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▶ **Public Expenditure and Institutional Review of the Social Protection Sector in Tajikistan**

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Prepared by Shuhrat Mirzoev

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► Abbreviations

ABA	Administrator of budget allocations
ALEP	Agency for Labour and Employment of the Population
ASIP	Agency for Social Insurance and Pensions
CSO	Civil society organization
DRS	Districts of republican subordination
GBAO	Gorno-Badakhshan autonomous oblast
GDP	Gross domestic product
GFSM	Government finance statistics manual
GNI	Gross national income
IGFTs	Intergovernmental fiscal transfers
ILO	International Labour Organization
HBS	Household budget survey
LECs	Local employment centres
MABA	Main administrator of budget allocations
MoEDT	Ministry of Economic Development and Trade
MoF	Ministry of Finance
MoHSPP	Ministry of Health and Social Protection of the Population
MoLMEP	Ministry of Labour, Migration and Employment of the Population
MTDP	Mid-Term Development Programme of the Republic of Tajikistan for 2021-2025
MTEF	Medium-term expenditure framework
MTFF	Medium-term fiscal framework
NDC	Notional defined contribution
NDS	National Development Strategy of the Republic of Tajikistan for the period until 2030
PCF	Per-capita financing
PES	Public employment service
PFMRS	Public Finance Management Reform Strategy of the Republic of Tajikistan
PIP	Public Investment Programme
PMT	Proxy-means testing
RBA	Recipient of budget allocations
SASPP	State Agency for Social Protection of the Population
SCISPM	State Committee for Investment and State Property Management
SFs	Special funds (i.e. own revenues of public entities)
SOE	State-owned enterprise
SPPEP	State Programme for Promoting Employment of the Population
SSMSE	State Service for Medical and Social Expertise
SSPP	State Social Protection Programme of the Republic of Tajikistan
STA	Single treasury account
TFMIS	Tajikistan Financial Management Information System
TJS	Tajik somoni
TLSS	Tajikistan Living Standards Survey
TSA	Targeted social assistance

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► 1. Key messages and recommendations

In the context of challenging and constrained macro-fiscal environment, efforts of the Government of the Republic of Tajikistan to steadily increase public resource allocations for the social protection sector and provide social protection and social insurance services have been impressive. Total public spending for the social protection sector expanded from 2,637.4 million somoni (or \$384.7 million) in 2015 to 3,859.1 million somoni (or \$342.5 million) in 2020. The annual growth of total spending for the social protection sector averaged 8% in nominal terms during this period, and comprised 15.5% of aggregate government spending in 2020. The social protection sector was the third largest recipient of public resources in 2020 (after energy and education), reaffirming the government's commitment and prioritization.

However, challenges in the social protection sector remain. These challenges are exacerbated by:

- *Exogenous* factors such as population growth, weak ability of the economy to withstand shocks, limited fiscal space, high poverty incidence and vulnerability (e.g. among rural population), sluggish job creation and private sector development, and sizeable informal economy; and
- *Endogenous* factors such as low coverage rates, relatively low benefit payments, ageing physical infrastructure, staffing shortages, resource constraints, gaps in data management, inherent public finance management issues, and governance and institutional bottlenecks.

Based on the comprehensive analysis of the social protection sector in Tajikistan, this section presents a summary of key observations (i.e. challenges), followed by policy and institutional recommendations.

1. Limited fiscal space to meet growing demands

- Progressively increase the share of public resources allocated for the implementation of the MTDP 2021–2025 and the NDS-2030, and adequately adjust aggregate public spending for the social protection sector for consumer inflation, while also taking into account broader sectoral needs and demands.

2. Options to increase fiscal space in the social protection sector

In Tajikistan, the need to create fiscal space has never been greater. To that end, efforts to raise additional financial resources to meet the growing needs of the social protection sector can be formulated around the following eight options:

- Expanding social security coverage and contributory revenues;
- Increasing tax revenues;
- Eliminating illicit financial flows, such as bribery, fraud, tax evasion, and others;
- Reallocating public expenditures;
- Drawing down additional financing from fiscal reserves (at various government levels);
- Managing public and publicly guaranteed (PPG) debt, e.g. borrowing or restructuring PPG debt;
- Adopting a more accommodating macroeconomic framework (e.g. fiscal deficits/rules, etc.); and
- Increasing overseas development aid (ODA) and off-budget transfers (i.e. investment).

A more detailed overview of these options and their feasibility in Tajikistan is provided in Section 5.1.

3. Strategic planning and policy prioritization

- ▶ Revise the timeline provided in the MTDP 2021-2025 so that an adequately planned, sequenced (i.e. prioritized), and costed sector strategy is developed and endorsed by the Government of the Republic of Tajikistan sooner.
- ▶ Optimize the number of MABAs in the social protection sector and elevate the role (regarding oversight and accountability) of the Ministry of Health and Social Protection of the Population (MoHSPP) in the current three-tiered governance structure.

4. Fragmentation of the social protection sector

- ▶ Conduct a comprehensive institutional assessment of the social protection system in order to identify and improve accountability and oversight functions/chains between central government and sub-national institutions.

5. Alignment of policy priorities with public resource allocations

- ▶ Ensure full implementation of medium-term expenditure framework (MTEF) reform and expand coverage of programme budgeting to the social protection sector in its entirety.
- ▶ Reduce dependency of the social protection sector on financing from sub-national municipalities (i.e. governments) through:
 - ▶ Exploring the possibility of introducing per-capita financing (PCF) mechanism to ensure a more balanced and equitable allocation of funding for specialized social protection institutions and social service centres; and/or
 - ▶ Broadening the use of intergovernmental fiscal transfers (IGFTs), such as subventions, beyond wage bill and ring-fence a certain proportion of IGFTs for critical needs of the social protection sector.

6. Social service centres and home-based social assistance

- ▶ The number of workers in the social protection divisions/units and social service centres should be proportionate with the population of respective municipalities (regions, districts and cities) at sub-national level, which will improve equity and efficiency of service delivery.
- ▶ Develop and implement a comprehensive and costed professional development plan for social care workers and employees of specialized boarding institutions in the social protection sector. Design an incentive mechanism to attract and retain professional social care workers.
- ▶ The State Agency for Social Protection of the Population (SASPP) should publicly disclose its selection methodology and tendering outcomes regarding outsourcing of the provision of social services to civil society organizations (i.e. non-governmental entities).

7. Specialized institutions for children, adults and elderly

- ▶ The current level of financing should increase to ensure universal coverage through construction and/or rehabilitation of specialized care and treatment institutions. The per-capita financing (PCF) mechanism could be introduced to help the government transition from an outdated input-based resource allocation method for specialized institutions for children, adults and elderly.

8. Pension system

- ▶ Ensure full implementation of the transition (i.e. reconciliation) of the ASIP accounts into the treasury system of the Ministry of Finance.
- ▶ Undertake an actuarial assessment of the pension system and develop modelling scenarios, while also strengthening enforcement and administration of social insurance contributions. On this basis, policy measures could be identified and sequenced to encourage greater coverage and pension system effectiveness, and strengthen fiscal discipline in the Agency for Social Insurance and Pensions (ASIP). Improvements in the collection of social insurance contribution rates should be complemented by improvements in coverage, which plays a critical role in terms of improving the sustainability of the national pension system.
- ▶ The pension system reform should maintain current levels of pensions and aim to adequately increase pensions on a yearly basis, such as by adjusting pensions for consumer inflation rather than 'indicators for calculation' (which equals 60 somoni in FY'2021) and 'basic pension' (which only grew by 10% in real terms during 2015-2019), which is likely to lift the real value of pension payments. Besides, indexation of pensions should keep pace with the average growth of salaries in the domestic labour market.
- ▶ The state policy with regards to mandatory financial contributions of pensioners in specialized (boarding) care/treatment institutions should be revised so that the proportion of deducted pensions is lowered to a reasonable level and the provision of social protection and care services, including their financing, is guaranteed by the state rather than financially disadvantaged and socially vulnerable service recipients.
- ▶ Undertake a comprehensive assessment of the functioning and effectiveness of the social insurance contribution system, which will enable the Government of the Republic of Tajikistan to streamline these elements of the pension system and strengthen institutional capacity of social security institutions.

9. Targeted social assistance programme

- ▶ The TSA eligibility threshold should be flexible, which implies that the cumbersome points-based selection process could be simplified. Besides, a universal coverage approach may be more effective rather than a targeting approach with respect to the TSA programme.
- ▶ Adequate financing and indexation of cash transfers through the TSA programme should be ensured by the Government of the Republic of Tajikistan in order to have a poverty reducing effect on poor households.
- ▶ Create and maintain a modern data processing centre in the State Agency for Social Protection of the Population (SASPP), and gradually transit away from high dependency on donor funding to ensure sustainability and universal coverage of its data processing and management system.
- ▶ Introduce social workers at jamoat level who would routinely process applications, quality assure the process, and validate data entries and TSA eligibility at jamoat and district levels.
- ▶ Given relatively low coverage and participation (i.e. attendance) rates in preschool education and general secondary education, and high indirect costs of education, non-monetary benefits of the TSA programme could be expanded to subsidize the cost of meals and enrolment for children from poor households. Funding for such an expansion in benefit coverage could be secured from the republican (i.e. central government) budget.

10. Unemployment benefits

- ▶ The Government of the Republic of Tajikistan should revise its methodology to make the selection process transparent, as well as more equitable and balanced. Incentive mechanisms could be developed and piloted to ensure higher unemployment registration rates, particularly among women. Public resource allocations for unemployment benefits should be progressively increased in order to meet the registered demand.
- ▶ The registration process of unemployment benefit applicants and management of unemployment registries should be digitized. Adequate staffing and resources should be provided by the Government of the Republic of Tajikistan, namely, sub-national municipalities, the ALEP, the MoLMEP, and the Supervision Service to ensure regular and comprehensive validation and quality assurance.

11. Other social insurance benefits

- ▶ The Government of the Republic of Tajikistan is encouraged to improve coverage of social insurance benefits, such as by progressively increasing public resource allocations. At the very least, benefit amounts could be adjusted for changes to consumer prices to improve adequacy of resource allocations.

► 2. Socio-economic environment

2.1. Macroeconomic environment

Tajikistan's economy has been growing steadily in the past decade, with real GDP growth equalling 4.5% in 2020 or \$7,326 million in current prices.¹ Macroeconomic fundamentals, such as GDP growth, inflation and trade have all improved (see Table 1), but significant macro-fiscal risks remain. Since 2010, the growth rate of the economy has marked an annual average rate of 6.8%, which is higher than the average of other economies in the Caucasus and Central Asia region (5.6%) and low-income countries (also 5.6%).² In the 2020 pandemic year, Tajikistan's economy has performed better than most of its regional neighbours. Consumer inflation has generally been contained within single digits, averaging 6.9% year-on-year in 2010-2020, but rose to 9.4% in 2020 due to a sharp increase in staple foods, import restrictions, and the pandemic effect. The current account balance widened from 2.2% of GDP in 2017 to -4.5% of GDP in 2020 due to sluggish growth in remittances, low foreign investment, and a widening trade deficit.³

Notwithstanding the national priorities identified in the National Development Strategy (NDS) of the Republic of Tajikistan for the period until 2030, Tajikistan's economic growth model remains remittances-driven⁴ with low levels of private investment (averaging 26% of total investment in 2018, compared to 45% among low-income countries),⁵ reliance on low-productivity services and agriculture sectors as the main growth drivers (bar construction where there is a high concentration of capital and debt) and low absorptive capacity of new employment.

1 Ministry of Economic Development and Trade and the Ministry of Finance's macro-fiscal framework for 2021–2023.

2 World Bank online database.

3 Asian Development Bank (ADB). 2020. Asian Development Outlook 2020. Manila, p.161.

4 In 2020, remittances comprised \$2,559 million or 34.9% of GDP (Source: National Bank of Tajikistan).

5 In 2019, foreign direct investment (FDI) in Tajikistan comprised \$189.6 million or 2.3% of GDP (Source: Agency for Statistics under the President of the Republic of Tajikistan).

► **Table 1: Selected macroeconomic indicators for the republic of Tajikistan, 2010–2020**

	2010	2015	2016	2017	2018	2019	2020
Nominal GDP (in mln US\$)	5,641.6	7,059.9	6,951.7	6,925.8	7,305.5	8,116.5	7,326.1
Real GDP growth (in % year-on-year)	6.5	6.0	6.9	7.1	7.3	7.5	4.5
GNI per capita, Atlas method (in US\$)	920	1,350	1,080	1,020	1,030	1,050	...
Foreign direct investment (in mln US\$)	15.6	391.2	344.1	200.1	249.2	189.6	...
Migrants' remittances (in mln US\$)	2,215.7	2,258.6	1,778.2	2,535.8	2,624.9	2,731.3	2,559.2
Minimum monthly wage (in somoni)	80.0	250.0	400.0	400.0	400.0	400.0	400.0
NPLs in banking sector (in % of total loans)	7.4	26.3	47.6	36.5	31.1	27.0	23.8
Lending rates in banking sector (in TJS)	23.4	25.4	25.6	28.9	28.2	23.5	
Lending rates in banking sector (in US\$)	23.0	21.5	19.9	19.9	17.3	15.6	
Consumer price index (in %, p.a.)	6.5	5.7	6.0	6.7	5.4	7.3	9.4
Nominal exchange rate (1 USD per TJS)	4.379	6.856	7.836	8.821	9.424	9.531	11.267
Human Development Index (HDI), score	0.634	0.645	0.647	0.651	0.656	0.668	...
Poverty incidence (in % of population)	45.0	31.3	30.3	29.5	27.4	26.3	...

Source: Ministry of Finance of the Republic of Tajikistan; National Bank of Tajikistan; Agency for Statistics under the President.

2.2. Access to finance and financial participation

Access to finance is expensive and trust in the banking system is relatively low. Tajikistan's banking sector crisis in 2015–2016 resulted in the reduction of the number of financial institutions from 137 to just 16 banks and 58 non-bank financial institutions (NBFIs). Besides, the Tajik somoni depreciated against the U.S. dollar by 83% between January 2015 and January 2020,⁶ which resulted in the closure of businesses, a loss of trust in the banking system, and rising debt servicing costs. The National Bank of Tajikistan has since restored trust by tightening regulation and oversight, and strengthening consumer protection and a continued roll out of electronic and digital financial services (EDFS). This has helped the most vulnerable and marginalized population to access financial services.

⁶ National Bank of Tajikistan (<https://nbt.tj/ru/kurs/kurs.php>).

While financial participation improved markedly during 2010–2019, over-indebtedness of the population has been a concerning issue.⁷ Over-indebtedness is mainly exacerbated by low level of financial literacy, particularly in rural areas, and high cost of credit in the banking sector (at an average annual interest of 22.4% in national currency and 12.8% in foreign currency).⁸

Furthermore, the securities market in Tajikistan is at its infancy and capital market regulation has only just been centralized. The country's stock exchange, the Central Asian Stock Exchange (CASE), was established in 2015 as a platform for organized trading of securities but listing of firms and financial institutions appears to be limited. This is most likely caused by persistent currency volatility and other market risks, which significantly limits the options for capitalization and investment of pension funds. Private pension funds are allowed, but their regulation and oversight remain opaque in national legislation.

2.3. Poverty and population trends

Poverty rate has shrunk significantly in 2010–2020, which enabled the government to increase its social spending and finance infrastructure projects. The absolute poverty level⁹ decreased from about 45% in 2010 down to 27.5% in 2019. However, the rate of poverty reduction has been slowing down to approximately 1% point each year since 2009.¹⁰ In 2020, the food security situation worsened due to rising prices of wheat flour, meat, potatoes, vegetables and other food products amid concerns over the COVID-19 pandemic. The joint FAO/WFP Special Report on Crop and Food Security¹¹ stated that since 2020 the number of households who were not able to afford quality nutritious diets has substantially increased. These vulnerabilities necessitated the introduction (or scaling up) cash transfers and other social assistance to prevent at-risk population groups from sliding back into poverty.

Tajikistan is classified by the World Bank as a low-income country with a per-capita GNI of \$1,050 in 2019. Unfortunately, the last Tajikistan Living Standards Survey (TLSS) was completed in 2007, while Household Budget Surveys (HBS) administered by the Agency for Statistics under the President do not currently offer data for distributional poverty analysis and its regional variations.¹² Previous calculations based on the 2007 TLSS suggested that per-capita growth of 1% leads to a reduction of poverty incidence by 0.62 percentage points.

Tajikistan is also one of the most rapidly growing countries in terms of the size of its population. It doubled in less than 33 years since early 1980s, reaching 9,314 million as of January 1, 2020, and certainly is the fastest growing country in Central Asia in terms of crude birth rate (25.4 live births per 1,000 population in 2019) and population growth rate (2.1% in 2020). In 2018, only 16% of households with no children were classified as poor, compared to more than 50% of households having at least six children (e.g. the country's average household size is 6.22).¹³ Larger families are associated with higher cost of

7 Pratt, R. 2016. *Borrowing by Individuals: A Review of the Attitudes and Capacity for Indebtedness. Summary Issues and Observations*. A World Bank Group publication. August 2016.

8 National Bank of Tajikistan (https://nbt.tj/files/statistics/kredit_ru.xls).

9 Measured at national poverty line (determined by the Agency for Statistics under the President of the Republic of Tajikistan).

10 World Bank. 2019. *Tajikistan Country Economic Update: Heightening Fiscal Risks in Tajikistan*. Washington, DC, p.23.

11 Summary of the FAO/WFP Crop and Food Security Assessment Mission (CFSAM) Report to the Republic of Tajikistan is available at: <https://reliefweb.int/report/tajikistan/special-report-2020-faowfp-crop-and-food-security-assessment-mission-cfsam>.

12 HBS is a high-frequency survey administered and reported by the Agency for Statistics under the President of the Republic of Tajikistan. In 2019, migration and labor market modules were added on a pilot basis to the standard HBS questionnaire.

13 World Bank, UNICEF and Agency for Statistics under the President of the Republic of Tajikistan. 2018. *Child Poverty in Tajikistan*. Dushanbe, p.7. Available in Russian at this link: http://stat.wb.tj/pages/Child_Poverty_Tajikistan_Rus_Aug2018.pdf.

living, which has often driven the poorest population out of school (i.e. children below 18 years) and into early labour market entry. The World Bank's 2017 Jobs Diagnostic admitted that Tajikistan is not creating sufficient jobs for its growing workforce and highlighted that more than 1.825 million people were neither in labour force nor in formal education, equalling 45% of working-age population (based on a 2013 Tajikistan Jobs, Skills and Migration Survey).¹⁴

2.4. Labour market and migration

In 2020, Tajikistan's working-age population (aged 15–64) comprised 62.2% of its total population (5.795 million), including around 75,000 people with disabilities and 728,958 pensioners. Average life expectancy at birth is 75.1 years (including 76.8 years among women) and total fertility rate is declining but still well above the replacement level (2.433 births per woman in 2019, compared to 2.905 in 2010).

New and better jobs are one of the most effective means to reduce poverty, but Tajikistan has consistently struggled at this, which led many of its citizens to seek work abroad, such as in the Russian Federation. Declining workforce participation rates and stricter immigration regulation in Russia meant that Tajikistan has considerable labour reserves, equivalent to about 12–20% of the total labour force. At the same time, 71.1% of all unemployment is rural and 64.9% of all unemployed did not even complete general secondary education,¹⁵ suggesting that cheap labour force has not become Tajikistan's comparative advantage.

As a result, under-educated and low-skilled population are struggling for jobs and subsistence. This has also led to the growth of informal economy. According to the 2016 Labour Force Survey (LFS), 13.7% of formal economy workers had informal jobs.¹⁶ A more recent survey-based study commissioned by UNDP reports that 36.7% of individual respondents who had a job in March-May 2020 had in fact worked informally, without a contract or for an unregistered enterprise, and 26.9% of surveyed micro, small and medium-sized enterprises (MSMEs) had non-registered workers in their ranks.¹⁷

Tajikistan's robust economic growth is mainly driven by relatively low-productivity and low-paid jobs, as well as remittances, which poses significant socioeconomic risks. Hence, the 7-percent average annual economic growth between 2015 and 2019 led to rise of employment only by 4% in the same period.¹⁸ In particular, anaemic wage growth and inflated growth statistics can be attributed to this discrepancy. Besides, 73.8% of Tajikistan's population resides in rural areas and is relatively young (with mean age of 26.5 years), while the total dependency ratio was 59.5% in 2017, implying a relatively high social burden.

14 Strokova, V. and Ajwad, M. 2017. *Jobs Diagnostic Tajikistan: Strategic Framework for Jobs*. A World Bank publication. Washington DC, p.3.

15 Agency for Statistics under the President of the Republic of Tajikistan. Referenced figures are from 2019.

16 Agency for Statistics under the President of the Republic of Tajikistan. 2017. *Labor Market Situation in the Republic of Tajikistan. A Report Based on the Labor Force Survey from July 20 to August 20, 2016*. Dushanbe, Tajikistan.

17 Mirzoev, S. and Sedaghat, N. 2020. *Impact of COVID-19 on Lives, Livelihoods and Micro, Small and Medium-Sized Enterprises (MSMEs) in Tajikistan*. A UNDP publication, September 2020. Dushanbe, Tajikistan, p.61 and p.103. The survey samples consisted of 1,000 households and 700 MSMEs (in four sectors: agribusiness, tourism and hospitality, light industry, and personal services).

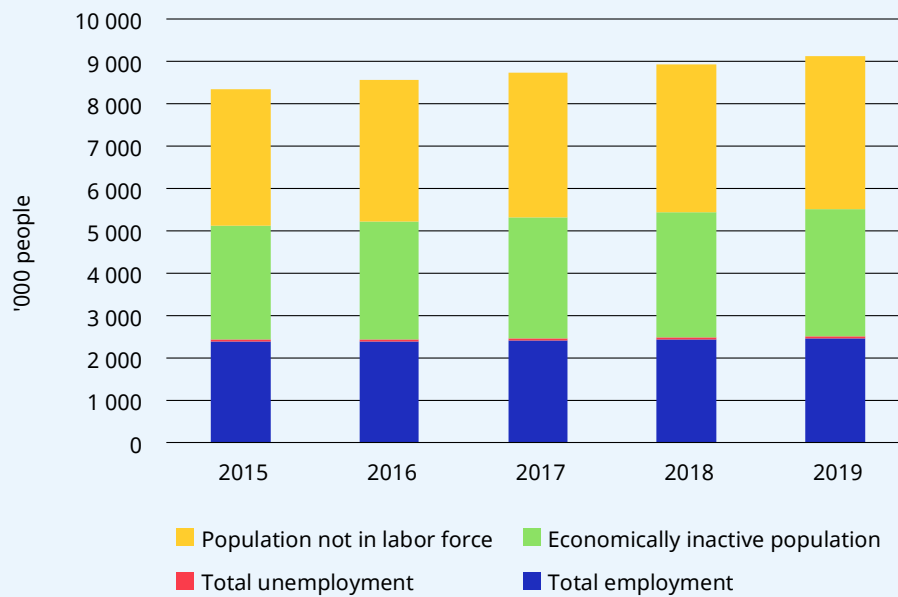
18 Agency for Statistics under the President (<https://www.stat.tj/ru/tables-real-sector>).

► Figure 1: Migrants' remittances and average monthly wage in Tajikistan, 2015–2020



Source: Agency for Statistics under the President of the Republic of Tajikistan.

► Figure 2: Composition of population and labour force in Tajikistan, 2015–2020



Source: Agency for Statistics under the President of the Republic of Tajikistan.

Remittances have dramatically improved households' wellbeing and reduced their income vulnerability. On average, the share of households with migrants increased from 16% in Q1 2015 to 26% in Q1 2018 with the value of remittances averaging 1,033 somoni.¹⁹ This remittances value is 1.5 times larger than minimum monthly salary and just 16.3% lower than average monthly salary in 2018. The bottom 40% of households received on average 1,502.4 somoni from their migrant household member in peak summer season in 2018, compared to 653.7 somoni in summer 2015. In 2018, this was approximately equivalent to 58% of average household income (whereas the average household consisted of 6 members) and shows a high degree of dependency of the poorest households on remittances.

Another reason for low job creation (and wage growth) is the oversized public sector, including more than 800 state-owned enterprises (SOEs) which crowd out private businesses, and agriculture that accounted for 61.2% of total employment in 2019. A 2017 World Bank study²⁰ stated that approximately 40% of Tajikistan's youth were unemployed, while the private sector contribution to GDP remains modest. According to the Ministry of Economic Development and Trade (MoEDT), in 2019 the private sector share of GDP comprised 70%, compared to 47.5% in 2009.²¹ However, more than 90% of private sector in Tajikistan is composed of individual entrepreneurs and dehqan farmers, whose incomes and businesses are more vulnerable to labour market fluctuations and macroeconomic risks.²²

2.5. Fiscal space and public debt

Fiscal expansion continues to create fiscal deficits, which are off-target since around 2015.²³ The consolidation of budgetary accounts²⁴ led to budget deficit reaching about 3.8% of GDP in 2019 and 6.3% of GDP in 2020. The general government expenditure budget rose from \$1.6 billion (or 28.4% of GDP) in 2010 to \$2.4 billion (34.3% of GDP) in 2015 and further expanded to \$2.5 billion (or 30.2% of GDP) in 2020.²⁵ Notwithstanding modest rise in nominal public expenditures, annual expenditure outturns deviated from approved allocations by an average of 8.4% during 2010–2019. These deviations are also caused by deferred budgeting practices and contingency expenditure earmarks, potentially undermining budget credibility, as well as contributing to unreliable budgets and unsustainable deficits. This also adversely affects public spending on the social protection sector.

19 World Bank. 2018. Listening2Tajikistan Survey of Wellbeing. Dushanbe, Tajikistan. Survey summary is available at the following link: <https://thedocs.worldbank.org/en/doc/832191528110344464-0080022018/original/L2TJICAMigration8.pdf>.

20 World Bank. 2017. *Tajikistan Jobs Diagnostic: Strategic Framework for Jobs*. Washington, DC, p.4.

21 Annual address of the President to Parliament on 26 December 2019 (<http://www.president.tj/ru/node/21977>).

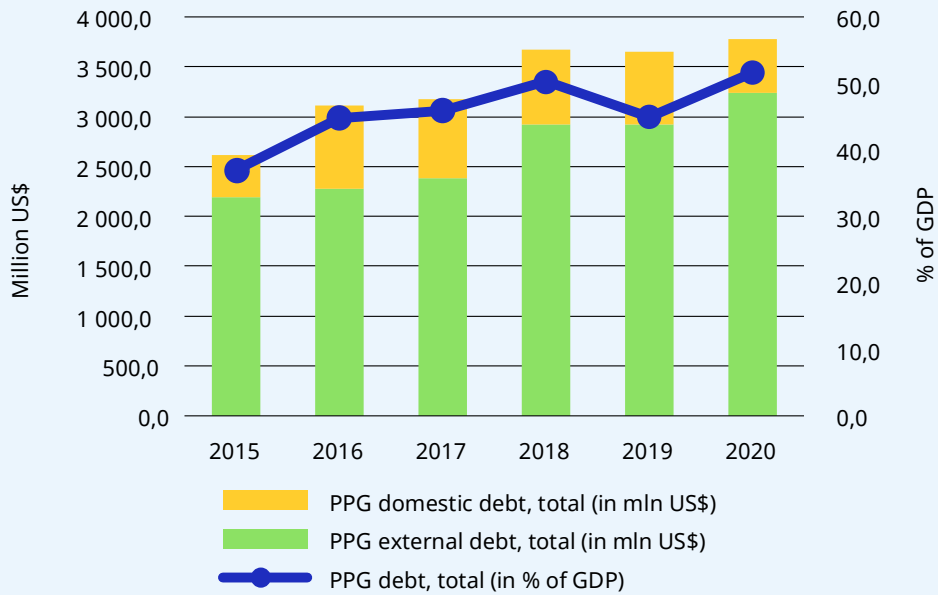
22 According to the Agency for Statistics under the President of the Republic of Tajikistan, as of January 1, 2020 there were 155,621 dehqan farmers, 139,942 individual entrepreneurs, 18,856 small-sized firms and 950 medium-sized firms registered as taxpayers.

23 Asian Development Bank (ADB). 2020. *Asian Development Outlook 2020*. Manila, pp.161–162.

24 Republican and sub-national government expenditures plus an externally-financed Public Investment Program (PIP). Notably, external loans received by the government were not classified as revenues (due to their inherent repayment obligations), as well as receipts from gold sale and inter-budgetary settlement revenues. This is why shown figures may differ from the Ministry of Finance's representation of budget deficits (which are averaging 0.5% of GDP each year according to national budget legislation).

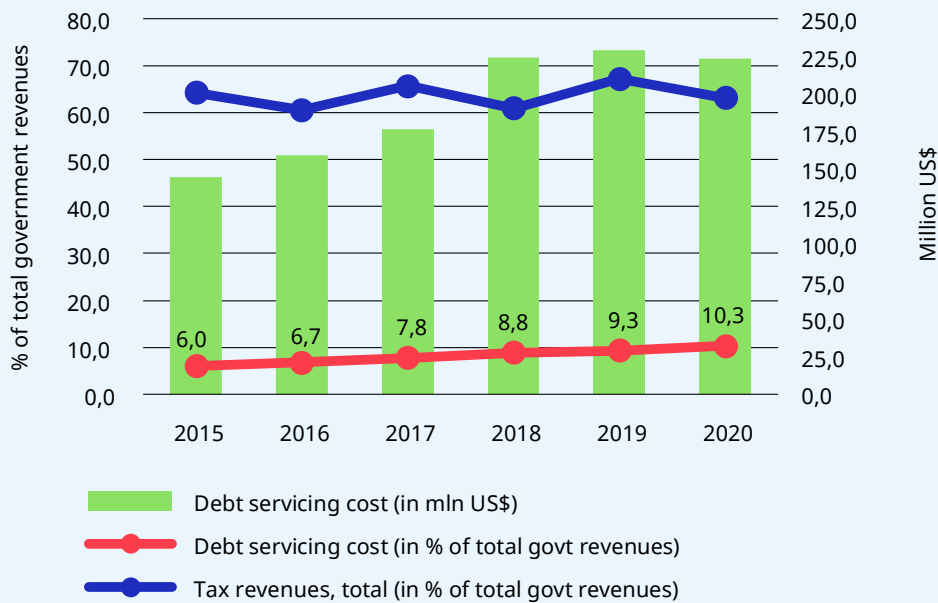
25 Ministry of Finance of the Republic of Tajikistan.

► Figure 3: Trends in public and publicly guaranteed (PPG) debt, 2015–2020



Source: Agency for Statistics under the President of the Republic of Tajikistan.

► Figure 4: Tax revenues and public and publicly guaranteed (PPG) debt servicing cost, 2015–2020



Source: Agency for Statistics under the President of the Republic of Tajikistan.

Fiscal space has continued to shrink, due to the accumulation of debt. Public debt has risen from 37% of GDP in 2015 to 51.6% of GDP in 2020, while servicing costs put a strain on public spending. In particular, debt servicing cost has risen significantly from 6% of total government revenues in 2015 to 10.3% in 2020 (or from 2% of GDP in 2015 to 3% of GDP in 2020), posing significant fiscal risks if not adequately managed or addressed. According to the 2019 World Bank report,²⁶ more than 40% of Tajikistan's total debt repayments were due in the next five years. This indicates severely limited fiscal and borrowing space to absorb economic shocks. Besides, financing of large infrastructure projects, comprising more than 12% of GDP during 2015-2019, effectively depletes fiscal space and significantly weakens the government's ability to use fiscal buffers. For instance, spending on the Rogun hydropower project comprised 4.1 billion somoni in 2019, which was equivalent to 23% of all revenues, including grants, or exceeded the entire budget of the social protection sector by 16%, or was roughly 2.5 times the total public sector wage bill in that same year.

26 World Bank. 2019. *Tajikistan Country Economic Memorandum: Nurturing Tajikistan's Growth Potential*. Washington, DC, p.4.

► 3. Overview of the social protection system

3.1. National policy framework

3.1.1. National Development Strategy of the Republic of Tajikistan for the period until 2030

In September 2016, the Government of Tajikistan adopted the long-term National Development Strategy (NDS) for the period until 2030 and embarked on a new path to economic development, to be rolled out over the next 15 years. On 22 December 2017, President H.E. Emomali Rahmon delivered the annual address to the government in which he reaffirmed Tajikistan's intended transition to an 'industrial-innovative' economy by means of greater productive employment, investment in human capital, and innovation.²⁷ The NDS highlights the need to shift from remittances-driven growth model towards greater complexity and diversification of the economy fuelled by private sector growth and shared prosperity.

The social implication of accommodating such a shift in strategy and policy is significant. In particular, the NDS sets the wheels in motion in order to half poverty and eliminate extreme poverty; double the GDP; improve ranking in the UN's Human Development Index and the World Bank's Doing Business; significantly increase social protection spending; and raise the share of the middle class up to 50% of the population. Yet achieving these targets requires GDP growth rates of at least 9% per annum and uninterrupted on-budget and off-budget resource allocations to support critical governance reforms.

Besides, the NDS hinges heavily on the development and implementation of sectoral strategies, but when they do exist, these strategies are poorly monitored or adequately costed. In Tajikistan, policy-based budgeting concept has not yet fully settled in and resource allocation decisions are inadequately or non-optimally prioritized by key economic institutions. The NDS also acknowledges that the fiscal burden of the growing social protection budget will pose fiscal sustainability risks in future; and this is against the backdrop of incomplete coverage of vulnerable population by social protection programmes.²⁸

According to the NDS,²⁹ the main policy priorities of the social protection sector include: (i) institutional modernization of the social protection system, (ii) ensuring long-term sustainability of the pension system, and (iii) adopting additional protective and incentivizing measures to expand social protection coverage. The full list of anticipated policy actions that are envisaged under each of these priority areas is provided in Annex 4. On this basis, the NDS envisages achieving the following outcomes by 2030:

- Poverty monitoring mechanism, as well as identification and eligibility of financial deprivation, particularly at sub-national level, are in place and fully operational;
- An electronic database of social benefits/services recipients is developed (by beneficiaries, age groups, and types of settlements and geographic areas);

27 The NDS 2016-2030 presents three development scenarios: 1) the inertial (or conservative) scenario where existing agrarian-industrial model is preserved resulting in twofold increase of the GDP; 2) the industrial (or median) scenario where existing and prospective projects in energy and infrastructure are implemented in full resulting in nearly threefold increase of the GDP; and 3) the industrial-innovative (or optimistic) scenario where innovative approaches to addressing long-standing issues in the economy and social sectors will be adopted and implemented. The latter would result in increase of the GDP by 3.5 times over 15 years.

28 National Development Strategy of the Republic of Tajikistan for the period until 2030, p.52.

29 Ibid, p.53.

- ▶ Contributory element of the public pension system is set up and effectively functioning;
- ▶ 'Single window' is created for registering and administering social protection services;
- ▶ Pension and benefit amounts are raised while also preserving fiscal sustainability (and pension-to-salary ratio is maintained at a minimum level of 40% in line with international social security standards);
- ▶ Targeting of social protection and social services to socially vulnerable citizens is improved;
- ▶ An inclusive and participatory environment is created for active participation of vulnerable groups in socio-economic life;
- ▶ Favourable conditions are created for inclusion of vulnerable groups (such as the elderly, boarding school graduates, etc.) in community through rehabilitation at community level;
- ▶ Sustainable professional development of personnel in the social sector is created.

▶ **Table 2: Social indicators in the national development strategy of the republic of Tajikistan**

	Baseline	Forecast		
	2015	2020	2025	2030
Life expectancy at birth (in years)	73.5	75.7	77.8	80.0
<i>of which: Men</i>	71.7	73.8	75.9	78.0
<i>of which: Women</i>	75.5	77.7	80.0	82.2
Proportion of middle class (in % of population)	22.4	30.0	40.0	50.0
New permanent productive jobs created	61,000	at least 100,000 new jobs/year		
Average annual salary growth (in real terms; in %)	0.6	5.0	5.0	5.0
Average annual pension growth (in real terms; in %)	--	6.0	6.0	6.0
Ratio of women's average salary to men's average salary (in %)	62.0	65.0	70.0	75.0
No. of specifications and standards for provision of social services	6	10	12	15
Share of inclusive social protection and health care institutions	50.0	100.0	100.0	100.0

Source: National Development Strategy of the Republic of Tajikistan for the period until 2030 (Annex 1: Social indicators).

3.1.2. Mid-Term Development Programme of the Republic of Tajikistan for 2021–2025

The new Mid-Term Development Programme (MTDP) of the Republic of Tajikistan for 2021-2025 serves as a five-year operational framework for the NDS implementation and represents a continuation of policy reforms undertaken on the basis of the previous MTDP that covered the period between 2016 and 2020. The new MTDP 2021–2025 was developed by the Ministry of Economic Development and Trade (MoEDT) in coordination with other stakeholders, and is currently being reviewed by the Government of Tajikistan.

At the same time, implementation of the MTDP is expected to be costly and heavily hinges on availability of off-budget resources. The MoEDT is developing several costing scenarios to implement the MTDP,³⁰ all of which require significant off-budget resources in the form of grants or private sector contributions. To that end, the provisional cost of implementing the MTDP 2021-2025 is estimated at \$18,087.2 million (or \$3,617.4 million per year for the next five years). Of this amount, 59.5% of the cost will be covered through the republican budget and 40.5% of the overall financing need is expected to be met by private sector contributions (31.9%) and overseas development aid (8.6%). In the presence of significant macro-fiscal risks and a high degree of exposure of Tajikistan's economy to external economic disturbances, it is highly likely that a significant share of the MTDP implementation cost will not be met by off-budget sources.

In turn, this may create negative implications for public resource allocations to social protection sector. Although costs have been estimated for each policy action in the MTDP, social protection measures are spread around a number of sectors as can be seen from Table 3 and are not exclusive to social protection sector. The total cost of all social protection related policy actions in the MTDP is equivalent to about \$57.5 million (or approximately 650 million somoni). Besides, more than half of all planned policy actions are expected to be implemented in the first three years. Hence, unless a clear plan of facilitating or leveraging financial resources is in place, implementation of the strategy may need to be scaled down in ambition or carefully prioritized. Future economic disturbances may also downsize the overall resource envelope for the social protection sector, which justifies the need for greater private sector participation.

30 These include: (i) crisis scenario, (ii) realistic (or baseline) scenario, and (iii) intensive scenario.

► **Table 3: Selected policy actions in the mid-term development programme (MTDP) for 2021–2025**

Planned activities / Policy actions	Action to be completed by	Total financing need (in mln TJS)
7.1. Management of demographic processes		
Development of the National Demographic Policy Concept for the period until 2030	2022	0.45
Strengthening population data analysis and forecasting capacity in key institutions	2023	0.67
7.2. Productive employment		
Development of a mechanism for employing and training of elderly citizens	2022	0.02
Development of an employment support programme	2022	0.03
Development of the National Labour Migration Strategy for the period until 2030	2021	0.02
Creation an electronic inter-agency information system on labour migration	2025	0.03
7.4. Health		
Development of a programme for the modernization of sanatoriums	2022	0.30
Development of a basic package of medical services in outpatient clinics, including the provision of medical drugs for the most vulnerable groups of the population	2023	0.50
Development of a roadmap on the market for medical insurance services	2022	0.30
7.5. Social protection		
Development of social standards regarding state social guarantees for minimum income, consumption, housing provision, and other social protection areas	2025	1.00
Development and endorsement of the State Social Protection Programme of the Republic of Tajikistan for the period until 2030	2025	0.50
Development of a roadmap for optimizing the activity of social service centres	2022	0.20
Development of a roadmap for digital personality/eligibility identification for pensioners and recipients of benefits and other social services	2022	0.20
Introduction of a 'single window' for the provision of social services	2022	0.30
Improvement of reporting by programme budgeting in the social protection sector	2022	0.20
Creation of the Social Protection Fund on public-private partnership (PPP) terms	2023	0.20
Modernization of a unified registry of beneficiaries in the social protection sector	2025	1.00
Development and adoption of the long-term Pension Reform Concept	2022	0.30
Development of the State Social Insurance Development Programme until 2030	2022	0.30
Development of the Social Insurance and Pensions Code	2022	0.50
Improvement of the national poverty assessment methodology (incl. child poverty)	2023	0.20
Development of a roadmap for social feeding of children from poor families	2022	0.20
Development and adoption of the State Programme on Ageing and Minimum Standards of the Targeted Social Assistance to Elderly	2022	0.30
Improvement of disability identification methodology and standards	2025	0.80

Source: Mid-Term Development Programme of the Republic of Tajikistan for 2021-2025 (Annex 1: Matrix of activities and financing needs).

3.1.3. Other programmes in the area of social protection

Besides the overarching NDS and MTDP, the Government of Tajikistan presently does not have any other adopted strategies or programmes in the area of social protection of the population.

The government-endorsed State Targeted Social Assistance Programme of the Republic of Tajikistan for 2018-2020 and the National Programme for Rehabilitation of People with Disabilities for 2017-2020 have already ended, while the first Social Protection Concept was approved as far back as 2006 and provided the basis for the establishment of social protection floors in Tajikistan.

As of June 2021, the following programmes offer limited policy actions that relate to social protection:

- National Programme for the Social Development of Youth for the period 2019–2021; and
- Concept of Social Services System Development in the Republic of Tajikistan (endorsed in 2016).

According to the Mid-Term Development Programme (MTDP) of the Republic of Tajikistan for the period 2021-2025, the following strategies, programmes and concepts will be developed in the next five years:

- National Labour Migration Strategy of the Republic of Tajikistan for the period until 2030;
- National Demographic Policy Concept for the period until 2030;
- Pension Reform Concept for the period until 2030;
- State Programme on Ageing and Minimum Targeted Social Assistance Standards for Elderly; and
- State Social Protection Programme of the Republic of Tajikistan for the period until 2030.

In particular, the long-term State Social Protection Programme (SSPP) is expected to be in place by 2025.

3.2. Legislative framework of the social protection system

The social protection system in Tajikistan is governed by the Constitution of the Republic of Tajikistan³¹ and a range of primary and secondary legislation. Article 1 the Constitution states that Tajikistan is a 'socially oriented state' that 'shall provide relevant living conditions for every person.' This should also be read in conjunction with Article 17 which defines that 'all people shall be equal before the law' and that 'the state shall guarantee the rights and liberties for every person irrespective of nationality, race, sex, language, religious beliefs, political persuasion, knowledge, social and property status.'

Article 35 of the Constitution guarantees 'the right to work, to choose profession, job, work protection and social protection during the unemployment,' and Article 39 guarantees 'social security in old age, in the time of sickness, invalidity and loss of ability to work, or loss of a guardian or other instances prescribed by law.' The Constitution also prescribes state protection for various social groups such as mothers, children, people with disabilities, labour force, and others.

Presently, at least 20 laws, the Labour Code and about 200 bylaws and other normative documents regulate activities of the social protection sector (see Table 4). **Contributory and non-contributory pensions** are governed by the Law 'On Insurance and State Pensions' which divides responsibilities between the state, employers and citizens. The law was adopted in 2010, underscoring the need to incentivize citizens to legalize their income and make insurance contributions in order to receive a larger pension. Basically, the law introduced the notional defined contribution (NDC) pension which was implemented starting from 2011. In January 2013, the Law of the Republic of Tajikistan 'On Insurance and State Pensions' determined that actual earnings will be used in calculating NDC pensions, and that invalidity and survivor pensions (from 2013) and old-age pensions (from 2017) use a new conversion method for earnings since 1999. Before 1999, pensions were calculated on the basis of two factors: (i) the qualifying contributory period (insurance history) and (ii) the average monthly salary before qualifying

³¹ Adopted on November 6, 1994 and amended twice (on September 26, 1999 and June 22, 2003).

for pension. In 1999-2013, the transition from pay-as-you-go defined benefit to notional defined contribution (NDC) system was carried out. Since 2013, new conversion model for earnings was fully in place. This is a model based on the fact that the size of the pension is set not by the length of service (i.e. qualifying contributory period) and earnings, but the amount of social insurance contributions that are transferred by employers for their respective workers to personal savings accounts. Accordingly, the higher the worker's monthly salary and corresponding insurance contributions, the greater the value of the so-called contingent pension capital.

Furthermore, the amended Law of the Republic of Tajikistan 'On Insurance and State Pensions' (in 2015) also established the life-expectancy coefficient for full pensions at 180 months.

The law also distinguishes between non-contributory social pensions, non-contributory occupational (or professional) pensions and non-state pensions (Articles 52-53). In particular, non-contributory occupational pensions and other pensions must be insured in accordance with the Law 'On Compulsory Professional Pension Insurance' and the Law 'On Compulsory Pension Insurance.'

