

Tajikistan Water Supply & Sanitation Project (Phase III)

Policy Report

Policy Reforms in the Rural Drinking Water Supply and Sanitation Sector in Tajikistan:

Progress, gaps and ways forward



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Section 1

Executive Summary

Access to safe drinking water supply services in rural Tajikistan has barely improved over the past 20 years. The overall data indicate up and down trends for access to water supply between 2001 and 2020. Today, access to safely managed drinking water varies between 31%¹ and 43.4%² of people living in rural settlements, while the latest estimate for national-level access is 55.2%.³ By contrast, access to (rural) basic sanitation has steadily improved from 88.8% to 97.8%⁴ between 2000 and 2020, and open defecation has all but vanished (from 1.3% to 0.0% national, 1.4% to 0.0% rural, and 0.8% to 0.0% urban).⁵ Thorough analysis, though, indicates that those indicators fail to capture the quality side of sanitation and hygiene: that is, poor conditions of sanitation facilities, including ageing sewers and obsolete wastewater treatment plants; poorly designed, operated and maintained septic tanks; and unhygienic latrines.

Despite considerable financial support and investments from financing institutions and donor development partners, the overall situation does not seem to suggest improvements at expected rates. The status report from the implementation of the programme⁶ for improvement of access to safe drinking water for the population of the Republic of Tajikistan (RT) for the period 2007–2020 indicates that the amount of financing achieved for rural drinking water supply is highly disproportionate. Compared with reported financing at the rate of 84% for urban drinking water supply, the rural sector received only about 16%. This is despite the vast majority of people living in rural areas.

The challenges community-based models commonly face are reported to be: 1) largely insufficient technical and institutional capacity for operation and maintenance (O&M), 2) poor organisational management and 3) poor financing literacy (full-cost recovery tariffs, access to finances, water fee collection). While capacities for organisational management and financing literacy (such as tariff setting, cost-items calculations and mediation) are reasonably feasible to implement, it is the **O&M capacity** that is the **most challenging**. Access to professional engineers is highly limited at district level and almost unavailable in rural settlements.

In that respect, implementers of rural drinking water supply and sanitation (DWS&S) projects have identified key systemic challenges that need to be addressed as part of the DWS&S sector reform agenda. These constitute a set of inter-linked **root causes** that prevent development of an **enabling environment** for sustained upward improvement.

¹ Latest figure published by the World Bank (2017). *Glass Half Full: Poverty Diagnostic of Water Supply, Sanitation, and Hygiene Conditions in Tajikistan*. WASH Poverty Diagnostic. World Bank, Washington, DC. Retrieved 11 April, 2022 from: <https://openknowledge.worldbank.org/handle/10986/27830>

² Latest figure published by the Government of the RT. Source: Water Sector Reform Programme of the Republic of Tajikistan for 2016–2025.

³ Latest figure published by WHO and UNICEF (2021). *Joint Monitoring Programme for Water Supply, Sanitation and Hygiene*. Retrieved 9 April, 2022 from: <https://washdata.org/data/household#!>

⁴ Ibid.

⁵ Ibid.

⁶ Programme for improvement of access to safe drinking water for the population of the RT for the period 2007–2020, approved by the Government of Tajikistan, as of 2 December 2006, #514. Later extended until 2021 (Resolution #717, as of 31 December 2020).

▸ Policy framework improvements and the reform agenda remain incomplete

a) recently adopted laws do not provide effective implementation support mechanisms, b) duplication of roles – policy, regulation and service delivery – persists, distribution of roles is unclear (national authorities, State Unitary Enterprise Khojagii Manziliyu Kommunalii (SUE KMK), district authorities), and c) conflict of interest persists within SUE KMK (focal responsible entity for DWS&S sector) with all-inclusive roles along expansionary agenda not in line with state demonopolisation policy.

▸ Sector policies and strategies lack effective implementation and financing mechanisms

Adopted policies are extremely slow in implementation due to a lack of effective financing strategies and means to bring impact on the ground.

▸ Investment climate remains ineffective for rural DWS&S

a) ownership and operational management rights are not guaranteed, b) community-driven business models in DWS&S service delivery are not truly promoted (negligent investments), c) state financial support mechanisms are not duly implemented (taxation, subsidies, targeted financing) and tariffs remain significantly lower than full-cost recovery, d) demonopolisation and decentralisation policies are compromised by a lack of due support on alternative non-state service provision models, and e) norms and standards for DWS&S systems remain costly and technically inefficient.

▸ Capacities in policy, regulation and the service delivery domain remain critically low

There are growing capacity gaps at all levels of the governance system (duty-bearers and rights-holders).

Over the past 12 years, with Tajikistan Water Supply and Sanitation (TajWSS) project support, a series of important policies have been developed and approved by the government (Annex 1). The principal approach has been to address systemic issues on a case-by-case basis that would later feed into policy reform. In this way, the **achievements are characterised by defining rationale for policy change** along with some support to develop and implement new policies.

The thorough analysis of the reform agenda indicates that although the observed challenges and development needs of the rural water sector are rightly acknowledged, it needs a **well-elaborated strategy and mechanisms** to achieve *transformational change* both from the economic (sustainability) and institutional governance viewpoints. The lack of a comprehensive strategy on how to achieve certain targets or address concrete systemic issues has often been linked to the need for much greater investments. For that matter, the government has remained dependent on outside support. Consequently, this policy report makes the following policy recommendations:

- 🔖 A **comprehensive DWS&S sector development strategy** must be developed that encompasses the systemic issues identified above, along with realistic implementation, financing and monitoring and evaluation mechanisms.

- 🔖 The **financing strategy** must take note of internal sources of financing via elaboration of tax alleviation policy, preferential financing, pro-poor subsidy mechanisms and true implementation of full-cost recovery tariffs. **Affordability and willingness-to-pay** full-cost recovery tariffs must be assessed regularly, thereby informing policy reform. The strategy towards achieving **full-cost recovery tariffs**⁷ must be given due attention to ensure sustainability of rural DWS&S systems.

- 🔖 The distribution of **policy, regulatory and service delivery roles** must be further defined and clarified.

- 🔖 The government must promote and act on **demonopolisation policies** that also benefit from opportunities for **ownership of community-driven DWS&S systems**. Alternative non-state business models must be duly promoted, supported and financed across rural Tajikistan. **Public–private partnership** policies must be implemented more widely with the involvement of small-scale rural DWS&S service providers.

- 🔖 A **comprehensive capacity support programme** must be developed, and systemic support provided to duty-bearing entities (ministries/agencies, service providers and educational institutions), with a focus on capacity development and retention in rural areas.

As rightly noted by the former UN Special Rapporteur on the human right to safe drinking water and sanitation (Léo Heller): ‘Tajikistan is known as a champion of water at the global level. The government must now become a champion of sanitation and drinking water for its own people.’⁸

⁷ UNDP and Oxfam GB (2022). Policy report: Tariff policy for drinking water supply in rural Tajikistan: Towards a full-cost recovery mechanism and rights-based water governance.

⁸ Léo Heller, UN Special Rapporteur on the human right to safe drinking water and sanitation (2015). End of mission statement by the UN Special Rapporteur on the human right to safe drinking water supply, Tajikistan, 4–12 August 2015.

Section 2

Access to drinking water supply and sanitation services – is there a positive trend?

▶ Access to drinking water services

Despite various sources claiming a positive improvement in overall access to drinking water in rural Tajikistan, published figures since the beginning of the millennia do not exhibit a definitive trend. Official sources report a contradicting up and down trend at different years between 2000 and 2020. Disparities between inconsistent trends are in part explained by the use of different definitions, such as potable water, centralised water supply systems, access to water at premises or dwellings, neighbour, public standpipes within 30-minute distance, boreholes and wells. At national level, access to drinking water has improved from 51 to 65% (potable). For urban settings figures vary between 57 (safely managed water) and 94% (centralised WS systems), with periodical upward and downward trends. The same sources report figures varying between 31 and 47% for rural settlements (Table 1).

However, a recent report by the World Bank concludes that ‘the proportion of rural households with access to “improved water on premises” has remained unchanged, at about 36% during 2000–2016, while the share of those with access to “piped water on premises” and “piped water in dwelling” had declined, from 24 to 21% and from 7 to 5%, respectively. Access to “improved/basic water” increased greatly in rural areas during the same period, from 45 to 71%, but this was mainly driven by replacement of “surface water” with water from “public standpipes and neighbours”. Private piped connections, on the other hand, reach small segments of the rural population.’⁹ In fact, when the new definition is applied, i.e. ‘safely managed water’, access to water in **rural settlements** is estimated at **31%**.

