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ANNEX

to the Commission Implementing Decision on the financing of the annual action plan in favour of Tajikistan for 2022 Part 2

Action Document for Technical/vocational education and training (TVET) and employment sector Budget Support programme

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Technical/vocational education and training (TVET) and employment sector Budget Support programme OPSYS number: ACT-61325 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Tajikistan (the whole territory of Tajikistan)
4. Programming document	Multi-Annual Indicative Programme (MIP) – EU Tajikistan 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Main Priority Area from MIP 2021-2027 Priority Area 2. Human Development Specific Objective 4 ‘To improve the relevance and the quality of the general secondary education and the vocational education and training for better employability and labour market integration of Tajik women and men’. R 4.1. Improved governance, evidence-based policy making and Public Finance Management (PFM) of the education sector; R 4.2. Improved learning outcomes in general secondary and vocational education and access to education for female learners and persons with disabilities; R 4.3. Improved labour market integration with a focus on youth, women and returnees through innovation and digitalisation (specific objectives). Secondary Priority Area from MIP 2021-2027 Priority Area 1. Inclusive Green and Digital Economy

	<p>Specific Objective 2. Create a business environment conducive to the development of Micro, Small and Medium-sized Enterprises (MSMEs) and innovation, in selected sectors, with a particular focus on green economy and digitalisation.</p> <p>R 2.2: Enhanced role of the private sector (in particular MSMEs) in the development of the business environment in Tajikistan.</p> <p>R 2.3: Tajik MSMEs are positioned at local and international level to develop value chains in selected sectors, with particular emphasis on digitalisation and green economy.</p>			
PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	<p>Priority Area 2. Human Development; Sector: Education (DAC code: 110)</p> <p>Priority Area 1. Inclusive Green and Digital Economy</p>			
7. Sustainable Development Goals (SDGs)	<p>Main SDG: SDG 4: Quality Education for All</p> <p>Other significant SDGs: SDG 5: Gender Equality; SDG 7: Affordable and Clean Energy; SDG 8: Decent Work and Economic Growth; SDG 9: Industry, Innovation and Infrastructure, SDG 10: Reduce Inequalities, SDG 12: Sustainable Consumption and Production</p>			
8 a) DAC code(s)	<p>11110 – Education policy and administrative management – 20%</p> <p>11120 – Education facilities and training – 30%</p> <p>11130 – Teacher training – 15%</p> <p>11330 – Vocational Training – 15%</p> <p>15111 – Public Finance Management – 20%</p>			
8 b) Main Delivery Channel	<p>Recipient Government – 12000;</p> <p>Donor Government – 11000;</p> <p>Non-Governmental Organisations (NGOs) and Civil Society – 20000;</p> <p>Others – 90000</p>			
9. Targets	<p><input type="checkbox"/> Migration</p> <p><input type="checkbox"/> Climate</p> <p><input checked="" type="checkbox"/> Social inclusion and Human Development</p> <p><input checked="" type="checkbox"/> Gender</p> <p><input type="checkbox"/> Biodiversity</p> <p><input checked="" type="checkbox"/> Education</p> <p><input type="checkbox"/> Human Rights, Democracy and Governance</p>			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned	Budget line: BGUE-B 2022-14.020130 Total estimated cost: EUR 30 000 000 Total amount of EU budget contribution EUR 30 000 000 of which			

	EUR 29 800 000 for budget support
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing	Direct management through: - Budget Support: Sector Reform Performance Contract

1.2 Summary of the Action

The EU will provide support to the Republic of Tajikistan for assisting implementation of the reforms in the field of Primary Vocational Education and Training¹ (PVET) with a special focus on youth, women and returnee migrants on one hand, and promotion of professions mainly in the industrial as well as important sectors for the economy (agriculture and energy sectors), on the other, particularly in the green and digital industries which will provide a perspective for a growing young and dynamic population, as well as through increasing the level of digitalisation in PVET. The Action will be targeted at addressing primarily SDG 4, as well as SDG 5 and SDG 8.

Overall, the new programme will contribute to the Tajikistan government-owned National Education Development Strategy (NSED) and its Action Plan (AP) 2021-2023 and the successive 2024-2026, and the Programme for Professional Training of the Citizens (PPTC) of the Republic of Tajikistan for 2021-2025, within the recently introduced 2022-2026 roadmap for performing the sector policy priorities, particularly those reflected in the two above documents.

The proposed new PVET and Employment Sector Reform Performance Contract (SRPC) is envisaged to be implemented during the period 2023-2026, and is built on the achievements of past and ongoing EU assistance to the Education Sector, namely the Quality Education Support Programme (QESP) I, which ended in December 2021 and PFM Technical Assistance (TA) to the Ministry of Finance (MoF), which ended in mid-2020.

The proposed Action has a country-wide coverage, and is targeted at increasing both initial and continuing PVET governance effectiveness and funding efficiency, improving the PVET (including adult training) learning outcomes and enhancing cooperation with the employers (both private and public). This is to be achieved through supporting the Government of Tajikistan (GoT) in performing a number of policy measures formulated in the corresponding sector policy documents, namely: streamlining PFM planning and monitoring in TVET and employment sectors, operationalising an integrated and high quality Management Information System (MIS) for PVET and labour market integration, and leveraging digital education for learner-centred and high quality PVET, establishing effective standards and curricula development system, particularly with due participation of employers and line ministries, as well as arranging their involvement in other TVET aspects, where relevant. The Action is supposed to contribute to the increased access and improved vocational skills (including basic digital skills) for youth, women and returnee migrants (including those with disabilities), thus making them more competitive in the national labour market.

The EU's geopolitical engagement in Tajikistan has the objective of reducing dependency from Russia, which can be achieved through key initiatives in energy and water sector projects and human development, such as creating employment and preventing youth radicalisation, which this Action is supporting to. The proposed Programme will also promote imbedding the 'greening' elements into TVET through supporting development of corresponding standards and curricula, and introducing PVET professions related to green economy and/or renewable energy sources. The proposed Programme has the potential to reduce inequalities by strengthening the knowledge and skills of the poorest individuals and groups.

¹ In Tajikistan, the system of TVET is divided into two levels, i.e. Primary Vocational Education and Training (PVET) which mainly prepares skilled workers and craftsmen, and Secondary Vocational Education and Training (SVET) preparing mid-level managers, technologists, etc.

2 RATIONALE

2.1 Context

Tajikistan is in a crucial period in its political and socio-economic development – as it is highly exposed to external security and stability challenges, stemming from the regional developments related to Islamic radicalisation and extremism, unresolved situation in Afghanistan (including refugee issues), border conflict with Kyrgyzstan and its geopolitical and economic dependency from Russia.

Political: The country relies on Russia for its defence. Security risks have increased following the Taliban takeover in Afghanistan. The Government of Tajikistan does not have a full control over the Gorno-Badakhshan Autonomous Region, which borders Afghanistan and the volatile Xinjiang autonomous region in China, and is a hub for cross-border drug smuggling. Meanwhile, Tajikistan is amongst the world's most remittance dependent economies (around 30 percent of GDP) mostly from Tajik migrants in Russia.

Economic: The global and regional political developments affect the overall economic stance in Tajikistan. Russia's war against Ukraine has a major impact in Tajikistan, affecting the financial sector, including greater exchange rate volatility, disruptions in international transfer payments, and problems in bank transactions. The global supply-chain disruptions, increase in world prices for energy resources and essential products, deterioration in interbank relations, a decline in trade and production, and a weaker Tajik somoni have made imports more expensive for Tajikistan.

Financial: Tajikistan's debt was assessed as sustainable by the International Monetary Fund (IMF) in February 2022², but there is a high risk of debt distress in the context of limited fiscal space, and due to the further effect of the global crises. The risks are related to the following: a high risk of sovereign default, due to international reserves covering only about a third of total public debt; risk of greater revenue shortfalls (implementation of the new tax code and tax exemptions may result in lower tax revenues); credit risk and drop in remittances.

Education: General secondary education in the Republic of Tajikistan is a priority for the Government in terms of both geographical coverage and resource allocation. The Government has developed an Anti-Crisis Action Plan and has established an Interdepartmental task force to prevent the impact of potential risks on the economy. President Rahmon has requested budget support from development partners, including the EU, in order to minimise the negative impact of potential risks on the national economy and the implementation of anti-crisis measures in an expedited manner.

The Action is in line with National Development Strategy (NDS) of the Republic of Tajikistan for the period up to 2030³. NDS-2030 also takes into consideration the Republic of Tajikistan's international commitments on the Agenda of the XXI century and SDGs, with a particular focus on SDGs linked to the Sustainable human development. The ultimate goal of the long-term development of Tajikistan is to improve the standards of living of population based on sustainable economic development: create conditions for decent and productive employment, including the employment of vulnerable stratum of population and reduce inequalities in society are a priority.

The Action is in line with the EU's Multi-Annual Indicative Programme for Tajikistan 2021-2027, notably the Priority Area 1: Inclusive Green and Digital Economy (including implications of the EU Green Deal) and Priority Area 2: Human Development. It is expected to contribute to spending targets '*Create a business environment conducive to the development of MSMEs and innovation, in selected sectors, with a particular focus on green economy and digitalisation*' (Industry – DAC code 321) and '*Improve the relevance and the quality of the general secondary education and the vocational education and training for better employability and labour market integration of Tajik women and men*' (Education – DAC code 110 and Emergency Response – DAC code 720).

The Action is in line with the policy priorities of the New European Consensus on Development – PEOPLE (education) and PROSPERITY (revenue) – and the EU Strategy for Central Asia 2019. The Consensus commits to responding to the educational needs of children and youth thereby stimulating responsible citizenship, developing sustainable and prosperous societies and boosting youth employment. The Strategy aims to support inter and intra-regional cooperation to build capacity and to increase the quality of education – including higher

² <https://www.imf.org/en/News/Articles/2022/02/18/pr2244-the-republic-of-tajikistan-imf-executive-board-concludes-2021-article-iv-consultation>

³ Agency on Statistics under President of the Republic of Tajikistan, National development strategy: <https://www.stat.tj/en/targets>

education, VET and digital education – and to promote synergies between education systems and the labour market. The Action abides by the logic of the EU Gender Action Plan III aimed at improving women’s access to education and training and contributing to increased women employability and empowerment.