► **Table 4: Selected policy actions in the mid-term development programme (MTDP) for 2021–2025**

Issuance date	Name of primary legislation
Social protection	
June 25, 1993 (#796)	Law 'On Provision of Pensions to Citizens' (amended on March 18, 2015)
December 1, 1994 (#1106)	Law 'On Pension Provision for Military Personnel' (amended on December 25, 2015)
December 28, 2005 (#149)	Law 'On Non-State Pension Funds' (amended on November 27, 2014)
March 5, 2007 (#1742)	Law 'On Social Protection of Citizens Affected by the Chernobyl Atomic Electricity Station' (amended on December 17, 2020)
January 5, 2008 (#359)	Law 'On Social Service'
January 12, 2010 (#595)	Law 'On Insurance and State Pensions' (amended on July 4, 2020)
December 29, 2010 (#675)	Law 'On Social Protection of People with Disabilities' (amended on December 17, 2020)
July 3, 2012 (#860)	Law 'On Personified Accounting in the Compulsory Pension Insurance System'
November 14, 2016 (#1357)	Law 'On Social Security, Service and Protection of the President of the RT'
January 1, 2018	Law 'On Targeted Social Assistance'
Social insurance	
December 13, 1997 (#517)	Law 'On State Social Insurance' (amended on December 28, 2013)
June 18, 2008 (#408)	Law 'On Medical Insurance' (new law will enter into force from January 1, 2022)
December 26, 2011 (#790)	Law 'On Compulsory Professional Pension Insurance'
March 19, 2013 (#955)	Law 'On Compulsory Pension Insurance'
Cross-cutting	
April 7, 1995 (#59)	Law 'On Veterans' (amended in 2010)
August 1, 2003 (#44)	Law 'On Promotion of Employment for the Population' (amended on May 17, 2018)
March 1, 2005 (#90)	Law 'On Status of Military Personnel' (amended on December 17, 2020)
December 31, 2008 (#482)	Law 'State Social Order'
May 19, 2009 (#521)	Law 'On Minimum Subsistence'
May 19, 2009 (#528)	Law 'On State Social Standards'
Approved annually	Law 'On State Budget' (approved on January 1 each year)

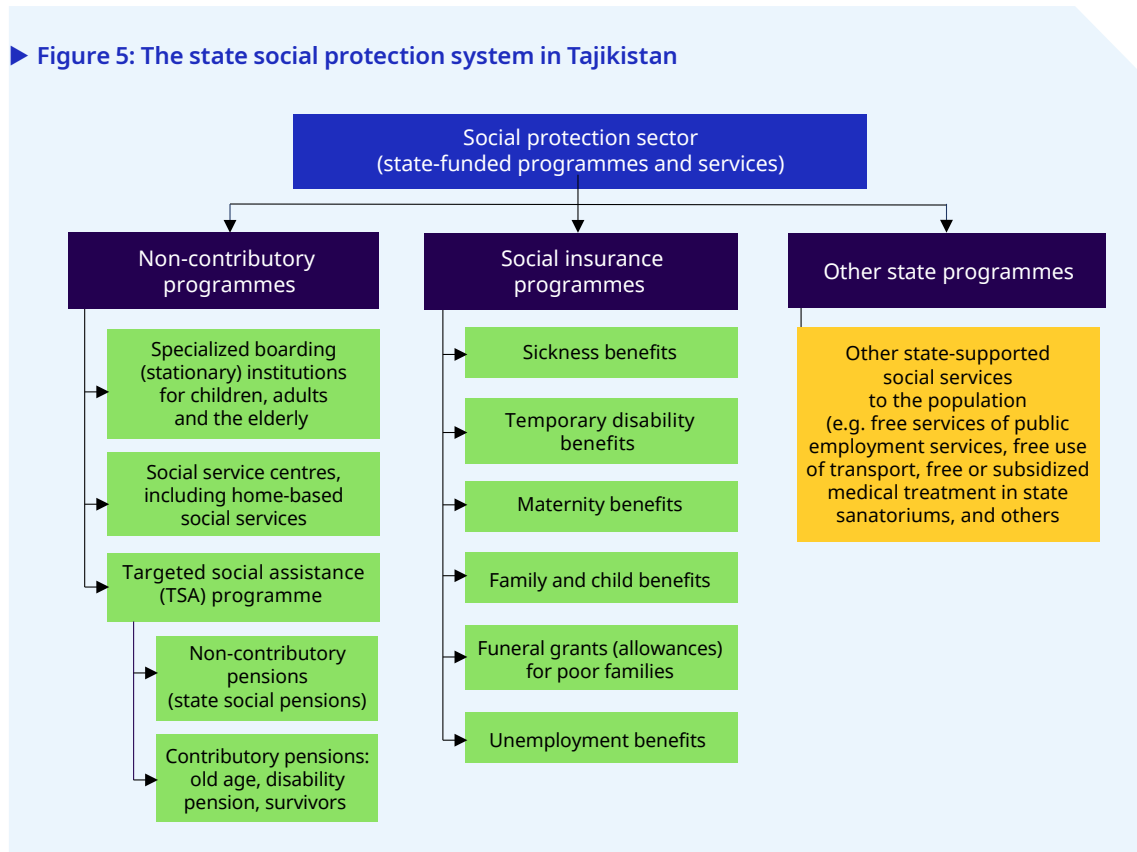
Source: Online database of the Ministry of Justice of the Republic of Tajikistan (<http://www.adliya.tj>).

Other laws govern pensions to retired military personnel (the Law of the Republic of Tajikistan ‘On Pension Provision to Military Personnel’), databasing in the area of compulsory pension insurance (the Law of the Republic of Tajikistan ‘On Personified Accounting in the Compulsory Pension Insurance System’), and the creation and administration of non-state pension funds (the Law of the Republic of Tajikistan ‘On Non-State Pension Funds’).

The Tajikistan’s flagship **Targeted Social Assistance (TSA) Programme** for low-income families is governed by the Law ‘On Targeted Social Assistance’ and includes a monetary benefit payment (from the republican budget) and in-kind assistance (provided mainly by sub-national governments at the district or jamoat level). Although the law was adopted in 2018, the government’s TSA programme has been run since 2011 (in two pilot areas – Istaravshan city in Khujand region and Yovon district in Khatlon region). According to Resolution of the Government of the Republic of Tajikistan #437 dated July 3, 2014, the TSA programme had been rolled out on a pilot basis in 40 districts and cities/towns across the country. Subsequently, Resolution of Government of the Republic of Tajikistan #271 dated May 14, 2020 provisioned an expansion of TSA to all remaining 28 districts and towns, effectively ensuring its universal coverage. The expansion to all 68 municipalities across the country was successfully achieved from 2020, effectively covering all individuals who are eligible for the TSA programme.

One-time cash transfers to low-income families are regulated by the government resolution and form part of the monetary benefit payment in accordance with the abovementioned law. One-time cash transfers are provided on the basis of Resolution of the Government of the Republic of Tajikistan #401 dated July 11, 2020 ‘On the Implementation of Decree of the President of the Republic of Tajikistan #1544 dd. June 5, 2020 ‘On Mitigating the Impact of Infectious Disease COVID-19 on Social and Economic Spheres of the Republic of Tajikistan.’ The size of approved cash transfers is equivalent to one minimum monthly salary (400 somoni) for poor families with no children under 3 years old, and 500 somoni for poor families with children under 3 years old.

► Figure 5: The state social protection system in Tajikistan



Other social protection programmes which are governed by secondary legislation include the following:

- ▶ Free social services for people with disabilities and old-age citizens;
- ▶ Free use of public sports and recreation facilities and health resorts;
- ▶ Free provision of clothing, footwear, educational literature, bedding, one-time allowance, rest in summer school camps for orphan children and children without parental care;
- ▶ Free one-time training for orphan children and children without parental care who are enrolled in various levels of professional education;
- ▶ Free technical means of rehabilitation for people with disabilities;
- ▶ Free use of public transport for people with disabilities and other eligible categories of citizens;
- ▶ Free employment assistance from the public employment service (PES) for officially unemployed individuals who are seeking employment through the PES;
- ▶ Professional training, skills development and retraining under a referral of a public employment service and payment of scholarships during this period for officially unemployed individuals;
- ▶ Reimbursement of expenses related to work/training of the unemployed in another locality;
- ▶ Employment contract for participation in paid public works arranged in view of age and other features of officially unemployed individual.

The country's **social insurance programmes** are mainly governed by various resolutions, ministerial orders and other secondary legislation. These programmes include: (i) temporary disability benefits, (ii) sickness benefits, (iii) family and child benefits; (iv) maternity benefits, (v) monthly state benefits for children living with HIV/AIDS, (vi) funeral grants for members of poor families, and (vii) unemployment benefits. Social insurance benefits are also reflected in the Labour Code of the Republic of Tajikistan, which was adopted via Decree of the President of the Republic of Tajikistan #1329 on July 23, 2016. Most benefit programmes are indexed (i.e. adjusted) by 'indicators for calculation' which are provisioned in the annual Law of the Republic of Tajikistan 'On State Budget of the Republic of Tajikistan'.

The organic budget law, i.e. the annual **Law 'On State Budget of the Republic of Tajikistan'** determines overall public resource allocations to the social protection sector by republican and sub-national budgets. The law also defines the annual budget of the Agency for Social Insurance and Pensions (ASIP), fiscal rules for taxpayers' social contributions, provisions for depositing the social insurance budget in banks, and the statutory³³ (or protected) expenditure lines. Article 18 of the organic budget law defines wages, stipends, pensions, benefits, compensation payments, utility payments, and social contributions as statutory items.

Importantly, the national legislation defines the following groups of vulnerable people which are eligible for financial support from the general government budget:

- ▶ People who are in difficult life situations (Law 'On Social Service'), such as due to disability, old-age, sickness, loss of parent and/or guardian, absence of permanent place of residence, and other socio-economic circumstances;
- ▶ Low-income families and individual citizens (Law 'On Targeted Social Assistance');
- ▶ People with disabilities whose monthly income (including income from pensions) is below the established minimum wage (which is currently equivalent to 400 somoni per month); and
- ▶ Refugees (Decree of the Government of the Republic of Tajikistan #448 dated July 2, 2015 'On the Order and Extent of Provision of Free Social Services').

³³ Financing of statutory expenditure items is carried out in full regardless of aggregate revenue performance of the government budget. Only in the event of delayed enactment of annual budget legislation, statutory expenditure items are financed in line with the amounts from the previous year.

► **Table 5: Categories of vulnerable people in Tajikistan, 2020**

Category (vulnerable people)	Unit of measure	No. of people
Old-age people living alone	Individual	217,234
Children without parental care	Individual	79,000
Unemployed people registered in employment centres	Individual	48,967
People living with HIV/AIDS	Individual	8,000
<i>of which:</i> Children living with HIV/AIDS	Individual	800
People with tuberculosis	Individual	5,159
Adults and children in residential care institutions	Individual	1,700
Refugees (who are recognized by the state)	Individual	1,000
Under-5 children at risk of or suffering from acute malnutrition	Individual	78,000
Pregnant/lactating women at risk of or suffering from malnutrition	Individual	230,000
Poor families	Household	173,000
Abandoned labour migrant families	Household	3,000
Families of schoolchildren at risk of or suffering from food insecurity	Household	15% of enrolment
Female-headed households at risk of or suffering from food insecurity	Household	--
Unemployed labour migrants-headed households at risk of food insecurity	Household	--

Source: Social Protection System's Preparedness and Response Plan to COVID-19, MoHSPP.

3.3. Institutional review of the social protection system

3.3.1. Key institutions in the social protection sector

The governance of the social protection sector in Tajikistan hinges upon two ministries, one state agency, two agencies and two state services (see Figure 1), which contributes to the fragmentation of the social protection sector. These are:

- Ministry of Health and Social Protection of the Population (MoHSPP);
 - State Agency for Social Protection of the Population (SASPP; under the MoHSPP);
 - State Service for Medical and Social Expertise (SSMSE; under the MoHSPP);
- Ministry of Labour, Migration and Employment of the Population (MoLMEP);
 - Agency for Labour and Employment of the Population (ALEP; under the MoLMEP);
- Agency for Social Insurance and Pensions (ASIP); and
- State Supervision Service in Health and Social Protection of the Population.

The **Ministry of Health and Social Protection of the Population (MoHSPP)** designs and implements policy in the area of social protection of the population. The MoHSPP determines the procedure for the provision of social services and the functioning of state social service units; provides referrals to recreational facilities with medical services and/or specialized boarding institutions (or benefit referrals for eligible individuals); approves the procedure for establishing a statistical accounting system in the area of social protection; examines the presence of temporary disability; develops and approves the procedure for social work, professional development and attestation of personnel in the social protection sector; oversees and recommends improvements to targeted social assistance to the population and inclusion of people with disabilities in society; develops and approves standards of social services to the population; ensures methodological control over social services, including functioning of social service institutions; scrutinizes public investment programs (PIP) in the social protection sector, and undertakes other functions.³⁴

The Government of Tajikistan delegated to the Ministry of Health coverage of the social protection sector in March 2014. Before 2014, the Ministry of Labour and Social Protection of the Population was responsible for designing and implementing policy in social protection, social insurance, employment and labour, adult education, and migration. In 2014, the Government of Tajikistan completed institutional restructuring of the social protection sector, effectively spreading social protection and social insurance functions across several line ministries and agencies as indicated above. The restructuring created fragmentation of the institutional governance and financing in the social protection sector.

The MoHSPP's Department of Social Protection of the Population and the Department of Economy and Budget Planning in Health and Social Protection are responsible for executing the above listed functions.

The implementation (or execution) of state social protection programmes is delegated by MoHSPP to the **State Agency for Social Protection of the Population (SASPP)**. The SASPP was created by the Government of Tajikistan in March 2014 and is accountable to the MoHSPP. The SASPP provides social benefits to the population; implements the Targeted Social Assistance (TSA) programme; undertakes social protection of orphan children, children from poor families, people with disabilities, veterans and victims of emergency situations, natural hazards and terrorism; places eligible citizens, such as old-age persons and people with disabilities to stationary social service institutions; requests the referral of eligible citizens to sanatoriums and outpatient treatment; organizes home-based social services; oversees specialized institutions within its mandate, including boarding institutions for elderly and people with disabilities. In total, the SASPP directly oversees and administers 111 specialized institutions and units (see Table 6).

The SASPP consists of 35 employees, excluding its representatives at sub-national level. Main departments include the Department of Social Services and the Department of Social Assistance Guarantees.³⁵ The SASPP is funded from the republican budget through the MoHSPP.

34 Resolution of the Government of the Republic of Tajikistan 'On the Provisions of the Ministry of Health and Social Protection of the Population of the Republic of Tajikistan' (#148 dated March 3, 2014). Provisions were last amended on February 25, 2016.

35 Resolution of the Government of the Republic of Tajikistan 'On the State Agency for Social Protection of the Population of the Republic of Tajikistan' (#168 dated March 4, 2014).

► **Table 6: Institutions administered by the State Agency for Social Protection of the Population**

Institution	Soghd region	Khatlon region	GBAO	DRS	Dushanbe	TOTAL
Day nurseries for children with disabilities	8	10	3	4	3	28
Social service centres for elderly, people/children with disabilities	5	6	1	2	1	15
Regional social service centres for the elderly and disabled	3	7	--	--	1	11
Home-based social service units (in sub-national govts)	12	16	8	3	4	43
Boarding institution for the elderly and disabled	1	2	--	1	--	4
Boarding institution for people with mental impairment	1	1	--	1	--	3
Republican Centre for Rehabilitation and Permanent Residence of the Elderly and the People with Disabilities	--	1	--	--	--	1
National Centre for Rehabilitation of Children with Disabilities	--	--	--	1	--	1
State Enterprise 'Prosthetic and Orthopaedic Factory' ³⁶	--	--	--	--	1	1
Medical and recreational sanatoriums	--	1	1	2	--	4
TOTAL:	30	44	13	14	10	110

Source: Online website of the State Agency for Social Protection of the Population of the Republic of Tajikistan (<http://www.ahia.tj>).

The **State Service for Medical and Social Expertise (SSMSE)** is another state institution that is accountable to the MoHSPP and was created on December 2, 2008.³⁷ The SSME examines and determines disability, including temporary disability; designs measures and oversees rehabilitation of people with disabilities; maintains database of people with disabilities and citizens who completed medical and social expertise; and undertakes other activities. If the municipality has more than 120,000 residents, the SSMSE can open district- or city-level divisions. These divisions are funded by the SSME, which is in turn funded from the republican budget through the MoHSPP.

The **Ministry of Labour, Migration and Employment of the Population (MoLMEP)** designs and implements labour market, employment and migration policy; recommends optimal size of public sector salaries, social benefits and stipends, and improvements to compensation payments and social benefits; determines minimum consumption basket and assesses living standards; develops the list of works and professions that are eligible for additional benefits or exemptions; maintains the database of labour market statistics, such as unemployment and labour force; undertakes measures to minimize informal economic activity (or informal employment); recommends employment quotas for vulnerable citizens

³⁶ The factory has branches in Khujand, Kulob and Khorog. Since 2018, the factory is under the supervision of the MoHSPP.

³⁷ Resolution of the Government of the Republic of Tajikistan 'On Provisions of the State Service for Medical and Social Expertise' (#601 dated December 2, 2008). Provisions were last amended on December 31, 2012.

who are eligible for social protection; and undertakes other activities, such as in the area of primary professional education (i.e. initial vocational education and training), adult education, and handicrafts development.

Until 2014, the MoLMEP was responsible for designing and implementing state social protection policy. Labour market enhancement and employment promotion are undertaken mainly by: (i) the Department of Labour Market and Employment, (ii) the State Supervision Service in the Area of Labour, Migration and Employment of the Population and (iii) the State Enterprise 'Scientific and Research Institute of Labour, Migration and Employment of the Population.'

Employment promotion and administration of unemployment benefits is delegated by the MoLMEP to the **Agency for Labour and Employment of the Population (ALEP)**, which is accountable to the MoLMEP. The ALEP implements state policy in the area of labour relations and employment promotion, including labour market analysis, facilitation of social partnerships between employers and job seekers, professional development of vulnerable population groups, job matching and professional advisory services to job seekers through the ALEP's network of 74 employment centres, organization of job fairs and others.³⁸

The ALEP is funded by the republican budget through the MoLMEP. The abovementioned functions are executed by the Department of Labour Protection and the Department of Labour Market and Employment of the Population. The ALEP oversees the following institutions: (i) State Enterprise 'Republican Centre for Professional Orientation,' (ii) State Enterprise 'Adult Learning Centre (ALC) of Tajikistan,' (iii) SUE 'Learning Centre of Dushanbe,' (iv) SUE 'Learning Centre of Khujand,' (v) SUE 'Professional Development Centre of Dushanbe,' and (vi) SUE 'Modular Learning Centre of Dushanbe.' The ALEP also has administrative offices at sub-national level, which are funded by the republican budget.

The **Agency for Social Insurance and Pensions (ASIP)** administers the public pension system, including contributory and non-contributory pensions.³⁹ The ASIP implements (or executes) state policy in the area of pension system, social insurance, including maintenance of personal accounts of insured individuals, and the databasing of various categories of pensioners and social benefit recipients. These social benefits include maternity benefits, family benefits for childbirth, state benefits for children with HIV/AIDS, funeral grants and a small share of unemployment benefits.

Prior to 2014, the ASIP was accountable to the Ministry of Labour and Social Protection of the Population but the restructuring that was completed in March 2014 placed the ASIP under the Government of the Republic of Tajikistan with no direct accountability or reporting requirement to the MoLME or MoHSPP. The following main departments execute the ASIP's functions: (i) the Department of Social Insurance and Pension Policy, (ii) the Department of Social Insurance Budget and Actuarial Calculations, (iii) the Department of the Appointment and Control of Pension Payments, (iv) the Department of Personified Accounting and Pension Savings and (v) the Department of Social Benefits and Professional Pensions Regulation.

The **State Supervision Service in Health and Social Protection of the Population** was created in 2017 and also reports directly to the Government of the Republic of Tajikistan.⁴⁰ This institution undertakes state supervision of state and non-state entities in the areas of healthcare and social protection, undertakes quality assurance of the social services provision and recommends improvements, examines adequacy and timely payment of social benefits and targeted social assistance to poor families.

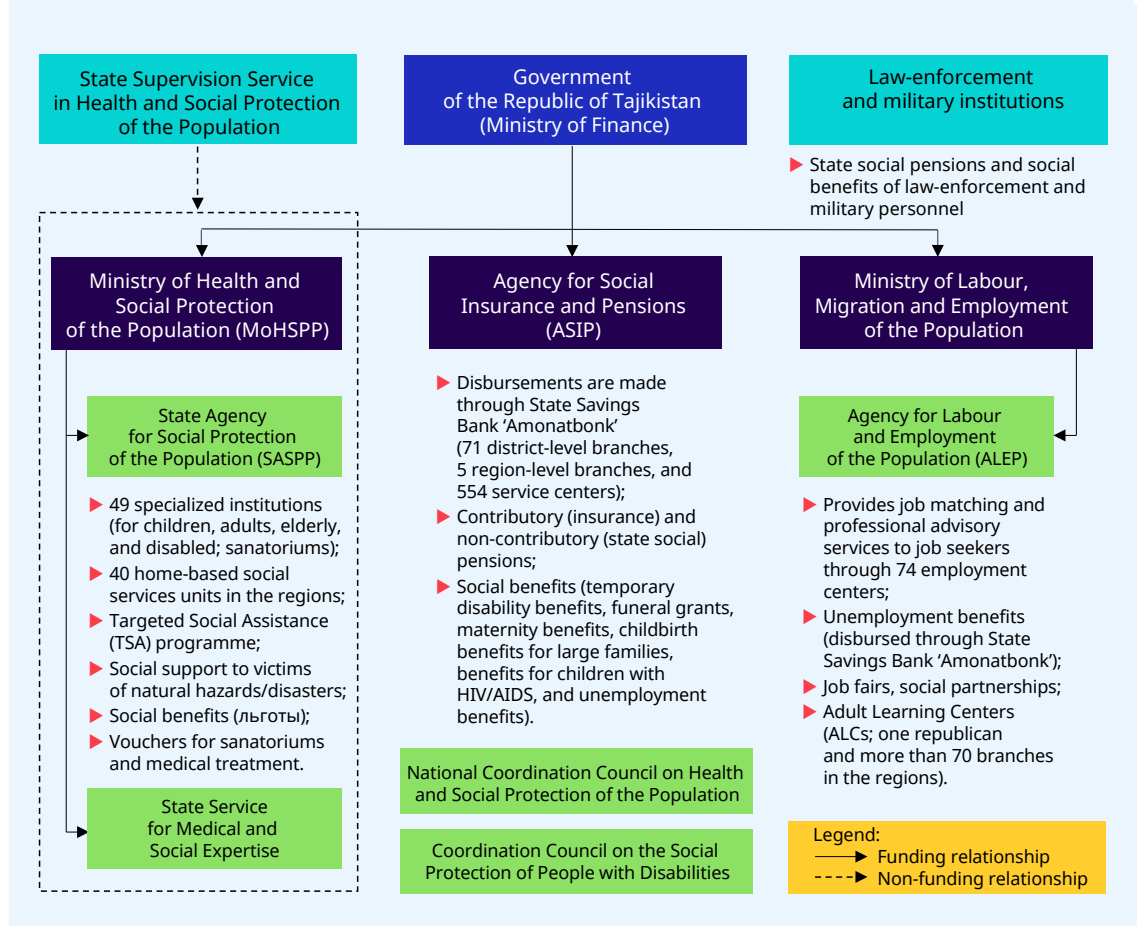
The complete institutional and governance structure of the social protection sector is shown in Figure 6.

38 Resolution of the Government of the Republic of Tajikistan 'On Provisions of the Agency for Labour and Employment of the Population' (#391 dated June 4, 2014).

39 Contributory pensions are regarded as insurance pensions and non-contributory pensions are state social pensions.

40 Resolution of the Government of the Republic of Tajikistan 'On Provisions of the State Supervision Service in Health and Social Protection of the Population' (#597 dated December 29, 2017). Provisions were last amended on May 16, 2020.

► Figure 6: Institutional and governance structure of the social protection sector in Tajikistan



3.3.2. National dialogue and coordination platforms

In 2014, the Government of the Republic of Tajikistan created the high-level, inter-governmental **National Coordination Council on Health and Social Protection of the Population**, which is chaired by the Deputy Prime Minister and co-chaired by the Minister of Health and Social Protection of the Population. The Council is a coordination and consultative body which is mandated to oversee implementation of the Social Protection Concept of the Republic of Tajikistan, other strategies and/or programmes in the social protection sector, public investment programme in social protection, and develop/appraise projects and programmes in social protection. The Council also executes similar functions in the health sector.

The Council was created through the Resolution of the Government of the Republic of Tajikistan #834 dated December 31, 2014 and amended on September 3, 2019. The amended Resolution determined membership in the Council, which consists of 15 government institutions, such as the Executive Office of the President, MoHSPP, Ministry of Finance, MoLMEP, MoEDT, Ministry of Internal Affairs (MIA), Ministry of Justice (MoJ), MoES, State Committee for National Security, ASIP, Agency for State Financial Control and Fight Against Corruption, and others.

The Council meets at least twice a year and reports its activities to the public through local media, but there had not been any recent publications of the Council's activity, particularly in relation to the

coronavirus pandemic mitigation. In fact, the Council has not been particularly active in coordinating state response and mitigation measures against the health and social protection effects of COVID-19.

Instead, the Government of the Republic of Tajikistan established a COVID-19 Interagency Task Force which was created in January 2020 and, following the Decree of the President of the Republic of Tajikistan, replaced in March 2020 by the **Republican Task Force on Strengthening Activities Countering COVID-19**, which is composed of representatives of key government institutions and is chaired by the Deputy Prime Minister. In addition, on June 5, 2020 the MoHSPP developed a **Social Protection Preparedness and Response Plan** which determined priority intervention areas and key social protection support measures in addressing the challenges induced by the COVID-19 pandemic for the most vulnerable people. The Plan is estimated to cost \$364 million and had been developed in coordination with, and subsequently supported by, international development partners. Specifically, the Plan consisted of 23 broadly defined measures for implementation during March–December 2020, including:

- ▶ A health sector and social protection response package to assist the poor and vulnerable;
- ▶ A package of economic measures to ensure food security; and
- ▶ A package of economic measures to safeguard enterprises prone to being severely affected.

In 2011, the Government of the Republic of Tajikistan has also created a Coordination Council on the Social Protection of People with Disabilities,⁴¹ which is chaired by the MoHSPP and serves as a coordination platform for implementing state policy in social protection of people with disabilities. This coordination platform seems to have overlapped functions and mandate compared to the inter-governmental National Coordination Council on Health and Social Protection of the Population (created in 2014).

National coordination between development partners in the area of social protection takes place through **Development Coordination Council (DCC's) Working Group #7 on Social Protection**. Unless otherwise specified, the Working Group meets quarterly and is currently chaired by UNICEF and co-chaired by the European Union. Membership in the working group comprises 41 different organizations and project teams. At the time of preparing this report, the last working group meeting was held on July 24, 2020.

The latest updated donor activity mapping in the social protection sector is provided in Annex 5.

3.3.3. Main institutional bottlenecks in the social protection sector

From an institutional point of view, some of the biggest challenges of the social protection system in Tajikistan include: (i) inadequacy and fragmentation of the governance structure, (ii) disconnect between policy formulation at central government level and its execution at sub-national level, and (iii) significant capacity and resource constraints across the board. Below is an attempt to systematically review the main institutional bottlenecks in the social protection sector, which are broken down by main state-funded social protection programmes.

Governance and policy implementation

The restructuring of the social protection sector that took place in 2014 moved the functions of policy design and implementation from the MoLMEP to the MoHSPP.⁴² Functionally, the implementation of state social protection policy has been entrusted by the MoHSPP to the State Agency for Social Protection of the Population (SASPP).⁴³ Similarly, administration of the national pension system is also entrusted

41 Following the Resolution of the Government of the Republic of Tajikistan 'On Creating the Coordination Council on Matters of Social Protection of People with Disabilities' (#682 dated December 31, 2011).

42 In addition, supervision and administration of disability expertise was handed over from the MoLMEP to the MoHSPP in 2012.

43 In accordance with items 1 and 3 of the Action Plan on Implementation of the Concept of Improving the Public Administration Structure of the Republic of Tajikistan (see Decree of the President of the Republic of Tajikistan #541 dated March 15, 2006).

by the Ministry of Finance to the Agency for Social Insurance and Pensions (ASIP). At the same time, departments and divisions of labour, employment and social protection were abolished, and social protection divisions (i.e. units) have been established within the municipal structure of sub-national governments (at district, city, and regional level). Previously, the governance structure of the social protection sector was highly centralized, but the restructuring in 2014 has meant that newly created social protection divisions/units are governed by the SASPP but their financing comes from the district or city budgets of respective sub-national governments.

This disconnect between policy formulation at central level and its execution that is partially delegated to sub-national governments significantly undermines adequacy of financing in the social protection sector. Accordingly, policy priorities are formulated by the MoHSPP and their implementation is delegated to the SASPP, but the implementation of these policy priorities is conditional on revenue performance of sub-national governments, which tend to fluctuate unpredictably and are difficult to forecast accurately. This also implies that the SASPP's organizational structure that stretches to sub-national level depends heavily on the availability of financial resources from sub-national governments, which questions independence of the SASPP's organizational structure and its ability to effectively implement state policy in the area of social protection.

Social service centres and home-based social assistance

Regional social service centres for the elderly and people with disabilities, as well as home-based social services units, are also fully funded by sub-national governments. They are regulated by the SASPP, but they also happen to be funded solely by sub-national governments, which detaches policy formulation from public resource allocations. Such financing rules also contradict the regulations and charters of these social service centres, which should be funded from the republican budget through the SASPP or MoHSPP. This further suggests that a two-tier governance and administration system in the social protection sector may not be optimal to securing effective implementation of state policy.

The approved structure at sub-national level does not account for population variances across the regions, cities and districts. The social protection departments at the regional level consist of four workers and the social protection divisions at city/town and district level consist of two workers. However, there is the same number workers (two) in the social protection divisions in Panjakent city (with the population of 300,000) and in Kuhistoni Mastchoh district (with the population of about 24,000). Such disproportional distribution of workers in the social protection divisions is present across all the regions throughout the country, which undermines their work and ability to respond to needs of in-need population groups. Hence, tying the number of workers of social protection divisions/departments at sub-national level to the size of respective population of the area where such units are located would improve efficiency of service delivery and governance in the social protection sector.

Specialized institutions for children, adults and elderly

Tajikistan has experienced a rise in the number of people with mental impairment according to the SASPP, including people with the Alzheimer's disease and various forms of encephalopathy. Although statistics on the number of people with mental impairment is unavailable, the Agency for Statistics under the President reports that that number of people with nervous system diseases has increased from about 530,800 in 2015 to 615,600 in 2019. This suggests that the number and quality of residential and care institutions for people with mental impairment should increase. However, there are only three specialized neuropsychiatric institutions located in Vose, Hissar and Jabbor Rasulov districts with the aggregate occupancy of only 785 persons. All three institutions were constructed around 1950s and are currently dilapidated, with poor infrastructure, hence not meeting modern requirements.

The number of specialized boarding institutions for the elderly (i.e. retirement homes) is vastly insufficient and does not appear to meet the demand. There are only four retirement homes located in Tursunzoda, Panjakent, Yovon, and Kushoniyon, and two of them also accept children with disabilities. The total residential capacity of these institutions equals 545 persons, which compares to 193,139 men over the

retirement age of 63 years or more (i.e. 4.1% of total male population) and 362,293 women over the retirement age of 58 years or more (i.e. 7.9% of total female population). There are also no specialized institutions for the elderly in some of the regions, such as GBAO.

In general, there are insufficient funds in the general government budget for the establishment of other rehabilitation, care and social service centres (institutions) in the cities and districts for various socially vulnerable groups such as the elderly who are living alone, people with disabilities, people not in the labour force, homeless people and people who live in difficult conditions. The current network of rehabilitation, care and social service centres and its total capacity is insufficient to ensure universal coverage.

Financial shortages have also led to the growth of unmet demand for medical treatment and recreational facilities available in state-owned health resorts, which are under the supervision of the SASPP. The material and technical base, as well as staffing and quality services, merit significant improvement, such as the State Institution 'Medical Recreation Centre for War and Labour Veterans' in Jayhun district. Besides, there are no recreation and medical treatment centres/institutions in the Rasht Valley and in Soghd region, as well as no health resorts specifically adapted for children with disabilities.

Pension system

The public pension system has been devolved from the treasury system of the Ministry of Finance and is administered separately by the Agency for Social Insurance and Pensions (ASIP) through the State Savings Bank 'Amonatbank', based on an administration fee of 0.6% of total pension disbursements.⁴⁴ According to outturn figures from 2019, 0.6% of total pension disbursements was equivalent to 15.6 million somoni. In technical terms, the ASIP manages its annual budget (including pensions) and cash balances separately from the Treasury Single Account (TSA) and has separate accounts in SSB 'Amonatbank'.⁴⁵ The ASIP oversees 10 regional personified accounting centres which form individual records and accounts.

In the meantime, pensions of retired military and law-enforcement personnel are provided for by finance departments of defence, military and law-enforcement institutions, and are not administered directly by the ASIP. The presence of two parallel accounting and financial reporting systems with regards to state pensions complicates the consolidation of fiscal accounts. In fact, the newly approved Public Finance Management Reform Strategy (PFMRS) of the Republic of Tajikistan for the period until 2030⁴⁶ outlines the plan for gradually expanding the TSA coverage by transferring over the accounts of the ASIP from the SSB 'Amonatbank' to the Department of the Central Treasury of the Ministry of Finance.

The government has in the past forgave social contribution debt for some large state-owned enterprises (SOEs), which exacerbates the shortage of funding and contradicts activities related to contribution collection for smaller SOEs. The Government of the Republic of Tajikistan is thus encouraged to abandon the practice of forgiving social contribution debt to public (and quasi-public) entities, and thus strive to collect contributions equally from all types of enterprises through a level-playing field.

There is little information available in public domain (i.e. released by the ASIP or the Ministry of Finance) on the functioning of the defined contribution portion of the system that amounts to 1% of wages. The scheme was first introduced in 1999 aiming to create incentives for the working population to contribute

44 Based on the Resolution of the Government of the Republic of Tajikistan 'On Compensating Costs of the State Savings Bank of the Republic of Tajikistan 'Amonatbank' For Servicing of Pensioners' (#36 dated February 4, 2002; amended on August 31, 2018).

45 The ASIP is also used to receiving 65 million somoni each year during 2015-2019 (and 70 million somoni in 2020) in the form of subventions from the Ministry of Finance to cover the administration fee and other non-insurance expenditure needs.

46 Decree of the President of the Republic of Tajikistan 'On Approval of the Public Finance Management Reform Strategy of the Republic of Tajikistan for the period until 2030', p.29 (#1446 dated January 31, 2020).

to the pension system. There does not seem to be consensus among stakeholders on best approach to capture, store and use data on social contributions (1%) for individual record keeping, and the scale of the defined contribution component is very small compared to international practice. This raises the issue of cost management because a small contribution level requires careful design in order to minimize the overall costs of the system. Besides, with only a 1% contribution rate the level of benefits is unlikely to exceed about 5% of earnings⁴⁷ and will not provide significant diversification of future pension financing.

The national legislation allows the creation and functioning of non-state pension funds (the Law 'On Non-State Pension Funds') but there are currently no private pension funds in Tajikistan. One of the reasons is that initial capital investment should comprise 50 million 'indicators for calculation', which are set at 60 somoni (Article 23 of the Law of the Republic of Tajikistan 'On State Budget of the Republic of Tajikistan for 2021'). This is equivalent to about \$266 million. Thus, initial capital requirement of a non-state pension fund in Tajikistan is prohibitively high. Besides, individual contributions to a non-state pension fund are regarded as revenues and therefore taxed accordingly, disincentivizing any investment effort. Finally, licensing, regulation and oversight of non-state pension funds remains unclear, and the securities market is very small which significantly limits the options for capitalization and investment of pension funds.

Targeted social assistance programme

Inter-governmental information exchange is not automated and incompletely digitized, such as between the Ministry of Justice (birth, death and marital status data from registry offices), MoLMEP (labour force data, e.g. unemployment status), ASIP (pensioner status and eligibility for social insurance benefits), and the MoHSPP (disability status and other vulnerability indicators). This is especially important in the context of TSA recipients' eligibility for other social insurance benefits. Inadequate intergovernmental information exchange hampers effectiveness of the TSA (and other social benefits) and highlights the need to create a state-funded and independent data processing centre within the SASPP. The World Bank is currently supporting the functioning of such a data processing unit and the creation of the TSA Information System⁴⁸ since February 2016, including its operationalization. However, the SASPP should gradually transition from dependency on donor support to ensure sustainability and universal coverage of its data processing and management system.

There are presently no social workers at the jamoat level who can undertake the processing of applications, which undermines TSA eligibility verification at the jamoat and district levels. The restructuring that took place in 2014 did not provision the creation of staff positions at the jamoat level, mainly due to financial and resource constraints. Previously, poor welfare status and TSA eligibility was determined by heads of local jamoats or hukumats. Since 2017, applications are submitted to one of 368 local jamoats or 55 villages (settlements) which are subsequently forwarded every 10 days to a respective district municipality (district hukumat). Data entry is performed by 125 staff in district municipalities and 32 staff in five regional centres in Khujand, Kulob, Rasht, Khorog and Dushanbe. These staff members at district/city level perform selective verification of eligible families and individuals, but this is currently insufficient to ensure effective validation and monitoring of the identified and approved TSA recipients.

Unemployment benefits

Fundamentally, unemployment benefits are provided on a 'first-come, first-serve' basis which discourages unemployment registration from residents in 'difficult life conditions,' especially from rural and remote areas. It also implicitly creates 'competition' for limited public resources and an environment that may

47 A basic simulation demonstrates that the total amount of savings after 40 years of regular contribution payments will amount to some 60% of annual wage level. This can translate into an annuity equal to 3.3% of earnings.

48 The TSAIS is currently rolled out in 40 districts and cities across the country and includes entries from 585,368 families. The SASPP's electronic database includes entries from 2,430,131 individuals who are (or were) recipients of the TSA programme.

be conducive to fraud and adverse selection practices. Robust methodology has to be developed to make the selection process transparent, as well as more equitable and balanced, and public resource allocations for unemployment benefits should be increased in order to meet the demand.

Continuous unemployment status registration by eligible individuals in local employment centres (LECs) takes place every month and is mostly paper-based, which makes it difficult to validate and also prone to errors. Furthermore, LECs' registries of unemployed individuals and particularly those who are eligible for unemployment benefits are insufficiently cross-referenced and validated by central government bodies. Validation and quality assurance are carried out by sub-national municipalities in coordination with ALEP, MoLMEP, and the Supervision Service. However, available workforce is insufficient to undertake regular validation and quality assurance at the level of local employment centres (LECs).

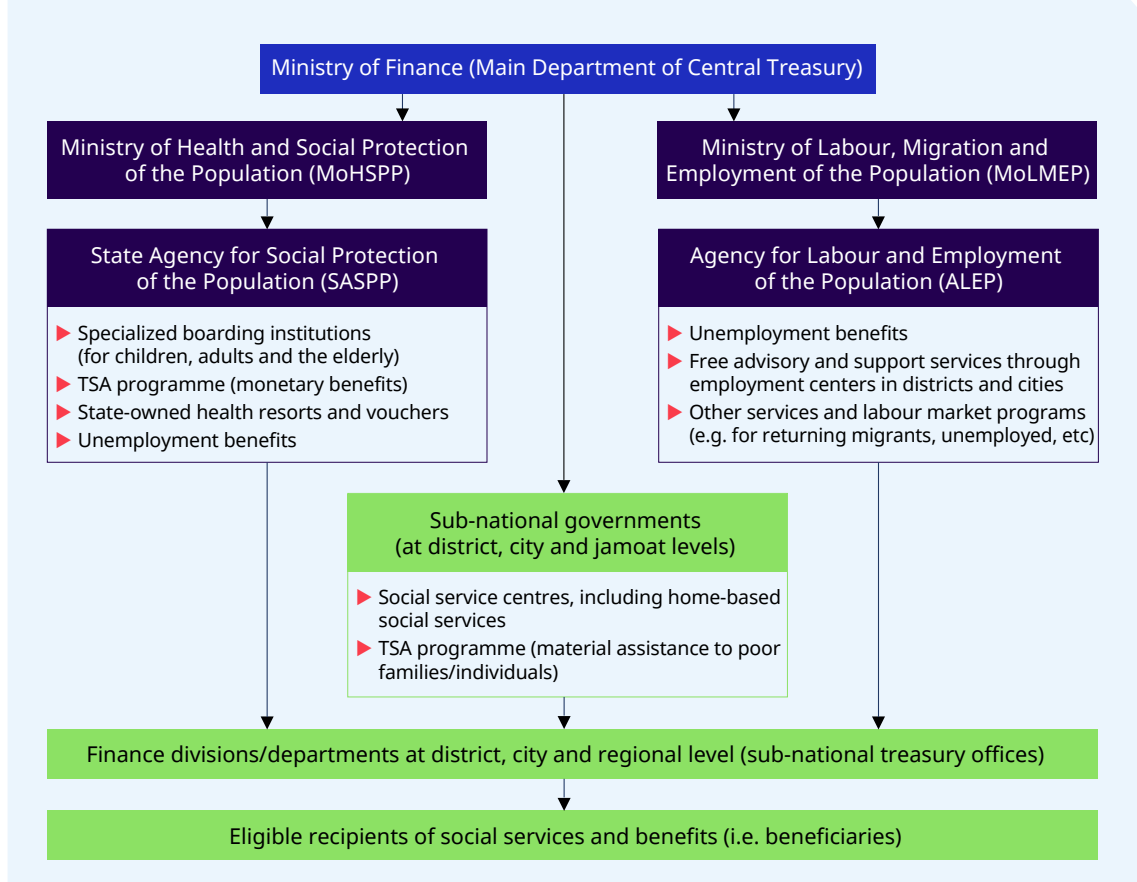
► 4. Financing of social protection and social insurance in Tajikistan

4.1. The budgeting system in social protection and social insurance

4.1.1. Governance and funds administration

Although the social protection sector is highly centralized, the governance of the social protection system is fragmented. Even at republican level, social protection programmes and social insurance programmes are administered by different government bodies. Social protection programmes are governed by the Ministry of Health and Social Protection of the Population (MoHSPP) and subordinate State Agency for Social Protection of the Population (SASPP). Social insurance programmes and pensions are mainly governed by the Agency for Social Insurance and Pensions (ASIP), although some benefits (unemployment benefits) are administered by the Agency for Labour and Employment of the Population (ALEP), which in turn reports to the Ministry of Labour, Migration and Employment of the Population (MoLMEP).

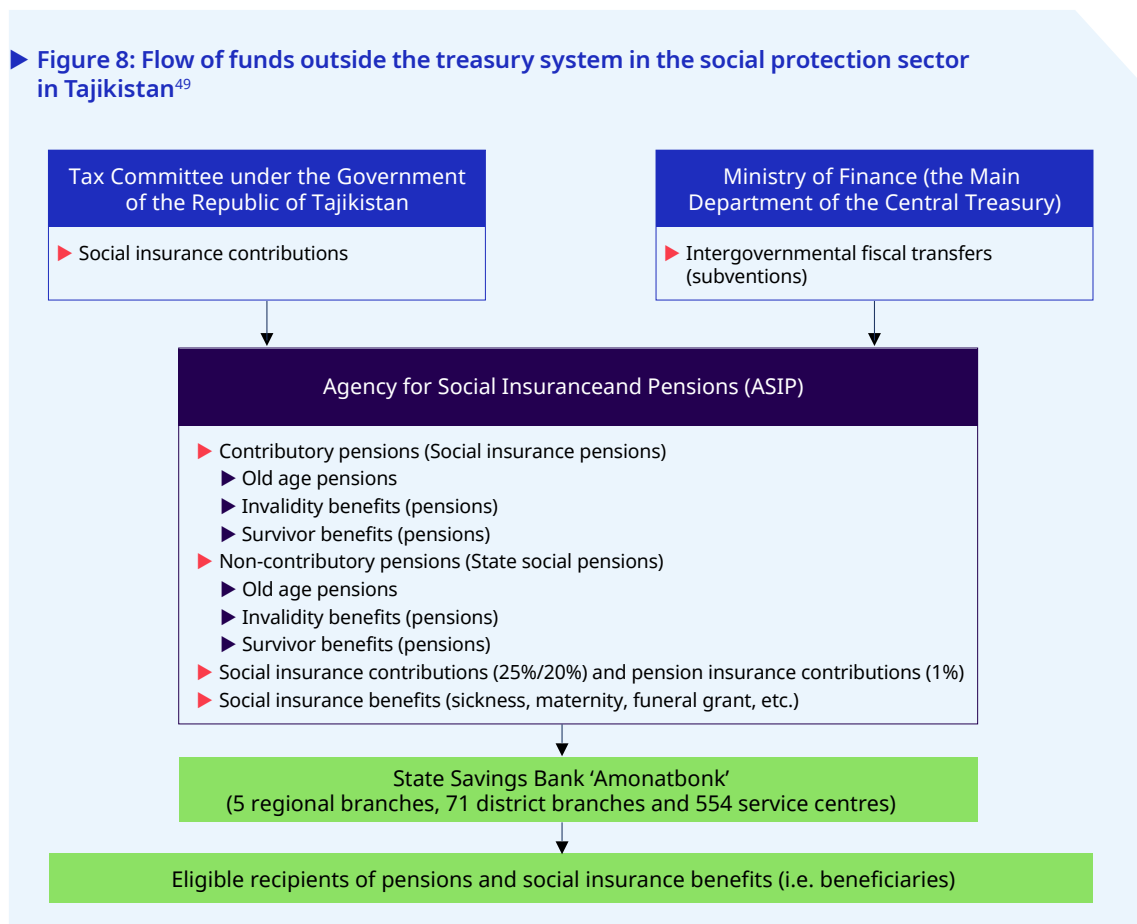
► Figure 7: Flow of funds through the treasury system in the social protection sector in Tajikistan



Notwithstanding a highly centralized social protection system, sub-national governments provide funding for specialized boarding institutions and social service centres which are located in their municipality. Unlike education and health care, specialized boarding institutions continue to follow an input-based resource allocation method and have not yet introduced a per-capita financing (PCF) mechanism which would have improved equity of spending allocations across institutions and regions.

