amount, US\$ 58.1 million, was exploited and the facility was officially launched and put into operation.

In addition, within the framework of “Construction of 220 kilowatt additional power transmission line ‘Lolazor-Khatlon’” project, based on the agreement, Eximbank of PRC allotted additional credit of US\$ 8.627 million. All the additional works were fully completed.

*Implementation of the investment project - construction of Hydro Power Plant Sangtuda-2*, with estimated plant output of 220 megawatt and annual electricity power output of 0.9 billion kilowatt-hours, is ongoing and the plant will be put into operation in 2011. The project is financed by the Government of the IRI (US\$ 180 million), the Republic of Tajikistan (US\$ 40 million) and “Sangob” company of IRI (US\$ 36 million). Total budget of the project is US\$ 256 million and to date US\$ 188.38 million was exploited.

*Implementation of the investment project - construction of Hydro Power Plant “Roghun” (phase I)* has started. The output of the plant is 240 megawatts and annual electricity power output is 1.1 billion kilowatt-hours, which will be put into operation in 2015. Total cost of the HPP “Roghun” is US\$ 3.5-4.0 billion with installed capacity of 3600 megawatts. It should be noted that civil and erection works in the HPP “Roghun” is ongoing with high speed and as of January to December 1, 2010 there were activities equal to TJS 488 477 588 carried out.

*Implementation of construction of 220 kilowatt power transmission line “Khujand-Ayni” (85 km)* with total budget of US\$ 36.9 million is ongoing by the “TBEA” of PRC. Construction activities had been commenced in October 2010 and to date 114 foundation pits for installing towers are ready, 105 of which are under concrete casting. Activities, to start construction of substation “Ayni”, are being continued.

*In regard to renovation and reconstruction of power plant “Qairoqqum”*, feasibility analysis had been prepared by the Eurasia Link Ltd. with the grant of the US Trade and Development Agency. Total project cost estimated US\$ 99.8 million without insurance policy. In connection with this, Asian Development Bank, based on the state guarantee and 25% of contribution by the contractor, is ready to finance 75% of the project cost, as a commercial credit for renovation and reconstruction of HPP “Qairoqqum”.

Feasibility analysis, for renovation and reconstruction of HPP “Qairoqqum”, was prepared by “CHEK” company of PRC. The project cost is US\$ 55.2 million and based on the discussions, funding will be provided within the framework of Shanghai Cooperation Organization.

*In regard to implementation of investment project - renovation of Vakhsh River cascade of HPPs* that includes “Boighozi”, “Sarband”, “Sharshara” and “Markazi”, numbers of activities had been carried out. Within the framework of the regional project “Construction of 220 kilowatt power transmission line Tajikistan-Afghanistan” implementation of Lot 2 “Rehabilitation of hydro turbine #3 of HPP Sarband” at the expenses of Islamic Development Bank (US\$ 13.9 million) and Lot 4 “Replacing AT-3 of HPP ‘Sarband’” at the expenses of OSHC “Barqi Tojik” (US\$ 2.66 million) has been initiated.

Furthermore, within the framework of “Rehabilitation of power industry sector of the Republic of Tajikistan” project, Lot 7 “Reconstruction of HPP ‘Markazi’” at the expenses of the Asian Development Bank (US\$ 3.6 million) was completed.

In addition, within the framework of the interregional project “Construction of 220 kilowatt power transmission line Tajikistan-Afghanistan” rehabilitation of temperature control systems of hydro turbines of HPP ‘Boighozi’ at the expenses of Asian Development Bank with the project cost of US\$ 2.0 million had been completed.

*Pertaining to implementation of investment projects in coal mines “Fon-Yaghnob”, “Ziddi” and “Shurob”*, activities on preparation of feasibility analysis of coal mines and construction of electricity and thermal power stations on the basis of Fon-Yaghnob, Shurob, Sayod and Ziddi mines have been commenced and some of them are in the completion stage.

Feasibility analysis was carried out on “Integrated processing of coal mine Fon-Yaghnob” project by the “Metallurgical Resources International, Inc” of the US, financially supported by the US Trade and Development Agency (USTDA).

The main objective of the project is estimation of coal reserves in “Fon-Yaghnob” mine and on the basis of that construction of Electro power Station with the capacity of 1200-1500 megawatts, operating on coal. The given project was reviewed and supported by the chairpersons and experts of the relevant ministries and agencies, foreign banks, enterprises as well as foreign companies. Fon-Yaghnob is the largest coal mine in the country and has strategic significance. This requires the coal mine to conform to the technical and engineering standards of coal production. During the last five years, coal mining at the Branch of “Fon-Yaghnob coal mine” Company increased from 16.6 thousand to 36.0 thousand metric tons, in money terms from TJS 525.0 thousand to TJS 3 591.0 thousand.

*On implementation of regional project on improving gas transportation*, two projects are being implemented by OJSC “Tojiktransgaz”; “Power loss reduction” and “Emergency project on rehabilitation of the power industry sector”. Gas transportation from gas wells Qiziltumshuq and Beshtentak to cities and districts of Khatlon region is being ameliorated. Outward equipments of Qiziltumshuq gas well were repaired and replaced. For better transportation, natural gas storing point of Rumi district was equipped with the electronic meters. Pipes of the gas stream Rumi district of Kurgantyube was partly repaired and replaced. In addition, OJSC “Tojiktransgaz” has carried out major repair of the gas pipeline Kurgantyube-Sarband. Furthermore, major repair was carried out in gas well #103 of Beshtentak as well, to improve gas supply to Kulob city. About 650-700 meters of Baljuvon-Kulob stream pipes, located above the Yakhsu River, were repaired and partly replaced. Moreover, natural gas was transported from LLC “Petroleum Sughd” gas wells to Naftobod of Isfara and part of Konibodom district.

**Development of industry sector.** *In regard to enhancing capacities of local personnel on mining industry*, the Ministry of Energy and Industry with its subordinate agencies and other ministries and agencies developed plan for 2011-2015 on preparing specialists on rock minerals, inside and outside the country. Arranging events related to professional development and re-training of personnel creates enabling environment for accelerating renovation and equipping new enterprises with up-to-date technologies, mining of minerals with new technologies and offering competitive goods in the market.

*Pertaining to promotion of construction materials industry*, the Resolution of the Government of the Republic of Tajikistan “On the Programme on promoting construction materials production till 2015” was adopted on October 31, 2009. Based on the document, there was a small cement production plant in Sarband and three gravel plants - “Technologiya XXI veka” in Dushanbe; “Khoroi Khujand” in Khujand and “Zinnat” in Chkalovsk - constructed and put into operation. In addition, in 2010 there were 16 brick factories, with the output of 54 million bricks, built and put into operation.

*Concerning development and implementation of investment projects on opening cotton processing plants*, during the reporting period there were eight proposals submitted. Based on that, there was one plant rehabilitated and five new plants with total output of 16400 metric tons of cotton were opened, namely: LLC “Khima-Tekstil” in Yovon district, LLC “Niku Khujand” in Khujand, LLC “Spitamen-textile” in Spitamen district, LLC “Fares” in Farkhor district, Closed Corporation “Bofandai Norak” in Norak district and Public Corporation “Dushanbe-teks” in Dushanbe.

*Regarding development and implementation of the programme on increasing production of aluminum and monitoring of its implementation*, including taking into consideration establishing

quotas for domestic production and implementation of the programme on increasing aluminum production, there was “Programme on processing and production of finished products from primary aluminum for 2007-2015” approved by Resolution 648 of the Government of the Republic of Tajikistan on December 30, 2007. The Programme is being implemented. For timely implementation of the Programme, cable plant in Dushanbe for production of different types of cables up to 1000 volt and high-voltage cables up to 35 kilovolt with the manufacturing capacity of 12 000 metric tons of primary aluminum a year (project cost US\$ 29.6 million) and criolite plant with the production capacity of 12 000 metric tons of criolite and 18 000 metric tons of aluminum fluoride a year (project cost US\$ 68 million) in Yovon district are being constructed.

*On implementation of investment projects for development of construction materials industry*, construction of new enterprises and re-equipment of existing enterprises was continued throughout 2010. According to the plan of the Resolution of the Government of the Republic of Tajikistan “Programme on promoting construction materials production till 2015” of October 31, 2009, mostly there were brick, gravel and lime production as well as other plants built and put into operation. Thereby, new brick production workshop was opened within the “Construction materials plant” in Dushanbe, which is equipped with the present-date facilities. As for the existing brick production plants, new furnaces were installed as well as old outfits were replaced with new ones, thus increasing production capacities. In general, 24 out of 34 plants, planned in the Programme, had been constructed.

*On implementation of the programme on increasing production of metals and precious stones*, within the framework of the Resolution 255 of the Government of the Republic of Tajikistan “On approval of the Programme on developing jewelry, precious and ornamental metals processing sectors for 2009-2015” of April 29, 2009 for the renovation and rehabilitation of the operating plants until 2015 - TJS 5 902.0 thousand, for opening ten new plants – TJS 16 384.0 thousand and for exploration work – TJS 9 462.0 thousand of foreign capital is allocated. In addition, TJS 4 746.6 thousand is secured from the country budget for exploration works in 2009-2015. Efficient use of budget funds and foreign capital in these mines may promote increase of reserves up to TJS 156 343.0 thousand which will ensure supply of stone processing plants with raw stock and renewal of the State Fund of precious metals and stones.

*On implementation of the programme on increasing production of metals and precious stones*, according to the existing legislation, SUE “Jamast” is given license to mining and carrying out exploration works in mines “Kuhi laal” of pure ruby, “Lojuvard” of lazurite, “Patru” of marmorate marble, “Selbur”, “Kevron” of serpentine and “Shakar” of opicalcite. During 2010, SUE “Jamast” produced precious and ornamental stones equal to TJS 771 103, including 5 333 grams of pure ruby, 1 810 grams of clinohumite, 10 290 kg of lazurite and 6 520 kg of marble stocked.

*On development and implementation of investment projects on setting up production and assembly of farm machinery*, Closed Joint Stock Company “Tojiron”, State Scientific Production Unitary Enterprise “Tojitekstilmash” and OJSC “Novselmash” have developed investment projects for production of farm machinery. These enterprises are making tractors, ploughs, cultivators and cultumulcher.

*On development and implementation of investment projects on production of equipment for alternative energy* (wind and sun energy, biogas production), assembly of solar panels is carried out at Joint Company (JC) “Samo” of SUE “Sadaf”. To date, the mentioned company has produced and sold 25 panels of 150 watt capacity, 15 panels of 120 watt, 40 panels of 100 watts and 40 panels of 50 watts.

*On development and implementation of the investment projects on minerals production industry, as of December 1, 2010 there was TJS 105 439.9 thousand of foreign and domestic capital attracted.*

Currently three lime production shops with 10 000 metric tons of production output a year, sorting and crushing plant with the production output of 10 000 metric tons of minerals a day and stack leaching area of 35 000 m<sup>2</sup> size for processing of more than 2.5 million metric tons of low-concentration minerals a year, are constructed and fully operational.

*For development and implementation of investment projects in chemical industry, particularly production of dietary salt by OJSC “Tojikkhimprom” during the current year had reached TJS 1 251.4 thousand, which is 43.7% more compared to the same period of the previous year. During the reporting period, company had managed production of 52.2 metric tons of calcium hypochlorite, 13.7 metric tons of sodium hypochlorite, 42.1 metric tons of liquid chlorine in special vessels and 6.8 metric tons of bleach. At the same time, OJSC “Namaki Yovon”, during 2010, had produced goods worth to TJS 958 thousand, which is TJS 36.7 thousand more compared to the same period of the previous year, resulting 104% of increase.*

**Implementation of the above-mentioned measures on development of power energy and industry sector enabled achievement of the following results in 2010:** average daily availability of electricity expanded to 10-12 hours; procurement and installation of electricity power measuring meters to reduce electricity power loss 160 000; as of December 1, 2010 there were 27 small HPP with total capacity of 1 149 kilowatts constructed and put into operation in the country to increase the volume of energy production capacity; 192.2 thousand metric tons of coal and 28 000 metric tons of oil have been produced; electricity tariff increases: for population 16.6%, for industrial and commercial enterprises 19.7% and for budgetary enterprises 20%; number of electricity consumers 1 134 282; number of households with access to electricity from small HPP (decentralized) 1 287; leather processing plants have produced 235 211 units of livestock leather in the current year; 15 metric tons of wool and 1 000 kg of silk had been processed in 2010.

