

**MINISTRY OF ECONOMIC DEVELOPMENT AND
TRADE OF THE REPUBLIC OF TAJIKISTAN**

**REVIEW OF IMPLEMENTATION OF
THE MEDIUM-DEVELOPMENT
PROGRAM OF THE REPUBLIC OF
TAJIKISTAN FOR 2016-2020**

General description

Long-term expectations for the country's development

NATIONAL DEVELOPMENT STRATEGY - 2030

Phase 1 - Medium-term development program for 2016-2020 The transition to a new model of economic development	Phase 2 - Medium-term development program for 2021-2025 Rapid development phase based on investment attraction	Phase 3 - Medium-term development program for 2026-2030 The stage of rapid industrialization and formation capacity for development based on knowledge and innovation
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In the long run, the country has three main tasks:

1. Achieving the level of socio-economic development of middle-segment countries with comparable average incomes;
2. Ensuring sustainable development through diversification and increasing the competitiveness of the national economy;
3. Expansion and strengthening of the middle class.



First of all

- The purpose of the review is to reflect the important results of the CBD implementation process 2016-2020, the validity of the lessons learned and development expectations for the medium term.
- In this regard, the achievement of development is assessed not only in terms of the medium term, but also the long-term expectations reflected in the National Development Strategy of the Republic of Tajikistan for the period up to 2030 and the Sustainable Development Goals (SDGs).
- Recommendations and analyzes provided in the comments were taken into account in the development of the draft Medium-Term Development Program of the Republic of Tajikistan for 2021-2025.
- In preparing this report, the reporting data of the Agency on Statistics under the President of the Republic of Tajikistan, line ministries, databases and publications of international organizations, as well as expert evaluations were used.
- In order to ensure greater participation in the process of monitoring the implementation of the DBM in 2016-2020 in the relevant ministries, as well as in the regions, discussions were held, the results of which will be used for open and transparent consideration of lessons, lessons learned and tasks for the coming years.

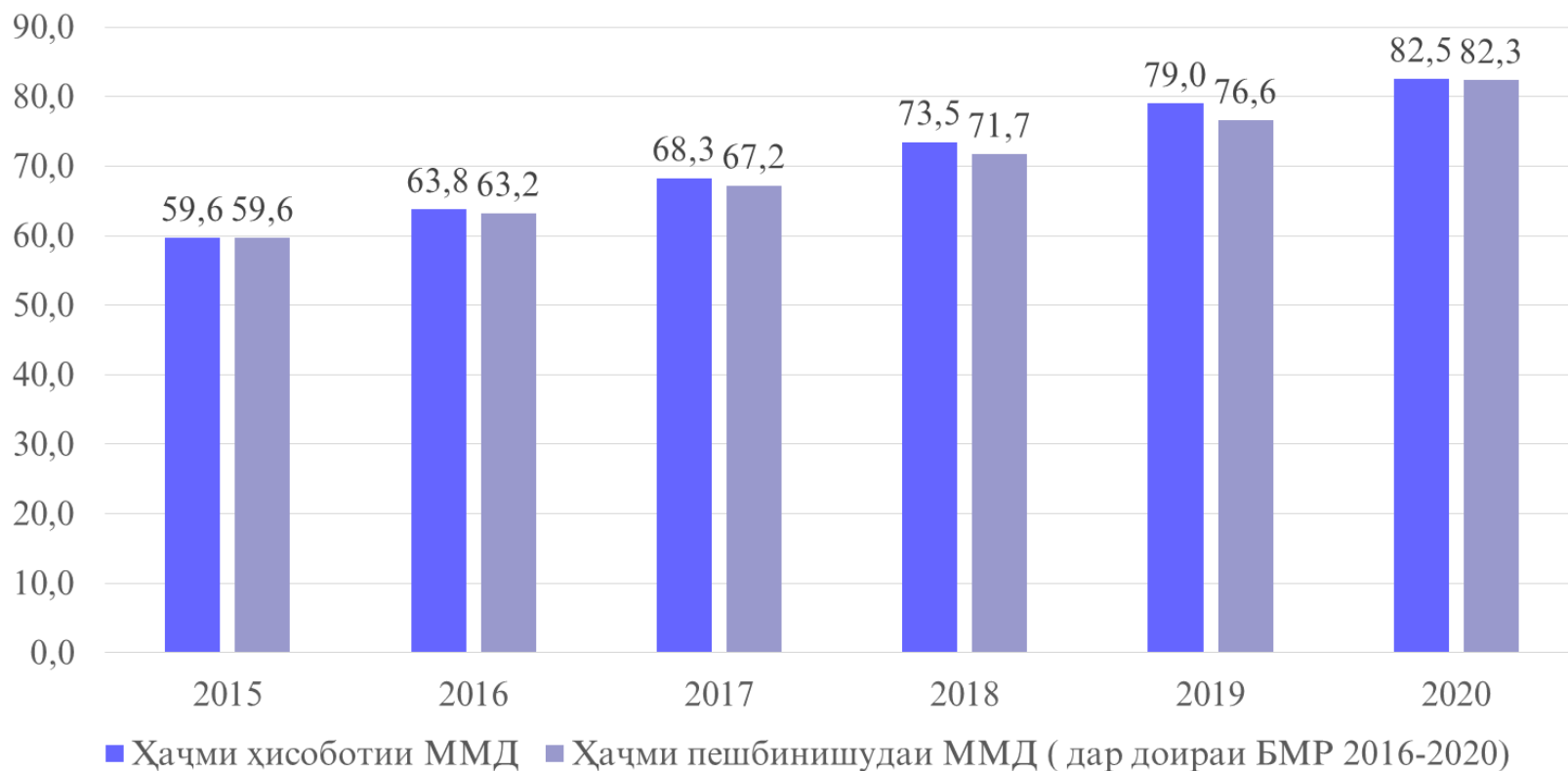
ACHIEVEMENTS AND SUSTAINABLE GROWTH –

In general, the rate of economic growth is higher than in other countries, including the Commonwealth of Independent States (CIS)....



ACHIEVEMENTS AND SUSTAINABLE DEVELOPMENT - A relatively high rate of economic growth has been achieved.

ММД, млрд. сомони (бо нархҳои соли 2020)



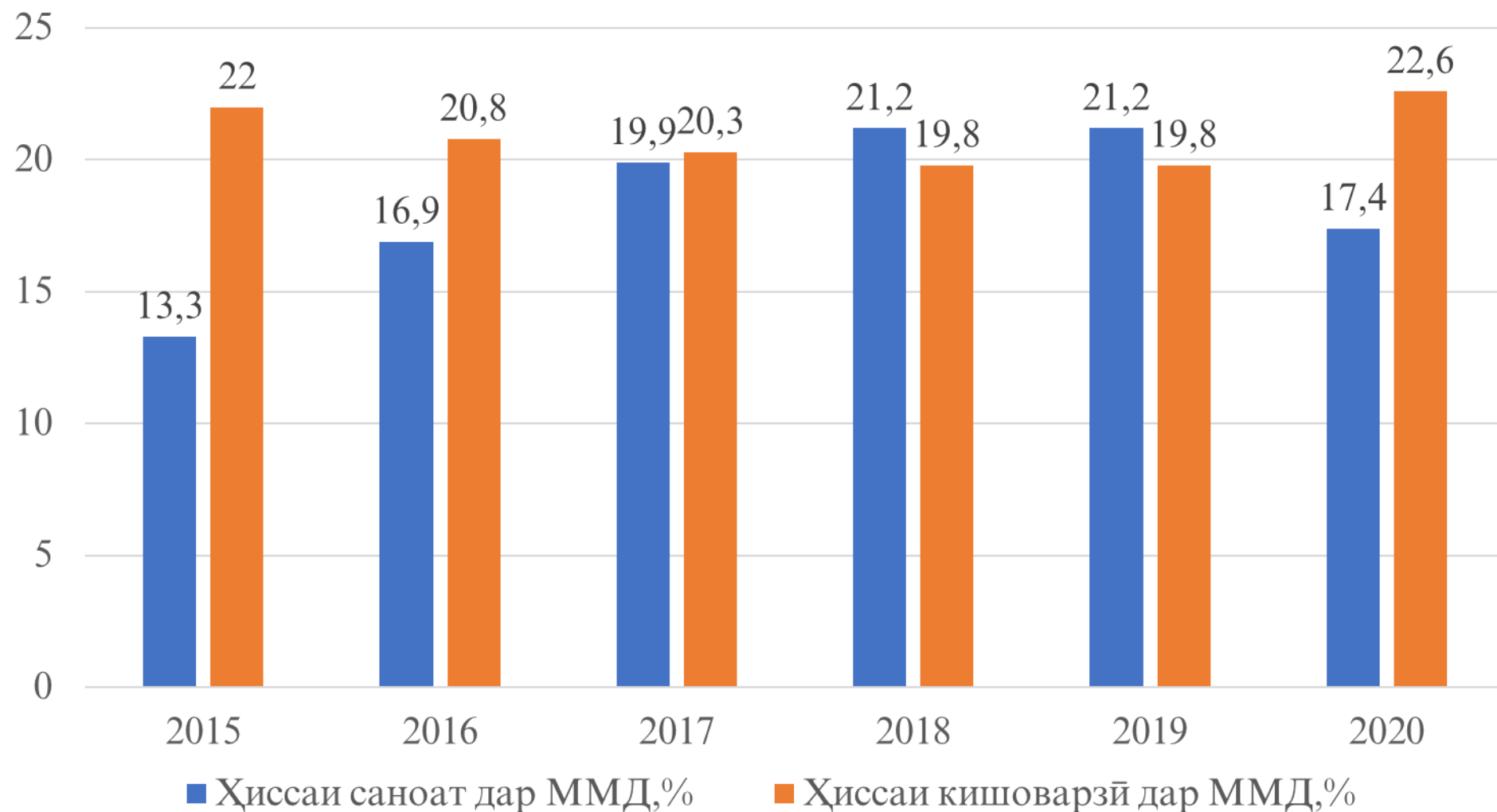
ACHIEVEMENTS AND SUSTAINABLE DEVELOPMENT

- living standards have risen , but the rate of poverty reduction is slightly slower.