Approximately 75.8% of total expenditures in the social protection sector are administered directly by the ASIP (of which more than 90% are contributory and non-contributory pensions) outside the Ministry of Finance’s Treasury Single Account (TSA), and another 5.2% of total expenditures are administered by the SASPP, which is subordinate to the MoHSPP. Accordingly, majority of total social protection spending is disbursed and administered by the State Savings Bank ‘Amonatbank.’ The remaining expenditures are administered by the ALEP (e.g. 0.9% of total expenditure is spent on unemployment benefits) and the MoHSPP (such as governance and supervision costs in the social protection sector).

► **Figure 8: Flow of funds outside the treasury system in the social protection sector in Tajikistan⁴⁹**



49 In 2021, to strengthen control over budget organizations’ cash flow with the ASIP a suspense account has been opened in the Single Treasury Account (STA). Budget organizations transfer their social insurance contributions to the suspense account and, on the same day, the Ministry of Finance transfers these funds over to the account of the ASIP in SSB ‘Amonatbank’. This is the first step towards full integration of the ASIP budget by the STA.

In the meantime, 1.4% of core expenditures of the social protection sector (excluding special funds and the Public Investment Programme) are provided and executed by sub-national governments. In 2020, about 27.1% of total spending of all specialized social protection institutions such as health resorts and institutions for children, adults and the elderly were secured by sub-national governments. In practical terms, the MoHSPP must design, adjust and implement the state social protection policy while controlling just about 23% of the total social protection budget. Such limited financial control may result in policy mandates being partially unfunded or not at all. The gap between funding and policy execution induces inefficiencies because of unhealthy dependency of institutions on revenue performance of sub-national governments, which in turn leads to inadequate or insufficient provision of financial resources. Reliance on sub-national budgets could thus be further reduced and complemented by implementation of a per-capita financing (PCF) mechanism to ensure a more balanced and equitable allocation of funding across specialized social protection institutions and social service centres.

Equity of domestic financing is partly ensured through inter-governmental fiscal transfers (IGFTs), which should be allocated through a rule-based approach. Subventions, grants and loans⁵⁰ represent the most frequently utilized types of IGFTs, with subventions accounting for about 95% of all transfers across levels of government. In particular, subventions cover salary gaps which the sub-national authorities are unable to close as a result of running into deficits, revenue shortfalls or weak expenditure planning. This means that social protection expenditure that is provided by sub-national governments may be covered through IGFTs. In 2020, 36 out of 68 sub-national municipalities received financial support from the Ministry of Finance in the form of subventions,⁵¹ totalling approximately \$78.3 million (or \$2.2 million per municipality per year). IGFTs represent the last resort in the balancing of sub-national budgets, and are particularly important for financially disadvantaged municipalities, but subventions only cover the wage bill gap. This leaves other non-wage recurrent expenditures subject to volatility, including critical social protection spending. The most vulnerable and financially dependent sub-national municipalities could receive IGFTs which are linked to financing needs (or gaps) in the social protection sector.

4.1.2. Three-tiered structure of spending units in social protection

Institutionally, the social protection sector consists of three tiers of public entities in accordance with their financial authority. These levels include: (i) Main Administrators of Budget Allocations (MABAs), (ii) Administrators of Budget Allocations (ABAs), and (iii) Recipients of Budget Allocations (RBAs). From a financial accountability standpoint, the MoHSPP is only one out of 13 highest-level budget authorities in the social protection sector, or MABAs.⁵²

⁵⁰ Subventions are targeted (earmarked) funds from central government that cover wage bill gaps in sub-national municipalities; *dotations* are general purpose grants from central government to sub-national municipalities; and *loans* are short-term credit from central government to sub-national municipalities. There are also subsidies and mutual settlements, as well as grants (received only by the Dushanbe municipality).

⁵¹ In 2020, subventions were received by 8 out of 9 municipalities in GBAO, 8 out of 13 municipalities in the Districts of Republican Subordination (DRS), and 20 out of 26 municipalities in Khatlon region. Municipalities in Soghd region and Dushanbe do not receive subventions and are regarded as financially independent. In 2020, Sangvor district was the only municipality that received dotations. (Source: the Ministry of Finance and the Law of the Republic of Tajikistan 'On State Budget for 2020').

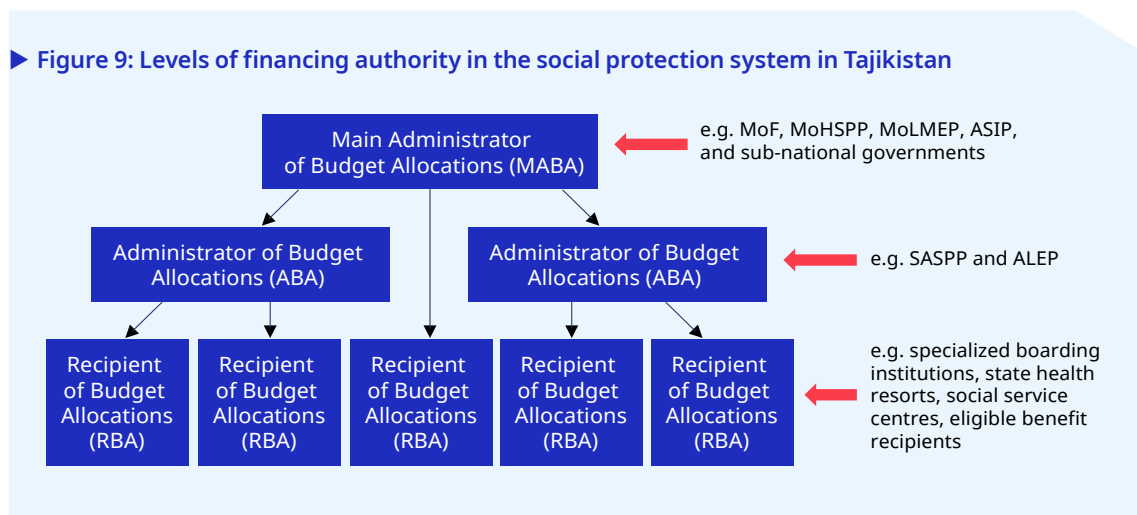
⁵² Basic terms: *Main Administrator of Budget Allocations (MABA)* is a public authority and public administration body authorized to administer state budget funds and distribute them to subordinated institutions. Main administrator can be an important budget institution of science, education, culture and health sectors. *Administrator of Budget Allocations (ABA)* means a public authority and public administration body or a budget institution, that receives budget funds from the main administrator and has a right to allocate budget funds to and control the use of budget funds by subordinated recipients of budgetary funds. *Recipient of Budget Allocations (RBA)* is a budget institution that is subordinated to a main administrator or administrator of budgetary funds, and is eligible for funding from the relevant budget.

The list of MABAs in the social protection sector includes the following institutions:

- ▶ Ministry of Finance of the Republic of Tajikistan;
- ▶ Ministry of Health and Social Protection of the Population of the Republic of Tajikistan;
- ▶ Ministry of Labour, Migration and Employment of the Population of the Republic of Tajikistan;
- ▶ Ministry of Justice of the Republic of Tajikistan;
- ▶ Ministry of Internal Affairs of the Republic of Tajikistan;
- ▶ Ministry of Defence of the Republic of Tajikistan;
- ▶ State Committee for National Security of the Republic of Tajikistan;
- ▶ Committee on Emergency and Civil Defence under the Government of the Republic of Tajikistan;
- ▶ Agency for State Material Reserves under the Government of the Republic of Tajikistan;
- ▶ Agency for State Financial Control and Fight Against Corruption of the Republic of Tajikistan;
- ▶ Agency for Drug Control under the President of the Republic of Tajikistan;
- ▶ Customs Service under the Government of the Republic of Tajikistan; and
- ▶ National Guard of the Republic of Tajikistan.

None of these institutions exercise financial authority over other MABAs and are accountable directly to the Ministry of Finance. Higher degree of financial discretion enables these public entities to negotiate their annual budgets directly with the Ministry of Finance without seeking formal approval from other line ministries (i.e. from other MABAs). Administrators of budget allocations (ABAs) include the SASPP and the ALEP, whereas Recipients of Budget Allocations (RBAs) include specialized boarding institutions, as well as TSA recipients and beneficiaries of various social benefits (e.g. unemployment benefits and others).

► **Figure 9: Levels of financing authority in the social protection system in Tajikistan**



In the meantime, the presence of a large number of highest-level spending units (i.e. MABAs) in the social protection sector often leads to inconsistent allocations to meet policy needs or weak enforcement of policy at the sub-national level. It also significantly complicates medium-term planning at the sector level. One of the problems with the current structure includes lack of congruence between sector spending and MABA expenditures, in which case spending will tend to be out of line with priorities, i.e. allocative efficiency will not be achieved. The second problem is that the larger the number of strategic plans, which serve as the basis for determining sector expenditure ceilings, the more difficult it is for the Ministry of Finance to properly review them, including their performance indicators, and to decide the relative priorities and associated funding allocations.⁵³ In the presence of a large number of MABAs, the strategic planning process and hence program budgeting as a whole in the social protection sector will have limited meaning.

4.1.3. Budget preparation process

In social protection, the budget preparation process consists of two phases and is centralized. The budget preparation process is regulated by Articles 38–39 of the Law of the Republic of Tajikistan 'On Public Finances' and Resolution of the Government of the Republic of Tajikistan #116f issued on December 30, 2019. The Resolution determines responsible public entities in the budget preparation process and issues instructions for a time-bound submission of the draft budget law to the legislature. On the basis of this Resolution, the Ministry of Finance issues detailed budget instructions to all public entities (mainly, MABAs) and designates responsible institutions, the timetable and required actions to formulate budget parameters for next fiscal year and preliminary estimates for the following two years.

► **Table 7: Key steps and dates in annual budget formulation cycle in the social protection sector**⁵⁴

Period	Name of primary legislation	From:	To:
Phase I			
March	Preliminary forecasts and the mid-term investment plan for 2021-2023	MABAs	MoF
April	Estimates of the investment budget and revenues for 2021-2023	MoF	MABAs
May	Spending ceilings for the social protection sector and MABAs for 2021-2023	MoF	MABAs
June	Main Directions of the Fiscal Policy and State Budget for 2021-2023	MoF	GoRT
Phase II			
July	Updated forecasts and the mid-term investment plan for 2021-2023	MABAs	MoF
	Initial budget proposals (and lists of investment projects)	RBAs	ABAs/MABAs
	Consolidated budget proposals (and lists of investment projects)	MABAs	MoF
	Sectoral strategic budget plan for the social protection sector	MABAs	MoF
August	Budget hearings (discussion of submitted budget proposals)	MoF	MABAs/RBAs
	Formulation of draft budget legislation for 2021 and its publication	MoF	Public
September	Draft budget legislation for 2021	MoF	GoRT
October	Revised/updated budget legislation for 2021	GoRT	Parliament
November	Review/approval of budget legislation for 2021		Parliament
Nov/Dec	Endorsement of new budget legislation for 2021		President

Source: : Instructions (for Phase I and Phase II) of the Ministry of Finance of the Republic of Tajikistan.

⁵³ It follows that the larger the number of strategic plans, the more likely that the decisions on performance targets, strategies and resources will be based mechanically on outdated historical norms.

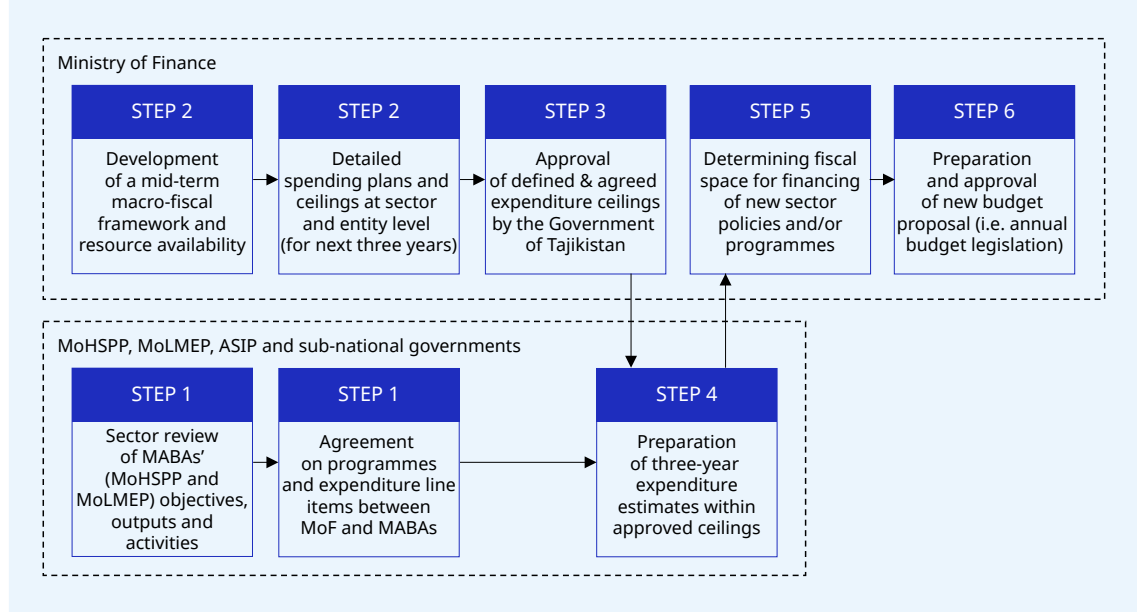
⁵⁴ Source: Ministry of Finance (http://minfin.tj/index.php?do=static&page=Budgetniy_proces_2021_2023).

Hence, budget parameters are estimated for a three-year period, following a medium-term expenditure framework. For the formulation of FY'2021 budget, the first instruction (for Phase I) was issued on January 31, 2020 and the second instruction (for Phase II) was issued on July 10, 2020. Both instructions are strictly followed by all MABAs, ABAs and RBAs in the social protection sector, although delays in the submission of budget proposals are frequent but avoidable.

Importantly, the total social protection budget is consolidated by the Ministry of Finance on the basis of budget proposals agreed upon with 13 MABAs. Ideally, this function should be exercised by a government institution responsible for designing and implementing social protection policy, i.e. the MoHSPP, but this is currently not happening, mainly because a large portion of the social protection budget is managed by other institutions such as the ASIP, the ALEP and others.

Preparation of budget proposals by public entities (i.e. RBAs, ABAs and MABAs) is largely input-based and follows historical allocations. Social benefits and targeted social assistance are adjusted for 'indicators for calculation', which are provisioned in the organic budget law, rather than inflation parameters which would have improved adequacy of public resource allocations.

► Figure 10: Levels of financing authority in the social protection system in Tajikistan



Capital investment planning in the social protection sector is carried out in parallel to recurrent budgets. Specialized boarding institutions do not estimate their capital investment⁵⁵ needs independently from sub-national authorities. Instead, district-level or city-level social protection departments assess the demand for capital repairs, maintenance, construction, and purchase of equipment or machinery at the

55 In the context of the social protection sector – namely, specialized boarding institutions - capital investment or capital expenditure includes construction and/or capital (i.e. major) repairs of buildings, facilities, equipment, and vehicles (e.g. mobile employment centers).

time of preparing the consolidated budget proposal for the new year. These preliminary estimates are then submitted to respective district-level and city-level authorities (i.e. *khukumats*), which in turn seek approval from regional-level *khukumats*, except DRS and Dushanbe. Regional-level authorities consult their respective capital construction departments, agree on the final lists of sites/items in need of capital investment and submit these lists to the Ministry of Economic Development and Trade (MoEDT) for review. Once reviewed, the MoEDT reaches agreement with the Ministry of Finance on the final list of investment projects and capital investment. Once these capital expenditures are approved and included in total social protection spending through the annual budget law, they are transferred to designated treasury accounts of health resorts and specialized boarding institutions for children, adults and elderly people.

MABAs in the social protection sector, such as the MoHSPP, ASIP and ALEP, follow similar procedures to agree their capital investment allocations, except they do not engage with sub-national governments and only seek approval from the MoEDT and the Ministry of Finance. Inventories of all assets of public entities are kept by respective MABAs, mainly because the State Committee for Investment and State Property Management (SCISPM) does not currently have a unified asset management registry covering the entire government sector.

4.1.4. Policy-based budgeting reforms

Tajikistan has implemented policy-based budgeting reforms, including the medium-term fiscal framework (MTFF) and the medium-term expenditure framework (MTEF) in the social protection sector since 2006.⁵⁶ The first macro-fiscal framework was produced in 2007, establishing expenditure ceilings for all sectors including the social protection sector. Social protection was one of three social sectors (along education and healthcare) which implemented MTEF on a pilot basis, resulting in the following outcomes:

- Extending the timeframe of budgeting from a single year to the medium-term horizon (i.e. 3 years);
- Estimating the cost of existing policies (i.e. a baseline budget) in social protection;
- Introducing an informed political decision on sector-based resource allocation in social protection before the preparation of a detailed budget;
- Establishing a fixed constraint on budget decisions, i.e. the expenditure ceiling for social protection;
- Dividing the budget process into two phases, adopting top-down and bottom-up approaches;
- Encouraging the estimation of the future cost of existing/current programmes and policy changes;
- Providing incentives to MABAs to reallocate and scrutinize resources within their mandates.

Notwithstanding good process in MTEF implementation in the social protection sector, it is hampered by limited authority of the MoHSPP, particularly in the presence of a large number of MABAs. Another issue is that MTEF documentation is not subject to adequate scrutiny by the executive power or the legislature. National legislation stipulates that medium-term parameters do not require Parliamentary approval.⁵⁷ Accordingly, the Economy and Finance Committee of the Lower Chamber of Parliament rarely

⁵⁶ Following the Resolution of the Government of the Republic of Tajikistan 'On the Introduction of Medium-Term Expenditure Framework in the Republic of Tajikistan' (#409 dated September 7, 2006). MTEF was applied for the first time from FY'2007. Following this Resolution, the Ministry of Finance issued Regulation #2-3-21 "On the Formation of Implementation of Medium-Term Expenditure Framework". This Regulation was issued on 1 December 2006 and included information on the MTEF process and its goals and objectives, macro-fiscal framework, planning of the Public Investment Program (PIP), division of labour among key players, proposed MTEF calendar and format of MTEF paper, methodology for the preparation of sector expenditure plans, formulation of budget ceilings, the importance of alignment with national priorities and several annexes (suggested format of budget organizations' budget proposals).

⁵⁷ Compliance with MTEF obligations is also conditional on the strength of the Parliament and the Chamber of Accounts.

scrutinizes the credibility of medium-term parameters, which potentially weakens the quality of medium-term estimates and alignment of public resources with policy priorities in the social protection sector.

The quality of MTEF is also affected by the absence of a well-planned and costed social protection strategy (or long-term social protection programme), which weakens the link between policies and resources. The MoHSPP has limited oversight and coordination of the flow of public resources in social protection sector, such as due to the large number of spending units, reliance on financing from sub-national governments, and a disconnect between policy formulation (at the ministry level) and policy implementation (at the sub-national level). Furthermore, the link between phases of the budget planning cycle is weak⁵⁸ as well as mid-term planning capacities at the sub-national level.

The next step for Tajikistan is the implementation of a medium-term performance framework (MTPF), i.e. performance-based budgeting, that would align funding and results. However, core budget management processes, systems and capacities should be further strengthened before embarking on a more advanced stage of policy-based budgeting reform. At the present, non-financial performance indicators which form part of strategic budget plans (SBPs) developed by MABAs during the budget preparation process have only notional importance and are loosely scrutinized by the Ministry of Finance. Once MTEF requirements and programme budgeting reform are both met, the social protection sector may gradually transition onto performance-based budgeting.

In Tajikistan, social protection is one of six sectors which are piloting programme budgeting from 2019. Accordingly, the social protection budget is broken down into 14 programmes (see Table 8). However, programme budgeting has only been implemented at the republican level and only covers expenditures recorded through the Single Treasury Account (STA). This is the single largest impediment for programme budgeting, that is, less than 30% of total spending in the social protection sector follows programme budgeting classification. Unless programme budgeting covers the entire social protection sector, the value and benefits of programme budgeting reform will remain limited.

58 This is because MTEF is predominantly sector-based, but the expenditure budget is planned/estimated and implemented based on an administrative classification (i.e. MABAs). Hence, budget ceilings only exist a sector level (and are issued in Phase I of the budget planning process), while Phase II seeks consolidation of MABA budgets into sector budgets.

► **Table 8: Republican budget allocations by programme classification in the social protection, 2021**

ID	Name of programme	Allocation (in TJS)
HIA001	Social services for children in stationary (boarding) institutions	12,259,000
HIA002	Social services for adults with disabilities in stationary (boarding) institutions	17,503,000
HIA003	Social services for elderly in stationary (boarding) institutions	12,504,000
HIA004	Medical treatment in state health resorts	5,580,000
HIA005	Professional development of social protection workers	1,195,000
HIA006	Social services for children and adults in social daytime institutions	11,942,000
KDI001	Provision of state social protection guarantees to the population	50,000,000
KDI002	Provision of pensions	306,405,000
KDI003	Compensation payments and social benefits	12,895,000
KDI051	Investment in the social protection sector	8,000,000
KIU001	Targeted social assistance to poor families	110,117,000
TIK001	Primary professional education (initial vocational education and training)	4,994,000
TSI001	Administrative governance and regulation	28,427,000
TTI001	Medical science and research	536,000
TOTAL:		582,359,000

Source: Attachment 2 (Article 7 of the Law of the Republic of Tajikistan 'On State Budget of the Republic of Tajikistan for 2021').

4.1.5. Budget classifications and reporting

Social protection budgets are reported in accordance with five types of budgetary classifications and broken down into two levels (republican and sub-national levels). Article 9 of the Law of the Republic of Tajikistan 'On Public Finances' defines the following types of budgetary classifications for accounting and reporting by all public entities in social protection: (i) functional classification (by sectors), (ii) economic classification (by economic items), (iii) administrative classification (by public entities), (iv) programme classification (by programmes), and (v) territorial classification (by sub-national municipalities). Besides, the social protection budget is broken down into:

- Core budget expenditures (i.e. the sum of republican and sub-national budgets);
- Special funds (i.e. own revenues of public entities in the social protection sector); and
- Public Investment Program (investment budgets which are co-financed by external investors).

Despite improvements in fiscal reporting, the budget classification has shortcomings that distort budget presentation. Misclassification of the development budget (i.e. the Public Investment Programme) across recurrent and capital expenditure categories remains a concern. The Ministry of Finance classifies entire PIP budget as capital investments, but they also have elements which should be classified as recurrent expenditures. This and other mis-categorizations of revenues and expenditures leads to overestimation and distortion of fiscal deficits. The Ministry of Finance has also adopted and is implementing a migration path towards the Government Financial Statistics Manual (GFSM) 2014 classification system, which will further improve budget reporting and classification of expenditures in the social protection sector.

Humanitarian assistance and other overseas development assistance (including grants and loans provided by development partners) sit outside the total government spending in the social protection sector.

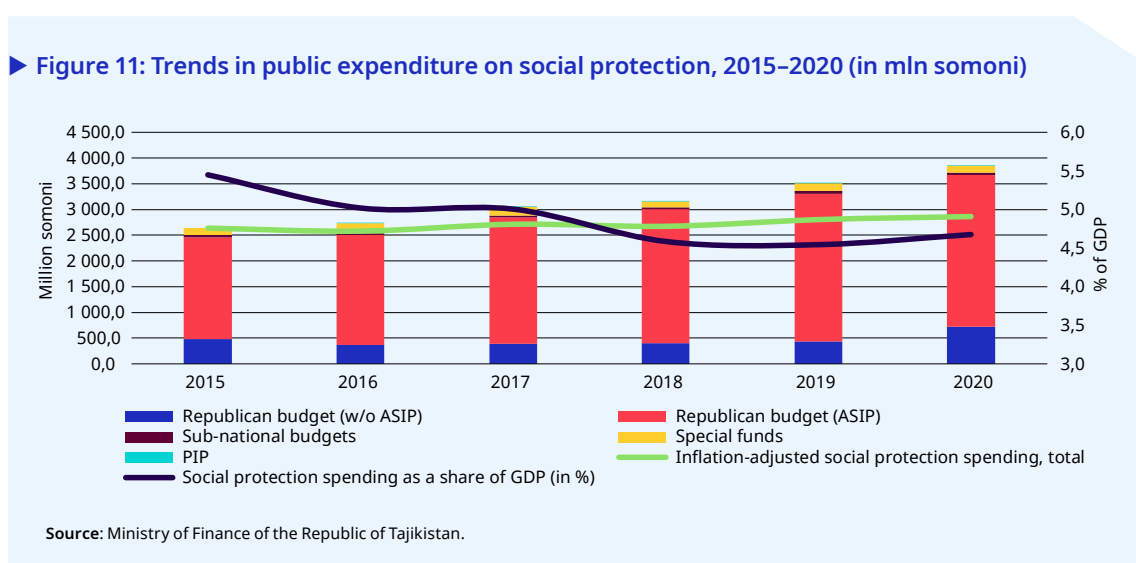
Total social protection budgets are estimated through the Tajikistan Financial Management Information System (TFMIS) and consolidated by the Central Treasury Department of the Ministry of Finance. They are reported once a year via consolidated budget performance reports, which are not published or released to the general public. Publicly accessible information on social protection spending includes brief quarterly summaries of total government, republican and sub-national budgets which are published on the website of the Ministry of Finance. These summarized budgets are too aggregated to be of any analytical value, and are complemented by issuance of a Citizens’ Budget once a year, outlining the draft budget law.

4.2. Overview of public expenditure in the social protection sector

Historically, the Government of the Republic of Tajikistan has demonstrated strong commitment to social protection by allocating a sizeable proportion of its public spending to the social protection sector. Total spending for the social protection sector grew from 2,637.4 million somoni (or \$384.7 million) in 2015 to 3,859.1 million somoni (or \$342.5 million) in 2020. The annual growth of total spending for the social protection sector averaged 8% in nominal terms during this period. In real terms, total spending for the social protection sector averaged 1.6% of GDP between 2015 and 2020 (4.7% of GDP in 2020, compared to 5.4% of GDP in 2015). These figures include special funds of public entities and the Public Investment Programme (PIP) funded externally.

The total government spending on social protection has also consistently represented a substantial share of aggregate government spending, changing from 16.2% in 2015 to 15.5% in 2020 (see Table 9). The social protection sector was the third largest recipient of public resources in 2020, behind only the energy sector (20%) and education (17.8%).

Social protection spending was declining as a share of GDP and as a share of total government spending during 2015-2018 but rose again in 2019 and 2020. The significant increase in 2020, equivalent to 10.5% year-on-year, was the result of the government’s response to COVID-19 outbreak and additional mitigation measures that were introduced with the Parliamentary approval of the amended Law of the Republic of Tajikistan ‘On State Budget of the Republic of Tajikistan for 2020’ on July 4, 2020. Thus, despite economic challenges and growing fiscal constraints, social protection spending has remained relatively resilient.



► **Table 9: Public spending on social protection sector by main categories, 2015–2020**
(in mln somoni)

	2015	2016	2017	2018	2019	2020
General government spending, total	16,277.4	18,294.3	22,264.2	24,187.4	23,806.6	24,925.5
Social protection spending, total	2,637.4	2,734.0	3,057.6	3,156.8	3,515.0	3,859.1
<i>of which:</i> Social insurance	275.1	231.8	241.0	255.6	292.5	496.1
<i>of which:</i> Social protection	52.0	53.6	62.4	69.5	79.8	83.1
<i>of which:</i> Other activity in SP sector	111.6	119.5	123.7	117.9	124.1	206.9
<i>of which:</i> ASIP budget (incl. pensions)	1,981.2	2,133.9	2,456.8	2,600.8	2,861.9	2,937.8
<i>of which:</i> Special funds (SFs)	134.5	192.2	172.4	109.7	147.1	137.0
<i>of which:</i> Public Investment Programme	0.0	3.0	1.3	3.3	9.7	4.7
Share of recurrent expenditure (%)	97.2	98.0	97.7	97.7	97.4	98.7
Share of capital expenditure (%)	2.8	2.0	2.3	2.3	2.6	1.3

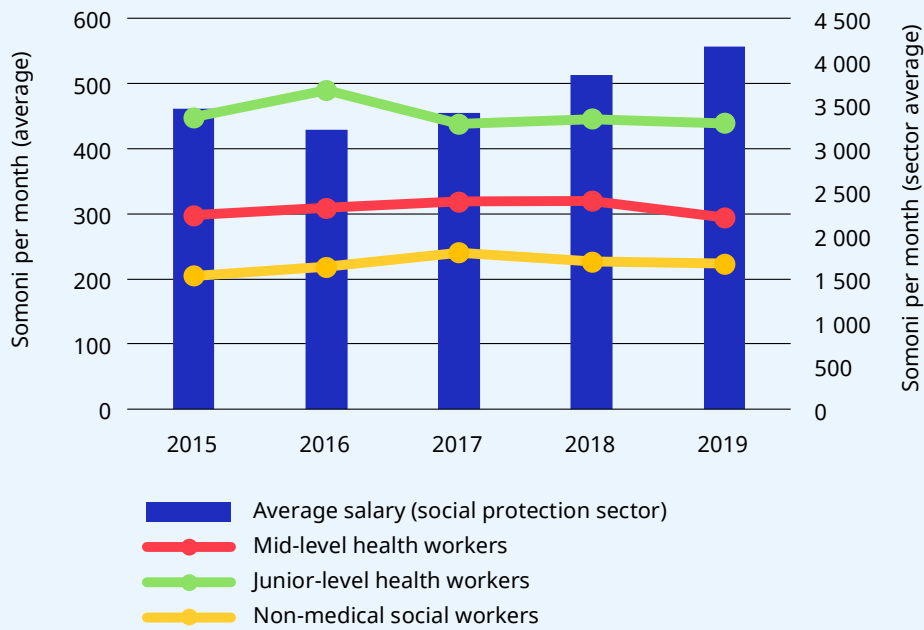
Source: Attachment 2 (Article 7 of the Law of the Republic of Tajikistan 'On State Budget of the Republic of Tajikistan for 2021').

Since 2010, Tajikistan has had to employ across-the-board fiscal consolidation measures in the aftermath of at least three major economic disturbances, including the global financial and economic crisis in 2008–2009, a sharp drop in global commodity prices in 2014–2015 (leading to sharp revenue underperformance) and the coronavirus pandemic that affected livelihoods and businesses in 2020. Although the growth of public spending on the social protection sector has slowed down compared to past years, it nevertheless preserved its positive growth trajectory in 2015–2020 (see Table 9 and Figure 11).

The relative proportion of main economic categories in the total social protection spending has not changed since 2015, with pensions comprising 83% of total spending in 2019. Social assistance programmes equalled 7.2% of the total spending, and purchase of goods and services comprised 4.4% of total spending in the social protection sector. One-time compensation payments equalled 1.2% and capital expenditures comprised 0.6% of the total social protection spending. These proportions have only marginally changed in 2015–2019.

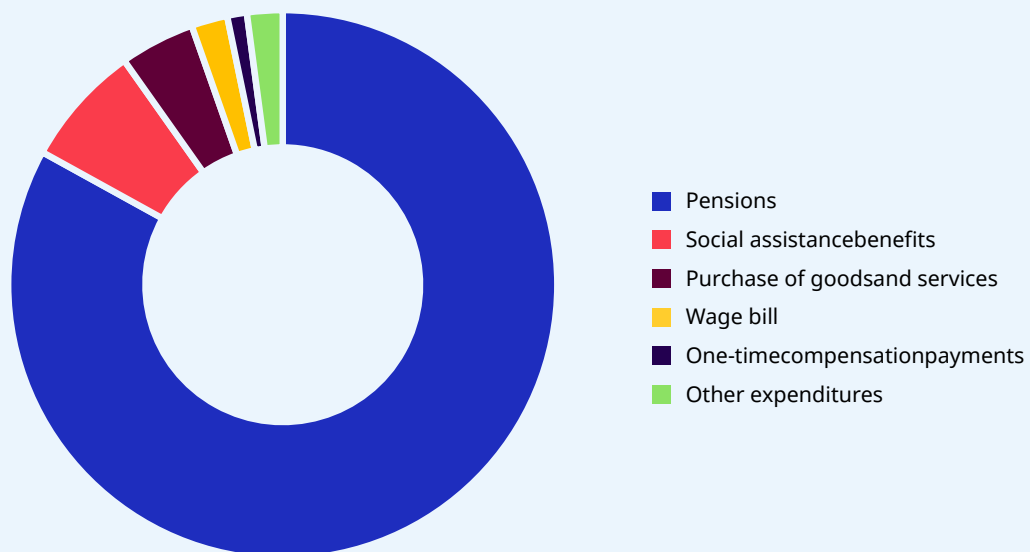
Aggregate wage bill, including social contributions, was equivalent to only 2.1% of the total sector spending, mainly because there are not many specialized boarding institutions and workers. In 2019, there were only 2,541 social workers in the social protection sector who were on public payroll, of which 431 were junior-level health workers, 239 were mid-level health workers and 1,690 workers were non-medical social workers.

► **Figure 12: Inflation-adjusted average monthly remuneration of social workers in the social protection sector, 2015–2019**



Source: Ministry of Finance of the Republic of Tajikistan.

► **Figure 13: Relative share of major economic spending categories in the social protection sector, 2019.**



Source: Agency for Statistics under the President of the Republic of Tajikistan.

► **Table 10: Social workers and wage bill in social protection institutions, 2015–2020**
(in mln somoni)

	2015	2016	2017	2018	2019
Total number of social workers	2,469	2,591	2,603	2,539	2,541
Doctors	51	53	61	61	61
Mid-level health worker	200	217	243	239	239
Junior-level health worker	393	392	442	431	431
Other non-medical workers	1,750	1,859	1,747	1,705	1,690
Social workers (MoHSPP, ASIP, etc.)	75	70	110	103	120
Total wage bill, social workers (in mln somoni)	102.5	106.1	119.9	138.4	159.8
Doctors	22.2	26.4	29.1	30.5	33.6
Mid-level health worker	0.7	0.9	1.1	1.1	1.1
Junior-level health worker	2.1	2.4	2.6	2.7	2.8
Other workers	4.3	5.2	5.7	5.5	5.7
Other workers (MoHSPP, ASIP, etc.)	15.1	17.9	19.7	21.3	23.9
Total wage bill (social protection)	39.0	44.6	47.1	55.5	56.6

Source: Ministry of Finance of the Republic of Tajikistan.

Excluding spending by the Agency for Social Insurance and Pensions (ASIP), the total social protection budget grew by 79.2% in nominal terms during 2015–2020. The budgets of the following sub-sectors have grown the most during this period, namely: (i) survivor benefits (by 581.1% in the past six years), (ii) spending on specialized institutions for adults (132.3%), (iii) state pension programmes (96.7%), (iv) benefits for large families and children (75.7%), and (v) health resorts and clinics (56.9%). On the contrary, three expenditure categories which are funded entirely by sub-national governments had seen public resource allocations decline by 89.8% (old-age benefits) and 100% (sickness, maternity, temporary disability and disability benefits) in 2015–2020.

Inflation-adjustment demonstrates that public resource allocations were largely insufficient. For instance, actual financing for specialized institutions for the elderly went down by 9.1% if they are adjusted for inflation (i.e. in 2015 prices). Similarly, inflation-adjusted financing for governance and supervision in the social protection sector declined by 0.4% between 2015 and 2020 despite the need to strengthen verification and oversight, particularly at sub-national level. Besides, compensation of poor families for utility bills and in the event of natural hazards, etc. has also declined by 17.6% in 2015–2020. Further investigation of these trends suggests that there is no financing strategy in the social protection sector, and public resource allocations to many sub-sectors seem to fluctuate either due to sensitivity of the social protection funding to total government revenues or as a result of fragmented nature of financing in the social protection sector as a whole.

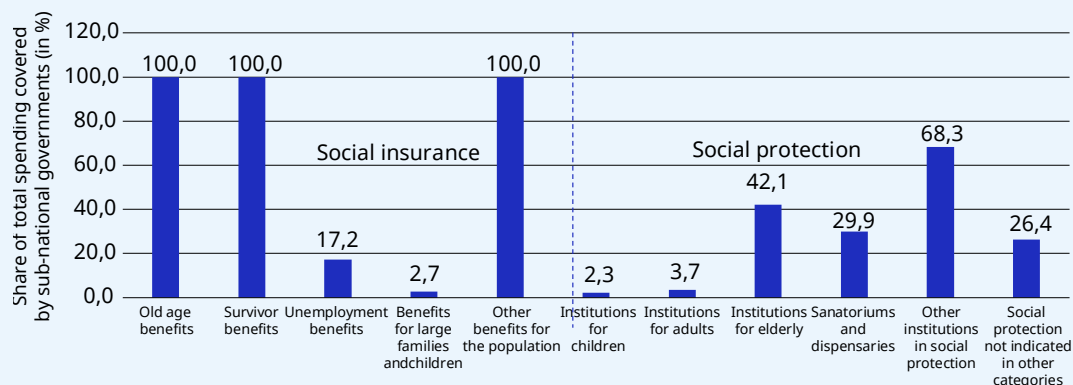
► **Table 11: Composition of the social protection sector by functional classification (by sub-sectors), 2015–2020 (in mln somoni, excluding spending by the agency for social insurance and pensions, ASIP)**

	2015	2016	2017	2018	2019	2020
Total spending, social protection sector (core expenditures)	438.8	404.8	427.1	443.1	496.3	786.0
6.1. Social insurance	275.1	231.8	241.0	255.6	292.5	496.1
6.1.1. State pension programmes	160.2	163.5	163.0	170.0	186.0	315.2
6.1.2. Maternity, temporary disability benefits	0.0	0.0	0.0	0.0	0.2	0.0
6.1.3. Old age benefits	0.2	0.1	0.1	0.0	0.0	0.0
6.1.4. Disability benefits	0.5	0.0	0.0	0.0	0.0	0.0
6.1.5. Survivor benefits	0.1	0.0	0.4	0.7	1.0	0.9
6.1.6. Unemployment benefits	25.9	27.0	29.4	28.9	38.6	36.4
6.1.7. Benefits for large families and children	70.7	28.0	33.7	38.6	45.4	124.3
6.1.8. Other benefits for the population	17.4	13.1	14.5	17.4	21.4	19.3
6.2. Social protection	52.0	53.6	62.4	69.5	79.8	83.1
6.2.1. Institutions for children	13.6	11.2	15.2	18.5	19.7	20.4
6.2.2. Institutions for adults	8.0	11.9	13.9	14.9	17.7	18.6
6.2.3. Institutions for elderly	12.2	10.9	12.3	12.7	14.0	14.9
6.2.4. Health resorts and clinics	5.3	5.1	4.9	4.1	7.2	8.4
6.2.5. Other institutions in social protection	10.9	12.1	13.8	16.7	16.7	17.0
6.2.6. Social protection not indicated in other categories	2.0	2.5	2.3	2.5	4.5	3.7
6.3. Other activity in the area of social protection	111.6	119.5	123.7	117.9	124.1	206.9
6.3.1. Governance and supervision	19.9	20.3	25.3	26.5	28.8	26.8
6.3.2. Applied and experimental research	0.5	0.6	0.6	0.6	0.7	0.7
6.3.3. Other non-categorized activities	91.2	98.6	97.8	90.8	94.6	179.4

Source: Ministry of Finance of the Republic of Tajikistan.

In 2019, approximately 1.7% of core expenditures in the social protection sector (i.e. without special funds and PIP) were funded by sub-national governments, compared to 1.6% in 2015. For instance, old-age and survivor benefits are fully disbursed by sub-national governments, along with 17.2% of all unemployment benefits. Compensation payments to poor families for electricity and utility bills are fully covered through the budgets of sub-national governments, as well as home-based social services and social service centres. Besides, in 2020, sub-national governments also covered 42.1% of the annual cost of specialized boarding institutions for the elderly (i.e. retirement homes) and 29.9% of the annual budget of four state-owned sanatoriums (see Figure 5). This suggests that despite a high degree of centralization in social protection, sub-national governments still play an important role in financing of the social protection sector.

► Figure 14: Share of sub-sectors in social protection funded by sub-national governments, 2020



Source: Ministry of Finance of the Republic of Tajikistan.

► Table 12: Expenditures in the social protection sector by types of sub-national governments, 2015–2020 (in mln somoni)

	2015	2016	2017	2018	2019
Regional-level municipalities (regional <i>hukumats</i>)	9.2	10.5	6.4	14.2	7.0
Cities of republican and regional subordination	10.1	5.2	6.6	8.3	13.4
District-level municipalities (district <i>hukumats</i>)	21.0	20.1	25.2	18.7	32.5
Cities of district subordination	1.5	2.5	1.8	2.5	3.4
Town-level jamoats	0.0	0.3	0.0	0.0	0.1
Community-level jamoats	0.0	0.7	0.0	0.4	0.4
TOTAL (sub-national budgets):	41.8	39.2	40.1	44.2	56.8

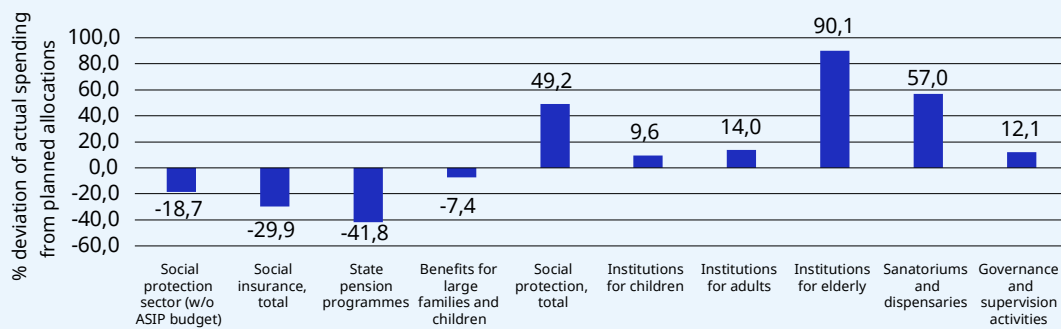
Source: Ministry of Finance of the Republic of Tajikistan.

The growth in the number of social workers and social service centres at the district level has also led to modest growth of the share of total sub-national budgets financed by district-level municipalities (from 50.2% in 2015 to 57.2% in 2019). Conversely, the proportion of sub-national budgets that is financed by regional-level municipalities (i.e. regional *hukumats*) shrank from 21.9% in 2015 to 12.3% in 2019. This is a result of the 2014 restructuring which abolished social services divisions/units at regional level and has effectively delegated greater social services responsibilities from regional level to district level authorities.

Social protection budgets are now better consolidated, but shortcomings in budget credibility remain. In particular, annual expenditure outturns displayed large deviations from approved allocations in the social protection sector averaging 18.7% in 2020 (excluding the ASIP budget). Figure 15 demonstrates

that social insurance budget was originally overestimated, while the social protection budget was underestimated. This reflects the difference between having to estimate the number of eligible social insurance benefit and pension recipients and input-based allocation decisions for specialized social protection institutions.