#### ***4.2.3. Challenges, solution and expected results in the area of Development of infrastructure, energy and industry.***

By activities:

##### *Challenges of the sector:*

- Poor management and lack of transparency in the public transport enterprises, poor quality of services delivered to consumers, lack of unified state policy for the sector, low return from investment on transport;
- Existence of transit problems for further developing transportation through Central Asia, disregarding transit opportunities through Tajikistan to other countries, weak capacity in attracting private sector for construction of roads;
- Poor condition of rural roads in the country;
- Low profitability of public transport enterprises, in particular Tajikistan Railways and SUE “TajikAir”;
- Low level of revenue collection for use of electricity, use of energy-consuming equipments, lack of access to alternative energy, nonconforming technical and economic condition, lack of electricity and high level of technological electricity losses;
- Lack of revolving funds and investors for developing cotton fiber processing plants;
- Lack of money, foreign and domestic investors on leather processing;

- Lack of privilege in sell of primary aluminum for local producers, increased import of same name local aluminum products and small market for sell of products;
- Lack of initiatives by the public institutions to attract investors for production and processing of aluminum products, absence of marketing analysis for production of new exportable produces;
- Low level of using local producers products in the ongoing energy projects (power transmission lines) of the country;
- In obtaining land use certificate for gaining rights in use of land for construction, abolition of privileges for domestic investors in importing equipments;
- High cost of imported assembling parts from IRI and correspondingly - non-competitiveness of tractors, lack of cooperation between domestic enterprises manufacturing separate parts of tractor and farm machinery, absence of investors and low purchasing capacity of farms, and small market for sell of produces;
- Low demand and low purchasing capacity of population for renewable energy sources;
- Insufficient attraction of domestic and foreign capital for implementation of investment projects;
- Low merchantability of disinfectants by relevant health and water institutions;
- High electricity tariff rate for OJSC “Tojikkhimprom”;
- Lack of investors for implementation of investment project of OJSC “Namaki Yovon”.

*Suggestions in addressing challenges*

- Reforming the sector, improving access to movement through air transport and communication services, improving transit system, decrease expenses on service, improving security in the transport system;
- Rehabilitating and constructing motor roads of international importance and opening new international routes as well as constructing frontier terminals;
- Implementing investment projects on transport for local and international transportation, in particular construction of tunnels, motor roads Kulob-Khorugh, Dushanbe-border of Kyrgyzstan, Dushanbe-Ayni-Khujand- border of Uzbekistan, motor road to the border of Afghanistan to have an access to Iran and Pakistan;
- Improving rural roads of the country and arrange their maintenance for improved entrepreneurship in rural areas;
- Reconstructing Tajikistan Railways, air agency and telecommunication networks, improving access to movement through air transport and communication services, improving transit system, decreasing expenses on service, improving security in the transport system;
- Strengthening bilateral partnerships between sectoral enterprises and representation office of “Gazprom Zarubezhneftegaz” in Tajikistan;
- Granting tax relief and taxing privileges from 3 to 5 years to companies engaged in full cycle of cotton fiber processing favored by the newly established enterprises, defined in the Article 344 of the Tax Code of the Republic of Tajikistan;
- Banning export of leather and supply atlas production factories with silk fiber;
- Establishing innovative development fund, implementing investment projects of enterprises, exporting aluminum produces;
- Carrying out adopted programmes and establishing one license issuing center for continuous development of industry;
- Reducing customs facilities for imported farming machinery, attract investors for launching joint ventures on production of farming machinery;
- Raising awareness of the population on privileges of using renewable energy sources;
- Decreasing import of disinfectants, easing tariff on electricity consuming for OJSC “Tojikkhimprom”, implementing investment projects of companies.

### *Expected results*

- Improved quality of domestic and international transportation of passengers and cargo, as well as communication services through reducing administrative barriers, improved material and technical basis, in particular improved trains, motor roads and railways;
- Completed reorganization of state enterprises “TajikAir” and “Rohi Ohani Tojikiston”, improved efficiency of fixed assets, renewed management and material and technical basis;
- Improved entrepreneurship in rural areas and thereby reduced poverty among rural population;
- Improved access to movement through air transport and communication services, improved transit system, decreased expenses on service, improved security in the transport system;
- Increased import of liquid petroleum gas and retail outlets;
- Fully operational spinning mill of LLC “AJM” of Hisor district in 2011;
- Three fully operational leather processing factories in 2011 – LLC “SamandTrade”, LLC “Fartuna Co” and LLC “Faizi Mastchoh”;
- Expanded construction of firebrick, lubricant, gypsum plasterboard, foam block and wall stone production plants as well as cement production plant built.

By indicators:

### *Suggestions*

- Providing enabling environment for increasing international passenger and cargo transportation;
- Constructing motor roads of satisfactory quality;
- Undertaking required measures on energy saving, use of electricity according to the set limit and application of low-consuming facilities and equipments for expanding average daily availability of electricity.

### *Expected results*

- Improved regional cooperation on entrepreneurship and transit issues, eliminated geographical deadlock, significant support to the economy diversification;
- Effective use of water and energy resources, saving up to 600 million kilowatt-hours of electricity a year;
- Decreased technological loss in the energy sector.

## 5. THE SOCIAL BLOCK – DEVELOPMENT OF HUMAN POTENTIAL

The social block embodies development of human potential and embraces issues of developing education and science, social welfare, water supply, sanitation and housing and municipal services, environmental protection and gender equality sectors.

### *5.1. Development of the educational system and science*

**Education.** 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. Qualitative changes in the economy, creating the basis for societal changes has focused on promoting the potential of, and developing education, taking into account opportunities for developing human potential.

In practice, 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 on Education for 2006–2015, the following activities have been undertaken in 2010.

*On transition to per capita funding in secondary and general compulsory schools*, based on the Resolution 505 of the Government of the Republic of Tajikistan as of October 1, 2007 “On approval of Regulations on normative (per capita) funding of general educational establishments” starting from January 1, 2010 all general educational establishments transitioned to per capita funding. Recently, on December 10-11 of the reporting year, Regional Conference on achievements of the Republic of Tajikistan on per capita funding has taken place with participation of representatives from Armenia, Moldova, Kyrgyzstan and Russian Federation.

*On budgeting of education system*, according to the Medium-term Programme on Public Expenses for 2011-2013, there was TJS 1.36 million allocated for 2011 and it is envisaged that budgeting will increase to TJS 2.01 million by 2013.

*On conducting meetings with potential investors and attracting private capital for development of the education system*, there was a meeting held on May 15, 2010 with the local entrepreneurs. Contribution of the entrepreneurs into the education sector was declared as significant and they were awarded prizes of the Ministry of Education. In addition, further cooperation in increasing private capital in the education sector was discussed and in this direction activities are ongoing.

*On ensuring use of information technology in the learning process*, based on the Resolution 77 of the Government of the Republic of Tajikistan as of March 5, 2008 “On State Programme on Computerization of the General Educational Establishments of the Republic of Tajikistan for 2008-2010”, as of the end of 2010, computerization of the general educational establishments has reached 90%. Thus, general educational establishments have been supplied 28 208 computers and 4 111 printers. As a result, there are 24 students of 7-11 grades per a computer.

It is noteworthy that in order to continue the above initiative, the Government of the Republic of Tajikistan had adopted Resolution 460 as of September 3, 2010 “On State Programme on Computerization of the General Educational Establishments for 2011-2015”.

Furthermore, on implementation of Resolution 707 of the Government of the Republic of Tajikistan “On activities for implementation of the Decree of the President of the Republic of Tajikistan on declaring 2010 the year of education and technical culture” as of September 15, 2009, the process of

connecting general educational establishments to internet is ongoing and it is expected to provide 190 general educational establishments access to internet.

*Within the framework of assessing opportunities for establishing educational-industrial centers, educational institutions of the country were supplied 855 pairs of desks and chairs, as well as 73 blackboards.*

*Concerning support of children from poor families, there were more than 350 680 schoolchildren provided with meal in 2010, proportion of which is 43.5%.*

*Pertaining to the growth of compulsory basic education, based on the Resolution 207 of the Government of the Republic of Tajikistan as of May 3, 2010, "Concept of transition to 10 year compulsory education and 12 year general education in the Republic of Tajikistan" was endorsed. Moreover, important amendments had been introduced to the Law of the Republic of Tajikistan "On education", based on which 10 year compulsory education will be introduced as of September 1, 2011 and 12 year general education as of September 1, 2016.*

*On developing medium-term plans on sector expenses and identifying priorities for the education system, there was an education system Working Group established for developing medium-term plans on sector expenses that includes objectives, expected results and priority spending. The Working Group had developed manual on preparing education system budgets, which was disseminated among all public authorities and agencies. As a result, the Working Group had identified priorities of the education sector development and received budget requests from organizations and districts.*

**Implementation of the above-mentioned measures on development of the educational system enabled achievement of the following results in 2010:** computerization programme in the country reached 90%; as of January 1, 2010 general educational establishments had fully shifted to per capita funding; proportion of schoolchildren provided with hot meal is 43.5%; 141 schools were constructed and put into operation providing 320 270 seats at the cost of TJS 244.771 million; 14 types of books have been published.

**Science.** 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. The Government of the country within its capabilities each year allocates funds for development of science and implementation of its progresses in the production for improved effectiveness of creative and practical researches, inventions and innovation. The country's scientific potential consists of academic and sectoral research institutes and institutions, including scientific research at higher education institutions.

Based on the objectives and priorities of the NDS and the PRS in the science sector the following activities have been carried out in 2010.

*On implementation of the Strategy of the Republic of Tajikistan on science and technology for 2007-2015, relevant republican institutions have established Interagency Commission that developed draft of the Government of the Republic of Tajikistan "On endorsing the list of priority scientific research in the Republic of Tajikistan for 2010-2012" adopted by the Government of the Republic of Tajikistan on March 30, 2010.*

In addition, Interagency Commission was established for enforcing Chapter 28 of Resolution 33 of the Government of the Republic of Tajikistan as of February 4, 2010 "On results of the socio-

economic growth in 2009 and tasks for 2010” related to making recommendations for applying changes and additions to the “Strategy of the Republic of Tajikistan on science and technology for 2007-2015”. As a result, the Commission has developed draft of the “Strategy of the Republic of Tajikistan on science and technology for 2011-2015” (new edition), which is being under discussion.

It should be noted that from 27 most important technologies described in the “Strategy of the Republic of Tajikistan on science and technology for 2007-2015”, work on six technologies had been completed.

*On allocation of funds and financing scientific researches on competition basis*, based on the Resolution 525 of the Government of the Republic of Tajikistan as of December 22, 2006 “On endorsing regulations on developing, analysis, approval, funding and implementation of scientific, scientific and technological programmes and projects funded by the state budget of the Republic of Tajikistan”, in 2010 implementation of 13 scientific research projects by nine agencies of the Academy of Sciences of the Republic of Tajikistan (AS RT) and four institutions of higher education, was continued. In total, in 2009 TJS 83 405 had been financed by the Presidential Fund for fundamental research on competition basis. Scientific research initiatives commenced in 2010 were funded on competition basis.

Total volume of non-budgetary funds granted by various international agencies in 2010 is TJS 5.5 million equal to 50% of core funding of the AS RT budget.

*In the framework of adaptation of new high-yielding crops breeding*, according to results of three-year variety trails conducted by the Institute of Plant Physiology and Genetics of the AS RT, cotton fiber sort Shavkat-80 produced good harvest in test plots of Spitamen (29 metric center/ha), Konibodom (35 metric center/ha) and in test base of Tursunzoda (38 metric center/ha) districts. Moreover, germinating capacity of Shavkat-80 compared to Namangon-77 of cotton sort was higher in Spitamen (38%) and Danghara (39-40%) districts.