The Action is built on the QESP I, which ended in December 2021 and PFM TA to the MoF, which ended in mid-2020. Implementation of QESP I was carried-out through realisation of three TA projects to the Ministry of Education and Science (MoES) and the Ministry of Labour, Migration and Employment (MoLME), and supply of equipment for the general secondary education and VET Teacher Training Centres.

The Action will be reinforced by QESP II (CRIS number: ACA/2020/039-948) financed under the Development Cooperation Instrument, and is linked to the following top initiatives and respective projects:

- QESP II Component 2: Strengthening competency-based and Information and Communications Technologies-enabled Science, Technology, Engineering, and Mathematics (STEM) and VET and teacher-training in Tajikistan, which is implemented by the United Nations Educational, Scientific and Cultural Organisation (UNESCO), supporting the development of learning materials and facilities as well as capacity building of teachers in delivering STEM subjects in secondary general education.
- Investment component of QESP II implemented by Germany’s Kreditanstalt für Wiederaufbau (KfW), aiming at constructing and rehabilitating education institutions with particular emphasis on Water, Sanitation and Hygiene (WASH).
- European Training Foundation (ETF) has implemented its 3-year Torino Process programme (2018-2020) to deliver an update of developments of the vocational education and training policies in Tajikistan and is closely engaged in the sector. Synergy will be sought with the Torino Process and its successor programme also implemented by ETF. In addition, ETF has been closely collaborating with the EU Delegation (EUD) on previous and currently ongoing actions in the TVET sector under QESP I and II and is assuring EUD with quality control and advisory functions. Active collaboration between the regional programme *Dialogue and Action for Resourceful Youth in Central Asia* (DARYA, AAP2021), for which implementation has been entrusted to ETF and the EUD is taking place. It should not only assure maximum synergies and complementarities but an effective division of labour by means of which DARYA will cover important aspects in relation to this Budget Support action, such as capacity building of the Tajikistan Office of Statistics.

The proposed Action intends to contribute to the Specific objective 4 ‘To improve the relevance and the quality of the general secondary education and the vocational education and training for better employability and labour market integration of Tajik women and men’ under the Priority Area 2. Human Development of the Multi-annual Indicative Programme 2021-2027 for the Republic of Tajikistan, and particularly to the Result 4.1. Improved governance, evidence-based policy-making and PFM of the education sector; R 4.2. Improved learning outcomes in general secondary and vocational education and access to education for female learners and persons with disabilities; R 4.3. Improved labour market integration with a focus on youth, women and returnees through innovation and digitalisation. The Action also contributes to Specific Objective 2. Create a business environment conducive to the development of MSMEs and innovation, in selected sectors, with a particular focus on green economy and digitalisation and particularly R 2.2: Enhanced role of the private sector (in particular MSMEs) in the development of the business environment in Tajikistan and R 2.3: Tajik MSMEs are positioned at local and international level to develop value chains in selected sectors, with particular emphasis on digitalisation and green economy.

In addition, it is in line with the principles identified in the new European Consensus on Development⁴, the EU Strategy for Central Asia⁵, and will contribute to achieving the SDG 4: Quality Education, SDG 5: Gender Equality and partly to SDG 7: Affordable and Clean Energy; SDG 8: Decent Work and Economic Growth; SDG 9: Industry, Innovation and Infrastructure; and SDG 10: Reduce inequality within and among countries

2.2 Problem Analysis

The NDS⁶ for the period until 2030 (approved by the Parliament in December 2016) states that the key problems of the education system relate specifically to its incapability to fully function as a key resource of social-economic development and improvement of the welfare of citizens. There are also other factors hindering the progress in

⁴ https://international-partnerships.ec.europa.eu/policies/european-development-policy/european-consensus-development_en

⁵ https://www.eeas.europa.eu/eeas/joint-communication-eu-and-central-asia-new-opportunities-stronger-partnership_en

⁶ https://nafaka.tj/images/zakoni/new/strategiya_2030_en.pdf

education, e.g. limited access to quality education, underdeveloped regulatory framework, lack of VET attractiveness for young people, and underdeveloped systems of business community's participation in VET system reforms. According to the NDS, the problem with the lack of skilled manpower can grow and this leads to uneven economic development in the territorial context and as a result inequality of opportunities, which prevents people to get involved in productive employment. A significant challenge is the little to zero participation of employers (public and private) in the formation of specialists, development of TVET content (particularly, standards and curricula) and in TVET governance, (ETF 2021⁷, Asian Development Bank –ADB- 2021⁸). Another serious issue is the poor digitalisation of TVET in terms of both training delivery and governance and management.

Accordingly, three priorities out of the five formulated in NDS for the education development, are: 1) ensuring equality and access to education; 2) improving the quality of education at all levels; 3) enhancing financial sustainability and efficiency in the education sector. These above priorities will be in the focus of the proposed EU support.

Not only initial (formal) PVET provided by the VET schools but also continuing (non-formal) PVET offered by the Adult Training Centres (ATC), together as one comprehensive PVET system, is to be covered by the programme, thus ensuring consolidation of efforts and higher efficiency of investments. This will contribute also to solving the problems indicated by the PPTC, namely, unsatisfactory number and poor material provision of ATCs, insufficient professional competences of ATCs trainers, limited access to ATCs for the persons with disabilities.

Direct involvement of the employers in defining the VET content through officially established Sector Committees (Councils) is supposed to be the first step towards addressing the VET decentralisation issue. This will lay a ground for further, more advanced measures of the VET system decentralisation and increasing the VET institutions' autonomy, e.g. by establishing a National VET Council and School Boards with due participation of non-public stakeholders, that are considered as premature at the current stage and are not yet recommended in the present political context.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

MoLME, along with MoF are in the key stakeholders and will be the main interlocutors for the programme implementation.

MoES is responsible for overall education policy development and implementation. The Secondary VET institutions (78 in total) are acting under the MoES subordination.

MoLME is supervising the systems of PVET (62 lyceums and 1 college) and adult training (with 72 branches and representations). In addition, there are public structures under MoLME dealing with different aspects of TVET. The Training-Methodological Centre is responsible for the entire methodological provision of PVET. The Centre for Qualification Upgrade, Re-training of the Labour, Migration and Employment Workers is assigned the organisation and provision of professional development of the lyceums' teachers of the vocational (non-general) subjects. At the Scientific and Research Institute for Labour, Migration and Employment of Population, a Department for PVET is functioning. The Agency of Labour and Employment of the Population manages, inter alia, functioning of the Adult Training Centres. All these institutions, to different extents, will also be engaged in the programme implementation.

There is no regional or local level of VET governance in Tajikistan and the regional or local authorities have no competencies in the field of Primary or Secondary VET.

The Ministry of Finance defines budgetary and tax policies, regulates intergovernmental fiscal relations and provides methodological support in the preparation, execution and reporting of the state budget, as well as leads PFM reform implementation and monitoring

The engagement of the civil society organisations actively working in the sector, will be promoted through their involvement in certain aspects of the Action implementation and associated monitoring process, such as improving

⁷ Torino Process 2018-20. National Report. Tajikistan, European Training Foundation, 2021:

https://www.etf.europa.eu/sites/default/files/2021-01/trp_2018-20_national_report_tajikistan.pdf.

⁸ Technical and Vocational Education and Training in Tajikistan and Other Countries in Central Asia. Key Findings and Policy Options, Asian Development Bank 2021: <https://www.adb.org/sites/default/files/publication/691671/tvet-tajikistan-central-asia.pdf>.

quality of learning outcomes, conducting surveys or independent assessments, as well as provision of specific expertise.

2.3 Additional Areas of Assessment

2.3.1 Public Policy

In Tajikistan, the main public policy document for the sector of education is the NSED, developed with EU support. The goal of the education reforms is formulated in the Strategy as ‘creation of an educational system that should be of high quality and accessible to all throughout life, providing the country's economy with competent workers, appropriate infrastructure and based on modern and innovative technologies’. It is expected, that in the result of the reforms, the Tajik education system will become ‘economically sustainable and meet the standards of the world's leading educational systems and international quality assessment systems’, and ‘ensure preservation and development of the cultural identity, as well as maintaining national identity and cultural diversity’ which will ‘protect the interests and ensure the prestige of the country’.

The Strategy sets 3 long-term objectives and corresponding medium-term objectives: 1) Enhanced equity and participation in education at all levels: improved attractiveness and access to VET; expanded continuous education system; inclusiveness and reduced dropout rates; safe and favourable learning conditions; 2) Improved quality and relevance of education: strengthened capacity of the education sector personnel, effective system of teachers training and retraining, attractiveness of the teacher's profession; qualifications framework, modernisation of standards and curricula and institutional mechanisms for the education quality assessment; strengthened interaction of education with the private sector and development partners; 3) Strengthened and effective governance in education: strengthened coordination of reforms; data collection for informed decision-making; improved public finance management; effective monitoring and evaluation system in education. Through NSED, the country commits also to reach the SDG 4 (Quality education for all) targets for Tajikistan.

For the area of **TVET**, the key priority reform measures are identified with the main purpose to address the challenge of ‘*ensuring a sufficient number of adequately educated/trained workers to meet the needs of the labour market both domestically and abroad*’. Those measures *inter alia* foresee construction and reconstruction of VET institutions' buildings; operationalising VET graduates' tracer studies; introducing National Qualification Framework (NQF) and updating the VET curricula according to NQF and occupational standards; systematic professional development of VET teachers; revising the VET state funding mechanism and attracting additional resources to VET. In addition, as measures to VET governance, it is supposed to ensure closer alignment between the policy priorities and public spending and strengthen the multi-channel financing of institutions; stimulate investments in the education; improve the Education Management Information System (EMIS); integrate digital technologies in the education sector management system; introduce new forms of public-private partnership in education.

The Strategy is equipped with a costed and annualised Action Plan (AP) for the 3-year period of 2021-2023, also developed with EU support. The cost of the 2021-2023 actions related to VET (combined PVET and SVET), is assessed equal to TJS 298.7 million or EUR 20.7 million⁹. The share of the cost to be covered from grants is 75.5% (TJS 225.6 million or EUR 15.7 million). The remaining 24.5% (TJS 73.1 million or EUR 5.07 million) will be funded from the state budget. It is to mention that the cost of the AP 2021-2023 seems significantly underestimated compared with the real financial needs. Thus, e.g., for ‘introduction of new type institutions’ and ‘refurbishment and modernisation of the existing VET institutions’ only EUR ~5.7 million and EUR ~13.0 million, respectively, is foreseen; which would cover only a very limited number of institutions (in the AP, no quantitative indicators for the activities are defined). In addition, considering the limited scope of the activities included in the AP 2021-2023 against the NSED objectives, it can be fairly expected that the next AP (e.g., for 2024-2026, which is the period to be largely covered by the proposed EU Budget Support programme) may include substantially more activities, with much higher costs. At the same time, within the NSED AP area “Governance and Financing”, around TJS 40 million (EUR ~2.8 million) is foreseen particularly for introducing EMIS (for the entire education system) and the accompanying activities. Besides, the costs of PFM reforms in the education sector, which are proposed to be a component of the expected Budget Support Programme, are not directly considered in the NSED AP.