► **Figure 15: Percent deviation of actual spending from planned allocations in the social protection sector (by main sub-sectors and functional categories, without ASIP budget), 2020.**



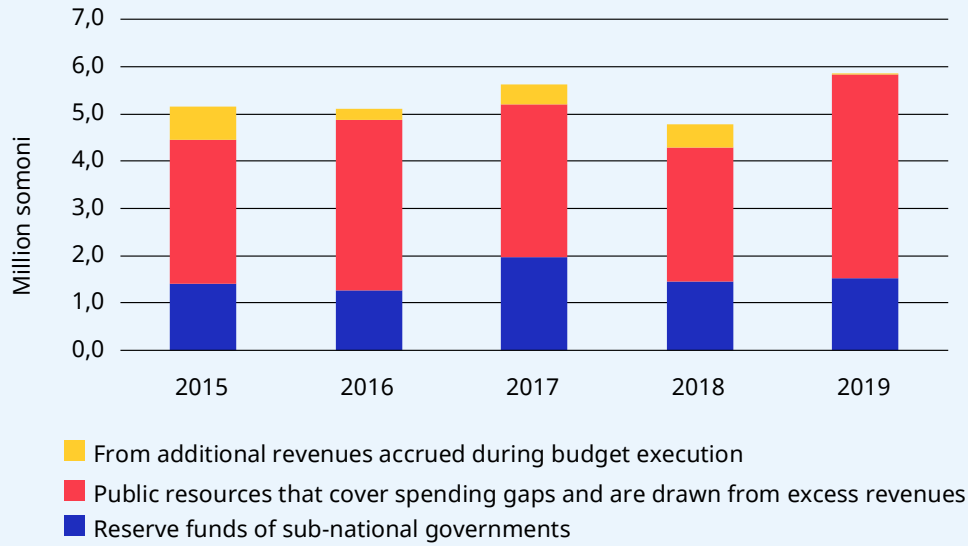
Source: Ministry of Finance of the Republic of Tajikistan.

In 2020, there was approximately 210.4 million somoni in additional state spending on social protection, but this financing sits outside the social protection sector and is therefore not included in the analysis (175.1 million somoni from the republican budget and 35.4 million somoni from sub-national budgets). For instance, 84.4 million somoni were disbursed as scholarships for students enrolled in state educational institutions or professional development courses, as well as social insurance benefits (42.6 million somoni) and compensation for food products (30.5 million somoni) for civil servants, law-enforcement and defence workers. This additional financing cuts across a number of sectors and is rarely adequately accounted for in analytical reports covering social protection expenditure.

Sub-national governments also allocate funds for financing of social protection needs at their discretion from their respective reserve funds (e.g. 1.4 million somoni in 2015 and 1.5 million somoni in 2019; see Figure 16). There are also public resources in circulation by public entities in the social protection sector, which are drawn from excess revenues to cover expenditure needs over the course of a fiscal year.

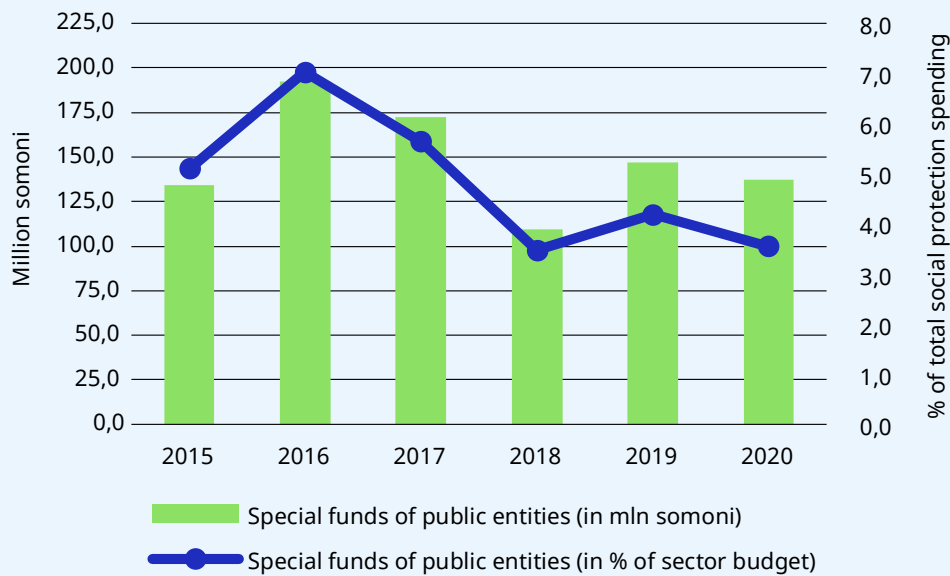
Own revenues of public entities in the social protection sector serve as an important source of financing and averaged 4.8% of total social protection spending during 2015–2020 (see Figure 17). In absolute terms, revenues of public entities (i.e. special funds) equalled 134.5 million somoni in 2015 and, having peaked at 192.2 million somoni in 2016, slid back to 137 million somoni in 2020. Revenues of public entities are generated through the provision of fee-based services, such as by state health resorts and clinics.

► **Figure 16: Public spending on social protection from extrabudgetary funds and other sources, 2015–2019**



Source: Ministry of Finance of the Republic of Tajikistan.

► **Figure 17: Special funds (or own revenues) of public entities in the social protection sector, 2015–2020**



Source: Agency for Statistics under the President of the Republic of Tajikistan.

Spending of the Agency for Social Insurance and Pensions (ASIP)

In 2020, the total spending of the Agency for Social Insurance and Pensions (ASIP) comprised 2,937.8 million somoni or \$260.7 million, and increased by 48.3% in nominal terms during 2015–2020. Total ASIP spending averaged the year-on-year nominal growth rate of 8.3% in the same period, with pensions comprising about 91% of total spending in any given year.

The ASIP budget sits outside the Ministry of Finance’s treasury system, and all payments are administered by the State Savings Bank ‘Amonatbank’. As such, ASIP has a modest network of affiliate offices (or branch offices) at the sub-national level, but administers historically low levels of capital investment and spending on recurrent repairs. In 2019, ASIP’s capital expenditure and spending on recurrent repairs equalled 7.5 and 1.6 million somoni respectively. Together, they comprised only 0.4% of total ASIP spending in 2019.

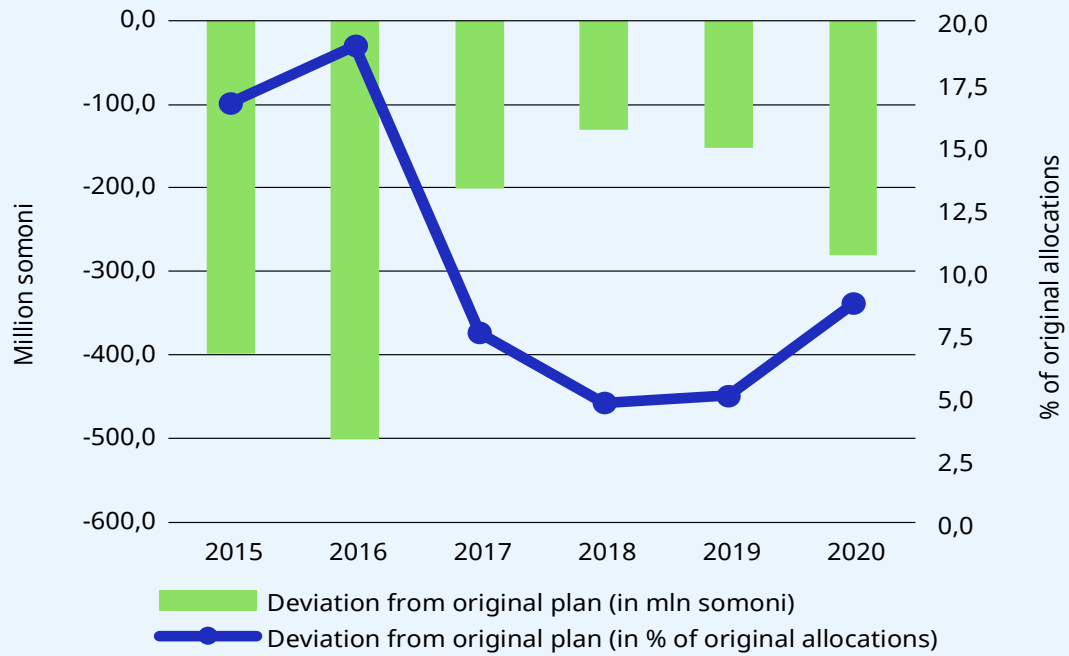
► **Table 13: Total spending of the agency for social insurance and pensions, 2015–2019 (in mln somoni)**

	2015	2016	2017	2018	2019
Total expenditure (Agency for Social Insurance and Pensions)	1,981.2	2,133.9	2,456.8	2,600.8	2,861.9
Recurrent expenditure	1,975.2	2,129.8	2,452.2	2,597.6	2,854.4
<i>of which:</i> Labour compensation (Wage bill)	13.0	14.4	13.4	13.7	14.9
<i>of which:</i> Purchase of goods and services	7.0	7.0	8.2	7.9	6.9
<i>of which:</i> Recurrent repairs	1.1	0.9	1.7	0.9	1.6
<i>of which:</i> Spending on social insurance benefits	124.8	129.7	142.6	161.8	180.5
<i>of which:</i> Social benefits	124.8	129.7	142.6	161.8	180.5
<i>of which:</i> Social assistance benefits	124.8	129.7	142.6	161.8	180.5
<i>of which:</i> Other expenditure	1,830.4	1,978.5	2,287.8	2,414.0	2,648.4
<i>of which:</i> Other various expenditure	1,830.4	1,978.5	2,287.8	2,414.0	2,648.4
<i>of which:</i> Stipends	2.0	1.6	1.9	2.1	1.9
<i>of which:</i> Pensions	1,791.6	1,933.4	2,246.1	2,367.8	2,602.4
<i>of which:</i> Transfers not indicated in other categories	36.8	43.5	39.7	44.0	43.9
Capital expenditure	6.0	4.2	4.6	3.2	7.5
<i>of which:</i> New construction	2.5	2.5	2.5	1.9	5.2
<i>of which:</i> Vehicles and equipment	3.5	0.3	2.0	1.2	1.5

Source: Ministry of Finance of the Republic of Tajikistan.

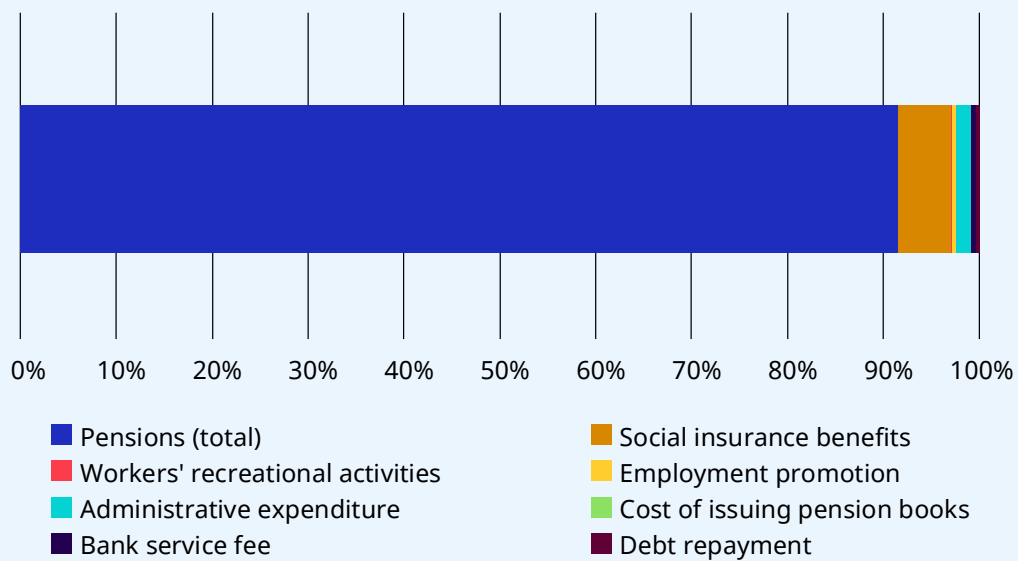
Notwithstanding the positive growth trajectory, budget planning by the ASIP merits improvement. Annual expenditure outturns displayed deviations from approved allocations (which are defined in annual budget legislation). In 2015, actual spending of the ASIP was 16.7% lower than the original plan. In 2020, the deviation between planned and outturn spending was 8.7%, and averaged 10.3% during 2015–2020 (see Figure 18), demonstrating that outturn figures remain widely off the mark against originally planned allocations.

► Figure 18: Deviation of actual spending of the ASIP from planned allocations, 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

► Figure 19: Composition of annual budget of the agency for social insurance and pensions



Source: Agency for Statistics under the President of the Republic of Tajikistan.

In 2021, the ASIP plans to spend 186 million somoni on social insurance benefits (e.g. sickness, maternity, temporary disability and others), 51.7 million somoni on administrative expenditures, 19.6 million somoni on SSB 'Amonatbank' service fee, and 16.2 million somoni on employment promotion activities (such as for working pensioners). These proportions of various spending categories in the ASIP annual budget have only marginally changed between 2015 and 2020.

The ASIP budget is formed on the basis of several main sources, such as social insurance contributions and remaining funds from the previous year (which are also regarded as revenues by the Ministry of Finance). The ASIP also receives funds which are returned by its regional-level and district-level offices through SSB 'Amonatbank', such as in the event of deceased pensioners, and contributory and professional pensions.

► **Table 14: Revenues of the agency for social insurance and pensions, 2015–2019 (in mln somoni)**

	2015	2016	2017	2018	2019
Total revenues (Agency for Social Insurance and Pensions)	2,237.0	2,477.6	2,780.2	3,003.6	3,102.2
Remaining funds from previous financial year	123.1	293.5	310.5	322.2	401.7
Revenues (Agency for Social Insurance and Pensions)	2,113.8	2,184.2	2,469.7	2,681.4	2,700.5
<i>of which: Social insurance contributions (at 25% rate)</i>	1,866.2	1,979.8	2,277.6	2,458.4	2,445.0
<i>of which: Social insurance contributions (at 20% rate)</i>	144.8	156.5	173.2	193.9	208.0
<i>of which: Law of the RT #1025 dated 31.10.2013 (article 14)</i>	65.0	0.0	0.0	0.0	0.0
<i>of which: GoRT Resolution #1173 (dated November 4, 2003)</i>	1.9	1.1	0.9	0.7	0.5
<i>of which: Funds returned to ASIP by municipalities</i>	3.0	17.4	0.0	0.2	1.8
<i>of which: Other contributions/payments received</i>	0.4	0.3	0.7	0.6	0.2
<i>of which: Contributory and professional pensions</i>	0.0	0.0	0.0	7.4	9.1
<i>of which: Transfers from the republican budget</i>	0.0	15.2	0.0	0.0	0.0
<i>of which: Other returned funds (deceased pensioners)</i>	32.5	13.7	17.3	20.2	35.8
<i>of which: Transfers not indicated in other categories</i>	36.8	43.5	39.7	44.0	43.9

Source: Ministry of Finance of the Republic of Tajikistan.

The social tax is defined in the Tax Code of the Republic of Tajikistan and comprised 85.8% of total ASIP revenues in 2019. The social tax consists of: (i) social insurance contributions (25% or 20%), and (ii) pension insurance contributions (1%).

Articles 214-216 (in Chapter 33) of the Tax Code define that social insurance contribution rates (in percent of declared gross salary, remuneration or other monetary benefit) are set as follows:

- For individual entrepreneurs working under certificate – 20% of declared gross income;
- For dehqan farmers which are not registered as legal entities – 20% of declared gross income;
- For all other employers – 25% of declared gross income; and
- For Tajikistan citizens who are providing services and works to diplomatic (and consulate) missions and international organizations in the Republic of Tajikistan – 25% of declared gross income.

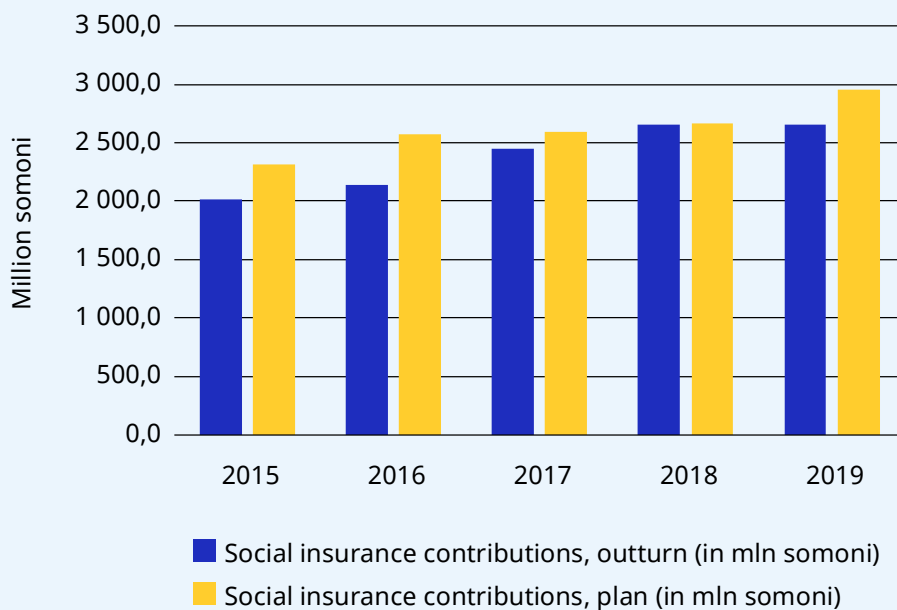
Labour migrants may also voluntarily register in their local tax office in order to make social tax payments.

Article 216 also defines that the pension insurance contribution rate is determined at 1% of declared gross income and is payable by workers (i.e. insured individuals), except citizens of the Republic of Tajikistan who work in foreign consulates, diplomatic missions and international organizations (at their own discretion). These 1% contributions are paid by workers to local tax offices on a monthly basis.

Deviation between planned and actual revenues of the ASIP from social insurance contributions, which averaged 237.5 million somoni per year in 2015-2019 (and shown in Figure 20), is partly explained by sizeable informal economy and payment evasion which is particularly noted by the Tax Committee under the Government of the Republic of Tajikistan. Besides, the private sector in Tajikistan is dominated by individual entrepreneurs and labour migrants but only a small share of these categories of self-employed workers makes social insurance contributions, and they are also difficult to forecast accurately. At the same time, the share of social insurance contributions from state entities has increased during 2015-2021, from 31% of total ASIP revenues in 2015 to 41.3% of total ASIP revenues in 2021. This is caused by the rise in the size of the public sector and, in particular, the number of state-owned enterprises from around 550 in 2015 to more than 800 in 2021. This trend also shows that it remains a challenge for the Government of the Republic of Tajikistan to enforce payment discipline and improve collection in the private sector.

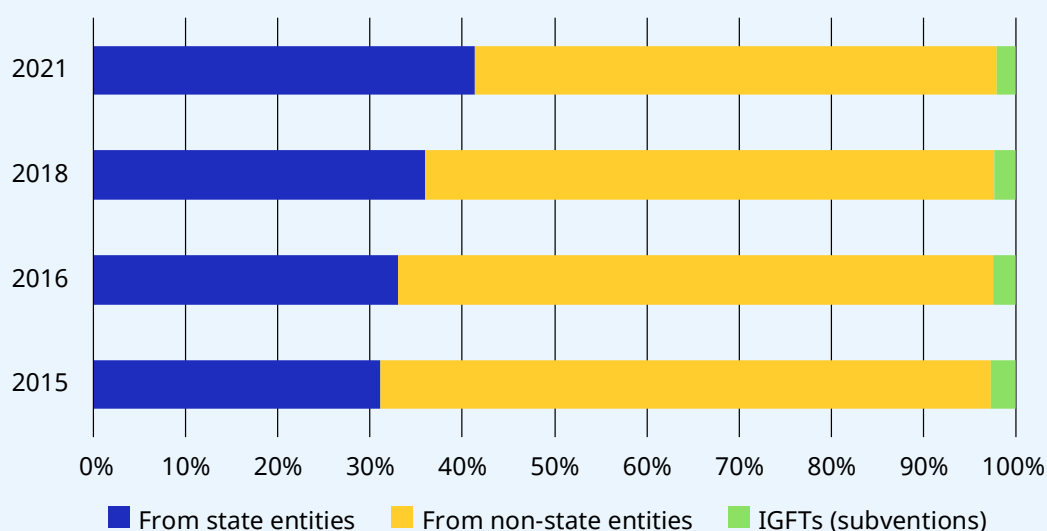
In 2021, the Ministry of Finance, the Tax Committee and the ASIP estimate that 33.1% of social insurance contributions will be collected from Dushanbe (compared to 37.6% in 2015). The share of social insurance contributions from GBAO has risen from 2.5% in 2015 to 3.1% in 2021, as well as from Soghd region (from 18.9% in 2015 to 21.6% in 2021) and Khatlon region (from 24.6% in 2015 to 27% in 2021), showing that at least there is greater spread of employers across the regions.

► **Figure 20: Comparison of planned and actual revenues of the ASIP from social insurance contributions, 2015-2019**



Source: Agency for Statistics under the President of the Republic of Tajikistan.

► **Figure 21: Sources of social insurance contributions and inter-governmental fiscal transfers to the ASIP (revenue plan), 2015–2021**



Source: Agency for Statistics under the President of the Republic of Tajikistan.

► **Table 15: Planned spending allocations of the agency for social insurance and pensions (ASIP) on pensions, social insurance benefits and administrative needs, 2015–2021 (by regions; in mln somoni)**

	2015	2016	2017	2018	2021
Total expenditure (planned allocations; ASIP)	2,379.1	2,634.4	2,657.3	2,730.8	3,443.5
<i>of which: GBAO</i>	100.2	114.7	119.3	123.9	177.5
<i>of which: Khatlon region</i>	650.6	740.1	763.9	808.6	1,104.2
<i>of which: Soghd region</i>	598.2	686.5	696.0	757.1	1,000.4
<i>of which: Dushanbe (city)</i>	255.1	310.1	296.7	316.7	408.3
<i>of which: DRS</i>	374.9	438.0	458.1	479.2	645.1
<i>of which: Vahdat (city)</i>	10.6	12.5	13.4	14.2	14.8
<i>of which: Rogun (city)</i>	63.9	78.2	76.9	85.3	112.3
<i>of which: Tursunzoda (city)</i>	18.1	20.9	21.4	23.5	30.8
<i>of which: Varzob (district)</i>	21.6	23.9	24.5	26.1	36.1
<i>of which: Rasht (district)</i>	51.0	59.6	60.9	64.1	87.2
<i>of which: Hissor (district)</i>	15.3	15.9	16.6	17.1	22.4
<i>of which: Lahsh (district)</i>	15.3	17.1	17.5	17.9	24.0
<i>of which: Nurobod (district)</i>	68.1	78.9	82.7	87.9	122.3
<i>of which: Rudaki (district)</i>	5.0	5.5	5.3	5.6	8.0
<i>of which: Sangvor (district)</i>	8.1	9.0	8.4	8.8	12.5
<i>of which: Tojikobod (district)</i>	16.7	20.1	21.0	22.2	30.0
<i>of which: Fayzobod (district)</i>	23.4	27.7	27.9	30.5	42.1
<i>of which: Shahrinav (district)</i>	400.0	345.1	323.4	245.2	108.1
<i>of which: Subventions from republican budget</i>	57.8	68.9	81.6	76.0	102.5

Source: Ministry of Finance of the Republic of Tajikistan.

Moreover, annual modifications to fiscal rules regarding social insurance contributions in annual budget legislation, i.e. modifications to the proportions of proceeds from social insurance contributions from Dushanbe and Rogun municipalities to ASIP or its municipal department, appear to be volatile and are not well justified. In 2021, social insurance contributions from Dushanbe and Rogun municipalities are expected to constitute 35.5% of total ASIP revenues. These annual modifications, as shown in Table 16, may lead to unpredictability of the revenue base of central government bodies (such as ASIP) and sub-national governments.

► **Table 16: Fiscal rules on annual deductions of social insurance contributions provisioned in annual budget legislation (as a share deducted to a respective ASIP or sub-national account)**

	2015	2016	2017	2018	2019	2020
From OJSC 'Tajik Aluminium Company'	...	...	...	...	...	...
To ASIP account	n/a	100.0%	100.0%	100.0%	100.0%	100.0%
From Dushanbe municipality (hukumat)	...	...	...	...	...	...
To local ASIP department account	28.5%	32.0%	31.0%	33.0%	36.6%	37.6%
To ASIP account	71.5%	68.0%	69.0%	67.0%	63.4%	62.4%
From Rogun municipality (hukumat)	...	...	...	...	...	...
To local ASIP division account	22.8%	22.0%	20.0%	22.0%	20.5%	20.0%
To ASIP account	77.2%	78.0%	80.0%	78.0%	79.5%	80.0%
From all other municipalities (hukumats)	...	...	...	...	...	...
To local ASIP department account	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Law of the Republic of Tajikistan 'On State Budget of the Republic of Tajikistan' (Article 14).

4.3. Financing of social protection programmes

4.3.1. Targeted social assistance programme

Targeted social assistance (TSA) was first provided to low-income families by the government in 2011 in two pilot districts (Yovon and Istaravshon). Since July 2020, in response to the COVID-19 pandemic and heightened need for social assistance to at-risk population, the TSA programme was expanded to all 68 districts. In hindsight, the TSA programme follows the Social Protection Concept of the Republic of Tajikistan,⁵⁹ which declared that state social assistance should be targeted and determined on the

⁵⁹ Approved via the Resolution of the Government of the Republic of Tajikistan #783 dated December 29, 2006.

basis of actual welfare status of the applicants using an ‘indirect needs assessment’ methodology,⁶⁰ also including the use of proxy-means testing⁶¹ that forms part of the TSA’s targeting approach.

According to the Law of the Republic of Tajikistan ‘On Targeted Social Assistance’ (dated February 24, 2017), low-income families are provided with targeted social assistance (TSA) in the form of: (i) monetary benefit, and (ii) material (or in-kind) assistance. The law was adopted in January 2018 and followed by approval of the State Targeted Social Assistance Programme for 2018-2020 by the Government of the Republic of Tajikistan in July 2018. Before the law was adopted, the TSA programme was only de-facto regarded as a state programme and had been largely funded through overseas development assistance.

Monetary benefits are made in the form of: (i) regular TSA disbursements to eligible families, and (ii) one-time cash transfers. Both forms of monetary benefits are disbursed to eligible families on a quarterly basis. From January 2021, the size of monetary benefit to the poorest families is equivalent to 8 ‘indicators for calculation’ as per the Law of the Republic of Tajikistan ‘On State Budget of the Republic of Tajikistan for 2021’, i.e. 480 somoni per year per family. These funds are disbursed in equal tranches of 120 somoni per family each quarter from the republican budget and into a special account in SSB ‘Amonatbank’. Development partners have also supported expansion of the TSA program to all 68 districts, thus ensuring national coverage.

► **Table 17: Targeted social assistance to poor families in Tajikistan, 2015–2020**

Type of social benefit	2015	2016	2017	2018	2019	2020
No. of districts covered by TSA	25	40	40	40	40	68
Total population in districts covered by TSA	2,503,997	4,187,439	4,187,439	4,443,743	4,532,618	9,221,700
No. of households in districts covered by TSA	414,569	664,673	664,673	677,966	677,966	1,383,335
No. of TSA recipients	60,133	41,241	84,986	94,675	98,858	216,726
TSA disbursements from republican budget	21,187,636	21,677,452	28,580,997	38,628,828	39,032,515	55,433,495
No. of poor families compensated for utility and gas	101,865	100,733	127,600	82,174	81,084	84,251
Disbursements for utility and gas compensation	20,315,687	17,828,954	21,963,628	21,844,429	25,562,351	17,547,054
No. of poor families compensated for children’s enrolment in schools (basic education, grades 1-9)	166,771	112,302	113,721	106,862	122,792	--
Compensation payments for school enrolment of children in grades 1-9 (from sub-national budgets)	3,874,730	3,937,030	3,248,864	2,095,580	2,455,840	--

Source: State Agency for Social Protection of the Population of the Republic of Tajikistan.

Note: disbursements are indicated in current somoni.

/In 2020, the Ministry of Finance has also disbursed 32,234,500 somoni to 64,469 poor families with children under 3 years (urgent support).

60 The methodology also applies coefficients in the ‘indirect needs assessment’ formula, e.g. a family without a breadwinner; types of materials used in the house/apartment; ownership of household appliances such as refrigerator, television set, satellite dish, washing machine, etc.; level of education of family members; and others.

61 Proxy-means testing (PMT) approach is often used by countries with a large informal sector, which require indirect methods of estimating welfare. PMT-based programs determine eligibility based on a multi-dimensional index of observable characteristics that are highly correlated with the welfare (consumption) of the household. Typically, these include information about location, housing quality, possession of assets/durables, education, occupation and income and other characteristics (disability, health, etc.). The variables are aggregated into a composite score (index) using weights determined via a regression model. Eligibility is determined by comparing the score of each household with an eligibility threshold.

The Government of the Republic of Tajikistan has also introduced⁶² the emergency **one-time cash transfer** to the poorest families in the amount of the minimum monthly wage per person (i.e. 400 somoni), but financial support from the World Bank and the Asian Development Bank in 2020 enabled the government to increase the size of one-time cash transfers to 500 somoni per family with children under 3 years (see Table 17), particularly in response to COVID-19 outbreak. Eligible families are drawn from the TSA register (managed by SASPP) and payments are made in one instalment of the full amount (500 somoni) through SSB 'Amonatbank'. In turn, SSB 'Amonatbank' charges a service fee of 0.6% for administering emergency cash transfers. This service fee is reimbursed by the operational budget of the World Bank funded project. Supervision of cash transfers through the TSA programme is carried out by the State Supervision Service in Health and Social Protection of the Population.

Material assistance to low-income citizens (and families) is provided in the form of fuel, food, medicines, clothing, footwear, sanitary and hygiene products, other necessities, full or partial payment for housing and communal services, and other types of services determined by sub-national governments. The most common use of material assistance by sub-national governments is compensating the poorest families for the cost of utility bills (e.g. electricity)⁶³ and natural gas supply.

Eligibility for the TSA programme also enables recipients to receive other types of social benefits, such as:

- Subsidized cost of medical surgeries and treatment of serious illnesses (namely, 50% discount in addition to an agreed list of free medical services);
- Funeral grants for a family member (in the amount of 1,100 somoni per family);
- Subsidized cost of contractual enrolment in state higher educational institutions and cost-free residence in dormitories (the discount rate is determined individually by each university), or cost-free and exam-free enrolment and a fixed scholarship for orphan children;
- Free short-term vocational skills-development courses in state vocational education and training (VET) institutions and Adult Learning Centres (ALCs); and
- Other social protection and social support measures determined by sub-national governments.

Surprisingly, the government has not provisioned any benefits for TSA-eligible families which could offer subsidized or free education in schools and preschool institutions, or basic healthcare services. This could have been more relevant rather than limiting subsidization to medical surgeries and university enrolment. Given low coverage rates by preschool institutions and high indirect (informal) costs of schooling, tying the social benefits of TSA recipients to enrolment in schools and preschool institutions would have been more rational and timelier in the current socio-economic context.

► **Table 18: One-time cash transfer disbursements to poor families with children under 3 years, 2020**

Regions	GBAO	Khatlon region	Soghd region	Dushanbe	DRS	TOTAL
Number of recipient families, total	2,436	24,916	20,752	3,967	12,398	64,469
<i>of which:</i> Share of all recipient families (in %)	3.8	38.6	32.2	6.2	19.2	100.0
One-time cash transfers, total (500 somoni/family)	1,218,000	12,458,000	10,376,000	1,983,500	6,199,000	32,234,500
Average no. of recipient families per municipality	305	997	1,153	992	954	948
Average size of cash transfers per municipality	152,250	498,320	576,444	495,875	476,846	474,037

Source: State Agency for Social Protection of the Population of the Republic of Tajikistan. Note: disbursements are indicated in current somoni.

62 Following Resolution of the Government of the Republic of Tajikistan #271 dated May 14, 2020.

63 Eligible families are inspected and their electricity consumption is validated. Up to 250 kWh of electricity per month can be reimbursed subject to physical verification.

The government TSA programme targets the most vulnerable and poor families. Therefore, by definition, TSA coverage should equal at least the proportion of the population who are extremely poor. According to the Agency for Statistics under the President, 15% of the population were extremely poor in 2018. Assuming that this proportion has not changed by 2020, out of about 1,502,000 families (averaging 6.2 members per family) in Tajikistan, 216,726 families were registered as recipients of the TSA programme. Hence, the TSA programme covers only approximately 14.4% of the population, although the eligibility threshold should be flexible and the coverage should be universal.

There are 45 performance and selection indicators that are used in determining TSA eligibility,⁶⁴ including indicators such as access to other medical and social benefits, size of household, level of education of the household head, quality of housing and domestic appliances, presence of unemployed and disabled members in the family, and others.⁶⁵ If the applicant (i.e. the family) receives less than 222 points, it becomes eligible for the TSA programme. If eligibility threshold is not met, and thus TSA is denied, the family can reapply again in the next six months, assuming that its financial and material situation may have changed. The point-based selection approach appears to be cumbersome and could be simplified.

While TSA remains the single most effective means of direct monetary and material support to the poorest population in Tajikistan, its targeting approach leaves many at-risk population groups behind. There are potentially eligible groups such as people with disabilities, single elderly citizens, orphan children, ethnic minorities, people living in remote and mountainous settlements, and others who are unable to submit an application on their own. Also they may not have information about the programme or the application process, in which case the TSA application process is carried out on a 'first-come, first-serve' basis. There are also vulnerable families whose applications were disapproved by a small margin (i.e. who scored just above 222) or whose material and financial situation is volatile and who continue to hover for years just above the national poverty line. The TSA methodology currently does not account for these shortcomings, which could lead to exclusion of the poor and unnecessary 'competition' for limited public resources. In this context, a universal coverage approach may be more effective rather than a targeting approach.

Furthermore, adequate indexation of cash transfers through the TSA programme should be ensured. The benefit indexation mechanism was first introduced in 2019 through a 10% increase of the cash transfer amount, but one-time cash transfers to poor families have never been adjusted for inflation. Instead, the 'indicators for calculation' are used for TSA cash transfer adjustments. Currently, monetary TSA benefits to poor families are equivalent to 8 indicators for calculation or 480 somoni per family per year, i.e. 20% higher than the amount that was transferred over to poor families between 2011 and 2019 (in the amount of 400 somoni per family per year). The current benefit payment per family amounts to quarterly disbursements of 120 somoni (or \$10.6 per family per quarter), which is commonly regarded as being too low to lift recipient families out of poverty. According to a 2019 survey assessing the effectiveness of the TSA programme, about 70% of TSA recipients claimed to have spent all received cash transfers on debt servicing and utility payments. This is not indicative of welfare improving opportunities that the TSA programme intends to provide to the poorest population.

64 45 indicators for rural residents and 27 indicators for urban residents. Such a differential method was introduced in 2019.

65 The TSA methodology and the list of selection indicators was approved through Order of the Minister of Labor and Social Protection of the Population #15 dated January 28, 2013 in coordination with the Minister of Finance and the Director of the Agency for Statistics under the President, and was subsequently updated. Based on these indicators and an automated appraisal system, the eligibility threshold is set at 222 points.

4.3.2. Social service centres

The SASPP administers a network of 6 regional social service centres, which provide professional advisory services, consultation and support to old-age citizens and people with disabilities. These regional social service centres are administered by the SASPP but are funded by sub-national governments, and are located in three cities (Dushanbe, Khujand and Istaravshan) and three districts (Devashtich, Vash and Kushoniyon). There are also 5 other social service centres, which are funded directly by the SASPP. All of these centres are located in the Khatlon region. These centres provide hands-on medical, psychological, pedagogical, legal and other social care services to citizens of the Republic of Tajikistan.

In the meantime, the shortage of qualified and well-trained social workers⁶⁶ has long been recognized to be a significant impediment to the provision of quality social care services. Professional training of social workers is very limited, while mid-level social workers are not trained by educational institutions, leaving a sizeable gap between supply and demand for social care services.

► **Table 19: Social service centres under the supervision of the SASPP, 2020. ***

Type of social service centre(s)	Location(s)	Number of centres	Number of service users	Number of workers
Regional social service centres	Dushanbe, Khujand, Istaravshan, Devashtich, Vahsh and Kushoniyon	6	2,119	230
Social services for children with disabilities	–	28	2,788	373
Social services for children with disabilities and people in difficult situations	–	12	784	165
Social services for the elderly and disabled	Khorog	1	25	7
Social services for victims of domestic violence	Kulob and Bohtar	1	404	13
Social services to victims of human trafficking	Dushanbe	1	101	14
TOTAL:	49	6,221	802	

Source: State Agency for Social Protection of the Population of the Republic of Tajikistan.

* The table does not include 5 social service centres, which are funded directly by the SASPP.

All other social services are provided through about 45-48 civil society organizations (CSOs, such as Public Organization 'Iroda' and others), which are reimbursed from the republican budget through the SASPP. These CSOs are selected through a tendering process using the public procurement system and are subsequently contracted by SASPP to execute the state order for the provision of social services to eligible population groups. This arrangement forms part of the government's social partnership with the non-governmental non-commercial institutions, ensuring that public social services are outsourced to non-governmental organizations. However, it is unclear if tendering and selection of CSOs is competitive, fair and transparent, i.e. if tendering and/or selection outcomes are published in local media outlets or on the website of the SASPP or the MoHSPP.

⁶⁶ The term 'social worker' in national legislation differs from de-facto functions of social workers in Tajikistan, which do not require higher education and are mostly limited to carrying out supporting functions rather than providing social care services.

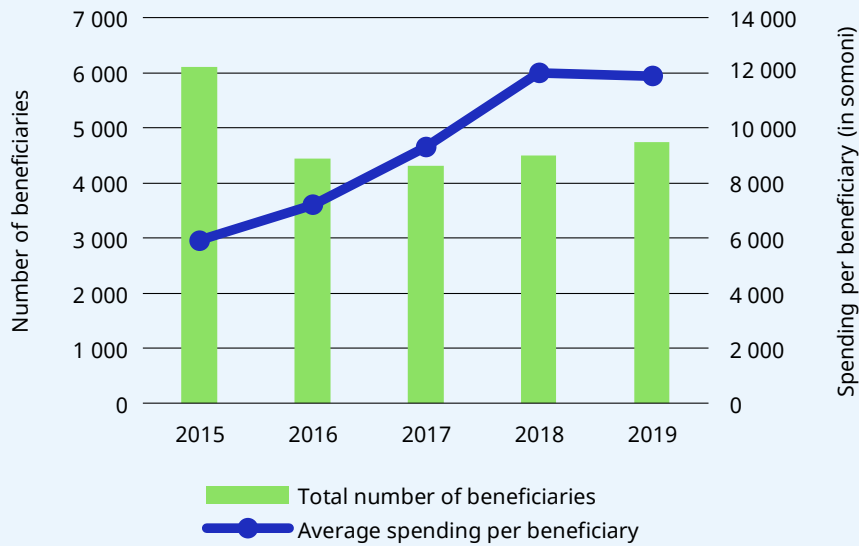
► **Table 20: Public spending on social care services and other social assistance, 2015–2019**

Category of expenditures	2015	2016	2017	2018	2019	2020
6.1.8. Other assistance to the population	25	40	40	40	40	68
Number of recipients	5,680	3,991	3,768	3,842	3,937	9,221,700
Total expenditure (in somoni)	15,458,037	9,066,732	9,487,410	12,709,715	13,765,343	1,383,335
6.1.9. Social insurance not included in other categories	21,187,636	21,677,452	28,580,997	38,628,828	39,032,515	55,433,495
Number of recipients	425	449	538	656	796	84,251
Total expenditures (in somoni)	20,657,386	22,956,052	30,581,693	41,222,678	42,442,026	17,547,054
Material support to migrants (in somoni)	4,552,607	10,396,142	11,125,044	11,205,338	19,002,790	--
Total (public spending in somoni):	40,668,030	42,418,926	51,194,147	65,137,731	75,210,159	

Source: Ministry of Finance of the Republic of Tajikistan.

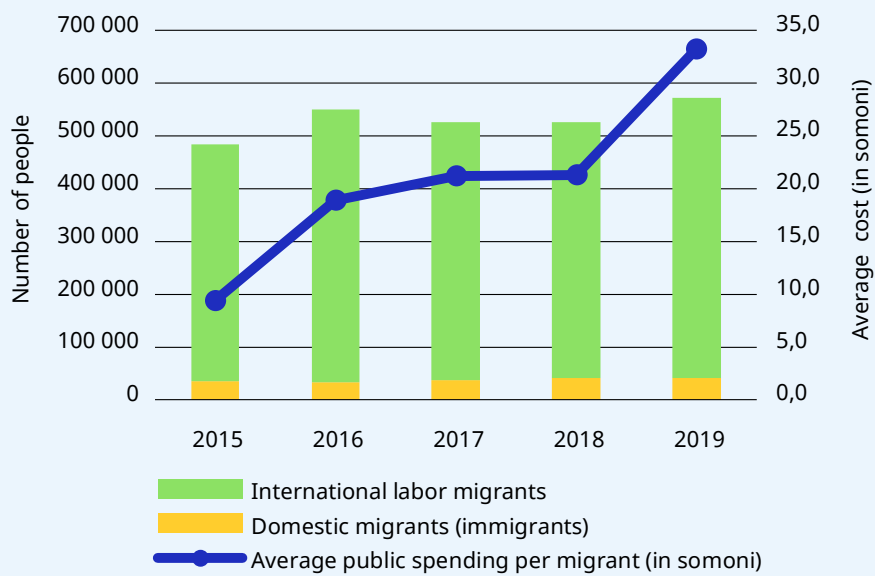
Approximately 75.2 million somoni was disbursed in 2019 from the republican and sub-national budgets for the provision of social care services, which includes all service centres/divisions indicated in Table 18, as well as other financial and material support to victims of natural hazards and other circumstances that led to loss of material property. Disbursements rose by 84.9% between 2015 and 2019, i.e. from 40.7 million somoni in 2015 to 75.2 million somoni in 2019. Proportionally, the cost of social care services and material assistance (i.e. the functional category 6.1.8 in Table 19) increased from 2,721 somoni per person in 2015 to 3,496 somoni per person in 2019, i.e. by 28.5% in five years, suggesting that either quality of services improved, or because the cost of service delivery and material assistance rose because of other reasons. The per-person cost is relatively high because it includes not only social care services, but also material assistance to victims of natural hazards, etc.

► **Figure 22: Public spending on social care services and other material assistance to the population, 2015–2019**



Source: Ministry of Finance of the Republic of Tajikistan.

► **Figure 23: Public spending on social care services to domestic migrants and international labour migrants, 2015–2019**



Source: Ministry of Finance of the Republic of Tajikistan.

Social care services were also provided to migrants (domestic migrants and international migrants, as shown in Figure 23) at the cost of 4.6 million somoni in 2015 and 19 million somoni in 2019. Such support takes form of legal consultation, psychological assistance, labour market support and other services.

The functional category '6.1.8. Other assistance to the population' also includes reimbursement of rent and utility costs for poor families and victims of natural hazards, one-time additional payments to war veterans, special grants and other material assistance to the population through municipal social service centres and through civil society organizations (CSOs) that are contracted by the SASPP.

The full list of social services offered to various eligible population groups is provided in the Resolution of the Government of the Republic of Tajikistan 'On the Procedure and Scope of Provision of Free Social Services' (#724 dated December 13, 2012; last amended on July 2, 2015). Tendering and subcontracting are undertaken in accordance with the Law 'On Public Procurement' and the Law 'On State Order'. However, the SASPP does not publish the tender or selection outcomes and does not publish the list of CSOs that offer social services and are the recipients of public resources. The average amount of funding that CSOs receive from the SASPP vis-à-vis the social services that they provide also remains unclear, thus limiting one's ability to assess value for money.

4.3.3. Specialized institutions for children, adults and elderly

There are 7 specialized boarding institutions in Tajikistan, of which 3 are neuropsychiatric institutions and the remaining 4 are specialized boarding institutions for elderly and people with disabilities. In 2020, the occupancy rate of all 7 institutions averaged 87.4% of the original plan (see Table 21), although the total capacity exceeds the occupancy rate by a significant margin (see Table 22).

Despite the fact that all 7 specialized boarding institutions are financed from the republican budget, 4 retirement homes have particularly poor infrastructure that is not conducive to permanent residence of the elderly citizens. In 2020, the total occupancy of retirement homes was 545 elderly citizens (aged 63 for men and 58 for women), which equalled 0.1% of the total number of registered pensioners in Tajikistan.

► **Table 21: Specialized boarding institutions under the supervision of the SASPP, 2020**

Type of boarding institution	Location(s)	Occupancy (persons)		Number of social workers
		Planned	Actual	
For elderly and people with disabilities (4)	Tursunzoda, Panjakent, Yovon, and Kushoniyon	545	425	339
For people with mental impairment (3)	Hissor, Vose, and Jabbor Rasulov	785	748	385
TOTAL (in 7 specialized boarding institutions):	1,330	1,163	724	65,137,731

Source: State Agency for Social Protection of the Population of the Republic of Tajikistan.