*On application of biotechnological methods in the agricultural sector*, the Institute of Plant Physiology and Genetics of the AS RT has introduced production of steady potato seeds in Istaravshan and Ayni districts, through application of biotechnological approaches. Potato seeds production farms were supplied with 8 000 stalk and micro-tuber plants for production of basic potato. Activities on production of steady potato seeds are ongoing in potato seeds growing farms of Istaravshan, Jirgatal, Muminobod and Vahdat districts. Moreover, 2.5, 10.0 and 0.7 metric tons of high quality potato seeds were cultivated in Ayni, Istaravshan and Vahdat districts, respectively.

*On prevention and treatment of highly hazardous diseases of agriculture animals with new medicines*, the Institute of Zoology and Parasitology of the AS RT has developed and disseminated information leaflet on combating Californian moth that is hazardous for fruit trees and forests of Tajikistan. In addition, preventive measures against the most vicious pests of fruit trees (Californian moth, Comstock mealybug and grape mealybug) have been undertaken in Dehkan Farms of Faizobod and Rudaki districts.

The method of increasing entomophages potency, through sweet-fruited plants for combating agricultural crops pests, had been experimented in the experimental farm Sharora of Hisor district. It was revealed that paving furrow of sweet-fruited plants within cotton beds, in combination with useful insects, ensures effectiveness of cotton plants protection from pests, throughout cotton life cycle, without need of chemical treatment.

*On processing practical recommendations for complex and rational use of water recourses of Tajikistan as well as border water recourses*, the Institute of Water Problems, Hydropower and Environment of the AS RT has developed mathematical model hydrography and the prospect of raising the level of water in the largest rivers of Tajikistan. Method of calculating and periodic forecasting of variation in the level of water in the rivers of Tajikistan, using Fourier method, was introduced. This approach was practically tested in the number of rivers of Tajikistan and the links, between increased level of water in the rivers and multi-year variation trend, were determined.

*On use of alternative environmentally clean energy sources and new techniques of their conversion and reserving*, the Center of Research and Use of Renewed Energy Sources under the Institute of Physics and Techniques of the Academy of Sciences of the RT has constructed, installed and put into operation biogas production, photoelectric and windmill equipments in Nurobod, Muminobod and Khovaling districts.

*On developing environmentally friendly technologies for integrated processing of reserves of fossil raw materials and waste disposal, technologies for water purification and decontamination of industrial waste*, the Institute of Water Problems, Hydropower and Ecology of the AS RT had established stable condition for water softening process, through activated hydrochloric acid concrete blocks. Technology for production of aluminum sulfate and iron from local raw materials, as a coagulant for water purification, had been worked out.

The State Research and Production Enterprise of the AS RT had conducted study on chemical composition, melting temperature and chemical characteristics of basalts of Varzob gorge. There were stone plates and tubes extracted from basalts through melting. Application of this technology will help to replace steel pipes with stone ones that are chemically sustainable and considerably increase lifetime of pipes and other manufactures.

Chemistry Institute of the AS RT after V. I. Nikitin, conducted experimental and production research in the SUE “Tojikteksilmash” and established that alloy of aluminum-beryllium with scarce metals used on coating of the surface of manufacturing facilities parts, which inhabit in a chemically active environment, are produced by gas plasma method. Coatings from the alloy of aluminum-beryllium with scarce metals slowdowns the corrosion process of equipments 1.5-2 times.

*Also, on production of technologies and present-day chemicals and their application in the industry*, the State Research and Production Enterprise of the AS RT improved techniques of highly pure aluminum production. This enables production of highly pure aluminium with low concentration of gas-producing (C, S) and gaseous (O, N, Cl) substances. Corrosion resistance capacity of this aluminium, compared to the technical aluminium, is 500 times higher and service life of radio electronic devices, containing this aluminium, is several times longer.

*On production of new effective drugs from local inputs*, the Chemistry Institute of the AS RT after V. I. Nikitin worked out effective techniques of extracting pectin of reliable quality from food and industrial waste, and conducted test in laboratory environment. Drugs access systems were processed in a form of emulsion based on micro-pod of lacto serum lacto globulin and different pectins, structure of Piroxicam medicine was produced.

*On conducting monitoring of bio-diversity and bio-safety*, the Institute of Botany of the AS RT conducted monitoring of diversity of bulbs on the mountain ridges of Qarotegin, Darvoz and Yazghulom and herbs in Western Pamir. It was revealed that classification structure of dominants comprised of coccoid monocell alga and diatomic colonial, and species of multicellular

filamentous green (Chlorophyta) and green-and-blue (Cyanophyta) algae and separate species of *Cymbella*, *Gomphonema* and *Synedra* families.

*On monitoring radiation safety of biosphere, population and environment*, the Institute of Physics and Techniques of the AS RT, based on the method of examining air aerosol structure, worked out techniques of detection and analyzing structure of the air aerosol nuclear fallout. This method is applied for detection and analysis of nuclear fallouts and analysis of isotope Be-7 spread on earth surface, plants and water through dispersion of air mass of superstandard layer and tropopause.

Agency of Nuclear and Radioactive Safety continued research on well waters and technical assessment of uranic industrial waste. On preventing the spread of radionuclides, activities are ongoing in surroundings of Taboshar town of Sughd region and in the source of Utken-Suu streams on purification of well and drainage waters to reduce threat of influence to population. Scientific researches proved that the uranic fields that are located in the Northern Tajikistan can be used as a raw material, in future, for production of yellow cake  $U_3O_8$ .

*On application of new information and communication technologies in acquiring seismological data, on developing recommendations on seismic safety of Hydro Power Plants Roghun, Norak, Sangtuda and other large-scale entities being constructed*, the Institute of Seismology and Seismic Resistant Construction of the AS RT was supplied with the up-to-date digital seismological equipment made by the Design Bureau of Geophysical Services of the Russian Academy of Sciences, which was put into operation. Another digital device with satellite connection was installed in one of the facilities of the Institute located in Varzob district. These facilities enable of acquiring swift information on possible earthquake and immediately informing relevant national agencies.

There is also computer based information source available in the Institute that facilitates, using the present-day technology, determination of possible areas of earthquake-caused landslides and mountain slopes sliding in Tajikistan.

*On repair, reconstruction and modernizing scientific facilities*, in 2010, numbers of buildings, laboratories, observatories, communication systems and research bases of scientific and higher education institutions, where researches of exact sciences are conducted, had been rehabilitated. The International Science and Technology Center, International Atomic Energy Agency, UN Food and Agriculture Organization and other international agencies, within the framework of their projects, are importing scientific facilities, tools, reagents and other items to the scientific and higher education institutions.

In 2010, at the expenses of the main centralized resources, construction of the Institute of Humanitarian Sciences was completed in Khorugh town with TJS 1400.0 thousand and construction of building of the Institute of State and Law of the AS RT is ongoing.

*On rehabilitation of the republican network of seismic bases*, the State Agency “Geophysical Services” of the AS RT assembled seven far-reaching seismic bases with satellite connection that were installed in different seismologically active zones of Tajikistan. The network enables acquiring error-free information on seismic situation both, inside and outside the country.

*On supplying scientific research institutions with appliances, equipments and reagents*, SUE “Science supply” provided scientific agencies of the AS RT with scientific-technical appliances and equipments, operation tool-kits and so on at the cost of TJS 400 thousand.

*On establishing InfoBase in the area of science and connecting scientific-research institutions to the internet*, all institutes of the AS RT are connected to internet with the support rendered in the framework of projects of the International Science and Technology Center, NATO Scientific Committee, UNDP, Soros Foundation and the Tajik Academy, Research and Educational Networks Association (TARENA).

The Central Science Library of the AS RT, after Indira Gandhi, has DOAJ and BIOONE ONLINE softwares-based system of access to informational resources, containing 7 000 science journals, mainly on exact sciences and botany. There are 39 journals on exact sciences and botany from Russian Federation and five journals from Ukraine in the Library. In total, Russian Federation supplied more than 1 000 copies of science journals to the Library.

Multi-sectoral scientific-technical and practical electronic magazine “Science, technology and intellectual property” founded by the AS RT, National Association of Development of New Technologies and Information Systems (TAHTIC), and the National Center for Patents and Information under the Ministry of Economic Development and Trade, is continuing its activities. Scientific publications, information on the results of researches, new technologies, conferences and workshops are published in the magazine.

*On integration of academic and practical science with the science of the higher education institutions, and improving the procedure of preparing qualified scientific specialists*, scientists of the AS RT have tight relationship with the higher education establishments of the country; carry out joint researches and train scientists.

Majorities of the leading specialists of the AS RT are engaged in research and teaching in the higher educational establishments. Totally, 20 members of the AS are head of departments of the higher education establishments and 100 are engaged in research and teaching in the higher educational establishments. They are mostly academicians, corresponding members of the AS RT and Doctors of Philosophy.

*On improving the procedure of preparing scientific specialists through postgraduate courses*, in the research institutions of the AS RT, postgraduate study is arranged based on the common method of preparing scientific specialists from young research workers of educational establishments of the AS RT and graduates of the higher professional educational institutions. The AS RT annually undertakes necessary measures for attracting talented young graduates to postgraduate studies, which resulted in year-on-year increase of number of interested to apply and study in the postgraduate courses based on 46 occupations of the AS RT. The role of scientists of the AS RT, working in the institutes and universities of the country, is significant in this regard. Based on the observations, they select and invite talented young people to work in the educational establishments and guide them throughout the course of study in the postgraduate study in the AS RT.

In 2010, 69 people had been admitted to postgraduate studies in the AS RT, including 38 full-time and 31 distant students. Currently, there are in total 281 postgraduate students in the AS RT, including 139 full-time students. Out of total full-time and distant postgraduate students, 107 are females.

#### ***5.1.1. Challenges, solution and expected results in the area of Development of the educational system and science***

By activities:

### *Challenges of the sector*

- Existence of problems in providing high quality and accessible education, despite of increased investment to the education system;
- Retardation of quality of training, level of knowledge and capabilities of schoolchildren and students compared to the requirements;
- Lack of new up-to-date plans and curriculum in all levels of study;
- Imperfection of education management system and its weak capacity, including lack of sector recourses and its ineffective use;
- Poor quality of education due to scanty salary of general educational establishments teachers, lack of qualified tutors (teachers), particularly tutors of Russian, English and exact sciences.
- Difficulties of children from vulnerable families and pro-poor in accessing education, insufficient enrollment of girls to schools;
- Incomplete lessons on basics of computer due to electricity supply limit, especially in rural areas;
- Inadequacy of material and technical basis of science, scientific and technical equipments, which hinders conducting researches at the required level;
- Non-establishment of special fund under the Academy of Sciences for specialized lending of specific activities;
- Insufficient funding for repairing laboratories and maintenance of institutions;
- Insufficient level of knowledge and awareness of population on use of up-to-date renewable energy equipments, as well as high price for tools and equipments and their main spare parts.

### *Recommendations for addressing challenges*

- Conducting institutional and economic reform of the education system;
- Enhancing capacity of the education sector;
- Improving self-sufficiency and accountability of educational establishments, involving parents and society members in solving issues related to education process and monitoring of study quality;
- Enhancing capacities of schools principals and other managing personnel;
- Improving sector awareness and establishing monitoring system for tracking schools activities and the level of study quality;
- Assessing market demand on qualified people and reorientation of vocational training institutions for addressing demand;
- Attracting investments for implementation of the “Strategy of RT on Science and Technology Sector for 2011-2015”;
- Developing and proposing draft of the Resolution of the GoRT “On mechanism of state orders for scientific research”;
- Developing and proposing draft of the Resolution of the GoRT “On Programme of strengthening material and technical basis of science”;
- Increasing size of budgetary funds for researches;
- Reducing customs import fees for equipments used in scientific studies.