⁹ World Bank (2017). *Glass Half Full: Poverty Diagnostic of Water Supply, Sanitation, and Hygiene Conditions in Tajikistan*. WASH Poverty Diagnostic. World Bank, Washington, DC. Retrieved 11 April, 2022 from: <https://openknowledge.worldbank.org/handle/10986/27830>

Table 1: Access to drinking water supply in Tajikistan (national, urban, rural)

Year	National (%)	Urban/semi (%)	Rural (%)	Definition	Source
2001	51.2	N/A	N/A	Potable	Government ¹⁰
2009	52.3	90	47	Potable	Government ¹¹
2010	48.6	86.9 / 61.5	43.4	Potable	SUE KMK ¹²
2012	72	N/A	N/A	Improved sources	WHO/UNICEF ¹³
2014	59.2	94.1	45.2	Centralised WS systems	UN Water/WHO ¹⁴
2015	59	93	47	Centralised	Government ¹⁵
2015	60	83	31	Centralised, piped, on premises	UN ¹⁶
2016	51.4	86.9/ 61.5	43.4	Potable	Government ¹⁷
2016	62 ^a	80 ^b , 57 ^d	71 ^c , 36 ^e , 31 ^d	See references below	World Bank ¹⁸
2020	55.2 ^d , 65 ^f	89.9 ^f	55.5 ^f	See references below	JMP ¹⁹

^a Piped water (including piped into dwelling, neighbour or public tap); ^b Piped water connections in dwelling or premises (urban); ^c Improved/basic water; ^d Safely managed drinking water; ^e Improved water on premises; ^f Piped/improved.

▶ Access to sanitation and hygiene services

The data on sanitation and hygiene from the Joint Monitoring Programme (JMP) (WHO/UNICEF) shows a steady positive improvement over the past 20 years (2000–2020). Table 1 indicates that such improvements are seen for both rural and urban populations, but also demonstrates upward improvements between ladders (shifts between levels of services). Access to (at least) basic sanitation has improved from 89.9% to 96.8%, including for rural – from 88.8% to 97.8%, and for urban – from 92.9% to 94.1%. The share of the population that has no access to sanitation has declined steadily, and open defecation has all but vanished (from 1.3% to 0.0% national, 1.4% to 0.0% rural, and 0.8% to 0.0% urban). The same overall improvements are seen for hygiene, i.e. upward trend from 91.4% to 96.5% for the same period (including for rural – from 89% to 95.8%, and for urban – from 98% to 98.3%). Data on the share of the population with a hand-washing facility, i.e. basic facility with water and/or soap is also showing improvements from 91.4% to 96.5% (including for rural from 89% to 95.8%, and for urban from 98% to 98.3%).

¹⁰ Concept of rational use and protection of water resources of the Republic of Tajikistan (2001).

¹¹ Poverty Reduction Strategy Paper 2010–2012 (2009).

¹² SUE KMK (Housing and Communal Services).

¹³ Progress on Drinking Water and Sanitation (2014).

¹⁴ UN Water (2014). *Global Analysis and Assessment of Sanitation and Drinking-Water*.

¹⁵ National Development Strategy of the Republic of Tajikistan for the period to 2015.

¹⁶ Léo Heller, UN Special Rapporteur on the human right to safe drinking water and sanitation (2015). *End of Mission Statement by the UN Special Rapporteur on the human rights to safe drinking water and sanitation*, Tajikistan, 4–12 August 2015.

¹⁷ Water Sector Reform Programme of the Republic of Tajikistan for 2016–2025.

¹⁸ World Bank (2017). *Glass Half Full: Poverty Diagnostic of Water Supply, Sanitation, and Hygiene Conditions in Tajikistan*. WASH Poverty Diagnostic. World Bank, Washington, DC. Retrieved 11 April, 2022 from: <https://openknowledge.worldbank.org/handle/10986/27830>

¹⁹ WHO and UNICEF (2021). *Joint Monitoring Programme for Water Supply, Sanitation and Hygiene*. Retrieved 9 April, 2022 from: <https://washdata.org/data/household#!>

Table 2: Access to sanitation and hygiene services, %²⁰ (overall: national, rural, urban)

A. JMP ladders		National		Rural		Urban		
B.		Years	2000	2020	2000	2020	2000	2020
Sanitation	Improved sanitation (shared + not shared)		93.2	99.4	91.6	99.6	97.5	98.9
	At least basic (improved and not shared)		89.9	96.8	88.8	97.8	92.9	94.1
	Limited (improved and shared)		3.2	2.6	2.8	1.8	4.6	4.8
	Unimproved sanitation		5.6	0.6	7.0	0.4	1.7	1.1
	Open defecation		1.3	0.0	1.4	0.0	0.8	0.0
Hygiene	Observed (limited + basic)		91.4	96.5	89.0	95.8	98.0	98.3
	Limited (facility lacking water or soap)		19.0	23.6	22.5	28.2	9.3	11.6
	Basic (facility with water and soap)		72.4	72.9	66.5	67.6	88.6	86.7

*Data on hygiene are recorded from 2006 onwards.

On the technical status of sewerage systems (drainage), in rural areas only 10% of systems are in working condition, 5% are partially working and 85% are out of order. Technical reliability of the sewerage systems at national level stands at only 25% (75% not being reliable for use).²¹ According to the latest qualitative reports those indicators (since 2011) have barely improved if not deteriorated further. Sewerage systems are primarily established in major cities, urban-type settlements and district centres with a relatively higher number of multistorey buildings, and the few rural communities that have sewerage systems installed are normally densely populated with relative proximity to district centres.

This analysis indicates a positive general trend in improving overall sanitation and hygiene; however, these data must be dealt with care. The JMP indicators, in particular, while showing improvement over time, fail to capture the poor conditions of sanitation facilities, including ageing sewers and obsolete wastewater treatment plants; poorly designed, operated and maintained septic tanks; and unhygienic latrines with mostly wooden slabs. Data from the field (such as the World Bank, Organization for Security and Co-operation in Europe (OSCE), UNDP, Oxfam and International Secretariat for Water (ISW)) actually demonstrate these shortcomings despite quantitative improvements.

²⁰ Ibid.

²¹ SUE KMK (2011). The status of potable water supply and sanitation sector in the Republic of Tajikistan.

Section 3

Problem statement – bottlenecks to enabling policies and investment climate improvement

For more than 20 years, the government and donor development partners have not been able to keep pace with the deterioration rates seen in the rural DWS&S sector. On the contrary, many sources report a **so-called vicious cycle** of *systemic underperformance, management constraints, sustainability and service failure*. The common challenges reported by rural communities have been:

- Poor infrastructure conditions, inadequate and postponed maintenance
- Significant water losses and higher share of non-revenue water
- Limited service (intermittent supply) and limited coverage
- Service providers not being able to bear the costs of at least O&M
- Prevalent institutional capacity gaps: technical, managerial, social and financial
- Deteriorating efficiencies and service failure over time
- Very low water tariffs/fees and poor fee collection rates
- Poor socio-economic conditions in rural villages (i.e. inconclusive ability and willingness to pay)
- Overall lack of investment in infrastructure (public and private)

Addressing DWS&S sector challenges is no easy task as, reportedly, there are multiple root causes behind such a condition. Since the sector's policy agenda has been transitioning from emergency rehabilitation to sustainable development from the early 2000s, development partners and donor agencies have invested considerable effort in addressing DWS&S sector issues both through policy change and support to implementation of various DWS&S models in rural Tajikistan. The focus of the development effort thus far has been to ensure that rehabilitated and constructed systems are **durable** and **sustainable** in all terms with *service delivery* and *demand-driven approaches* at their core.

In those terms, the DWS&S stakeholders have together identified some of the key systemic challenges that need to be addressed as part of DWS&S sector reform agenda. These constitute a set of inter-linked root causes that prevent the development of an **enabling environment for sustained development**. They can be grouped in two distinct problem areas.

Policy and governance framework

Policy and institutional framework improvement has been a significant step towards developing an enabling environment for the DWS&S sector. The emphasis has been placed on a) *improving the sector-based legislation, by-laws, strategy and programmes*, and b) *improving institutional frameworks, inter-agency coordination and clear distribution of roles (policy, regulation and service provision)*.

