



Public Sector Accounting Assessment

# PULSE

REPORT TAJIKISTAN



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June 2025

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# ACRONYMS AND ABBREVIATIONS

<b>CoA</b>	Chart of Accounts
<b>GDP</b>	Gross Domestic Product
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>NA</b>	Not applicable
<b>TPSAS</b>	Tajikistan Public Sector Accounting Standards
<b>PFM</b>	Public Financial Management
<b>PI</b>	Performance Indicator
<b>PSA</b>	Public Sector Accounting
<b>PULSAR</b>	Public Sector Accounting and Reporting Program
<b>PULSE</b>	Public Sector Accounting Assessment
<b>TIFMIS</b>	Tajikistan Integrated Financial Management Information Systems

# ACKNOWLEDGEMENTS

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The review of this report was carried out by Levan Sabauri (Professor of the Accounting Analysis and Auditing Department of Ivane Javakhishvili Tbilisi State University), Nataliia Ostapiuk (Professor of the Accounting and Auditing Department of Kyiv National Economic University named after Vadym Hetman), and members of the external validation team.

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# ABOUT PULSAR

The Public Sector Accounting and Reporting (PULSE) assessment framework and web-based tool have been developed as part of the Public Sector Accounting and Reporting (PULSAR) Program. PULSAR is a regional and country-level program in 12 beneficiary countries of Europe and Central Asia which was launched in 2017. Its objective is to support the enhancement of public sector accounting and financial reporting frameworks in line with international standards and good practices to improve government accountability, transparency, and performance.

The objectives and scope of the PULSAR Program are jointly determined by the PULSAR Partners -

Austria, Switzerland, and the World Bank – who also provide institutional support for its implementation and mobilize the resources needed for its activities. Beneficiary countries help shape the program through regional cooperation platforms and input to two Communities of Practice: Financial Reporting Frameworks (FinCoP) and Education (EduCoP).

More information about the PULSAR program and its publications is available online at

[www.pulsarprogram.org](http://www.pulsarprogram.org)



# EXECUTIVE SUMMARY

## RATIONALE, PURPOSE, SCOPE, COVERAGE, AND MODE OF THE ASSESSMENT

1. Tajikistan is gradually transitioning its public sector to a modern system of accounting using the accrual method, based on the International Public Sector Accounting Standards (IPSAS). The first stage of this process has been guided by the Roadmap on the Use of Tajikistan Public Sector Accounting Standards for 2020-2025. This elapses in 2025 and a new initiative is needed to plan for further transition progress. The World Bank is supporting this work through the Strengthening Public Financial Management and Fiscal Transparency Project.

2. The PULSE assessment aims to provide a diagnostic of the current status of public sector accounting (PSA) in Tajikistan. PULSE is an effective tool to evaluate the quality of the PSA system, to monitor the progress and level of the conceptual and actual implementation of accrual accounting standards for the public sector, and to assess the compliance of public sector accounting standards with IPSAS.

3. The assessment, conducted using the PULSE 2024 Framework methodology, evaluates the quality of Tajikistan's PSA framework and the progress of ongoing PSA reform. It considers both the existing national conceptual framework and standards, as well as the actual implementation of accrual-based PSA standards, and benchmarks their compliance with IPSAS. One of the main objectives of the Project is to initiate the development of a revised PSA reform action plan and encourage its implementation.

4. The PULSE assessment covered the central government of Tajikistan, including the following public sector entities:

- Ministry of Finance, including two budgetary organizations under its control;
- Ministry of Health and Social Protection, including two budgetary organizations under its control;
- Ministry of Education, including two budgetary organizations under its control.

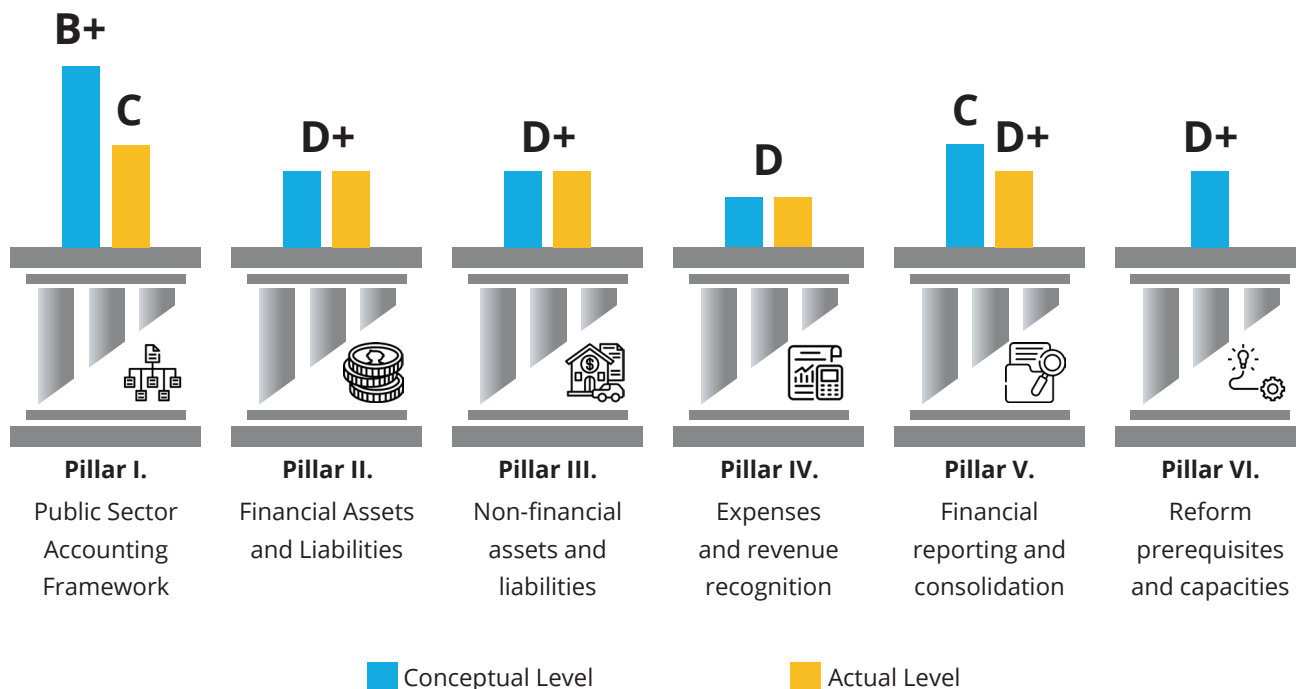
## OVERVIEW OF THE MAIN FINDINGS ON PSA SYSTEM PERFORMANCE

5. Tajikistan has initiated the adoption of an IPSAS-based accounting system. From a conceptual perspective, the overall score is **C**, whereas from an actual perspective, it is **D+**. Most dimensions (72 percent) were evaluated with grades **C and D**. Hence, this gives an overview of the inchoate PSA system in terms of compliance with IPSASs. Moreover, the actual implementation is even lower, and the vast majority of dimensions are evaluated as **D**.