### *Expected results*

- Adjusted and improved standards, plans and curriculums are introduced in all levels of study;
- Special emphasis is given to improving effectiveness of using available tools and approaches, as well as developing new mechanisms to support children from vulnerable families;

- Targeted support is rendered to children from needy families of comparatively poor and other remote districts, as well as to eliminate barriers for attending school, which is directly related to poverty;
- Enhanced qualification of tutors and quality of study, fully staffed schools with tutors, especially in rural areas;
- Adopted new edition of the “Strategy of RT on Science and Technology Sector for 2011-2015” and 30 new technologies are created;
- Biotechnological activities on production of healthy potato seeds are accelerated;
- Biogas production, photoelectric and windmill equipments are installed in several other districts of the country.

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

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. In accordance with the NDS/PRS objectives, the main medium-term goal in the healthcare sphere 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. In the given sector the following activities have been undertaken in 2010.

*Within the framework of executing medium-term budget, based on Decree 133 of December 30, 2009 of the GoRT “On developing Medium-term Programme on State Expenses for 2011-2013” for the purpose of efficient use of the budgetary reserves and introducing medium-term financial planning in the healthcare system, the Ministry of Health “On developing Medium-term Programme on State Expenses/budget for 2011-2013” endorsed internal Decree 111 of March 1, 2010. Based on the approved Sectoral Guide, budget of the healthcare system institutions in Tajikistan for 2011-2013 was prepared and submitted to the Ministry of Finance.*

*On state guarantee and procedure of providing medical and sanitary aid, based on the Article 2 of the Resolution 52 of February 12, 2010 of the GoT “On endorsing Programme on state guarantee for provision of medical and sanitary aid to population of the pilot districts of the Republic of Tajikistan for 2010-2011”, uniform rate of type and volume of healthcare services to population in the state healthcare system institutions was set and put into practice. At the same time, based on the Article 3 of the above-mentioned Resolution, Manual and procedures for implementation of the “Programme on state guarantee for provision of medical and sanitary aid to population of the pilot districts of the Republic of Tajikistan for 2010-2011” was adopted on April 2, 2010 numbered 181 and put into the practice.*

*Within the framework of implementation of per-capita funding KATC in the pilot districts, currently, on introducing per-capita funding in the remained towns and districts of the country, there was joint Decree of the Ministry of Health and the Ministry of Finance issued as of June 30, 2010 numbered 374-65. According to the Decree, per capita funding will be put into practice as of January 1, 2011 in Dushanbe city, Khorogh town, Rushon, Shughnon, Darvoz, Vanj, Ishkoshin and Murghob districts of GBAO, Hisor, Rudaki, Faizobod, Nurobod, Tojikobod, Tavildara and Jirgatol districts, as well as Vahdat and Roghun towns of the Direct Rule districts.*

*On establishing healthcare sector database systems linked to each other in the pilot districts, in the framework of the “Programme on development of the healthcare sector information management system for 2009-2010”, there is database established in all areas of the country on basic healthcare sector indicators.*

*With a view of analysis of pharmaceutical and medical products turnover and their certification, activities of 897 pharmaceutical and 59 medioprofilactic institutions have been inspected. During the inspection of pharmaceutical institutions from 1457 items of pharmaceutical and medical products there were 363334 units had been withdrawn from sale. This includes; 37 counterfeit items with total 485 units, 231 expired items with total 1473 units, 57 non-registered items with total 445 units, 1120 items without conformance and quality certificates with total 16557 units and 12 smuggling items with total 17372 units that have been withdrawn from sale based on the withdrawal certificate.*

As a result of inspecting medioprofilactic institutions, 419 items of pharmaceutical and medical products with total 14287 units had been disclosed, including; 171 expired items with total 11030 units and 245 items without conformance and quality certificates with total 3257 units that have been withdrawn based on the withdrawal certificate. In addition, 845 items of pharmaceutical and medical products with total 140826 units have been withdrawn due to nonconformity of the items to normative-technical documents.

Furthermore, based on the Article 121 of the Administrative Infraction Code of the RT “On non-compliance to turnover procedures related to medicines and food additives” and the Article 122 “On illegal production of medicines and practicing folk medicine”, 134 reports were drawn up to individuals and legal persons on violating the procedures of conducting pharmaceutical activities and TJS 216700 was penalized and replenished to the country budget.

Simultaneously, on assessment of the privatization outlook for promotion of medical services “Procedure of pricing medical services delivered by the private medical institutions of the Republic of Tajikistan” was endorsed by the Resolution 179 of March 30, 2010 of the GoT.

*In order to enhance skills of the medical staff and improving logistical support and quality of medical services to women, with the support of the international partners there 12 training phases were completed and maternity hospital in Vanj district was supplied with equipment at the cost of US\$ 40000 donated by the UNFPA.*

*Moreover, on conducting awareness raising campaigns among responsables of the healthcare sector and population on safe maternity, obstetric and neonatal care, numbers of workshops on “Effective perinatal care”, “Use of contraceptives”, “HIV/AIDS related stigma and discrimination” and “Early diagnosis of domestic violence against women and delivery of first medical aid and consultations to victims” have been held with participation of 700 specialists. Specialists of the National Centre of Reproductive Health have published in the newspapers and magazines 25 scientific and propagandistic articles on reproductive health and family planning. Furthermore, the Centre specialists have taken part in 42 radio and television live programmes and made speeches on reproductive health and family planning.*

*On establishing public discussion on reproductive health, reproductive and family planning rights, in regard to raising awareness of the adolescent and youth on problems associated with the reproductive health and sexually transmitted infectious diseases, there were 17 meetings arranged by the specialists of the National Centre of Reproductive Health in the Information Centers of Dushanbe and Vahdat attended by 383 adolescent and youth.*

*During the current year with a view to supply primary health care facilities (PHCF) and reproductive health centers with necessary equipment, contraceptives and informational materials on providing services related to family medicine, with the support of UNFPA there were contraceptives at the cost of US\$ 1000 000 distributed to the towns and districts of the country.*

In order to improve access of population to public health and contraceptive services, from June 12 to 19 of the current year there were family planning events arranged in six flooded areas of Kulob city and 565 people were covered by the public health and contraceptive services. Out of total, 90 persons were provided with contraceptive remedies.

In addition, in July and August months of the current year, the National Centre of Reproductive Health delivered public health and contraceptive services to more than 2000 women with reproductive ability in Muminobod, Vose and Hamadoni districts, and Kulob city of Khatlon region.

*On enhancing capacities of the national and regional centers of reproductive health on conducting regular monitoring and evaluation of the quality of services and professional skills of the specialists in the family planning sector*, during the current year the specialists of the National Centre of Reproductive Health have conducted monitoring activities in Vahdat, Rudaki, Shahrinav, Hisor, Tursunzoda, Varzob, Faizobod, Rasht, Nurobod, Tojikobod, Jaloliddini Rumi, Shahrituz, Qumsangir, Qubodiyon, Khuroson, Bokhtar, Nosiri Khusrav, Jilikul, Panj, Kulob, Shurobod, Vose districts and Regional Centre of Reproductive Health in Kurgantyube city. During the monitoring visits, activities of centers of reproductive health, several rural health centers and district medical centers have been reviewed.

*With a view of providing youth with access to services related to the reproductive health and family planning*, in the framework of the “State Programme on promotion health of youth in the Republic of Tajikistan for 2006-2010”, eight charitable medical and consultative departments for young people are functioning in Dushanbe city, Vahdat and Yovon districts. The main function of these departments are providing disease-prevention, first aid, diagnostic and therapeutic, and expert care to teenagers and young people aged 10 to 24.

Moreover, with a view of expanding charitable services framework to teenagers and young people, the Ministry of Health in cooperation with the UNICEF and Global Fund, after repair and equipping, put into operation another nine charitable medical and consultative departments for teenagers and young people in Khorugh, Kulob, Kurgantyube, Khujand, Isfara and Tursunzoda zones.

*On promotion of breast feeding*, in the framework of implementation of “Programme on support and assistance of breast feeding in 2010” from August 1 to 10, 2010 there was international week of protecting babies feeding celebrated in the country under the slogan “Optimistic treatment of kids”. During the week, a press conference was organized to 21 newsmen from radio and television stations, and various newspapers and recommendations had been accepted. Furthermore, during those days, theoretical and practical conferences were held in the medical institutions of the country on “Goals and objectives of the Law of the Republic of Tajikistan on protecting natural feeding of kids”, “Breast milk is irreplaceable”, “Optimistic treatment of kids” where 918 medical staff, representatives of the state executive authorities, poets and others have attended, including 288 medical staff trained. Talks were given to pregnant and women with suckling on advantages of the breast milk and more than 64772 women were provided with the booklets on “Optimistic treatment of kids”, “Natural feeding of kids”, “Breast milk-source of life” and “How to achieve positive results in breast feeding” among others.

*On step by step transition to the international standards related to perinatal period and improvement of child birth and death registration system based on the WHO recommendations*, during the current year, there were educational events on international terms “livebirth” and “stillbirth”, and improvement of *child birth and death registration system* conducted in Khatlon and Sughd regions. Totally, 55 obstetrician-gynecologists, neonatologists, statisticians and medium

level medical staff were trained with the support of UNFPA. In addition, 117 statisticians from GBAO, Khatlon and Sughd regions were trained on improving the network of registering birth and death with the support of the World Bank, European Union and WHO.

Personnel of the Republican Centre of Medical Statistics and Information have inspected reliability of registered data on child birth and death in all towns and districts of GBAO, Shahrinav, Rudaki and Hisor districts. Numbers of shortcomings have been revealed and relevant instructional support was provided.

*On promotion implementation of the WHO/UNICEF strategy on joint review of children diseases, including strengthening awareness of parents and public participation, starting from 2008 a strategy of WHO and UNICEF titled “Correlation of children diseases” consistent with the “National Strategy of the Republic of Tajikistan on elaboration of children and teenagers health till 2015” is implemented. In 2010, in the framework of implementation of the 1<sup>st</sup> component of the Strategy “Training of PHCF level specialists”, 60 specialists were trained in Hisor district, Mastchoh district and Khujand city of Sughd region with the support of Mercy Corps. Moreover, with the support of UNICEF 60 PHCF level specialists in Panj, Qumsangir and Khuroson districts of Khatlon region, 20 in Vanj district of GBAO and 20 in Nurobod district were trained.*

Furthermore, in 2010 eight training modules based on technical novelties *and* recommended by WHO have been translated into the state language and as a normative legal document was recommended for practical use in the healthcare system by the Decree of the Minister of Health.

In the framework of the second component of the “Correlation of children diseases” Strategy on supply of pharmaceutical products based on the bilateral agreement between JICA and UNICEF, in 2010 pharmaceutical products equal to US\$ 145 081.98 were imported to the country and distributed to PHCF institutions.

*With a view of raising public awareness, particularly risk and vulnerable groups, on preventing dangerous infectious diseases like HIV/AIDS, malaria, tuberculosis, helminthiasis and infections controlled by vaccines, currently in the Republic of Tajikistan 30 Centers on preventing and fighting against HIV are established, which are working on implementation of the “Programme on prevention and fighting against HIV”. During the last three years there were 15 new centers established and all the newly established centers are equipped with up-to-date facilities.*

At the same time, on HIV/AIDS issues and accessibility of relevant services, 23 immune-enzyme analysis and four CD4 cells detecting diagnostic labs functioning in the HIV centers were equipped with up-to-date equipments and HIV centers were provided 18 medical transports.

Throughout the reporting period, more than 230 000 people have passed HIV tests, including 104 778 pregnant, 1 902 intravenous drug abusers, more than 9 034 labor migrants, 29 442 blood donors and more than 21 093 medical workers. Increase in number of people diagnosed is evidence of proper and timely arrangement of informational and preventive measures among population.