► **Table 22: Permanent residents with disabilities in specialized boarding institutions, 2015–2020**

	2015	2016	2017	2018	2019	2020
Number of institutions	7	7	7	7	7	7
Permanent residents, total	1,224	1,143	1,162	1,207	1,129	1,173
<i>of which: Elderly (old-aged)</i>	244	227	111	143	354	--
<i>of which: People with disabilities</i>	980	916	1,051	1,064	775	1,173
<i>of which: Category I</i>	223	250	234	287	206	260
<i>of which: Category II</i>	599	541	544	563	449	572
<i>of which: Category III</i>	13	6	43	10	7	13
<i>of which: from birth</i>	145	119	230	204	113	328

Source: State Agency for Social Protection of the Population of the Republic of Tajikistan.

In the general government budget, the functional classification distinguishes institutions for children,⁶⁷ for adults, and for elderly (see Table 23). In particular, there are 4 state-funded institutions for children, 5 institutions for adults (including institutions for people with disabilities), and 8 institutions for elderly (including specialized boarding institutions). Total spending on specialized institutions rose from 32 million somoni in 2015 to 50.9 million somoni in 2019, equalling the average annual growth of 12.4% during 2015–2019.

⁶⁷ The experience of specialized institutions has shown that some children refuse parental care and instead chose to be placed in social protection institutions. In most of these institutions, residents who are being cared for by the state have close relatives.

► **Table 23: Public spending ON institutions for children, adults and elderly, 2015–2019**

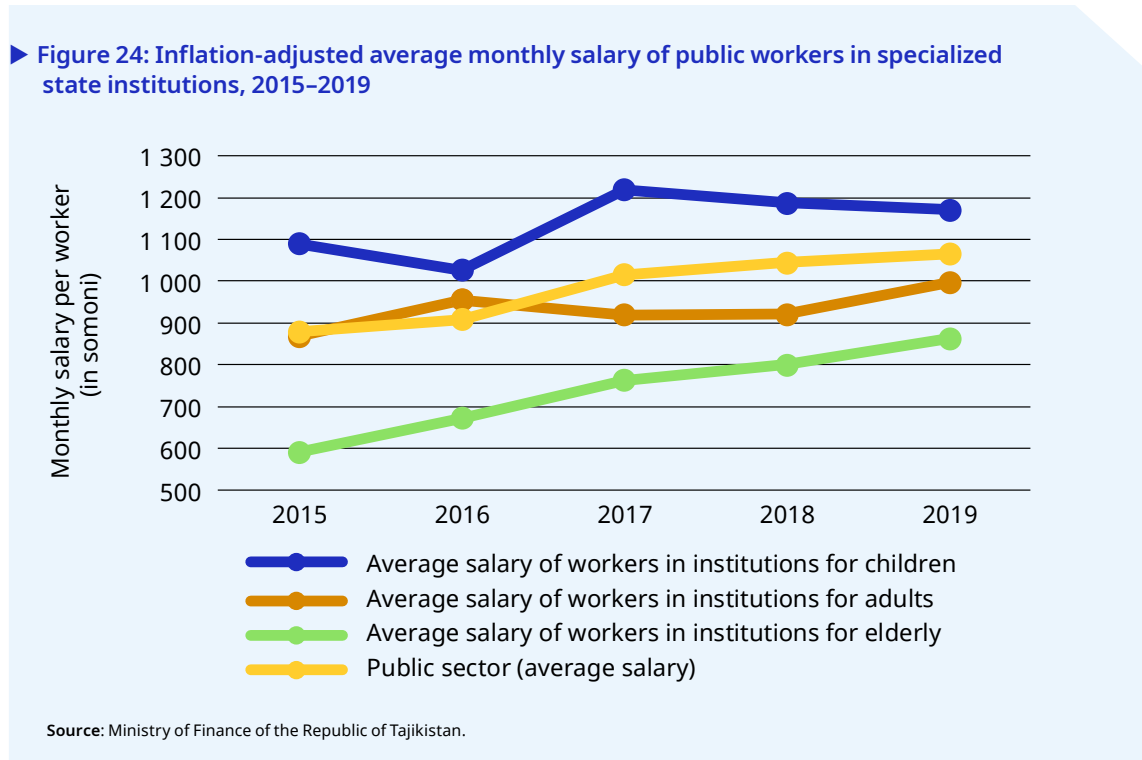
	2015	2016	2017	2018	2019
Institutions for children					
Number of institutions, total	4	4	4	4	4
Places, total (daytime)	135,050	135,050	135,050	135,050	135,050
Places, total (overnight)	386	382	382	382	382
Workers on public payroll, total	345	349	302	312	312
Total expenditures (in somoni)	13,767,317	11,185,867	15,171,833	18,529,348	19,698,400
<i>of which: Wage bill (in somoni)</i>	4,503,396	4,553,668	4,975,464	5,245,803	5,498,652
Institutions for adults					
Number of institutions, total	5	5	5	5	5
Places, total (daytime)	200,629	275,932	279,492	288,080	288,080
Places, total (overnight)	553	790	768	792	793
Workers on public payroll, total	320	377	424	422	405
Total expenditures (in somoni)	7,960,008	10,407,439	12,289,995	13,164,149	15,713,527
<i>of which: Wage bill (in somoni)</i>	3,329,581	4,578,946	5,275,014	5,505,424	6,073,751
Institutions for elderly					
Number of institutions, total	8	8	8	8	8
Places, total (daytime)	282,625	282,625	343,273	343,275	307,575
Places, total (overnight)	945	945	965	803	751
Workers on public payroll, total	480	516	516	444	444
Total expenditures (in somoni)	10,369,045	11,699,530	13,029,173	13,527,977	15,462,655
<i>of which: Wage bill (in somoni)</i>	3,401,813	4,412,927	5,323,264	5,033,993	5,763,851
Total number of workers:	1,144	1,242	1,242	1,178	1,161
Total expenditures (all institutions):	32,096,370	33,292,836	40,491,001	45,221,474	50,874,582

Source: Ministry of Finance of the Republic of Tajikistan.

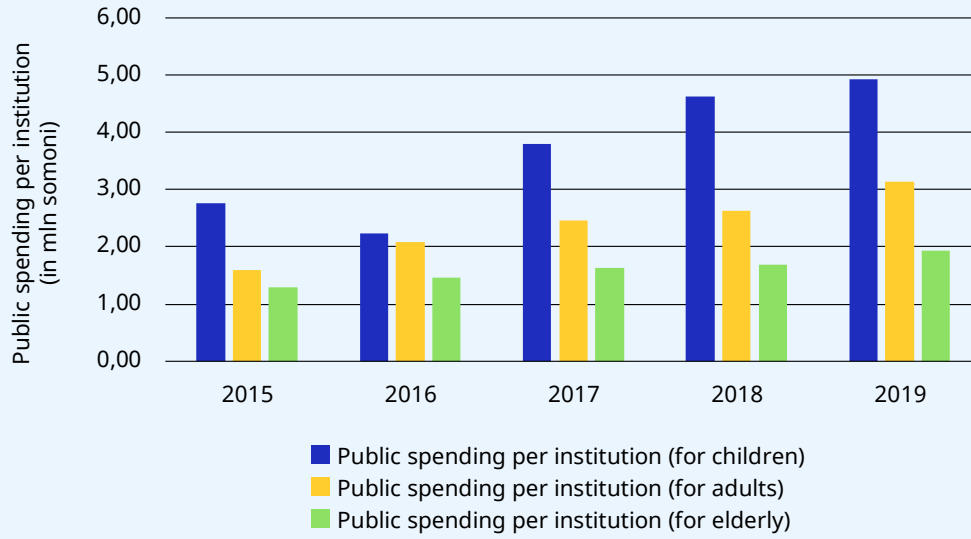
The share of total spending on the wage bill (i.e. salaries of public workers) in these institutions has not changed in the past five years, equalling 34.1% of total spending in 2019. Only institutions for children recorded a notable decrease in the proportion of the total spending per wage bill – from 14% in 2015 to 10.8% in 2019, which is partly attributed to the reduction in the number of workers in these institutions.

Specialized social protection institutions have been traditionally underfunded, which is partly explained by their reliance on sub-national governments. In 2020, sub-national governments accounted for 86.7% of the total spending on specialized institutions for children, 86.9% of total spending on institutions for adults, and 92.1% of total spending on institutions for elderly. In 2015, these proportions comprised 77.8%, 76.1% and 87.7% respectively, which demonstrates that the role of sub-national governments in financing of operational and other costs of specialized institutions has grown in the past six years.

In 2015-2019, public salaries rose nominally by an impressive 83.1% for workers in institutions for elderly, 43.9% for workers in institutions for adults, and 34.8% for workers in institutions for children. However, inflation-adjusted growth in average monthly salary of workers in specialized institutions is much more modest as shown in Figure 24 (46%, 14.8% and 7.5% respectively) and is mostly below the average public sector salary. In 2019, workers in institutions for elderly received a monthly pay of 1,082 somoni, which was equivalent to about \$113.5 using the official average exchange rate for the period.



► Figure 25: Average public spending per specialized state institution (per ANNUM), 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

► Table 24: Public spending on specialized lyceum for people with disabilities, 2015–2019

	2015	2016	2017	2018	2019
Specialized lyceums for people with disabilities					
Number of institutions, total	2	2	2	2	2
Places, total (daytime)	85,775	85,775	85,775	70,025	70,025
Places, total (overnight)	235	235	233	235	235
Workers on public payroll, total	113	107	107	107	107
Total expenditures (in somoni)	3,455,169	3,387,653	3,715,468	4,198,897	4,446,794
<i>of which: Wage bill (in somoni)</i>	1,218,283	1,271,603	1,528,430	1,599,925	1,766,800

Source: Ministry of Finance of the Republic of Tajikistan.

Public resource allocations per each specialized institution should increase, particularly given the limited number of such institutions in Tajikistan that cater to the needs of children, adults and the elderly. For instance, institutions for elderly received on average 1.9 million somoni in 2019, which is equivalent to just \$0.2 million for the entire year. Similarly, institutions for adults and children received 3.14 million somoni (\$0.33 million) and 4.92 million somoni (\$0.52 million) respectively in the same year. While public resources per institution are gradually increasing, they are regarded as being too low to address lingering infrastructure, staffing and other operational challenges.

Approximately 3-7% of the funds allocated for meals in accordance with established norms for institutions for children, elderly, and adults (i.e. institutions which are subordinate to the SASPP) are returned to the republican budget in accordance with the protocols of the tender commissions. This also leads to shortage of funds allocated for meals in specialized state boarding/residential institutions. Therefore, appropriate secondary legislation and regulatory documents should be amended to make sure that the government maximizes value for money from its financing of meals in specialized social protection institutions.

An important limitation to old-age citizens' entry to retirement homes (on a permanent basis) is that these specialized social assistance institutions do not accept elderly citizens who do not receive pensions. In Tajikistan, retirement homes withhold 90% of an elderly citizen's monthly pension in exchange for permanent residence and continued social assistance. These withheld pensions arguably help cover the cost of social assistance and care for the elderly for the duration of their residence in a retirement home. However, this practice does not only significantly limit accessibility and universal coverage, but also practically takes back old-citizens' social insurance payments (i.e. pensions) in exchange for the provision of social protection and care services. This also implies that institutions for elderly do not provide free social care services. Such practice is potentially harmful to service recipients and should be abolished.

In 2016, the SASPP proposed to develop a draft resolution 'On the Order and Scope of Paid Social Services' which would have enabled specialized institutions to broaden their revenue base and increase their budgets. This work needs to resume and regulations on the scope of paid social services should be put in place, which may also require amending the Law of the Republic of Tajikistan 'On Social Services' in order to make sure that fee-based social services take into account the actual costs per capita, average market prices, utility tariffs and other administrative costs and fees which are coordinated with the Agency for State Financial Control and Fight Against Corruption of the Republic of Tajikistan.

Should sub-national governments face unforeseen revenue shortfall or run into significant budget deficits, there are no provisions that guarantee financing of specialized social protection institutions. The Ministry of Finance often utilizes subventions as its means to cover wage gaps, but these are insufficient and do not provide financing for other non-wage recurrent and capital expenditure needs of these institutions. Therefore, it is recommended that intergovernmental fiscal transfers (IGFTs) such as subventions broaden coverage beyond wage bill, or that the provisions made guarantee full financing of spending needs of specialized social protection institutions regardless of revenue and/or expenditure performance of sub-national governments.

4.3.4. Home-based social services

There were 43 social service centres (or divisions) in Tajikistan that catered to the needs of 5,365 people in 2020, of which 16.6% were children, at places of residence of service recipients. These centres/divisions are located in the municipalities of respective sub-national governments, and are funded entirely by sub-national governments. There are also social service divisions in district-level and city-level municipalities. At the same time, governance and oversight of these service centres is ensured by the SASPP.

► **Table 25: Home-based social assistance/care services under the supervision of the SASPP, 2020**

Location(s)	No. of home-based social services units / divisions	Service recipients		Number of social workers
		Total	Children	
Soghd region	12	1,271	249	163
Khatlon region	16	1,810	208	217
DRS	3	624	212	48
GBAO	8	616	118	61
Dushanbe	4	1,044	104	91
TOTAL:	43	5,365	891	580

Source: State Agency for Social Protection of the Population of the Republic of Tajikistan.

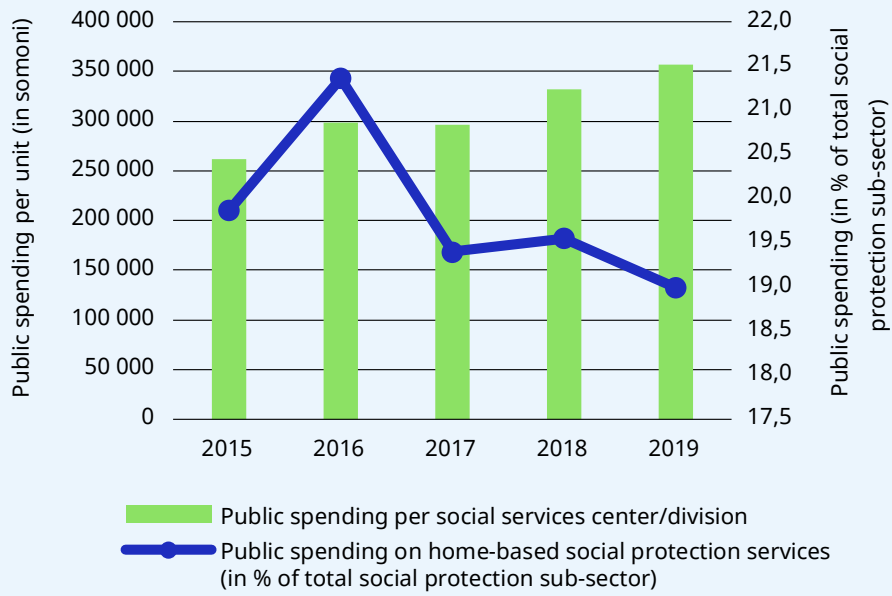
Home-based social services are provided to citizens who find themselves in difficult life situations (e.g. lack food and care, require work activity or rehabilitation, etc.), who have partially or completely lost the ability to self-service and require constant support/care and others. The types of home-based social services (including medical, psychological, pedagogical and legal services) and their procedures and rules are provisioned in Resolution of the Government of the Republic of Tajikistan #489 dated October 4, 2019 'On the Procedures of Social Services at Home, in Temporary Residence Institutions and Stationary Institutions, and Requirements for Employees of These Institutions and List of Services Provided.'

► **Table 26: Public spending on home-based social assistance/care services, 2015–2019**

	2015	2016	2017	2018	2019
Home-based social assistance/care services					
Social service centres/divisions, total	40	39	41	41	42
Number of social workers, total	688	645	751	773	789
Beneficiaries (old-age and disabled)	5,053	5,096	5,000	5,022	5,153
Total expenditures (in somoni)	10,480,267	11,627,558	12,134,159	13,602,421	15,010,628
<i>of which: Wage bill (in somoni)</i>	7,247,727	8,669,556	8,825,193	9,847,065	10,801,170

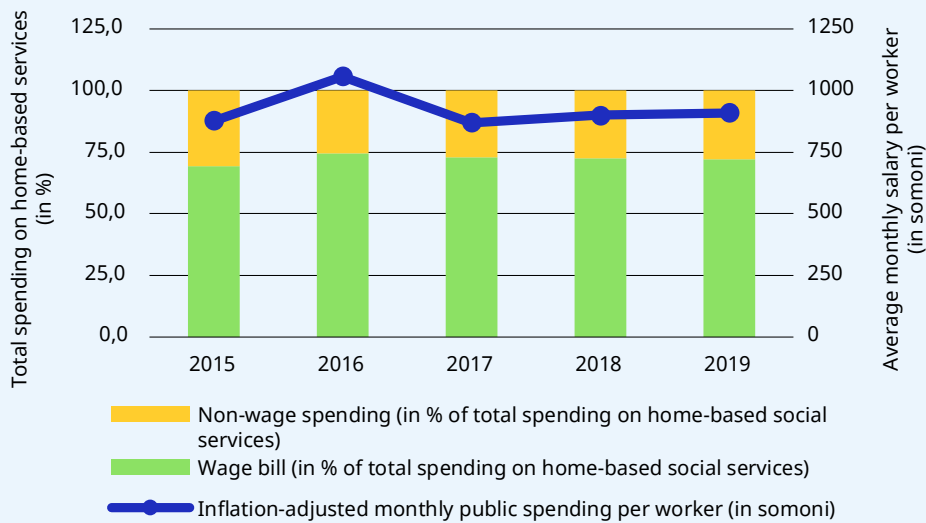
Source: Ministry of Finance of the Republic of Tajikistan; Agency for Statistics under the President of the Republic of Tajikistan.

► Figure 26: Public spending on home-based social protection/care services, 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

► Figure 27: Composition of wage and non-wage spending and inflation-adjusted average monthly salary per worker in home-based services, 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

Notwithstanding the marginal decrease in the number of social service centres at sub-national level, the total spending on home-based social services rose by 43.2% in nominal terms between 2015 and 2019. In 2019, the public spending on home-based services comprised 19% of the total spending on social protection (i.e. according to the functional budgetary classification), reaching 15 million somoni or \$1.6 million.

Notably, the spending on the wage bill comprised, on average, 72.2% of the total public spending on home-based social services in the last five years. Such a high proportion of wages is explained by the fact that sub-national municipalities (in coordination with the SASPP) employ a large number of social workers across their network of social service centres, averaging about 18 workers per social service centre in 2019. And yet the inflation-adjusted average monthly salary per worker in these social service centres was equivalent to 998 somoni (or about \$104.7 per worker per month) in 2019, rising by 20.9% in real terms since 2015.

Perhaps the biggest challenge is training and hiring qualified social workers with adequate pay. This requires further public investment in home-based social services, particularly aiming to offer professional training and retraining of social workers and increasing their monthly salary as an incentive mechanism.

4.3.5. Health resorts and voucher referrals

There are 4 state-owned health resorts that are accountable to the SASPP and provided medical and social services to 1,531 people in 2020. These facilities offer a range of medical treatment and recreational services on rolling basis between July and October each year. Two largest facilities in close proximity to Dushanbe – Romit and Harangon - were closed down during the pandemic year and served as quarantine facilities for suspected victims of the coronavirus disease. There are currently no health resorts specifically geared for children with disabilities.

► **Table 27: State-owned health resorts under the supervision of the SASPP, 2020**

Name	Location	Occupancy (service users)	Admission capacity per shift	Number of social workers
Romit	Vahdat (DRS)	-	50	61
Harangon	Varzob (DRS)	281	100	73
Dusti	Jayhun (Khatlon)	842	100	71
Bibi Fotimayi Zuhro	Ishqoshim (GBO)	408	70	63
TOTAL:		1,531	320	268

Source: State Agency for Social Protection of the Population of the Republic of Tajikistan.

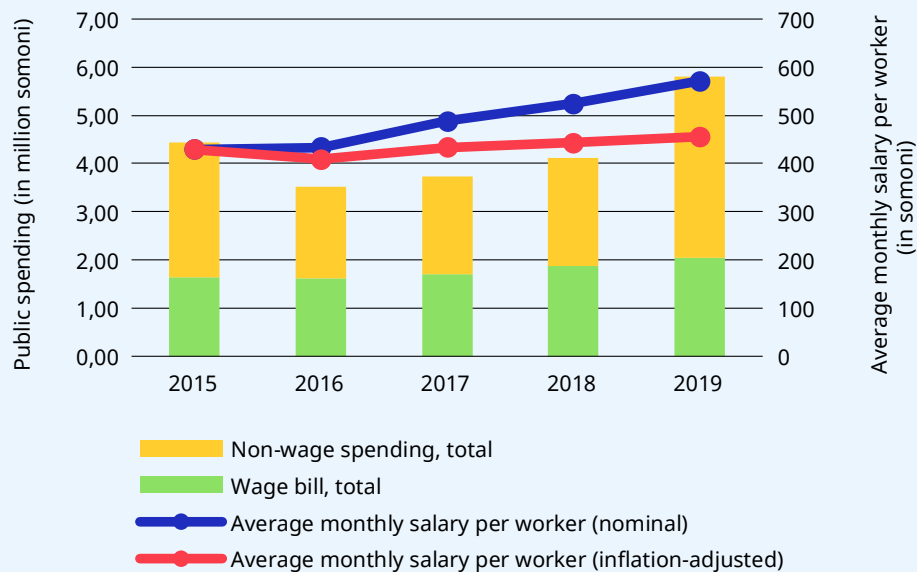
Low number of users of medical and recreational services in Romit and Harangon health resorts is explained by their closure due to COVID-19. In 2020, Romit was used as a quarantine facility for 2,787 individuals and Harangon quarantined 2,540 individuals.

In addition to 4 facilities under direct supervision of the SASPP, there is another health resort located in Soghd region (Qayraqqum) which is owned and financed from the general government budget. In 2019, these 5 state-owned health resorts employed 297 workers and spent in total 5.8 million somoni (see Table 28). Despite the decrease in the number of workers by 6.6% in 2015-2019, public spending on the wage bill expanded 24.4% in nominal terms. Inflation adjustment yields negative growth of the wage bill by 0.8% during the same five-year period, suggesting that wage growth of workers has been inadequate.

► **Table 28: Public spending on state-owned health resorts in Tajikistan, 2015–2019**

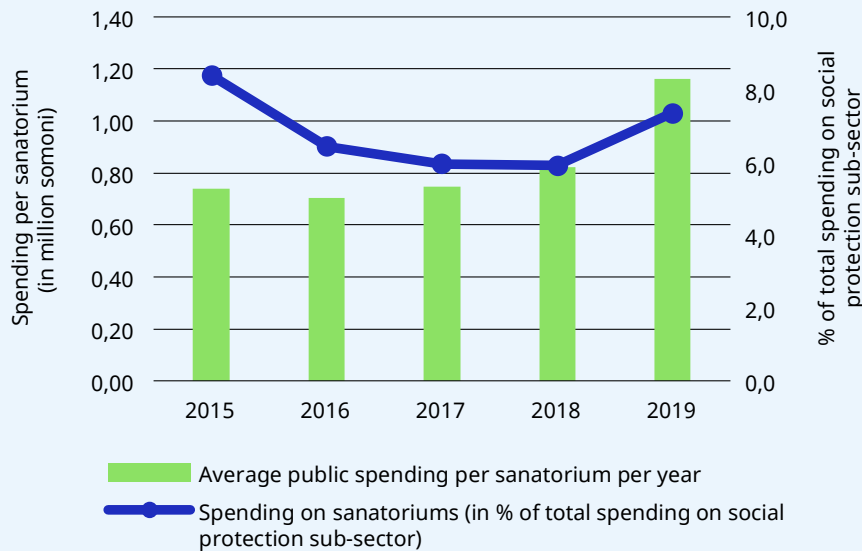
	2015	2016	2017	2018	2019
Health resorts and dispensaries					
Number of facilities, total	6	5	5	5	5
Places, total (daytime)	32,640	32,640	35,304	35,738	35,738
Places, total (overnight)	260	260	374	393	393
Workers on public payroll, total	318	312	292	297	297
Total expenditures (in somoni)	4,427,674	3,509,498	3,730,428	4,119,386	5,812,914
<i>of which: Wage bill (in somoni)</i>	1,637,523	1,624,431	1,711,717	1,867,518	2,037,164

Source: Ministry of Finance of the Republic of Tajikistan.

► **Figure 28: Public spending and average monthly salary per worker in state health resorts, 2015–2019**

Source: Ministry of Finance of the Republic of Tajikistan.

► Figure 29: Trends in public spending on state health resorts, 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

Individual referrals (or vouchers)⁶⁸ to these facilities are determined and provided disseminated by the SASPP, but are financed directly by the Ministry of Finance. The procedure of voucher referrals is defined in Resolution of the Government of the Republic of Tajikistan #603 dated December 3, 2011 ‘On Rules for Providing People with Disabilities with Sanatorium and Resort Treatment’ and Resolution of the Government of the Republic of Tajikistan #34 dated January 25, 2017 ‘On the Procedure and Spending of State Social Insurance Funds for Sanatorium Treatment, Organization for Recreation of Employees and Their Family Members, and Wellness and Preventive Measures’ (and amended on October 28, 2020).

According to the latter Resolution, 1.4% of social insurance contributions of public sector entities (i.e. 25% social contributions that are paid by employers) are used for medical or recreational vouchers for their employees (or summer camp vouchers for their children) or the purchase of dietary meals and procurement of medical supplies for employers.

Furthermore, Resolution #603 states that vouchers for medical and recreational treatment in state-owned health resorts are issued to people with disabilities in the following way:

- Veterans of World War II (once a year free of charge);
- Category I disability (except for blind persons) and other military veterans (once every two years);
- People with visual impairment and blind, Groups I and II (once every three years free of charge or once every two years with 50% cost coverage);
- Category III disability who are unemployed and registered in employment centres (once every two years with 50% cost coverage); and
- Children with disabilities under the age of 18.

⁶⁸ Such vouchers are provided to employees once every two years. The cost sharing arrangement is such that 70% of the cost of covered by state social insurance (i.e. social contributions) of a public sector entity and the remaining 30% of the cost is shouldered by employees. Voucher referrals are issued for the period of up to 12 days, and summer camp vouchers for employees’ children aged 7–14 are issued for the period of up to 15 days.

4.4. Financing of social insurance programmes

4.4.1. Unemployment benefits

According to Article 1 of the Law of the Republic of Tajikistan ‘On Promotion of Employment for the Population’ (dated August 1, 2003; last amended on May 17, 2018), unemployment benefits represent temporary financial support guaranteed by the state to citizens of the Republic of Tajikistan who are officially registered as unemployed and meet standard eligibility criteria. At the same time, registration in local employment centres (LECs) is sluggish, which explains why low official unemployment rates do not reflect reality and are thus rarely used in policy and institutional analysis. Unemployed individuals often choose not to register in unemployment centres because of the relatively low size of unemployment benefits and bureaucracy (e.g. paperwork and various requirements that must be met by unemployed individuals to satisfy eligibility for continued payments). See Table 29 for statistics on officially registered unemployment and registered demand for workers by local employers through local employment centres.

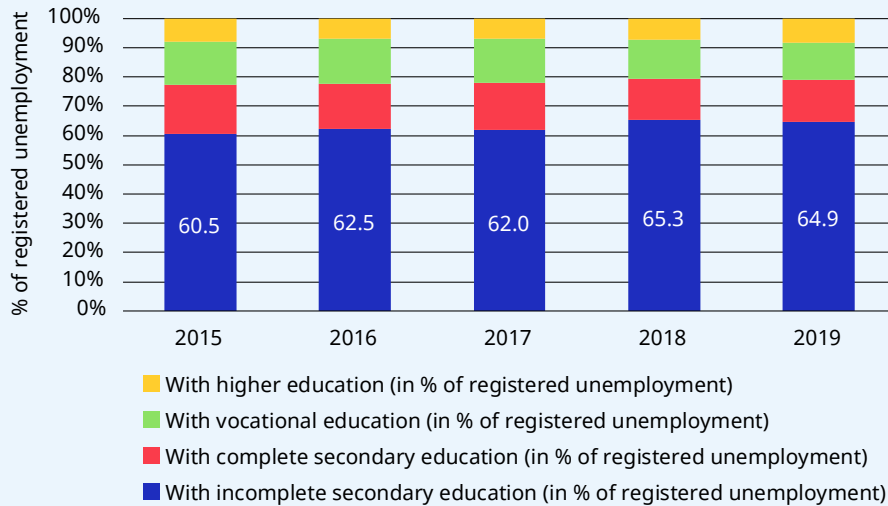
► Table 29: Officially registered unemployment and demand for workforce in Tajikistan, 2015–2019

	2015	2016	2017	2018	2019
Registered unemployment (in % of econ. active population)	2.3	2.3	2.2	2.1	2.1
Registered unemployment, total	51,122	53,087	49,662	47,522	48,967
<i>of which</i> : men	23,809	25,728	24,190	24,960	27,080
<i>of which</i> : women	27,313	27,359	25,472	22,562	21,887
<i>of which</i> : aged 15-29	30,882	31,744	29,334	29,340	30,413
<i>of which</i> : in rural areas	37,310	38,751	37,203	37,243	34,838
Registered demand for workforce (by employers via LECs) *	7,275	9,224	7,998	8,982	10,201
<i>of which</i> : blue-collar jobs	3,184	2,870	3,496	3,873	4,975
<i>of which</i> : white-collar jobs	4,091	6,354	4,502	5,109	5,226
Employers looking to hire workers through LECs	714	690	795	852	969
<i>of which</i> : state-owned (public organizations)	560	516	608	648	665
<i>of which</i> : private	154	174	187	204	304

Source: Agency for Statistics under the President of the Republic of Tajikistan (as of January 1st of the following year, but covers the year before).

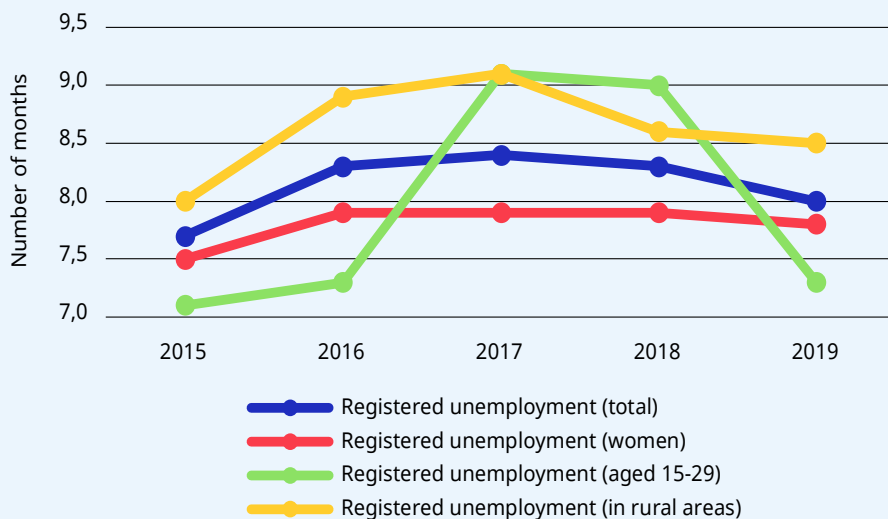
* This is the demand for workers, which has been registered by locally-based employers to local employment centres (LECs).

► **Figure 30: Officially registered unemployment by level of education of unemployed individuals, 2015–2019**



Source: Agency for Statistics under the President of the Republic of Tajikistan.

► **Figure 31: Average time spent on job search by officially unemployed individuals, 2015–2019 (measured in the number of months)**



Source: Agency for Statistics under the President of the Republic of Tajikistan.

Eligibility for unemployment is also provisioned in the Law of the Republic of Tajikistan ‘On Promotion of Employment for the Population’ – namely, Article 4 states that unemployment benefit eligibility includes: (i) not being below 15 years of age; (ii) having at least 18 calendar months of professional work experience in the past 3 years and having paid mandatory social insurance contributions; (iii) not reaching the official retirement age (of 58 years for women and 63 years for men), except those who receive disability benefits/pensions; (iv) not receiving income from property/asset rent in the amount of at least 12 minimum monthly salaries per year; and others. Individuals who declined two suitable job offers within 10 days of the registration in LECs or two offers for professional development (for first-time labour market entrants) are deemed no longer eligible for an unemployment benefit. There are other administrative eligibility criteria,⁶⁹ which are intended to minimize evasion and free-riding, and ensure transparency and disciplined approach to job search.

According to Article 7, the Government of the Republic of Tajikistan guarantees to the unemployed:

- Payment of unemployment benefits subject to meeting standard eligibility criteria;
- Free assistance in finding suitable employment through state employment bodies (incl. LECs);
- Free professional consultation, professional development⁷⁰ and re-training (including via LECs);
- Compensation of expenses incurred as a result of relocating to another workplace or study (if such relocation is initiated/recommended by state employment bodies, including LECs);
- Facilitation of short-term employment contracts for undertaking paid public works; and
- Employment quotas for people with disabilities⁷¹ and other vulnerable population groups.

These costs are fully covered from the general government budget, such as through relevant government ministries, departments and agencies, e.g. the Agency for Labour and Employment of the Population (ALEP) through its network of LECs, and the State Agency for Social Insurance and Pensions (SASIP). The LECs can take form of divisions (3–4 employees), departments (5–7 employees), and regional centres (there are 3 such centres). In 2020, 369 workers were employed in the LECs, including 124 women.

Financing of state guarantees in the area of employment assistance to the population (as per Article 7), including unemployment benefits, comes from the following sources:⁷²

- Special funds (i.e. own revenues) of public entities subordinate to the MoLMEP and the ALEP;
- Social insurance contributions (in the amount of 25% or 20%) deducted from the wage bill and paid into the SASIP budget;
- Sub-national budgets, i.e. discretionary resource allocations by sub-national municipalities;
- Republican budget, i.e. transfers and allocations from the Ministry of Finance;
- External or off-budget sources, such as donor grants and loans, charitable contributions, etc.

According to the State Programme for Promoting Employment of the Population (SPPEP)⁷³ of the Republic of Tajikistan for 2020–2022, the SASIP accounted for 39.7% of all unemployment benefit disbursements in 2020 (mainly laid off workers), while the ALEP and sub-national governments accounted for 58.6%

69 Such as the requirement to register in a local employment centre (LEC) once a month. If a person fails to register with the LEC for six consecutive months, then the payment of the unemployment benefit may be suspended.

70 E.g. through Adult Learning Centres (ALCs) and vocational education and training (VET) institutions. ALCs and VET institutions may also validate an unemployed person’s professional qualification upon request. This service is especially relevant for those unemployed individuals who have not completed formal education and/or do not have any professional (vocational) qualification. In 2020, the standard cost of validating an unemployed person’s professional qualification was 107 somoni.

71 In accordance with the Law of the Republic of Tajikistan ‘On social protection of people with disabilities.’

72 Article 16 of the Law of the Republic of Tajikistan ‘On Promotion of Employment for the Population.’

73 The SPPEP has been approved via Resolution of the Government of the Republic of Tajikistan #644 on December 30, 2019.

(former military personnel, persons released from prison having served their sentence,⁷⁴ and persons who had paid work for at least 18 months in the past three years) and 1.7% respectively (mainly top-ups for people who are unemployed and have under-15 dependents with disability). With the exception of republican budget allocations, unused funds are retained by respective public entities and used in the following year.

Unemployment benefits are paid for three consecutive months based on the following approach (also by applying coefficients depending on the type of work, place of work and geographic location of work based on the individual's average monthly salary⁷⁵ from the last 6 months of work):

- First month – 50% of average monthly salary at the individual's last place of work;
- Second month – 40% of average monthly salary at the individual's last place of work;
- Third month – 30% of average monthly salary at the individual's last place of work.

If an officially unemployed individual has any dependents with disability under the age of 15, sub-national municipalities may approve additional top-ups in the amount of extra 10% of the benefit amount for each dependent. These top-up payments are disbursed from respective sub-national governments.

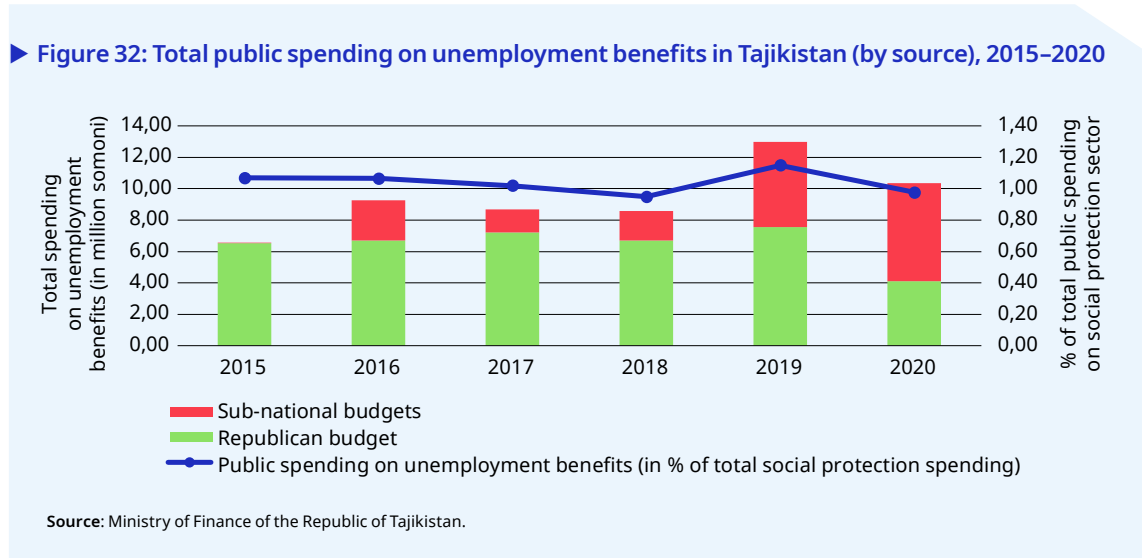
One of the biggest challenges of the adopted system is that unemployment benefits are not universally covering all eligible individuals and are offered on a 'first-come, first-serve' basis, which is fundamentally disruptive and inequitable. According to the ALEP, in 2020, the Ministry of Defence and the Ministry of Justice submitted lists containing 19,621 individuals who require unemployment benefits, based upon which only 29.2% of these individuals were provided with financing from the republican budget (i.e. only 5,722 out of 19,621 persons received approval for disbursement of unemployment benefits). In monetary terms, out of the initially requested 23.5 million somoni for 19,621 former military and law-enforcement personnel and former prisoners, the ALEP received from the Ministry of Finance only 6.8 million somoni that covers disbursement of unemployment benefits to 5,722 eligible individuals.

Hence, the financing gap is significant and the size and duration of unemployment benefits (i.e. only three months of benefit payments) is too low. In 2020, the average size of unemployment benefits in Tajikistan was equivalent to 637.5 somoni per person (see Figure 32), compared to the average monthly public sector salary of 1,335.5 somoni across the government sector. Accordingly, the government's good policy intentions are not necessarily complemented by adequate public resource allocations.

There are also insufficient number of women receiving unemployment benefits from the state. In 2020, 272 women (out of 14,308 recipients) received unemployment benefits, comprising 1.9% of the total number of benefit recipients (see Table 30). In most cases, women submit applications to their LEC in order to complete professional development courses. In 2019, women comprised 78.3% of all those who completed professional development courses (i.e. 13,330 out of 17,018 unemployed persons). Value for money seems relatively high as 68.3% of those who completed such courses reportedly found a job.

⁷⁴ The ALEP also provides employment assistance to persons who returned from prison and served their sentence. They receive 60 somoni as a stipend for the duration of their professional development courses, and 400 somoni as unemployment benefits in accordance with national legislation.

⁷⁵ Unemployment benefits cannot be lower than the official minimum monthly salary (i.e. 400 somoni per person).



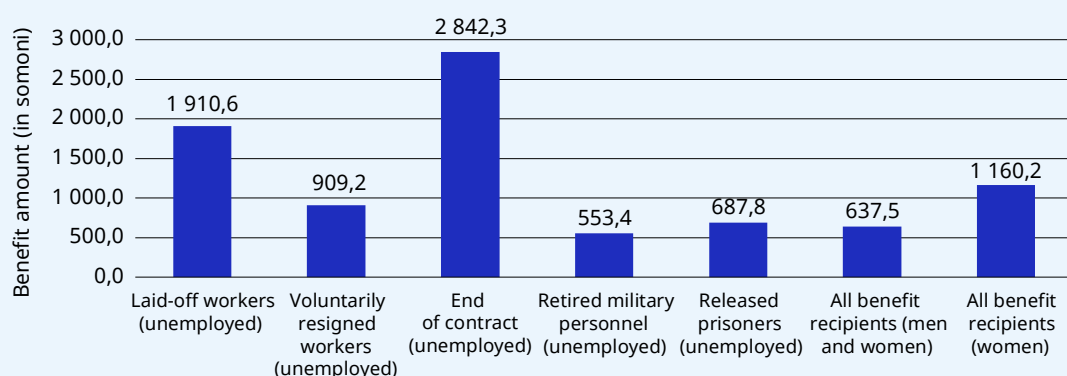
Public spending on unemployment benefits rose from 6.5 million somoni in 2015 to 10.4 million somoni in 2020, i.e. yielding a nominal increase by 58.6% in the past six years. During 2015–2020, unemployment benefits comprised 1.04% of total public spending on the social protection sector (see Figure 32). The total number of benefit recipients has been gradually expanded by the government by 21.7% during the last five years, i.e. from 11,620 persons in 2015 to 14,140 persons in 2019. In relative terms, this also helped to gradually improve coverage by unemployment benefits from 22.7% of registered unemployment in 2015 to 28.9% of registered unemployment in 2019. However, coverage remains relatively low.

► **Table 30: Public spending on unemployment benefits through the agency for labour and employment of the population (ALEP), 2018–2020**

	2015	2016	2017
Total number of recipients of unemployment benefits			
Laid-off workers (unemployed)	248	360	525
Voluntarily resigned workers (unemployed)	556	88	42
Workers whose contract ended (unemployed)	50	43	51
Retired military personnel (unemployed)	11,353	11,209	11,016
Released prisoners (unemployed)	1,036	2,440	2,674
<i>of which: Women</i>	26	85	113
TOTAL:	13,243	14,140	14,308
TOTAL (women):	275	264	272
Public spending on unemployment benefits			
Laid-off workers (unemployed)	215,750	352,050	1,003,062
Voluntarily resigned workers (unemployed)	587,467	69,756	38,188
Workers whose contract ended (unemployed)	53,991	64,561	144,958
Retired military personnel (unemployed)	5,881,928	5,806,973	6,096,642
Released prisoners (unemployed)	727,603	1,310,874	1,839,134
<i>of which: Women</i>	16,494	43,400	87,500
TOTAL:	7,466,740	7,604,213	9,121,983
TOTAL (women):	225,653	148,905	315,568

Source: Agency for Labour and Employment of the Population of the Republic of Tajikistan.

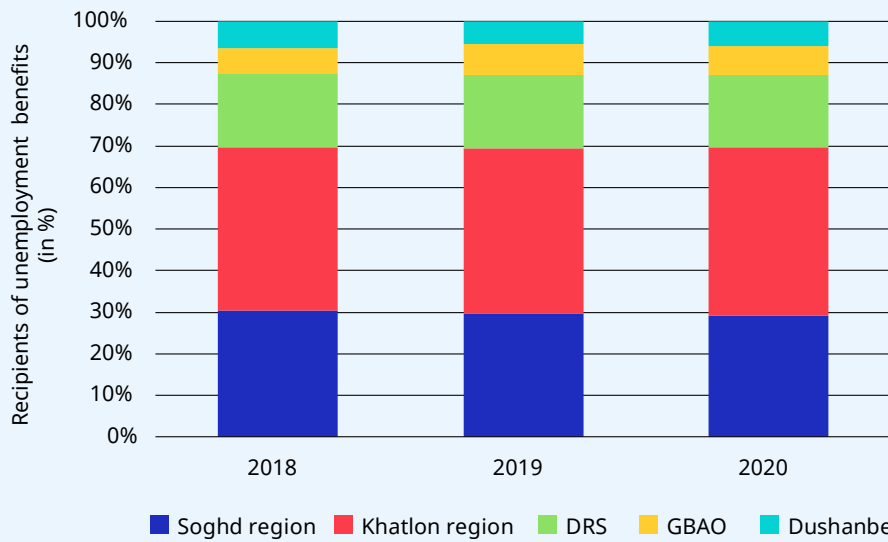
► **Figure 33: Average size of unemployment benefits per recipient (by main categories) through the agency for labour and employment of the population (ALEP), 2020.**



Source: Agency for Labour and Employment of the Population of the Republic of Tajikistan.