6. **Figure 1** provides a summary of scores on a pillar basis.

7. The main findings can be differentiated into those related to the conceptual framework and standards and those related to capacity building and other reforms in PSA.

**Figure 1.** PULSE assessment scores for Tajikistan by pillar



## Findings related to the conceptual framework and standards

8. Tajikistan has adopted a Conceptual Framework and 14 standards.<sup>1</sup> Only eight Tajikistan Public Sector Accounting Standards (TPSAS) have an effective corresponding IPSAS, the remaining six do not correspond to the international standards in their current form. Some standards need major revision.

## Findings related to capacity building and other reforms in PSA.

9. The level of actual implementation of IPSAS-based accounting in public sector entities is rather low, despite the preparation and presentation requirements for financial statements. Routine accounting is carried out without mainstream accounting software. Accounting staff of public sector entities lack formal training plans and minimum knowledge/competency requirements. The adopted chart of accounts (CoA) is only for financial reporting purposes and is designed from the perspective of the prevailing methodological framework. Consolidation procedures are not developed.

<sup>1</sup> Currently, there are 50 IPSASs (effective or not), out of which 10 IPSASs have been replaced or are ineffective. Ultimately, IPSAS 33 *First Time Adoption of Accrual Basis IPSAS* is not considered relevant for Tajikistan.

## KEY RECOMMENDATIONS

10. The assessment results inform further PSA reforms. The following key recommendations should be considered in the development of an action plan/ updated roadmap with clear actions for different stakeholders:<sup>2</sup>

- Revise the Conceptual Framework and eight TPSAS to correspond to IPSAS and develop 31 new TPSAS from scratch to comprehensively and consistently express international guidance provided by IPSAS. Development of the new TPSASs should involve a multi-stage action plan that takes into account the public sector's capacity to accommodate many forward-looking, sophisticated, and resource-intensive international guidelines, such as accounting of complex financial instruments. The new standards should be shaped according to current and/or future needs, for example transactions and events requiring specific international guidance such as service concession.
- Update and revise the CoA to cover all missing and revised standards. Ensure the structure and classifications enable subsequent changes in IPSAS to be accommodated. Enable the CoA to be used for other purposes, including budgetary, performance, and management.
- Define relevant requirements for the acquisition or development of accounting software.
- Develop a formal training plan for public sector accountants, based on the competency framework to be established, and conduct training for public sector accountants and other stakeholders.
- Supervise, review, and monitor the implementation of IPSAS-based accounting.
- Define appropriate levels for consolidation, prepare consolidation methodology and practical guidance for consolidation, and develop or acquire unified accounting software for consolidation purposes.

<sup>2</sup> Some of these actions will be addressed as part of the Strengthening Public Financial Management and Fiscal Transparency Project.

# INTRODUCTION

## RATIONALE, PURPOSE, AND ASSESSMENT MODE

11. The Roadmap on the Use of Tajikistan Public Sector Accounting Standards for 2020-2025 was approved in 2020. This aimed to gradually transition the public sector to a modern system of accounting using the accrual method, based on IPSASs, to increase transparency and accountability, improve the quality of financial and budget management, reduce the amount of debt on the expenditure side of the budget, ensure more effective management and rational use of assets, and provide timely and high-quality information on the existing public debt not guaranteed by the government and other social obligations. The leader of this reform is the Ministry of Finance of Tajikistan.

12. The Roadmap elapses in 2025 and Tajikistan needs a new initiative to plan for further transitioning to IPSASs. An important objective of the Strengthening Public Financial Management and Fiscal Transparency Project is to initiate the development of a revised PSA reform action plan and encourage its implementation. PULSE is an effective tool to evaluate the quality of the PSA system, to monitor the progress and level of the conceptual and actual implementation of accrual accounting standards for the public sector, and to assess the compliance of public sector accounting standards with IPSAS. The PULSE assessment aims to provide a diagnostic of the current status of PSA and provide actionable findings and recommendations.

13. The assessment follows the PULSE 2024 Framework using the PULSE digital tool, to explore gaps and significant deviations in accounting practices and the accounting framework compared to the IPSAS. Six pillars of performance were assessed, encompassing a total of 30 indicators and 107

dimensions. Each dimension was scored from A to D. Indicator scores are calculated by averaging dimension scores. Pillar scores are determined by averaging the relevant indicator scores.

14. The data collection process consisted of reviewing and analyzing relevant documentation reflecting the PULSE assessment indicators, including relevant legislation, public reports, analytical data, financial statements, and any other documents related to the indicator. This was conducted by the BDO assessment team with the support and facilitation of the Ministry of Finance as lead agency. Interviews with Ministry of Finance representatives and other stakeholders were conducted to support the collected data.

15. This was the first PULSE assessment for Tajikistan. The results will be used as an entry point for the further development of TPSAS in Tajikistan. Subject matter IPSAS will constitute the TPSAS in a single standard or multiple standard format.