⁹ The cost of the further actions is not calculated yet.

Another policy paper which comprises a part of the corresponding sector policy is the PPTC of the Republic of Tajikistan for 2021-2025 approved in December 2020. In fact, it complements NSED¹⁰ and is mainly targeted at non-formal training and adult learning within the comprehensive TVET framework. PPTC has an ambitious goal of ‘improving the citizens’ living standards, their professional development, taking into account the needs of the internal and external labour markets, introduction of modern teaching methods, improvement of the material-technical and educational-methodological bases, improvement of the professional skills of the educational institutions’ teaching staff (teachers and masters of practical training), involvement of citizens including young people, adults, women and girls, labour migrants, unemployed citizens, persons with disabilities and other vulnerable segments of the population in vocational training, attracting citizens to acquire a profession’.

For meeting the above goal, particularly the following tasks are formulated: creating conditions for attracting young people and adults to acquiring profession; improvement of the material-technical and educational-methodological base of the ATCs; strengthening the vocational training in the VET institutions and meeting the population demand for acquiring profession; expanding the coverage of different age vulnerable groups of population (persons with disabilities, single mothers, family members of migrants, low-income families) by vocational training; ensuring the accessibility of citizens, including women and girls, to vocational training; involvement of employers in the process of vocational training of citizens; setting up the system for collecting comprehensive statistics on short-term vocational training courses; adapting the facilities to the needs of inclusive education.

The Action Plan of the PPTC 2021-2025 is also annualised and costed, however, the calculations again seem quite restrained. In total, the AP cost is assessed as equal to TJS 12.770 million (EUR 0.885 million) which is a rather modest amount for a 5-year plan. Of this sum, only 19.1% (TJS 2,440 thousand or EUR 169.2 thousand) is planned to be funded from the State Budget. The remaining 80.9% (TJS 10.33 million or EUR 0.716 million) is expected to be covered from ‘other sources’, which should be understood as contributions from donors.

Overall, TVET policy is sufficiently relevant and credible. It matches with the needs and priorities of economic and social development of Tajikistan formulated in the overarching country policy document NDS for the period until 2030, which in turn is consistent with the country Sustainable Development Goals for 2015-2030; as well as with the commitment of the Government to progress with the education and particularly TVET reforms initiated recently. In addition, implementation of NSED and PPTC will contribute also to preforming at least some of the measures included in the “Action Plan for Preventing Impact of Potential Risks to the National Economy” (2022) aiming to address the impact of the Russian war of aggression against Ukraine.

One of the possible risks may be associated with the institutional capacities which however is expected to be tackled through the complementary measures, i.e., TA project. Another weakness is insufficient consistency between the policy and Medium-Term Expenditure Framework (MTEF). This issue is proposed to be solved in the framework of the Budget Support Programme itself, more specifically, by improving PFM in TVET and Employment sectors as well as by the support of the TA relevant component. In April 2022, MoLME presented a clear Roadmap for performing the sector policy priorities, particularly those reflected in the two above documents, during the period of 2022-2026. PVET is one of the strong focuses of that Roadmap, too, and this is considered as another proof of the TVET policy credibility.

In terms of improving the data collection and analytical basis, the need of operationalising EMIS is clearly highlighted in policy documents (NDS, NSED) and also in the recommendations of ETF and ADB. Nevertheless, in fact, it is still non-existent. MoLME reports a system of data collection based on phone-calls and letter exchange, e.g. between the Ministry and subordinated institutions, such as lyceums and ATCs. Similarly, the Statistics Agency collects either primary data from the institutions or aggregated data from MoLME and processes this information. No comprehensive statistical publications on VET (specifically PVET) are available. The open data are although relatively up-to-date (covering the academic year 2020-2021) but very limited by their coverage: number of VET institutions, number of students, yearly entrees and graduates (segregated by gender). Therefore, improvement of data collection and analysis in general, and launching Management Information System for VET, in particular, are proposed as one of the sector reform programme targets.

¹⁰ The Action № 69 of the NSED AP 2021-2023 is formulated as ‘Develop a Programme for Professional Training of the Citizens of the Republic of Tajikistan for 2021-2025’.

The NDS 2030 highlights the limited social integration of children with disabilities as one of the key factors of social inequality in Tajikistan. The NDS also emphasises the importance of creating an inclusive education environment.

In conclusion, the policy is sufficiently relevant and credible for budget support contract objectives to be largely achieved. Therefore, the policy can be supported by the Commission with the proposed budget support contract.

2.3.2 Macroeconomic Policy

The recent **main macroeconomic aggregates** consider various sources. As per Consensus Forecast (as of May 2022¹¹), the real GDP growth rate in Tajikistan is 3.7 in 2023 compared to 1.4% in 2022, and the Consumer Price Index (CPI) is 12.5% in 2022 compared to 10.2% in 2023. The IMF projects the real GDP growth rate of 3.5% in 2023 compared to 2.5% in 2022, and CPI of 15% in 2023 compared to 10% in 2022. The IMF notes that the output is subject to significant uncertainty, as economic sanctions on Russia might further worsen the projections. The Economist Intelligence Unit (EIU, June 2022) estimates that Tajikistan's external debt levels will stand at 93.4% of GDP in 2022, with the risk of sovereign default being high, as international reserves cover only about a third of total debt. The EIU (2022) also expects the deficit to narrow to about 2.2% of GDP in 2023, as the government tries to limit spending; and that the government will finance the deficit via grants from multilateral lenders and securing extensions from China, its largest lender. The IMF has noted that authorities were quite successful with stabilising the exchange rate, which is currently appreciating.

The Tajik authorities are pursuing a stability oriented **macroeconomic and fiscal policy**. The IMF (February 2022) has observed substantial progress made by the authorities by meeting the IMF preconditions and implementing most of the previous measures. The National Bank of Tajikistan (NBT) continues its reforms of monetary policy and the banking system through the implementation of the Monetary Policy Strategy 2021-2025. The authorities have plans to transition to an inflation targeting regime. According to the EIU (June 2022), fiscal and monetary policy instruments are generally weak, with little long-term impact on the economy. The main policy priorities are poverty reduction and preventing a sharp depreciation of the somoni. The EIU expects the NBT to maintain the crawling peg of the somoni to the US dollar to minimise volatility.

The IMF recommends authorities to follow careful policy by preserving 2022 budget deficit target of 2.5% in order to keep the debt down. The new tax code, which was approved in November 2021, entails some positive features, e.g., taxpayer protections, administrative reforms. However, the IMF notes that it also includes lower tax rates without base broadening and new tax incentives, which will likely result in revenue losses, that would undermine development and social spending as well as rebuilding of buffers, which is important given Tajikistan's debt-related vulnerabilities. The latest debt sustainability analysis (in consideration of high risk of debt distress) were discussed as part of a recent Article IV mission in June 2022.

Tajikistan needs to strengthen **domestic revenue mobilisation** that could be used to support priority social spending programmes. The IMF recommends that it is important to reverse the downward trend in revenues as a share of GDP that has been ongoing since 2017. Broadening the tax base by phasing out inefficient tax incentives is key. According to the World Bank, the estimated tax incentives account for nearly 10 percent of 2018 GDP (WB, 2019). Ongoing tax administration reform that aims increasing compliance level and reducing informalities should also contribute to better revenue performance in the medium term.

Tajikistan's economy remains highly vulnerable to **external and endogenous shocks**. The IMF notes that strengthening financial supervision and the macro-prudential policy framework could increase resilience to external shocks, and recommends the NBT to increase the intensity and rigor of supervision, including the early intervention process, and ensure that banks maintain prudent asset classification, provisioning, and credit risk management practices. The social impact of the external risks are related to returning migrants from Russia. The climate change risks are related to the intensity and frequency of droughts that disproportionately impact vulnerable households, as well as torrential rains that cause severe cascade of floods, landslides, and mudflows.

The relationship of the Government of Tajikistan with the IMF is ongoing and follows recommendations arising from February 2022 conclusion on the Article IV consultation. However, the conclusion is still depending

¹¹ Consensus Forecast Tajikistan is a summary of prognoses of economic development in Tajikistan. The data is taken from official publications or statements from different organisations. The consensus forecast is a simple average of forecasts. It is produced with the financial support of the European Union and the German Federal Ministry for Economic Cooperation and Development, BMZ.

on negotiations, and the IMF is planning to relook at this in September 2022. IMF visited Tajikistan in June 2022 to review the conditions, due to the global implication of Russia's war against Ukraine. Regional security and geopolitical tensions could jeopardise economic prospects. Authorities expressed strong interest for the IMF programme, with an agreement in place on negotiation. In May 2020, the IMF approved a Rapid Credit Facility disbursement to Tajikistan to address the COVID-19 Pandemic. In the third quarter of 2021 the IMF provided Tajikistan with debt relief. Negotiations with the IMF are ongoing in the framework of the Extended Credit Facility programme in line with the Anti-Crisis Action Plan. Tajikistan has requested to join IMF's Financial Stability Programme, for which a roadmap of action is being drafted.

In conclusion, the authorities are pursuing a stability-oriented macroeconomic policy and the eligibility criterion is met.

2.3.3 Public Financial Management

There are a several PFM diagnostics that inform PFM reform design and actions in Tajikistan. The most recent ones are Public Expenditure and Financial Accountability Assessment (PEFA, 2022) and the International Budget Partnership's Open Budget Survey (OBS 2021). The government is planning to issue the next phase of its PFM Reform Mid-Term Action Plan (MTAP) in consideration of those findings. Other diagnostic reports include: Debt Management Performance Assessment (DeMPA, 2016), the Tax Administration Diagnostic Assessment Tool (TADAT, 2020), and the IMF's Article IV macro-fiscal reports, including the Debt Sustainability Analysis. The World Bank's Public Expenditure Reviews (PER) is planned to be released by the end of 2022.

