" Country's economic development and ensuring well-deserved living standards of population particularly depends on timely and effective implementation of country's national priorities, ensuring sustainable development within the NDS and midterm strategies as well as sectorial and local development programs"

Emomali Rahmon
President of Tajikistan

Joint Meeting of the National Development Council under the Office of the President of Tajikistan and Development Forum of Tajikistan

LIVING STANDARDS IMPROVEMENT STRATEGY OF TAJIKISTAN (2013-2015)

Ministry of Economic Development and Trade

Basis and need for Strategy development

Basis of development →
- MDGs
- NDS (to 2015)

Need for development →
- Completion of the third PRS (2010-2012)
- Identification of new priorities for the country's social and economic development

Lessons learned from the implementation of the PRS-3 (2010-2012)

➢ Monitoring and evaluation of the implementation of measures of midterm strategies within the NDS and sectorial and regional programs by ministries and agencies are in line with objectives;

➢ Covering influential factors and volatile situation within edition and harmonization of measures;

➢ Closer linking envisaged measures to strategies and sectorial programs and legal and regulatory documents as well as operating international treaties.

New Strategy Innovations

❑ **Improvement of population's living standards:**
✓ logical transition from poverty reduction to improvement of population's living standards.

❑ **Establishment of foundation for further growth of middle class:**
✓ Researching the middle class;
✓ Necessary measures for growth of middle class.

❑ **Application of Modeling Method in Strategy:**
✓ Application of WB methodologies to study the middle class;
✓ Application of MEDT Models;
✓ Analysis of different economic development scenarios;
✓ Linking macroecnomic sector with the strategis analyses in the Strategy.

❑ **Studying underexplored issues:**
✓ Sustainable development, poverty and environment in Environmental Sustainability block;
✓ Disaster prevention in Environmental Sustainability block;
✓ Demographic analyses in Human Development block;
✓ Labor migration regulation.

❑ **Monitoring and evaluation of Strategy's implementation**
✓ Possibility of annual adaptation/revision of measures during the Strategy implementation period;
✓ Involving Media and NGOs for alternative monitoring of Strategy implementation.

Basis and tools for Strategy development

- Priorities of NDS (to 2015);

- Achievements and Outputs of PRS -3 (2010-2012);

- Living Standards Measurement Survey (2007) (WB);

- Living Standards Measurement Survey (2009) (WB);

- Labor Force Survey (2009) (WB and MESPT);

- Middle Class Analysis Model (WB);

- Production and Trade Model (MEDT);

- Public Revenues Forecasting Model (MoF);

- Macroeconomic Model (MEDT).

Strategy's Major Objectives:

❑ Continuing the poverty reduction trend;

❑ Ensuring conducive environment for strengthening and growing middle class.

Definition of Tajikistan Middle Class

➢ Possessing big and medium capital;

➢ Engagement in industry, transport and trade;

➢ Possessing Higher Education;

➢ Have family with small number of children;

➢ Highly qualified specialists, high and medium level managers.

Population Ratio according to the WB Analysis *(in %)*

	2003	2007	2009
Poor population	72,5	53,1	47,2
Vulnerable segment	14,9	26,7	26,7
Lower level of middle class (local)	6,4	10,9	12,9
Higher level of middle class (international)	6,1	9,3	13,1
Total	100	100	100

Major Ways to Achieve Strategic Goals

❑**Public Administration Enhancement:**
✓Ensuring transparency and accountability;
✓Establishing modern legal and regulatory system.

❑**Sustainable Economic Development:**
✓Ensuring sustainable growth of GDP;
✓Enhancing fiscal and monetary policy;
✓Improving foreign trade policy and system;
✓Improving business environment.

❑**Growth of Economy's Real Sector:**
✓Ensuring overall growth of energy, industry and infrastructure;
✓Industry development and diversification;
✓Ensuring food security.

❑**Human Development:**
✓Enhancing social protection and ensuring employment;
✓Development of education and science;
✓Ensuring health sector development;

Priority Tasks to Achieve Strategic Objectives

❑ <u>Sector Priority Analysis:</u>
- Proposals of ministries and agencies as well as local authorities;
- Studying the results of sectorial analyses and researches conducted by different research groups (local, international);
- Comparing with DP's programs and plans.