The DWS&S sector is principally guided by the three most important overarching legal documents: a) the Constitution, b) the Water Code and c) the Law on Drinking Water Supply and Wastewater Disposal. While these legal documents provide an overall framework, there are numerous other laws, regulations, standards and norms, and government and agency decrees that provide specific mechanisms for implementation of certain norms of the water legislation. The Law on Drinking Water Supply and Wastewater Disposal²² and the Water Code²³ were revised in July 2019 and April 2020 respectively, in part to accommodate the principles and provisions of the ongoing Water Sector Reform Programme²⁴ (endorsed in 2015).

While new editions of the laws (Water Code, Drinking Water and Sewerage Law) have been endorsed by the government to support the overall Water Sector Reform Programme, at large they lack implementation support and mechanisms. A number of by-laws need to be developed to support and enforce articles of legislation, primarily for:

- Handover of DWS&S systems and transfer of ownership and operational management rights
- Clear distribution of policy, regulatory and service delivery roles (duplication of roles)
- Development and maintenance of accurate information system and registry
- Promotion and application of full-cost recovery tariffs suitable for rural DWS&S systems (development of a comprehensive strategy with government support)

Moreover, the new editions of the mentioned laws are widely considered incomplete. On the part of sanitation, the Law on Drinking Water Supply and Wastewater Disposal at large only addresses 'sewerage' and 'wastewater' which limits its application only to cities, towns and district centres where such infrastructure exists. There are a number of other sanitation models (non-water based) prevalent across rural Tajikistan that effectively remain unaccounted for and unregulated by the given law (such as a decentralised wastewater treatment system, improved septic tanks and pit latrines). It is necessary that the government policies and development programmes reach out to those not connected to wastewater disposal/sewerage services in the effort to improve overall *sanitation, health and hygiene* among the rural population.

²² The Law of RT on Drinking Water Supply and Wastewater Disposal, 19 July, 2019, #1633.

²³ The Water Code of the Republic of Tajikistan, New Edition endorsed on 2 April, 2020, #1688.

²⁴ Water Sector Reform Programme for the period 2016–2025 approved by the Government of the RT on 30 December 2015.

On the part of **norms and standards for design and construction of DWS&S systems**, recent achievements are characterised at large as *simplifications and relaxation* of requirements, as an ‘immediate’ response to often-reported issues. The revised and new norms and standards *do not address systemic issues*, such as:²⁵ 1) severe lack of capacity, practical know-how and innovations, b) unrealistic bill of quantity²⁶ – linked price estimations enforced for works, products and services, and c) extremely lengthy administrative and permits obtaining procedures for small-scale rural DWS&S projects. The analysis has therefore concluded that present norms and standards a) are insufficiently adaptive and not flexible, b) are still inadequate, causing unnecessarily higher investment and operational costs, and c) lack applicability of innovations, pilot demonstrations, technological know-how and generally openness to new practices and approaches.

On top of that, in an effort to reform the governance structure around the DWS&S sector, the **major challenge** has been to **separate the roles of policy, regulation and service provision**. This separation was most necessary between the Ministry of Energy and Water Resources (previously the Ministry of Land Reclamation and Water Resources) and SUE KMK. Both have previously had in their mandate service provision functions. That issue was partially addressed in 2012 by a government decision²⁷ to transfer the Ministry of Energy and Water Resources’ service delivery role to KMK (*Tojikobdehot* – rural WSS to KMK), leaving the overall policy development and inter-agency coordination role with the Ministry of Energy and Water Resources.

These decisions have only partially addressed duplication of roles, since KMK as the SUE has retained its policy role along with service delivery despite conflicts of interest and principal contradictions with the legislation. With take-over of *Tojikobdehot* from the Ministry of Energy and Water Resources, KMK has now practically become the government monopoly for the drinking WSS sector. The government decree has also ambiguously designated KMK as the subsector’s focal entity which implements policy, regulation and service delivery on behalf of the government. This is despite the sector’s policy and regulatory roles being implemented by a series of line ministries and agencies each with specialised mandates.

▸ Problem Area 2

Sector financing and investment climate

▶ Public sector financing: policies and implementation

Tajikistan’s DWS&S sector remains heavily dependent on outside support, such as foreign investments, financing and development grants, as the government has not been able to prioritise its budgets to realise the fundamental human right to water and sanitation.²⁸ In the past decade, total public expenditure in the drinking water sector has remained under 0.5% of total state expenditures, despite healthy increases in other sectors.²⁹

²⁵ Adapted from TajWSS (2021). *Construction norms and standards for rural WASH systems in Tajikistan: barriers and pathways to investments prospects*. Policy report.

²⁶ The product specification that details the operations required to build a standard construction project. It covers the costs of inputs (labour, materials and plant), subcontracting, preliminaries and overheads. It also covers contractor’s profit or loss, architect’s and engineer’s fees and non-deductible taxes. A bill of quantities is structured to provide a weighted price for each component specified which, when summed across components, provide the purchasers’ price for the standard construction project described. Source: Eurostat, OECD (2007).

²⁷ Resolution of the Government of the RT. *About changes and addition to designated Resolutions of the Government of the Republic of Tajikistan*, as of 18 May 2012, #247.

²⁸ Léo Heller, UN Special Rapporteur on the human right to safe drinking water and sanitation (2015). End of mission statement by the UN Special Rapporteur on the human rights to safe drinking water and sanitation, Tajikistan, 4–12 August 2015.

²⁹ UNDP and UN Environmental Programme (2016). *Tajikistan Water Public Environmental Expenditure Review*.

In view of that, the government has defined **sources of financing** and other means of support for the DWS&S sector, namely³⁰ a) state republican and local district budgets, b) payments from consumers/water users, and c) other sources not prohibited by laws – which include tax privileges, concessional loans, subsidies, manufacturers of equipment and materials, and investors. Consequently, in 2006, the government launched a **programme³¹ for the period 2007–2021 (15 years)**, as an instrument to mobilise a \$1bn (2.2bn TJS) funding target from the given sources, i.e. state budget – 15%, district budget – 10%, service providers and communities – 5%, investments and foreign aid – 70%.

Unfortunately, the latest figures indicate that the given programme has not been able to deliver expected results, in particular for the rural DWS&S sector. The level of financing had not exceeded 60% in any one year, ranging between 30 to 60% each year.³² The major bulk of the funding came from investments, loans and foreign aid from development agencies, of which most is provided to urban rather than rural water supply. The figures for the period 2014–2018 (5 years) provide that only \$120m had been mobilised against estimated target of \$333m for the same period, i.e. implementation at the ratio of 36%. The mobilised amount includes funds from the state budget – \$7.7m (6.4%), local district budgets – \$4.4m (3.7%), foreign investments, loans and grants – \$476m (63.35%) and service providers – \$31.9m (26.55%). The urban DWS&S sector has received a significantly higher portion of the reported financing at the rate of 84%, compared with **16% for rural settlements**. Per capita investments in the sector had been at \$14.87 (overall), and \$3.22 and \$48.9 per capita for rural and urban DWS&S systems respectively. Given the share of the population with no access to WSS services in rural Tajikistan, the amount of financing achieved is highly disproportionate.

Moreover, while the policy framework provides all the conditions for the introduction of **full-cost recovery tariffs**, transition to improved tariffs is stalled by explicit reluctance within the governance system to fulfil adopted policies. The major service provider, SUE KMK, has managed to achieve gradual improvements on seven consecutive occasions between 2010 and 2018,³³ with an average increase of 13% each time, only to compensate for inflation and increasing debts to tax authorities. In US dollar terms the average increase for the same period is at negative estimate of -1.86%. More importantly, when 2018 average tariffs (\$0.12/m³) are compared with those implemented in 2011 (\$0.14/m³), tariffs have in fact decreased in real terms by about 15%. The present average tariffs for WSS applied by KMK remain at least three times lower than the full-cost recovery level³⁴ (both urban and rural).

On the part of taxation and related support (such as subsidies and debt resolution), the government has not been able to render effective support. The new editions of the Tax Code about every three to four years have failed to address any of the proposals from development partners for the rural DWS&S sector (such as direct subsidy compensation, taxation by amount of fees collected versus volume of water produced, discriminative and high royalty payments).

³⁰ The Law of RT on Drinking Water Supply and Wastewater Disposal, 19 July 2019, #1633: Section 4, Articles 15 and 16.

³¹ Programme for improvement of access to safe drinking water for the population of the Republic of Tajikistan for the period 2007–2020, approved by the Government of Tajikistan, as of 2 December 2006, #514. Later extended until 2021 (Resolution #717, as of 31 December 2020).