	2015 real	Growth during 2016- 2020	2020 - real	2020 – target level	<i>Evaluation of development results</i>
Gross domestic product, bln. somoni (in prices in 2020)	59,6	+38,4%	82,5	82,3	<i>growth in the range of almost 1.4 times, with the achievement of the target</i>
Gross domestic product per capita, thousand somoni (in prices in 2020)	7,0	+24,5%	8,68	8,66	<i>growth in the range of 1.2 times, with the achievement of the target</i>
Poverty level of the population	31,3	-5%	26,3	20	<i>reduction in the range of 5%, but without reaching the target</i>

ACHIEVEMENTS AND SUSTAINABLE DEVELOPMENT

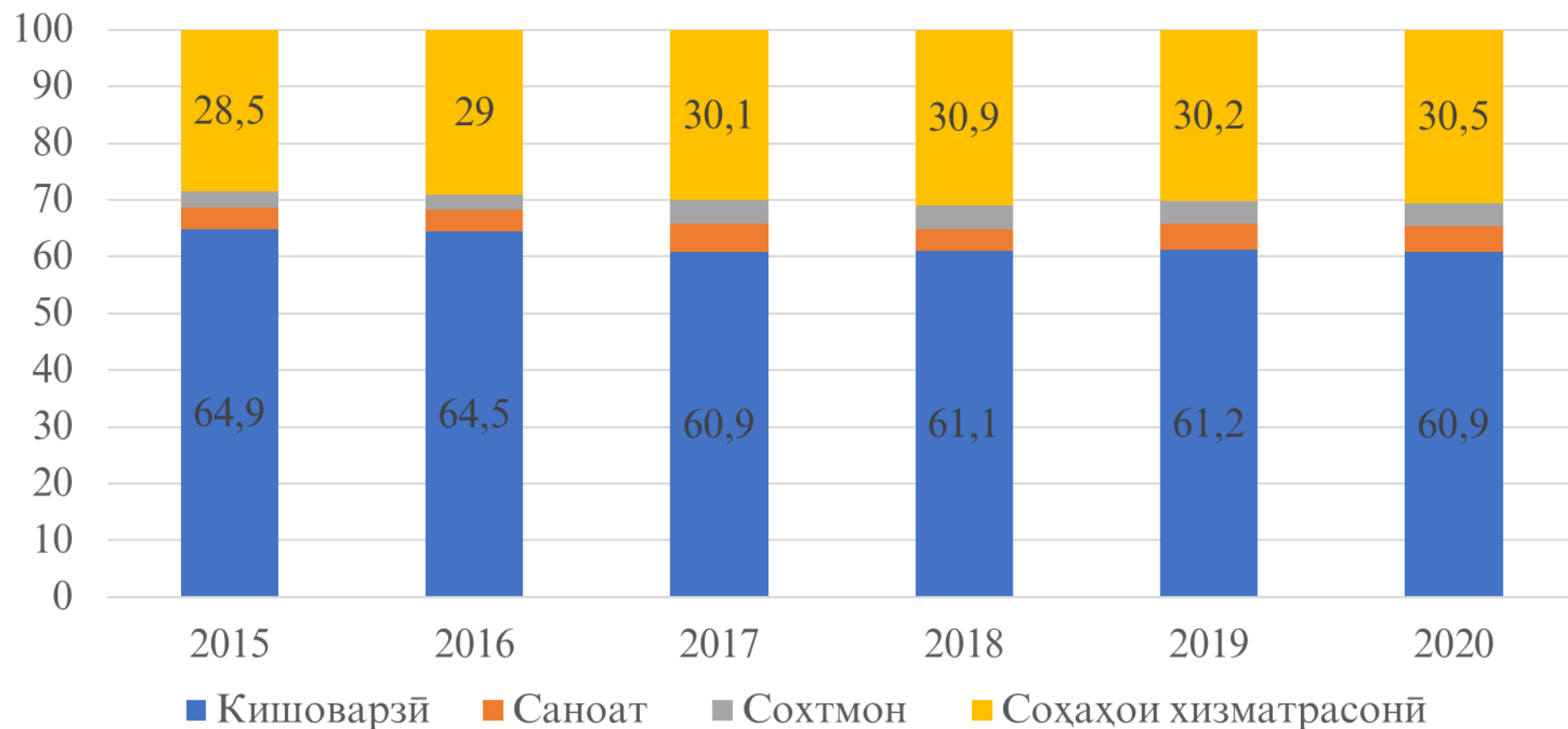
- structural changes have taken place in the framework of the industrial-agrarian economy, which is associated with an increase in the share of industry and a moderate decrease in the share of agriculture in GDP.



ACHIEVEMENTS AND SUSTAINABLE DEVELOPMENT

- structural changes have taken place in the framework of the formation of the industrial-agrarian economy, which is associated with a moderate decrease in the share of agriculture in employment.

Сохтори соҳавии шугл, %



ACHIEVEMENTS AND SUSTAINABLE DEVELOPMENT

- a positive trend in achieving the country's strategic goals is ensured

	2015 real	Growth during 2016-2020	2020 - real	2020 – target level	<i>Evaluation of development results</i>
Ensuring energy independence and energy efficiency					
Electricity generation in hydropower plants, bln. kWh	16,8	+0,6%	16,9	24,5	<i>growth in the range of 0.6%, but without reaching the target</i>
Electricity production per capita, thous. kWh / person	2,00	+10,0%	2,2	2,78	<i>growth in the range of 10%, but without reaching the target</i>
<i>Ensuring rapid industrialization</i>					
Volume of industrial production, bln. Somoni (at prices in 2020)	16,1	+91,9%	30,9	25,8	<i>growth in the range of 1.9 times, with the achievement of the target</i>
The share of industry in GDP	13,3	+4,1%	17,4	13,0	<i>growth in the range of 4.1%, reaching the target</i>
<i>Ensuring food security</i>					
Volume of agricultural production, bln. somoni (in prices in 2020)	27,6	+36,2%	37,6	41,4	<i>increase in the range of 1.4 times, but without reaching the target</i>
Self-sufficiency rate by main types of agricultural products, by%	50	+10%	60	65	<i>growth in the range of 10%, but without reaching the target</i>
<i>Break the communication deadlock and become a transit country</i>					
Freight turnover, bln. t. km	6,0	+30%	7,8	7,2	<i>growth in the range of 1.3 times, with the achievement of the target</i>
Гардиши мусофирон	9,2	-10,9%	8,2	12,1	<i>reduction in the range of 11%, without</i>



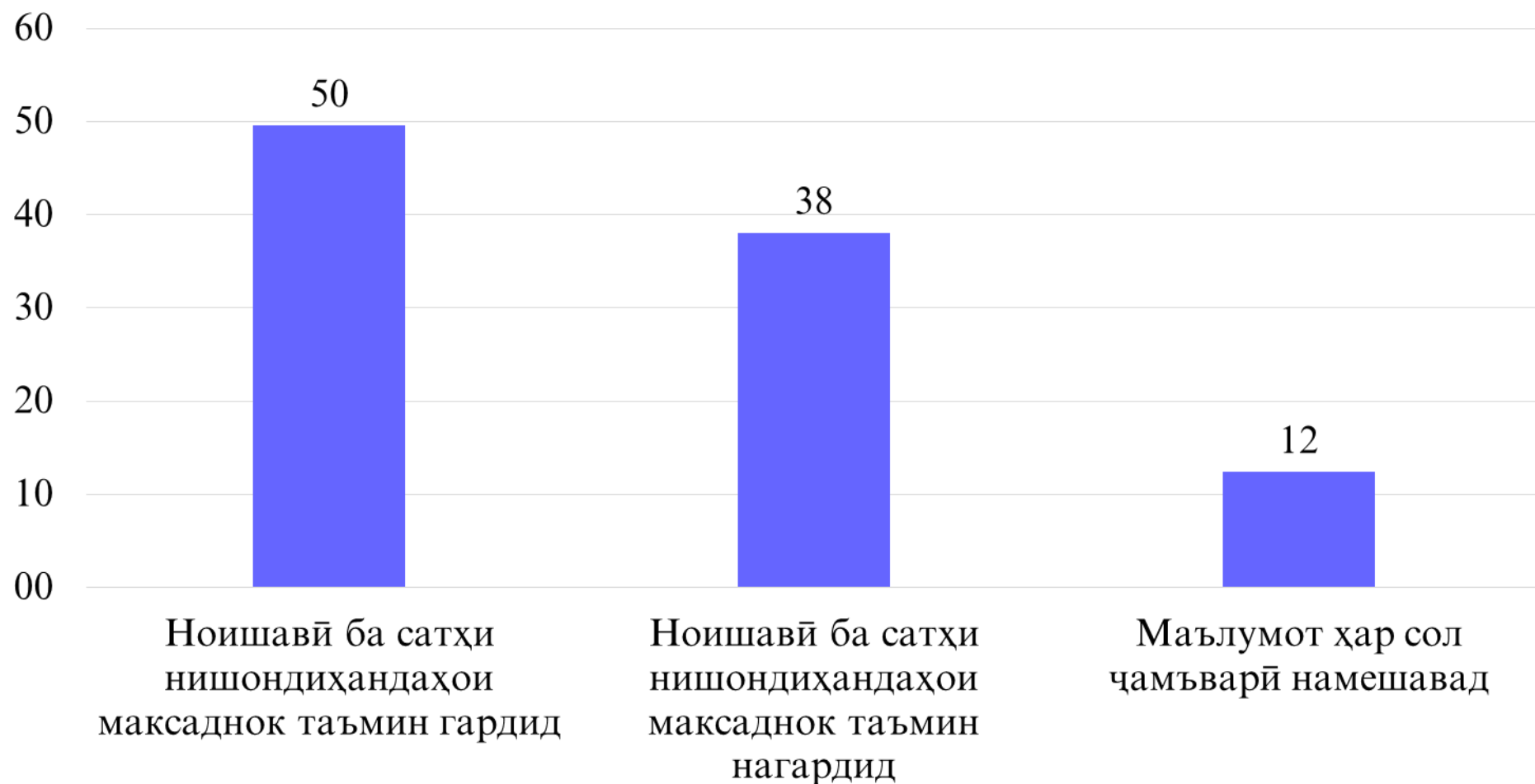
ACHIEVEMENTS AND SUSTAINABLE DEVELOPMENT

- the need to expand investment processes remains high

- Investments in fixed assets in general, mainly in the infrastructure sector, including the energy sector (40.1%) and the development of transport (10%), which provide the necessary conditions for development
- The share of private investment in GDP was 4%, which is far from the target (10-11%).
- The inflow of foreign direct investment (FDI) to GDP averaged 4.1%, which is twice less than the national average (in the range of 7-10% for countries in transition).
- The volume of FDI in the mining industries is relatively high, and it is necessary to increase its volume in the processing sector in the medium term.