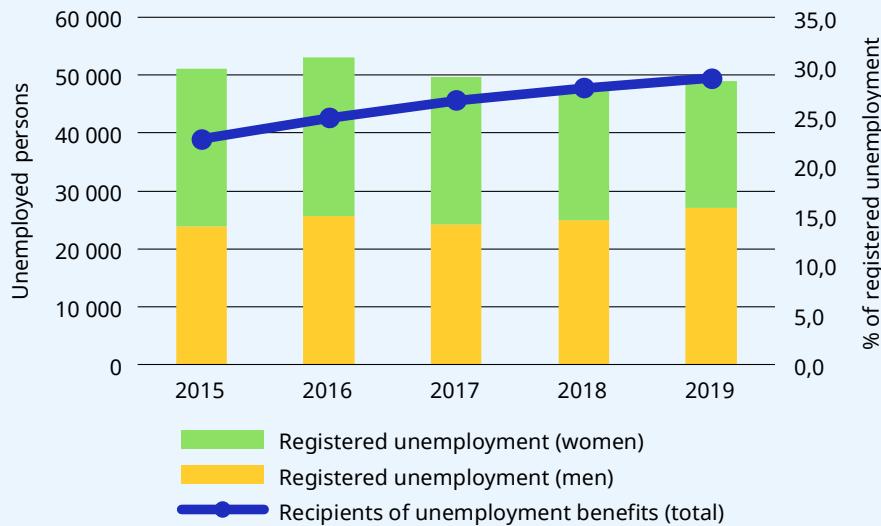
Figure 33 shows total size of unemployment benefits received by each category (to be divided into three months based on instalments defined in national legislation). According to data from the ALEP, average size of unemployment benefits was higher for women than the country average, but they comprised only 1.9% of all recipients. The biggest category of recipients is retired military personnel (77% of all recipients of unemployment benefits from the ALEP), followed by released prisoners (18.7%) and workers who were laid off by their employers (3.7%). Although average benefit amount varies by categories of recipients, the average among all benefit recipients was equivalent to 637.5 somoni in 2020.

► Figure 34: Composition of unemployment benefit recipients by regions, 2018–2020



Source: State Agency for Social Protection of the Population of the Republic of Tajikistan; Agency for Statistics under the President of the Republic of Tajikistan.

► **Figure 35: Registered unemployment and share of unemployment benefit recipients, 2015–2019**



Source: State Agency for Social Protection of the Population of the Republic of Tajikistan; Agency for Statistics under the President of the Republic of Tajikistan.

In 2020, 41.9% of all unemployment benefits were disbursed to recipients in Khatlon region (the highest proportion), while 7.4% were disbursed to recipients in GBAO (the lowest proportion). These proportions are broadly in line with the spread of registered unemployment and the composition of population across the regions. The composition of benefit recipients and total benefit disbursements has only marginally changed in 2018-2020 (see Figure 34).

Coverage by unemployment benefits remains limited, as shown in Figure 35, equalling 22.7% of registered unemployment in 2015 and gradually expanding to 26.6% in 2017 and further up to 28.9% in 2019.

4.4.2. Other social insurance benefits

Social insurance benefits are defined in Article 7 of the Law of the Republic of Tajikistan ‘On State Social Insurance’ and include the following categories (in addition to pensions and unemployment benefits):

- Temporary disability and sickness benefits;
- Maternity benefits;
- Family and child benefits; and
- Funeral grants for poor families.

Financing of social insurance benefits is carried out from the republican budget through the Agency for Social Insurance and Pensions (ASIP) and sub-national governments. Temporary disability and sickness benefits and maternity benefits are paid from social insurance contributions (i.e. social tax payments).

Temporary disability and sickness benefits are paid in the amount ranging from 60% to 100% of average monthly salary, based upon the following criteria:

- Payment in the amount of 60% of the average monthly salary:
 - Workers who have professional working experience of up to 8 years;
- Payment in the amount of 70% of the average monthly salary:
 - Workers who have professional working experience of 8 or more years;
 - Workers with 3 or more dependents under the age of 16 (or students under the age of 20);
- Payment in the amount of 100% of the average monthly salary:
 - Workers who received temporary injury/disability or occupational disease;
 - Workers who are veterans of World War II;
 - Workers relocated from areas of radioactive contamination as a result of the Chernobyl disaster or other places of environmental disasters (namely, with diseases such as acute leukaemia, adenoma, cancer and malignant tumours).

Temporary disability benefits are paid for the maximum duration of four consecutive months and no more than 12 months for people with tuberculosis. Temporary disability benefits are paid in the event of: (i) temporary sickness or injury, leading to the loss of ability to work; (ii) sickness of family member and the need to provide care; (iii) quarantine, (iv) temporary relocation to another workplace due as a result of tuberculosis or other serious sickness; and (v) prosthetics with placement in a hospital of a prosthetic and orthopaedic enterprise. Temporary disability (or inability to work) is determined by designated healthcare institutions. Upon completion of the benefit payment period, the person's invalidity status is examined and verified by the State Service for Medical and Social Expertise under the MoHSPP.

Employed people with disability are paid temporary disability benefits for no more than two consecutive months (or no more than three months per year). If these people have serious sickness, such as a result of the Chernobyl disaster clean-up operation, then benefits are paid for up to four consecutive months (or no more than five months per year). If temporary disability is caused by work injury, then payments are made until full recovery or revision of the temporary disability status by the State Service for Medical and Social Expertise under the MoHSPP. If employed people with disability have tuberculosis, then temporary disability benefits are paid for no more than twelve consecutive months (or no more than two years).

Other eligibility requirements and procedures are provisioned in Resolution of the Government of the Republic of Tajikistan #630 'On the Order and Procedure of Paying Temporary Disability, Maternity, and Family Benefits' (dated October 14, 2014).

Article 12 of the Law of the Republic of Tajikistan 'On State Social Insurance' determines that the size of temporary disability benefit should equal at least the 'indicator for calculations,' which is defined at 60 somoni in line with the Law of the Republic of Tajikistan 'On State Budget of the Republic of Tajikistan for 2021.' Accordingly, in 2021 temporary disability benefit amounts are set as follows (minimum amounts):

- Employed people with disability – from 120 somoni (up to two consecutive months) to 180 somoni per year (no more than three months per year);
- People with serious sickness, such as a result of the Chernobyl disaster clean-up operation – from 240 somoni (up to four consecutive months) to 300 somoni (no more than five months per year);
- Workers whose temporary disability is caused by work injury – size of disbursements depend on the duration of recovery or revision of temporary disability status;
- Employed people with disability who have tuberculosis – from 720 somoni (up to 12 consecutive months) to 1,440 somoni (no more than two years).

Maternity benefits are provisioned in the general government budget and disbursed by relevant public entities (i.e. employers in the government sector) for the total duration of 140 days, including: (i) for the

duration of pregnancy – 70 calendar days,⁷⁶ and (ii) for the postpartum period – another 70 calendar days. Maternity benefits are paid in one instalment and in full.

Adoption of newborns qualifies public sector workers for 70 days in accordance with Resolution of the Government of the Republic of Tajikistan #630 'On the Order and Procedure of Paying Temporary Disability, Maternity, and Family Benefits' (dated October 14, 2014).

Family and child benefits are also paid in one instalment and in full for individuals from poor families who gave birth to, adopted, or established guardianship over a child (or children). If two or more children are born, then *one-time family benefits* and *child care benefits* are paid for each child. Family and child benefits are withheld if the child does not survive birth.

Article 14 of the Law of the Republic of Tajikistan 'On State Social Insurance' defines that one-time family benefits are paid in the following amounts:

- One new born child – three 'indicators for calculations' (i.e. 180 somoni);
- Two newborns – two 'indicators for calculations' (i.e. 120 somoni per child);
- Three or more newborns – one 'indicator for calculations' (i.e. 60 somoni per child).

One-time family benefits are disbursed within 6 months after the child (or children) are born, and are made through the recipient's workplace (or place of study) or, if unemployed, by social protection units at the place of residence.

Child care benefits are paid on a monthly basis until the new born child (or children) reach 18 months, i.e. 1.5 years of age. The monthly size of child care benefit is equivalent to one 'indicator for calculations' or 60 somoni. Accordingly, the maximum payable amount of child care benefits equals 1,080 somoni.

► **Table 31: Public spending on temporary disability and sickness benefits, maternity benefits, and family and child benefits in Tajikistan, 2015–2019**

	2015	2016	2017	2018	2019
Temporary disability and sickness benefits, maternity benefits					
Number of recipients (people)	64	64	56	47	42
Total expenditures (in somoni)	1,397,055	1,397,161	939,780	729,630	590,615
Family and child benefits					
Number of recipients (people)	150,917	154,156	125,257	105,205	99,007
Total expenditures (in somoni)	5,054,599	5,332,664	3,848,686	2,421,214	3,935,030
Other social assistance to the population (e.g. Chernobyl clean-up participants) *					
Number of recipients (people)	5,680	3,991	3,768	3,842	3,937
Total expenditures (in somoni)	15,458,037	9,066,732	9,487,410	12,709,715	13,765,343

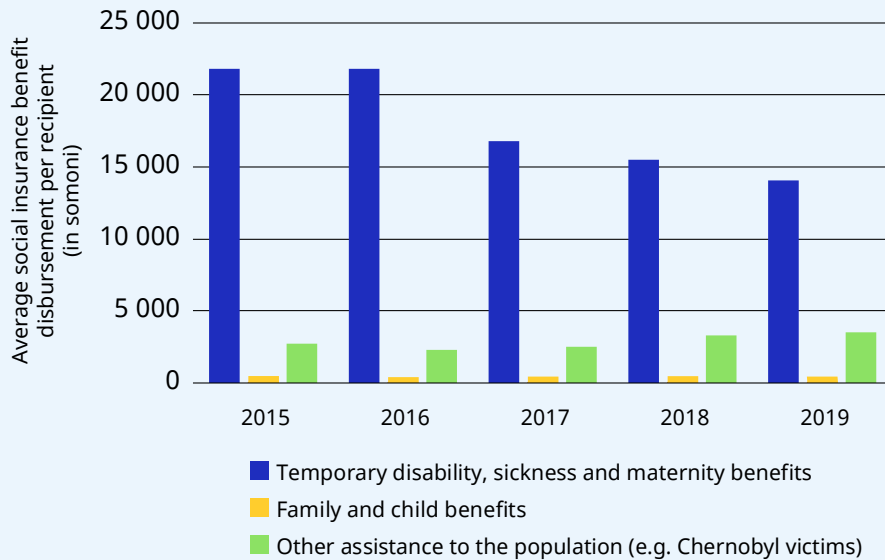
Source: Ministry of Finance of the Republic of Tajikistan.

* Also includes monthly state benefits for children living with HIV/AIDS.

⁷⁶ 86 days in case of labor/pregnancy complications, or 110 days if giving birth to two or more children.

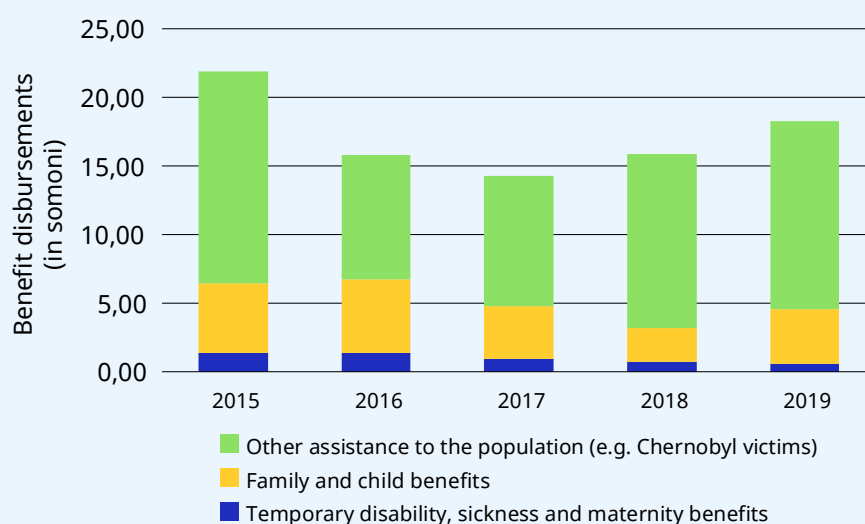
The total size of each category of social insurance benefits is shown in Table 31. All shown social insurance benefits decreased in absolute terms during 2015–2019. In particular, temporary disability benefits, sickness benefits, and maternity benefits decreased by 57.7%, family and child benefits decreased by 22.1%, and other social assistance (including benefits for Chernobyl clean-up operation participants) decreased by 11%. In fairness, the total number of recipients for each of these benefit categories has also decreased, although labour market and population dynamics suggest that, on the contrary, the number of benefit recipients should gradually increase.

► Figure 36: Average social insurance benefit disbursement per recipient, 2015–2019.



Source: Ministry of Finance of the Republic of Tajikistan.

► Figure 37: Public spending on social insurance benefits (by main categories), 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

Coverage of these categories of social insurance benefits is not universal and declining each year, which is characteristic of constrained fiscal space and diminishing public resource allocation. Besides, the size of each benefit merits further analysis to determine its adequacy; and annual adjustment of benefit amounts to ‘indicators for calculation’ instead of consumer price index (CPI) effectively means that each year benefit amounts fall further behind changes to consumer prices.

Funeral grants to poor families (or funeral benefits for members of poor families) are determined by Article 16 of the Law of the Republic of Tajikistan ‘On State Social Insurance’ and are equivalent to 20 times the size of ‘indicators for calculation,’ i.e. 1,200 somoni in the form of a one-time payment.

Funeral grants are financed by the ASIP and sub-national governments through SSB ‘Amonatbank,’ based upon eight categories of recipients which are determined in Resolution of the Government of the Republic of Tajikistan #293 ‘Order and Procedure of Funeral Benefit Payment for Member of Poor Family’ (dated July 2, 2013). If the funeral grant is not claimed within three months of its transfer to a special account in SSB ‘Amonatbank,’ the amount is withheld to the budget of respective public entity/body.

► Table 32: Public spending on funeral grants to poor families in Tajikistan, 2015–2020

	2015	2016	2017	2018	2019	2020
Funeral grant to poor families						
Number of recipients (people)	1,594	1,644	1,561	1,611	1,858	2,092
Total public spending (in somoni)	1,275,200	1,315,200	1,561,000	1,611,000	2,043,800	2,426,720
Size of funeral grant (by legislation)	800	800	1,000	1,000	1,100	1,160

Source: Ministry of Finance of the Republic of Tajikistan.

The average size of funeral grant has increased from 800 somoni in 2015 to 1,160 somoni in 2020, i.e. by 45% in the last seven years. Similarly, the number of recipients and total public spending have also risen by 31.2% and 90.3% respectively. Funding for funeral grants has clearly increased during 2015-2020, and coverage has improved, primarily as a result of increased funding from sub-national governments.

4.4.3. Pensions

Contributory and non-contributory pensions are governed by the Law of the Republic of Tajikistan 'On Insurance and State Pensions,' which divides responsibilities between the state, employers, and citizens, and defines notional defined contribution (NDC) pensions, which were introduced from 2011.

Article 7 of the law distinguishes between *insurance pensions* (i.e. contributory pensions) and state social pensions (i.e. non-contributory pensions), which are in turn broken down into the following categories: (i) old-age pensions, (ii) invalidity pensions, and (iii) survivor pensions. Contributory and non-contributory pensions are mutually exclusive, i.e. eligibility for one category automatically makes the citizen ineligible for another category.

Articles 52-53 define *non-contributory occupational pensions* (i.e. professional pensions) and non-state pensions. The former is regulated by the Law of the Republic of Tajikistan 'On Compulsory Professional Pension Insurance' and the Law of the Republic of Tajikistan 'On Compulsory Pension Insurance,' while the latter is managed and regulated outside the general government budget.

The national legislation also governs pensions to retired military and law-enforcement personnel (the Law of the Republic of Tajikistan 'On Pension Provision to Military Personnel'), databasing of compulsory pension insurance (the Law of the Republic of Tajikistan 'On Personified Accounting in the Compulsory Pension Insurance System'), and the creation and administration of non-state pension funds (the Law of the Republic of Tajikistan 'On Non-State Pension Funds').

Individuals are eligible for contributory pensions if their contributory qualifying period (i.e. the period of paid contributions) equals at least 300 months for men (25 years) and 240 months for women (20 years). If the contributory period is insufficient to ensure eligibility for an old-age pension, then the individual has the right to insure his/her income for the period between January 1, 1999 to January 1, 2003, but this can only be done once. If individuals do not meet the contributory qualifying period, they become eligible only for non-contributory pensions.

Non-contributory pensions

The size of non-contributory pension depends on the 'basic pension' which is determined by the President of the Republic of Tajikistan. On September 1, 2020, the basic pension was set at 207 somoni,⁷⁷ compared to 130 somoni in 2015 (see Table 33). Hence, the size of basic pension rose by 59.2% in nominal terms between 2015 and 2020.

77 Based on Decree of the President of the Republic of Tajikistan #1580 'On Measures to Strengthen Social Protection of the Population and Increase the Current Salaries of Civil Servants, Employees of Budgetary Organizations and Institutions, Pensions and Stipends' (dated August 4, 2020).

► **Table 33: Approved size of basic pension and other pension increases in Tajikistan, 2015–2020**

	2015	2016	2017	2018	2019	2020
Size of basic pension (in somoni) *	130	130	156	180	180	207
Maximum size of old-age pension (in somoni)	624	624	749	850	850	978
Percent increase of the size of labour pensions of non-working pensioners (in % of the minimum old-age pension)	...	30%	...	30%	...	15%
Size of contributory pensions (in % of the minimum old-age pension)	...	60%	...	60%	...	50%
Indexation of the contributory part of contributory pensions (in % to previous year)	...	5.0%	...	6.7%	...	8.0%

Source: Decrees of the President of the Republic of Tajikistan 'Measures to Strengthen Social Protection of the Population and Increase the Current Salaries of Civil Servants, Employees of Budgetary Organizations and Institutions, Pensions and Stipends.'

* Effectiveness dates of basic pensions (based on issued Presidential Decrees): 130 somoni – from September 1, 2013; 156 somoni – from July 1, 2016; 180 somoni – from September 1, 2018, and 207 somoni – from September 1, 2020.

Non-contributory old-age pensions (i.e. benefits) are paid to people who reached retirement age⁷⁸ and are not eligible for contributory pensions. Non-contributory old-age pensions are paid for life. Old-age pensions are set in the amount that is equivalent to 60% of the basic pension. In 2020, old-age pensions equalled 124.2 somoni per month per pensioner.

Non-contributory disability pensions (i.e. benefits) are paid to people with disability (Categories I, II and III), including people with disability since childhood who do not receive contributory pensions, and children with disability under the age of 18. Eligibility verification of disability pensions (benefits) is subject to medical expertise. Disability pensions are set in the following amounts:

- 100% of basic pension (207 somoni per month) - for people with disability (Category I), including people with disability since childhood (Categories I and II), children with disability under the age of 18, and people with disability (Categories I and II) who received military injury during military service;
- 80% of basic pension (165.6 somoni per month) – for people with disability (Category III) who received military injury during military service; and
- 60% of basic pension (124.2 somoni per month) – for people with disability (Categories II and III) and people with disability since childhood (Category III).

Non-contributory survivor pensions (i.e. benefits) are paid to children under the age of 18⁷⁹ (or students under the age of 23 enrolled in secondary or higher professional educational institutions) who lost one or both parents (or guardians)⁸⁰ and do not receive contributory pensions. Survivor pensions are set in the following amounts:

78 Individuals who permanently resided and worked in Murghob district (GBAO) are eligible for non-contributory old-age pensions from the age of 53 for men and 48 for women.

79 Non-contributory survivor pensions are paid until the recipient (i.e. child) reaches the age of 18.

80 Or who have one or both parents (guardians) missing.

- For children under the age of 18 (or students under the age of 23 enrolled in secondary or higher professional educational institutions) who lost one parent (or guardian):
 - If one child in family - 60% of the basic pension (124.2 somoni per month);
 - If two children in family – 90% of the basic pension (186.3 somoni per month);
 - If three children in family – 100% of the basic pension (207 somoni per month).
- For children under the age of 18 (or students under the age of 23 who are enrolled in secondary or higher professional educational institutions) who lost both parents (or guardians):
 - If one child in family – 100% of the basic pension (207 somoni per month);
 - If two children in family – 150% of the basic pension (310.5 somoni per month);
 - If three children in family – 200% of the basic pension (414 somoni per month).
- For children with disability who lost a conscript parent (or guardian) serving in military forces – 100% of basic pension (207 somoni per month).

Contributory pensions

Contributory old-age pensions (i.e. benefits) are paid to eligible individuals who reached retirement age⁸¹ and do not receive non-contributory old-age pensions, and whose qualifying contributory period equals 300 months for men (25 years) and 240 months for women (20 years). Furthermore, contributory old-age pensions are formed on the basis of: (i) social insurance contributions, i.e. the insurance component, and (ii) personal account savings, i.e. the funded component of pension.

The insurance portion of contributory old-age pensions is determined in the following way:

- 100% of basic pension – for eligible persons with complete qualifying contributory period of less than 100% of the size of basic pension;
- 70% of basic pension – for eligible persons with incomplete qualifying contributory period of less than 70% of the size of basic pension;

The collectible portion of contributory old-age pensions is determined on the basis of personal account savings divided by the life-expectancy coefficient (equivalent to 120 months until January 1, 2017 and 180 months after January 1, 2017). Personal account savings are regarded as the collectible portion of the non-contributory old-age pension if its total size is equivalent to 10 times the size of the basic pension (i.e. if personal account savings comprise at least 2,070 somoni).

Contributory disability pensions (i.e. benefits) are paid to insured people with disability (Categories I, II and III), subject to validation through medical expertise, if the qualifying contributory period is equivalent to less than 60 months. Contributory invalidity pensions are formed on the basis of: (i) social insurance contributions, i.e. the insurance component, and (ii) personal account savings, i.e. the funded component of pension.

The insurance portion of contributory disability pensions is determined in the same way as the insurance portion of contributory old-age pensions:

- 100% of basic pension – for eligible people with disability (Category I);
- 85% of basic pension – for eligible people with disability (Category II);
- 70% of basic pension – for eligible people with disability (Category III).

⁸¹ Individuals who permanently resided and worked in Murghob district (GBAO) are eligible for contributory old-age pensions from the age of 53 for men and 48 for women.

Complete qualifying contributory period		Incomplete qualifying contributory period	
150% of basic pension	Category I disability	100% of basic pension	Category I disability
125% of basic pension	Category II disability	85% of basic pension	Category II disability
100% of basic pension	Category III disability	70% of basic pension	Category III disability

Contributory survivor pensions (i.e. benefits) are paid to eligible dependents of an insured deceased person. Contributory survivor pension is disbursed in equal proportions to each dependent family member who meets all eligibility criteria in accordance with national legislation. If the total qualifying contributory period of the deceased parent (or guardian) amounts to less than 60 months, then this person's contingent pension capital is not taken into account in the calculation of contributory pension.

If the family member loses one parent (guardian), the contributory survivor pension is determined in the following way:

Complete qualifying contributory period		Incomplete qualifying contributory period	
100% of basic pension	For one disabled family member	70% of basic pension	For one disabled family member
150% of basic pension	For two disabled family members	105% of basic pension	For two disabled family members
200% of basic pension	For three or more disabled family members	140% of basic pension	For three or more disabled family members

If the family member loses both parents (guardians), the contributory survivor pension is determined in the following way:

Complete qualifying contributory period		Incomplete qualifying contributory period	
150% of basic pension	For one disabled family member	100% of basic pension	For one disabled family member
200% of basic pension	For two disabled family members	150% of basic pension	For two disabled family members
250% of basic pension	For three or more disabled family members	200% of basic pension	For three or more disabled family members

Other qualifying conditions, eligibility requirements, and procedures are determined in the Law of the Republic of Tajikistan 'On Insurance and State Pensions,' the Law of the Republic of Tajikistan 'On Pension Provision for Military Personnel,' the Law of the Republic of Tajikistan 'On Personified Accounting in the Compulsory Pension Insurance System,' and the Order of the Agency for Social Insurance and Pensions 'On the Order of Allocation and Disbursement of Insurance and State Pensions' (dated February 5, 2016).

Labour migrants and informal workers may also submit documentation to become eligible for contributory pensions, but they (e.g. informal workers) may face difficulties in confirming their contributory period.

Besides, according to Article 48 of the Law of the Republic of Tajikistan 'On Insurance and State Pensions' (point 5), pensioners who reside in stationary (i.e. boarding) state specialized institutions are paid:

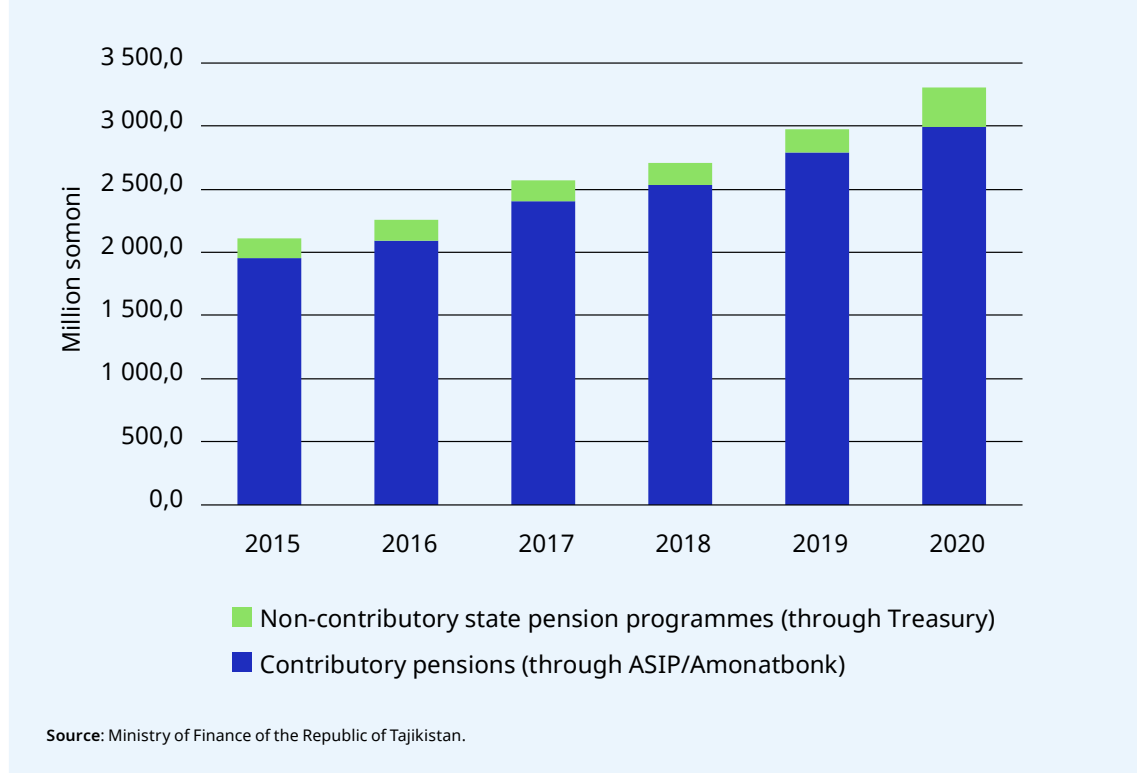
- contributory pensions in the amount that is equivalent to 20% of assigned pension, but no less than 30% of the basic pension (i.e. no less than 62.1 somoni in 2020);
- non-contributory pensions in the amount that is equivalent to 10% of assigned pension, but no less than 30% of the basic pension (i.e. no less than 62.1 somoni in 2020).

This effectively means that pensioners who are accepted to retirement homes and other specialized state institutions are withheld 80% to 90% of their assigned pensions. In practice, this means that pensioners are paying for their social assistance and social care services provided by state specialized institutions at the expense of their pensions. It is recommended that pensions are retained in full by pensioners who choose to reside in specialized state institutions, which will make sure that social assistance and social care services are financed by the state rather than service recipients (i.e. pensioners).

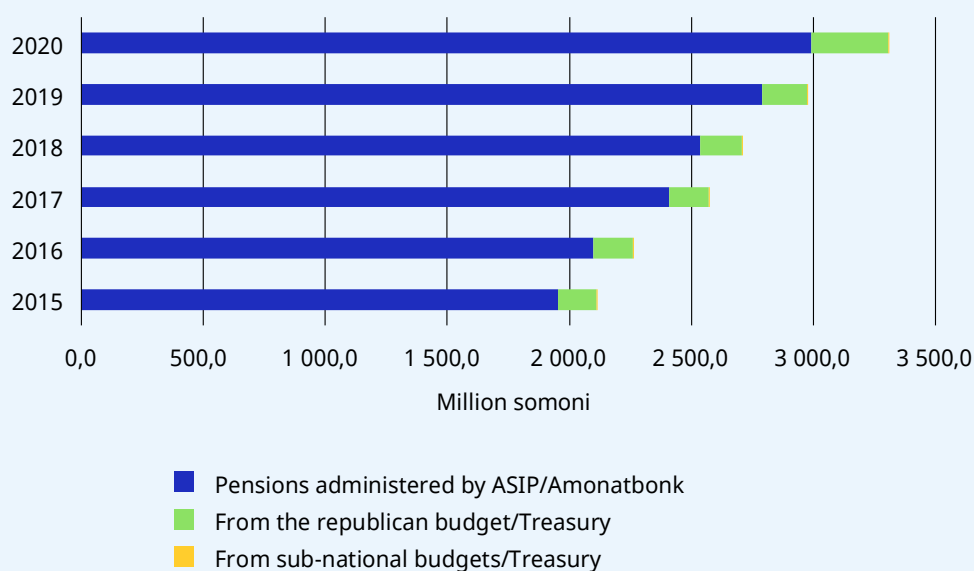
In 2020, contributory pensions disbursed through SSB 'Amonatbonk' under the administration of the ASIP accounted for 90.4% of total public spending on pensions. The remaining 9.6% was disbursed towards non-contributory pensions, which were disbursed through the treasury system of the Ministry of Finance.

Total public spending on pensions (contributory and non-contributory pensions) increased from 2,112.9 million somoni in 2015 to 3,307.7 million somoni in 2020, i.e. by 56.5% in nominal terms (see Figure 39). Relative to GDP, total pension spending decreased from 4.4% in 2015 to 4% in 2020.

► Figure 38: Public spending on contributory and non-contributory pensions, 2015-2020



► Figure 39: Public spending on social insurance benefits (by main categories), 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

► Table 34: Pensioners by main categories in Tajikistan, 2015–2019

	2015	2016	2017	2018	2019
Pensioners, total (in '000 people)	617.4	642.8	664.8	687.1	711.2
<i>of which: women</i>	379.6	411.0	425.9	435.7	443.2
<i>of which: people with disabilities</i>	142.4	144.9	146.5	145.8	149.7
<i>of which: children with disabilities *</i>	23.7	24.9	25.9	27.3	28.6
Pensioners, total (in '000 people)	617.4	642.8	664.8	687.1	711.2
Pensioners receiving old-age pensions	390.6	410.3	425.1	442.6	458.8
Pensioners receiving invalidity pensions (benefits)	76.4	74.2	72.0	67.2	67.1
Pensioners receiving survivor's pensions (benefits)	36.1	33.3	32.6	31.3	29.6
Pensioners receiving seniority pensions	4.3	5.0	5.3	4.8	4.3
Pensioners receiving social pensions	106.2	116.5	126.5	137.9	148.4
Other pensioners	3.8	3.5	3.3	3.3	3.0
Working pensioners, total (in '000 people)	31.5	48.1	45.1	42.3	39.0
<i>of which: as a share of all pensioners (in %)</i>	5.1	7.5	6.8	6.2	5.5

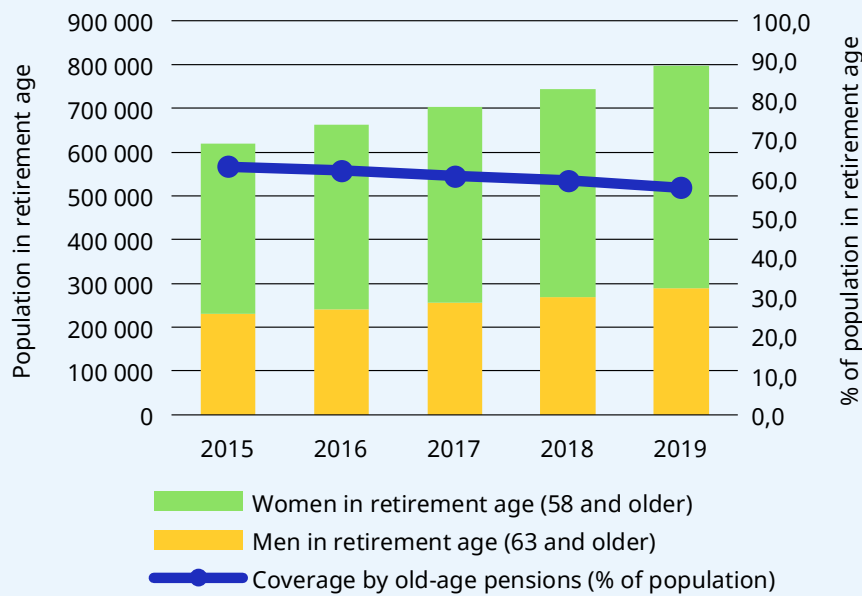
Source: Agency for Statistics under the President of the Republic of Tajikistan.

* These are children with disabilities below the age of 18 who receive social pensions.

According to the Agency for Statistics under the President of the Republic of Tajikistan, the total number of pensioners rose by 15.2% during 2015–2019. Despite the growing population in retirement age by 28.3% or 175,904 people in 2015–2019, and growth of old-age pension recipients by approximately 68,200 people, coverage by old-age pensions had in fact steadily declined from 62.9% in 2015 to 57.6% in 2019 (see Figure 40). This demonstrates that either financing of old-age pensioners is insufficient to accelerate coverage or that registration of population in retirement age is growing at a relatively slow pace, resulting in declining coverage rates.

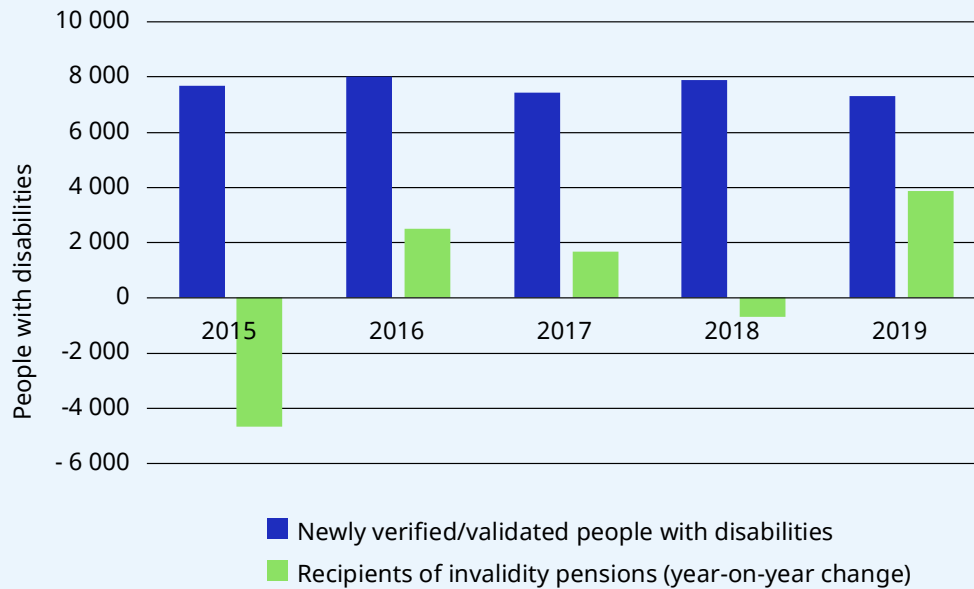
In the absence of government statistics on the total number of people with disabilities in Tajikistan, the number of newly validated people with disabilities were used instead (see Figure 41). Despite the growing number of newly validated people with disabilities, averaging 7,664 people per year during 2015–2019, the year-on-year change in the number of recipients of invalidity pensions has not always been positive. This is partly explained by the time and paperwork required to complete medical expertise and assign pension.

► Figure 40: Coverage by old-age pensions and population in retirement age, 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

► Figure 41: Coverage by invalidity pensions and population with disabilities, 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

In 2019, average monthly pension receipts comprised 303.2 somoni and rose by 32.9% during 2015-2019. The highest average monthly pension receipts were received by people with Category II disability with serious illness (764.2 somoni in 2019), while the lowest average monthly pension receipts were received by people eligible for social non-contributory pensions (167.8 somoni in 2019). Surprisingly, this is below the minimum size of monthly pension which was equivalent to 180 somoni in 2019. In the past five years, social pensions were consistently below the minimum monthly pension. There is also significant regional variation of pension levels. In Dushanbe, the average monthly pension level exceeds the national average by approximately 55%.

► **Table 35: Average monthly pension receipts by main categories in Tajikistan, 2015–2019**

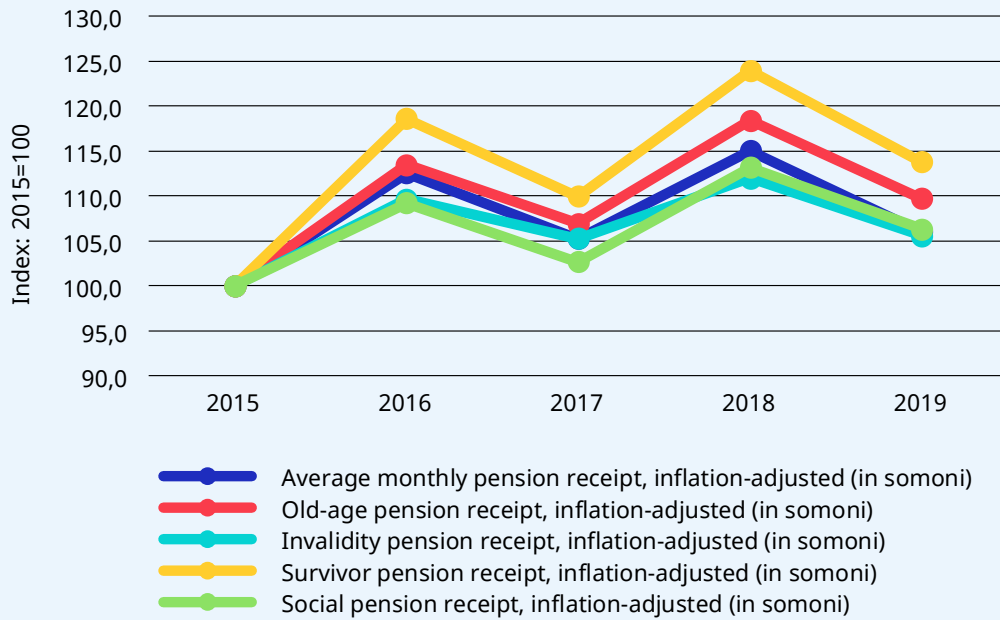
	2015	2016	2017	2018	2019
Average monthly pension receipt, all categ. (in somoni)	228.2	272.1	270.7	309.9	303.2
<i>of which: old-age pensions</i>	234.8	282.4	282.9	328.3	322.9
<i>of which: survivor pensions</i>	242.3	304.5	300.2	354.6	345.7
<i>of which: social pensions</i>	125.9	145.7	145.6	168.2	167.8
<i>of which: invalidity pension receipt - work injury</i>	258.4	299.6	310.7	359.1	357.7
<i>of which: Category I disability</i>	286.3	333.8	353.2	409.5	422.1
<i>of which: Category II disability</i>	280.2	345.8	361.4	420.3	397.6
<i>of which: Category III disability</i>	241.3	267.8	276.1	318.1	313.9
<i>of which: invalidity pension receipt - serious illness</i>	484.0	557.0	569.6	617.7	628.1
<i>of which: Category I disability</i>	–	–	653.0	–	–
<i>of which: Category II disability</i>	505.4	664.2	674.6	727.7	764.2
<i>of which: Category III disability</i>	415.3	432.7	451.6	495.7	470.1
<i>of which: invalidity pension receipt - general illness</i>	301.9	356.9	358.2	404.4	396.6
<i>of which: Category I disability</i>	318.2	381.9	384.0	451.3	436.7
<i>of which: Category II disability</i>	296.6	359.0	349.5	390.7	376.2
<i>of which: Category III disability</i>	308.1	344.2	367.7	416.7	399.8
Minimum size of monthly pension (in somoni)	130.0	156.0	156.0	180.0	180.0

Source: Agency for Statistics under the President of the Republic of Tajikistan.

If adjusted for inflation, average monthly receipts grew by 6% in 2015–2019, while average monthly old-age pension receipts grew by 9.7% during the same period (see Figure 42). This is equivalent to 1.5% and 2.4% growth per year respectively. Such modest growth demonstrates limited fiscal space in the social protection system and suggests that public resource allocations should increase to make sure that Tajikistan gradually increases coverage rates, while also lifting the real value of average monthly pension payments.

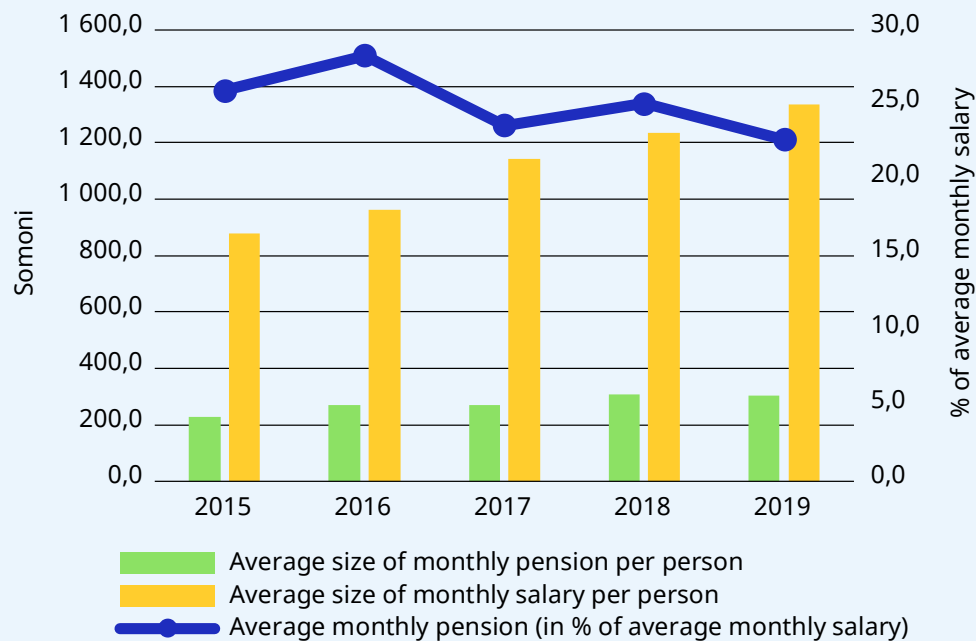
The ratio of average monthly pension receipt to average monthly salary declined from 26% in 2015 to 23.7% in 2017 and further down to 22.7% in 2019. This is partly explained by: (i) adjustment of pension receipts by ‘indicators for calculation’ (provisioned in the organic budget law) rather than inflation; (ii) linking pension payments to ‘basic pension’ which grew only by 10% in real terms during 2015–2019, and (iii) indexation of pensions is below the salary growth. The low pension-to-salary ratio is significantly below the theoretical replacement rate offered by the national pension system, and the overall trend of the past five years is downward. This could also indicate that a significant part of the working life of new retirees is spent in the informal sector (or informal employment in the formal sector).

► Figure 42: Inflation-adjusted average monthly pension receipts by categories, 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

► Figure 43: Average monthly pension receipts and average monthly salaries, 2015–2019



Source: Ministry of Finance of the Republic of Tajikistan.

► 5. Adequacy and sustainability of financing

Total public spending on the social protection sector has expanded from 2,637.4 million somoni in 2015 to 3,859.1 million somoni in 2020, i.e. by 46.3%, thus comprising 4.7% of GDP and 15.5% of general government budget in 2020. In an increasingly constrained fiscal environment, the government's efforts to steadily increase public resource allocations to the social protection sector have been impressive but challenges remain. These challenges are evidenced by relatively low coverage rates and low benefit payment per recipient (or low per-capita spending per institution), as well as capacity shortages, ageing physical infrastructure, governance and institutional bottlenecks in the social protection sector.