## COVERAGE

16. The PULSE assessment covered key public sector entities of the central government of Tajikistan. The public sector entities selected by the Ministry of Finance and agreed with the World Bank were:

- Ministry of Finance and two budgetary organizations under its control:
  - Central Administration of the Ministry of Finance
  - Institute of Financial Studies
  - Administration of Rudaki Region
- Ministry of Health and Social Protection and two budgetary organizations under its control:

- Central Administration of Health and Social Protection of the Population
- Republican Center for Tropical Disease Control
- Children's Republican Sanatorium "Karatog"
- Ministry of Education and two budgetary organizations under its control:
  - Central Administration of the Ministry of Education
  - Republican Educational and Methodological Center at the State Institute of Higher Education and Advanced Training
  - Women's Educational Center "Sarvar"

## ASSESSMENT MANAGEMENT

17. The Ministry of Finance assumed leadership of the assessment process, including hosting and facilitating the organization of the concept note preparation and data collection. The oversight team, chaired the Deputy Minister of the Ministry of Finance, monitored the assessment and facilitated access to data, information, or institutions that arose throughout the assessment process.

18. The assessment team comprised international and local BDO experts. BDO performed the data collection, analysis of data, scoring, and preparation of the final assessment report. The external validation team, two international Public Financial Management (PFM)/PSA experts, performed quality control over the scope of the assessment. The World Bank team of officials and consultants involved in the implementation of the PULSAR Program supported and advised on the assessment.

19. The composition of stakeholders is presented in **Table 1**.

## PULSE REPORT

20. This PULSE report has the following structure:

- **Executive summary** contains a brief overview of the rationale, purpose, scope, and evaluation method; a brief summary of the main results, and an overview of recommendations.
- **Introduction** outlines information such as the rationale, purpose, scope, and methodology of the evaluation, assessment management, and quality assurance.

**Table 1.** Assessment stakeholder's summary

Team Member	Team Member Information
<b>Oversight team</b>	
Sarvar Kurboniyon, Oversight Team Leader	Deputy Minister of Finance
<b>Assessment Team</b>	
Lilit Minasyan, Assessment Team Leader	BDO international expert
Vigen Yeghoyan, Team member	BDO international expert
Bakhtiyor Saloev, Team member	BDO local expert
<b>The external validation team</b>	
Nataliia Ostapiuk, Expert	Professor, Accounting Department, Kyiv National Economic University, Ukraine

Team Member	Team Member Information
Levan Sabauri, Expert	Professor, Faculty of Economics and Business, Tbilisi State University, Georgia

#### The PULSAR team

Dmitri Gourfinkel	Senior Governance Specialist, The World Bank
Arman Vatyan	Lead Financial Management Specialist, The World Bank
Ravshan Sobirzoda	Project Coordinator, The World Bank
Niso Bazidova	Financial Management Specialist, The World Bank
Julian Laski	Financial Management Consultant, The World Bank

- Country background and PSA environment** summarizes the public sector structure; PFM systems and their connection with the PSA system; legal and institutional mechanisms of the PFM; and areas of reform focus.
- Results** provides the PULSE assessment of compliance with IPSAS at both conceptual and actual implementation levels under the six pillars, namely:
- Pillar I – Conceptual Framework**, which contains an assessment of compliance with the IPSAS framework.
- Pillar II – Financial assets and liabilities accounting:** recognition procedures in accounting, measurement, and disclosure of information in reporting.
- Pillar III – Non-financial assets and liabilities accounting:** procedures for recognition in accounting, assessment, and disclosure of information in reporting of non-financial assets, non-financial liabilities.
- Pillar IV – Expenses and revenues accounting:** recognition and measurement of expenses and revenues.
- Pillar V – Financial reporting and consolidation:** financial reporting submission procedures and notes to the financial statements, accounting of non-controlled legal entities, associations of public sector entities.
- Pillar VI – Efficiency of the PSA systems and dynamics of PSA reforms**, in particular, information technology systems to operate a PSA system, the availability of sufficient human resources and capacities of the organization of accounting, the level of integration between PSA and PFM systems, the political capacity to conduct PSA reforms.
- Findings and recommendations** identifies the key findings and provides recommendations regarding further reforms and action plans (short, medium, and long-term) to improve the overall performance of the PSA system, reform monitoring, evaluation, and follow-up arrangements.

# COUNTRY BACKGROUND AND PSA ENVIRONMENT

## COUNTRY/JURISDICTION

21. Tajikistan operates as a presidential republic, with the President serving as both head of state and head of government. The country is a multi-party system. Legislative power is vested in both the executive branch and the two chambers of parliament. Tajikistan counts approximately 8,000 budgetary entities. The Tajikistan state budget consists of a republican budget and a local budget. More than 90 percent of budgetary revenue is from taxes. Budgetary expenditures mainly comprise education, social security, and fuel and energy<sup>4</sup> expenditures.

22. Tajikistan is a country with over 10 million population and USD 12.1 billion gross domestic product (GDP). Over the last decade, Tajikistan experienced strong economic performance, with a growth rate averaging above 7.1 percent. Strong growth, higher wages, and international remittances helped reduce the number of people living in poverty from 32 percent of the population in 2009 to an estimated 12.4 percent in 2022 (at the international poverty line of USD 3.65/day).<sup>5</sup>

23. Despite significant progress, Tajikistan remains vulnerable to external shocks due to high dependency on migrant remittances, an undiversified economy, as well as a high risk of debt distress. The inflow of workers' remittances accounts for 40 percent of annual GDP. While public debt is sustainable, the risk of debt distress remains high.

24. Tajikistan has enormous growth potential due to a young and growing population, water and hydropower potential, and development in areas like agriculture and food processing, mineral resources, tourism, and more.

25. The government set an ambitious target—to more than double or triple domestic incomes between 2016 and 2030—which requires a new growth model centered around a dynamic private sector. This transition involves implementing structural reforms, focusing on public sector efficiency and transparency, enhancing the competition framework, and improving the investment climate, energy sector, trade connectivity, and access to finance. Given Tajikistan's high exposure to climate risks, strengthening environmental resilience is another critical area to address.

## THE STRUCTURE OF THE PUBLIC SECTOR

26. The Law on Management of State Finances provides the legal basis for the organizational principles of PFM, the budget system as well as the budget process in the preparation of budgets, preparation and approval of reports, and oversight over their implementation. The Law defines a budgetary entity as an organization created by state authorities and government bodies of the Republic of Tajikistan and local executive bodies of state power to carry out administrative, social, cultural, scientific, technical, and other functions of a non-commercial nature, the activities of which are financed in the amount of at least 70 percent from the relevant budget or the budget of the state target fund.