ACHIEVEMENTS AND SUSTAINABLE DEVELOPMENT

- In general, in the process of implementing the MtDP 2016-2020, the expected results were achieved within the framework of almost 50% of the targets. On the one hand, development was difficult in the context of the spread of COVID-19, and the main reason was the non-fulfillment of 38.1% of targets.



ACHIEVEMENTS AND SUSTAINABLE DEVELOPMENT

The country's strategic goal is to improve the living standards of the country's population based on sustainable economic development

2016

2020

2025

The following key areas for the transition to a new development model have been identified, which should be continued in the future :

- increasing the efficiency and diversity of the real sector of the economy and all national resources and capabilities;
- improvement of public administration for development purposes;
- formation of a new institutional system of support for the private sector and radical changes in the business environment and investment climate;
- increasing the productivity of human, natural, physical and spiritual capital;
- wide introduction of the principles of “green economy”

An important feature of the direction of activity :

- Strengthening preventive measures in the context of the negative impact of the crisis on the world economy due to the spread of the pandemic of COVID-19;
- Clarification of the industrial principle in the framework of a new national strategic goal - the rapid industrialization of the country;
- Widespread use of domestic sources of development, which will serve as a key factor in ensuring the further sustainable development of the national economy for the period 2021-2025;
- creation of favorable conditions for creation of new jobs and provision of productive employment;
- formation of digital economy for expansion of the principle of innovative development.

Expected result - ensuring high rates of economic growth with improvement of living standards, reduction of poverty



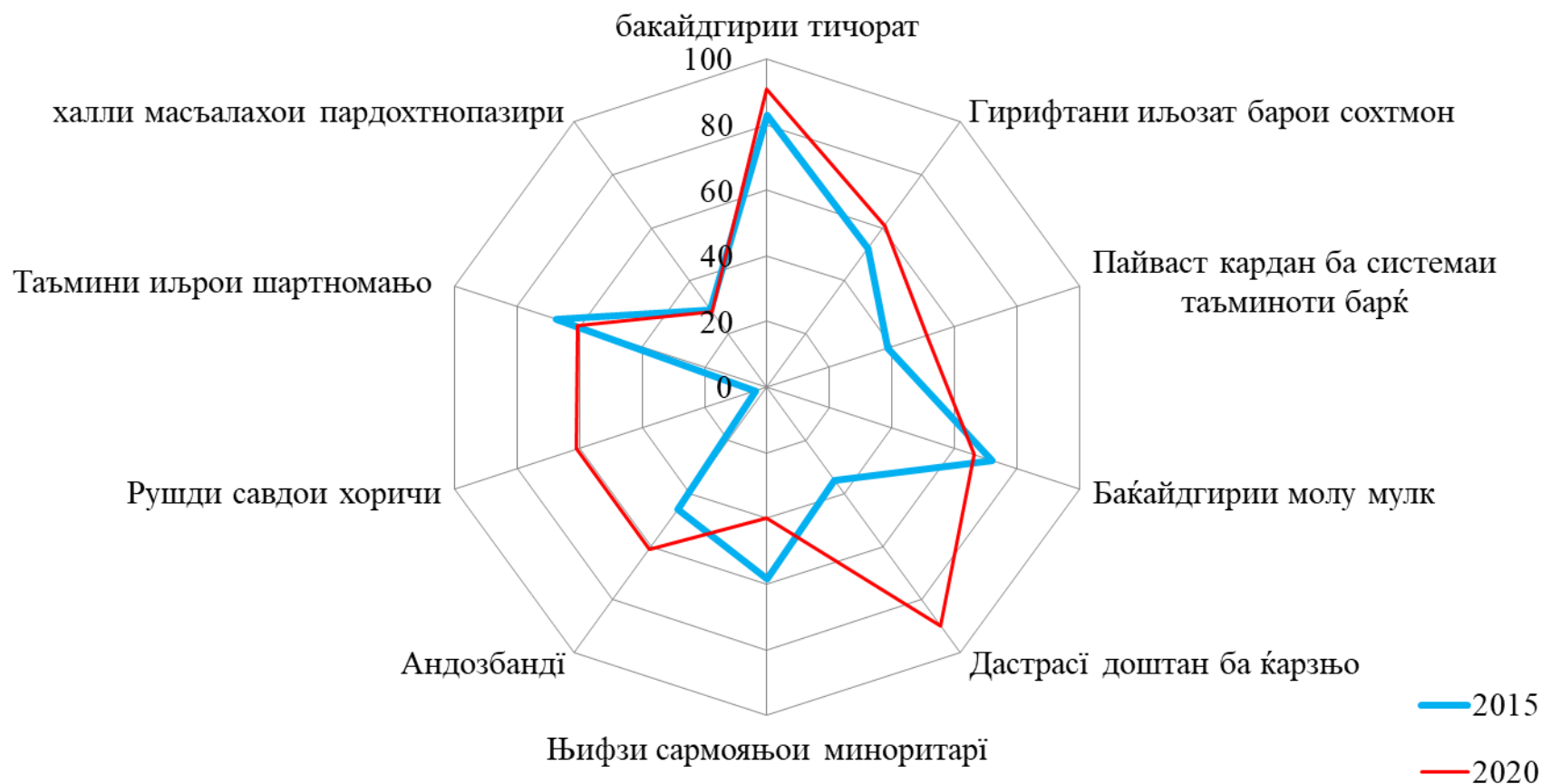
STRENGTHENING INSTITUTIONAL CAPACITY

- activities have been intensified to establish a comprehensive system of strategic planning and set long-term and medium-term goals for government agencies....

- Factors that have had a positive impact on the effective functioning of the system of public administration in this area:
 - Establishment of a system for achieving goals for the executive bodies of state power and their leaders;
 - Increasing the capacity of parliamentary oversight of the legislature's ability to make decisions in a timely manner;
 - Development of the management training system.
- All sectors and regions of the country have been covered by socio-economic development programs, and at the same time a series of concepts, strategies and sectoral programs have been implemented..

STRENGTHENING INSTITUTIONAL CAPACITIES

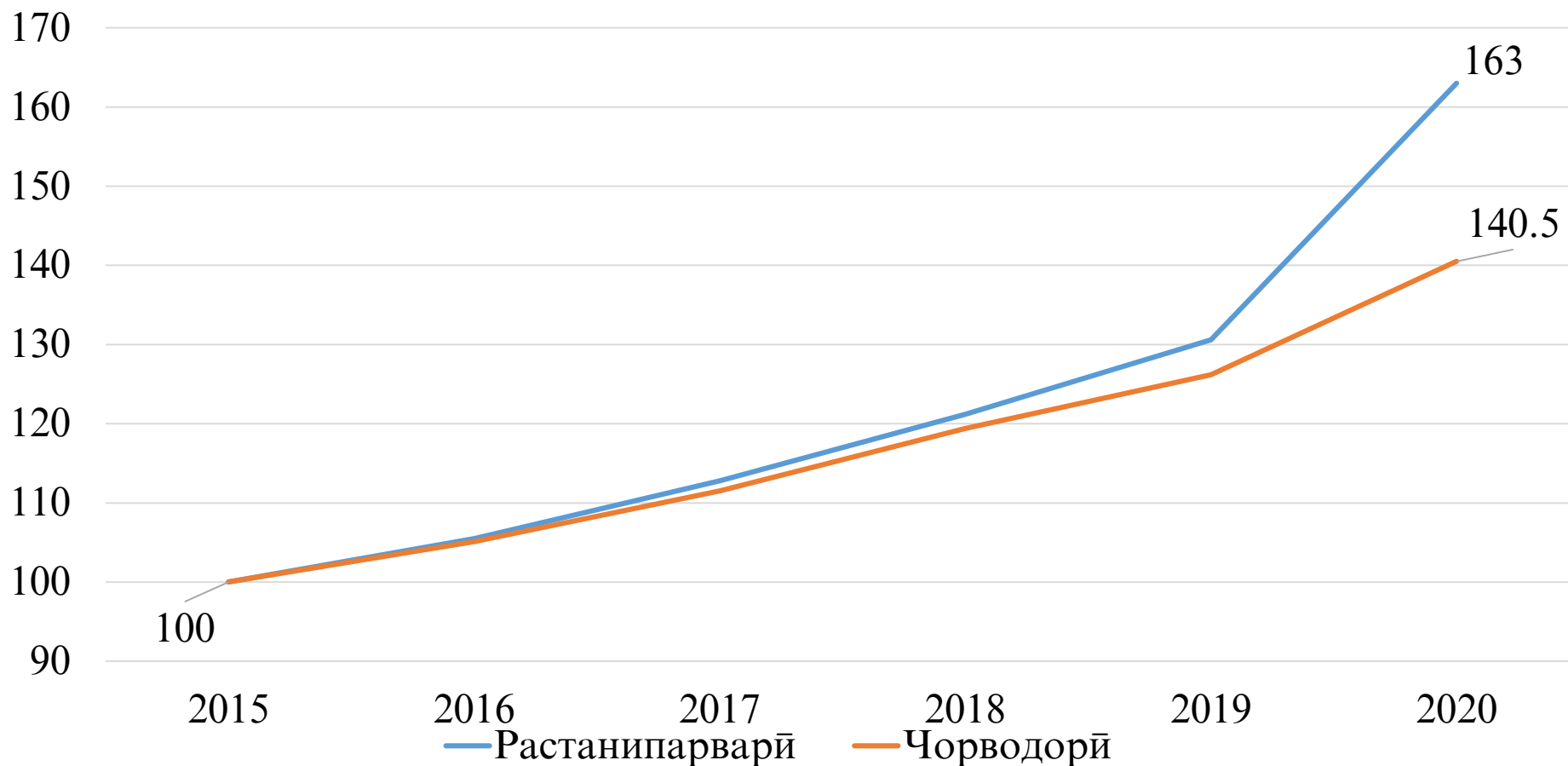
- The results of many reforms The Republic of Tajikistan is recognized by the world community as a reformist state, and in 2020 it was included in the list of top reformers in the report “Doing Business” of World Bank



DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Agriculture - growth of production is provided.....