³² Annual reports from the Ministry of Energy and Water Resources to the government about the implementation of the Programme for improvement of access to safe drinking water for the population of the Republic of Tajikistan for the period 2007–2020.

³³ Antimonopoly Agency under the Government of the RT, Order on Implementation of Tariffs for drinking water, sewerage, pasture water supply: 1) 27 August 2018, #90; 2) 22 August 2017, #33; 3) 18 February 2016, #9; 4) 30 May 2014, #42; 5) 29 November 2012, #89; 6) 3 March 2011, #66; 7) 19 August 2010, #28.

³⁴ SUE KMK (10 February 2020), Mr Bakhtiyor Safarzoda, Deputy Director. Asia-Plus News Article. Retrieved 9 April, 2022 from:

<https://asiaplusti.info/ru/news/tajikistan/society/20200210/v-tadzhikistane-predlozhili-povisit-tarifi-na-vodu>

As of 2017, SUE KMK has reported on the indebtedness of its customers (private households and government-financed organisations) at around \$5.3m, of which \$3.3m are debts from private households for housing and communal services (such as water, sewerage and waste disposal). About \$4.1m debts to SUE KMK are the result of unpaid fees for water supply.³⁵ In consequence of such debts, SUE KMK becomes indebted also to the tax authorities, which applies taxes on the basis of planned collection rates and enforces penalties on missing payments. In addition, the General Director of SUE KMK has explicitly noted that the current level of tariffs KMK is not able to fulfil loan repayments, and that annual trends in TJS/US dollar currency exchange rates pose an additional burden on Government of the RT's obligations to those creditors.³⁶

▶ Investment climate: SUE KMK versus alternative service providers

In the context of the chronic lack of public financing and persistent reliance on external support, the DWS&S sector has not adequately benefitted from local private sector and consumer groups (payments). The new edition of the Law on Drinking Water Supply and Wastewater Disposal explicitly implies that improved tariffs and payments from consumers are key sources for the sustainability of the DWS&S systems. More importantly, development partners have consistently reported that there is now more evidence about decentralised stand-alone WSS schemes implemented primarily in rural areas,³⁷ and that there are now more local private and community-driven entities participating in financing and management of rural water supply systems (i.e. financing rehabilitation, construction, maintenance and even a share of future investment costs).

The latest figures (Table 3) indicate that SUE KMK and municipalities of major cities serve only 26% of the population with piped water supply (11% and 15% respectively). Private companies and *jamoats* and community organisations together serve 25% of the population (10% and 15% respectively). The remaining 49% of the population, reportedly, is not covered by service providers, as the source of water is identified as 'canals, springs and private wells'.

Table 3: Present coverage of piped water supply³⁸

Service providers	% of coverage of population	Population
SUE KMK (urban and rural)	11	1.05m
Major cities and municipalities	15	1.35m
Private companies	10	0.89m
Jamoats and local committees (e.g. WUAs, public organisations)	15	1.34m
Not covered: e.g. canals, springs, private wells	49	4.62m

³⁵ SUE KMK, General Director, Mr Alimurod Islomzoda. Retrieved 9 April, 2022 from: http://m.ru.sputnik-tj.com/country/20170713/1022814617/tadzhikistan-tarify-na-vodu-vyrastut-10-protseptov.html?mobile_return=no.

³⁶ SUE KMK (31 July 2018), Mr Alimurod Islomzoda, General Director. Asia-Plus News Article. Retrieved 9 April, 2022 from: <https://asiaplustj.info/news/tajikistan/economic/20180731/gup-zhkh-nizkie-tarifi-na-kommunalnie-uslugi-ne-pozvolayut-pogashat-kredit>

³⁷ World Bank (2017). *Glass Half Full: Poverty Diagnostic of Water Supply, Sanitation, and Hygiene Conditions in Tajikistan*. WASH Poverty Diagnostic. World Bank, Washington, DC. Retrieved 11 April, 2022 from: <https://openknowledge.worldbank.org/handle/10986/27830>

³⁸ SUE KMK (July 2020). Final Seminar, JICA-funded project Strengthening the water service management of Pyanj and Hamadoni Vodokanals in the RT, May 2021.

These figures suggest vast market potential for further investments, and the government has made explicit its urge to seek other means of support beyond state budgetary resources. As a strategy, the recent policies and laws³⁹ were developed to promote demonopolisation, decentralisation, public-private partnerships, improved local self-governance and improved tariff policies. To date, the DWS&S sector is yet to see effective implementation of those policies, as the present development trends and the overall reform progress do not reflect the intended impact. The figures above are yet to be examined (methodology) and therefore underscore the need for better monitoring and evaluation in the sector, as presumably very little is known about the 49% of the population not covered by service providers.

In particular, the government has not been able to address the major contradictions linked with SUE KMK's role in the DWS&S sector. While on one hand the national policies promote demonopolisation and decentralisation of ownership and management of the DWS&S sector by non-state actors, KMK's strategic plan, on the other hand, targets coverage of the served population from 1.05 to 2.10 million people by 2030.⁴⁰ This implies further expansion of its service delivery role doubling across Tajikistan. A striking example provided below by Oxfam confirms that such expansion may potentially occur via overtaking functioning systems owned by community-driven service providers, i.e. water users associations (WUAs) registered as public organisations (non-profit entities).

In 2016, Oxfam built a WS system in Dushanbecha village in Muminobod district serving two villages. The system was then handed over to WUA for O&M by the decision of the local *Hukumat*. In 2017, that system was overtaken by Muminobod Vodokanal without the consent of the WUA and communities it served. After four years of managing the water supply system, Vodokanal decided to hand over the system back to WUA due to its low capacity to a) manage the system, b) address users' complaints and c) regularly monitor and repair the technical operations. The Vodokanal admitted that the operational and financial cost burden over-exhausted its limited staff capacity, transportation cost and low accountability. In 2021, the system has been handed over to Dushanbecha WUA who has restored its control over the system and established a new tariff system to cover its operational cost. This is also one of the rare examples that demonstrates implementation of good governance and confidence-building mechanisms at grass-roots level empowers both communities and WUAs in ensuring WS systems' viability and sustainability. This experience also exhibits the potential level of capacities prevalent among many Vodokanals.

Development partners and rural communities have repeatedly complained about the KMK's influence and intent to overtake decentralised systems built with support of rural communities and development projects. This contradicts foremost the KMK-initiated policies:⁴¹ a) Concept of Reform of the Housing and Communal Services Management in the RT for the period 2010–2025, endorsed by the Government of Tajikistan in 2010, and b) government resolution about the programme of development of housing and communal services management in the RT for the period 2014–2018.⁴² The most obvious implication is that SUE KMK, as a commercial enterprise, must not implement policy/regulation and service delivery functions simultaneously due to critically prevalent conflicts of interest.

³⁹ Primarily: a) Law of RT on Drinking Water Supply and Wastewater disposal, 19 July 2019, #1633: Section 4, Articles 15 and 16, b) the Water Sector Reform Programme of the RT for 2016–2025, c) Programme on improvement of the safe drinking water supply to the population of the RT for the period 2007–2020, as of 2 December 2006, #514, and d) Concept of reform of the housing and communal services for the RT for the period 2010–2025, as of 1 July 2010, #321.

⁴⁰ SUE KMK (2020), Presentation of the JICA-funded project Strengthening the water service management of Pyanj and Hamadoni Vodokanals in the RT. July 2020.

⁴¹ Concept of reform of the housing and communal services for the RT for the period 2010–2025, as of 1 July 2010, #321.

⁴² Resolution of the Government of the RT About the Programme of development of HCS management in the RT for the period 2014–2018, as of 1 August 2014, #506.

Section 4

DWS&S policy reform: towards defining strategies

► Present policy reform agenda

The DWS&S sector reform agenda is principally guided by two distinct policy documents: 1) the Water Sector Reform Programme for the period 2016–2025⁴³ and 2) the Concept of Reform of the housing and communal services for the RT for the period 2010–2025,⁴⁴ also supported by the following key development policies:

- National Development Strategy of the RT for the period up to 2030 (approved by the government resolution on 1 December 2016, #636)
- Concept of rational use and protection of water resources of the RT (approved by the government resolution on 1 December 2001, #551)
- Programme for improvement of access to safe drinking water for the population of the RT for the period 2007–2020, (approved by the government resolution on 2 December 2006, #514). Later extended until 2021 (Resolution #717, as of 31 December 2020)
- Programme for development of housing and communal services sector in the RT for the period 2014–2018 (approved by the government resolution on 1 August 2014, #506)
- Tajikistan Sanitation Development Plan (approved by the Order of the Minister of Health and Social Protection of the RT, as of 21 September 2021)

Moreover, the government is in the process of developing a National Water Strategy for the RT until 2030 as part of the implementation plan of the Water Sector Reform Programme. Simultaneously, through the support of the World Bank-funded project, Rural Water Supply and Sanitation (around \$58m), the government is developing a state programme on drinking WS&S to replace the one described above⁴⁵ with a time-frame of until 2030.