The strengths and weaknesses of the existing PFM system in Tajikistan are drawn from PEFA 2022 assessment along three PFM outcomes. (i) Regarding **fiscal discipline**, robust medium-term fiscal planning has significantly improved, but remains challenging in the presence of continued willingness of the government to borrow, fragility of Tajikistan's small economy to external disturbances and shocks, and economic uncertainty. (ii) Regarding **strategic allocation of resources**, although the government budget has grown considerably over the years, resources are traditionally scarce, and it is unclear if they are allocated and utilised efficiently and effectively. The principles of policy-based budgeting are not fully in place across the government sector. A performance culture needs to be built which will examine critically the use of manpower, and require public sector managers to be accountable for the results of the expenditures under their control. (iii) Regarding **efficient service delivery**, persistent in-year changes in the composition of expenditure and the absence of continuity and scrutiny in medium-term expenditure planning may be seen as evidence that the system is permeated with inefficiency. Some of the changes in recent years - improvements in the content and timeliness of expenditure reporting, improvements in the transparency of public procurement – should help to create conditions in which inefficiency can more effectively be challenged. Effective internal financial control arrangements need to be instituted throughout the government, and order needs to be brought to the management and control of the public sector payroll.

Domestic revenue mobilisation is an important aspect of the PFM in Tajikistan. Since January 2022, the Government is implementing the new (amended) tax code and is currently updating the sub-laws¹². GoT has requested a support from the World Bank to conduct revenue impact analysis, along the lessons learnt to be taken from the first year (2022) of implementation of the tax code.

In 2020, a TADAT was applied to undertake a comprehensive assessment of the domestic tax administration system in Tajikistan. The assessment has identified the following strengths. The taxpayer registration process and database meet the standards of international good practice and accuracy is ensured. The internal and third-party data collection and processing allows comprehensive statistical analysis. The Tax Committee (TC) provides adequate and current information to taxpayers to meet their obligations. All tax declarations and payments are made electronically and in a timely manner. The TC revenue accounting system is robust and interfaces with the MoF's financial management system. The internal and external audit functions are regular and well defined. The TC provides adequate support to the MoF in providing inputs to revenue forecasting, monitoring revenue collection, and tax expenditures. Taxpayer perception surveys are conducted regularly and follow up actions undertaken.

Meanwhile, the TADAT has highlighted the following weaknesses: Effective management of tax compliance and institutional risks lack international good practice. No tax gap analysis is currently undertaken. The TC does not

¹² The Tax Code of the Republic of Tajikistan (#902 dated September 17, 2012) was last amended in 2021.

have methodologies for auditing key taxpayer segments and economic sectors. The VAT refund and credit system is inadequate and is not based on risk assessment. The dispute resolution system is weak and rarely used by taxpayers. The taxpayer perception surveys, and external audit reports of operational and financial performance are not made public. The Tax Committee does not have a proper mechanism for binding rulings or cooperative compliance arrangements.

Tajikistan has bilateral tax agreements with 36 countries and is expanding its international multilateral cooperation for international information exchange (as noted by TADAT). Bilateral treaties on indirect taxes are signed with Kazakhstan and Belarus. Tajikistan has also signed bilateral agreements on mutual assistance and cooperation on tax compliance issues with Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation, Turkmenistan, Ukraine, and Uzbekistan. Tajikistan is not a member of the Organization for Economic Cooperation Development's (OECD) Global Forum on Transparency and Exchange of Information for Tax Purposes. Tajikistan is one of 34 members of Belt and Road Initiative Tax Administration Cooperation Memorandum.

Tajikistan does not have gender responsive budgeting. However, the government has developed (in February 2022) a medium-term action plan to mainstream gender aspects into the budget planning and the state budget, as well as to use Tajik Financial Management Information System (TFMIS) to facilitate the process. These efforts can be further integrated into the results of the proposed Action to capture data disaggregated by gender groups.

Tajikistan PFM system is yet to be designed to respond to environmental degradation and climate change. There are initial steps in this regard. The Government has launched a National Climate Change Adaptation Strategy (NCCAS, 2030) in 2019 and works with Green Climate Fund (GCF) and other partners who are supporting with adaptation financing, focused on forestry management, preservation, and other cooperation to increase food security for vulnerable people. World Food Program (WFP) and GCF have a joint program titled "Building Climate Resilience of Vulnerable and Food Insecure Communities Through Capacity Strengthening and Livelihood Diversification in Mountainous Regions of Tajikistan. The World Bank supports to social and environmental resilience, that focuses on gender based violence and shift towards greener economy aligned to disaster risk financing strategy, which was developed recently.

The GoT's reform agenda and plans are sufficiently relevant and credible. The Government's reform agenda and plans are **sufficiently relevant** because they address the weaknesses identified in the PFM system in line with the PFM Reform Strategy, 2030 (even though the reform actions of MTAP 2023 require an update in consideration of PEFA, 2022). The Government reform programme is **sufficiently credible** because firstly MoF has effective responsibility over the PFM reforms; and secondly there is a donor coordination framework. Leadership and meaningful involvement of the Government however is limited and needs to be addressed.

Policy and reform planning in PFM are guided by the overarching NDS of the Republic of Tajikistan 2016-2030 and the Public Finance Management Reform Strategy (PFMRS) of the Republic of Tajikistan until 2030. The NDS and the PFMRS provide an overall strategic framework with regards to implementing the government's national policy priorities in PFM. Both strategies are operationalised through corresponding mid-term action plans, which define specific activities, links to reforms in other thematic areas, implementation years, funding sources, and responsible or contributing institutions.

The NDS outlines national priorities in the areas of PFM, such as: (i) programme budgeting; (ii) linking the budget process with strategic planning; (iii) tax administration; (iv) fiscal decentralisation; and (v) transparency and accountability (e.g., fiscal risk management of state-owned enterprises, Parliamentary oversight, and citizens' participation in the budget process). In turn, the PFMRS is aligned with these national priorities and employs a coherent and systemic approach to supporting the PFM reform agenda. The new PFMRS 2030 was approved by the President of Tajikistan on 31 January 2020. The Strategy is more comprehensive compared to the previous one, as it incorporates oversight reform components, including measures for external audit by Chamber of Accounts and parliamentary oversight by Committee for Economics and Finance under the Lower Chamber of Parliament. Through the PFMRS, the GoT is committed to implementing PFM reforms.

The Strategy specifies arrangements for monitoring of reform actions to be carried out by the PFM Secretariat and reported to the PFM Coordination Council. However, effectiveness of these arrangements require strengthening, and that the secretariat requires to be re-operationalised. The implementation of the Strategy is through MTAPs. The government is currently implementing MTAP 2021-23.

The government recognises that improving the effectiveness of a PFM system generates widespread and long-lasting benefits. There is a strong engagement of MoF leadership, including the Minister and following recent (April 2022) appointment of the new Deputy Minister responsible for PFM reforms and Budget Support. However, the progress in PFM reform implementation is slow due to low capacity coupled with high staff turnover. The PEFA 2022 has observed the following regarding the progress made by the Government on PFM reforms. PFM reform progress in Tajikistan has in recent years been slow and weaknesses in many areas remain. Where progress has been made at technical level, it has not always translated into relevant and tangible changes at policy level. Implementation of PFM reforms in 2010-2020 has sometimes led to mixed results due to inadequate capacity and resources, and a loss of institutional memory. This period was characterised by significant uncertainty and turbulence, driven by the turnover of managerial personnel in the MoF and economic downturns fuelled by the global financial crisis, domestic banking sector crisis, a sharp fall in global commodity prices, COVID-19 outbreak, and other circumstances leading to a rise public spending and delayed implementation of structural reforms.

In conclusion, the public finance management reform strategy is sufficiently relevant and credible, including on domestic revenue mobilisation, and the eligibility criterion is met.

2.3.4 Transparency and Oversight of the Budget

The entry point is considered to be met as the GoT publishes both its executive budget proposal and the enacted budget on the Ministry of Finance website - moliya.tj. The budget proposal and enacted budget for 2022 are both published on MoF web site and other media, including Press Service of the President of the Republic of Tajikistan, the National Centre for Legislation, as well as are available in hardcopy from the Government printers (Sadoi Mardum, Jumhuriyat, Moliya wa hisobdori, Boju hiroj).

Executive's budget proposal. In line with the Ministerial Order #108 and other internal regulatory documentation, the MoF publishes the draft budget proposal on its official website (in Tajik and Russian languages) prior to its submission to the legislature (the link is [here](#)).

Enacted Budget. In line with the legal requirement¹³, annual budget legislation is published in local media outlets no later than 15 days after their enactment. The Law 'On the State Budget for 2022' was endorsed and published on 30 November 2021, i.e., over a month before the beginning of the new fiscal year. Although the 2022 Budget was approved on time (on November 30, 2021), there were delays of around one month in submission of 2022 draft budget to the Government. This was due to discussions related to implication of the tax code on 2022 budget and negotiation with IMF on Article IV. The link is [here](#).

The assessment of budget transparency also considers other documents covering budgetary information in addition to the **executive's budget proposal and the enacted budget**). PEFA 2022 has noted that the MoF made significant improvements to public disclosure of budgetary information since the last (2016) assessment, in particular, by publishing on the MoF website the annual executive budget proposal documentation and annual report on budget execution. PEFA 2022 has concluded score B for PI 9.1 Public access to fiscal information, noting that the government makes available to the public 7 (out of 9) elements, including at least 4 (out of 5) basic elements, in accordance with the specified timeframes¹⁴.

In-year budget execution reports. Consolidated quarterly in-year budget execution reports are published in state-owned newspaper 'Jumhuriyat', magazine 'Moliya', and are also published on the website of the MoF within one month of their issuance (the link is [here](#)).

Annual budget execution report. Annual budget execution reports are printed out in hard copy and are available to the public upon request in May-June, i.e., within six months of the fiscal year's end. Consolidated annual budget execution reports are also published on the website of the MoF (usually in June). The link is [here](#).

Audited annual financial report (external auditor's report). Although they are routinely audited by the Chamber of Accounts, annual financial reports are not publicly disclosed.

¹³ According to the Law of the Republic of Tajikistan 'On the Order of Publishing Laws of the Republic of Tajikistan' (#900 dated 11 December 1999), and amendments that were enacted on 3 May 2002.