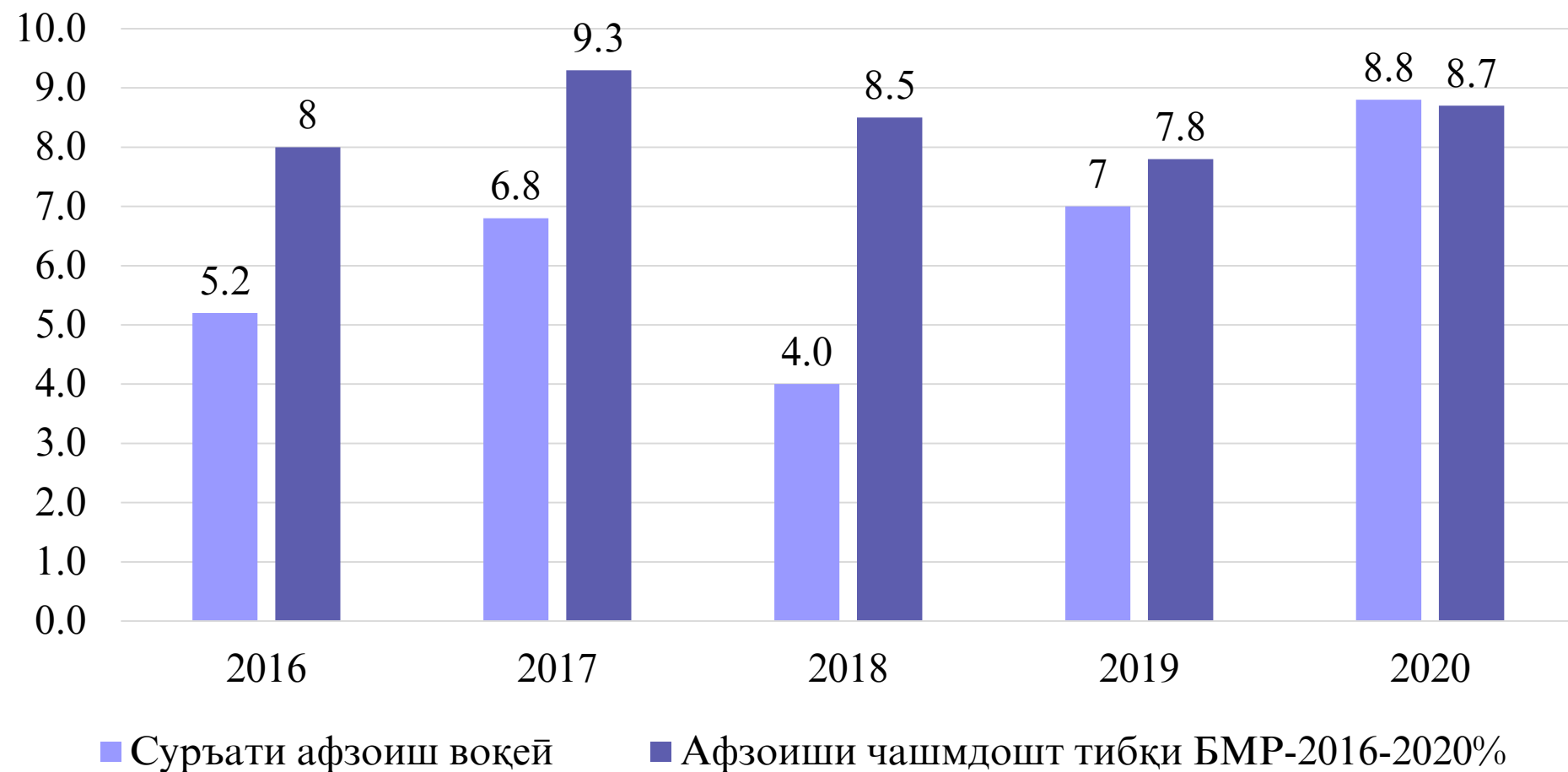
Growth rate of crop and livestock production (2015 = 100%)



DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Agriculture - but the growth rate of the sector should be provided at a higher level.....

Growth rate of agricultural production, %



DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Agriculture is important to expand its activities.....

The country's strategic goal is to achieve food security (SDG 2)

2016

2020

2025

The main areas of action and activities:

- expansion of agrarian reform with a view to forming and developing lucrative agricultural production;
- Ensuring sustainable access of agricultural enterprises to financial and credit resources;
- improvement of agricultural infrastructure and logistics;
- Eliminate low levels of food self-sufficiency, increase food security and improve food quality.

An important feature of the direction of activity :

- Qualitative implementation of the Concept of organization and development of agro-industrial clusters in the Republic of Tajikistan for the period up to 2040 and the Program of creating favorable conditions for the introduction of good agricultural practices in agricultural production;
- strengthening the implementation of forecasting policies taking into account climate change and the structure of the consumer market, while preventing crop losses;
- Improving the regional policy for the formation and development of agro-industrial clusters, as well as the selection of regions according to the chain of "raw materials - the final product - finding a market
- Development of national crop insurance systems for dehkans farms;
- increasing the level of commercialization of production.

Expected result - ensuring high rates of growth of agricultural production by increasing the level of self-sufficiency in the main types of products



DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

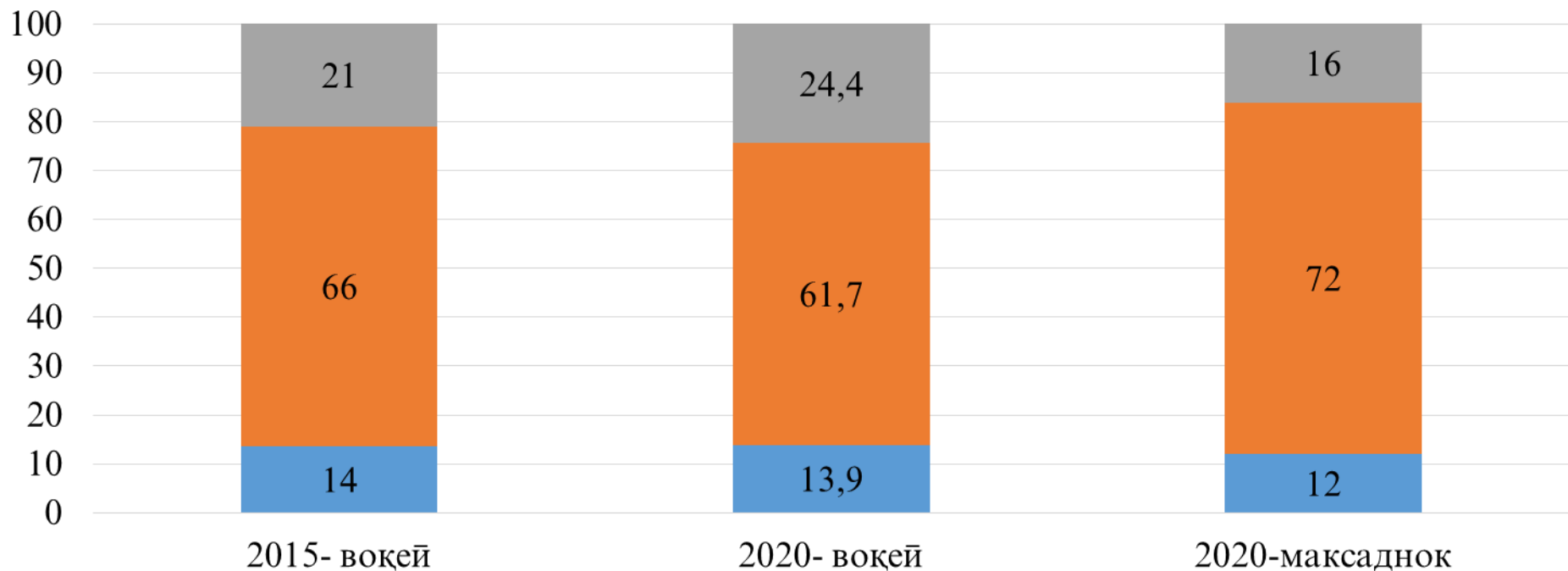
Industry - Production of industrial products increased by 1.9 times and the average annual growth rate was 14%.....

		Average annual growth rate	Growth in general
1.	Total industry	13,9	1,92 times
2.	Mining industry	18,0	2,23 times
3.	Processing industry	15,3	2,0 times
4.	Production and distribution of electricity, gas and water	6,6	1,4 times

DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Industry - the processing industry should have developed at a higher rate

Industrial structure of the Republic of Tajikistan, %



■ Саноати истихроч ■ Саноати коркард ■ Истеҳсол ва тақсимоти қувваи барқ, газ ва об

DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Industry - Although the volume of production in the processing industry has increased, it has become difficult to achieve a number of targets, especially in the production of textiles.....