27. Tajikistan distinguishes three levels of state administration. The main administrator is a state authority and administration body that manages state budget funds and distributes them among its

<sup>4</sup> <https://egov.tj/site/moliya/documents/details/81?lang=ru>

<sup>5</sup> <https://www.worldbank.org/en/country/tajikistan/overview#1>

subordinate organizations. The main administrator may also be the most significant budgetary organization in the sphere of science, education, culture, or health care.

28. The administrator is a state authority and administration body or a budgetary organization that receives budget funds from the main administrator and has the right to distribute and control the use of budget funds by recipients of budget funds subordinate to it.

29. The recipient of budget funds is a budgetary organization under the jurisdiction of the main administrator and administrator of budget funds and has the right to financing from the funds of the relevant budget.

30. The state budget system has two levels:

- First level - the republican budget and budgets of state target funds;
- Second level - local budgets.

## PSA REFORM

31. In 2020, the Roadmap on the Use of Tajikistan Public Sector Accounting Standards for 2020-2025 was developed and approved. Its objective is a gradual transition of the public sector to a modern system of accounting with automated processes as the basis for further reforms in the field of treasury and accounting, using the accrual method and based on IPSAS. The Roadmap elapses in 2025 and a new initiative is needed to guide further transition to IPSAS.

32. 14 standards based on IPSAS were developed and approved during implementation of the first and second stages of the Roadmap.

### ■ Stage 1:

- TPSAS 1 - Presentation of Financial Statements;
- TPSAS 2 - Cash Flow Statements;
- TPSAS 3 - Accounting Policies, Changes in Estimates and Errors;
- TPSAS 4 - Effects of Changes in Foreign Exchange Rates;
- TPSAS 5 - Borrowing Costs;
- TPSAS 6 - Consolidated and Separate Financial Statements;
- TPSAS 12 - Inventories;
- TPSAS 17 - Property, Plant and Equipment;
- TPSAS 22 - Disclosure of Information about the General Government Sector;
- TPSAS 24 - Presentation of Budget Information in Financial Statements.

### ■ Stage 2:

- TPSAS 23 - Revenue from non-exchange transactions (Taxes and Transfers);
- TPSAS 28 - Financial Assets;
- TPSAS 29 - Financial Liabilities;
- TPSAS 30 - Financial Instruments: Disclosure and Presentation.

33. The third and fourth stages of the roadmap have been initiated and development/implementation of a further 18 standards is underway. The status of respective missing IPSAS, which will require development of TPSAS, is outlined in **Table 2**.

**Table 2.** List of missing IPSAS

#	Standard	Status
IPSAS 9	Revenue from Exchange Transactions	Replaced by IPSAS 46 starting from 01 Jan 2026
IPSAS 11	Construction Contracts	Replaced by IPSAS 46 starting from 01 Jan 2026

#	Standard	Status
IPSAS 13	Leases	Replaced by IPSAS 43
IPSAS 14	Events after the Reporting Date	Effective
IPSAS 16	Investment Property	Effective
IPSAS 18	Segment Reporting	Effective
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets	Effective
IPSAS 20	Related Party Disclosures	Effective
IPSAS 21	Impairment of Non-Cash-Generating Assets	Effective
IPSAS 26	Impairment of Cash-Generating Assets	Effective
IPSAS 31	Intangible Assets	Effective
IPSAS 32	Service Concession Arrangements: Grantor	Effective
IPSAS 34	Separate Financial Statements	Effective
IPSAS 35	Consolidated Financial Statements	Effective
IPSAS 36	Investments in Associates and Joint Ventures	Effective
IPSAS 37	Joint Arrangements	Effective
IPSAS 38	Disclosure of Interests in Other Entities	Effective
IPSAS 40	Public Sector Combinations	Effective

34. As seen in the above table, some standards included on the Roadmap have already been replaced by new standards, and need to be updated on the Roadmap accordingly.

35. Tajikistan has also adopted Ministry of Finance Order "Instruction on Preparation and Presentation of Annual and Periodic Financial Statements by Budgetary Organizations per TPSAS" and CoA that is used only for financial reporting purposes. It has adopted a separate classification system for budgetary reporting of budgetary revenues and expenditures.

36. Tajikistan prepares aggregated financial statements on a modified cash basis and has a guideline for aggregation procedures based on a modified cash basis (though it is called consolidation guidelines). This aggregation exercise includes adding all the figures of financial statements of controlled entities line by line to achieve the aggregated financial statements. No specific consolidation procedures

are undertaken, including to eliminate intragroup transactions from the aggregated financial statements.

37. Tajikistan uses an Integrated Financial Management Information System (TIFMIS). Currently, TIFMIS has the following modules:

- State budget revenue and expenditure planning module;
- State budget revenue and expenditure management module;
- Treasury bank (payment management) module;
- Liabilities management module;
- Cash management module;
- External and domestic debt management.

38. Modules on asset management, accounting, and consolidation of public sector financial statements are in development for roll out in 2025.

# RESULTS

39. The results of the PULSE Assessment show the current status of progress in the gradual transition to IPSAS.

40. For each of the 30 indicators across the six pillars, the score considers between two and four dimensions, which are averaged to obtain an overall score for the indicator. Each dimension is scored separately on a four-point ordinal scale: A, B, C, or D, according to precise criteria established for each dimension. To justify a particular score for a dimension, every aspect specified in the scoring requirements must be fulfilled. If the requirements are only partly met or the criteria are not satisfied, a lower score is given that coincides with the achievement of the requirements for the lower performance rating.

41. The assessment of the conceptual and actual implementation of IPSAS using the PULSE methodology shows a low level of PSA system as seen in **Table 3**.

42. At this point, the overall score from the **conceptual perspective is C**, whereas from the **actual perspective is D+**. From a conceptual

perspective, approximately 72 percent of the dimensions are evaluated with grades **C and D**. This reflects a PSA system at an early stage of terms of compliance with IPSAS. Moreover, the actual implementation is even lower, with the vast majority of dimensions evaluated as **D**.