¹⁴ Links are added for the recent documents from the latest fiscal year, which PEFA (2022) didn't cover.

Prebudget statement. Pre-budget statement is issued by the GoT and published on the website of the MoF – namely, ‘Explanations of the Economic and Fiscal Policy’ for the next three years, which contains broad macro-fiscal parameters (including revenue and expenditure estimates), deficit and debt parameters, and sectoral growth forecasts. Pre-budget statement is endorsed by high-level Budget Commission chaired by Prime Minister and published in August or September, i.e., at least 3-4 months before the start of the fiscal year. The link is [here](#)¹⁵.

Other external audit reports. Although Article 31 of the Law of the Republic of Tajikistan ‘On the Chamber of Accounts of the Republic of Tajikistan’ stipulates that audit reports should be published in media, not all non-confidential reports on central government consolidated operations were published on the website of the Chamber of Accounts during 2020. The link is [here](#).

Citizens’ budget. A citizens’ budget containing the approved budget proposal is routinely developed by the MoF and published on its official website. In the past this was usually followed by a presentation of the citizens’ budget to civil society activists and local media in a joint event convened by the MoF and local civil society organisations (CSOs). In 2020, the citizens’ budget was made available in Tajik, Russian and English languages in October, i.e., within one month of the budget’s approval (NB: The budget proposal was submitted to the legislature in October and was approved in November). The link is [here](#).

Macroeconomic forecasts. Macroeconomic forecasts form part of the MoF’s medium-term macro-fiscal framework and are publicly available on the website of the MoF immediately after their endorsement in June. In 2021, macroeconomic forecasts were endorsed by the GoT¹⁶.

Main reference documents for budget transparency and oversight. The Constitution determines that state bodies are required to ensure the provision of information to civil society or individuals whose interests are at stake. The Public Finance Law determines that approved budget proposals and budget performance reports should be made publicly available or published through local media outlets. In effect, this ensures completeness of and access to budget information at different stages of the budget cycle, and openness of the budget process for the public and mass media. The law defines that budget transparency is one of the main principles of the budgeting system in Tajikistan. Access to information on the budget process is through the MoF’s website.

On 30 September 2020, the MoF issued an Order (#108) that approved the Methodological Guidelines on ensuring transparency and public access to information on the budget process and the list of information available on the website of the MoF. This is an important regulatory document that determines public access to fiscal information and how the MoF interacts with the public.

Strengthening transparency in PFM and promoting citizens’ engagement in the budget process is one of the cross-cutting areas of GoT’s PFM Reform Strategy 2030, which span across all three implementation stages. The Chamber of Accounts has developed and adopted (in January 2019) a [medium-term development plan for 2019-23](#), which captures the range of proposed and planned measures to strengthen the external audit function in Tajikistan. However, PEFA 2022 concluded an Score D for PI 31.3: Transparency of legislative scrutiny of audit reports and observed that ‘Audit reports are limited to Members of the Parliament and not available to the public. The public is not invited to or informed about Parliamentary hearings on external audit reports.’

The recent **Open Budget Index** (OBI, 2021) score shows no improvement in open budget, including in: transparency score of 16 (out of 100) in 2021, compared to 17 in 2019 and 30 in 2017; public participation score of 0 (out of 100), and that the legislature and supreme audit institution in Tajikistan, together, provide limited oversight during the budget process, with a composite oversight score of 43 (out of 100). The following changes have been observed by OBI. Tajikistan has increased the availability of budget information by: Publishing the Citizens Budget online, publishing the In-Year Reports online in a timely manner, and increasing the information provided in the Pre-Budget Statement. However, Tajikistan has decreased the availability of budget information by failing to have the Executive’s Budget Proposal online and available to the public during the time frame it was being debated in the legislature.

In conclusion, the relevant budget documentation has been published and the eligibility criterion is met.

¹⁵ The published documents include: [explanatory notes](#), excel file Параметрҳо 2022-2024 - macro-fiscal parameters) and excel file “Харочот барномавӣ” - programme budgets for selected sectors.

¹⁶ via the Resolution of the GoT #266 dated 30 June 2021 ‘On the Forecasts of Main Macroeconomic Indicators of the Republic of Tajikistan for 2022-2024.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** (Impact) of this action is to contribute to an increased employability of youth, women and returnees.

The **Specific Objectives** (Outcomes) of this action are:

1. Improved governance through policy based and gender sensitive budgeting and monitoring of the TVET and employment sectors;
2. Improved and inclusive learning outcomes of Primary vocational education and training with a focus mainly on industrial and also agriculture and energy sectors, and introducing PVET professions related to green economy and/or renewable energy sources;
3. Improved labour market integration with a focus on youth, women and returnee migrants through increasing the level of digitalisation in PVET.

The **Induced outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

- 1.1 Improved budget preparation practices, particularly regarding linkages between policy setting and budgeting (MTEF, policy-based budgeting, performance of service delivery), as well as enhanced transparency and increased public participation at MoLME.
- 1.2 Increased funding for sector expenditure policy priorities (in line with the government commitments to the sector) with credible cost estimate of fiscal impact, which is submitted to the legislature.
- 1.3 Enhanced progress in PFM reform implementation, and enhanced transparency and accountability in PFM.
- 2.1 Established effective mechanism for standards and curricula development with due participation of employers, and their involvement in other PVET aspects
- 2.2 PVET system made accessible for the learners with special needs (including those with disabilities)
- 3.1 Operationalised MIS for PVET
- 3.2 Digitalised content of, and Applied digital techniques in provision of Primary Vocational Education and Training

The **Direct outputs** are:

- 1.1 Additional fiscal space created by the transfer of funds and increased transparency of funds spending.
- 1.2 Effective policy dialogue with the TVET governance bodies.
- 1.3 Established social dialogue with the private and public TVET stakeholders.
- 1.4 Improved sector policy performance and monitoring system.
- 1.5 Improved capabilities of the TVET network to ensure quality an inclusive and quality training provision.

3.2 Indicative Activities

Activities relating to Output 1.1:

- Developing MoLME medium-term programme/performance framework (MTPF), that includes policy priorities, programme budgets and performance plans of the MoLME for the medium term period.
- Developing an annual report on performance achieved for (pilot number of) PVET and adult training centres, covering the quantity of outputs produced and outcomes achieved for these service delivery units.
- Conducting monitoring and performance evaluation of the efficiency and effectiveness of (pilot) PVET and adult training centres.
- Engaging and facilitating public participation into budget planning and monitoring activities.

Activities relating to Output 1.2:

- Preparing MoLME budget submission (both for Phase 1 and Phase 2) in compliance to MoF instructions and templates, and specifically programme budget requests, both for recurrent and capital expenditure, with specification of new budget initiatives (policy priorities) in line with GoT commitments to PVET and adult training (as per the costed action plans endorsed by GoT),

- Costing of GoT's PVET sector policy priorities with the estimate of fiscal impact and submitting to the MoF in line with budget instruction forms.
- Aligning MoLME/MoF budget hearings and the budgets endorsed by the Cabinet with the sector strategies/action plans and following programme classification.
- Aligning expenditure policy proposals of the MoLME in the approved medium-term and annual budget estimates with the MoLME/sector strategic plans.
- Engaging and facilitating public participation into budget processes and budget negotiations (MoLME/MoF).

Activities relating to Output 1.3:

- Preparing and publishing key budget documents (as defined by PEFA PI 9) and mid-year review on timely basis.
- Preparing and publishing citizen's versions of key budget documents on timely basis.
- Preparing and publishing annual monitoring report of the PFM reform strategy on timely basis.
- Engaging and facilitating public participation in dissemination of information from key budget documents.

Activities relating to Output 1.4:

- Revising of the annual budget calendar by incorporating public participation interactions (with timeframes) into the budget planning, implantation and monitoring.
- Organising events for public participation and engagement into budget planning and monitoring.
- Preparing tender dossier for developing 'open budget' portal for citizen on-line engagement in PFM, including Terms of Reference (ToR).
- Developing, testing and launching 'Open budget' portal with interconnectivity with MoF web site.
- Facilitating citizen on-line engagement in PFM.

Activities relating to Output 2.1:

- Establishing at least two Sectoral Committees for high-priority PVET professions in the sectors of industry, agriculture and/or energy;
- Developing PVET standards and curricula;
- Ensuring larger scope of PVET students' and learners' practical training at companies.

Activities relating to Output 2.2:

- Adapting the facilities of the PVET institutions and Adult Training Centres to the learners with special educational needs (including those with disabilities);
- Developing packages of educational-methodological materials for teaching those with special educational needs;
- Training PVET teachers and trainers on the methods of work with the learners with special educational needs.

Activities relating to Output 3.1:

- Developing and operationalising MIS for PVET;
- Providing IT equipment to all relevant institutions for the MIS proper functioning.

Activities relating to Output 3.2:

- Digitalising educational-methodological documents;
- Developing digital competences for PVET teachers and trainers
- Teaching digital skills to PVET students for digital learning and employment;
- Providing IT equipment for digital education.

The programme will be accompanied with a Technical Assistance project (to be funded under decision CRIS ACA/2020/039-948) targeted at improving the capacities of the relevant structures in performing the sector reforms and more specifically, addressing the Specific Objectives of the Programme.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions): The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project): The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project): The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

The NDS 2030 outlines the general directions of economic development, the implementing measures that can help to reduce the impact of climate change. Moreover, 'Inclusive Green and Digital Economy' is the MIP 2021-2027 Priority Area 1. Considering this, the proposed Programme will promote imbedding the 'greening' elements into TVET through supporting development of corresponding standards and curricula, and introducing PVET professions related to green economy and/or renewable energy sources.

Tajikistan is increasingly vulnerable to climate change due to irregular seasonal rainfall and from drought, contributing to soil degradation and harvest and livestock depletion. The action prioritises value added, green economic growth through skills training in the renewable energy, sustainable agriculture and industrial manufacturing, supporting adaption to a green economy. Foreseen occupational areas include installation and maintenance of solar, wind and hydro energy resources, including digital skills and high-Tech solutions involving i.e., post-harvest preservation technologies, micro-hydro installations and wind-turbine repair and maintenance. The action includes awareness raising activities and engaging stakeholders in soil and biodiversity conservation.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. The programme will mainstream gender equality through promoting the increased enrolment of girls and women in PVET as well as adapting the learning conditions to their needs in order to contribute to increased employability of women. Despite having a relatively good legal and policy framework on gender equality, women in Tajikistan still do not enjoy all the prescribed rights. Therefore, the proposed programme will promote necessary measures to eliminate gender-blindness in the education policy and provision.