Production volumes in the processing industry

	2015 real	Growth during 2016-2020	2020 - real	2020 - target level	<i>Evaluation of development results</i>
Cement production, mln. tons	1,4	3 times	4,2	3,0	<i>increase in the range of 3 times, by reaching the target</i>
Production of cotton fabrics, million m. square	8,4	- 12%	7,4	80	<i>decrease in production of this product within 12% without reaching the target</i>
Building bricks, mln. pieces of conventional brick	113,1	+44,6%	163,6	155	<i>increase in the range of 1.4 times, reaching the target</i>
Percentage of cotton fiber processing	6,1	+20,1	26	32	<i>growth in the range of 20.1 percent, but without reaching the target</i>
Percentage of cocoon processing	23,7	-13,7	10	40	<i>reduction of the level of processing of these products in the amount of 13.7%, without reaching the target</i>

DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Industry is important for sustainable development and coordination of interagency activities

The country's strategic goal is rapid industrialization with a gradual increase in the production of competitive industrial products

2016

2020

2025

Areas of action and main activities:

- improvement of customs and tariff regulation measures to protect domestic producers in accordance with WTO standards;
- improvement of credit and financial policy to provide industries with credit resources on acceptable terms;
- Improving tax policy to stimulate investment activity of private entrepreneurs;
- Improving the regulatory framework for export and import substitution;
- Increasing the level of protection against hazardous chemicals in the industrial sector;
- modernization and diversification of industries;
- Improving the quality and reputation of domestic industrial products in domestic and global markets

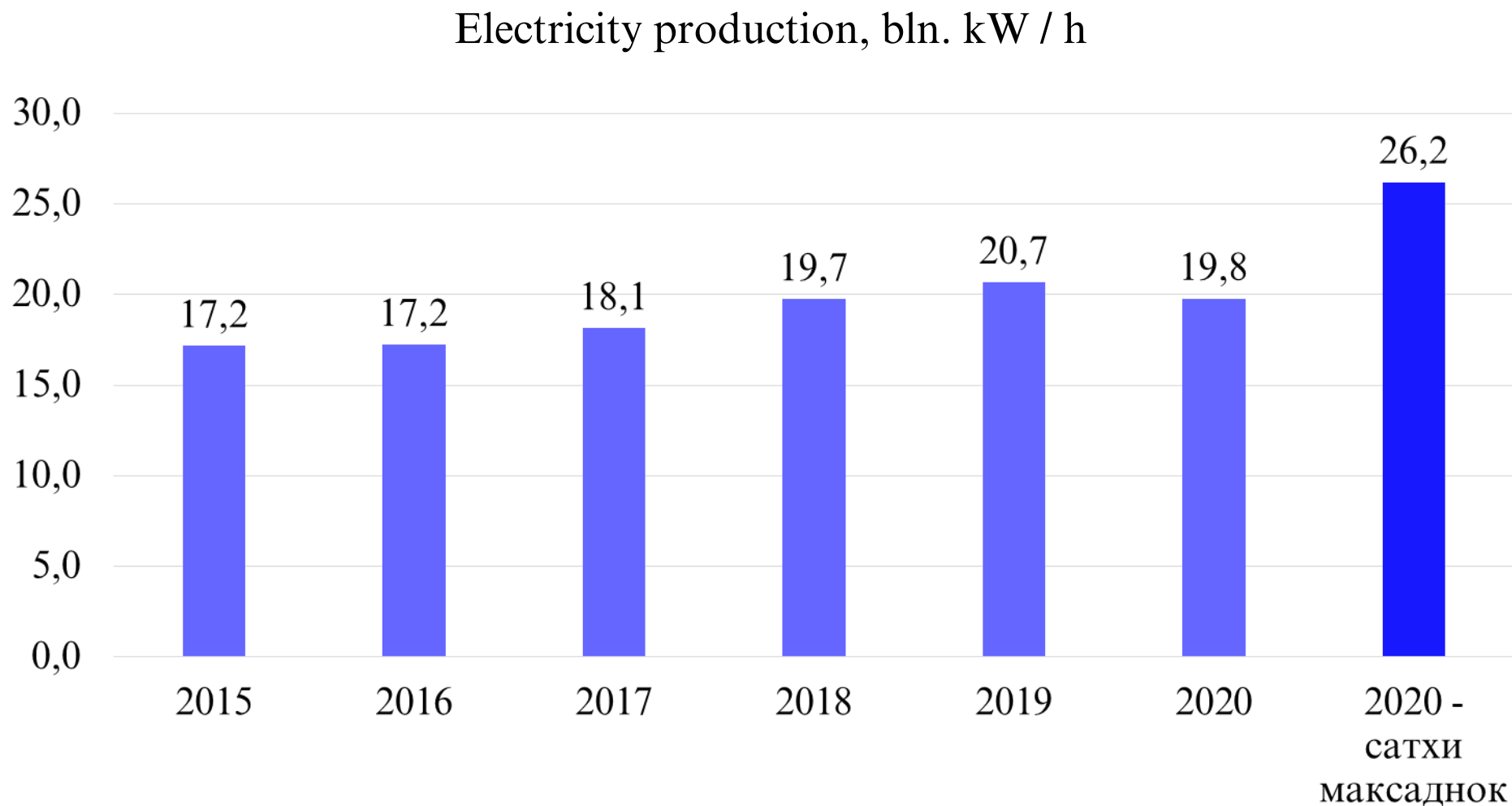
An important feature of the direction of activity:

- Improving the institutional framework for sustainable and rapid development of industries;
- increasing the competitiveness and diversification of industrial production;
- increase in the volume of production in the processing industry and meeting domestic demand for finished products;
- rational allocation and development of the country's production capacity;
- growth of value added of industrial goods based on the development of sectoral clusters.

Expected result - ensuring high rates of industrial development by increasing the share of the sector in the country's GDP to 26.3%

DEVELOPMENT OF SECTORS AND SECTORS OF THE ECONOMY

Fuel and energy complex - Electricity generation in the country is unstable, the main reason for which is the water supply of hydropower plants....



DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Fuel and energy complex - based on the development of coal and oil and gas subsystems and the development of renewable energy sources should be further improved....

The strategic goal of the country is to achieve full energy security by ensuring the development of the country's energy sector

2016

2020

2025

Areas of action and main activities :

- diversification of energy sources;
- achieving positive quantitative and qualitative changes in domestic energy;
- stimulation of sustainable preventive development of related sectors and energy infrastructure

An important feature of the direction of activity :

- continuation of construction of the next units of Rogun HPP;
- construction of Sebzor HPP;
- continuation of reconstruction and modernization of existing HPPs: "Qairoqqum", "Norak", "Sarband".
- construction and commissioning of facilities for the production of electricity from alternative renewable energy sources in the regions of the country

Expected result: growth - the volume of electricity, the share of renewable energy sources in the final energy consumption, the share of the population with access to thermal energy

DEVELOPMENT OF SECTORS AND SECTORS OF THE ECONOMY

The financial sector - the capacity of financial institutions has been strengthened, but the rate of development should have been higher

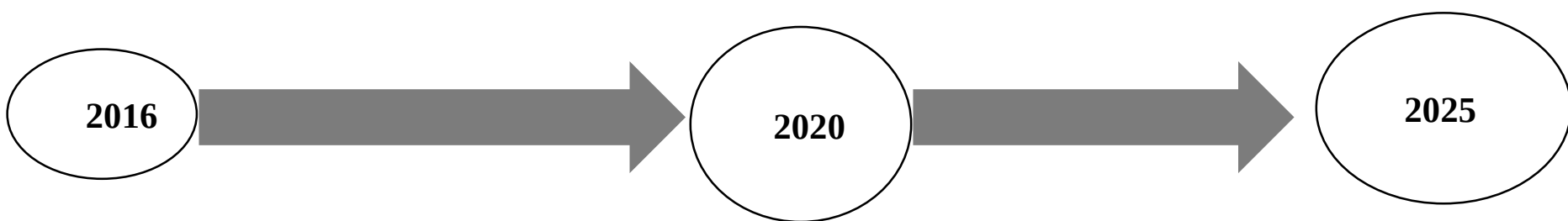
Rate of change of target indicators of development of financial sector

	2015 real	Growth during 2016- 2020	2020 - real	2020 - target level	<i>Evaluation of development results</i>
Assets of credit institutions, bln. somoni	17,8	+48%	26,3	44,4	<i>growth is observed, but without reaching the target</i>
Number of credit institutions per 100 thousand. population, unit	1,6	-56,2%	0,7	2,6	<i>growth is observed, but without reaching the target</i>
Number of branches of credit institutions per 100 thousand. population, unit	5	4 times	20,5	7,5	<i>growth is observed, with the achievement of the target</i>

DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Financial sector - the steps of development will be focused on expanding access to financial resources....

The country's long-term goal is to increase the capacity and competitiveness of financial institutions



Areas of action and main activities:

- reducing the vulnerability of the financial sector and ensuring its sustainability;
- increasing access to financial resources.

An important feature of the direction of activity:

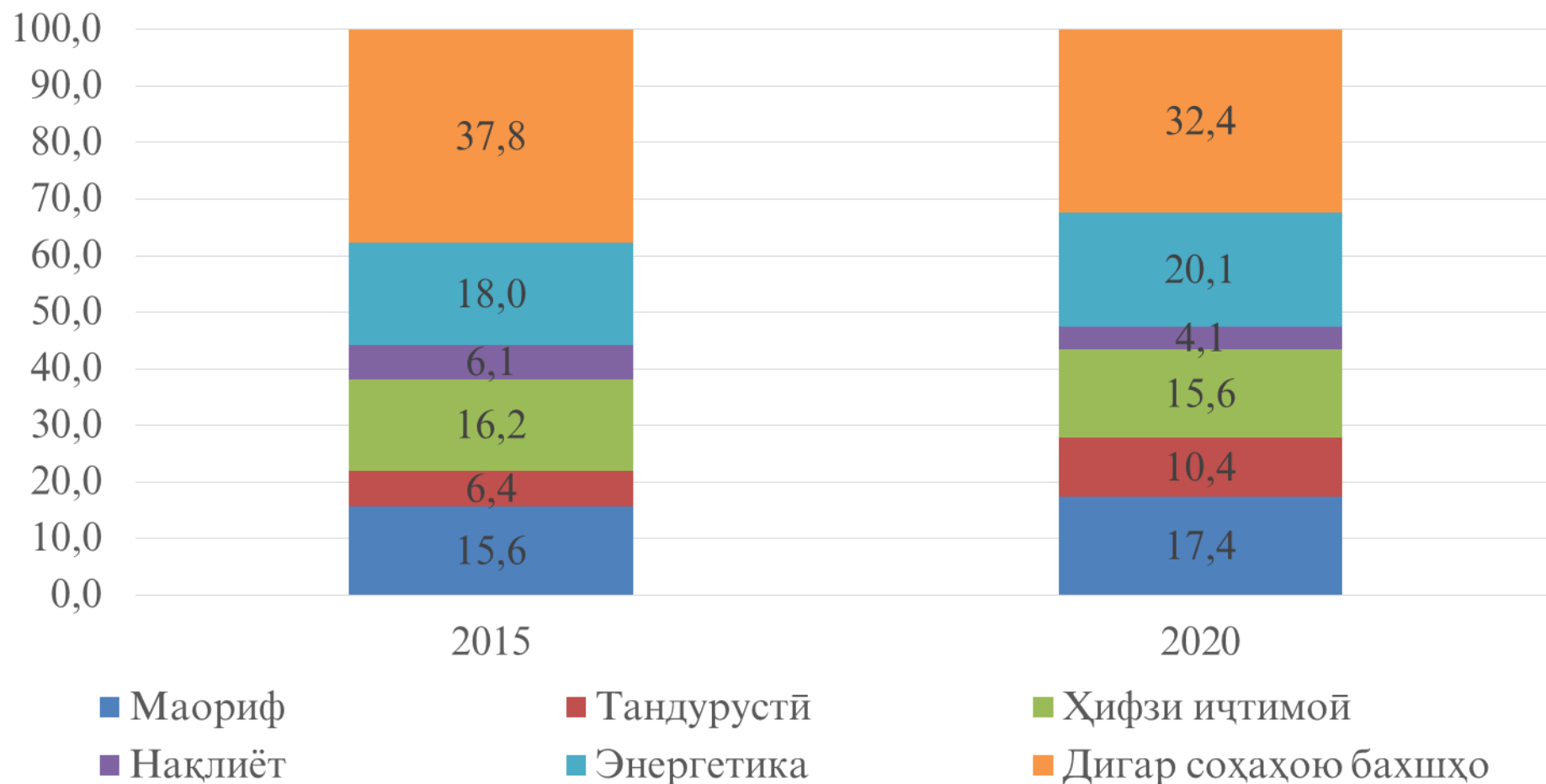
- improving the efficiency of the allocation of financial resources, regular monitoring of the use of financial resources and targeted spending of public funds;
- Improving operational efficiency;

Expected result: growth - share of banking sector and non-bank financial institutions in GDP, sovereign credit rating of the country

DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Human capital - Increased public funding for social sectors and infrastructure to ensure human development

Structure of state budget expenditures, %



DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

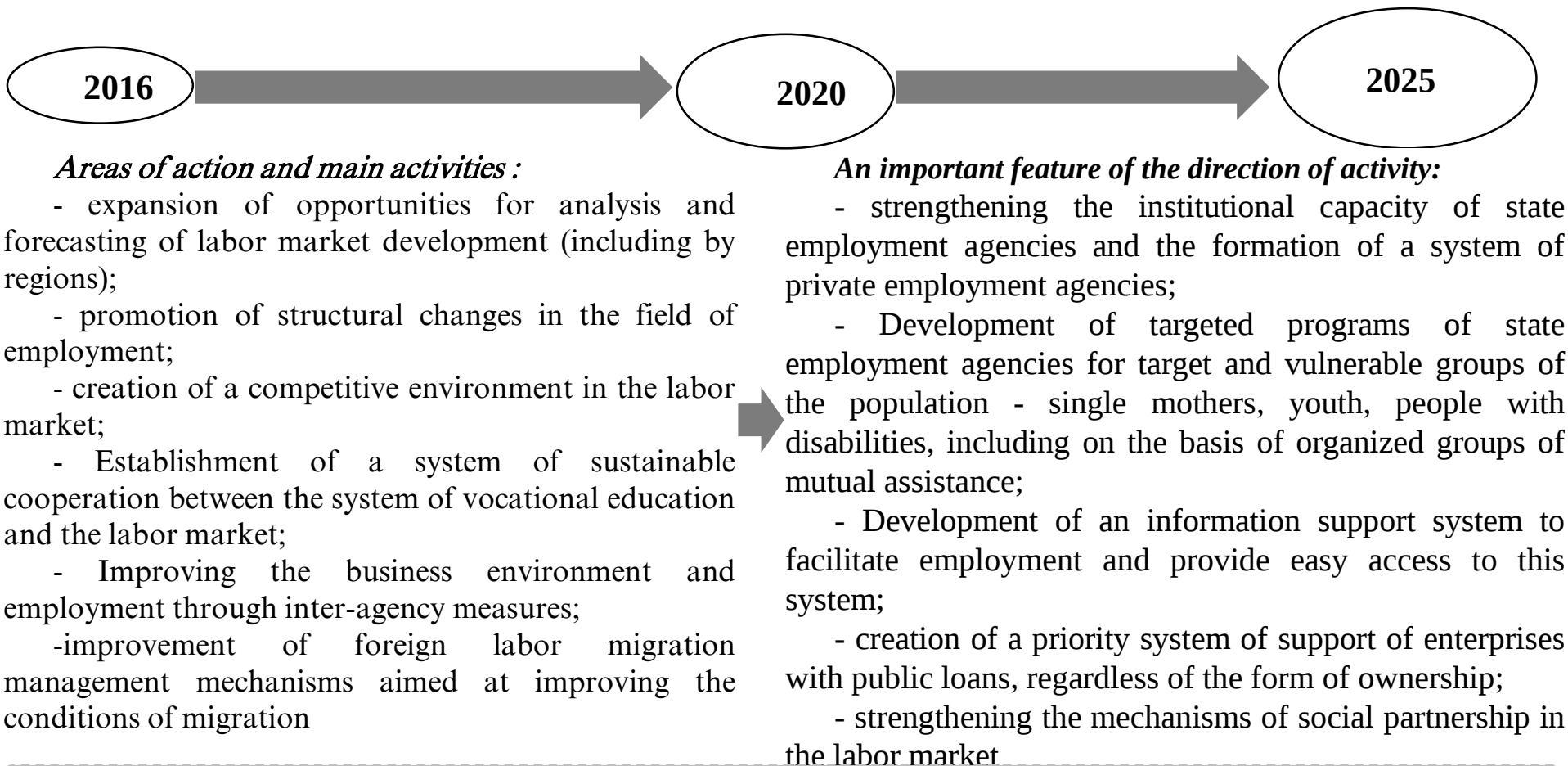
Employment - over the past five years, a total of 654.7 thousand new jobs were created, including 300 thousand permanent, 166.2 thousand temporary and 160.2 thousand seasonal....

Sectoral employment structure in the Republic of Tajikistan, %	2015	2020
Total in the economy, including:	100,0	100,0
In the real sector	71,6	70,0
- in industry	3,8	5,0
- in agriculture	64,9	60,9
- in construction	2,8	4,1
in the field of services	28,4	30,0
- in the field of transport and communications	2,4	2,4
- in the field of education	8,8	9,9
- in the health sector	4,1	4,7

DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Ensuring employment - the priorities set in the MtDP 2016-2020 in the medium-term period of further development to ensure productive employment will remain important

The country's long-term goal is to provide productive employment

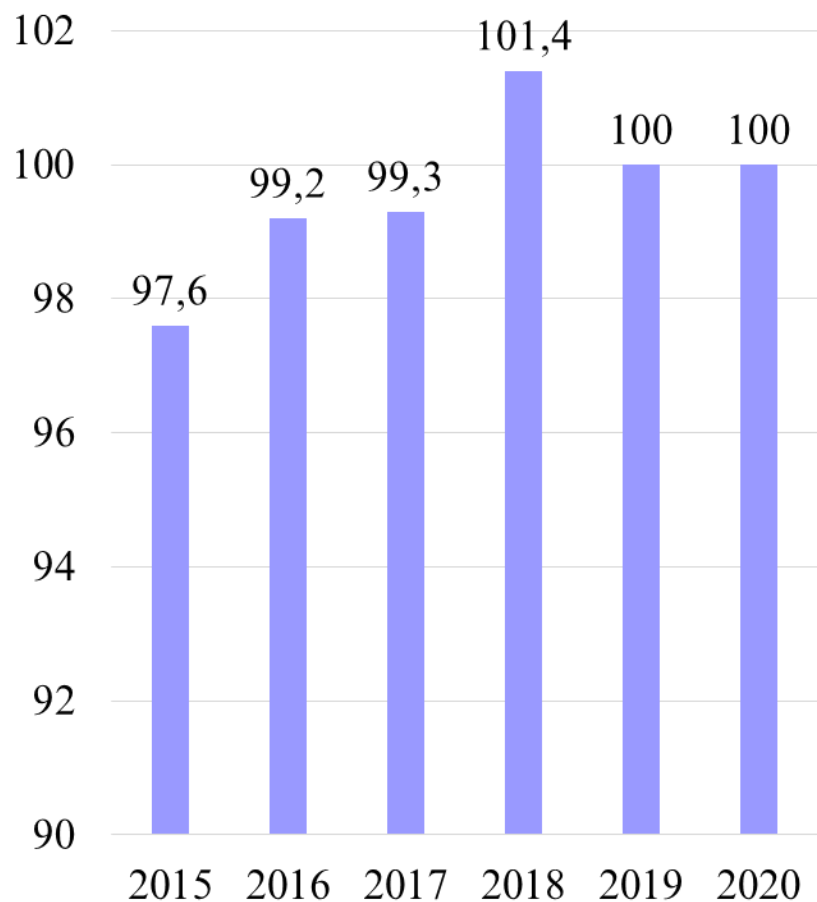


Expected result - the development of the process of creating permanent jobs, increasing labor productivity