43. Not all the dimensions that are evaluated as D have the same relevance for Tajikistan PSA. The results for each pillar will provide more detailed analysis to help prioritize areas to improve scores.

44. At the same time, it is worth noting, that the package of TPSAS currently effective in Tajikistan lacks interconnectivity and comprehensiveness. Some provisions of the standards, for example, reference non-existing standards in Tajikistan PSA and/or unendorsed concepts. Hence, this decreases the actual applicability. Moreover, some standards are incoherent between their parts of recognition, measurement, and disclosure.

45. A more detailed explanation of the scores is in the following sections.

**Table 3.** Assessment scores breakdown

Assessment scores	Conceptual level		Actual level	
	Number	Specific weight, %	Number	Specific weight, %
A	19	21	6	6
B	6	7	4	4
C	7	8	10	10
D/D*	58	63	81	79
NA	2	2	2	1
<b>Total</b>	<b>92</b>	<b>100</b>	<b>103</b>	<b>100</b>

**Table 4.** Assessment scores summary

Areas that were evaluated	Conceptual level	Actual level
Pillar I. PSA Framework	B+	C
Pillar II. Financial assets and liabilities	D+	D+
Pillar III. Non-financial assets and liabilities	D+	D+
Pillar IV. Expenses and revenue recognition	D	D
Pillar V. Financial reporting and consolidation	C	D+
Pillar VI. Reform prerequisites and capacities	-	D+

## PILLAR I. PSA FRAMEWORK

46. Pillar I reviews the adoption and implementation of:

- IPSAS Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities;
- IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors;
- IPSAS 4 The Effects of Changes in Foreign Exchange Rates;
- IPSAS 10 Financial Reporting in Hyperinflationary Economies;

- IPSAS 14 Events after the Reporting Date.

47. The Conceptual Framework and IPSASs 3 and 4 have been incorporated in corresponding TPSASs. IPSAS 14 is planned to be adopted in the fourth phase of the Roadmap. IPSAS 10 was considered non-applicable based on the Roadmap as Tajikistan is not classified as having hyperinflation.

48. Hence the conceptual perspective is evaluated as comparatively high, whereas the actual perspective is evaluated as low.

**Table 5.** Scores summary Pillar I

Indicators	Rating	
	Conceptual level	Actual level
<b>PI-1. Conceptual framework</b>	<b>B+</b>	-
<b>Dimension 1.1 – Conceptual Framework</b>	<b>C</b>	-
Dimension 1.2 – Qualitative Characteristics	A	-
Dimension 1.3 – Reporting Entity	B	-
Dimension 1.4 – Elements of financial statements	A	-
<b>PI-2. Accounting policies, estimations, errors, and events after the reporting date</b>	<b>B+</b>	<b>D</b>

Indicators	Rating	
	Conceptual level	Actual level
Dimension 2.1 – Accounting policies	A	D
Dimension 2.2 – Estimates	A	D
Dimension 2.3 – Errors	A	C
Dimension 2.4 – Reporting of events after the reporting date	D	D
<b>PI-3. Foreign currency transactions and inflation effects</b>	<b>B</b>	<b>B</b>
Dimension 3.1 – Initial recognition of exchange differences resulting from foreign currency transactions	C	C
Dimension 3.2 – End-of-year reporting of foreign currency transactions	A	A
Dimension 3.3 – Compliance with hyperinflation requirements	NA	NA

49. The overall score for PI-1 *Conceptual Framework* is evaluated as **B+**.

- The low scoring of Dimension 1.1 *Conceptual Framework* is due to the TPSAS Conceptual Framework adopting only seven chapters of the IPSAS Conceptual Framework. Chapter 3 Reporting Entity is not adopted in the body text of the TPSAS Conceptual Framework. The definition and provisions on the reporting entities are provided in the Law On Management of State Finances.

50. The overall score for PI-2 *Accounting policies, estimations, errors, and events after the reporting date* is **B+** from a conceptual perspective and D from an actual perspective.

- The low scoring of Dimension 2.1 *Accounting policies* from an actual perspective is due to Tajikistan not adopting a sample accounting policy to be used by public entities and the vast majority of public sector entities not formalizing their accounting policies.
- The low scoring of Dimension 2.2 *Estimates* from the actual perspective is due to the Ministry of Finance adopting normative useful lives of

property, plant, and equipment that public sector entities are obliged to use. No changes or deviations are allowed. Hence, it is considered that one of the most applicable estimates e.g. useful lives of property, plant, and equipment does not correspond to the spirit and concept of IPSAS.

- The low scoring of Dimension 2.4 *Reporting of events after the reporting date* is due to Tajikistan not adopting IPSAS 14 Events after the Reporting Date.

51. The overall score for PI-3 *Foreign currency transactions and inflation effects* is **B** from a conceptual perspective and **B** from an actual perspective.

- The low scoring of Dimension 3.1 *Initial recognition of exchange differences resulting from foreign currency transactions* is due to non-monetary items not being defined in TPSAS 4 The Effects of Changes in Foreign Exchange Rates. TPSAS 4 included a provision on the measurement of foreign exchange differences of non-monetary items but did not provide a comprehensive definition of it, compromising the consistency and comprehensiveness of the standard.

## PILLAR II. FINANCIAL ASSETS & LIABILITIES

52. Pillar II reviews the adoption and implementation of the following IPSASs:

- IPSAS 5 Borrowing Costs;
- IPSAS 28 Financial Instruments: Presentation;
- IPSAS 29 Financial Instruments: Recognition and Measurement (replaced by IPSAS 41, only Hedge Accounting is effective);
- IPSAS 30 Financial Instruments: Disclosures;
- IPSAS 41 Financial Instruments.

53. Tajikistan has adopted TPSAS 28 Financial Instruments: Presentation. However, instead of the presentation of all financial instruments, this standard covers only the presentation requirements of financial assets together with the recognition and measurement requirements of financial assets.

54. Tajikistan has adopted TPSAS 29 Financial Instruments: Recognition and Measurements. However, instead of the recognition and measurement requirements of all financial instruments, this standard covers the recognition and measurement requirements of financial liabilities together with the presentation requirements of financial liabilities.