*At the same time, on provision of access to risk and vulnerable groups of population to programmes on fighting against HIV/AIDS, there are 22 trust centers for intravenous drug abusers and 10 friendly rooms for sex workers functioning in the country. In addition, 45 friendly rooms operate in 45 towns and districts throughout the country for labor migrants and their families’ members. Number of people covered with preventive programmes in 2010 in the trust centers - 5962 intravenous drug abusers and in the friendly rooms - 5321 sex workers.*

*On reducing abuse of rights of HIV-positives and other people in the risk group*, there were educational and awareness raising campaigns conducted among HIV/AIDS-positives on principles of prevention and treatment of HIV infection as well as prevention of opportunistic infections and informational and educational materials had been disseminated. In this respect, in cooperation with the civil society organizations numbers of informational materials are prepared and printed out in sufficient amount. Various consultative events on improving antiretroviral therapy are regularly arranged with the HIV-positives. Special leaflets, posters and booklets on prevention of child infection from HIV-positive mother are prepared, printed out and disseminated to all reproductive health centers. In the centers of prevention and fighting against AIDS, social workers are deployed to directly work on raising awareness of HIV-positives and regularly provide them consultations.

The rights of the HIV-positive people are assured in a separate article of the Law of the Republic of Tajikistan “On resistance to HIV/AIDS”. Thereby, “Programme on fighting against spread of HIV/AIDS in the Republic of Tajikistan for 2011-2015” was developed, which was adopted by the Resolution 562 of October 30, 2010 of the Government of the Republic of Tajikistan.

*On strengthening epidemiological surveillance system of malaria and helminthiasis spread*, there are five mobile task forces on prevention of malaria are established in the country, which operate on national and regional levels. The task forces are comprised of epidemiologists, entomologists and diagnostic specialists who are responsible for timely detection of malaria cases, carrying out epidemiological analysis and entomological surveillance.

Considering unstable epidemic nature of malaria and other tropical diseases, within the framework of the “Programme on fighting against tropical diseases (malaria) in the country for 2006-2010”, Centers on fighting against tropical diseases are established in Rushon district of GBAO, Rasht district of Direct Rule Districts, Jaloliddini Rumi, Farkhor and Qumsangir districts of Khatlon region, Isfara and Panjakent districts of Sughd region. This will enable strengthening activities on prevention of tropical diseases.

*On enhancing capacities of specialists of the centers on fighting against tropical diseases and parasitological departments of the State Sanitary and Epidemiological Surveillance Services on fighting against malaria and helminthiasis*, training courses on “Malaria vectors and fighting’s against them” and “Malaria related issues” had been conducted in Moscow city of the Russian Federation, in February of the current year, which was attended by the entomologists.

Also, a workshop was held in Dushanbe on “Sound method of using reporting and registering tools on malaria” and “Brief information on use of working equipment, data entry and analysis”, where 115 specialists enhanced their skills and knowledge.

*On strengthening capacity of the agency working on promotion and implementation of the programme on building healthy lifestyle*, in March 2010, the Republican Centre of Healthy Lifestyle with the support of IOM launched Regional Educational and Training Department on issues related to labor migrants and HIV prevention. Trainers on HIV had been prepared from physicians, nurses, transport and communication system workers and spiritual leaders, who will work on increasing awareness among labor migrants on prevention of HIV.

*On ensuring expanded coverage of population’s resistance to infection by all types of vaccines using new highly effective vaccines*, it should be noted that at the end of March and beginning of April 2010 registration of polio cases had increased. Taking into account raise of polio cases, based on the Decree 245 of April 28, 2010 of the Ministry of Health “On organizing and conducting national immunization days against polio”, vaccination of children below age six was conducted in

four stages and schoolchildren (grades 1-11) was in two stages. There were 10 310 000 vaccine doses provided by WHO and UNICEF.

Furthermore, on improving medical services delivery to children and teenagers, from June 1 to 30, 2010 there was a Republican Marathon organized under the slogan “Healthy child, healthy nation” in all towns and districts of Khatlon region.

It should be noted that for the purpose of ensuring delivery of timely and quality aid to children with development issues, as well as solving upbringing and analysis issues, there was Psychological, Medical and Pedagogical Consultative House established under the Republican Centre of Mentally ill Children and Teenagers.

*Moreover, with a view of accelerating the process of training family physicians in the regions, concrete measures have been undertaken on re-training of the family physicians. Currently, there are in total 1960 family doctors and 2045 family nurses in the country. In addition, 241 doctors, 439 nurses and 21 tutors are continuing their re-training courses on family medicine.*

**Implementation of the above-mentioned measures on development of the healthcare system enabled achievement of the following results in 2010:** during the reporting period maternal mortality rate 43.2 per 100 000 live birth; mortality rate of children under one 16.6 per 1000 live birth; mortality rate of children under five 20.5 per 1000 live birth. Number of HIV infected 3000; malaria cases 20.0 per 100 000; tuberculosis cases (WHO probability) 140 per 100 000; helminthiasis cases 442.4 per 100 000 and rubella cases 1.0 per 100 000. Vaccination coverage of children under one and above 95.0%; proportion of birth in the presence of medical workers 90.0%; proportion of PHCF agencies delivering medical aid based on the practical model of family medicine 30%; proportion of built and capitally repaired healthcare system institutions compared to the total number medioprophylactic institutions 37.3%; proportion of healthcare system institutions with equipment, furniture and transport conforming to the established requirement 42.2%.

### ***5.2.1. Challenges, solution and expected results in the area of development of the healthcare system***

By activities:

#### *Challenges of the sector*

- Deficiencies in the healthcare management system, healthcare economics and human resources, as well as the poor management of information systems;
- Slow pace of the healthcare system reform and limited private sector participation in the delivery of medical services;
- Shortage and inefficient use of available financial resources, as well as inadequate government funds for overall healthcare expenditure;
- 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.

#### *Recommendations for addressing challenges*

- Improving personnel training and strengthening the material and technical base of the healthcare system;
- Expanding role of the private sector in the delivery of medical services;
- Increasing effectiveness of the management system and financing;
- Improving maternal and child health protection.

Expected results:

- Increased effectiveness and transparency of the use of public funds; close correlation established between funding and performance of healthcare institutions; financial resources distributed based on the number of people enrolled at the treatment and preventive care institutions and regional/local conditions;
- Improved quality of medical services through introduction of the new employee compensation programme;
- Basic Programme for Primary Medical Care Delivery introduced.

By indicators:

*Suggestions:*

- Combating HIV/AIDS, malaria, tuberculosis and other infectious diseases.

*Expected results:*

- Decreased level of HIV/AIDS spread; reduced cases of infectious diseases; elimination of infections controlled by vaccines.

### **5.3. Improvement of social welfare**

Social policy in the market economy reflects fundamentally new social services based on the existing opportunities, considering population diversity associated with the poverty level and other factors causing their vulnerability. Employment, social insurance, pension and targeted social support are priorities of the sector in 2010-2012 over improvement of social welfare.

Based on the goals and objectives of the PRS on improvement of social welfare the following measures have been undertaken in 2010.

*On revival the activities of structural or operational units responsible for labor issues under the local state executive authorities of towns and districts,* during the reporting year there were departments for the protection of labor and strengthening of social associations established under the local state executive governments of Varzob and Tojikobod districts.

*Furthermore, on enhancing capacities of social welfare system personnel,* qualification of social welfare system personnel was strengthened and staff rotations have been reduced compared to 2009. In 2010, within the framework of the European Union project “Technical assistance to sector policy support programme in the social protection sector” 15 specialists of the central units of ministries and subordinated institutions have taken part in the study tour to Latvia. The study tour was arranged to learn the experience of Latvia in regulation of labor market, employment and social protection for developing State Strategy on labor market in Tajikistan for period till 2020 as well as implement best practices learnt.

In addition, on organizing training course for the specialists of the subordinate to the ministry institutions based on the new software, in 2010 total 354 specialists of the Ministry of labor and social protection departments have attended professional development and retraining courses, including 85 persons participated in the computer training course.

*On developing and implementing mechanisms for the effective indexation of salaries, with resources provided from the budget,* it noteworthy that for enforcing the Law of the RT “On

indexation of salaries” is expedient and its implementation, based on the Concept of wage reform in the Republic of Tajikistan, is envisaged during the second phase in 2012-2016. Until enforcement of the mentioned law, indexation of salaries and pensions will be made annually on the basis of the Decree of the President of the Republic of Tajikistan “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”.

On increasing minimum wage, current official salaries of the staff of state-financed organizations and institutions, pensions and stipends, based on the Resolution 203 of May 3, 2010 “On the action plan on implementation of the activities addressed in the Presidential Message to the Majlisi Oli of the Republic of Tajikistan of April 24, 2010”, Decree of the President of the Republic of Tajikistan “On the measures for strengthening social welfare and increasing salaries and pensions” was approved on June 22, 2010 numbered 894. Pursuant to the Decree, minimum wage and pensions in all economic sectors of the country is set at the rate of TJS 80 per month as of July 1, 2010, increase in 33.3%.

Moreover, on implementation of the paragraph 38 of the Resolution 203 of the GoT of May 3, 2010, Decree of the President of the Republic of Tajikistan “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” was adopted on September 6, 2010 numbered 923. According to the Decree, official salaries and current tariff rates for the staff of state-financed sectors (besides, civil servants of pilot public authorities for whom Unified Tariff Scheme will be executed) have been risen 10%.

Official salaries of the civil servants from pilot public authorities are set based on the Unified Tariff Scheme and raised 45% on average.

On developing draft of the “State strategy of the Republic of Tajikistan on the labor market for 2011-2020”, within the framework of the European Commission project “Technical assistance to sector policy support programme in the social protection sector”, in particular “Labor policy” section, draft of the “State strategy of the Republic of Tajikistan on the labor market for 2011-2020” was developed. This document was presented among stakeholders and mass media on December 15, 2010 and currently it is in the process of endorsement with the relevant ministries and agencies.

*Furthermore, on conducting Analysis of the Current Situation of the Labor Market of Tajikistan,* there was a full analysis of the current situation of the labor market conducted with the support of local and international specialists. As a result, an analytical report “Labor policy in Tajikistan” has been produced. The report embodies measures on demand analysis in the labor market, basic indicators of the labor market that is demand and supply of workforce. Also based on the learning the experience of other countries, manual on Techniques of Interviewing Employers is practically developed and in case of approval and execution of the manual this issue will gradually find its solution. The analytical report includes number of recommendations on improvement of the labor policy as well as recommendations of the State strategy on developing labor market.

*On establishing Unified Information System for the State Employment Agency,* 70 computers have been procured and delivered to the local State Employment Agencies. Moreover, based on the experience of the developed countries on establishing communication among State Employment Agencies and other relevant agencies, in cooperation with the International Labor Organization and ACTED within the framework of the “Sustainable cooperation as a tool for effective management of labor migration in Russian Federation, the Caucasus and Central Asia” project there was a “mintrud.tj” website launched.

On strengthening and enhancing organizational and human resource capacity of the state employment agency for effective implementation of support to employment and reducing strain in the labor market programme, during the current year in order to promote adults education in Tajikistan, the network of vocational training institutions of the State Agency on Social Protection, Employment and Migration had been expanded. In the vocational education institutions, branches of SUE “Modular training Centre of Dushanbe” were launched in Faizobod and Hisor districts and branches of the State Agency “Adults Learning Center of Tajikistan” were opened in Yovon, Vanj, Shurobod, Mastchoh, Darvoz and Qubodiyon districts, as well as Panjakent and Khorugh towns.

Curricula and syllabi for professions on processing semiprecious and precious stones, housekeeping, nursemaid and social worker had been approved by the Ministry of Education of the RT and thereby “Adults training development programme of Tajikistan for 2010-2015” was endorsed by the Resolution 699 of the Government of RT on December 30, 2010.

On implementation of the obligations set forth in the Memorandum of Understanding signed by the Ministry of Labor and Social Protection and European Commission, social services are delivered in the main building of the State Agency “Adults Learning Center of Tajikistan” to single elderly, persons with disabilities, children and youth in need of social services like taking bath, laundering, ironing as well as legal and psychological support.

In cooperation with the International Labor Organization and the State Agency “Adults Learning Center of Tajikistan” there also functions Child Labor Monitoring Unit. Its main purpose is identifying and setting free children exposed to heavy manual labor. During the reporting period by the specialists of the Unit there were 45 children provided with informational consultation, 49 supplied with schooling uniforms and 35 supported financially (travel expenses). Moreover, based on their psychological and physical conditions, as well as to engage them on profession learning, there were consultations provided to children on their return to schools and continuing education.

