PROGRAM

For development of housing and communal services of the Republic of Tajikistan for the period 2014-2018 years
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PROGRAM

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Introduction

The Program for development of housing and communal services of the Republic of Tajikistan for the period 2014-2018 years (hereinafter - the Program) is designed on the basis of the "Concept of housing and communal services in the Republic of Tajikistan for 2010-2025" (Resolution of the Government of the Republic of Tajikistan on July 1, 2010, № 321), and provides an implementation of this concept in the medium term.

The program is designed to provide the basis for further development of housing and communal services of the country and as the main document defines the priorities and general direction of the industry and aimed at easy access of the population to basic services for housing and communal services.

The Program takes into account the task of availability of water supply, sanitation and housing and communal services, which are defined in the important documents of the country, including the Millennium Development Goals, National Development Strategy of the Republic of Tajikistan for the period up to 2015, Strategies for improving the welfare of the population of Tajikistan for 2013 -2015 years and improvement Program to ensure the Republic of Tajikistan with clean drinking water for 2008-2020 and other regional programs.

Activities of this Program ensure continuity of policies and programs previously adopted at the national level, the implementation of which will help to improve the quality of housing services at international standards, increase of services on drinking water and sanitation, especially in rural areas, create new jobs, improve the legal regulation and management of the industry, removing administrative barriers to business development and improve the living standards of the population.

This Program has been prepared by the working group with the participation of the experts of the ministries and departments, representatives of local executive authorities of regions, cities and districts, civil society, foreign and local consultants with the financial support of international organizations USAID (on request of the Government of the Republic of Tajikistan as of January 4, 2011, #71548 (15-4).

During the preparation of the Program the studies conducted in the field of housing and communal services were taken into consideration and as well as other activities, especially materials of 3 national conferences conducted on these topics with the participation of representatives of the Government of
the Republic of Tajikistan, ministries, diplomatic missions and international institutions, who reviewed the condition of the communal sector, and problems related to drinking water supply and sanitation and their solutions are listed in the Program.

Chapter 1: Aims and Objectives of the Program

1. The main objective of the Program is to create favorable conditions for the population, the availability of all consumers of public services relevant to social norms and reliable operation of vital housing and communal systems of economic, legal and organizational conditions for the technical reconstruction and achieve break-even performance of the industry.

2. Implementation of this Program contributes to achieve the strategic objectives of the country, as reflected in the important state documents, including the National Development Strategy of the Republic of Tajikistan for the period up to 2015, Strategy for improving the welfare of the population of Tajikistan for 2013-2015, the Program to improve the provision of the Republic of Tajikistan clean drinking water for 2008-2020, the National Environmental Program of Republic of Tajikistan for 2009-2019, other sectoral and regional programs.

3. This program covers the following tasks:

   - Improving and harmonizing the management structure of the industry, the organization of financial and legal frameworks to ensure regular operation of business entities involved in the delivery of services;

   - Renovation and development of municipal engineering infrastructure of cities, towns and rural areas, providing them with reliable and stable operation, the introduction of modern and cost-effective engineering and technology;

   - Organization of the conditions to attract private short-term and long-term investments, provision of state support for housing and communal services, strengthening the technical capacity of the industry;

   - Implementation of complex measures on de-monopolization of the industry, market organization submission services and competition with the involvement of small and medium-sized enterprises, the development of new methods of economic relations among suppliers and customers;

   - Improvement of the mechanism of social protection, the regulation of the current system of benefits, increased targeting of funds allocated for this purpose;

   - Strengthen the institutional capacity of the industry and the presentation of high-quality housing and communal services.

Chapter 2: Assessment of the condition of housing and communal services and the level of public services

4. Assessment of condition of housing and communal services based on research information, carried out by specialists of the State Unitary Enterprise "Housing and communal services" with the
participation of representatives of local executive authorities of regions, cities and districts and relevant departments, as of July 1, 2011 is characterized by the following manner.

Access to water, sanitation and housing and communal services is a major factor in improving the lives and ensure the health of the population.