55. Tajikistan has also adopted TPSAS 30 Financial Instruments: Disclosures and TPSAS 5 Borrowing Costs.

**Table 6.** Scores summary Pillar II

Indicators	Rating	
	Conceptual level	Actual level
<b>Pillar II.</b>	<b>D+</b>	<b>D+</b>
<b>PI - 4. Financial assets</b>	<b>B</b>	<b>B</b>
Dimension 4.1 – Short-term receivables at cost	D	D
Dimension 4.2 – Financial assets at amortized cost	D	D
Dimension 4.3 – Financial assets at fair value through surplus and deficit	D	D
Dimension 4.4 – Financial assets at fair value through net assets/equity	D+	D+
<b>PI -5. Financial liabilities</b>	<b>A</b>	<b>A</b>
Dimension 5.1 – Short-term payables at cost	D	D
Dimension 5.2 – Financial liabilities at amortized cost	D	D
Dimension 5.3 – Financial liabilities at fair value through surplus and deficit	D	D
Dimension 5.4 – Financial liabilities with other bases of measurement	D+	D+
<b>PI-6. Derivatives, hedge accounting, loss allowance, and borrowing cost</b>	<b>D</b>	<b>D</b>

Indicators	Rating	
	Conceptual level	Actual level
Dimension 6.1 – Derivative instruments	D	D
Dimension 6.2 – Hedge accounting	D	D
Dimension 6.3 – Loss allowance	A	A
Dimension 6.4 – Borrowing costs	C	D
<b>PI-7. Presentation, offsetting, and disclosures</b>	<b>D</b>	<b>D</b>
Dimension 7.1 – Presentation	D	D
Dimension 7.2 – Offsetting	B	D
Dimension 7.3 – Disclosures related to significance of financial statements	B	D
Dimension 7.4 – Risk management disclosures	D	D

56. The overall score for PI-4 *Financial assets* is **D+** from a conceptual perspective and D+ from an actual perspective.

57. The overall score for PI-5 *Financial liabilities* is **D+** from a conceptual perspective and D+ from an actual perspective.

- Tajikistan developed TPSASs covering financial instruments using earlier IPSASs, now replaced by IPSAS 41. The categorization of financial assets and financial liabilities do not correspond to the provisions of IPSAS 41. Hence, all the dimensions covering financial assets and financial liabilities except for short-term instruments are evaluated as **D**. IPSAS 41 provides new concepts and models for the categorization of financial assets and liabilities, not foreseen in TPSAS. In the case of financial liabilities, TPSAS 29 does not define classes of financial liabilities. In TPSAS 29 there is only one benchmark option to recognize financial liabilities at fair value through surplus and deficit.

58. The overall score for PI-6 *Derivatives, hedge accounting, loss allowance, and borrowing cost* from a conceptual perspective and from an actual perspective is **D+**.

- Tajikistan did not adopt hedge accounting provisions, hence all the related dimensions are evaluated as D.

59. The overall score for PI-7 *Presentation, offsetting, and disclosures* from a conceptual perspective is C and from an actual perspective is **D**.

- Dimension 7.1 *Presentation* is evaluated as D because the definition of equity instrument is not provided in TPSAS 28 and TPSAS 29.
- Dimension 7.2 *Offsetting* is evaluated as D because the requirements for disclosures are not adopted by corresponding TPSASs.
- Although the new provisions of IPSAS 41 were not adopted in Dimension 7.3 *Disclosures related to the significance of financial statements* and Dimension 7.4 *Risk management disclosures*, the concepts from IPSAS 30 to IPSAS 41 were included in substance, hence higher conceptual scores were given. However, from an actual perspective, these dimensions are evaluated at the lowest rate because public sector entities selected for PULSE assessment do not present notes to the financial statements that should have included all the required disclosures.

## PILLAR III. NON-FINANCIAL ASSETS & LIABILITIES

60. Pillar III reviews the adoption and implementation of the following IPSASs:

- IPSAS 12 Inventories;
- IPSAS 43 Leases;
- IPSAS 16 Investment Property;
- IPSAS 19 Provisions, Contingent Liabilities, and Contingent Assets;
- IPSAS 21 Impairment of Non-Cash-Generating Assets;
- IPSAS 26 Impairment of Cash-Generating Assets;

- IPSAS 27 Agriculture;
- IPSAS 31 Intangible Assets;
- IPSAS 32 Service Concession Arrangements: Grantor;
- IPSAS 33 First Time Adoption of Accrual Basis IPSAS;
- IPSAS 39 Employee Benefits;
- IPSAS 45 Property, Plant, and Equipment.

61. Tajikistan has adopted TPSAS 12 Inventory and TPSAS 17 Property, Plant, and Equipment. Accordingly, all the dimensions covered by the above list are evaluated with the lowest score except for IPSAS 12 and IPSAS 45.

**Table 7.** Scores summary Pillar III

Indicators	Rating	
	Conceptual level	Actual level
<b>Pillar III.</b>	<b>D+</b>	<b>D+</b>
<b>PI-8. Inventories</b>	<b>B+</b>	<b>C+</b>
Dimension 8.1 – Definition and recognition	C	C
Dimension 8.2 – Measurement	A	B
Dimension 8.3 – Disclosure	A	C
<b>PI-9. Biological assets</b>	<b>D</b>	<b>D</b>
Dimension 9.1 – Definition and recognition	D	D
Dimension 9.2 – Measurement	D	D
Dimension 9.3 – Disclosure	D	D
<b>PI-10. Leases</b>	<b>D</b>	<b>D</b>
Dimension 10.1 – Definition	D	D
Dimension 10.2 – Recognition and measurement from the perspective of the lessee	D	D
Dimension 10.3 – Recognition and measurement from the perspective of lessor	D	D
Dimension 10.4 – Disclosure	D	D
<b>PI-11. Investment property</b>	<b>D</b>	<b>D</b>