⁴³ Water Sector Reform Programme for the period 2016–2025 (approved by Government Resolution on 30 December 2015, #791)

⁴⁴ Concept of reform of the housing and communal services for the RT for the period 2010–2025 (approved by the Government Resolution on 01 July 2010, #321).

⁴⁵ Programme for improvement of access to safe drinking water for the population of the RT for the period 2007–2020, (approved by the Government Resolution on 2 December 2006, #514). Later extended until 2021 (Resolution #717, as of 31 December 2020).

A thorough analysis of the reform agenda indicates that although observed challenges and development needs of the rural DWS&S sector are rightly acknowledged, effectively there is no well-elaborated strategy or mechanisms to achieve transformational change both from the economic (sustainability) and institutional governance viewpoints. The reform documents merely articulate the state of affairs, overarching principles, and a list of actions and measures to be taken (Annex 2), but lack a meaningful and realistic implementation strategy. Therefore, it is difficult to assess how systemic issues and reform needs of the DWS&S sector can be addressed in the present economic context and in the foreseeable future.

▶ TajWSS project support to sector reform: from policies to action

In 2009, with Swiss Agency for Development and Cooperation (SDC) support, the TajWSS project was launched by Oxfam GB in partnership with UNDP across three districts. Ending in 2021, it was designed to feed almost 20 years of development experience in the rural DWS&S sector into intended policy reform. As an umbrella project for policy development, TajWSS had been able to establish and organise regular meetings of a Network of Stakeholders in an effort to exchange on lessons learned and provide views for policy change. Those views were simultaneously conveyed at the inter-ministerial level through establishment and support for the work of the Inter-Ministerial Working Group (previously the Inter-Ministerial Coordination Council) along with the provision of technical assistance to thematic working groups that developed different policies to address raised issues at mentioned platforms.

Given the absence of the reform agenda at the onset, the project's principal strategy was to address policy issues on a case-by-case basis. Those cases provided a comprehensive situation analysis, defined challenges, accruing recommendations with clearly elaborated rationale for policy reform (recommendations). In the result, throughout the phases of TajWSS support at national policy level, a number of important policies were developed and approved by the government and mandated ministries and agencies. **Annex 1** (Inter-Ministerial Working Group for drinking water supply and sanitation-led policy initiatives supported by TajWSS) provides a comprehensive list of such policies along with knowledge products that support and define reform needs. In summary, TajWSS engaged in development of the following key policies, laws and by-laws (i.e. implementation mechanisms) within related thematic development areas:

↳ National DWS&S sector policies, laws and by-laws

- Law on Drinking Water and Water Supply, as of 29 December 2010 (#670)
- Law on Drinking Water Supply and Wastewater Disposal, New Edition, as of 19 July 2019, #1633
- By-law: State procedures for accountability improvement for DWS and Wastewater Disposal (2020)
- By-law: Procedures for interruption, restrictions, suspension and shutdown of supply of DWS (2020)
- By-law: Procedures for state control and oversight in the sphere of DWS and Wastewater Disposal (2021)
- By-law: Procedures for establishment and utilisation of financial and material-technical reserves (resources) for rehabilitation of DWS and Wastewater Disposal systems, adversely affected by extreme events (2021)

▷ DWS&S standards and norms (design, construction and O&M)

- Construction Norms and Standards for rural DWS (GNiP 2017)
- Guiding document to GNiP 2017 Rural Drinking Water Supply (2019)
- By-law: Guidelines on the implementation of DWS projects in Tajikistan (2009)
- By-law: Guidelines for undergoing administrative procedures and obtaining construction permits for DWS and Sewerage projects (2012)

▷ Sanitation, health and hygiene (policies, norms and regulations)

- Sanitation Development Plan for Tajikistan (2021)
- Sanitary Norms and Regulations – Requirements for sewerage systems in rural settlements (2021)
- Sanitary Norms and Regulations – On placement, structure, operation and maintenance of public toilets (2021)

▷ Financing and investment climate improvement policies

- By-law: Procedures for establishment of Water Trust Funds for DWS and Wastewater Disposal (2020)
- By-law: Guidelines on the order of tariff setting for providers of DWS&S services (2020)
- By-law: Guidelines on the order of tariff setting for providers of DWS&S services for rural systems in Tajikistan (2019)

Principally, the nature of TajWSS contributions to DWS&S sector reform and the development agenda can be characterised as follows:

- ↳ Development of **well-elaborated rationale** for policy change (i.e. policy reviews, analysis, case study reports, knowledge products, lessons learned and policy reports).
- ↳ Defining and legal endorsement of **basic guarantees and principles** of safe DWS&S service delivery, management and sustainability – primarily through advocating and developing the first specialised Drinking Water Law (absent before 2010), with consecutive elaboration of the New Edition (2019) of the law that incorporated the sewerage component (absent in the previous version).
- ↳ Development of by-laws, **mechanisms and approaches for implementation of a number of adopted policy documents**: trust fund mechanisms, tariff policy implementation mechanisms, consumer rights protection and good governance mechanisms, guidelines and methodologies for application of norms and standards, implementation of DWS&S projects, passporting WSS systems and administration/permit procedures.

Throughout the phases of TajWSS engagement, policy development had been a difficult process that requires elaboration of comprehensive policy reviews and analysis with lengthy consultations at national level on draft policies. The major challenge within the entire policy development effort remains the actual implementation of adopted policies, foremost linked with a) lack of budgetary/financial resources

to translate policies into action, b) institutional capacities at all levels (national, district and operational/service providers), and c) competing role of SUE KMK against non-state service providers.

► Demonopolisation or decentralisation: community-driven models holding the future path

The Government of the RT has explicitly acknowledged that full coverage of the population with water, sanitation and hygiene services is an unbearable burden on the budget. While largely dependent on external sources of funding (loans, grants and investments), the policies developed during the past 10 years principally promote all means of support. Such support is to be sought primarily through demonopolisation and decentralisation of DWS&S service delivery, endorsement of community-driven approaches, diversity of ownership and management models, promotion of improved tariff policies with full-cost recovery at their core, and implementing good governance principles (such as transparency, accountability, public advisory councils and consumer rights protection and participation).

Throughout rural Tajikistan, community-led (non-state) water schemes are organised in the form of WUAs, village committees, communal entities under *jamoats* registered as non-commercial public organisations, and private entities (limited liability company (LLCs)). By mandate, those organisations are entitled to hold responsibility for operation and management with legal authority to own and manage small-scale infrastructure systems as long as compliance with rules and regulations is ensured. Hand-over of infrastructure to such entities are mainly achieved through district chair's decisions. Although commercial activity is allowed, relevant entities (LLCs, individual entrepreneurs) under present economic conditions have not been able to maintain profits. For example, the ISW-implemented projects⁴⁶ originally supported the LLC model of DWS service provision, but after burdensome taxation, complex tax reporting and control procedures, those models were re-registered as public organisations which, by law, are not profit-oriented. Other partners commonly report very low tariff levels, poor collection rates, community disapproval of higher rates, and importantly regulatory agency restrictions (Antimonopoly Agency, district authorities). Evidence indicates that in the immediate to mid-term incomes are only sufficient to cover O&M costs and partial investments and/or replacements.

The challenges community-based models commonly face are reported to be: 1) largely insufficient technical and institutional capacity for O&M, 2) poor organisational management and 3) poor financing literacy (full-cost recovery tariffs, access to finances, water fee collection). While capacities for organisational management and financing literacy (such as tariff setting, cost-items calculations and mediation) are reasonably feasible to implement, it is the **O&M capacity** that is the **most challenging**. Access to professional engineers is highly limited at district level and almost not available in rural settlements.

Nonetheless, community-driven service provider models remain the most feasible options in the immediate to medium-term in ensuring wide coverage of the rural population with safe drinking water supply. In this regard, national authorities and policy makers urge development partners to support in strengthening community-led management models for effective implementation of demonopolisation and decentralisation policies in rural Tajikistan.