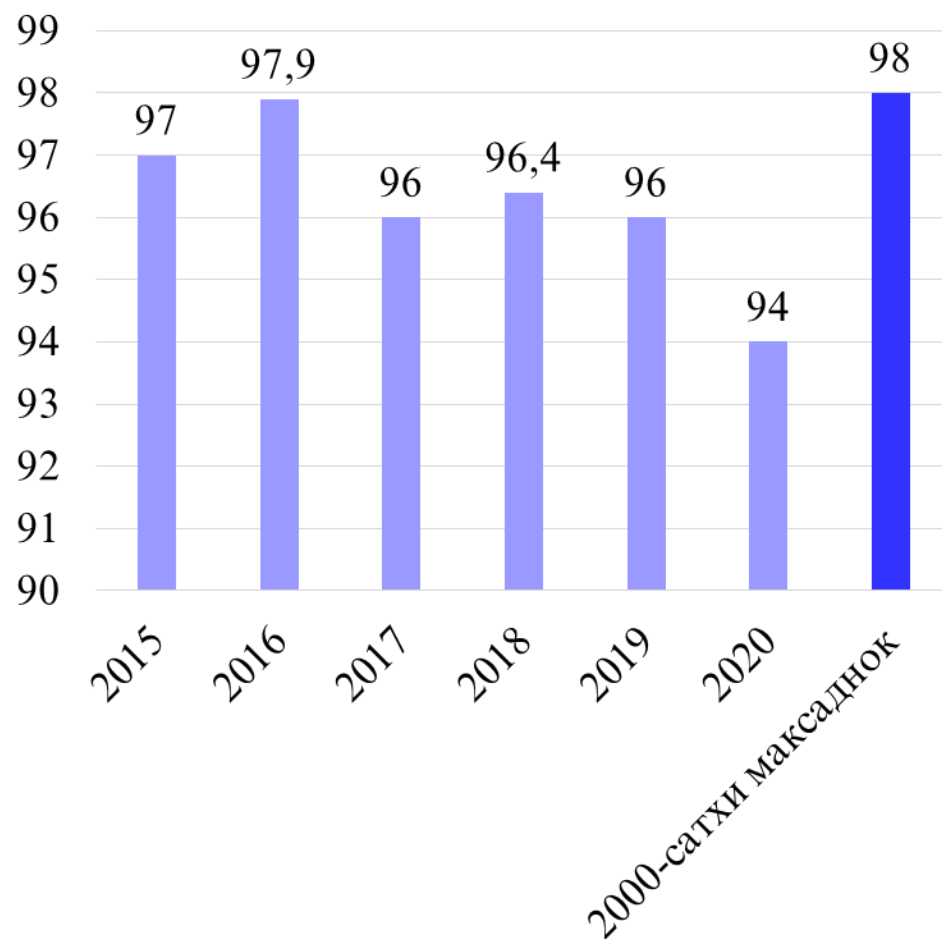
DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Education - development of the education system, increasing the coverage of school education...

Фарогири дар синфҳои 1-4



Фарогири дар синфҳои 5-9





DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Education - but the growth rate of seats in the school education system was slightly slower than planned...

	2015	2020 - the target	Average annual growth (2016-2020)
Commissioning of seats in the school education system, one thousand units	10,9	30	15,7
Average annual growth of children and adolescents aged 7-15 years, thousand people	46,1	47,7	49,4

DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Education - development of the vocational education system with a focus on ensuring access to and quality of education....

Number of students in higher education institutions (universities) of the country

	2015 real	Growth during 2016- 2020	2020 - real	2020 - target level	<i>Evaluation of development results</i>
Number of university students, thousand people	176,5	+39,3%	245,9	237,6	<i>growth in the range of almost 1.4 times, with the achievement of the target</i>
Number of students per 10 thousand population	206,4	+25,3%	258,7	250	<i>growth in the range of 1.2 times, with the achievement of the target</i>

DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Education - in the further medium-term development period, continuation of activities will be provided taking into account the National Development Strategy and the Education Development Strategy

The country's long-term goal - Ensuring social equality and access to education (SDG 4)

2016

2020

2025

The main areas of action and activities:

- modernization of education and science management;
- support for the development of non-governmental educational institutions
- strengthening the infrastructure of the education system;
- Introduction of the system of inclusive education in the field of education of the country;
- formation of the system of supplementary and continuing education

An important feature of the direction of activity:

- development of infrastructure to ensure equal access to education;
- improving educational conditions to increase coverage and quality of education;
- Improving and updating technologies, content and teaching methods based on innovation;
- development of the system of training and retraining of specialists in the field, professional development;
- strengthening the system and institutional mechanism for assessing the quality of education;
- Improving the effectiveness of financing the education system;
- strengthening the education management information system

Expected result - strengthening the tendency to education and professionalism based on access to and quality of education

DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

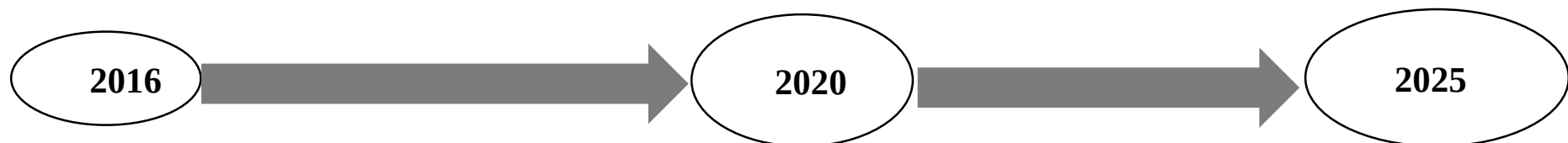
Health - In terms of qualitative indicators, progress has been made in the development of the health sector over the past five years

- the total number of deaths in the country decreased by 10%;
- the under-five mortality rate decreased from 20.6 to 17.9 per 1,000 live births, mainly due to a decrease in infant mortality from 16.5 to 14.3 per 1,000 live births;
- maternal mortality decreased from 33.0 to 26.7 per 100,000 live births;
- the TB rate decreased from 60.4 cases to 40 cases per 100,000 people;
- the incidence of diabetes decreased by about 2.5 times (from 15.1 cases to 30.3 cases per 100 thousand people);
- for the first time, the incidence of viral hepatitis has decreased from 81.3 cases per 100,000 population to 44 cases. Acute intestinal diseases decreased by 2.5 times.
- by 2020, all primary health care facilities will have shifted to per capita funding

DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Health - For medium-term sustainable development, priority social programs are needed to address the development of human potential and health, which will be developed in coordination with the SDGs

The country's long-term goal is to strengthen the capacity of the health care system



The main areas of action and activities:

- modernization of health care management practices;
- support the development of non-governmental medical institutions;
- Ensuring the development of the medical education system, including pharmaceutical education and medical science;
- formation and implementation of a system for carrying out preventive measures.



An important feature of the direction of activity:

- strengthening the capacity of the health care system;
- strengthening the preventive activity of the health care system;
- Improving the system for providing health care;
- Improving the health care financing system.

The expected result is an increase in healthy life expectancy



DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

Social protection - for the purpose of implementation of social policy of the state in the field of social protection of the population and provision of social guarantees to disabled people, war veterans and the disabled, as well as disabled people and their equals have been done

- Review and expansion of vulnerable groups of the population with the right to social protection
- Improve the system of monitoring and evaluation of measures to reduce poverty (in terms of well-being) at the local level. The indicators for assessing the level of well-being and poor families benefiting from the appointment and payment of targeted social assistance were reviewed, and new criteria and additions were introduced.
- Development of methods of providing services to vulnerable groups of the population in the distribution of cities and districts (villages).
- Strengthening the database of the social protection system, especially in the area of pensions and rehabilitation of the disabled
- Continuation of the implementation of targeted social assistance programs as a key component of the state reform programs of social security systems, approved by the Government of the Republic of Tajikistan in February 2017



DEVELOPMENT OF SECTORS AND BRANCHES OF THE ECONOMY

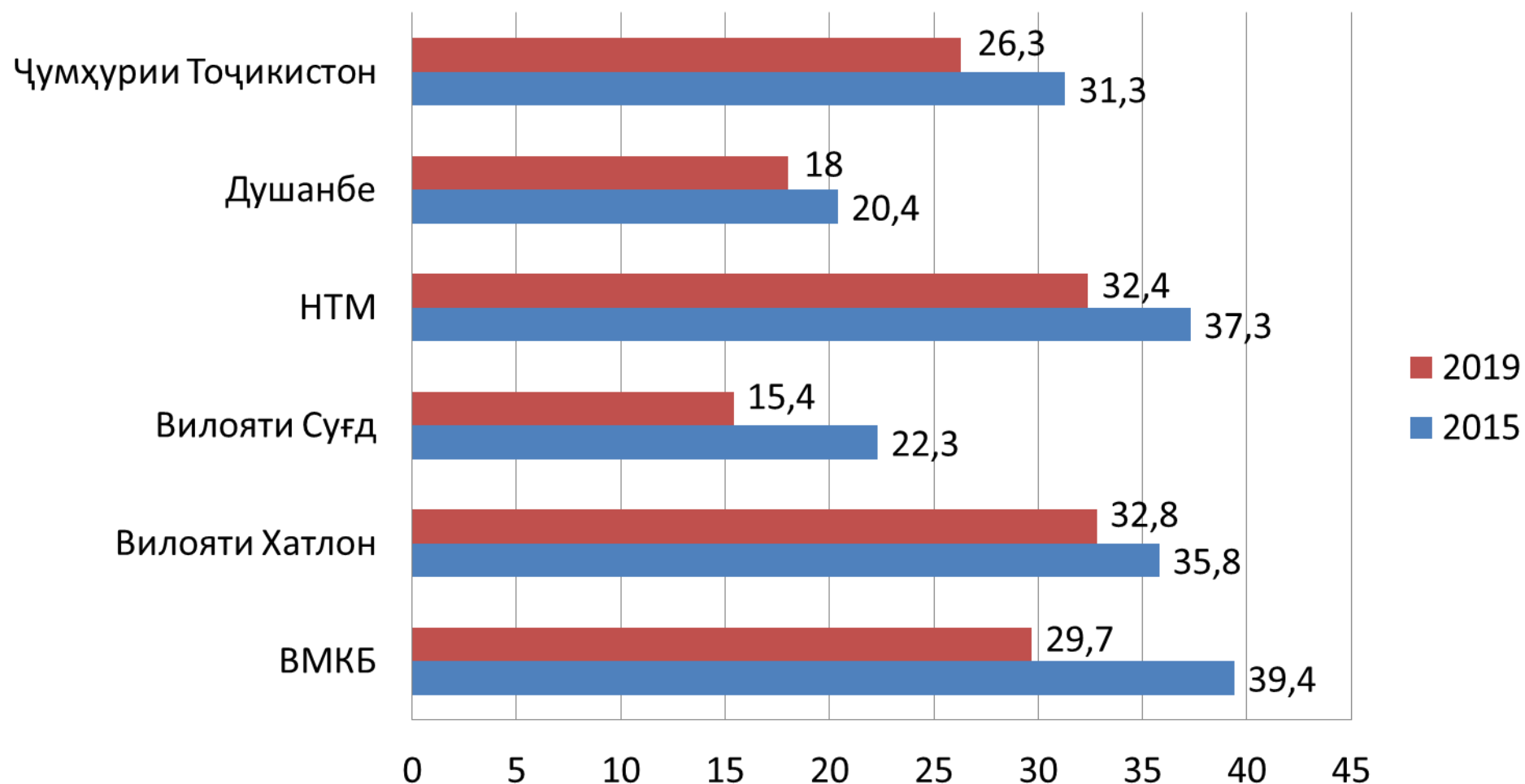
Social protection - it is necessary to strengthen the social protection system in such a way that it is ready for further crises.