Indicators	Rating	
	Conceptual level	Actual level
Dimension 11.1 – Recognition and initial measurement	D	D
Dimension 11.2 – Subsequent measurement: historical cost model	D	D
Dimension 11.3 – Subsequent measurement: current value model	D	D
Dimension 11.4 – Disclosure	D	D
<b>PI-12. Property, plant, equipment recognition measurement</b>	<b>B</b>	<b>B</b>
Dimension 12.1 – Definition and recognition	C	C
Dimension 12.2 – Initial measurement	A	A
Dimension 12.3 – Subsequent measurement: historical cost model	A	A
Dimension 12.4 – Subsequent measurement: current value model	C	D*
<b>PI-13. Property, plant, and equipment first adoption depreciation</b>	<b>A</b>	<b>D+</b>
Dimension 13.1 – Measurement at first-time adoption	NA	NA
Dimension 13.2 - Depreciation	A	C
Dimension 13.3 - Disclosure	A	D
<b>PI-14. Intangible assets</b>	<b>D</b>	<b>D</b>
Dimension 14.1 – Definition and recognition	D	D
Dimension 14.2 – Initial measurement	D	D
Dimension 14.3 – Subsequent measurement	D	D
Dimension 14.4 – Disclosure	D	D
<b>PI-15. Service concessions</b>	<b>D</b>	<b>D</b>
Dimension 15.1 – Definition and recognition: control of asset by grantor	D	D
Dimension 15.2 – Recognition of liability	D	D
Dimension 15.3 – Recognition of guarantees made by a grantor	D	D
<b>PI-16. Impairment</b>	<b>D</b>	<b>D</b>
Dimension 16.1 – Identification and Recognition	D	D

Indicators	Rating	
	Conceptual level	Actual level
Dimension 16.2 – Measurement	D	D
Dimension 16.3 – Loss reversal	D	D
Dimension 16.4 – Disclosure	D	D
<b>PI-17. Provisions, contingent liabilities, and contingent assets</b>	<b>D</b>	<b>D</b>
Dimension 17.1 – Definition and recognition of provisions and contingent liabilities	D	D
Dimension 17.2 – Definition and disclosure of contingent assets	D	D
Dimension 17.3 – Estimation of provisions	D	D
Dimension 17.4 – Disclosures in respect of provisions and contingent liabilities	D	D
<b>PI-18. Employee benefits</b>	<b>D</b>	<b>D</b>
Dimension 18.1 – Short-term benefits	D	D
Dimension 18.2 – Defined benefit plans	D	D
Dimension 18.3 – Other long-term employee benefits	D	D
Dimension 18.4 – Termination benefits	D	D

62. The overall score for PI-8 *Inventories* is **B+** from a conceptual perspective and **C+** from an actual perspective.

- Dimension 8.1 *Definition and recognition* received a lower score as the concept of work in progress was omitted from the definition of inventories in TPSAS 12. This is an example of inconsistent adoption of the international standard.
- Dimension 8.3 *Disclosure*, received a lower actual score because the selected public sector entities did not present notes to the financial statements. Although they presented separate statements as a supplement to the statement of financial position detailing the opening and closing balances and turnover of the inventories, this did not fully correspond to the disclosure provisions of IPSAS 12, hence a lower score is appropriate.

63. The overall score for PI- 9 *Biological Assets*, PI-10 *Leases*, and PI-11 *Investment Property* is **D** for both

conceptual and actual perspectives because IPSAS 16 *Investment Property*, IPSAS 27 *Agriculture*, and neither the former IPSAS 13 *Leases* nor the new standard IPSAS 43 *Leases* were adopted by Tajikistan.

64. The overall score for PI-12 *Property, plant, and equipment recognition measurement* is **B** from a conceptual perspective and **B** from an actual perspective. The main weakness in this pillar was that the concept of “control” was not defined in TPSAS 17 and assets were only recognized based on the criteria of reliable measurement. Accordingly, dimension 12.1 is evaluated with grade **C**.

65. The overall score for PI-13 *Property, plant, equipment first adoption depreciation* is **A** from the conceptual perspective and **D+** from the actual perspective.

- IPSAS 45 (the new standard effective from January 1, 2025) was not adopted by Tajikistan, however concepts carried forward from the former

standard (IPSAS 17) to the new standard were given credit in PIs-12 and 13. The new IPSAS 45 concept of subsequent measurement (current value model) and deemed cost are not currently adopted by corresponding TPSAS, hence a lower score is provided to Dimensions 12.4 *Subsequent measurement: current value model* and 13.1 *Measurement at first-time adoption*. In the case of actual perspective, none of the selected entities have applied the current operational value model so the provided evidence is evaluated as insufficient.

- From actual perspective, dimension 12.4 is evaluated as **D\***. Although items of property, plant and equipment are presented in the financial statements of selected entities, neither of them have revaluation surplus in the net assets. Taking into account that none of selected entities have applied the current operational value model, the provided evidence is evaluated as insufficient.

66. The overall score for PI-14 *Intangible Assets*, PI-15 *Service Concessions*, PI-16 *Impairment*, and PI-17 *Provisions, contingent liabilities, and contingent assets* is **D** for both conceptual and actual perspectives

because the respective international standards are not adopted by Tajikistan (IPSAS 31 Intangible Assets, IPSAS 32 Service Concession Arrangements: Grantor, IPSAS 21 Impairment of Non-Cash-Generating Assets, IPSAS 26 Impairment of Cash-Generating Assets and IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets).

## PILLAR IV. EXPENSES & REVENUE RECOGNITION

67. Pillar IV reviews the adoption and implementation of the following IPSASs:

- IPSAS 47 Revenue;
- IPSAS 48 Transfer Expenses;
- IPSAS 42 Social Benefits.

68. TPSAS 23 Revenue from Non-Exchange Transactions corresponds to former IPSAS 23, which is replaced by IPSAS 47 (effective from January 1, 2026).