5.1. Options to increase fiscal space in social protection

To that end, consolidated government and stakeholder effort to raise additional financial resources for the social protection sector should be undertaken to meet the growing spending needs and implement state policy priorities. This can be accomplished in a number of ways, or a combination of them, including:

- **Facilitating additional resources through government budgeting channels, such as increasing tax revenues and additional public borrowing.** In 2020, tax revenues comprised 20.4% of GDP in 2019 but declined to 18.6% of GDP as a result of economic challenges induced by the coronavirus pandemic. In the meantime, private sector is dominated by individual entrepreneurs and small firms, which are particularly vulnerable to economic risks. Despite expected positive amendments to the Tax Code, expanding the tax base is unrealistic without appropriate improvements of the business environment and investment climate. There is also increasingly less space for additional public borrowing to finance social protection needs – e.g. public debt reached 51.6% of GDP in 2020 (\$3,780.4 million), compared to 37% of GDP in 2015 (\$2,611.1 million).⁸² Debt restructuring or debt conversion bonds (i.e. debt swaps)⁸³ may be introduced to create additional fiscal space and secure additional credit to finance capital expenditures in the social protection sector, but these are not currently utilized by the Government of the Republic of Tajikistan.
- **Leveraging overseas development assistance through non-governmental stakeholders.** There is an established donor coordination mechanism and a sustainable dialogue platform, which the Government of the Republic of Tajikistan may use to leverage additional funds from development partners. However, in fairness, development partners are already contributing significant financial and technical resources in support of state policy and reform implementation in social protection. According to the Mid-Term Development Programme (MTDP) of the Republic of Tajikistan for the period 2021-2025, the total financing for implementation of reforms in the next five years is equivalent to 525 million somoni, of which 490.3 million somoni (or 93.4%) are expected to be financed by development partners. While such external support is commendable and should be encouraged, it is by no means sustainable and should be complemented by public resource allocations from the general government budget. Pooling of donor funding, such as through the use of multi-donor trust funds, and budget support operation (i.e. development policy lending) may be used by development partners to improve effectiveness of aid. Development partners are also encouraged to align funding modalities with the national budget and government systems, such as through the targeted social assistance (TSA) programme, which may facilitate additional external resources into the social protection sector. Furthermore, development partners who are funding infrastructure projects are also encouraged

⁸² and is close to breaching the debt sustainability threshold of 60% of GDP.

⁸³ Debt swaps, also referred to as debt conversions, are a form of debt relief in which the creditor forgives debt on the condition that the debtor makes available some specified amount of local currency funding (e.g. 5% of loan) to be used for pre-determined development purposes (vis-à-vis spending needs in the social protection sector).

to allocate certain percentage of the total fund for social protection schemes for workers (and their families) employed in these projects. In some countries, maternity protection schemes or health insurance were introduced through such partnerships and used to advocate for state to legislate them and duly expand.

- **Drawing down additional financing from fiscal reserves** of the central government and sub-national municipalities represents another option to increase resource allocations for the social protection sector. There are several funds from which financing can be drawn down, such as the Reserve Fund of the President of the Republic of Tajikistan,⁸⁴ the Stabilization Fund for Economic Development (under the Ministry of Finance),⁸⁵ the Contingency Fund of the Government of the Republic of Tajikistan,⁸⁶ and reserve funds of respective sub-national municipalities.⁸⁷ Each of these four funds has its specific purpose, governance arrangements and fiscal rules. Although in theory reserve funds could cover a portion of the financing gap in social protection, they are often stretched over many competing priorities. Besides, only reserve funds of sub-national governments were used to finance the needs of the social protection sector. On average, 1.5 million somoni was allocated per year from reserve funds of sub-national governments to social protection during 2015–2019.
- **Improving public financial management in the social protection sector.** Efficiency improvements in public finance management (PFM) are likely to induce savings and more efficient allocation and use of public resources. Measures that could be undertaken include strengthening annual budget planning, which will reduce deviations and improve predictability and discipline in budget cycle; amending budget legislation to enable public entities (such as health resorts and other specialized institutions) to retain a larger share of own revenues and avoid annual changes to fiscal rules on social insurance contribution deductions; revising fiscal rules on the use of intergovernmental fiscal transfers (IGFTs) so that subventions and other transfers cover broader expenditure needs in social protection; introducing per-capita financing mechanism in specialized institutions which provide social assistance to children, adults and elderly; introducing cost-effective models of social assistance/care services and universal coverage by social insurance benefits; and others. Implementation of these reform measures requires long term commitment and ownership by the government, and complemented by broader reforms in governance and public administration.
- **Strengthening oversight and transparency in order to reduce leakages and fraud.** These leakages may be minimized by strengthening governance and oversight by the MoHSPP, the MoLMEP, the SASPP, the ASIP, the Chamber of Accounts and the Agency for State Financial Control and Fight Against Corruption. This is particularly important with regards to verification of registration and eligibility screening of applicants for targeted social assistance programme and social insurance

84 The Reserve Fund of the President of the Republic of Tajikistan is equivalent to 2% of general government revenues. The Fund is utilized at the discretion of the President, e.g. for critical social expenditure needs or implementation of infrastructure projects.

85 The size of the Stabilization Fund for Economic Development is determined annually by the Law of the Republic of Tajikistan 'On State Budget of the Republic of Tajikistan' and is used for financing the needs of the energy sector, ensuring food security, social sectors, and servicing of public and publicly guaranteed external debt. For instance, Article 3 (point 4) of the organic budget law for FY'2021 states that 21.9% of the servicing cost of domestic public debt will be covered by the Stabilization Fund. In accordance with the organic budget law, in 2021, 20% of excess revenues from sub-national governments and 30% of excess revenues from the republican budget shall be transferred over into the Stabilization Fund.

86 The Contingency Fund may be used in the event of natural hazards, epidemics, and other circumstances which are not included in the general government budget. Although the Government of the Republic of Tajikistan offers quarterly reports to the Lower Chamber of the Parliament about the use of financial resources from the Contingency Fund, the list of 'other circumstances' is not defined by legislation which creates ambiguity. The Contingency Fund cannot exceed 0.5% of general government revenues.

87 Reserve funds of sub-national governments equal 0.5% of total revenues of respective sub-national governments. These funds are not consolidated in the TFMIS and are managed separately by governors of each region, district, city/town at their own discretion. Aggregate reserve funds of all sub-national municipalities are expected to equal 35.2 million somoni in 2021.

benefits. Besides, interagency exchange of information – such as between registry offices, notary offices, Ministry of Justice and other government institutions in the social protection sector – requires improvement and digitization, which strengthens the case for more robust oversight, especially at sub-national level (e.g. social service centres, social assistance divisions/units in sub-national municipalities, specialized social assistance institutions, and others). Transparency improvements may include timely publication of benefit (and pension) calculation methodologies and procedures, which could in turn lead to greater trust in the system and increase coverage.

- **Encouraging greater private sector engagement in the social protection sector.** Currently, the role of private sector in social protection also remains small. The government contracts multiple civil society organizations (CSOs) to provide social assistance and social care services to vulnerable population. There are also non-state health resorts (e.g. 'Shambari,' 'Hoja Obi Garm,' and others), clinics and other recreational facilities, including facilities which are subordinate to various government bodies and state-owned enterprises, that offer a range of medical and recreational services to the population. Social insurance benefits are provided only through the government systems, hence there is no private sector participation in this area of the social protection sector. The government could improve legislation and regulatory framework, which would enable greater private and civil society participation in the delivery of public (social assistance/care) services, e.g. through public-private partnerships (PPPs) or outsourcing service delivery to CSOs. This will help improve quality of service provision in the social protection sector and reduce the growing fiscal pressure.

5.2. National pension system

Pensions comprise the single largest category of expenditures in the social protection sector. However, the main challenge of the national pension system is the adequacy of pensions, i.e. the replacement of earnings prior to retirement. Despite significant increases in public resource allocations during 2015-2020, pensions are increasing very slowly. High inflation rate and salary growth in the reporting period also results in the relative deterioration of pensions. To achieve better adequacy of pension payments, the pension system reform should maintain current levels of pensions while improving their administration and fiscal sustainability.

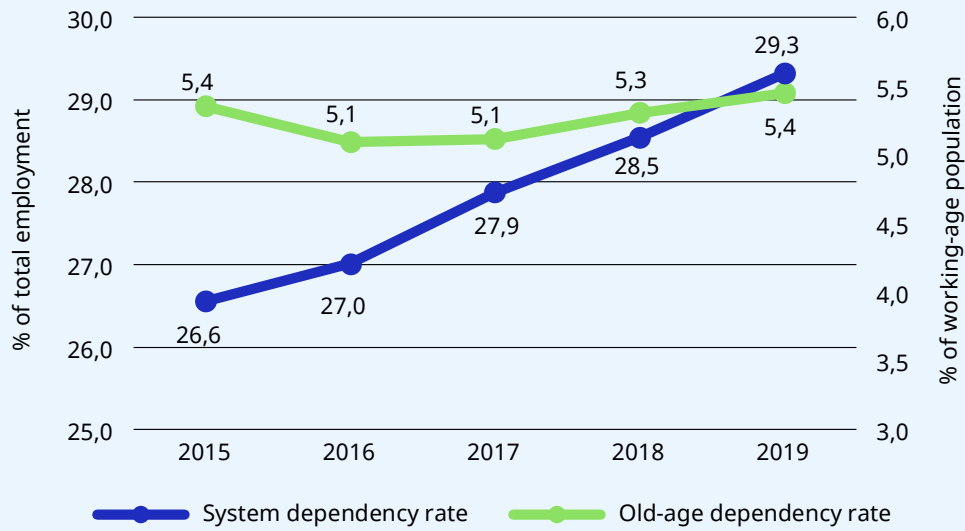
The contribution revenue relative to GDP remains very low – decreasing from 2.8% in 2015 to 2.4% in 2017 and further down to 2% in 2020. Gradual improvements in collections should also be complemented by improvements in coverage, which is critical in terms of improving the sustainability of the national pension system. One of the policy options that could be explored to achieve this objective is to undertake an actuarial assessment of the pension system and develop modelling scenarios, while also strengthening enforcement and administration. On this basis, policy measures can be implemented to encourage greater coverage and system effectiveness.

Although the dependency rate in Tajikistan is relatively low (3.5 workers per one pensioner in 2019), the size of informal employment remains significant. To that end, the ratio of covered wage bill to GDP is used as a proxy to demonstrate the size of informal economy and also as a measure of contribution compliance. In 2019, Tajikistan's covered wage bill⁸⁸ (i.e. the total wage bill in public and private sectors) comprised 16.3% of GDP, compared to 16.2% of GDP in 2015.⁸⁹ Such low levels of covered wage bill as a share of GDP are evidence of not only sizeable informal economy, but also low salary levels across the board. Accordingly, low coverage rates also pose serious risks of falling into poverty upon retirement.

⁸⁸ One of the most commonly used measures of contribution compliance is covered wage bill measured in relation to GDP.

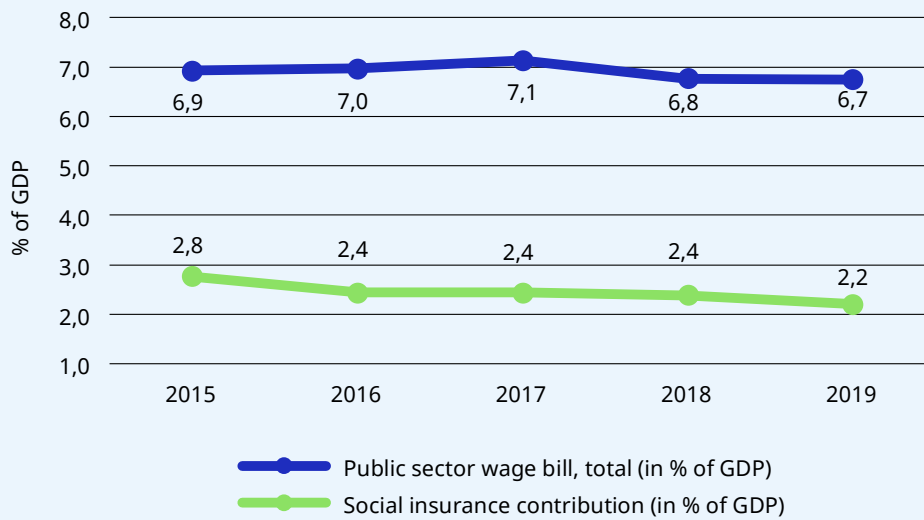
⁸⁹ The public sector wage bill accounted for 6.7% of GDP in 2019, compared to 6.9% of GDP in 2015.

► Figure 44: Trends in dependency rate* in the national pension system in Tajikistan, 2015-2019



Source: Ministry of Finance of the Republic of Tajikistan.

► Figure 45: Public sector wage bill and social insurance contributions as a share of GDP, 2015-2019



Source: Ministry of Finance of the Republic of Tajikistan.

Pension estimation methodology uses the life-expectancy coefficient for full pensions at 180 months upon retirement (i.e. 15 years).⁹⁰ In 2019, life expectancy at birth was 75.1 years (73.5 years for men and 76.8 years for women). Considering that the retirement age for men and women is set at 63 years and 58 years respectively, the Government of the Republic of Tajikistan determined that pensions shall be disbursed, on average, until a person reaches 78 years (for men) and 73 years (for women). Thus, the life-expectancy coefficient that is used by ASIP yields lower expected pension payment period for women than their estimated life expectancy at birth.

In the meantime, lower retirement age for women is difficult to explain. From a demographic perspective, life expectancy for women is longer than for men, which is why women's retirement age can be raised, especially considering the growing fiscal pressure that the national pension system is experiencing. Hence, the government is recommended to either equalize retirement threshold/age for men and women or reduce the difference between the retirement ages across both sexes. This is also a policy element that will lead to equalizing the rights of men and women in the labour market and the social protection system.

5.3. Development partner support

Since the start of the pandemic in Tajikistan, many development partner activities in the social protection sector include support to the Ministry of Health and Social Protection of the Population (MoHSPP), the Agency on Social Insurance and Pensions (ASIP), the State Agency on Social Protection of the Population (SASPP) and other government institutions. Many aspects of donor support in the social protection sector are often embedded in their technical assistance (TA) interventions.

The existing Targeted Social Assistance (TSA) programme⁹¹ under the State Agency for Social Protection of the Population (SASPP) was scaled up by the Government of the Republic of Tajikistan in response to COVID-19. The scale-up of the TSA programme to all 68 municipalities has been supported by the **World Bank** through the TEC-19 project to support those groups likely to be the most vulnerable to the economic impact of COVID-19 from economic shocks and food insecurity. The World Bank has also helped to finance targeted, nutrition-sensitive cash transfers to provide time-limited support to vulnerable HHs, particularly food insecure HHs with young children where food price shocks caused by the COVID-19 pandemic can negatively affect children's nutrition status and early development.⁹² These one-time transfers are also delivered using the existing TSA programme implemented by the SASPP. The World Bank finances the cash transfers and covers the costs of benefit administration, including the cost of expanding capacity of the beneficiary database. These support measures are provided by the World Bank through its COVID-19 Strategic Preparedness and Response Program (SPRP), which was approved in April 2020, and additional funding approved in February 2021.

90 Based on Article 22 of the Law of the Republic of Tajikistan 'On Insurance and State Pensions,' Resolution of the Government of the Republic of Tajikistan #588 'On the Order of Indexation of Pensions and Notional Defined Pension Contributions' (dated September 25, 2015) and Order of the Agency for Social Insurance and Pensions under the Government of the Republic of Tajikistan #11 'On the Order of Allocation and Disbursement of Insurance and State Pensions' (dated February 5, 2016). This new life-expectancy coefficient is applied from January 1, 2017. Prior to 2017, the life-expectancy coefficient was equal to 120 months.

91 The current infrastructure for the TSA includes an additional module to allow for ad-hoc payments in emergency situations and the eligibility criteria can be flexed to target vulnerable communities that are expected to be most affected by COVID-19. This includes female-headed households and those reliant on remittance payments.

92 The transfers are triggered at the regional level based on the spikes in the prices of key food groups (wheat, milk and dairy, eggs). Food prices in each region are monitored through the routine market monitoring systems of the Ministry of Economic Development and Trade (MoEDT). A specific price increase threshold has been identified in consultation with the MOHSP, SASP and key technical partners: WFP and UNICEF.

In addition, the World Bank also supports an awareness and enrolment programme through district social protection offices and jamoats. In partnership with UNICEF and the SASPP, the World Bank has developed a series of communication materials (including posters, brochures and mobile text messages on optimal child nutrition, stimulation, and parenting practices) that are disseminated to the emergency cash beneficiaries, subnational governments and branches of SSB 'Amonatbank' to help children stay healthy and grow to their full potential, despite the challenges caused by the pandemic. Besides, additional funding approved by the World Bank in February 2021 through its SPRP project supported establishment and operationalization of the national COVID-19 hotline and communication activities of the Republican Centre for Health Lifestyles.

In the REACT platform framework,⁹³ the **World Food Programme (WFP)** supported developing the COVID-19 Humanitarian Emergency Response Strategy under the Committee of Emergency Situations (CoES) and Civil Defence leadership.⁹⁴ In the framework of COVID-19 Response Action, WFP launched Cash for Work projects to support 34,000 beneficiaries in GBAO and the Rasht Valley.⁹⁵ The average cash disbursement per household was TJS 440 per month; the duration of the projects were 3 months each. Disbursement was through financial service providers with whom WFP had already been coordinating for prior cash-based transfer projects. WFP has prioritized HHs that were chronically food insecure and directly impacted by the socio-economic shocks, primarily due to market price spikes and reduced income from remittances.

In addition, under the MoHSPP Social Protection System's Preparedness and Response Plan to COVID-19, WFP provided food assistance via take-home rations to 24,000 families (around 120,000 beneficiaries) of the most vulnerable schoolchildren of primary grades in May 2020. The take-home rations provided to schoolchildren's families was not planned to be complementary to any ongoing government programme but instead targeted vulnerable schoolchildren⁹⁶ in WFP-supported schools. The activity was initially launched as a one-off distribution in May 2020 due to early school closures and recognition of the need to continue support. A second round of such assistance was provided in February 2021 to 22,000 families (110,000 beneficiaries) of the most vulnerable families whose children are enrolled in primary grades.

WFP has also reinitiated the intergovernmental cash working group at the onset of the pandemic to ensure coordinated responses among all relevant agencies. Through this platform, the need to strengthen the national TSA programme was further elucidated, including well established norms related to coverage, vulnerability categories and criteria, amount of transfers and possible sliding scale according to need, and efficient linkages for development partners to utilize the system for their own programming.

93 The Rapid Emergency Assessment and Coordination Team (REACT) is a government-humanitarian community disaster risk management partnership for Tajikistan. REACT was established in 2001 by the UN Office for the Coordination of Humanitarian Affairs (OCHA). When OCHA ended its activities in Tajikistan, chairmanship of REACT was transferred to the Committee of Emergency Situations (CoES) of the Republic of Tajikistan, with the UNDP Disaster Risk Management Programme serving as the REACT Secretariat on the national level. More than 80 CSOs, UN agencies, donors and other agencies are involved in REACT.

94 One of the Strategy's objectives is to utilize the CoES emergency food reserves and support from the international community to provide humanitarian assistance to impacted communities by enhancing their nutritional resilience and coping capacity to a prolonged emergency.

95 The beneficiaries of the Cash for Work (CfW) projects implemented in GBAO and Rasht Valley were identified using WFP's own programming, which targeted food insecure households whose vulnerabilities were further increased by loss of remittances or other income sources.

96 Targeting criteria included a child in primary grades 1-4, the child belonging to a HH already identified as vulnerable by the TSA or other *hukumat* initiative, the child belonging to HH that had limited/no income, the child belonging to a female-headed HH. In the 2021 distribution, another criterion was included which considered a HH member living with a disability.

The **Aga Khan Foundation (AKF)** supports the government's response to COVID-19 pandemic through three main pillars (objectives): (i) slowing and stopping transmission, preventing outbreaks and delaying/suppressing the spread of COVID-19 through community awareness campaigns, training and community health promoters; (ii) providing optimized care for patients, especially for severely/critically ill patients by enabling hospitals with provisions and technical support; and (iii) minimizing impact on communities, vulnerable HHs, social services and economic activities through agriculture (e.g. inputs provision, training), food security and nutrition, support to small and medium-sized enterprises (SMEs), and access to micro-finance across Tajikistan.

In particular, AKF provides food security and nutrition support to 159 poorest HHs in remote municipalities of GBAO⁹⁷ (sub-districts in Ishkoshim, Roshtqala and Rushon) that are unidentified by the government through the TSA programme (i.e. those who are regarded as the poorest but currently do not receive one-time cash transfer in the amount of 400 somoni per HH per year). AKF provides food for lean season (e.g. January-April), livestock (including shelter for livestock), supports facilitating access to irrigation, storage, greenhouses, as well as nutrition training courses, early childhood development centres, food production and processing, and vocational skills-development training.

In 2019, the **United Nations Children's Fund (UNICEF)** provided support to the Government of the Republic of Tajikistan to develop a model of Humanitarian Cash Transfer Programme (HCTP), which was used by the World Bank in 2020 to make one-time payments to low-income HHs with children under the age of three. About 64,469 HHs received cash assistance in the amount of 500 somoni per HH per year (approximately \$44). Topped-up with the TSA, this helped to mitigate risks on vulnerable HHs and offset the negative effect of the pandemic. In addition, approximately 3,000 left-behind children, which were identified through UNICEF interventions, received emergency cash assistance in the amount of 400 somoni (approximately \$35).

Furthermore, UNICEF supported the MoHSPP to develop a Social Protection Preparedness and Response Plan to COVID-19 aimed at enhancing the resilience of vulnerable families and individuals to the socio-economic impact of the pandemic. In 2021, UNICEF has also published an assessment report 'Preparing Social Protection Systems for Shock Response,' which documents experiences and lessons learned from UNICEF's work preparing the national social protection system for shock response through cash transfers.

Through its COVID-19 Active Response and Expenditure Support Program, the **Asian Development Bank (ADB)** supported the government's COVID-19 countercyclical responses and financing needs to help mitigate the adverse health, social and economic impacts of the crisis, while targeting poor and vulnerable groups and ensuring gender mainstreaming. ADB funding was also used to secure the scale-up of the TSA programme to cover at least 207,000 poor HHs, of which at least 30% are headed by women, to cover all 68 municipalities and to ensure that this sample of poor HHs receives an additional one-time social assistance transfer of 500 somoni per HH. These activities complement other measures and support that ABD provides to the Government of the Republic of Tajikistan, such as to improve maternal and child health care services, infrastructure and equipment; and building skills of youth, women and migrant workers to improve their employability and reduce dependence on remittances.

The **United Nations Development Programme (UNDP)** interventions in the area of social protection are limited to active labour market interventions and promoting employability of vulnerable groups (e.g. vulnerable women, unemployed young people, rural communities and people with disabilities). UNDP is working mostly at meso and micro level focusing on job trainings, employment generation and

⁹⁷ AKF carries out participatory wealth ranking workshops in the remote and isolated *jamoats* and mahallas where there are very few or no economic opportunities. These rankings cluster potential beneficiaries into three categories: poor, poorest and ultra-poor. The methodology ensures that support is provided only those HHs which are either poor or ultra-poor (with women of reproductive age and children aged 0-5). Such an approach addresses the transitional nature of intergenerational poverty.

income generation. At the present, UNDP does not do any direct interventions in the social protection sector. However, its COVID response projects integrate some elements of in-kind social assistance to the most affected groups. UNDP also intends to work closer with the Ministry of Labour, Migration and Employment of the Population (MoLMEP) and local employment centres on promoting digital platforms for job matching, job counselling and promoting new employable skills for youth.

Other development partners, such as the European Union (EU), the World Health Organization (WHO), the International Organization for Migration (IOM) and the UN High Commissioner for Refugees (UNHCR) have also provided technical assistance and support to the Government of the Republic of Tajikistan in the area of social protection and COVID-19 response.

► 6. Fiscal impact of COVID-19 on the social protection sector

To mitigate the adverse impact of the coronavirus pandemic on lives and the economy, the Government of the Republic of Tajikistan had undertaken several important fiscal consolidation measures and exercised restraint regarding non-priority spending. At the same time, critical capital investment projects went ahead in order to preserve jobs. Fiscal consolidation measures led to the overall fiscal deficit of 6.3% of GDP, with total government expenditures equalling \$2.5 billion or 30.2% of GDP in 2020.

While the COVID-19 pandemic has had a significant impact on aggregate public resource allocations, total spending for the social protection sector was ring-fenced in order to support the poorest and those who are most in need. According to the Law of the Republic of Tajikistan 'On State Budget for 2020,' total public spending on the social protection sector was budgeted at 3,911.5 million somoni (including the ASIP budget of 3,218.7 million somoni). Affected by COVID-related fiscal consolidation, aggregate expenditure outturn in the social protection sector was 3,859.1 million somoni which is equivalent to an expenditure shortfall of only 1.3% compared to originally budgeted figures.

In March 2020,⁹⁸ the Republican Task Force on Strengthening Activities Countering COVID-19 has been created,⁹⁹ and is chaired by the Prime Minister. The Republican Task Force¹⁰⁰ coordinates the government's response measures, assesses the situation and liaises with development partners. The Task Force has subsequently developed an Action Plan for Preventing and Reducing the National Economy's Exposure to Potential Risks of COVID-19 (i.e. the 'COVID-19 Country Preparedness and Response Plan'), which was endorsed by the Prime Minister on March 19, 2020. This Plan consisted of 23 broadly defined measures for implementation in the period from March 2020 until December 2020, including:

- A health sector and social protection response package to assist the poor and vulnerable;
- A package of economic measures to ensure food security; and
- A package of economic measures to safeguard MSMEs prone to being severely affected.

The overall estimated cost of these proposed measures was \$364 million (see Table 36). These measures were prepared in close consultation with key international development partners, including the Asian Development Bank (ADB), the World Bank (WB), the World Health Organisation (WHO), the Delegation of the European Union, the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF).

98 While the Government of the Republic of Tajikistan confirmed its first 15 laboratory diagnosed cases of COVID-19 on April 30, 2020. From 30 April 2020 to 31 December 2020, there were 13,296 positively tested COVID-19 cases, of which 12,851 recovered and 90 registered death cases, with average number of 54 new COVID-19 cases per day during this period.

99 Following the Decree of the President of the Republic of Tajikistan.

100 The Task Force reports daily to the President of the Republic of Tajikistan and includes high-level representatives from each ministry and other government institutions, the Secretary of the National Security Council of the Republic of Tajikistan, the General Prosecutor, heads of relevant departments/divisions of the Executive Office of the President and heads of several large state-owned enterprises.

► **Table 36: Estimated cost of the COVID-19 country preparedness and response plan**

#	Proposed mitigation measure	Initial cost (in mln US\$)
1.	Health sector and social protection response package	176
1.1.	Additional salary to medical personnel working with COVID-19 patients	2
1.2.	Medical equipment and supplies (including personal protective equipment, medicines, food, ventilators and ambulances)	103
1.3.	Expansion of hospital capacity	37
1.4.	Additional targeted social assistance for poor households	34
2.	Economic measures to ensure food security and safeguard businesses	188
2.1.	Food security measures (including agricultural inputs to farmers)	28
2.2.	Support to businesses affected by COVID-19; targeting micro-, small- and medium-sized enterprises (including tax breaks and concessional credit)	160
TOTAL:		364

Source: Ministry of Finance of the Republic of Tajikistan.

In order to implement measures that were outlined in the COVID-19 Country Preparedness and Response Plan, total public resources for the health sector for 2020 were increased by 1.6 billion somoni in excess of an originally approved budget (the approved health sector budget for FY'2020 was 1.8 billion somoni). In addition, to ensure social protection of medical and social workers, 12.4 million somoni were allocated from the Reserve Fund of the President of the Republic of Tajikistan.¹⁰¹ These allocated funds were used until December 31, 2020 for paying a *monthly wage supplement* in the amount of one monthly salary to medical workers directly involved in the diagnosis and treatment of COVID-19 in medical and quarantine facilities. Besides, 13.4 million somoni were earmarked from the Contingency Fund of the Government of the Republic of Tajikistan and an additional 9.3 million somoni were allocated from the Epidemiological Fund of the Ministry of Health and Social Protection of the Population (MoHSPP) for the procurement of medical equipment and other medical supplies.

To increase fiscal space, the Government of the Republic of Tajikistan had successfully negotiated a \$189.5 million disbursement under the IMF's Rapid Credit Facility (RCF) instrument. Other development partners, such as the Asian Development Bank (ADB), the World Bank, the Delegation of the European Union, partner UN organizations and others have also disbursed additional financial resources and provided technical and material assistance to counter the effects of COVID-19. Furthermore, in March 2020, the IMF approved a total debt relief to Tajikistan of \$28.49 million through the Catastrophe Containment and Relief Fund. The Government of the Republic of Tajikistan was also granted another debt relief equalling \$63.4 million in potential savings under the G20 Debt Service Suspension Initiative (DSSI).¹⁰² These financial resources were also included in the supplementary budget, which was approved by the Parliament of the Republic of Tajikistan in July 2020 and led to the endorsement of an amended general government budget.

¹⁰¹ Decree of the President of the Republic of Tajikistan #AP-1378 dated May 1, 2020.

¹⁰² Source: <https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative> (accessed on August 25, 2020). On April 15, 2020, the World Bank's Development Committee and the G20 Finance Ministers endorsed the Debt Service Suspension Initiative (DSSI) in response to a call by the World Bank and the IMF to grant debt-service suspension to the poorest countries to help them manage the severe impact of the COVID-19 pandemic.

Accordingly, the Government of the Republic of Tajikistan amended its annual budget legislation¹⁰³ on July 4, 2020. The amended legislation revised down revenue and expenditure estimates for 2020, widened the fiscal balance and adjusted the composition of spending by sectors and economic line items. Crucially, the amended budget legislation introduced the following temporary measures¹⁰⁴ to support businesses and livelihoods: (i) property tax holiday for all individuals (from May 1, 2020 until September 1, 2020); and (ii) income tax rate for individual deposits in financial institutions is reduced by 50% in accordance with Article 127 of the Tax Code of the Republic of Tajikistan (from June 1, 2020 until December 31, 2020). In the meantime, the government had not introduced adjustments to unemployment schemes (benefits), temporary wage subsidies or temporary subsidies for employer liability benefits.

In response to COVID-19, the Government of the Republic of Tajikistan has extended coverage of its Targeted Social Assistance (TSA) programme to new beneficiaries and introduced a new monetary benefit (i.e. one-time social assistance) for existing contributors. In particular, the government provided direct financial support through TSA. The TSA programme was expanded to at least 207,000 poor households (HHs), of which at least 30% were headed by women, and all 68 municipalities across the country.¹⁰⁵ As a comparison, the March 2020 baseline included 100,000 HHs in 40 municipalities.

Furthermore, the Government of the Republic of Tajikistan disbursed one-time social assistance in the amount of 400 somoni per HH through the TSA to more than 390,000 low-income HHs, lonely elderly people, disabled, orphans and financially disadvantaged refugees. The government allocated 168.6 million somoni for one-time social assistance, of which 156 million somoni were received by beneficiary HHs in the following way: 35% in Khatlon region, 31% in Soghd region, 23% in DRS, 7% in Dushanbe and 4% in GBAO. The MoHSPP reported that 421,437 HHs received one-time social assistance of 400 somoni per person/HH by December 31, 2020, including:

- Recipients of social pensions – 42,231 recipients;
- People with disabilities – 151,080 recipients;
- Orphans, children without parent(s) or guardian(s) and children from labour migrant families who temporarily do not receive assistance from their parent(s) or guardian(s) – 77,982 recipients;
- Children with disabilities under 16 years old with HIV/AIDS – 987 recipients;
- Low-income households/persons – 163,781 recipients; and
- Financially disadvantaged refugees – 300 recipients.

Most health workers received supplemental pay to their monthly wages, while tariff increases on utility services (e.g. electricity, water and communal payments) had been postponed until the end of FY'2020. The government had also provided free medical care to individuals (citizens) who were placed under medical treatment and COVID-19 patients, as well as sick leave and compensation benefits for state employees. There were a number of other important temporary measures, which were introduced by the government to support struggling (and at-risk) businesses, financial institutions and individual taxpayers.

Following the Decree of the President of the Republic of Tajikistan 'On Prevention of Impact of Infectious Disease COVID-19 on the Socio-Economic Fields of the Republic of Tajikistan' (#1544 dated June 5, 2020), the full list of measures introduced by the government is provided in Annex 5.

¹⁰³ Law of the Republic of Tajikistan 'On the State Budget of the Republic of Tajikistan for 2020.' (#1693 dated July 4, 2020).

¹⁰⁴ All of these measures have become retrospectively effective from April 1, 2020.

¹⁰⁵ Resolution of the Government of the Republic of Tajikistan #271 dated May 14, 2020.

▶ ANNEX 1: Population trends by age groups, 2010–2020

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Population, total	7,564,800	7,621,184	7,807,218	7,987,413	8,161,118	8,352,014	8,551,240	8,742,843	8,931,195	9,126,557	9,313,767
Less than 1 year	195,609	239,234	220,800	215,665	206,187	226,692	235,056	227,887	222,102	228,995	232,298
1 years old	198,305	215,374	238,193	220,083	214,930	205,415	225,873	234,343	227,243	221,600	228,516
2 years old	193,206	204,092	215,130	237,896	219,872	214,714	205,142	225,631	234,131	227,043	221,421
3 years old	179,471	184,745	203,940	215,129	237,778	219,724	214,586	205,011	225,519	234,062	226,938
4 years old	174,388	172,922	184,653	203,815	215,016	237,680	219,633	214,508	204,954	225,450	233,994
5 years old	171,769	171,836	172,857	184,540	203,747	214,953	237,585	219,563	214,446	204,914	225,415
6 years old	168,736	170,327	171,775	172,791	184,479	203,703	214,872	237,502	219,510	214,413	204,880
7 years old	166,897	161,966	170,275	171,722	172,742	184,430	203,621	214,794	237,463	219,502	214,355
8 years old	161,935	166,947	161,905	170,226	171,685	172,695	184,375	203,578	214,749	237,413	219,453
9 years old	158,699	155,717	166,892	161,840	170,183	151,643	172,657	184,322	203,538	214,722	237,358
10 years old	172,655	186,517	155,634	166,856	161,794	170,122	171,572	172,598	184,296	203,517	214,684
11 years old	177,447	177,236	186,458	155,570	166,807	161,748	170,071	171,518	172,569	184,258	203,471
12 years old	169,671	172,005	177,183	186,410	155,530	166,769	161,694	170,016	171,485	172,550	184,232
13 years old	162,843	170,945	171,954	177,136	186,361	155,489	166,717	161,642	169,986	171,458	172,508
14 years old	183,421	164,705	170,881	171,895	177,090	186,314	155,429	166,667	161,600	169,962	171,417
15 years old	180,147	183,179	164,643	170,823	171,837	177,037	186,261	155,380	166,610	161,580	169,924
16–19 years old	688,812	680,404	692,120	686,125	697,032	688,478	681,565	704,676	689,357	683,746	669,091

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
20–24 years old	833,161	844,903	853,863	855,274	845,294	855,505	854,970	848,102	848,181	860,694	855,133
25–29 years old	645,926	655,509	701,044	743,591	779,240	807,324	836,551	845,061	847,514	838,413	847,295
30–34 years old	506,485	508,263	524,373	551,258	581,453	611,796	648,710	693,873	736,612	772,329	798,633
35–39 years old	443,800	439,305	450,175	456,116	467,849	482,207	501,893	517,882	544,827	574,914	603,670
40–44 years old	393,705	398,786	405,603	416,661	419,617	429,615	433,426	444,177	450,232	461,773	475,310
45–49 years old	366,377	361,656	368,997	372,871	379,573	382,860	393,151	399,611	410,802	413,577	423,032
50–54 years old	270,226	290,530	308,462	324,876	340,098	353,382	353,998	361,563	365,574	372,252	375,273
55–59 years old	179,414	181,840	198,627	211,320	232,437	250,406	280,058	297,663	313,897	329,037	342,154
60–64 years old	100,321	115,646	125,666	138,389	149,877	162,969	169,862	186,358	198,480	218,629	235,748
65 years old and above	286,209	246,595	245,115	248,535	252,610	278,344	271,912	278,917	295,518	309,754	327,564
Below 15 years old											
Below 15 years old	2,815,199	2,897,747	2,933,173	2,982,397	3,016,038	3,049,128	3,125,144	3,164,960	3,230,201	3,291,439	3,360,864
Men	1,339,226	1,393,800	1,422,777	1,445,497	1,465,006	1,473,423	1,520,784	1,559,644	1,590,767	1,628,105	1,664,079
Women	1,295,826	1,320,768	1,345,753	1,366,077	1,379,195	1,398,668	1,418,099	1,449,936	1,472,824	1,501,754	1,526,861
Below 30 years old											
Below 30 years old	4,983,098	5,078,563	5,180,200	5,267,387	5,337,604	5,400,435	5,498,230	5,562,799	5,615,253	5,674,292	5,732,383
Men	2,549,571	2,587,340	2,640,690	2,686,637	2,725,854	2,752,876	2,817,725	2,855,495	2,887,523	2,920,865	2,956,078
Women	2,433,527	2,491,223	2,539,510	2,580,750	2,611,750	2,647,559	2,680,505	2,707,304	2,727,730	2,753,427	2,776,305
15–64 years old (adults)											
15–64 years old (adults)	4,608,374	4,660,021	4,793,573	4,927,304	5,064,307	5,201,579	5,340,445	5,454,346	5,572,086	5,686,944	5,795,263
65–years and above											
65–years and above	286,209	246,595	245,115	248,535	252,610	278,344	271,912	278,917	295,518	309,754	327,564

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Population, total	7,564,800	7,621,184	7,807,218	7,987,413	8,161,118	8,352,014	8,551,240	8,742,843	8,931,195	9,126,557	9,313,767
Men	3,855,140	3,846,049	3,941,552	4,033,487	4,124,227	4,224,614	4,329,237	4,429,473	4,528,631	4,627,297	4,724,050
Women	3,674,495	3,775,135	3,865,666	3,953,926	4,036,891	4,127,400	4,222,003	4,313,370	4,402,564	4,499,260	4,589,717
Urban areas (in %)	26.5	26.5	26.4	26.4	26.6	26.5	26.4	26.3	26.4	26.1	26.2
Rural areas (in %)	73.5	73.5	73.6	73.6	73.4	73.5	73.6	73.7	73.6	73.9	73.8
GBAO (in %)	2.7	2.7	2.7	2.6	2.6	2.6	2.5	2.5	2.5	2.5	2.5
Soghd region (in %)	29.6	29.5	29.4	29.4	29.4	29.4	29.4	29.3	29.2	29.1	29.1
Khatlon region (in %)	35.4	35.4	35.4	35.5	35.5	35.6	35.6	35.7	35.8	35.9	35.9
Dushanbe (in %)	9.6	9.6	9.6	9.6	9.5	9.4	9.4	9.3	9.3	9.3	9.3
DRS (in %)	22.8	22.8	22.9	22.9	23.0	23.0	23.1	23.1	23.2	23.2	23.3
Median age (in years)	21.5	21.4	21.8	22.0	22.0	22.3	22.6	23.1	23.2	23.5	23.6
Mean age (in years)	25.3	24.9	25.0	25.2	25.4	25.6	25.7	25.9	26.1	26.3	26.5
Life expectancy at birth	72.5	72.5	72.8	73.4	73.4	73.6	73.7	74.9	75.0	75.1	...
Men	70.8	70.9	71.1	71.6	71.6	71.8	71.9	73.0	73.3	73.5	...
Women	74.4	74.1	74.6	75.3	75.4	75.6	75.7	76.9	76.9	76.8	...
Total fertility rate (TFR)	2.905	2.766	2.611	2.616	2.980	3.064	2.930	2.830	2.495	2.433	...

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Registered labour migration	736,446	750,070	739,017	793,447	669,090	449,581	517,308	487,757	484,176	530,883	...
Men	656,814	663,337	652,002	693,353	562,990	392,141	435,457	419,721	419,664	453,870	...
Women	79,632	86,733	87,015	100,094	106,100	57,440	81,851	68,036	64,512	77,013	...
Below 18 years old	39,617	56,407	40,935	23,681	2,129	23,910	1,101	101	61	36	...
18–29 years old	380,210	359,456	379,299	314,684	259,973	208,368	208,157	190,544	194,036	219,782	...
30–59 years old	306,573	316,361	308,800	450,778	406,626	207,794	308,002	297,112	290,079	311,065	...
60 years and above	10,046	17,846	9,983	4,304	362	9,509	48	0	0	0	...
Crude births (per 1,000 people)	31.7	29.1	27.8	25.9	27.8	28.1	26.6	25.4	25.6	25.4	...
Urban areas	27.2	27.0	25.6	23.6	25.0	23.7	22.3	22.2	22.4	24.0	...
Rural areas	33.2	29.8	28.5	26.8	28.8	29.7	28.1	26.5	26.7	25.9	...
Crude deaths (per 1,000 people)	4.4	4.4	4.3	3.9	4.0	4.0	3.9	3.6	3.6	3.6	...
Urban areas	5.0	4.8	5.0	4.7	4.5	4.5	4.4	4.1	4.2	4.4	...
Rural areas	4.2	4.2	4.0	3.6	3.8	3.8	3.8	3.5	3.4	3.3	...
Marriages	100,759	94,730	97,653	96,989	95,537	76,956	72,499	78,638	82,647	80,293	...
Urban areas	25,624	25,068	25,115	25,306	25,757	19,810	18,378	20,184	21,086	23,069	...
Rural areas	75,135	69,662	72,538	71,683	69,780	57,146	54,121	58,454	61,561	57,224	...

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Divorces	6,019	6,762	7,417	7,920	9,037	8,346	8,845	10,053	10,976	12,469	...
Urban areas	3,181	2,811	2,973	3,264	3,279	3,366	3,557	3,870	5,081	6,283	...
Rural areas	2,838	3,951	4,444	4,656	5,758	4,980	5,288	6,183	5,895	6,186	...
Divorces	6,019	6,762	7,417	7,920	9,037	8,346	8,845	10,053	10,976	12,469	...
Families w/o children	3,741	4,384	4,959	5,944	6,566	6,328	6,850	7,192	6,621	7,773	...
Families with at least one child	2,278	2,378	2,458	1,976	2,471	2,018	1,995	2,861	4,355	4,696	...
With one child	1,177	1,225	1,297	1,090	1,295	1,034	1,087	1,380	2,271	2,282	...
With two or more children	1,101	1,153	1,161	886	1,176	984	908	1,481	2,084	2,414	...
Average age at marriage											
Men	26.3	27.1	26.7	26.3	26.2	26.2	26.0	26.2	26.1	26.4	...
Women	22.5	23.2	22.7	22.8	22.3	22.2	22.2	21.9	21.7	22.2	...
Average age at first marriage											
Men	25.9	26.7	26.4	25.7	25.9	25.8	25.8	26.0	25.5	26.2	...
Women	22.3	23.1	22.6	22.6	22.3	22.1	22.0	21.8	21.6	22.1	...
Average marriage duration (months)	9.4	9.1	9.0	8.7	8.8	8.8	8.9	9.2	9.1	10.7	...

Source: Agency for Statistics under the President of the Republic of Tajikistan.

