REPUBLIC OF TAJIKISTAN

NATIONAL DEVELOPMENT COUNCIL AND DEVELOPMENT FORUM

3 July 2018 Dushanbe, Tajikistan

CLOSING REMARKS BY H.E. EMOMALI RAHMON PRESIDENT OF THE REPUBLIC OF TAJIKISTAN

Distinguished Members of the Council! Ladies and Gentlemen! Dear Participants!

Today the Session of the National Development Council under the Office of the President of Tajikistan discussed the two-year implementation of the strategic documents of the country in line with the SDGs, which Tajikistan committed to within the Agenda 21.

The National Development Strategy of the Republic of Tajikistan (to 2030) and the Midterm Development Program of the Republic of Tajikistan (2016-2020) are the comprehensive documents reflecting a set of reforms aimed at improving the effective use of the available resources and identifying the future development of the country.

The strategic goals defined in the National Development aim to create a favorable environment for socio-economic and human development with clear and realistic objectives.

The major long-term national development priorities include the issues of education, healthcare, employment, food security and public access to nutritious foodstuff, energy security, the country's connectivity and its transformation into a transit country, the fight against corruption, good governance, environment and demographic process management.

I outlined in previous events and would like to reiterate that Tajikistan has pursued the "Open Doors" policy in terms of a mutually beneficial cooperation with the international community and international organizations from the very beginning of gaining independence and it will continue doing so.

Thanks to the wide-range of bilateral and multilateral cooperation with development partners within the implementation of the National Development Strategy (to 2030), we made a series of tangible achievements by implementing the Midterm Development Program (2016-2020) and I would like to offer some of them for your attention.

Distinguished Participants!

Improving the living standards of the population is the supreme objective of Tajikistan's long-term development. With a view to achieving this objective, we have undertaken specific measures in various areas of our national economy, which made it possible to significantly reduce the poverty and extreme poverty rate, and increase the share of the middle class.

In 2017 the poverty rate decreased to 29.7%, which is already down by 1.3% compared to 2015 indicators. According to the assessments of international organizations, the extreme poverty rate was 14% and the share of middle class reached 24% according to preliminary estimates. We achieved these results thanks to the high annual rate of economic growth at a level of 7% and increased expenditures in the social sector.

These indicators promoted the improvement of a growing demographic trend in public health where, as a result, the average longevity reached 73.5 years (71.9 for men and 75.7 for women).

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Alongside with this, I have to note that the current healthcare trends are still weak and contradictory due to the relatively low level of medical services, insufficient funding of this sector and the poverty rate.

We made significant achievement in the area of transmissible diseases management. We have seen a sustainable decline in TB and malaria.

The coverage of students with primary and junior secondary education (grades 1-9, age of 7-15 years old) make 97%, which increased by three percentage points compared to the Program's target indicators. However, we remain concerned with the low coverage of children with pre-school facilities, which made only 13.6% in 2017 and is 5.4% lower compared to the target indicators of this year.

We ensured the use of renewable energy sources to implement the Green Economy principles in Tajikistan and investments are under implementation in this area.

Despite our large resources of drinking water, the issue of the population's supply with this vitally important resource still requires improvement. The water supply and sewerage infrastructure has deteriorated and is in need for renewal and rehabilitation.

One of the factors for a tangible economic development in Tajikistan is the growing investment into the main capital. However, capital investments structure analysis shows that state investments dominate over private investments and that the latter has not yet become a real factor for economic growth.

The analysis shows that during the two years of the Strategy's implementation, the public budget funds were the main source of funding and almost 80% of these funds were channeled for achievement of strategic objectives. Therefore, public investment played a critical role in Tajikistan's economic growth.

We also channeled our development partners' concessional loans, grants and technical assistance to various socio-economic areas. I must also note that this source of funding is not used fully according to the projections made in the strategic paper. Therefore, we would appreciate it if the development partners could increase their share in implementation of Tajikistan's strategic objectives.

According to our analysis, the private investment share in achievement of the country's strategic objectives made only 10%. Such a situation requires both the Government of Tajikistan and also development partners to undertake additional measures.

We channeled TJS 53.5bn from the public budget for implementation of the National Development Strategy (to 2030) in 2015-2017, which makes 33% of our GDP proportionately per year.

The most important fact is that the majority of public expenditures, i.e. 43.2% of them are made in the spheres of human development.

During the two years of the Strategy's implementation we spent more than TJS 9.2bn (17.9%) in the education sector, which make 5.9% of GDP and created more than 45 000 seats in this period.