Human Rights

Politically, the EU-Tajikistan Human Rights Dialogue remains paramount to raise human rights issues of concern. Political formats such as Cooperation Council and Cooperation Committee meetings, as well as various high-level visits (e.g., visits of EU Special Representative for Central Asia) also serve to convey to the authorities on the promotion of pluralism, human rights and rule of law. On these occasions, the EU continues to encourage Tajik authorities to take measures in line with its international legal obligations. Support through programmes such as the European Instrument for Democracy and Human Rights remains essential especially in the pursuit of the priorities in the Human Rights and Democracy Country Strategy for 2020-2024.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the programme will directly (through the specific conditions) promote adaptation of the facilities of the Primary VET institutions and Adult Learning Centres to the learners with special educational needs, including those with disabilities, as well as developing packages of educational-methodological materials for teaching the above category of learners and training PVET teachers and trainers on the methods of working with them.

Democracy

The proposed budget support intends to reinforce political dialogue and push to adhere to the EU fundamental values. This will be achieved through enhanced transparency of public finances and performance of the programmes that government implement. Furthermore, civil society and public participation in the budget process, and through using digital technologies, such as 'open budget' portal, will further contribute to accountability of the government and promotion of democratic values in country.

Conflict sensitivity, peace and resilience

The main risks of escalation of violence may arise from the fragile situation at the Tajik borders with Afghanistan and Kyrgyzstan. The proposed budget support intends to contribute indirectly to the EU Delegation measures to mitigate instability, insecurity, conflict and violence in country. Contribution to an increased employability of youth, women and returnees, which is the overall objective of this action, can contribute to generation of income to those groups in need, and therefore supporting economic development and decent jobs opportunities to prevent exclusion and reduce the risk of radicalisation, especially among the youth.

Disaster Risk Reduction

Tajikistan is one of the countries in Central Asia most vulnerable to shocks procured by extreme weather events caused by the climate change, due to its high sensitivity, low adaptive capacity and the lack of emergency management capacity to natural hazards. Income from agricultural production is the largest source of livelihood for the poorest rural households; their vulnerability is exacerbated by the above factors.

The proposed budget support intends to contribute indirectly to the measures that EUD has planned to mitigate disaster risks and vulnerability to shocks. To increase the Tajik economy's resilience and ensure macro-stability, the authorities need to accelerate reforms in public finance by improving the efficiency of public spending and quality of tax collections and promoting development of a vibrant private sector for a sustainable economic progress. These efforts will be supported by this Action, particularly the areas related to PFM and supporting the Ministry of Finance.

Reduce Inequality

As per OECD Inequalities DAC codes identified in section 1.1, this action is labelled as I-1. This implies that the programme will directly have an impact on inequality reduction considering that the level of income and social inequality remains high and that the development of a system on ensuring inclusive development and reduction of inequality is a priority in Tajikistan.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood	Impact	Mitigating measures
External environment	1. Political instability in the region and impact of global crises	High	High	Continuous policy dialogue and coordinated effort with other development partners in supporting stability.
	2. Climate change and disaster risks	Medium	Medium	EU interventions in WASH and energy sectors.
Planning, processes and systems.	3. Fiscal constraints, which divert government efforts to other priorities	Medium	High	Regular monitoring of fiscal policy implementation in line with IMF recommendations, development of enabling policies and remedial actions.
	4. Financial fraud, corruption or funds not being used for planned purposes	Medium	High	Policy dialogue with GoT (including oversight bodies) with regular monitoring of government spending, coordination through GoT platforms.
	5. Weaknesses in the policy analysis, planning, monitoring and reporting	Medium	Medium	Mitigation through TA interventions and in coordination with Development Partners. Improvement and refinement of EMIS and strengthening of learning MIS.

	6. Insufficient consistency between the PVET and labour/employment policy and Medium term expenditure planning	Medium	High	This risk will also be mitigated <i>via</i> establishing an indicator related to improvement of PFM in PVET and employments sectors, particularly through an effective programme budgeting.
	7. Weaknesses in data collection and monitoring systems.	Medium	Medium	Establishment and operationalisation of MIS for PVET. In addition, a project “Modernisation of National Statistical System in Tajikistan” with financial support of the World Bank (10 million USD) will be launched in 2022. Moreover, QESP II will also work on improving the analytical and monitoring capacity of the beneficiaries.
People and the organisation	8. Instability and staff turnover of senior policy makers in leading government agencies.	Medium	Medium	Commitment from key stakeholders in government to ensure active participation of key staff in the Action implementation. Continuous policy dialogue and complementary TA to strengthen their capacity and ownership.
	9. Insufficient institutional and human capacity in the implementing institutions	Medium	Medium	This risk will be mitigated through the complementary measures, i.e., Technical Assistance project which is expected to contribute to the capacity building of the relevant institutions.
	10. Lack of digital skills in relation to introduction of data collection and monitoring system	Medium	Low	The relevant staffs of the PVET institutions, ATCs and the governance and support structures will be trained on applying MIS for PVET as well as using other necessary digital tools.
Legality and regularity aspects	11. Lack of adequate legal and regulatory framework to reforms. Low compliance to legislation, including compliance of Main Administrators of Budget Allocations (MABAs), Administrators of Budget Allocations (ABAs) and ABAs; and Recipients of Budget Allocations (RBAs) with current regulation and instructions;	Medium	Medium	The policy dialogue with the Government to include legality and regularity aspects, including reform actions optimising the number of MABAs in the general government sector in line with PFM reform actions.
Communication and information	12. Lack of coordination and cooperation between MoF, MoLME, MoES and Ministry of Industry on key roles.	Medium	Medium	The policy dialogue with the Government to include coordination and cooperation aspects of relevant government agencies involved in the sector.

	13. Resistance from the Government in transparency, accountability and public engagement	Medium	High	This risk will be mitigated through variable tranche indicators related to transparency, accountability and public engagement.
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Lessons Learnt:

The proposed Action is designed on the basis of the experience gained and lessons learnt from the implementation of QESP I, the PFM TA, as well as EU's previous Budget Support of Human Development Support Programme I and II. The overall country risk is assessed as 'Substantial' (Ref. RMF+ for Tajikistan, 2021, which is annexed), with the following breakdown: 'High' for political system and corruption (category 1) and 'Substantial' for sustainable jobs and growth (category 2), sector policies (category 3), and sustainable finance, PFM, transparency and oversight (category 4).

The assumptions associated to the Action are related to the following:

- The GoT, the EU, International Financing Institutions and other donors continue to support the strategic goals of the NDS as they relate to the sector, and support projects that pursue these aims.
- The authorities are pursuing a stability oriented macroeconomic policy in close coordination and cooperation with the IMF, WB, ADB and other partners. The government prepares credible macro-fiscal forecasts, which is contained in the Medium Term Fiscal and Expenditure Frameworks.
- The GoT remains committed to the implementation of reforms targeting the introduction of the principles of good governance in the TVET and Employment sector.

The GoT continues supporting and funding all the current and successor strategies covered by the Action and will continue monitoring their implementation involving actively key stakeholders and development partners.

3.5 The Intervention Logic

The underlying intervention logic for this action is that:

IF employers participate in PVET content development via an institutionalised structure and also in PVET provision, **IF** PVET institutions' and ATCs' facilities and educational-methodological provision are adapted to those with special educational needs (including those with disabilities), **IF** PVET institutions and ATCs are provided with minimum IT equipment and teachers are trained for the use of PVET provision digital techniques and for methodologies of working with learners with special needs, **IF** PVET Management Information System is introduced, **IF** MoLME develops appropriate MTPF, and prepares budget submissions in compliance to MoF instructions and templates with specification of new budget initiatives (policy priorities) in line with GoT commitments to PVET and adult training, **IF** MoF prepares and publishes key budget documents (as per PEFA and OBI requirements) and organises events and tools for public participation and engagement into budget planning and monitoring, **AND** necessary financial and human resources allocated for performing these actions, **THEN** the PVET system will become more accessible, inclusive and relevant to the labour market needs, its management will become more effective, and improved PFM will be achieved with stronger linkages between policy setting and budgeting, along enhanced transparency and increased public participation.

IF PVET, through adaptation to the needs of learners with disabilities and digitalised provision, is more accessible and efficient, and its content better complies with the labour market needs, **IF** PVET management is evidence-based and therefore, more effective, **AND** GoT remains committed to the implementation of reforms targeting the introduction of the principles of good governance, transparency and accountability including in the PVET and Employment sector, through publicising key budget documents, including their citizen's versions, annual monitoring report of the PFM reform strategy, MoLME MTPF and annual performance, as well as facilitates citizen on-line engagement in PFM through open budget portal, **THEN** appropriate and inclusive PVET learning outcomes will be in place at least for the addressed sectors, which in turn will ensure improved employability and higher productivity of youth, women and returnee migrants, **BECAUSE** key building-blocks for appropriate skills development system will become available and improved governance will be achieved through policy-based and gender-sensitive budgeting and monitoring of the TVET and employment sectors.

IF governance of the TVET and employment sectors is improved through introducing a policy-based and gender-sensitive budgeting and monitoring and **IF** PVET ensures improved and inclusive learning outcomes which results in improved labour market integration specifically of youth, women and returnee migrants, **AND** GoT continues funding all the current and successor sector strategies, **THEN** overall employment rate of the population will be increased. This is **BECAUSE** evidence-based decisions will be taken on the sector policy development, performance and funding, and better compliance between the labour force demand and supply will become a reality.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

BUDGET SUPPORT MODALITY as reflected by the national/sector public policy supported (4 levels of results / indicators / Baselines / Targets / Source of Data - no activities)

Caveat: the indicators used in the Logic Framework Matrix refer to the budget support intervention logic. They help monitoring the implementation of the programme in view of its objectives and later evaluate its contribution to country policy's achievements. The list of indicators below should not be understood as the list of indicators informing the disbursement of variable tranches and spelled out in the relevant part of the financing agreement signed with the partner country, although some indicators may be used for both purposes and will be marked accordingly.