⁴⁶ Regional Rural Water Supply and Sanitation Project (RRWSSP 2007–2013), funded by the SDC, and implemented by the ISW.

Section 5

Conclusions and policy recommendations

▶ Achievements: incremental progress to sector reform

DWS&S sector reform had been advocated for more than 20 years, to address an overwhelming number of challenges (policy and governance frameworks, sustainability and financial viability, technical and technological efficiencies, and norms and standards). Since 2009, with the launch and support of the TajWSS project – in effect an umbrella platform for national policy support and coordination – the sector stakeholders have been able to convey accumulated experiences, lessons learned and recommendations in a well-coordinated manner through an established Network of Stakeholders and Inter-Agency policy platform. The principal approach was to address systemic issues on a case-by-case basis that would later feed into the policy reform. In that way, the achievements are characterised by defining the rationale for policy change along with some support to develop and implement new policies. The key achievements to date are as follows:

- Sector **legal and policy foundations are developed** that establish basic guarantees, defined principles and the overall mode of governance in the sector (Water Code – new edition (2020), Law of DWS and Sewerage (2010, 2019)).
- Sector **development policies elaborated and building blocks of reform agenda are defined**, although many are yet to be endorsed or further improved (Water Sector Reform Programme, Programme of improvement of DWS, Concept of reform and development of housing and communal services).
- **Mechanisms and approaches (by-laws) are developed** and successfully implemented for a number of adopted policies: full-cost recovery tariff policies, financing mechanisms (district trust funds), good governance and consumer rights protection mechanisms, guidelines and methodologies for application of norms and standards, implementation of DWS&S projects, passporting WSS systems, admin/permit procedures and more. Yet practical application of the given by-laws on the ground requires awareness raising among duty-bearers and concerned stakeholders.
- **Multiple policy reports, reviews and analysis** (along with formulated recommendations) **published** in the effort to inform the reform agenda for needed actions on: tariff policy, sanitation policy, taxation policy, development of effective business models, ownership and management rights policy, and demonopolisation policy.

Annex 2 provides a more comprehensive list of all policy initiatives supported by TajWSS (with full or partial contribution).

► **Challenges and opportunities: operationalising policy change**

Despite the series of achievements noted in the DWS&S sector policy framework, the basic reform needs at large remain far from completion. The reform process was formally launched in 2016 with the adoption of the Water Sector Reform Programme, and yet it does not reflect fully the conveyed needs for change. Systemic challenges still persist for the rural DWS&S sector, and can be summarised as follows:

- **Policy framework improvement:** the new editions of the Water Code and Law on DWS & Sewerage lack implementation support and mechanisms. A number of by-laws need to be developed to support and enforce articles of legislation, primarily for: a) clear distribution of policy, regulatory and service delivery roles among line ministries and agencies (importantly KMK), and b) effective mechanisms for hand-over of DWS&S systems and guaranteed ownership by non-state entities (community-driven models).
- **Development of effective financing strategies and mechanisms:** the sources of financing defined by the state are not exploited in full capacity due to the following: a) ineffective tariff schemes reportedly bound to local economic conditions and regulatory restrictions that failed to endorse full-cost recovery tariffs, b) despite legal provisions, tax alleviations have not been implemented (preferential taxation, taxation on the basis of collected fees as opposed to volume of delivered services, customs taxes on imported materials), subsidy mechanisms non-transparent and compensations only made available to state operators (though negligent), c) no targeted state budget commitments to the rural DWS&S sector, and d) lack of state contributions to implemented Water Trust Funds mechanisms.
- **Investment climate improvements:** Although legal provisions are there, what happens in reality is contradictory on a) the promotion and support of community-driven business models in DWS&S service delivery and b) guaranteed long-term ownership and management rights by non-state service providers. The scale of realisation of public–private partnership policies is limited, with more focus on large and medium-sized systems. Present norms and standards for design and construction are costly and require major adaptations to help stimulate investments in rural WSS systems.
- **Strengthening capacities for policy, regulation and service delivery:** capacity gaps continue to grow among all layers of duty-bearer and rights-holder networks, since capacity-building efforts are not addressed at the systemic level (updated modern curricula at educational institutions, institutions' economic viabilities limit capacity-building support to responsible staff, access to qualified professional in rural settlements). For rural community-driven systems to become viable, capacities need to be sustained systematically beyond development project time-frames. For that to take place, capacities within district-level authorities need to be sustained.

As the DWS&S sector is formally undergoing an early phase of reform process, there are several opportunities to benefit from, provided development partners and stakeholders publish the needed evidence base and collectively advocate for targeted actions:

- **World Bank and European Bank for Reconstruction and Development (EBRD)-supported initiatives to strengthen SUE KMK⁴⁷** – Both the World Bank and EBRD are implementing large projects on strengthening and regionalisation of SUE KMK (six regional hubs), along with support for development of the state programme for the DWS&S sector. It is important that donor agencies, development partners and civil society reach a consensus on a) how strengthening and regionalisation of KMK is reconciled with demonopolisation and decentralisation paths in the DWS&S sector, and b) whether KMK’s mandate (policy, regulation and service delivery) is to be revisited in light of the persistent duplication of roles and conflicts of interest.
- **Community-driven business models** – scaling up and replication (non-profit): There is great potential to scale-up and replicate alternative models for DWS&S systems management in rural Tajikistan, and the present policies must duly promote and provide targeted support to do so. Experiences from UNDP, Oxfam, ISW, Aga Khan Foundation and others provide further evidence of successful replication across rural Tajikistan. Noted issues linked to the enabling environment need to be addressed for such models to prosper (taxation, tariffs, subsidies, ownership rights and cost-effective norms and standards).
- **Public–private partnerships** – case study reports and scaling up: public–private partnership policies have been adopted for some time, however there are very few implemented cases, and these are mostly for large and medium-sized DWS&S systems. One recent case was presented by a USAID-funded project⁴⁸ in B. Ghafurov district in April 2021. Implementers will need to continue sharing their experiences and lessons learned on public–private partnerships models. The government on the other hand has not yet provided sufficient opportunities for public–private partnerships, hence these should be included in the action plan of reforms.
- **Full-cost recovery tariffs** – putting policies into action: A number of successful examples from SDC-funded projects demonstrate that implementing improved good governance and consumer rights mechanisms leads to endorsement of higher tariffs and higher fee collection rates. This evidence, though qualified, seems inconclusive to national authorities in promoting full-cost recovery tariffs, because of insufficient data on affordability and willingness to pay throughout the country. Carrying out regular assessments and surveys on those issues may further define the strategy towards full-cost recovery.

Policy recommendations: linking policy reform with financing strategies

From the experience in different phases of policy development and reforms, notable lessons have been learned about policy improvements not being adequately linked to *financing strategies, implementation*

⁴⁷ The World Bank-funded \$58m Rural Water Supply and Sanitation Project for the period 2020–2025; EBRD-SECO-supported initiative on regionalisation of KMK structure (development of six regional hubs).

⁴⁸ USAID-funded Rural Water Supply Activity implemented by Chemonics International Inc. in Tajikistan. Conference on Public-Private Partnership (PPP) Experience in B. Ghafurov district, held on 8 April 2021.

mechanisms and governance capacities or structures that would define how adopted policy changes actually benefit the target rural communities. From practitioners' points of view, while the policy improvements are important, means of implementation have not always received required attention. The present sector reform agenda reflects that observation with mere statement of facts, challenges and lists of measure to be taken. The lack of a comprehensive strategy on how to achieve certain targets or address concrete systemic issues has often been linked to the need for much greater investments. For that matter, the government has remained dependent on outside support, without sufficiently benefitting from alternative sources of support potentially available internally, should alternative and non-state actors be truly promoted. It is in that context that this policy report suggests the following policy recommendations:

- The government must develop a **comprehensive DWS&S sector development strategy** that encompasses the noted systemic issues along with realistic implementation and financing mechanisms.
- The **financing strategies** must take note of internal sources of financing via elaboration of tax alleviation policy, preferential financing, pro-poor subsidy mechanisms and true implementation of full-cost recovery tariffs.
- All stakeholders must cooperate on the development of a unified approach for **assessing affordability and willingness-to-pay** full-cost recovery tariffs, and implement these transparently with participation of national and local authorities. The outcomes of this undertaking must further inform the policy reform. The strategy towards achieving **full-cost recovery tariffs** must be given due attention to ensure sustainability of rural DWS&S systems.
- The distribution of **policy, regulatory and service delivery roles** must further be defined and clarified within the governance framework. In that sense, KMK's mandate must be revisited on the part of its all-inclusive role. Persistent duplication of roles between line ministries and agencies, KMK and district authorities must be resolved.
- The government must truly promote and act on **demonopolisation policies**, and provide opportunities for **ownership of community-driven DWS&S systems**. Alternative non-state business models must be duly promoted, supported and financed across rural Tajikistan. **Public-private partnership** policies must be implemented more widely with involvement of small-scale rural DWS&S service providers.
- With support of development partners and government agencies, a **comprehensive capacity support programme** must be developed, along with provision of systemic support to duty-bearing entities (ministries/agencies, service providers and educational institutions) with a particular focus on rural areas.