Access of the population of the Republic of Tajikistan to communal services represented by the following indicators: 87.0% of the urban population has access to a constant piped drinking water, 61.5% of the population in towns and district centers, 43.4% of the village population; access to sanitation are 80.0% of the city, 18.2% of towns and district centres and 0.2% of the rural population; access to centralized collection and disposal of solid waste (SWM) have 85.6% of the urban population, 67.3% of the population of towns and 3.6% of the population living in rural areas.

5. According to the results of the study it is determined that most water supply systems and facilities are in a dilapidated condition. In particular, in the cities 68% are in working condition, 7% partially functioning and 25% of the networks are not operational at all. In rural areas, these figures are 40% operational, 44% partly operational and 16% out of order. Most of the facilities and mechanisms are in need of modernization and refurbishment.

The absence of a sewerage system in more than 70% of the inhabited area of the republic and low efficiency of wastewater treatment on existing systems poses a serious threat to public health in recent years, outbreaks of epidemic diseases and environmental pollution.

6. According to official data as of January 1, 2014 the amount of the housing stock of the Republic of Tajikistan makes 66708.0 thousand m², out of which 20,173.0 thousand m² makes apartment housing. According to official statistics 10.6 thousand m² of housing are in a dilapidated condition and 6.5 thousand m² in disrepair condition. Out of the total housing stock, consisting of 413,988 apartment, 348464 apartments are privatized, and the rest 15.8% are in the municipal and departmental property.

7. The development of alternative forms of management of the housing stock is very slow. In the period since the beginning of 2009 to now, after the approval of the Law of the Republic of Tajikistan "On the Content of houses and Homeowners' Associations in the country created only 162 associations, which is up to 3% of the total number of residents of apartment buildings.

8. The legislation governing the development of housing and communal services, also needs to be improved. Basically, private enterprise is not involved in service delivery of housing, water and sanitation systems.

9. Access of the population to district heating and hot water, characterized by the fact that since the 1991-1992 consumers do not have access to the centralized heating system, except for the part of consumers in Dushanbe. Boiler facilities of heating system were put into operation in 1960-1980 years, due to the long period of operation became technically outdated and need to complete rehabilitation.

Chapter 3: Construction and rehabilitation of housing and communal infrastructure, the necessary funds and providing funding through public investment and foreign investment

One of the main components of the Program is the rehabilitation and construction of housing and communal infrastructure and definition of the necessary funds for their rehabilitation and their sources of funding.
10. In order to determine the volume of the rehabilitation works of the housing and communal infrastructure and the necessary funds for their financing, the State Unitary Enterprise "Housing and communal services" in conjunction with the working group on the development of the program of development of housing and communal services sector in the 2014-2025 years, conducted a study of technical status of all municipal facilities in the country. On the basis of research papers to ensure their effective use the scope of work for construction and rehabilitation of water supply systems, sewerage and sanitation was defined for the period from 2014 to 2025 for the practical implementation of which it is required 10,140,887.0 thousand. TJS.

Funding for the scope of work for the rehabilitation and construction of facilities and systems are defined by the following mobilization of financial resources in the following proportions of total expenditure, including the state budget, international financial institutions, enterprises' own funds and other additional sources.

11. By the end of conducted financial costs it was determined that 3,042,266.0 thousand. Somon is needed for the implementation of the Program to restore the communal sector in regions, towns and districts for the period from 2014 to 2018.

12. The required funds and the source of funding for the implementation of the Program for Development of Housing and Communal Services of the Republic of Tajikistan for the period 2014-2018 are presented in Annex 1 to 2 pages, and distribution of funds for cities and regions shown in page 19.

Chapter 4 Basic ways of reforming the governance structure and the de-monopolization of housing and communal services

§ 1. Definition of a public authority, the state policy in the field of development, management of housing and communal services, including in rural areas

13. In order to implement the state policy in the sphere of housing and communal services and to improve the management of housing and communal services, it is necessary to carry out separation of regulatory and service provision empowering the relevant public authorities. The Program provides the establishment of the state body, responsible for the development and implementation of state policy in the industry. This body, holding constant complex analyzes, based on the state of statistical and accounting reports summarizes the development of housing and communal services, controls the action to comply with the relevant standard social norms of representation services to the population in the housing and utilities sector.

§ 2. Monopolization and development of competition in the housing and communal services sector.