► ANNEX 2: Key labour market and pension indicators, 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Labour market indicators										
Labour force, total (annual average)	4,530	4,664	4,796	4,859	4,983	5,111	5,225	5,326	5,427	5,521
Economically active population	2,280	2,303	2,347	2,362	2,382	2,437	2,439	2,460	2,478	2,514
Total employment	2,233	2,249	2,291	2,307	2,325	2,380	2,385	2,407	2,426	2,463
Officially registered unemployment	47	54	56	55	56	57	54	53	52	51
Economically inactive population	2,250	2,361	2,449	2,497	2,601	2,674	2,786	2,866	2,949	3,007
Students	557	574	541	554	592	602	615	632	638	647
Employment by ownership type										
Total employment	2,233.3	2,249.3	2,291.5	2,307.3	2,325.5	2,379.7	2,385.3	2,407.0	2,425.5	2,463.4
Public entities, including SOEs	432.9	440.2	443.8	433.0	444.6	441.5	456.1	470.3	484.5	490.7
Private entities	1,406.6	1,436.2	1,478.8	1,461.0	1,486.6	1,588.6	1,578.9	1,594.1	1,728.9	1,752.4
Collective ownership	371.1	351.6	347.7	387.2	368.4	323.8	325.8	317.4	207.8	216.0
Mixed ownership with foreign capital	16.2	20.4	19.5	20.6	20.6	18.5	18.4	19.0	4.3	4.3
Mixed ownership without foreign capital	6.5	0.9	1.7	5.5	5.3	7.3	6.1	6.2	0.0	0.0
Registered unemployment										
Registered unemployment, total	48,145	54,487	52,342	53,870	55,502	51,122	53,087	49,662	47,522	48,967
Men	22,674	26,316	25,551	26,773	26,760	23,809	25,728	24,190	24,960	27,080
Women	25,471	28,171	26,791	27,097	28,742	27,313	27,359	25,472	22,562	21,887
Aged 15-29	27,743	31,992	31,742	33,160	33,567	30,882	31,744	29,334	29,340	30,413
In rural areas	31,812	37,391	37,648	39,380	40,566	37,310	38,751	37,203	37,243	34,838

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
In % of total registered unemployment:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
With incomplete secondary education (in %)	41.6	42.4	58.5	60.1	62.2	60.5	62.5	62.0	65.3	64.9
With complete secondary education (in %)	32.2	31.2	15.7	17.1	15.9	17.0	15.3	15.9	14.3	14.1
With vocational education (in %)	21.0	20.7	18.2	15.8	14.4	14.5	15.3	15.1	13.3	12.9
With higher professional education (in %)	5.2	5.7	7.6	7.1	7.6	8.0	7.0	7.0	7.2	8.2
Demand for work (based on data from LECs)	10,473	11,694	11,973	11,280	10,335	7,275	9,224	7,998	8,982	10,201
Blue-collar jobs	3,881	5,503	6,267	6,318	5,184	3,184	2,870	3,496	3,873	4,975
White-collar jobs	6,592	6,191	5,706	4,962	5,151	4,091	6,354	4,502	5,109	5,226
<i>of which:</i> industry	1,533	2,431	2,928	3,050	2,197	1,713	1,094	1,382	1,622	2,396
<i>of which:</i> agriculture	681	478	535	443	647	669	536	489	308	372
<i>of which:</i> transport and communications	213	346	220	194	338	177	460	569	617	274
<i>of which:</i> construction	565	805	811	1,323	1,305	124	191	279	509	528
<i>of which:</i> trade	172	299	223	91	264	277	83	121	68	302
<i>of which:</i> housing and communal services	480	721	691	545	401	208	198	233	360	593
<i>of which:</i> personal services to population	27	86	34	74	57	67	801	56	25	142
<i>of which:</i> science and research	0	5	6	3	0	1	10	23	0	10
<i>of which:</i> health care	4,021	3,511	2,872	2,481	2,598	2,126	2,797	1,879	1,965	2,133
<i>of which:</i> education	1,395	1,412	1,273	818	830	674	1,632	736	869	992
<i>of which:</i> culture and arts	169	114	165	115	181	87	32	126	141	138

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<i>of which:</i> public administration	34	82	70	121	65	93	50	85	100	352
<i>of which:</i> other sectors	1,183	1,404	2,145	2,022	1,452	1,023	1,340	2,020	2,398	1,969
Average time for job search, total	8.1	7.0	7.6	7.6	7.8	7.7	8.3	8.4	8.3	8.0
Women	8.4	7.2	7.8	7.5	7.8	7.5	7.9	7.9	7.9	7.8
Aged 15-29	9.0	6.8	7.6	8.1	8.0	7.1	7.3	9.1	9.0	7.3
In rural areas	8.4	7.6	8.0	8.0	8.2	8.0	8.9	9.1	8.6	8.5
Minimum monthly salary, economy (in somoni)	80.0	80.0	200.0	250.0	250.0	250.0	400.0	400.0	400.0	400.0
Average monthly salary, economy (in somoni)	354.4	442.1	555.3	694.9	816.3	878.9	962.2	1,144.2	1,233.8	1,335.5
GBAO	277.2	349.3	478.9	587.3	672.0	701.5	796.2	917.0	1,034.7	1,200.4
Soghd region	258.8	331.3	429.5	552.8	645.7	696.8	774.2	1,012.9	1,072.3	1,182.7
Khatlon region	233.0	300.0	365.1	503.9	615.2	645.1	714.1	843.4	913.3	998.5
Dushanbe	717.3	885.3	1,074.7	1,246.1	1,402.7	1,526.6	1,619.5	1,800.5	1,935.3	2,040.5
DRS	347.1	405.2	542.1	634.3	756.9	832.2	901.8	968.6	1,038.2	1,120.1
Average monthly salary, economy (in somoni)	354.4	442.1	555.3	694.9	816.3	878.9	962.2	1,144.2	1,233.8	1,335.5
Men	537.6	644.9	874.1	1,022.5	...	...	1,346.5	1,446.4	1,711.1	1,623.4
Women	301.2	316.9	514.2	646.8	...	...	861.4	866.6	1,020.4	1,039.8

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pensioners and pensions										
Minimum monthly pension receipt (in somoni)	80.0	80.0	104.0	130.0	130.0	130.0	156.0	156.0	180.0	180.0
Average monthly pension receipt (in somoni)	125.2	152.3	181.8	228.3	230.1	228.2	272.1	270.7	309.9	303.2
Old-age pensions	119.0	141.9	176.5	227.0	237.3	234.8	282.4	282.9	328.3	322.9
Invalidity pensions - work injury	155.2	309.9	201.2	249.7	253.1	258.4	299.6	310.7	359.1	357.7
Invalidity pensions - serious illness	175.6	254.5	200.5	500.5	510.5	484.0	557.0	569.6	617.7	628.1
Invalidity pensions - general illness	169.4	210.4	251.1	308.0	300.6	301.9	356.9	358.2	404.4	396.6
Survivor pensions	144.4	183.6	197.7	251.3	250.2	242.3	304.5	300.2	354.6	345.7
Social pensions	69.2	91.3	99.4	121.9	124.4	125.9	145.7	145.6	168.2	167.8
Pensioners, total (in '000 persons)	569.8	592.0	596.6	610.9	603.6	617.4	642.8	664.8	687.1	711.2
Men	230.4	235.8	240.5	254.8	223.7	237.8	231.8	238.9	251.4	268.0
Women	339.4	356.2	356.1	356.1	379.9	379.6	411.0	425.9	435.7	443.2
Pensioners, total (in '000 persons)	569.8	592.0	596.6	610.9	603.6	617.4	642.8	664.8	687.1	711.2
Old-age pensions	337.2	349.3	357.5	368.8	377.3	390.6	410.3	425.1	442.6	458.8
Invalidity pensions	98.6	102.3	101.5	101.0	82.7	76.4	74.2	72.0	67.2	67.1
Survivor pensions	46.3	45.1	44.1	41.7	37.9	36.1	33.3	32.6	31.3	29.6
Seniority pensions	3.1	3.5	3.9	3.9	3.9	4.3	5.0	5.3	4.8	4.3
Social pensions	85.1	91.5	89.6	95.5	97.9	106.2	116.5	126.5	137.9	148.4
Other categories of pensioners	0.0	0.3	0.0	0.0	3.9	3.8	3.5	3.3	3.3	3.0

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Working pensioners, total (in '000 persons)	35.0	37.2	37.3	36.1	33.7	31.5	48.1	45.1	42.3	39.0
Children with disabilities receiving pension (<18)	24.0	30.1	26.2	24.5	25.0	23.7	24.9	25.9	27.3	28.6
Other human development indicators										
Human Development Index (HDI) – score	0.634	0.637	0.642	0.646	0.645	0.645	0.647	0.651	0.656	...
Human Development Index (HDI) – rank	193	194	192	192	195	196	127	127	125	...
Corruption Perceptions Index (CPI) – score	21	23	22	22	23	26	25	21	25	...
Corruption Perceptions Index (CPI) – rank	154	152	157	174	152	136	151	161	152	...
Population below national poverty line (in %)	45.0	41.0	38.2	34.3	32.0	31.3	30.3	29.5	27.4	...

Source: Agency for Statistics under the President of the Republic of Tajikistan.

▶ ANNEX 3: Public resources in social protection (outturn), 2015–2020

	2015	2016	2017	2018	2019	2020
General government revenues (in million somoni)						
Aggregate revenues and grants, total	16,505.7	18,483.8	19,955.5	23,925.5	23,469.4	24,305.2
State budget revenues and grants, total	12,435.2	12,636.4	14,694.9	16,684.8	17,800.8	18,356.3
Government revenues (tax and non-tax)	12,025.2	12,636.4	14,525.3	16,584.1	17,800.8	17,250.0
Tax revenues	10,613.4	11,188.4	13,099.7	14,564.9	15,775.4	15,356.5
Social insurance contributions (social tax)	1,335.8	1,326.7	1,489.4	1,638.0	1,706.2	1,676.7
Non-tax revenues	1,411.8	1,448.0	1,425.6	2,019.2	2,025.4	1,893.5
Return of unused grants and loans	80.6	76.2	99.3	83.4	21.0	0.0
Grants	410.0	0.0	169.6	100.7	0.0	1,106.3
Special funds of public entities	918.2	2,223.0	2,213.7	2,799.8	2,170.6	1,852.9
Externally-financed Public Investment Program (PIP)	2,853.3	3,193.5	2,581.0	3,582.7	3,168.1	3,652.3
Remaining balance	298.9	430.8	465.9	858.2	329.9	443.7
State budget revenues and grants, total	100.0	100.0	100.0	100.0	100.0	100.0
<i>of which:</i> republican budget	43.9	38.9	45.5	41.6	43.4	43.7
<i>of which:</i> sub-national budgets	53.7	61.1	53.7	58.0	56.6	51.8
Tax revenues	100.0	100.0	100.0	100.0	100.0	100.0
<i>of which:</i> republican budget	51.7	52.4	53.4	54.7	52.6	51.3
<i>of which:</i> sub-national budgets	48.3	47.6	46.6	45.3	47.4	48.7

	2015	2016	2017	2018	2019	2020
General government expenditures (in million somoni)						
Total public spending (with special funds and PIP), total	16,277.4	18,294.3	22,264.2	24,187.4	23,806.6	24,925.5
Total public spending (with special funds and PIP), subtotal	16,185.1	18,247.9	22,190.9	24,045.5	23,665.3	24,925.5
Public administration and governance	1,521.1	1,556.8	1,651.2	1,647.0	1,423.2	1,335.1
Defence	556.3	642.7	712.9	771.1	788.7	756.2
Law enforcement and prosecution	719.5	735.5	833.9	905.9	1,056.9	1,080.8
Education	2,539.3	3,093.8	3,572.7	3,702.6	4,338.6	4,429.7
Health	1,037.2	1,159.5	1,385.2	1,538.1	1,793.4	2,592.4
Social assistance and social protection	2,637.4	2,734.0	3,057.6	3,156.8	3,515.0	3,859.1
Housing and communal services, forestry	1,183.3	1,286.4	922.5	1,154.9	1,255.2	1,426.1
Culture and sport	574.3	591.6	753.5	744.1	945.9	988.4
Fuel and energy complex	2,923.1	3,722.6	6,280.4	6,471.6	4,674.3	4,977.4
Agriculture, fishery and hunting	353.4	451.0	689.4	571.5	632.4	617.7
Industry and construction	429.2	217.6	158.0	141.9	193.0	171.7
Transport and communications	987.0	948.3	1,074.9	1,292.0	1,196.0	1,045.5
Other economic activity and services	25.3	23.9	40.6	54.0	71.1	224.2
Expenditures not indicated in other categories	698.6	1,084.3	1,058.3	1,893.9	1,781.6	1,421.2
Other categories	92.3	46.4	73.3	141.9	141.4	n/a
Total public spending	16,277.4	18,294.3	22,264.2	24,187.4	23,806.6	24,925.5
Core budget expenditures	11,641.7	12,569.4	17,087.5	17,927.3	17,496.0	19,255.7

	2015	2016	2017	2018	2019	2020
Republican budget	7,188.3	7,555.1	11,573.3	11,698.9	10,753.1	11,529.1
<i>of which:</i> Social assistance and social protection (w/o ASIP)	479.9	365.6	387.0	402.7	439.4	726.9
Sub-national budgets	4,517.6	5,083.8	5,596.5	6,296.2	6,787.8	7,084.5
<i>of which:</i> Social assistance and social protection	41.8	39.2	40.1	44.2	56.8	52.7
Special funds of public entities	1,382.8	2,132.1	2,677.1	2,038.5	2,411.5	2,017.5
Externally-financed Public Investment Program (PIP)	3,252.9	3,592.9	2,499.6	4,221.5	3,899.1	3,652.3
Total public spending (with special funds and PIP), total						
	16,277.4	18,294.3	22,264.2	24,187.4	23,806.6	24,925.5
Total public spending, subtotal						
	16,185.1	18,247.9	22,190.9	24,045.5	23,665.3	24,925.5
Recurrent expenditure	11,992.3	13,071.5	13,860.1	16,059.7	17,049.9	18,433.0
<i>of which:</i> Labour compensation (wage bill)	3,351.6	3,791.1	4,355.7	4,656.9	5,215.5	5,638.4
<i>of which:</i> Purchase of goods and services	5,541.7	5,837.8	5,534.7	6,775.3	6,850.1	7,417.8
<i>of which:</i> Fuel and energy supplies	115.4	108.6	121.8	152.8	182.6	178.3
<i>of which:</i> Recurrent repairs	833.6	626.1	735.0	810.9	930.0	775.7
<i>of which:</i> Utility services	141.1	152.0	185.2	239.9	284.8	325.2
<i>of which:</i> Communication expenditures	63.0	70.1	84.1	95.9	113.4	121.0
<i>of which:</i> Interest payments	537.0	776.1	819.8	1,354.5	1,348.4	986.2
<i>of which:</i> Expenditure on subsidies	101.5	111.2	143.2	126.2	150.3	193.3
<i>of which:</i> To financial and non-financial SOEs	101.4	111.2	143.2	126.2	150.3	193.3
<i>of which:</i> To private sector	0.0	0.0	0.0	0.0	0.0	0.0
<i>of which:</i> Expenditure for social support and allowances	178.0	184.4	222.2	263.3	278.9	505.9

	2015	2016	2017	2018	2019	2020
<i>of which:</i> Social protection allowances	0.4	0.0	0.0	0.0	0.0	0.2
<i>of which:</i> Social assistance	177.7	184.4	222.2	263.3	278.9	505.7
<i>of which:</i> Other expenditures	2,189.7	2,338.0	2,663.1	2,809.3	3,089.6	3,398.7
<i>of which:</i> Various other expenditures	2,130.0	2,279.1	2,602.7	2,746.3	3,012.7	3,322.7
<i>of which:</i> Scholarships	58.6	68.2	78.3	85.3	92.4	90.9
<i>of which:</i> Pensions	1,953.9	2,100.3	2,412.7	2,541.6	2,793.2	2,898.4
<i>of which:</i> Compensation for food products	23.3	24.0	24.3	26.0	26.2	30.7
<i>of which:</i> Compensation in exchange for material property	9.8	10.7	10.4	12.0	14.6	19.6
<i>of which:</i> One-time compensation payments	44.9	30.7	32.7	36.1	40.4	36.6
Capital expenditure	4,192.8	5,176.4	8,330.8	7,985.8	6,615.3	6,492.5
<i>of which:</i> New construction	3,518.9	4,302.3	7,622.2	6,901.1	5,871.5	5,443.5
<i>of which:</i> Vehicles and equipment	550.5	624.2	654.0	832.6	512.7	815.7
Return of short-term loans and other funds	0.8	0.0	0.0	65.8	99.8	
Contributions to the Stabilization Fund of the Government	81.5	39.2	61.8	66.2	34.3	
Contributions to special fund for construction of priority projects	10.1	7.3	11.5	9.9	7.3	
Budget of the Agency for Social Insurance and Pensions, ASIP (in million somoni)						
Total expenditure	1,981.2	2,133.9	2,456.8	2,600.8	2,861.9	2,937.8
Recurrent expenditure	1,975.2	2,129.8	2,452.2	2,597.6	2,854.4	...
<i>of which:</i> Labour compensation (wage bill)	13.0	14.4	13.4	13.7	14.9	...
<i>of which:</i> Purchase of goods and services	7.0	7.0	8.2	7.9	6.9	...
<i>of which:</i> Fuel and energy supplies	0.9	0.4	0.0	0.2	0.1	...

	2015	2016	2017	2018	2019	2020
<i>of which:</i> Recurrent repairs	1.1	0.9	1.7	0.9	1.6	...
<i>of which:</i> Utility payments	2.2	0.6	0.6	0.6	0.6	...
<i>of which:</i> Communication payments	0.4	0.4	0.5	0.5	0.6	...
<i>of which:</i> Expenditure on social security benefits and allowances	124.8	129.7	142.6	161.8	180.5	...
<i>of which:</i> Social benefits	124.8	129.7	142.6	161.8	180.5	...
<i>of which:</i> Social assistance benefits	124.8	129.7	142.6	161.8	180.5	...
<i>of which:</i> Other expenditure	1,830.4	1,978.5	2,287.8	2,414.0	2,648.4	...
<i>of which:</i> Asset-related expenditure (excluding interest)	0.0	0.0	0.0	0.0	0.0	...
<i>of which:</i> Other various expenditure	1,830.4	1,978.5	2,287.8	2,414.0	2,648.4	...
<i>of which:</i> Stipends	2.0	1.6	1.9	2.1	1.9	...
<i>of which:</i> Pensions	1,791.6	1,933.4	2,246.1	2,367.8	2,602.4	2,676.3
<i>of which:</i> One-time allowances	0.0	0.0	0.0	0.1	0.1	...
<i>of which:</i> Transfers not indicated in other categories	36.8	43.5	39.7	44.0	43.9	...
Capital expenditure	6.0	4.2	4.6	3.2	7.5	...
<i>of which:</i> New construction	2.5	2.5	2.5	1.9	5.2	...
<i>of which:</i> Vehicles and equipment	3.5	0.3	2.0	1.2	1.5	...
Total expenditure	2,379.1	2,634.4	2,657.3	2,730.8	...	...
GBAO	100.2	114.7	119.3	123.9	...	...
Khatlon region	650.6	740.1	763.9	808.6	...	...
Soghd region	598.2	686.5	696.0	757.1	...	...

	2015	2016	2017	2018	2019	2020
Dushanbe (city)	255.1	310.1	296.7	316.7	...	...
Vahdat (city)	57.8	68.9	81.6	76.0	...	...
Rogun (city)	10.6	12.5	13.4	14.2	...	...
Tursunzoda (city)	63.9	78.2	76.9	85.3	...	...
Varzob (district)	18.1	20.9	21.4	23.5	...	...
Rasht (district)	21.6	23.9	24.5	26.1	...	...
Hissor (district)	51.0	59.6	60.9	64.1	...	...
Lahsh (district) - formerly known as Jirgatol district	15.3	15.9	16.6	17.1	...	...
Nurobod (district)	15.3	17.1	17.5	17.9	...	...
Rudaki (district)	68.1	78.9	82.7	87.9	...	...
Sangvor (district) - formerly known as Tavildara district	5.0	5.5	5.3	5.6	...	...
Tojikobod (district)	8.1	9.0	8.4	8.8	...	...
Fayzobod (district)	16.7	20.1	21.0	22.2	...	...
Shahrinav (district)	23.4	27.7	27.9	30.5	...	...
Subventions from the republican budget	400.0	345.1	323.4	245.2	...	...
Public spending on the social protection sector (in million somoni)						
Total expenditure, social protection (with special funds and PIP), total	2,502.9	2,739.3	3,057.6	3,159.3	3,510.6	3,878.2
Total expenditure, social protection (w/o special funds and PIP), subtotal	2,419.9	2,538.8	2,883.9	3,043.9	3,358.2	3,723.8
Total expenditure, social protection (w/o ASIP; w/o special funds and PIP), subtotal	438.8	404.8	427.1	443.1	496.3	786.0
6.1. Social insurance	275.1	231.8	241.0	255.6	292.5	496.1
6.1.1. State pension programmes	160.2	163.5	163.0	170.0	186.0	315.2

	2015	2016	2017	2018	2019	2020
6.1.2. Sickness, maternity or temporary disability benefits	0.0	0.0	0.0	0.0	0.2	0.0
6.1.3. Old age benefits	0.2	0.1	0.1	0.0	0.0	0.0
6.1.4. Disability benefits	0.5	0.0	0.0	0.0	0.0	0.0
6.1.5. Survivor benefits	0.1	0.0	0.4	0.7	1.0	0.9
6.1.6. Unemployment benefits	25.9	27.0	29.4	28.9	38.6	36.4
6.1.7. Benefits for large families and children	70.7	28.0	33.7	38.6	45.4	124.3
6.1.8. Other benefits for the population	17.4	13.1	14.5	17.4	21.4	19.3
6.2. Social protection	52.0	53.6	62.4	69.5	79.8	83.1
6.2.1. Institutions for children	13.6	11.2	15.2	18.5	19.7	20.4
6.2.2. Institutions for adults	8.0	11.9	13.9	14.9	17.7	18.6
6.2.3. Institutions for elderly	12.2	10.9	12.3	12.7	14.0	14.9
6.2.4. Health resorts and clinics	5.3	5.1	4.9	4.1	7.2	8.4
6.2.5. Other institutions in social protection	10.9	12.1	13.8	16.7	16.7	17.0
6.2.6. Social protection not indicated in other categories	2.0	2.5	2.3	2.5	4.5	3.7
6.3. Other activity in the social protection sector	111.6	119.5	123.7	117.9	124.1	206.9
6.3.1. Governance and supervision in the social protection sector	19.9	20.3	25.3	26.5	28.8	26.8
6.3.2. Applied and experimental research in social protection	0.5	0.6	0.6	0.6	0.7	0.7
6.3.3. Other non-categorized activities in social protection	91.2	98.6	97.8	90.8	94.6	179.4
Total expenditures of the Agency for Social Insurance and Pensions (ASIP)	1,981.2	2,133.9	2,456.8	2,600.8	2,861.9	2,937.8
Special funds of public entities	83.0	197.5	172.4	112.1	142.7	149.6
Externally-financed Public Investment Program (PIP)	0.0	3.0	1.3	3.3	9.7	4.7

	2015	2016	2017	2018	2019	2020
Total expenditure, social protection (w/o ASIP; w/o special funds and PIP)	272.8	404.8	427.1	443.1	496.3	786.0
Recurrent expenditure	265.1	396.8	417.2	433.0	483.3	776.1
<i>of which:</i> Labour compensation (wage bill)	39.0	44.6	47.1	55.5	56.6	59.4
<i>of which:</i> Purchase of goods and services	17.6	126.1	129.2	132.1	141.4	224.9
<i>of which:</i> Fuel and energy supplies	0.9	0.8	0.9	0.9	0.9	0.8
<i>of which:</i> Recurrent repairs	3.1	1.6	2.1	3.1	4.9	4.9
<i>of which:</i> Utility payments	2.7	2.5	3.0	3.2	4.2	4.3
<i>of which:</i> Communication payments	0.5	0.5	0.6	0.7	0.7	0.8
<i>of which:</i> Expenditure on social security benefits and allowances	100.6	35.6	42.8	51.0	60.8	254.2
<i>of which:</i> Social benefits	100.6	35.6	42.8	51.0	60.8	254.1
<i>of which:</i> Social assistance benefits	100.6	35.6	42.8	51.0	60.8	254.2
<i>of which:</i> Other expenditure	191.1	190.5	195.9	201.9	224.5	237.6
<i>of which:</i> Other various expenditure	191.0	190.5	195.8	201.9	224.5	237.6
<i>of which:</i> Scholarships	0.0	0.0	0.1	0.1	0.1	0.1
<i>of which:</i> Pensions	158.4	162.1	162.0	169.0	185.6	206.5
<i>of which:</i> One-time compensation payments	32.6	28.2	30.8	32.9	38.8	13.2
<i>of which:</i> Transfers not indicated in other categories	0.0	0.1	3.0	0.0	0.0	0.0
Capital expenditure	7.7	8.0	9.9	10.1	13.0	9.9
<i>of which:</i> New construction	3.0	3.5	5.8	6.2	7.4	5.0
<i>of which:</i> Vehicles and equipment	1.2	0.7	1.1	1.3	2.1	2.4

	2015	2016	2017	2018	2019	2020
Total expenditure, social protection (with ASIP budget; w/o special funds and PIP)	2,254.0	2,538.8	2,883.9	3,043.9	3,358.2	3,723.8
Recurrent expenditure	2,240.3	2,526.6	2,869.4	3,030.6	3,337.7	...
<i>of which:</i> Labour compensation (wage bill)	51.9	59.0	60.5	69.3	71.5	...
<i>of which:</i> Purchase of goods and services	24.5	133.1	137.5	140.0	148.3	...
<i>of which:</i> Fuel and energy supplies	1.8	1.2	1.0	1.1	1.1	...
<i>of which:</i> Recurrent repairs	4.2	2.5	3.8	4.1	6.5	...
<i>of which:</i> Utility payments	4.9	3.1	3.6	3.8	4.8	...
<i>of which:</i> Communication payments	0.8	0.9	1.1	1.2	1.3	...
<i>of which:</i> Expenditure on social security benefits and allowances	225.4	165.3	185.4	212.7	241.2	...
<i>of which:</i> Social benefits	225.4	165.3	185.4	212.7	241.2	...
<i>of which:</i> Social assistance benefits	225.4	165.3	185.4	212.7	241.2	...
<i>of which:</i> Other expenditure	2,021.5	2,169.0	2,483.6	2,615.9	2,872.8	...
<i>of which:</i> Other various expenditure	2,021.5	2,169.0	2,483.6	2,615.9	2,872.8	...
<i>of which:</i> Scholarships	2.0	1.6	1.9	2.1	2.0	...
<i>of which:</i> Pensions	1,949.9	2,095.5	2,408.1	2,536.8	2,788.0	...
<i>of which:</i> One-time compensation payments	32.6	28.3	30.9	32.9	38.8	...
<i>of which:</i> Transfers not indicated in other categories	36.8	43.6	42.7	44.0	43.9	...
Capital expenditure	13.7	12.1	14.5	13.3	20.5	...
<i>of which:</i> New construction	5.5	6.0	8.3	8.1	12.6	...
<i>of which:</i> Vehicles and equipment	4.7	1.0	3.1	2.5	3.6	...

	2015	2016	2017	2018	2019	2020
Total expenditures, social protection (republican budget; w/o ASIP)	396.9	365.6	387.0	402.7	439.4	733.4
6.1. Social insurance	250.8	209.4	219.2	235.3	258.4	466.0
6.1.1. State pension programmes	159.9	163.4	162.9	169.7	186.0	314.9
6.1.6. Unemployment benefits	25.9	24.5	27.9	27.0	33.1	30.1
6.1.7. Benefits for large families and children	65.0	21.5	28.4	38.6	39.2	121.0
6.2. Social protection	34.7	36.9	44.5	49.8	57.1	60.5
6.2.1. Institutions for children	12.0	10.8	14.8	18.1	19.3	20.0
6.2.2. Institutions for adults	7.6	11.4	13.3	14.3	17.0	17.9
6.2.3. Institutions for elderly	6.0	6.3	7.1	7.1	8.3	8.7
6.2.4. Health resorts and clinics	4.4	3.5	3.7	4.1	5.8	5.9
6.2.5. Other institutions in social protection	3.5	3.4	3.7	4.2	4.4	5.4
6.2.6. Social protection not indicated in other categories	1.3	1.5	1.9	2.0	2.3	2.7
6.3. Other activity in the social protection sector	111.5	119.2	123.3	117.6	124.0	206.8
6.3.1. Governance and supervision in the social protection sector	19.7	20.1	24.9	26.3	28.7	26.7
6.3.2. Applied and experimental research in the social protection sector	0.5	0.6	0.6	0.6	0.7	0.7
6.3.3. Other non-categorized activities in the social protection sector	91.2	98.6	97.8	90.7	94.5	179.4
Nominal GDP (in million somoni)	48,402	54,471	61,094	68,844	77,355	82,543
Nominal exchange rate, period-average (Tajik somoni per 1 United States dollar)	6.856	7.836	8.821	9.424	9.531	11.267

Source: Ministry of Finance of the Republic of Tajikistan.

▶ ANNEX 4: Policy actions provisioned in the Mid-Term Development Programme for 2021–2025

	Baseline	Medium-term milestones and targets					Financing need (in mln TJS)	Financing from GoRT (in mln TJS)
	2019	2021	2022	2023	2024	2025		
Long-term goal 1: Institutional modernization of the social protection sector								
Poverty incidence (in % of population)	27.5	26.0	25.0	22.0	20.0	18.0	196.4	5.1
Extreme poverty incidence (in % of population; PPP \$1.90 per day)	4.8	<4.8	<4.5	<4.0	<3.0	<2.0		
Medium-term goal 1: Institutional modernization for ensuring targeted focus of social protection								
Total public spending on the social protection sector (in % of GDP)	4.6	4.7	4.9	5.1	5.2	5.4	196.4	5.1
<i>of which:</i> Agency for Social Insurance and Pensions (ASIP) budget	3.7	3.7	3.8	3.9	3.9	4.0		
<i>of which:</i> Other expenditures for the social protection sector	0.9	1.0	1.1	1.2	1.3	1.4		
Proportion of population covered by the ASIP system (in %)	15.0	15.0	15.0	15.0	15.0	15.0		
Objective 1: Strengthening targeted focus of the social protection system								
Vulnerable citizens accessing social assistance and social services	n/a	250,000	250,000	300,000	300,000	300,000	193.6	3.6
Citizens using distance/remote social protection services	0	0	5,000	10,000	15,000	20,000		
1.1. Revising legislation/regulation in the social protection system, including on the use of public-private partnerships (PPPs).	-	X	X	X	X	X	0.5	0.5
1.2. Needs assessment of targeted focus of social assistance and revising the registry of eligible vulnerable population groups.	-	X	-	X	-	X	0.2	0.2
1.3. Implementing the project to develop the social protection system for rural population.	-	-	-	X	X	X	190.0	-
1.4. Developing and implementing social standards, including the provision of state social guarantees in the field of minimum income, consumption and housing provision.	-	X	X	X	X	X	1.0	1.0

	Baseline	Medium-term milestones and targets					Financing need (in mln TJS)	Financing from GoRT (in mln TJS)
	2019	2021	2022	2023	2024	2025		
1.6. Developing and implementing feedback mechanisms/systems aimed at strengthening information management systems in the social protection sector.	-	-	X	X	X	X	1.0	1.0
1.7. Developing a roadmap to optimize the activities of social service centres that provide social services via state social orders.	-	X	X	-	-	-	0.2	0.2
1.8. Developing a roadmap for the implementation of digital technologies for personal identification and provision of services to pensioners and benefit and social services recipients.	-	X	X	-	-	-	0.2	0.2
Objective 2: Improving the quality of social services delivery in the social protection sector								
Number of developed standard specifications and standards for the provision of services to vulnerable populations (units).	7	1	2	1	2	2	1.0	0.7
Share of social workers who completed in-service training (in %).	10.0	20.0	20.0	20.0	20.0	20.0		
2.1. Developing and adopting the State Programme for Professional Development of Personnel, Attracting and Accepting Specialists and Graduates for Work in Institutions of the Social Protection System of the Republic of Tajikistan.	-	X	X	-	-	-	0.3	0.3
2.2. Developing new regulation on the standard of the material and technical base of institutions of the social service system, taking into account the introduction of new mechanisms and digital technologies.	-	X	X	-	-	-	0.3	0.3
2.3. Implementing the "single window" approach in the provision of social services.	-	X	X	-	-	-	0.3	-
2.4. Quality assurance monitoring of social services provision.	-	X	X	X	X	X	0.1	0.1
Objective 3: Creating a more efficient and optimal system of financing and management in the social protection sector								
Share of public expenditure disbursement in the social protection sector compared to originally budgeted allocations (in %).	93.8	100.0	100.0	100.0	100.0	100.0	1.8	0.8
3.1. Developing reporting forms/templates as part of the roll out of programme budgeting in the social protection sector.	-	X	X	-	-	-	0.2	0.2

	Baseline	Medium-term milestones and targets					Financing need (in mln TJS)	Financing from GoRT (in mln TJS)
	2019	2021	2022	2023	2024	2025		
3.3. Developing regulation on establishing the Fund for Social Protection Fund on PPP terms in order to leverage and more efficiently spend funds received from enterprises, organizations and citizens for charitable purposes.	-	X	X	X	-	-	0.2	0.2
3.4. Incorporating clauses on intergovernmental communication in the regulation on the activities of social institutions.	-	X	X	X	X	X	0.1	0.1
3.5. Developing the regulation on the response and sequencing of relevant policy actions in the social protection sector, including social insurance activities in emergency situations.	-	-	X	-	-	-	0.1	0.1
3.6. Improving the unified registry of social protection of the population broken down by gender, age (and number of children), unemployed, elderly, people with disabilities and other vulnerable groups of the population.	-	-	X	X	X	X	1.0	-
Long-term goal 2: Ensuring long-term sustainability of the pension system								
Old-age dependency ratio (in % of population)	25.1	26.0	28.0	32.0	36.0	40.0	218.6	1.6
Proportion of population receiving pensions (in % of population)	7.5	n/a	n/a	n/a	n/a	8.5		
Medium-term goal 2: Ensuring long-term financial sustainability of the pension system								
Real growth of pensions (average % year-on-year)	10.3	10.0	10.0	10.0	10.0	10.0	218.6	1.6
Proportion of insurance pension recipients (in % of all recipients)	21.9	22.5	24.0	26.0	28.0	30.0		
Ratio of total employment to one pension recipient (in %)	3.5	3.6	3.7	3.8	3.9	4.0		
Objective 4: Supporting institutional developments in the pension system								
Average growth of receipts into the Pension Fund (in % y.o.y.)	7.0	10.0	10.0	10.0	10.0	10.0	218.6	1.6
Size of investible pension assets (in million somoni)	70.0	100.0	150.0	200.0	250.0	300.0		
4.1. Developing and adopting a long-term Concept for Reforming the Pension System.	-	X	X	-	-	-	0.3	0.3
4.2. Developing the State Programme for the Development of the Social Insurance System of the Republic of Tajikistan for the period until 2030.	-	X	X	-	-	-	0.3	0.3

	Baseline	Medium-term milestones and targets					Financing need (in mln TJS)	Financing from GoRT (in mln TJS)
	2019	2021	2022	2023	2024	2025		
4.4. Developing a roadmap for the consolidation of reforms in the pension system and transformations in the labour/financial markets.	-	X	X	-	-	-	0.2	0.2
4.5. Developing a roadmap for creating a system for attracting, monitoring and regulating investable pension assets.	-	X	X	-	-	-	0.2	0.2
4.6. Assessing the relationship between the tax burden and pension provision (by municipalities).	-	X	X	X	-	-	0.3	0.3
4.7. Developing and implementing the Corporate Automated Information System 'CAIS-pension'.	-	X	X	X	X	X	185.8	-
4.8. Implementing models for actuarial calculations and forecasting the stability of the pension system.	-	X	X	X	X	-	31.0	-
Long-term goal 3: Facilitating protective and stimulating measures in the social protection of vulnerable groups of the population								
Proportion of vulnerable population who are employed (in %)	n/a	n/a	n/a	n/a	n/a	n/a	110.0	28.0
Proportion of population receiving social benefits (in %)	n/a	n/a	n/a	n/a	n/a	n/a		
Real growth rate of social benefits (in % year-on-year)	n/a	7.0	7.0	7.0	7.0	7.0		
Medium-term goal 3: Nurturing a stimulating focus of the social insurance and social protection system								
Growth of public expenditure for social protection sector (in %)	11.3	7.0	7.0	7.0	7.0	7.0	110.0	28.0
Employment among socially disadvantaged people (persons)	n/a	7,000	8,000	8,800	9,856	10,644		
Rehabilitated persons among socially disadvantaged people (in %)	10.0	10.0	10.0	15.0	15.0	15.0		
Objective 5: Developing the system of social protection of children and youth								
Children from poor families who receive free meals (persons)	n/a	n/a	n/a	n/a	n/a	n/a	1.3	1.3
Unemployed women who receive maternity and/or child benefits	n/a	n/a	n/a	n/a	n/a	n/a		

	Baseline	Medium-term milestones and targets					Financing need (in mln TJS)	Financing from GoRT (in mln TJS)
	2019	2021	2022	2023	2024	2025		
5.1. Revising legislation and regulation to expand coverage and improve the benefit system for pregnancy, childbirth and childcare	-	X	X	-	-	-	0.2	0.2
5.2. Improving the poverty assessment methodology, including child poverty.	-	X	X	X	-	-	0.2	0.2
5.3. Assessing the effectiveness of the child benefits mechanism and identify corresponding reform measures.	-	X	X	-	-	-	0.2	0.2
5.4. Developing a roadmap for creating a social nutrition system for children from low-income families.	-	X	X	-	-	-	0.2	0.2
5.5. Developing and implementing various types of social services aimed at children from poor families and preventing them from entering residential/inpatient institutions.	-	X	X	X	X	X	0.5	0.5
Objective 6: Developing a social protection system for working-age population								
Working-age unemployed people who completed professional development training and received a job (persons).	n/a	18,100	18,300	18,500	18,700	18,900	1.1	1.1
6.1. Developing and adopting regional programmes that combine the system of social incentives, employment promotion, pension provision, continuing education and social assistance.	-	X	X	X	X	X	0.6	0.6
6.2. Conducting monitoring and evaluation (M&E) of the effectiveness of professional development training for the unemployed and courses in adult education centres.	-	X	X	X	X	X	0.1	0.1
6.3. Developing legislation and regulation on the social insurance of labour migrants.	-	X	X	X	X	X	0.4	0.4
Objective 7: Developing a social protection system for people above working age, in particular the elderly								
Number of developed legislative/regulatory documents, specifications and standards, programmes, roadmaps, etc. on the development of the social protection system for the elderly.	1	1	1	2	2	2	4.3	2.3
Life expectancy at birth (in years).	75.0	75.5	76.0	76.5	77.0	77.8		
7.1. Developing and adopting the State Programme on Ageing and Minimum Standards of Targeted Social Targeted Assistance for the Elderly Citizens.	-	X	X	-	-	-	0.3	0.3

	Baseline	Medium-term milestones and targets					Financing need (in mln TJS)	Financing from GoRT (in mln TJS)
	2019	2021	2022	2023	2024	2025		
Objective 8: Strengthening the system of social protection of people with disabilities								
Number of developed legislative/regulatory documents, specifications and standards, programmes, roadmaps, etc. on the development of the social protection system for disabled people.	2	2	2	2	2	2	102.4	22.4
Proportion of people with disabilities who received technical supplementary means of rehabilitation (in %).	10.0	10.0	10.0	10.0	10.0	10.0		
8.1. Developing and implementing the standards for the early detection and prevention of new cases of child disability and congenital malformations.	-	X	X	X	X	X	0.7	0.7
8.2. Improving methods and mechanisms for determining disability in line with international norms and standards.	-	X	X	-	-	-	0.1	0.1
8.3. Adopting and implementing the standard and practices for supporting rehabilitation programmes for persons with disabilities.	-	X	X	X	X	X	0.7	0.7
8.4. Monitoring of inclusion and utilization of the requirements for creating a barrier-free lifelong environment for people with disabilities in urban planning and public transport development projects.	-	X	X	X	X	X	0.1	0.1
8.5. Reconstruction of the prosthetic and orthopaedic plant in Dushanbe.	-	X	X	X	X	X	100.0	20.0
8.6. Implementing measures for the development of the network of rehabilitation centres in the medium-term plan for construction, rehabilitation and expansion of infrastructure in the healthcare system within the framework of PPP projects.	-	X	X	X	X	X	0.1	0.1
8.7. Forming a positive and non-discriminatory attitude in society towards people with disabilities.	-	X	X	X	X	X	0.2	0.2
8.8. Preparing a regulatory and methodological framework for the introduction of benefits for caring for family members with disabilities.	-	X	X	X	X	X	0.5	0.5

	Baseline	Medium-term milestones and targets					Financing need (in mln TJS)	Financing from GoRT (in mln TJS)
	2019	2021	2022	2023	2024	2025		
Public spending on non-financial support of vulnerable groups.	n/a	n/a	n/a	n/a	n/a	n/a	0.9	0.9
9.1. Updating the system of standards for non-financial support of vulnerable groups (housing, medicines, transport, food, etc.).	–	X	X	X	X	X	0.8	0.8
9.2. Inclusion of matters on intergovernmental coordination of non-financial support of vulnerable groups in sectoral strategies (in education, health and housing construction).	–	X	X	X	X	X	0.1	0.1

Source: Mid-Term Development Programme of the Republic of Tajikistan for the period 2021–2025 (Annex: Action Plan to Implement the Mid-Term Development Programme for 2021–2025).

► ANNEX 5: Measures undertaken by the government to counter the effects of COVID-19

Decree of the President of the Republic of Tajikistan 'On Prevention of the impact of the infectious disease COVID-19 on the socio-economic spheres of the Republic of Tajikistan' (#1544; June 5, 2020).

In accordance with Article 69 of the Constitution of the Republic of Tajikistan and in order to mitigate the impact of COVID-19 on the socio-economic spheres of the Republic of Tajikistan, I order:

1. To the Government of the Republic of Tajikistan in accordance with the established procedure to:

- Undertake measures to provide sick leave notes and pay compensation to citizens of the Republic of Tajikistan who are undergoing medical examination in connection with COVID-19;
- Organize the cost-free care of citizens under medical examination and citizens infected with COVID-19 at the expense of the envisaged targeted general government budget and extra-budgetary funds;
- At the expense of the reserve funds of the general government budget and extra-budgetary funds, provide one-time assistance in the amount of the minimum wage to vulnerable population groups, including participants in World War II (1941-1945), citizens receiving social pensions, people with disability, orphans, street children, low-income families and families of labour migrants that are left without a breadwinner;
- Until the situation stabilizes, provide and pay allowances from the reserve funds of the general government budget and extra-budgetary funds to the salary of medical workers who are directly involved in the diagnosis and treatment of patients infected with COVID-19;
- Until the end of 2020 in order to reduce the production costs of enterprises, prevent the rise in the prices for domestic products, paid services to the population and inflation, postpone consideration of the issue of raising tariffs for services, including electricity, water, irrigation, communications and utility services;
- Allocate targeted resources from the reserve funds of the general government budget and extra-budgetary funds for 2020 for the purchase and replenishment of state material resources, including grain, agricultural seeds, pesticides and fuel;
- From April 1 to September 1, 2020 to provide tax holidays for tourism facilities, hotels, catering organizations, health and sports centres, health resorts, international passenger traffic and air navigation, and waive the accrual of interest for late payment of taxes for this period;
- From May 1 to August 1, 2020 to exempt small and medium-sized enterprises (SMEs) that have completely suspended their activities due to COVID-19 from paying rent for state property;
- From May 1 to September 1, 2020 to prohibit the application of tax liability measures to business entities that have not paid social contributions on time;
- From May 1 to August 1, 2020 to exempt individual entrepreneurs working under the patent in markets, shopping centres and consumer service points, including hairdressing salons, beauty salons, fashion ateliers and sewing services from paying taxes;
- From May 1 to September 1, 2020 to establish immovable property tax holidays for individuals;
- From July 1 to September 1, 2020 to exempt from customs duties (value added tax, excise taxes and duties) the import of materials for the production of disinfectants, medicines and protective clothing, as well as equipment, tools and equipment for medical laboratories and materials for COVID-19 testing;

- ▶ Exempt from taxation the activities of medical institutions, hotels and sanatoriums associated with the gratuitous accommodation of citizens under medical examination or treatment of COVID-19 for an appropriate period;
- ▶ In order to maintain the income levels among the population from June 1 to December 31, 2020 to reduce the income tax rate on individual deposits from 12% to 6%;
- ▶ Regulate domestic prices for consumer goods, including medicines, medical supplies, masks, antiseptics, as well as flour and flour products, sugar, vegetable oil, legumes, potatoes, soap and fuel;
- ▶ At the expense of the general government budget and extra-budgetary funds through the State Institution 'Entrepreneurship Support Fund under the Government of the Republic of Tajikistan' to allocate concessional credit resources to enterprises producing food and medical products, especially women entrepreneurs;
- ▶ Prioritize domestic producers in the purchase of government goods, works and services until the situation stabilizes;
- ▶ Intensify the process of implementing electronic government (e-government) to ensure remote work of government agencies;
- ▶ Provide comprehensive assistance in solving the problems of citizens of the Republic of Tajikistan who are outside the country;
- ▶ Ensure the provision of visas and work permits, and registration to foreign citizens engaged in entrepreneurial or hired work in the Republic of Tajikistan, provided that there are no epidemiological risks upon their arrival to the Republic of Tajikistan;
- ▶ Extend the terms of visas for foreign citizens and stateless persons until the epidemiological situation stabilizes and do not apply sanctions for non-compliance with the requirements of the remain rules in the Republic of Tajikistan.

2. To the National Bank of Tajikistan to:

- ▶ Provide emergency credit resources to financial and credit organizations to maintain the liquidity level of the banking system in the event of emergency within the framework of the current legislation;
- ▶ Together with the Ministry of Finance of the Republic of Tajikistan, to undertake measures for the timely implementation of international government payments within existing means;
- ▶ Prioritize the exchange of foreign currency for foreign economic entities involved in the import of essential goods, including medicines, grain, flour, vegetable oil, sugar and fuel, as well as those are fulfilling state financial obligations;
- ▶ Undertake regulatory measures to maintain the liquidity of financial institutions and create favourable conditions in the access of businesses to credit and regulatory legal measures by adjusting the refinancing rate and the required reserves;
- ▶ Undertake measures within the existing capabilities of credit institutions to prevent risks associated with the non-application of penalties by credit organizations to business entities and individuals who are unable to fulfil their debt obligations from May 1 to October 1, 2020 for term loans;
- ▶ Together with government agencies and financial credit institutions, to undertake measures for the remote use of electronic payment, payment of public paid services, fines and other mandatory payments to the general government budget.

3. To regularly publish information in the media about measures taken to prevent the COVID-19 outbreak.

▶ **Contact:**

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