Spending in the healthcare sector accounted for TJS 3.5, while TJS 8.5bn were spent in social insurance and social protection.

In this period, we allocated almost TJS 9.6bn for energy security and almost TJS 3bn for transportation infrastructure from the public budget so to ensure the country's connectivity and transformation it into a transit country.

In the energy sphere, we launched new power and heat generation capacities, including the Dushanbe 1 and 2 thermal power plants and started the first phase of the rehabilitation of the "Norak", "Sarband" and "Kayrokkum" hydropower plants.

In the sphere of transportation, the rehabilitation of the Vose-Khovaling, Sayron-Karamyk, Dushanbe-Tursunzoda — Uzbek borders and construction of the railroad section of Vahdat-Yovon werecompleted. Likewise, the construction of modern terminals in Kulma, Guliston, Panji Poyon and Bobojon Ghafurov, as well as the rehabilitation of the highways of Dushanbe-Bokhtar, Khujand-Isfara, Kulob-Shamsiddini Shohin, Shkev-Qal'aikhumb and Temurmalik-Baljuvon-Khovaling are ongoing.

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There are prospective plans to construct and reconstruct more highways and railroads, hydropower plants and construct terminals; as well as arrange transport corridors and improve production and social infrastructure.

Ladies and Gentlemen!

In our new phase of development we should make targeted efforts to improve our business environment and attract foreign investments, first and foremost, to a production oriented on export and import substitution. Only the development of the production industry can promote the creation of permanent jobs, improvement of living standards of our population and the strengthening of our country's competitiveness. The Government has been undertaking necessary activities to ensure the development of the production business. With this regard, the taxation and tax administration reform will remain important for us in the future.

It is my firm belief that every member of our society and our development partners' representative offices will make a further input in addressing the issues related to the implementation of our strategic papers and the achievement of our defined strategies in line with the SDGs and proactively participate in the process of development and improvement of our people's living standards.

With regard to this, the ministries and agencies, as well as the local executive authorities of towns and districts have to undertake effective measures during 2018-2020 to implement the adopted programs.

In addition to this, the Ministry of Economic Development and Trade needs to:

- jointly with relevant ministries and agencies, by involving experts and in cooperation with development partners, improve the plan of action for this Program by the end of this year by defining the interim, outcome and evaluation indicators in the relevant areas with a view to drafting a quality annual report on implementation of the Midterm Development Program of the Republic of Tajikistan (2016-2020);
- Draft a new Regulation of the National Development Council of the Republic of Tajikistan by taking into account the requirements envisaged by the National Development Strategy of the Republic of Tajikistan (to 2030) and the SDGs and submit the Regulation for Government approval within three months according to the procedures in place.
- Identify the level of integration of sectorial programs and strategies with the national strategic papers and the SDGs. Jointly with the relevant ministries and agencies, develop a list of framework (basic) indicators and undertake necessary measures for their implementation.
- Strengthen the activities of the interagency commissions and the working groups within the
 Council and due diligently apply the proposed recommendations to further improve the country's strategic
 papers and conduct their monitoring continuously.
- Undertake necessary activities to develop the interim review of the implementation of the Midterm Development Program of the Republic of Tajkistan (2016-2020) in 2020 and create a framework for development of the second phase of the implementation of the National Development Strategy of the Republic of Tajikistan (to 2030).
- 2) The Secretariat of the National Development Council under the Office of the President of the Republic of Tajikistan, as the Coordinator of the process of implementation of the country's strategic objectives has to ensure all coordination and follow up the process of the implementation of these objectives continuously.
 - 3) The Statistics Agency under the Office of the President of the Republic of Tajikistan needs to:
- Jointly with relevant ministries and agencies, and in cooperation with development partners, develop the mechanism for defining the middle class by taking into account the country's unique attributes, and start implementing it in 2019;

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- Jointly with the line ministries and agencies, and in cooperation with development partners, complete the classification of the SDG main indicators by April 1, 2019, ensure their localization process and submit to the Ministry of Economic Development Development and Trade for analysis.
- 5) The line ministries and agencies and the local executive authorities of provinces and Dushanbe city should report about the implementation of sectorial and regional development strategies, as well as programs promoting the economic development and achievement of national priorities and objectives at the next session of the National Development Council.

Distinguished Members of the Council, Dear Participants,

In conclusion, I hope that the Development Partners will further play a significant role in implementation of the Strategy and the Midterm Development Program, which reflect our national development priorities and objectives.

I wish you all continued health and good luck. Thank you.