14. One of the most important components of the Program is to create a competitive environment in the industry, which will raise the level of access to services and improve their quality. De-monopolization is a necessary foundation for the development of competition in the housing and communal service sector. Development of competition in the field of activity of housing and communal services performed by:

- Management and delivery of services in the housing stock and housing and communal services;
- Development of alternative forms of provision of public services, including individual life-support systems;
- The use of economic sanctions for breach of contractual obligations;
- Perform certain types of work to provide services of housing and communal services (water supply, landscaping and planting areas, sanitation, operation of elevators and other works and services);
- Execution of design and research work, construction work on the development of facilities for domestic purposes.

15. In order to promote competition in the industry it is necessary:
- To transfer some powers and functions to the local authorities and self-government;
- Involvement of private enterprise in the market for housing and communal services;
- Development and adoption of standards, rules, regulations and other acts of regulation;
- The use of the experience of organizing by local executive bodies of municipal contracts to provide services and the development of facilities for domestic purposes.

§ 3. Developing new forms of housing management, including homeowners’ associations

16. The need for reform of housing management is related to the economic changes and the development of market relations. In this direction, the determining factor is the availability of various forms of ownership in the sector, including private, cooperative and state. For the development of competition in the residential sector there is a Law of the Republic of Tajikistan "On the Content of houses and homeowners associations." In the development of homeowners' associations and other forms of housing management should implement a set of measures providing for the introduction of mechanisms to stimulate the formation and development of associations of owners, government support for their activities, simplify and reduce the cost of registration and maintenance. Measures to ensure the further development of homeowners' associations are defined matrix of the Program.

§ 4. Development of cooperation between the state and the private sector in the management of municipal infrastructure

17. One of the priorities of the program is the involvement of private investors in the development of housing and communal services. With particular focus on the cooperation between the state and the private sector that will allow authorities to involve on a contractual basis by private investors for more effective and qualitative solution of problems relating to the public sector. Objects of investments may be municipal, housing, social infrastructure.

Development of mechanisms for state cooperation with the private sector is also expanding opportunities to attract extra-budgetary investment in the rehabilitation of municipal infrastructure.

18. For the development of mechanisms of state cooperation with the private sector it is needed to solve the following problems:

- The development of investment projects for the implementation of state cooperation with the private sector and government agencies "Project Implementation Center of public-private partnership";
- Training for capacity building on the development of the state cooperation with the private sector.

Chapter 5. Mechanisms for reform of the financial system of housing and communal services
§5. Improvement of the financial situation of enterprises in the industry of housing and communal services

19. The total amount of receivables on the enterprises of housing and communal services as of January 1, 2014 is 27 million 597.0 thousand Somoni, compared to 2013 it was reduced to 603.5 thousand TJS. As of January 1, 2014 the total amount of debts of enterprises of housing and communal services is 25 million 382.0 thousand Somoni, which is smaller to 22.8 thousand TJS compared with 2013. Tax debts as of 1 January 2014 is 8 million 77.9 thousands Somoni, which is 31.8% of total debt (of which 2.5 million TJS are penalties from previous years) and on social payments is 2 million, respectively. 345.2 thousand TJS which is 9.2% of total debts.

Analysis of the financial situation of the enterprises of housing and communal services shows that the main debtors of housing and public utilities are the population, the budgets of different levels, budget organizations and other users, in turn, utility companies have debts to the tax authorities, the social fund, for the consumed energy and other.

20. The presence of significant amounts of receivables and payables are an obstacle to achieve break-even and efficient operation of enterprises of housing and communal services and investment in the sector. To improve financial position of housing and communal services sector need to take urgent action and a phased repayment of arrears of tax, and other compulsory payments.

§6. Ways to improve the procedures for the development and regulation of tariffs for housing and communal services

21. Tariff policy should be transparent, fair, at the same time should consider the ability of consumers to pay. The level of the tariff must cover operating costs, but the losses caused by poor management of production should not be compensated at the expense of consumers. In this regard, the role of determining the economically justified tariff, as a regulator of the balance of economic interests of service providers and their customers. Tariff for services should be formed on the basis of an objective assessment of the costs on the economically feasible standards and on the basis of a common methodological framework.