Results	Results chain	Indicators (max. 15)	Baselines 2022	Targets by the end of the budget support contract 2025/2026	Sources of data (1 per indicator)
Indicative Impact of the policy	To contribute to an increased employability of youth, women and returnee migrants	<p>1. Formal employment rate</p> <p>2. Global Europe Results Framework (GERF) 1.11 SDG 8.5.2 indicator “Unemployment rate, by sex, age and persons with disabilities”</p> <p>3. Youth unemployment rate</p> <p>4. GERF 1.12 SDG 8.6.1 indicator “Proportion of youth (aged 15-24 years) not in education, employment or training”</p> <p>5. Share of employed individuals with vocational education, including:</p> <p>5.1. Men</p> <p>5.2. Women</p> <p>6. SDG 4.3.1 indicator “Percentage of youth (e.g., 15-24 years) participating in formal education”, including:</p> <p>6.1. Women</p>	<p>1. 62% (2019)</p> <p>2. 2.1% (2019)</p> <p>3. 11.6% (2019)</p> <p>4. 29.3% (Male – 7.2%, Female – 49.3%) (2019)</p> <p>5. 32% (2019)</p> <p>5.1. 36.5%</p> <p>5.2. 28.5%</p> <p>6. 26.6% (2019)</p> <p>6.1. 24.2%</p>	<p>1. 75% (2025)</p> <p>2. 2% (2025)</p> <p>3. No more than 8.3% (2025)</p> <p>5. No more than 24% Male – 5%, Female – 35% (2025)</p> <p>5. 40% (2025)</p> <p>5.1. 47.9%</p> <p>5.2. 35.0%</p> <p>6. 40% (2025)</p> <p>6.1. 38% (2025)</p>	<p>1. GoT MTDP 2021-25 Action plan¹⁷ (indicator № 100.1)</p> <p>2. GoT MTDP 2021-25 Action plan (indicator № 98)</p> <p>3. GoT MTDP 2021-25 Action plan (indicator № 174.7)</p> <p>4. GoT MTDP 2021-25 Action plan (indicator № 174.1)</p> <p>5. GoT MTDP 2021-25 Action plan (indicator № 107.1)</p> <p>6. GoT MTDP 2021-25 Action plan (indicator № 107.2)</p>

¹⁷ Action plan for the implementation of the medium-term development program of the Republic of Tajikistan for 2021-2025

Results	Results chain	Indicators (max. 15)	Baselines 2022	Targets by the end of the budget support contract 2025/2026	Sources of data (1 per indicator)
Expected Outcomes of the policy	1. Improved policy- based and gender-sensitive budgeting and monitoring of the TVET and employment sectors.	1.1. PEFA PI-1.1 1.2 PEFA PI-2	1.1. B (2021) 1.2 D+ (2021)	1.1 B 1.2 C	1.1. MoF data from TFMIS on budget execution. 1.2 MoF data from TFMIS on budget execution.
	2. Improved and inclusive learning outcomes of Primary vocational education and training with a focus on industrial sector	2.1. Percentage of basic and secondary general education graduates enrolled in VET	2.1. 17.5% (2020)	2.1. 25% ¹⁸	2.1. NDS performance Report (interim)
		2.2. Number of people involved in adult training courses in PVET institutions and ATCs	2.2. Around 58 thousand people of which 55% women (2019)	2.2. At least 90 thousand people of which 60% women and 25% returned migrants	2.2. PPTC performance report
	3. Improved innovation and digitalisation for labour market integration with a focus on youth, women and returnee migrants	3.1. Percentage of unemployed without vocational education and training	3.1. Of unemployed, 79.6% do not have vocational skills (2018).	3.1. Decrease by at least 5%	3.1. Labour Force Survey (or similar) Statistics Agency
		3.2. Percentage of PVET graduates assigned to a job	3.2. 32.6%, including 11.4% in the sector of industry (2020) ¹⁹	3.2. 50%, including at least 20% in the sector of industry (2020)	3.2. Publication by the Statistics Agency

¹⁸ According to National Development Strategy, at least 30% of general school graduates (58.000 people annually) should be enrolled in VET by 2030.

¹⁹ Statistics Agency, Labour Market in the Republic of Tajikistan, 2021.

Results	Results chain	Indicators (max. 15)	Baselines 2022	Targets by the end of the budget support contract 2025/2026	Sources of data (1 per indicator)
Induced Outputs	1.1 Improved budget preparation practices, particularly regarding linkages between policy setting and budgeting (MTEF, policy-based budgeting, performance of service delivery), as well as enhanced transparency and increased public participation at MoLME.	1.1.1 Status of the MTPF and an annual report on performance achieved for PVET institutions	1.1.1 MoLME does not produce adequately costed and comprehensive medium-term strategic plans (ref. to PEFA PI 16.3 score C and PI 8 score D)	1.1.1 Prepared and published, including gender responsive budgeting (GRB) and gender sensitive performance.	1.1.1 MoLME MTPF and annual performance and evaluation reports published on MoLME web site.
	1.2 Enhanced progress in PFM reform implementation, and enhanced transparency and accountability in PFM.	1.2.1 Number of key budget documents, including their citizen's version and annual monitoring report of the PFM reform strategy that are available to the public on timely basis.	1.2.1 The government makes available to the public 7 (out of 9) elements in accordance with the specified timeframes (Ref. PEFA PI 9.1 Public access to fiscal information, Score B); Mid-Year Review is not produced, Year-End Report and Audit Report are for internal use (Ref. OBI 2021). The annual monitoring reports for PFM reform strategy implementation is not produced in 2020 and in 2021.	1.2. At least 8 (out of 11), including the mid-year review, and their citizen's versions, along the annual monitoring report (2024) of the PFM reform strategy	1.2.1 Web site links of key budget documents.
	2.1 Established effective mechanism for standards and	2.1.1 Number of formally established Sectoral Committees for PVET professions,	2.1.1 No PVET Sectoral Committees	2.1.1 2	2.1.1 Relevant document on

Results	Results chain	Indicators (max. 15)	Baselines 2022	Targets by the end of the budget support contract 2025/2026	Sources of data (1 per indicator)
	curricula development with due participation of employers, and their involvement in other PVET aspects	<p>with participation of line ministries and main employers and their associations related to the sector, which convened at least one meeting</p> <p>2.1.2 Number of standards and curricula for high-priority PVET professions developed by the Sectoral Committees, officially approved and published</p> <p>2.1.3 Number of newly developed curricula for high-priority professions introduced in the corresponding PVET ATCs which are provided with all necessary learning equipment, methodological means and textbooks;</p> <p>2.1.4 Share of teachers of PVET institutions and trainers of ATCs to be involved in</p>	<p>or similar structures do exist</p> <p>2.1.2 Little to zero involvement of employers in PVET content development</p> <p>2.1.3 No curricula for PVET are developed with direct participation of employers</p> <p>2.1.4 No teacher or trainer is trained for</p>	<p>2.1.2 Standards and curricula for at least 20 high-priority PVET professions (of which at least 8 are industrial, including at least 2 related to green economy and/or renewable energy sources) officially approved and published.</p> <p>2.1.3 Curricula for 20 high-priority professions introduced in PVET institutions and ATCs which are provided with all necessary learning equipment, methodological means and textbooks</p> <p>2.1.4 90%</p>	<p>establishing Sectoral Committees, with approved list of members and regulation</p> <p>2.1.2 Ministerial Decree, agreed with the Government, on approving the list of 20 high-priority PVET professions; Ministerial Order (or other relevant document) on approval of the standards and curricula; MoES official web-site or another open source with published standards and curricula.</p> <p>2.1.3 Ministerial Order on introducing new curricula; Documentation on on-going training process at PVET institutions and ATCs; Delivery Certificates; On-site verification</p> <p>2.1.4 Teacher/trainer training programme;</p>

Results	Results chain	Indicators (max. 15)	Baselines 2022	Targets by the end of the budget support contract 2025/2026	Sources of data (1 per indicator)
		teaching the 20 high-priority PVET professions, who are trained for provision of new curricula	provision of new curricula		Lists of trained and certified teachers/trainers; Attendance sheets; Assessment results (all disaggregated by gender and location)
	2.2 PVET system made accessible for the learners with special needs (including those with disabilities)	<p>2.2.1 Status of adaptation of facilities to the learners with special needs (including those with disabilities) in the institutions offering 20 high-priority PVET professions</p> <p>2.2.2 Number of high-priority PVET professions with packages of educational-methodological materials for teaching learners with special educational needs developed and tested</p> <p>2.2.3 Share of teachers of the PVET institutions and trainers of ATCs to be involved in teaching the 3 high-priority PVET professions who are trained for the methods of work with the learners with special educational needs</p>	<p>2.2.1 None of the Primary VET institutions and Adult Learning Centres facilities is fully adapted to the learners with special needs (including those with disabilities)</p> <p>2.2.2 Packages of educational-methodological materials for teaching learners with special educational needs do exist for 7 PVET professions</p> <p>2.2.3 A limited number (to zero) of teachers and trainers are properly trained on the methods of working with the learners with special educational needs</p>	<p>2.2.1 Facilities of all PVET institutions and ATCs</p> <p>2.2.2 At least 3</p> <p>2.2.3 At least 90%</p>	<p>2.2.1 Works acceptance certificates; On-site verification</p> <p>2.2.2 Relevant document on approval of the educational-methodological materials, with conclusions on the testing results</p> <p>2.2.3 Teacher/ trainer training programme; Lists of trained and certified teachers/trainers; Attendance sheets; Assessment results (all</p>

Results	Results chain	Indicators (max. 15)	Baselines 2022	Targets by the end of the budget support contract 2025/2026	Sources of data (1 per indicator)
					disaggregated by gender and location)
	3.1 Operationalised MIS for PVET	<p>3.1.1 Status of the tender for developing MIS in PVET</p> <p>3.1.2 Status of the PVET MIS functionality</p>	<p>3.1.1 No MIS is operational for PVET (MoLME, ADB). Data collected by MoES, are of limited scope and not available to MoLME</p> <p>3.1.2 No MIS is operational for PVET</p>	<p>3.1.1 Officially approved Tender dossier for developing MIS in PVET, including Terms of Reference (ToR) which is to cover at least data on (i) gender, (ii) enrolment and attendance, (iii) academic achievements; (iv) teaching staff; (v) material and technical resources (incl. budget and off- budget resources) and is in line with the Operational Guide to Using EMIS to Monitor SDG 4²⁰, is officially approved by the relevant public body and tender is announced</p> <p>3.1.2 Operational MIS covering all public Primary VET institutions, Adult</p>	<p>3.1.1 Ministerial Order on approval of the Tender dossier and announcing tender</p> <p>3.1.2 MIS placed at MoLME; Equipment delivery certificates; On-site verification</p>