References for further reading

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- Guidelines on the order of tariff setting for providers of DWS&S services for rural systems in Tajikistan, Decree of the Chairman of the Antimonopoly Agency under the Government of the RT, as of 25 September 2019, #155.
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Annex 1

Inter-Ministerial Working Group for drinking water supply & sanitation⁴⁹-led DWS&S policy initiatives supported, and knowledge products produced, by TajWSS project

Thematic Area 1

DWS&S Sector Policy Reform Agenda

	Policy Initiatives and Products	Focus Area	Status
1	Water Code of the Republic of Tajikistan, New Edition. Endorsed by Majlisi Namoyandagon Majlisi Oli, 12 February 2020 (#1596); approved by the Majlisi Milli Majlisi Oli, 19 March 2020 (#756); President of the RT, 2 April 2020 (#1688)	Policy reform	Endorsed
2	Law of the RT on Drinking Water and Water Supply, endorsed on 29 December 2010 (#670)	Policy reform	Endorsed
3	Law of the RT on Drinking Water Supply and Wastewater Disposal, as of 19 July 2019 (#1633); new edition replacing the previous Law on Drinking Water and Water Supply, 29 December 2010 (#670)	Policy reform	Endorsed
4	By-law: State procedures for accountability improvement in the sphere of drinking water supply and wastewater disposal (Resolution of the Government of the RT, endorsed on 27 February, 2020, #117)	Governance	Endorsed
5	By-law: Procedures for interruption, restrictions, suspension and/or shutdown of drinking water supply (Resolution of the Government of the RT, approved on 27 October, 2020, #552)	Governance	Endorsed
6	By-law: Procedures for state control and oversight in the sphere of drinking water supply and wastewater disposal (2021)	Governance	Endorsed
7	Water Sector Reform Programme for the period 2016–2025, approved by the Government of the RT, as of 30 December 2015 (#791)	Policy reform	Endorsed
8	Review of the practical application of the Law of the RT on drinking water and drinking water supply: Gaps, Limitations and Recommendations on its Improvement, prepared by the Ministry of Energy and Water Resources with support from TajWSS Project (2017)	Policy analysis	Published

⁴⁹ Inter-Ministerial Working Group (previously, Inter-Ministerial Coordination Council) for drinking water supply and sanitation (the Secretariat and Technical Working Groups organised under the Inter-Ministerial Working Group for drinking water supply and sanitation had been supported technically and financially by the TajWSS project between 2010 and 2021).

Thematic Area 2

DWS&S Standards and Norms – Design, Construction and O&M

	Policy Initiatives and Products	Focus Area	Status
1	Construction norms and standards, Rural Drinking Water Supply GNIP RT 40-06-2017, endorsed by the Committee for Architecture and Construction under the Government of the RT, as of 27 November 2017, #108/φ	Norms and standards policy	Endorsed
2	Guiding documents of the RT (Government of RT 10-201-2019) to Construction norms and standards, Rural Drinking Water Supply GNIP RT 40-06-2017, endorsed by the Committee for Architecture and Construction under the Government of the RT, as of 20 December 2019	Norms and standards policy	Endorsed
3	Analysis of introduced changes in the norms and standards, gaps and ways forward (GNiP 2017 versus 2008/1986), TajWSS 2021	Norms and standards policy	Published
4	Comparative analysis of key sections of the GNiP RT 40-06-2017 and GNiP RT 40-01-2008 for safe drinking water supply in rural settlements, SUE Scientific-Research Institute Construction and Architecture, Committee for Architecture and Construction under the Government of the RT (2020)	Norms and standards policy	Published
5	<i>Guidelines on the implementation of drinking water supply projects in Tajikistan</i> , endorsed by the decree of the Ministry of Land Reclamation and Water Resources of the RT, as of 15 October 2009, #307	Administrative procedures	Endorsed
6	<i>Guidelines for technical inventory and passports for water supply and sewerage systems</i> , TajWSS (2011)	Administrative procedures	Published
7	<i>Guidelines for undergoing administrative procedures and obtaining construction permits for drinking water supply and sewerage projects</i> , endorsed by the Agency for Construction and Architecture under the Government of the RT, as of 23 April 2012	Administrative procedures and permits processes	Endorsed

Thematic Area 3

Sanitation, Health And Hygiene Policy

	Policy Initiatives and Products	Focus Area	Status
1	A Comprehensive Review of Sanitation Policy and Practice in Tajikistan, TajWSS (2016)	Sanitation policy	Published
2	Sanitation Development Plan for Tajikistan, Draft report for national round-table discussions, prepared by the International Consultant, Mr Jan Drozd	Sanitation policy	Published

3	Sanitation Development Plan for Tajikistan, endorsed by the Minister of Health and Social Protection of the RT, as of 21 September 2021	Sanitation policy	Endorsed
4	Sanitary norms and regulations SanPiN 2.1.5. 035-21 Requirements for Sewerage Systems in Rural Settlements, endorsed by the Order of the Ministry of Health and Social Protection of the RT, as of 20 September 2021, #124	Sanitation policy	Endorsed
5	Sanitary norms and regulations SanPiN 2.1.1. 036-21, On placement, structure, operation and maintenance of public toilets, endorsed by the Order of the Ministry of Health and Social Protection of the RT, as of 20 September 2021, #125	Sanitation policy	Endorsed

Thematic Area 4

Financing And Investment Climate Improvement Policy

	Policy Initiatives And Products	Focus Area	Status
1	<i>About concept of reforming housing and communal services sector of the RT for the period 2010–2025</i> , Resolution of the Government of Tajikistan, as of 1 July 2010, #321	Financing policy	Endorsed
2	Rural Water Trust Fund Concept, TajWSS (2010) – as a mechanism to support implementation of the <i>State Programme for improvement of access to safe drinking water for the population of the Republic of Tajikistan for the period 2007–2020</i> , Resolution of the Government of Tajikistan, as of 2 December 2006, #514	Financing strategy	Published
3	<i>Review of public and foreign investments in the drinking WS&S sector for the period 2014–2019</i> , prepared by the Ministry of Energy and Water Resources of the RT with TajWSS support (2019)	Financing review	Published
4	<i>Review and analysis of legislation of the Republic of Tajikistan on ownership and other proprietary rights with regard to drinking water supply systems</i> , TajWSS (2011)	Ownership and management rights review	Published
5	<i>Analysis of aspects of ownership rights to drinking water supply and sanitation systems and possibilities of organising their effective management</i> , TajWSS (2016)	Ownership and management rights analysis	Published
6	<i>Effective business models in organisation of drinking WS&S services in rural Tajikistan: a comparative policy analysis – legislative, institutional, and economic perspectives</i> , TajWSS (2016)	Effective business models	Published
7	<i>Analysis of the present state of demonopolisation and private sector engagement in the sphere of drinking WS&S in Tajikistan</i> , TajWSS (2016)	Demonopolisation policy analysis	Published