- In the medium term, the existing social security system will become more stable, which will be able to respond more effectively to further changes.
- In order to connect the window of demographic opportunities, economic growth, gaps in socio-economic data, governance reform and fiscal space in favor of conceptual priorities and leading mechanisms in the field of social protection, including the focus on specific features are implemented

REGIONAL DEVELOPMENT

Outcome - Poverty decreased in all regions

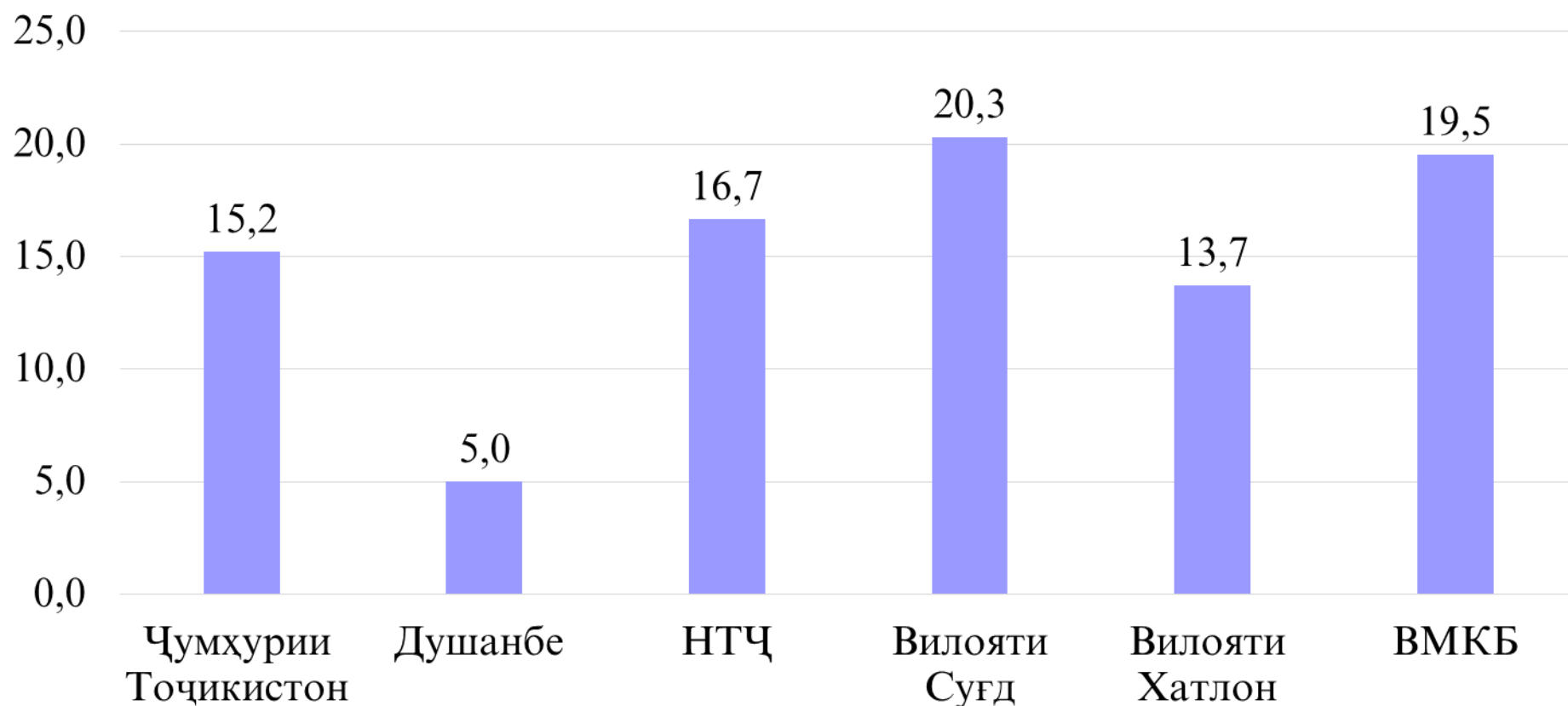
Poverty rate in regions of the country, %



REGIONS OF THE COUNTRY

As a result, the production of industrial products in Dushanbe and the regions of the country has increased, which has ensured the supply of the domestic market and exports to neighboring countries.

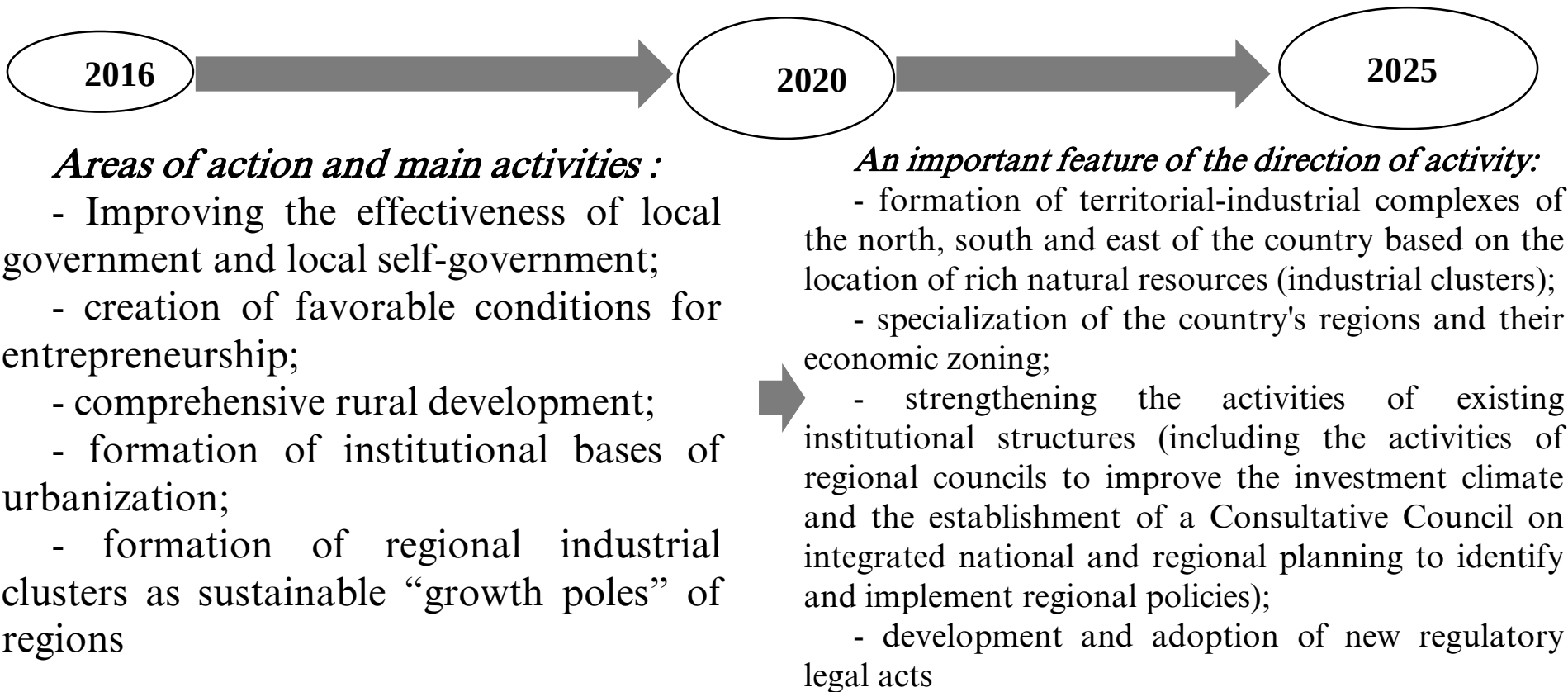
Average annual growth rates of industrial production in the regions of the country
(2016-2020), %



DEVELOPMENT REGIONS OF THE COUNTRY

Is expected to be given high attention to solving problems of the regions in subsequent phases

The country's long-term goal is to create attractive living conditions in the country's regions (SDG 11).



Expected Outcome - Effective management of socio-economic development in the country's regions has increased (progress will be made on SDGs indicators)

MtDP 2021-2025 takes into account the achievements of socio-economic development of the country in recent years and the experience gained in national indicative planning, which will further improve the living standards of the population

Step 3

2026-2030 - Completion of rapid industrialization and creation of capacity for development based on knowledge and innovations

Step 2

2021 - 2025 - Rapid growth based on investments

Step 1

2016 - 2020 - Economic growth on the basis of investments and development of export-oriented and import-substituting production

Key tasks are to form the basis and new sources of development, to expand the scale and rate of return for the next medium term.

Key objectives: - Diversification of the economy with high productivity and productivity and reliance on innovation. Key mechanisms - public and private investment, technological advancement, competitiveness.

Key tasks - a sharp increase in investment in the real sector and infrastructure. Key mechanisms - public and private investment, human capital, financial sector, competitive environment.