²⁰ http://uis.unesco.org/sites/default/files/documents/operational_guide_to_using_emis.pdf

Results	Results chain	Indicators (max. 15)	Baselines 2022	Targets by the end of the budget support contract 2025/2026	Sources of data (1 per indicator)
		3.1.3 Status of the PVET MIS database	3.1.3 No MIS is operational for PVET	Training Centres and the relevant governance and support structures under MoLME, which are provided with necessary IT equipment for the MIS proper functioning 3.1.3 All required data inserted into the MIS by all relevant institutions	3.1.3. On-site verification
	3.2 Digitalised content of, and Applied digital techniques in provision of Primary Vocational Education and Training	3.2.1 Share of VET teachers and trainers to be involved in teaching of at least 5 high-priority PVET professions selected by MoLME who are trained for effective use of digital techniques in PVET provision 3.2.2 Number of high-priority industrial professions with officially approved and tested digitalised full packages of educational-methodological documents	3.2.1 A limited (although unknown) number of teachers and trainers are properly trained on digital techniques in PVET provision 3.2.2 Full packages of educational-methodological documents are digitalised for 19 PVET professions	3.2.1 At least 90% 3.3.1 At least 5 high-priority industrial (including those related to green economy and/or renewable energy sources) PVET professions	3.2.1 Teacher/ trainer training programme; Lists of trained and certified teachers/trainers; Attendance sheets; Assessment results (all disaggregated by gender and location) 3.3.1 Ministerial Order on approval of the digitalised educational-methodological documents

Results	Results chain	Indicators (max. 15)	Baselines 2022	Targets by the end of the budget support contract 2025/2026	Sources of data (1 per indicator)
		3.2.3 Number of high-priority PVET professions with all PVET institutions and ATCs provided with minimum IT equipment for digital provision	3.3.3 None of PVET institutions or ATCs are fully provided with equipment for digital provision of PVET.	3.3.2 At least 5 high-priority PVET professions	3.3.3 Equipment delivery certificates; On-site verification
Direct Outputs	1 Additional fiscal space created by the transfer of funds and increased transparency of funds spending	1.1 Disbursed amount of the Budget Support tranches	1.1 Zero	1.1 At least 80% of variable tranche paid annually	1.1 EU disbursement reporting, National Bank of Tajikistan's statement and MoF's statement
	2 Effective policy dialogue with the PVET governance bodies	2.1 Extent to which the results of the policy dialogue outcomes are reflected in the decisions and to which it addresses the PVET challenges and development needs	2.1 None	2.1 At least 75% of the sectoral APs for is performed; 2.2 The results of the policy dialogue are reflected in next APs for and PFM MTAPs, for MTPF for 2024-2026 and the further periods	2.1 NSED AP for 2024-2026; MTPF for 2024-2026; 2025-2027 and 2026-2028; PFM MTAP.
	3 Established social dialogue with the private and public PVET stakeholders	3.1 Extent to which recommendations of the private and public PVET stakeholders are considered in NSED AP for 2024-2026 3.2 Extent to which the private and public PVET stakeholders participate in PVET policy design, PVET content development and provision	3.1 None 3.2 None	3.1 Recommendations of the private and public PVET stakeholders are considered in NSED AP for 2024-2026; 3.2 Employers directly participate in PVET content development and provision	3.1 Minutes of draft NSED 2024-2026 AP discussions; 3.2 Standards, curricula and other training-methodological documentation

Results	Results chain	Indicators (max. 15)	Baselines 2022	Targets by the end of the budget support contract 2025/2026	Sources of data (1 per indicator)
					developed with participation of, and/or validated by employers; Documentation related to the PVET provision
	4 Improved sector policy performance and monitoring system.	4.1 Status of the sector policy performance and monitoring system.	4.1 Sector policy performance and monitoring system is in place.	4.1 Sector policy performance and monitoring report is produced.	4.1 Sector policy performance and monitoring report
	5 Improved capabilities of the PVET network to ensure quality an inclusive and quality training provision.	5.1 Status of the PVET system accessibility to those with special educational needs 5.2 Percentage of PVET providers accessible to those with special educational needs	5.1 Very limited to zero 5.2 Very limited	5.1 Accessibility of the PVET system to those with special educational needs is properly considered at the policy level 5.2 At least 10%	5.1 PVET policy-related documents; Ministerial Orders, etc.; 5.2 Physical conditions of PVET providers and relevant training-methodological documentation

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Tajikistan.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

4.3.1 Rationale for the Amounts Allocated to Budget Support

The amount allocated for the budget support component is EUR 29 800 000. This amount is based on the experience and lessons learnt from the other sectors on Tajikistan as well as from other countries. The mentioned amount is comparable with the funding needs for the implementation of NSED and PPTC at least until 2026.

The following disbursement calendar and profile proposed for the action is indicative. The actual disbursement calendar and profile will be set out in the financing agreement and may remain subject to change.

2023 Q1 – Fixed Tranche of EUR 4 000 000

2024 Q1 – Fixed Tranche of EUR 4 000 000 and Variable Tranche of EUR 6 000 000

2025 Q1 – Fixed Tranche of EUR 4 000 000 and Variable Tranche of EUR 6 000 000

2026 Q1 – Variable Tranche of EUR 5 800 000

The total amount allocated to the fixed tranches (EUR 12 million) will comprise 40% and the total amount of variable tranches (EUR 17.8 million) – 60% of the total Budget support amount. This will ensure necessary fiscal space for performing the indicators attached to the three variable tranches.

4.3.2 Criteria for Disbursement of Budget Support

a) Conditions.

The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the National Strategy for Education Development 2030 and the Programme for Professional Training of the Citizens 2025 and continued credibility and relevance thereof or of the subsequent policy.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

b) The performance indicators for disbursement to be used for variable tranches may focus on the following policy priorities:

- Efficient allocation of resources with timely and reliable fiscal and financial information, as well as a well-structured budget formulation process.
- Ensuring closer alignment between policy priorities of the Government of the Republic of Tajikistan and public spending, and specifically in the sector.
- Efficient public service delivery with participatory budget process and accountability, and transparency in the allocation and use of public resources
- Revising the state funding mechanism for PVET, including fully-fledged implementation of the per capita (normative) financing system as the main mechanism for budget allocation in the education sector.

- Strengthening the system of multi-channel financing of educational institutions at all levels of the education sector
- Ensuring the inclusiveness of primary and secondary professional education; construction of new and reconstruction of existing PVET and SVET institutions.
- Updating the educational programs of VET, which meet the requirements of the external and domestic labour market based on the professional standards.
- Modernisation of professional and educational standards based on international standards and practices.
- Increasing the prestige of working professions in primary secondary professional education; development of a new mechanism to facilitate the employment of graduates, including persons with disabilities.
- Implementation of electronic governance elements and modernisation of the system of information and communication technologies; improving the EMIS of the Republic of Tajikistan.

c) Modifications.

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action. However, in duly justified cases, the partner country and the Commission may agree on changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised in writing *ex ante*, at the latest at the beginning of the period under review applicable to the indicators and targets.

In exceptional and/or duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the partner country and approved in writing by the Commission.

d) Fundamental values

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

4.3.3 Budget Support Details

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Tajik Somoni will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

4.4 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Budget support - cf. section 4.3	29 800 000
Contingencies	N/A
Evaluation and Audit – cf. section 5.2 and 5.3	200 000
Totals	30 000 000

4.5 Organisational Set-up and Responsibilities

The EU Delegation to the Republic of Tajikistan constitutes the Contracting Authority for the TVET and Employment SRPC. The MoLME and the MoF of the Republic of Tajikistan are the principal counterparts.

A Steering Committee, chaired by the Labour, Migration and Employment of the Republic of Tajikistan and co-chaired by the EU Delegation, will be responsible for oversight of the TVET and Employment SRPC and policy dialogue. The Steering Committee will include as a minimum: MoLME, EU Delegation, MoF, development partners' representatives and civil society organisations.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The Ministry of Labour, Migration and Employment of the Republic of Tajikistan and the Ministry of Finance of the Republic of Tajikistan as the main implementing partners under Budget Support component will be responsible for performance monitoring and reporting to the Steering Committee and to the independent review missions. The disbursement request along with a self-assessment report based on proven progress and data for year N shall be submitted by the Ministry of Finance indicatively by the end of Q2 of year N+1 annually.

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action as follows: establishment and operationalisation of EMIS will be proposed as one of the Action indicators, which per se will improve the mechanism of relevant data collection. In addition, a project "Modernisation of National Statistical System in Tajikistan" with financial support of the World Bank (USD 10 million) will be launched in 2022. Moreover, QESP II will also work on improving the analytical and monitoring capacity of the beneficiaries.

5.2 Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), considering in particular the fact that for this programme, a follow-up phase may be proposed, which will cover the next stage of the PVET policy implementation Action Plan.

The evaluation of this action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Strategic communication and public diplomacy activities related to the proposed action will be integrated into the Delegation's multiannual strategic plan. This is aligned with the EU Global Strategy, that pointed out the need to "invest in and joining-up public diplomacy across different fields" and the need to "improve the consistency and speed of our messaging on our principles and actions", "offer rapid, factual rebuttals of disinformation" and "continue fostering an open and inquiring media environment within and beyond the EU".

Messaging and activities will consider the political narrative (political priorities, Team Europe initiatives, country specificities) in line with the context and outlook. Activities will target the key stakeholders, as well as general public and broader stakeholder network and will be measured according to clearly defined qualitative and quantitative Key Performance Indicators.

Financial resources required to implement the strategic communication and public diplomacy activities foreseen will be subject to another decision.

Appendix 1 REPORTING IN OPSYS

An Intervention²¹ (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Group of actions level		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSY#):
Contract level		
<input type="checkbox"/>	Single Contract 1	
<input type="checkbox"/>		
<input type="checkbox"/>	Single Contract 2	
	(...)	
<input type="checkbox"/>	Group of contracts 1	

²¹ [ARES \(2021\)4204912](#) - For the purpose of consistency between terms in OPSYS, the relevant Commission services have harmonised 5 key terms, including ‘action’ and ‘Intervention’ where an ‘action’ is the content (or part of the content) of a Commission Financing Decision and ‘Intervention’ is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the [concept of intervention](#).