❑ <u>Selection of Priority Measures:</u>
- Possibility of implementation from timing perspective (2013-15);
- Possibility of implementation from funding perspective.
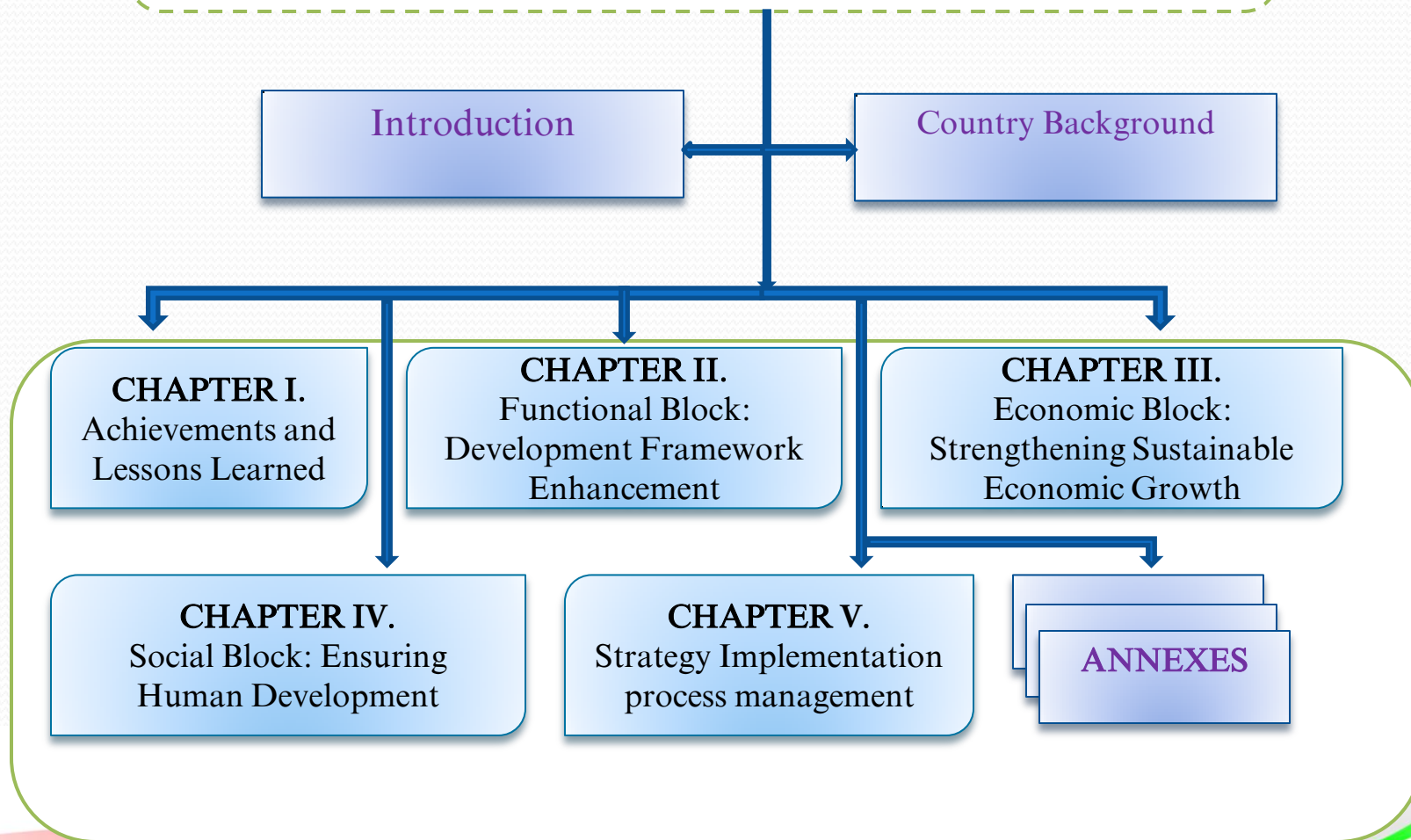
❑ <u>Strategy Harmonization</u>
- With NDS and MDGs;
- Between envisaged tasks and measures;
- With the Public Budget and MTEF;
- With the State Programs on Investment, Grants and Major Construction.

❑ <u>Integration of crosscutting sectors in the Strategy</u>
- Ensuring sustainable growth;
- Gender Equality;
- Enhancing public administration system;
- Demographic planning;
- Labor migration regulation.

Outline of the Living Standards Improvement Strategy of Tajikistan (2013-2015)

Introduction

Country Background

CHAPTER I.
Achievements and Lessons Learned

CHAPTER II.
Functional Block: Development Framework Enhancement

CHAPTER III.
Economic Block: Strengthening Sustainable Economic Growth

CHAPTER IV.
Social Block: Ensuring Human Development

CHAPTER V.
Strategy Implementation process management

ANNEXES

PUBLIC FINANCE MANAGEMENT REFORM

Measures:

- Establishing PFM quality monitoring and evaluation system;

- Prevention of financial system violation and cases of corruption in all aspects of financial management. Strengthening transparent mechanism of public procurement;