22. In order to protect the interests of consumers of housing and communal services the Program considers a breakdown of the tasks to develop a methodology of regulation of tariffs for housing and communal services and functions of their calculation entrusted to the company for rendered services.

§7. Mechanisms for attracting investments, short-term and long-term loans and grants for the upgrading of facilities, systems, and development of housing and communal services sector

23. In order to encourage the investment process and the optimization of the system of public expenditure it is necessary to consider the introduction of new ways of providing financial support to enterprises. Financial assistance allocated by the state for the purpose of co-financing the costs of the implementation of investment projects, as well as for other strategic objectives. In addition to direct financial support, the government promotes the involvement foreign investments, grants, loans and other funding to the sector.

Obligatory condition of introduction of financial assistance to the industry is the presence of transparency in the allocation and spending of earmarked funds.
24. One of the factors to achieve financial stability in communal services sector is the creation of a fund for development of housing and communal services. At its formation it is advisable to raise funds from foreign investors and private sector.

§8. Improving mechanisms for financing development industry for businesses and organizations, financed from the budget

25. Transfer to the normative method of financing public facilities, including education, health and other institutions funded from the state budget requires the application of this method relative consumption of utilities. In developing the budgets of all levels and cost estimates of the said agencies should provide the means to pay for services consumed under the established standards.

26. In order to ensure an appropriate appearance in the city and the areas and landscaping areas, improvement of local roads, according to the plan the amount of work necessary to provide funding for these activities from the target sources.

§9. Provision of investment attractiveness of housing and communal services

27. In order to increase the investment attractiveness of the activity of housing and communal services it is necessary to develop new institutional and financial arrangements for the effective investment of public and private investment. Involvement of the private sector in the management of public facilities will provide the transition to modern methods of management and market mechanisms that will facilitate the departure from the dependent position of utilities and a constructive dialogue on the establishment of direct relations between "customer - consumer" and by creating healthy competition to provide quality services.

28. In order to improve the investment attractiveness of the industry it is needed to develop mechanisms by state-private partnership. In the first step it is necessary to develop the simplest forms by state-private partnership which is the concession contracts for asset management and maintenance.

29. In order to ensure access to grant and loan resources, it is necessary to improve and gradually introduce the mechanism of return of investors’ funds for projects attracted for housing and communal services. Also need to implement measures for the creation of the Development Fund of housing and communal services.

§ 10. Protecting the interests of consumers of housing and communal services

30. The program considers the implementation of measures to protect the interests of consumers in the following form:

- Development and compliance, as well as the standards of housing and communal services;
- Support for activities of public associations for the protection of consumers' interests;
- Establishment of a system for monitoring the quality of services.

§ 11. Enhanced institutional capacity of the industry of housing and communal services

31. The institutional capacity of the housing and communal services in the country is in need of rehabilitation management system, training and skills development, operation of modern communication technologies. For this purpose, it is necessary to consider the implementation of the following measures:
- Update the system of retraining personnel of housing and communal services sector in higher education and vocational institutions;

- Introduction of a system to obtain additional qualification education for employees of enterprises of housing and communal services, developed through training programs prepared at the suggestion of the enterprises;

- A gradual transition to an automated accounting system of payments of consumers using modern programs.

Chapter 6: Improve the mechanisms for social protection

§ 12. Improving social protection mechanisms’ categories (groups) of the population using privileges

32. In accordance with the legislation of the Republic of Tajikistan, the procedure for the provision of services categories (groups) of the population using privileges, but in normative legal acts are not very clearly reflected the mechanism cover losses of providers. As a result of the uncertainty sources to cover benefits for certain categories of consumers, as a rule, these costs are not paid from the budget and include the losses of service providers. Accordingly, this leads to an increase in receivables and payables of the industry.

In order to achieve sustainable financial condition of communal companies it is necessary to develop a mechanism for the full indemnity companies representing utilities preferential categories of consumers.

Chapter 7: Improving the legal and regulatory framework of development of housing and communal services, taking into account market relations

33. The reform of housing and communal system of the country, requires improving its regulatory - legal framework, bringing them into line with current market conditions in the regulations, contributing to the creation of favorable conditions for the emergence of financially sound enterprises, leading a successful activity in the sphere of housing and communal services and are able to provide the consumer with high quality services.