8	<i>Analysis of taxation policy of the Republic of Tajikistan and recommendations on improvement of taxation system and state support in the sphere of drinking water supply, TajWSS (2012)</i>	Taxation policy (review)	Published
9	<i>Guidelines for taxation in the sphere of drinking WS&S in Tajikistan, TajWSS (2017)</i>	Taxation policy (guidelines)	Published
10	<i>Analytical review of the DWS taxation of the selected SUE KMK enterprises, TajWSS (2020)</i>	Taxation policy (review)	Published
11	<i>Overview of tariff policy in the sphere of drinking water supply and sanitation: recommendations for improvements, TajWSS (2012)</i>	Tariff policy	Published
12	<i>Economic analysis of tariff schemes implementation by main providers of drinking water supply and sanitation, TajWSS (2012)</i>	Tariff policy	Published
13	<i>Overview of present methodologies for tariff setting and their application within DWS&S service providers in Tajikistan, TajWSS (2012)</i>	Tariff policy	Published
14	<i>Drinking water tariff research and development of the Tajikistan water supply and sanitation project, TajWSS (2013) – by international Consultant Ms Marie Korner</i>	Tariff policy	Published
15	Training modules: a) Consumer rights protection and good governance in the sphere of drinking WS&S, b) Consumer voice and feedback mechanisms, c) Drinking water supply: rights and responsibilities, (d) Drinking water supply: improving supplier-consumer relations. TajWSS (2015)	Good governance	Published
16	Handbook: <i>Drinking Water: Our rights and responsibilities, TajWSS (2015)</i>	Good governance	Published
17	<i>Guidelines on good governance: transparency, accountability and participation in the sphere of drinking water supply and sanitation, TajWSS (2015)</i>	Good governance	Published
18	<i>Guidelines on establishment and management of Public Advisory Councils, TajWSS (2015)</i>	Good governance	Published
19	<i>Guidelines on the order of tariff setting for providers of DWS&S services, Regulation of the Government of the RT, as of 23 June 2020, #364</i>	Tariff policy	Endorsed
20	<i>Guidelines on the order of tariff setting for providers of DWS&S services for rural systems in Tajikistan, Decree of the Chairman of the Antimonopoly Agency under the Government of the RT, as of 25 September 2019, #155</i>	Tariff policy	Endorsed
21	<i>Procedures for establishment and utilisation of financial and material-technical reserves (resources) for rehabilitation of drinking water supply and wastewater disposal systems, adversely affected by extreme events. Government of the RT (2021)</i>	Financing mechanism	Endorsed
22	<i>Procedures for establishment of Water Trust Funds for drinking water supply and wastewater disposal. (Resolution of the Government of the RT, endorsed on February 27, 2020, #118)</i>	Financing mechanism	Endorsed

Annex 2

DWS&S-related actions⁵⁰ from the Draft National Water Strategy for Tajikistan for the period to 2030

	Actions/Measures	Main Executing Agencies	Indicative Implementation Period
2	Institutional Structure Of Water Resources Management		
2.6	Contributing to the improvement of business models (plans) of service organisations of the water sector	ALRI, KMK, MEWR	2022–2025
3	Implementation Measures Of Different Sectors		
3.1	Development and adoption of the State Programme on Drinking Water Supply and Sanitation for the period up to 2030	KMK, MEWR, SMA	2021–2022
3.2	Planning of funds in the state budget for rural water supply projects	MF, KMK, SMA	2021–2025
3.3	Creation of an attractive investment climate for the implementation of projects to provide drinking water and sanitation within the framework of the public–private partnership mechanism	SCIMSP, KMK, SMA	2023–2025

⁵⁰ Ministry of Energy and Water Resources (October, 2021), from the draft Plan of Measures for Implementation of National Water Strategy Tajikistan until period 2030. Presentation by the Ministry of Energy and Water Resources at the Donor Coordination Meeting on 12 October 2021.

3.17	Organisation of individual payment by each water user of water supply services to the relevant service organisation through a system of non-cash payments and using modern technologies	ALRI, KMK, SMA	2021–2025
3.33	Reduce and fully treat waste water, ensure complete treatment of polluted industrial waste water	MI&NT, CEP, SMA	2021–2030
3.42	Strengthening legal measures to ensure reliable protection of regions and lines of protection of surface and groundwater in order to prevent their pollution from the effects of human settlements, agriculture and industry, as well as to prevent other potential threats	CEP, MOA, RDG, MEWR, ALRI, MDG, Hydromet	2029–2030
4	Planning Of Use And Protection Of Water Resources In The River Basins		
4.1	Development of new basin water management plans for the period 2026–2030 respecting the principle of stakeholder participation and the active role of river basin organisations	MEWR, ALRI, KMK, RDG	2024–2025
5	Efficiency And Productivity Of Water Use		
5.3	Taking comprehensive measures to halve water losses in large drinking water supply systems by 2030	WSSDC, KMK,	2030
5.4	Introduction and observance of differentiated tariffs on the basis of normative and excess water use in all sectors of water use	ALRI, KMK, MI&NT, SMA, MF	2028–2030
5.5	Implementation of cost-effectiveness analysis methods to select the best use of water resources, taking into account social and environmental factors	MED&T, MEWR, ALRI, KMK, CEP, SMA	2029–2030
6	Information Provision Of Water Sector		
6.1	Creation, maintenance and regular updating of the National Water Information System, including for monitoring the development of the water sector	MEWR, ALRI, KMK, SMA	2021–2025
6.2	Creation of a digital database and information system in the DWS&S sector	MEWR, KMK, ALRI	2024–2025
6.3	Establishment of a legal framework for the automatic and timely exchange of water-related information between public entities and the private sector	MEWR, ALRI, KMK, SMA	2024–2025

6.4	Creation of a digital database and information system in the DWS&S sector	KMK, WSSDC, MEWR	2026–2030
7	Investment And Financing Of Water Sector		
7.2	Establishment of trust water funds at the local level for the collection and transparent use of financial resources in the drinking and wastewater sector	KMK, RDG	2022–2025
7.3	With the improvement of the system of payment for water supply and sanitation services, irrigation and reclamation services to promote sustainable financing	KMK, ALRI, RDG	2021–2025
7.4	Development of proposals to improve and increase the effectiveness of the existing legislative framework for investing in the water sector within the framework of the public–private partnership mechanism	SCIMSP, MEWR, ALRI	2025
7.5	Creation of favourable conditions for stimulation of domestic and direct foreign investment in water infrastructure	MED&T, SCIMSP, ALRI, KMK, Tax Committee	2029–2030
7.8	Collection of data, preparation of proposals for water sector facilities appropriate for public–private partnership projects, and presentation of these facilities to potential national and international investors	MED&T, MF, CESC, MEWR, ALRI, KMK, RDG	2026–2030
9	Additional Measures For Implementation Of National Water Strategy		
9.4	Implementation of projects to strengthen the technical capacity of training and retraining centres	MEWR, TAU, TTU, TajikNIIGIM	2022–2025
9.5	Organise and implement educational programmes and continuous professional development and language skills upgrading for water professionals in Tajikistan and abroad	MEWR, TAU, TTU, TajikNIIGIM	2021–2025

ALRI: Agency for Land Reclamation and Irrigation under the Government of the RT, CEP: Committee for Environmental Protection under the Government of the RT, CESC: Committee on Emergency Situations and Civil Defense under the Government of the RT, Hydromet: Agency for Hydrometeorology, KMK: State Unitary Enterprise Khojagii Manziliyu Kommunalii, MDG: Main Department of Geology under the Government of the RT, MEWR: Ministry of Energy and Water Resources, MF: Ministry of Finance, MI&NT: Ministry of Industry and New Technologies, MoA: Ministry of Agriculture, MoED&T: Ministry of Economic Development and Trade, RDG: Regional and District Governments of Tajikistan, SCIMSP: State Committee for Investments and State Property Management, SMA: Stakeholder ministries and agencies of the RT, TajikNIIGiM: Tajik Research Institute of Hydraulic Engineering and Land Reclamation of the MoEWR, TAU: Tajik Agrarian University, TTU: Tajik Technical University, WSSDC: Water Supply and Sanitation of the Cities.

Annex 3

Abbreviations

DWS	Drinking water supply
DWS&S	Drinking water supply and sanitation
EBRD	European Bank for Reconstruction and Development
GNIIP	<i>Gosudarstvennie normi i pravila</i> (State norms and regulations/standards)
ISW	International Secretariat for Water
JMP	Joint Monitoring Programme (WHO/UNICEF)
LLC	Limited liability company
N/A	Not applicable
O&M	Operation and maintenance
Oxfam GB	Oxfam Great Britain
RT	Republic of Tajikistan
SDC	Swiss Agency for Development and Cooperation
SUE KMK	State Unitary Enterprise Khojagii Manziliyu Kommunalii
TajWSS	Tajikistan Water Supply and Sanitation Project (TajWSS) Project, funded by the SDC, and implemented by Oxfam GB in partnership with UNDP in Tajikistan
TJS	Tajik Somoni
WS	Water supply
WS&S	Water supply and sanitation
WSS	Water supply system
WUA	Water users' association

Tajikistan Water Supply & Sanitation Project (Phase III)

Policy Report



Schweizerische Eidgenossenschaft
Confédération suisse
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Swiss Agency for Development and Cooperation SDC
Швейцарское Управление по Развитию и Сотрудничеству SDC
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