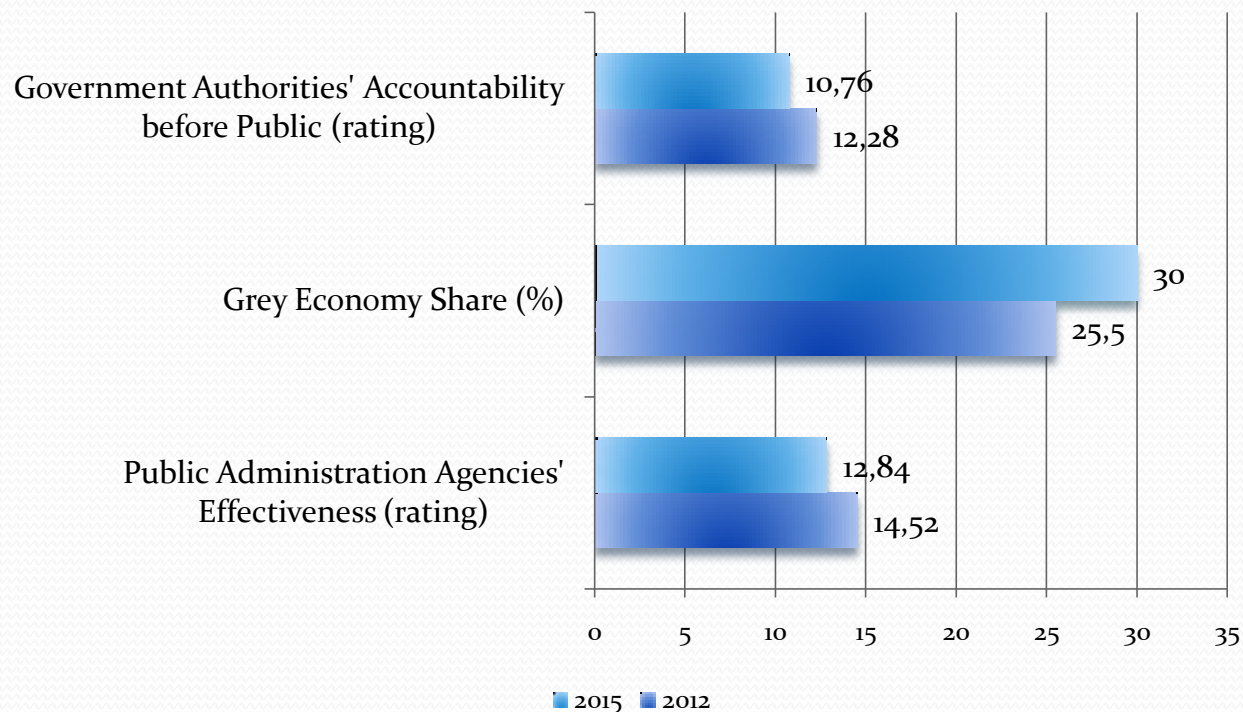- Strengthening Accountability Chamber's activity.

RULE OF LAW AND ACCESS TO JUSTICE

Measures:

▪Building the capacity of the Judicial Training Centre under the Justice Council of Tajikistan;

▪Developing laws on guaranteed legal aid to vulnerable segment of population;

▪Implementing provisions of the Program on legal education of citizens of Tajikistan (2009-2019).

Public Administration Section Indicators

Note: source – National Report on Human Development: Institutions and Development, p.29

Energy

Goal: Supply of population with electricity from 20 to 24 hours a day through capacity expansion up to 5890MVt.

Current Situation: Existing power plants have capacity to produce up to 16.2b KV/h.

Ways of Achievement: Commissioning new plants will make it possible to reach 25b KV/h.

Outcome: GDP additional increase through the energy sector by 1b TJS or 1.8% in 2015. Overall, GDP's increase will make it possible to reduce poverty rate by _____% during three years

Industry

Goal: Increasing production volume by 25% (in 2015 compared to 2011)

Current Situation: Industrial products make 12.3% of GDP

Ways of Achievement: Expanding production of products replacing imported ones through the use of modern technology and local raw materials.

Output: GDP will grow by 3.1% through development of industry, which will make it possible to reduce poverty rate by ____% during three years.

Transport

Goal: Increasing the volume of transport services by 15%. Increasing services by 1.4% promotes GDP growth by 1%.

Ways of Achievement: Improving all types of transport

Output: Growth of GDP by 10% through transport services will make it possible to reduce the poverty rate by ____% during three years.

Agriculture

Goal: Increasing agricultural output by 30% in 2015 compared to 2011

Ways of Achievement: Exploring at least 2000ha of new irrigated lands, repairing and rehabilitating pump stations and using at least 3000ha of rain-fed lands for agricultural activities.