34. The development and improvement of legal acts of housing and communal services sector for the period 2014-2018 was considered in the Action Plan for the implementation of the program and is attached for approval.

Chapter 8: Financial support for implementation of the Programme

35. In the decisions of the Republican Conference, which were held by the State Unitary Enterprise "Housing and communal services" it was determined that given the current state of water supply and sanitation, and to ensure its gradual work and further development, it requires an increase in funding from all sources in order to develop financial mechanisms provided state aid to attract investments from international financial institutions.

36. Financial provision for implementation of the Program is determined from the following sources:

- Provided from the state budget;

- Utilities funds, according to industry and regional development programs, which have been approved by local authorities in the manner prescribed by law;
- Grants, loans from international organizations, charitable funds;

- Foreign investment and funds from businesses and individuals who are involved through the transfer of objects of housing and communal services in the management, leasing, concession.

- Development Fund for housing and communal services.

**Chapter 9: Mechanisms for implementation of the Program (indicators of achievement)**

§13. Indicators and targets of the Program, the procedure for granting and reporting forms for its implementation

37. On the basis of the goals and objectives defined in the Program, the following indicators of achievement is considered, including:

- Public access to the services of centralized water supply, the rate of increase;

- Households using public taps, the percentage of their reduction;

- Household connected to a centralized system, but do not have water, and the percentage of their reduction;

- The availability of water and sanitation services to school and pre-school institutions, the percentage of increase;

- Accessibility of households to sanitation, the percentage of growth of the total number of households;

- The number of households provided with meters, the percentage of their growth;

- Reduction of water losses as a percentage;

- Accessibility of households to services of solid waste collection, the percentage increases in access;

- The collection of payments for services rendered, the percentage increases in payments;

- Attraction of investments and other sources of funding of the program.

§14. Mechanisms for implementation of the program and monitoring the progress of implementation

38. In order to create an effective mechanism for regulation and interaction of stakeholders is advisable under the State Unitary Enterprise "Housing and communal services" to create a Support Group for the implementation of the Program.

39. State Unitary Enterprise "Housing and communal services" together with relevant ministries and agencies, local executive authorities of the Gorno-Badakhshan Autonomous Region, regions, city of Dushanbe, towns and districts to ensure effective implementation of this Program and submission of information on the progress of its implementation to the Government of the Republic of Tajikistan every six months.

§15. Information support of the Program implementation

40. The success of the implementation of the Program depends on the support of its activities by the population who is the main consumer of housing and communal services sector. This support will depend on the completeness and quality of the advocacy.
41. Information support of the Program implementation is provided through the creation of the website created at the Center for Monitoring of the implementation of the Program, with the following functions:

- The creation of a national database of information and data on water supply and sanitation of the country;
- Monitoring of the implementation of the Program;
- Creation of a website / web portal;
- To provide regular information on the progress of implementation of the Program in the national and city media, in periodic national publications, on the republican, private, city and regional TV channels (thematic programs for all segments of the population, screening of documentary films on the progress of implementation of the Program, broadcast PSAs about resource saving). Maintaining up to date official site, the formation and propagation in the Internet information on the implementation of the Program;
- Regular monitoring of public opinion with the informing of the results in the media;
- Revitalization of the city and district administrations to carry out awareness-raising activities, the establishment of appropriate structures (press centers, departments for public relations with the media and the public).

§16. Expected results of the Program

42. Implementation of this program will allow the following:

- To reform the governance structure of the sector and formation of its regulatory framework;
- To improve the comfort and safety of living, the level of social security standards in the provision of housing and communal services;
- Upgrade the basic facilities, systems and equipment of the sector, to reduce the degree of deterioration (to the level of operational safety) and to improve the efficiency and reliability of the engineering life-support systems and housing fund;
- To implement measures to improve the management and development of competitive relations, tariff regulation, the development of market and contractual relations in the sphere of housing and communal services;
- To improve the mechanisms for mobilizing extrabudgetary funds for the development and modernization of housing and communal services;
- To create conditions for effective work and financial recovery of economic entities in the sphere of housing and communal services, ensuring the reduction of material costs and increased responsibility for the quality of services provided.