On certification of professional skills of the citizens and labor migrants, Manual on certification of professional skills of the citizens and labor migrants was developed and adopted by the Council Members of the Ministry of Labor and Social Protection on June 24, 2010 numbered 26. Currently, curricula and syllabi for certification of professional skills for electrician, sewer, electricity inspector, confectioner, book-keeper and accountant, computer specialist, accountant 1C, electric welder, sanitary technician, housekeeping, waiter and waitress, turner and cook were developed by the State Agency “Adults Learning Centre of Tajikistan”, which is being implemented.

With a view of further development of modular learning technology, branches of the SUE “Modular training Centre of Dushanbe” have been established in Faizobod and Hisor districts. It is envisaged that in cooperation with the European Union within the framework of “Technical assistance to sector policy support programme in the social protection sector” project, in particular it’s “Labor Policy” section, the list of modular training courses will be increased.

On establishing electronic data base of labor market indicators and jobs websites within the framework of “Technical assistance to sector policy support programme in the social protection sector” project, in particular it’s “Labor Policy” section, there was a “labour.tj” website launched. Today, all the internet users may have an access to information on routine activities of the Ministry of Labor and Social Protection and its subordinate agencies as well as legislation on social and labor sectors.

*On launching legal and language courses and social reintegration of labor migrants*, based on the requirement of population, especially labor migrants, learning Russian, English and legislation of

countries receiving migrants are included into all curricula of the vocational training institutions of the State Agency on Social Protection, Employment and Migration. In addition, to reintegrate returned labor migrants to the needs of the local labor market, there is Centre of labor migrants reintegration functions under the State Agency on Social Protection, Employment and Migration in cooperation with ACTED.

The undertaken measures help to enhance professional skills and legal knowledge of the labor migrants and ensure their social rights in other countries.

*Considering importance of professional guidance* in choice of right occupation, training of personnel corresponding to the needs of labor market and further strengthening of work in this area, there was a draft of the Resolution of GoT “On endorsing Programme on promoting professional guidance in the Republic of Tajikistan for 2011-2016” developed, which is being under the process of endorsement by the relevant ministries and agencies.

*On arranging re-training courses for the staff of labor, employment, migration and social services and adults training system*, based on the working plan of the State Agency “Professional development and re-training courses for the personnel of the labor and social protection systems”, during the reporting year 354 specialists of labor, employment, migration and social services and adults training systems of the Ministry of Labor and Social Protection have passed professional development and re-training courses.

*Furthermore, on improving the state social insurance management system by establishing and enhancing technological and methodological basis of informational infrastructure*, for strengthening material and technical basis of the State Agency on Social Protection, Employment and Migration, based on the agreement with the branch of the OJSC “Tojiktelecom”, a dedicated channel to access VPN network using ADSL technology, have been extended to the departments and units in Khujand city and Khatlon region, Dushanbe and Direct Rule Districts to connect them with the Central Office. This promotes efficient exchange of information between the Agency’s subordinate structures.

*On developing and adopting new edition of the Law of the RT “On state social insurance” and amending the Tax Code in regard to the social tax*, drafts of the Law of the RT “On amendment of the Law of the RT ‘On state social insurance’”, “On per-capita charge” and “On mandatory retirement insurance” have been prepared. The documents are in the final stage of endorsement by the Tax Committee under the GoT.

*On strengthening regulatory and legal framework, developing and implementation of programme on developing optional and professional pension provision system*, based on definition in the Article 53 of the Law of the RT “On insurance and state pensions”, Resolution 634 of December 3, 2010 “On Regulation of procedures associated with professional pension provision and assignment of professional pensions” was passed which regulates procedures of professional pensions provision.

It is worthy to note that enforcement of the mention Resolution will promote establishing system of professional pension provision, need of introducing new mandatory insurance called “mandatory retirement insurance” in the state social insurance system for occupations requiring special working conditions.

*On developing and adopting methodology of estimating minimal consumer basket (living wage)*, based on the Article 6 of the Law of the RT “On living wage” of May 19, 2009, there was a draft of the Resolution 521 “On approval of the Guidelines on estimating consumer basket for basic socio-demographic groups of population” prepared. The given draft is in the process of revision due to the

fact that the content and structure of the consumer basket for basic socio-demographic groups of population needs to be estimated based on the recommendations of the authorized state agency with the trade-unions of Tajikistan.

*On developing and endorsing law on targeted social support*, after analysis of implementation of the resolutions of the GoT “On strengthening social support delivery to vulnerable households and population” of August 1, 2008 and “On remuneration to vulnerable households with children studying in the general educational establishments of the RT” of May 2, 2007 numbered 379 and 244 respectively, it was revealed that the amount of support payments to vulnerable families is low and does not well impact on the material living condition of those families. At this stage, there was a Resolution 586 of October 30, 2010 of the GoT “On introducing pilot system of targeted social support in Istaravshan town and Yovon district” adopted. Based on that, with the support of the European Union technical support project on “social and preferential benefits”, there were funds secured and concentrated in the pilot districts to render targeted support to vulnerable families.

At the same time, for improving the quality of medical and social diagnosis of persons with disabilities, there was a manual developed and put into practice. On enhancing rehabilitation of working capacity of persons with disabilities, the Research Institute for Diagnosis and Rehabilitation of Working Capacity of Persons with Disabilities in cooperation with the hospital is fully working on rehabilitation the working capacity and provision of medical services to persons with disabilities using all the available opportunities.

Furthermore, with the support of the European Union during the current year to improve social and state service delivery, there were eight Centers of Daytime Stay, of up-to-date service delivery model, for children with disabilities and elderly launched, which is bringing positive results. Out of total, four centers deliver services to 469 elderly and the remained four to 197 children with disabilities. It is envisaged to open similar centers in all towns and districts of the country.

On attracting investments, grants and technical support for implementation of PRS activities in the area of labor and social welfare, there was a meeting arranged on May 21, 2010 with the international organizations representatives in the Ministry of Labor and Social Protection to attract foreign investments for future promotion of the labor and social protection system of the Republic of Tajikistan. More than 40 representatives of the donor community have taken part in the meeting and the World Bank donated US\$2.5 million to support “Technical assistance to sector policy support programme in the social protection sector” project on improving social services in the Republic of Tajikistan, which is under implementation.

In addition, UNWomen is expected to support with TJS 125 590 to provide technical support to the personnel of the State Agency “Research Institute for labor and social protection of population” in scientific researches.

*On supplying stationeries with necessary equipments conforming to the international standards for persons with disabilities using centralized funds*, based on the Resolution 680 of December 30, 2009 of the GoT, total TJS 6 million have been allocated which was spent on the following: for construction of administrative buildings of departments and units of the State Agency on Social Protection, Employment and Migration in Nurobod, Temurmalik, Danghara, Muminobod and Khorugh TJS 131.3, TJS 387.9, TJS 145.8, TJS 90.4 and TJS 388.2 thousand respectively; for reconstruction and rehabilitation of Rehabilitation Centre in Baljuvon districts with 150 beds TJS 485.0 thousand, Home for Mentally Ill Adults in Bokhtar district with 100 beds TJS 1190.9 thousand, State Agency “Sanatorium for war and labor veterans ‘Kharangon’” of Varzob district with 100 beds TJS 833.3 thousand, State Agency “National Centre for empowering of children and

teenagers ‘Chorbogh’” of Varzob district TJS 1200 thousand and administrative building of the State Agency on Social Insurance and Pension of Shahrinav district TJS 681.3 thousand.

**Implementation of the above-mentioned measures on improvement of social welfare enabled achievement of the following results in 2010:** coverage with state social insurance (in %) compared to the economically active population 43.8%; volume of non-insurance and state social insurance payments 14.2%; volume of social support provided 53.0%; personnel and development trainings 70.2% and vacancies filled 114.1%. Totally, social services have been delivered to 9286 people and the number of collective contracts and agreements signed 21504; number of laws passed 1; number of policies developed and put into practice 1 and number of centers established for delivery of social services 8.

### ***5.3.1. Challenges, solution and expected results in the area of improvement of social welfare***

By activities:

#### *Challenges of the sector*

- Financial imbalance of the social welfare system and continued compliance of social policies to the methods and approaches followed in the pre-market period;
- Insufficient volume of social support and services, their poor quality and standard;
- Inadequate basis for establishing and developing infrastructure for alternate social services through the involvement of civil society;
- Poor quality and non-competitiveness of labor reserves;
- Lack of effective mechanisms for ensuring social welfare of labor migrants.

#### *Recommendations for addressing challenges*

- Executing effective mechanism of drafting state policy on regulation of labor market and employment;
- Expanding and strengthening capacities of the State Employment Agency to be intermediaries in the labor market;
- Improving the quality of professional orientation activities and implementing education programmes on helping the unemployed and labor migrants adapt to the internal and external labor markets;
- Promoting self-employment of the unemployed as well as domestic labor; and drafting and implementing effective mechanisms to promote paid public job;
- Computerizing the government employment agencies; introducing training, research and regular monitoring of the labor market; and developing databases on labor market indicators and on the activity of these agencies.

#### *Expected results:*

- Strengthened regulatory, legal and financial bases of the sector, ensured further reforms for the effectiveness of the system, and gradually increased wages, pensions and social benefits
- Expanded modern methods of the social service delivery and increased number of institutions for social services;
- Improved social infrastructure in the future to promote growth of the targeted privileges, services and social benefits received;
- Reduced unemployment and increased competitiveness of the labor market;
- Improved quality of management and operated the multi-tiered and unified system to manage children’s rights protection;
- Enhanced procedures for labor protection management, promoted improvement of working conditions.

Indicators:

*Suggestions:*

- Reforming social protection system taking into account current socio-economic condition of the country;
- Adapting the system of primary professional training of personnel to the needs of the labor market;
- Ensuring productive employment through implementation of the policy goals in the area of external labor migration;
- Ensuring the primary role of contractual activities, improving working conditions and labor protection.

*Expected results:*

- Law on minimum state social standards is implemented, improved legislation on retirement, social welfare and other legislation in the social welfare system;
- Workers are legally protected through enhancing the role and impact of the contractual relations, improved working condition and labor protection; refined criteria for including population into the vulnerable groups;
- Improved legal protection of labor migrants by enforcing agreements with the labor migrants' recipient countries, including provision of retirement benefits.

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

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.

Based on the goals and priorities of the PRS in the area of expansion of access to the water, sanitation, and housing and municipal services the following activities have been carried out in 2010.

*On reviewing the functional and institutional divisions to enhance capacities of municipal services staff, 356 sector specialists, using own recourses, attended re-training courses on various occupations in the Training and Methodological Centre on reform of housing and municipal services.*

*On enhancing capacities of the agencies responsible for development and implementation of the policy in the area of expansion of access to the water, sanitation, and housing and municipal services, the Government of the Republic of Tajikistan adopted Resolution 321 of July 1, 2010 "On Concept of the housing and municipal services reform for 2010-2025". At the same time, the Law of the Republic of Tajikistan "On drinking water supply" was adopted by the GoRT on July 1, 2010 numbered 324. The given law is being enforced.*

*On implementation of the first stage of the "Programme on improving drinking water supply to population for 2007-2020" the following amounts have been disbursed in the towns and districts: TJS 17.432 million (80.7%) from centralized funds; TJS 2.27 million (15.7%) from local budgets; TJS 33.782 million (33.1%) from investments; and TJS 6.496 million (90%) from the sector resources. As a result, 18 thousand people had continuous access to drinking water supply.*

*It should be noted that on introduction of the accounting system on rational use of drinking water in the budgetary institutions, more than 900 water measuring meters have been installed in the organizations and agencies which resulted in gradual decrease of water consumption and waste.*

*Review of the rate applicable for municipal services and collection of fees for municipal services, is under constant control of the SUE “Khojagii Manziliyu Kommunalii” and tariffs of subordinate agencies for services delivered are reviewed on annual basis.*

On training and enhancing capacities of the engineering and technical personnel of housing and municipal services in the Training and Methodological Centre on reform of housing and municipal services of the SUE “Khojagii Manziliyu Kommunalii” at own expenses, specialists of the housing and municipal services are regularly re-trained through short-term courses.