Output: Increasing GDP by ____ through the development of the agriculture will make it possible to reduce the poverty rate by ____% during three years

Education

Goal: Increasing the number of seats, equipping educational facilities, procurement of teaching materials and professional development of teachers

Ways of Achievement: increasing funding of education sector against GDP from 4.5% in 2011 to 5.5% in 2015.

Output: education sector is improved, children's coverage by primary and general education school is increased and seats for schoolchildren is increased in schools

Healthcare

Goal : Improving medical services at PHC, ensuring highly-qualified medical staff in medical institutions and strengthening material and technical resourse base.

Ways of Achievement: increasing funding of health sector against GDP from 2% in 2011 to 2.3% in 2015

Output: health sector is improved, population is better satisfied with medical services at the PHC level and annually the number of medical staff is increased

Strengthening Human Development is the Major Factor for Establishment of Middle Class and Poverty Reduction

Measures:

▪Improving public, particularly women's level of awareness;

▪Ensuring access to high quality medical and social services;

▪Increasing employment rate;

▪Ensuring access to safe drinking water;

▪Improving sanitation and environmental situation;

▪Improving targeted demographic trend management;

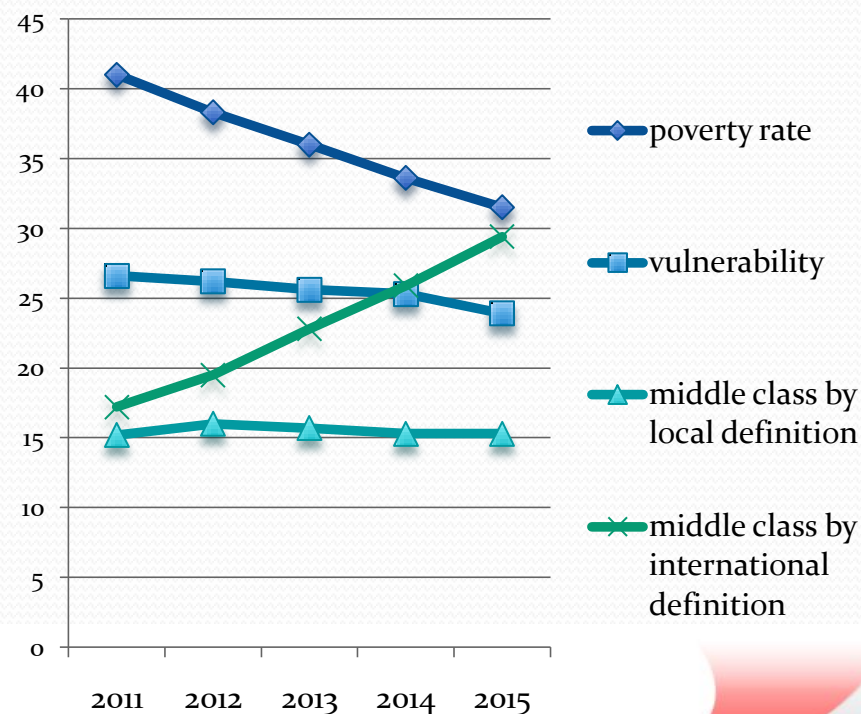▪Regulating demographic trend, labor migration and analysis of labor market.

In case of 7.4-7.5% annual growth of the country's GDP, inflation at 7%, 2.3-2.4% of unemployment reduction, increase in remittances by 25%, the following indicators will be achieved by 2015:

	2011	2012	2013	2014	2015
poverty rate	41	38.3	36	33.6	31.5
vulnerability	26.6	26.2	25.6	25.3	23.9
middle class by local definition	15.2	16	15.7	15.3	15.3
middle class by international definition	17.2	19.5	22.8	25.9	29.4
Total	100	100	100	100	100

Need for funding of Living Standards Improvement Strategy of Tajikistan (2013-2015)

Overall need for funding of this document based on measures of the action matrix makes 18.7b TJS, including:

➢ Functional Block – 0,7b TJS;

➢ Economic Block – 17,1b TJS;

➢ Social Block - 0,9b TJS.

Comparison of technical specifications between the current and the next strategy

Chapter	Living Standards Improvement Strategy of Population (2013-2015)		Poverty Reduction Strategy (2010-2012)		Difference	
	Measure	Indicator	Measure	Indicator	Measure	Indicator
Functional Block	120	18	229	26	-109	-8
Economic Block	58	38	133	39	-75	-1
Social Block	149	49	207	64	-58	-15
Total	**327**	**105**	**569**	**129**	**-242**	**-24**
Funding of measures	Up to 75 %		Up to 35 %		40 %	

Thank you!