*In addition, on installing water measuring meters, SUE “Khojagii Manziliyu Kommunalii” developed an investment project draft, which is currently reviewed.*

With regard to this, on improving infrastructure of the SUE “Khojagii Manziliyu Kommunalii” within the framework of the World Bank project, infrastructure of eight departments of the housing and municipal services in towns and district centers have been improved through securing TJS 1000.0 thousand. Several additional projects are developed to improve infrastructure of other housing and municipal services.

**Implementation of the above-mentioned measures on expansion of access to the water, sanitation, and housing and municipal services enabled achievement of the following results in 2010:** share of the housing facilities supplied with water measuring meters 1.1% and share of personnel passed trainings 20.0%.

#### ***5.4.1. Challenges, solution and expected results in the area of expansion of access to the water, sanitation, and housing and municipal services***

By activities:

##### *Challenges of the sector*

- Lack of a stable electricity supply, which hinders the uninterrupted operation of facilities;
- Unsatisfactory technical conditions of the current water, power and heating supply facilities, sanitation systems, and housing and municipal services;
- Lack of clearly defined and transparent policy for providing the targeted social assistance related to payments for water, power and heating, and housing and municipal services.

##### *Recommendations for addressing challenges*

- Implementing institutional reforms in the sector;
- Attracting private business and investments;
- Increasing effectiveness and optimizing the performance of the sector’s infrastructure.

##### *Expected results:*

- Operational and institutional measures are carried out and to 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;
- Improved system for recording water use, installed water meters and renovated key facilities in centralized heating systems in towns and districts.

*By indicators:*

##### *Suggestions:*

- Improving and introducing the effective system of recording drinking water use in the country.

*Expected results:*

- Increased incomes of the housing and municipal services enterprises, restored technical expertise of the sector, improved access of urban and rural population to safe drinking water, expanded delivery of sanitation, housing and municipal services.

### **5.5. Promotion of environmental sustainability**

Priorities of the institutional reform and improving legislative framework in the given sector are plans on promoting environment policy based on the current socio-economic situation in the country, adjusting functions and strengthening capacities of agencies responsible for implementation of the environmental policy, as well as strengthening legislative framework on environmental policy.

Pursuant to the goals and priorities of NDS and PRS on promotion of environmental sustainability there were following measures undertaken in 2010.

*With a view to enhance capacities of national and local authorities, 40 or 9.5% of civil servants out of total 418 have attended vocational and refresher training courses during the reporting period. Out of total 40, nine attended courses in the Institute of Civil Servants Training, ten in the Commonwealth of Independent States and the rest 21 attended various courses abroad.*

*Furthermore, to coordinate environment protection with other sectoral legislations based on the signed Convention on environment, institutional basis will be gradually refined and linkage with other sectoral legislations, that are associated with the international conventions, will be strengthened. In 2010, there were several amendments to the existing sectoral laws proposed that are significant for improvement of the sector. Particularly, concrete amendments were proposed to Law of RT “On licensing procedure”, “On deep layers of earth and use of deep layers of earth”, “On environmental monitoring”, “On environmental information”, “On environmental education of population”, “On environment protection” and Code on legal violence of the RT.*

*On developing complex programme for revival and strengthening environment monitoring system based on introduction of the computer and up-to-date information and communication technology, the process of computerization is being implemented step by step and central office of the environment is equipped with computers and connected to internet. The process of launching website for the Committee on Environmental Protection and Forestry is in final stage. In addition, in order to introduce environment monitoring system, numbers of activities have been initiated in terms of improving analysis and preparation of reports.*

*On improving economic mechanisms of environment protection, regulatory and legal documents were reviewed and revisions have been made on size of payments, tariffs and fines for pollution. Basic amount of payments for environment pollution was published on “Jumhuriyat” newspaper.*

*On reforestation of existing woodlands, floristries of the country have carried out building and rehabilitation activities on 1937 hectares of land. Out of this, 1176 hectares were forested through sowing seeds and 761.2 hectares through planting seedlings. In particular, the size of pistachio area was expanded to 645 hectares, saxaul plantation 274 hectares, almond 212 hectares, walnuts 221 hectares, brier 98.3 hectares, sea-buckthorn 159 hectares, pine 13 hectares and mixed plants to 2225 hectares. New orchards were created in 91.8 hectares of lands. Total area of woodlands in the RT is 1.7 million hectares, including 412 thousand hectares of forest.*

On conducting information and educational events among civil servants and society on environmental education issues, in 2010 there were meetings and working sessions arranged on

implementation of the “Concept of the RT on state personnel policy for 2009-2016”. Working plan was developed on conducting political events and is operational zed based on the timeframe. Based on this, attestation of employees has been conducted covering 319 civil servants. Out of the total, 223 were found corresponding to their positions requirement, out of which ten persons were promoted to higher positions, another eight have been proposed for managerial personnel reserves and four servants were honored with special qualification ranks.

*At the same time, for the purpose of assessing the ways of establishing and supporting tourism in national parks, “Regulation on Red Book of Tajikistan”* was approved by a resolution of the GoT. In connection with this, there were two international conferences held on “Main principles, goal and objectives of preparing and publishing Red Book of Tajikistan” and “Studying requirement of the International Union for Conservation of Nature”. In general, issuing the mentioned book will promote development of hunting in the RT, thereby increasing tourists flow and hunting enthusiasts.

In regard to implementation of the Resolution 80 of the Government of the RT as of March 4, 2005 “On state support to development of eco, rock and sports tourism and mountain climbing in the Republic of Tajikistan” and arranging Annual mountain climbing expeditions on glaciers there were agreements signed with the travel companies. Moreover, there were eight travel routes launched during the current year, which were used by 420 local and foreign tourists to undertake ecotourism to national parks.

*On implementation of the projects on arranging public discussion on environment protection and rational use of nature,* there were 225 speeches on radio and 305 on television broadcasted. In addition, 362 articles were published on newspapers and magazines. Moreover, 20 press conferences, 125 conferences and workshops and 1885 meetings have been conducted. And finally, there were 83 informational materials published.

*On strengthening Centre for Climate Change Studies,* there is *Centre for Climate Change Studies* functions under the State Administration for hydrometeorology. The Centre has developed national work plan on researching climate change and had several meetings with the international experts on climate change and Kyoto Protocol.

In addition, “State Programme on researching and conservation of glaciers of Tajikistan for 2010-2013” was approved by the Resolution of the Government of RT.

*On rehabilitation mountainous, river banks and desert forests to strengthen foothills and stabilize the water flow process, dust storm and slope landslides* there were pistachio grove in 645 hectares, saxaul brushwoods in 274 hectares, almond garden in 212 hectares, hazel grove in 221 hectares, brier and sea-buckthorn brushwoods in 98.3 and 159 hectares respectively, restored.

Financing of the country’s forestry sector in 2010, amounted TJS 3592 thousand, including TJS 362 thousand for restoration of forests. This amount covered only 30% of the sector needs for restoration activities.

On reinforcement of rivers banks in Khatlon region, there is “Khatlon Province Flood Risk Management” project ongoing with the total of US\$ 28.5 million. The outputs of the project are institutional and legal reforms, improved Physical Infrastructure for Flood Management through rehabilitation and construction of mud walls and dams, and reduced economic loss of rural people in Khatlon region.

**Implementation of the above-mentioned measures on promotion of environmental sustainability enabled achievement of the following results in 2010:** area of the woodland 0.1%; waste of permanent and mobile sources of pollution to atmosphere 0.11%; amount of ozone damaging chemicals disposed 1.078 metric tons and number of rehabilitated environment monitoring points 3.

#### ***5.5.1. Challenges, solution and expected results in the area of promotion of environmental sustainability***

By activities:

##### *Challenges of the sector*

- Low productivity level of agricultural lands;
- Land degradation, including erosion, pollution, downsizing woodlands;
- Decline in sustainability of natural mountainous environment;
- Ineffective performance of the Centre for Climate Change Studies

##### *Recommendations for addressing challenges*

- Strengthening institutional capacity on environment in order to promote environmental sustainability;
- Addressing issues of natural disasters through prevention and the effective natural resources management;
- Maintaining and management of biodiversity and the ecosystem;
- Reinforcing studies on climate change and its impact to the economy.

##### *Expected results*

- Adjusted environment protection activities with other state activities on promotion of environmental sustainability;
- Strengthened financial and economic regulation mechanisms in the area of environment protection and rational use of the nature in various sections of economy;
- Increased awareness of all segments of the population and environment protection, mitigated and eliminated consequences of the natural and man-made disasters;

By indicators:

##### *Recommendations:*

- Planting trees on foothills and natural disasters prone areas, as well as reinforcement of the banks of major rivers;
- Establishing system of collecting and disposal of solid household waste taking into consideration technology that will enable generation of the electricity power;

##### *Expected results:*

- Enabling environment provided for safeguarding of natural disasters;
- Enabling basis created for effective management of waste and use of alternative sources of fuel.

#### ***5.6. Promotion of gender equality***

Implementation of gender policy currently demonstrates the Government's commitment to promote gender equality. Number of documents has been adopted to promote role and status of

women, as well as ensuring equal rights and opportunities of men and women. At the same time, last years concrete steps are undertaken to reinforce mechanisms of promoting women to public authorities.

The following activities have been carried out in 2010 to address goals and priorities of the PRS 2010-2012 in promoting gender equality.

*With a view to enact law and regulatory documents on preventing domestic violence*, there were Round Tables conducted in GBAO, Sughd and Khatlon regions as well as Dushanbe city with the support of international organizations. At the same time, there was a Working Group established to work on enhancing draft of the Law of the RT “About preventing domestic violence”. The draft of the Law is under review and discussion now.

In 2010, based on the State Programme “Main directions of the state policy on ensuring equal rights and opportunities of men and women in the Republic of Tajikistan for 2001-2010” and “Support of rural women to land” there were gender groups established in the relevant ministries and agencies, in order to promote practice of establishing gender groups in the ministries and government agencies for setting institutional approach of implementing gender policy on the sectoral level. Gender groups have been included into the gender network of the Committee for Family and Women Affairs under GoT and based on its work plan, number of training workshops were arranged to enhance capacities.

Besides, a seminar had been conducted in Khatlon region on “Development of gender policy for economic welfare of women through establishing Information and Advisory Centers in Khatlon region” with the participation and experience sharing of representatives from Sughd region. Training workshops on “Access of women to land and property” have been conducted in Isfara, Istaravshan and Khujand of Sughd region as well as in Kurgantyube of Khatlon region with participation of representatives from the Ministry of Labor and Social Protection, Civil Registration Department and Human Rights Commissioner. During the meetings, goals and objectives of the Resolution 269 of GoT “About endorsing National Strategy on strengthening the role of women in RT for 2011-2020” were introduced.

*As for the conducting informational and cultural events on formation of proper social public opinion about the importance of education for youth and girls*, there were training workshops conducted in Mastchoh, Jabbor Rasulov and Isfara districts of Sughd region and in Tavildara district based on the State Programmes “Training, selection and placement of managerial personnel of the Republic of Tajikistan out of the talented women and girls for 2007-2016” and “Main directions of the state policy on ensuring equal rights and opportunities of men and women in the Republic of Tajikistan for 2001-2010”. In addition, jointly with the representatives of local authorities, numbers of meetings and discussion have been held in the regions.

During the meetings parents were encouraged to pay due attention on enrollment of girls to schools, supplying children with technical and imaginative literature of modern scientists and writers and inspire them education.

*For the purpose of extending programmes and projects directed to support of talented students and young women scientists*, 70 female high achiever students from vulnerable families were granted stipends with the total of TJS 26400 spending in 2009-2010 academic year.

*Furthermore, for assessing the actual level of domestic violence spread in general and violence against women in urban and rural areas*, Memorandum of Understanding was signed in 2009 between the Committee for Family and Women Affairs under the GoT, the Children’s Legal Centre

of Great Britain and the Children's Legal Centre of the RT. Based on this MoU, the Committee for Family and Women Affairs under the GoT has drafted a three-year project titled "Strengthening support of underage girls suffered from various violence". The project contemplates developing "Strategy on support of underage indocile girls", establishing Republican Crisis Centre for victim girls, rendering practical support to enhancing existing system of child protection and so on. Recently, Girls Support Service was established under the Centre Committee for Family and Women Affairs under the GoT. Its aim is to provide real support to girls of risk group, decrease incivility and trade of underage as well as to improve legal base for women and children.

Moreover, in Shohmansur and Sino districts of Dushanbe under the Ministry of Internal Affairs there are Domestic Violence Prevention Units established. Currently, there are 75 Information and Advisory and 31 Crisis Centers function in the country, which mission is to provide free legal and psychological consultations.

With the purpose of organizing conferences and information events to develop legal knowledge and literacy of population on negative consequences of polygamy, violence, illegal human trafficking, especially infants and labor migration, there were meetings and discussions held with the students of universities and institutes in Dushanbe.

At the same time, pursuant to the "Training, selection and placement of managerial personnel of the Republic of Tajikistan out of the talented women and girls for 2007-2016" and "Main directions of the state policy on ensuring equal rights and opportunities of men and women in the Republic of Tajikistan for 2001-2010", there were training workshops conducted in the regions on preventing negative phenomena, including suicide and self-immolation, violence, illegal human trafficking and early marriage of girls.

**Implementation of the above-mentioned measures on promoting gender equality enabled achievement of the following results in 2010:** representation of women and men in the local meetings of the peoples' delegates, both cities and districts level: 48 women in GBAO, 95 women in Sughd region, 228 women in Khatlon region, 80 women in Direct Rule Districts and 66 women in Dushanbe. Number of violence victims supported through Crisis Centers and other services totaled 1589 women and girls.

#### ***5.6.1. Challenges, solution and expected results in the area of Promoting gender equality***

By activities:

##### *Challenges of the sector*

- Underdeveloped legal framework and inadequate institutional arrangements for implementation of norms and principles of gender equality;
- Unequal access to resources, including management resources and surveillance of those resources;
- Public tolerance on violence against women and children.

##### *Recommendations for addressing challenges*

- Enhancing institutional gender policy framework;
- Establishing effective mechanisms for promoting equal access to resources;
- Undertaking required measures on scaling down the level of domestic and public violence.

##### *Expected results*

- Institutional gender policy framework is enhanced, changes are introduced to the relevant by-laws;

- Effective mechanisms for expanding access of women to resources are established, awareness raising campaigns are conducted, granting quotas to girls and youth from different parts of the country practically expanded;
- Level of violence is scaled down to expedite public awareness and improve knowledge of security forces and civil servants.

By indicators:

*Recommendation*

- Increasing number of Crisis Centers and other agencies supporting various victims of domestic violence.

*Expected results*

- Increased contribution of women in economically active public structure and reduced level of domestic and social violence.

## 6. RESULTS OF 2010 IN FIGURES BASED ON THE MONITORING OF IMPLEMENTATION OF MEASURES AND INDICATORS OF PRS 2010-2012 BY BLOCKS AND BY MINISTRIES AND AGENCIES

Information on implementation of PRS 2010-2012 measures in 2010 (by Blocks)

**Table #1**

PRS blocks and sectors	Total measures	Total indicators	Total ongoing measures	Number of indicators being utilized	% progress	
					measures	indicators
<b>Establishment of general conditions for development (the Functional Block)</b>						
Public administration reform	103	-	43	-	42	
Macro-economic development	46	9	35	9	76	100
Improvement of the investment climate, development of the private sector and entrepreneurship	37	7	29	2	78	29
Development of regional cooperation and integration into the global economy	43	10	31	7	72	70
<b>Total</b>	<b>229</b>	<b>26</b>	<b>133</b>	<b>18</b>	<b>58</b>	<b>69</b>
<b>Promotion of sustainable economic growth (the Production Block)</b>						
Food security and development of the agricultural sector	45	13	27	8	60	61
Development of infrastructure, energy and industry	88	26	66	25	75	96
<b>Total</b>	<b>133</b>	<b>39</b>	<b>93</b>	<b>33</b>	<b>70</b>	<b>85</b>
<b>Development of human potential (the Social Block)</b>						
Development of the educational system and science	64	16	34	5	53	31
Development of the healthcare system	43	13	41	11	95	85
Improvement of the social welfare	54	14	47	10	87	71
Expansion of access to water supply, sanitation, and housing and municipal services	13	2	12	2	92	100
Promotion of environmental sustainability	19	11	16	9	84	82
Promotion of gender equality	14	8	6	2	43	25
<b>Total</b>	<b>207</b>	<b>64</b>	<b>156</b>	<b>39</b>	<b>75</b>	<b>61</b>
<b>Total for PRS</b>	<b>569</b>	<b>129</b>	<b>387</b>	<b>90</b>	<b>68</b>	<b>70</b>

Information on implementation of PRS 2010-2012 measures in 2010 (by ministries and agencies)

**Table #2**

Ministries and agencies	Total indicators	Total measures	Total ongoing measures	Number of indicators being utilized	% progress	
					measures	measures
Public administration reform	-	38	13	-	34	-
Ministry of Finance	4	35	15	4	43	100
Ministry of Justice	-	14	2	-	14	-
National Bank	2	13	13	2	100	100
Customs Service	-	3	3	-	100	-
Tax Committee	-	5	5	-	100	-
State Service Department	1	21	20	-	95	-
State Committee on Investment and State Property Management	2	40	24	1	60	50
Committee on Youth Affairs, Sports and Tourism	1	7	7	1	100	100
Agency on Statistics	18	7	7	7	100	39
Agency for Standardization, Metrology, Certification and Trade Inspection	-	3	3	-	100	-

Ministries and agencies	Total indicators	Total measures	Total ongoing measures	Number of indicators being utilized	% progress	
					measures	measures
Ministry of Economic Development and Trade	3	28	21	2	75	67
Ministry of Internal Affairs	2	4	4	1	100	50
Ministry of Agriculture	7	25	15	2	60	28
Ministry of Transportation and Communications	9	21	18	9	86	100
Ministry of Energy and Industry	17	76	52	17	68	100
Ministry of Land Reclamation and Water Resources	3	8	5	3	62	100
State Committee on land and geodesy	4	8	7	3	87	75
Academy of Sciences	-	25	23	-	92	-
SUE «Khojagii Manziliyu Kommunalii»	2	15	13	2	87	100
Committee on Environmental Protection and Forestry	11	17	16	9	94	82
Ministry of Education	16	41	11	5	27	31
Committee on Family and Women's Affairs	3	12	6	2	50	67
Ministry of Labor and Social welfare	11	55	43	9	78	82
Ministry of Health	13	48	41	11	85	85
<b>Total</b>	<b>129</b>	<b>569</b>	<b>387</b>	<b>90</b>	<b>68</b>	<b>70</b>

## **7. CHALLENGES FACED IN IMPLEMENTATION AND REPORTING ON NDS AND PRS**

In order to accelerate implementation process of GoRT's main documents – NDS till 2015 and the next medium-term PRS for 2010-2012 and on this basis establishing sustainable system of data collection and analysis as well as for the purpose of preparing high quality M&E reports for further submission to the GoRT and National Development Council under the President of RT, the MEDT have prepared annual report on the progress of PRS implementation and based on that, list of problems are prepared for producing complete M&E report.

- Pursuant to paragraph 3 of the Resolution 216 of the GoT as of May 2, 2008 “On conducting monitoring and evaluation of the implementation of the medium-term Poverty Reduction Strategy of RT” it is envisaged to establish special M&E units (directorates, departments, units) within relevant ministries and government agencies for monitoring and evaluation of the implementation of the medium-term PRS. However, most of the ministries and government agencies have not implemented this requirement.
- Most of the ministries and government agencies overlook on preparing M&E reports on the strategically important documents of the country - NDS/PRS. Reports submitted do not reflect accurate analysis and do not cover all range of measures and indicators, although based on the MEDT request, ministries and government agencies have approved work plan for implementation of the activities;
- In the Matrix of action for 2010-2012 of PRS, GoRT and President's Office are mentioned as a responsible for some activities, implementation of which depend on other relevant ministries and government agencies. However, some of the ministries and government agencies related to those activities do not provide reports;
- Number of ministries and government agencies that are defined as implementers of 2<sup>nd</sup>, 3<sup>rd</sup> levels etc. in the Matrix of action for 2010-2012 of PRS, do not share their data with the implementer of 1<sup>st</sup> level. As a result, the report on progress of PRS implementation is prepared unilaterally, without proper order and summary of all actors. In addition, some sectoral ministries and government agencies do not incorporate recommendations of different areas of the country in their reports as it is done by the 1<sup>st</sup> level implementer.

## **8. SPECIFIC SECTORAL RECOMMENDATIONS FOR REMAINED YEARS BY THEMATIC AREAS, BASED ON THE MONITORING OF PRS 2010-2012 PROGRESS IN 2010**

Taking into consideration specific sectoral recommendations reflected in the report, below directional recommendations for remained years are provided by thematic areas, based on the monitoring of PRS 2010-2012 progress in 2010:

- I. *Public administration reform* – improving public administration, ensuring transparency and accountability; creating necessary legal framework for growth based on the market economy principles and fighting against corruption;
- II. *Macroeconomic development*- ensuring steady GDP growth; enhancing financial, credit and monetary policies; simplification of tax regulation and tailoring tax regulation system to the needs of taxpayers;
- III. *Development of regional cooperation and integration into the global economy* – improving policy and foreign trade system; strengthening country’s presence in the world trade; promoting regional cooperation; developing tourism and regulating labor migration;
- IV. *Improvement of the investment climate, development of the private sector and entrepreneurship*- improving investment environment, particularly enhancing its legal base; supporting development of entrepreneurship and attracting investments, carrying out necessary reform in finance sector and improving institutional basis;
- V. *Food security and development of the agricultural sector* – enhancing effectiveness of agricultural products production, including cotton growing sector; developing agricultural infrastructure, specifically irrigation and water resources management; applying land use related warranties and rights, including freedom of farmer in choosing crop; introducing one tax system for agriculture; simplifying tax regulation in the agriculture system; tailoring regulatory and legal framework to ensure favorable condition for agricultural growth; expanding access to loans and supplying high-quality and high-calorie food;
- VI. *Development of infrastructure, energy and industry* – completion of projects related to improving regional access and transit roads for trade growth; ensuring energy sector effectiveness through institutional, administrative, management and technical reforms; division of general strategy of energy sector into short-, mid- and long-term priorities based on the effective management principles to attract foreign direct investments and exploitation of alternative energy sources;
- VII. *Development of the educational system and science* – developing institutional and human capacities of education and science systems; improving quality of teaching and centralizing scientific potential by priority areas of science considering economic needs of the country; improving equal universal access, especially girls, to education and high-quality teaching; effective implementation of the National Strategy on development of education sector;
- VIII. *Development of the healthcare system* – expanding equal access to high-quality healthcare services based on improving First Medical and Sanitation Aid services by the qualified medical personnel through providing material and technical basis by integrating medical services; human and institutional capacity building at all levels of the sector (according to the National Healthcare Strategy for 2010-2020);

- IX. Improvement of the social welfare* – developing human, institutional and management capacities of all social protection system; reforming social insurance and pension systems; improving and renewing social insurance and pension systems; expanding access to and improving quality of social support package covering its both: social payments and targeted social services.
- X. Expansion of access to water supply, sanitation, and housing and municipal services* – conducting institutional reform of the sector; improving access to communal services for pro-poor;
- XI. Promotion of environmental sustainability*- strengthening institutional capacity on environment for environmental sustainability; building capacities for preparedness to natural disasters and effective management of natural resources; conservation and management of bio diversity and ecological systems;
- XII. Promotion of gender equality* – enhancing institutional framework for gender policy; creating productive mechanisms for ensuring equal access to resources; eliminating domestic violence in the family and society.