**Table 8.** Scores summary Pillar IV

Indicators	Rating	
	Conceptual level	Actual level
<b>Pillar IV.</b>	<b>D</b>	<b>D</b>
<b>PI-19. Revenue</b>	<b>D+</b>	<b>D</b>
Dimension 19.1 – Identification of binding regulations	D	D
Dimension 19.2 – Revenue from transactions without binding arrangement	D	D
Dimension 19.3 - Taxes	A	D
Dimension 19.4 - Revenue from transactions with binding arrangement	D	D
<b>PI-20. Transfer expenses</b>	<b>D</b>	<b>D</b>
Dimension 20.1 – Identification of transfer expense transaction	D	D

Indicators	Rating	
	Conceptual level	Actual level
Dimension 20.2 – Transfer expenses from transactions without binding arrangements	D	D
Dimension 20.3 – Transfer expenses from transactions with binding arrangements	D	D
<b>PI-21. Social benefits</b>	<b>D</b>	<b>D</b>
Dimension 21.1 – Scope	D	D
Dimension 21.2 – Recognition and measurement	D	D
Dimension 21.3 – Disclosure	D	D

69. PI-18 *Employee benefits*, PI-20 *Transfer expenses*, and PI-21 *Social benefits* and all corresponding dimensions are evaluated with score **D** for both conceptual and actual perspectives, because the provisions of IPSAS 48 and 42 are not adopted by TPSAS.

70. In the case of PI-19 *Revenue*, although IPSAS 47 is not adopted by Tajikistan, credit was given for concepts carried forward from the former standard (IPSAS 23) resulting in **D+** from a conceptual perspective and **D** from actual perspective. This mainly concerns provisions related to taxes that were carried through IPSAS 23 to the new standard of revenue (IPSAS 47).

## PILLAR V. FINANCIAL REPORTING & CONSOLIDATION

71. Pillar IV reviews the adoption and implementation of the following IPSASs:

- IPSAS 1 Presentation of Financial Statements;
- IPSAS 2 Cash Flow Statements;
- IPSAS 18 Segment Reporting;
- IPSAS 20 Related Party Disclosures;

- IPSAS 24 Presentation of Budget Information in Financial Statements;
- IPSAS 35 Consolidated Financial Statements;
- IPSAS 36 Investments in Associates and Joint-Ventures;
- IPSAS 37 Joint Arrangements;
- IPSAS 38 Disclosure of Interest in Other Entities;
- IPSAS 40 Public Sector Combinations.

72. Tajikistan has adopted TPSAS 1 Presentation of Financial Statements, TPSAS 6 Consolidated and Separate Financial Statements, and TPSAS 24 Presentation of Budget Information in Financial Statements. Provisions of all the other IPSASs stated above are evaluated with the lowest score.

73. PI-22 *Presentation of financial statements* has a higher score from the conceptual perspective as the provision of TPSAS 1 in substance corresponds to the concepts of IPSAS 1. However, from the actual perspective approved sample financial statements used by public sector entities lacked certain line items such as investment properties, financial assets other than investments, receivables, finance costs, etc., that are required by IPSAS 1. Hence, the scores from the actual perspective of **B**, are slightly lower than from the conceptual perspective of **B+**.

**Table 9.** Scores summary Pillar V

Indicators	Rating	
	Conceptual level	Actual level
<b>Pillar V.</b>	<b>C</b>	<b>D+</b>
<b>PI-22. Presentation of financial statements</b>	<b>B+</b>	<b>B</b>
Dimension 22.1 – Degree of completeness: statement of financial position	B	C
Dimension 22.2 – Degree of completeness: statement of financial performance	A	B
Dimension 22.3 – Degree of completeness: statement of changes in net assets/equity	A	A
Dimension 22.4 – Degree of completeness: cash flow statement	B	A
<b>PI-23. Notes to the financial statements</b>	<b>C</b>	<b>D</b>
Dimension 23.1 – Notes	A	D
Dimension 23.2 – Degree of completeness: budget information	C	C
Dimension 23.3 – Segment reporting	D	D
Dimension 23.4 – Key management personnel	D	D
<b>PI-24. Accounting for non-controlled entities and public sector combinations</b>	<b>D</b>	<b>D</b>
Dimension 24.1 – Associates and joint ventures/Equity method	D	D
Dimension 24.2 – Joint operations	D	D
Dimension 24.3 – Public sector combinations	D	D
<b>PI-25. Consolidated financial statements</b>	<b>C</b>	<b>D</b>
Dimension 25.1 – Reporting scope and investment entities	C	D
Dimension 25.2 – Consolidation procedures	A	D
Dimension 25.3 – Transactions between related parties	D	D
Dimension 25.4 – Disclosures of interests in other entities	D	D

74. The overall score for PI-23 *Notes to the financial statements* is **B** from a conceptual perspective and **C+** from an actual perspective.

- In the case of Dimension 23.1 *Notes*, TPSAS 1 provides notes to be presented in the full package of the financial statements. However, from an actual perspective, this dimension is evaluated with the lowest score, because selected public sector entities did not present notes to the financial statements.
- In the case of Dimension 23.2 *Degree of completeness: budget information*, TPSAS 24 does not define the complete list of disclosures to be presented in the budget information as provided by IPSAS 24. Public sector entities should only present the original budget, the final budget, and the actual amounts on a comparable basis.

75. The overall score for PI-24 *Accounting for non-controlled entities and public sector combinations* is **D** from a conceptual perspective and **D** from an actual perspective.

76. The overall score for PI-25 *Consolidated financial statements* is **C** from a conceptual perspective and **D** from an actual perspective.

- In the case of Dimensions 25.1 *Reporting Scope and Investment Entities* and 25.2 *Consolidation procedures*, although IPSAS 35 is not adopted by Tajikistan, concepts carried forward from the former standard (IPSAS 6) to the new standard were given credit. However, from an actual perspective, no consolidation procedures are applied. Instead, an aggregation exercise is undertaken. The selected line ministries presented only aggregated financial statements.

## PILLAR VI. REFORM PREREQUISITES AND CAPACITIES

77. Pillar VI assessed the fundamental prerequisites and opportunities that must be taken into account for the effective and efficient functioning of PSA systems and the successful implementation of PSA reforms.

78. The overall score for PI-26 *Integration with other PFM systems* is **C+**.

**Table 10.** Scores summary Pillar VI

Indicators	Rating
	Actual level
<b>Pillar VI.</b>	<b>D+</b>
<b>PI-26. Integration with other PFM systems</b>	<b>C+</b>
Dimension 26.1 – Multipurpose CoA	C
Dimension 26.2 – Treasury Single Account	B
<b>PI-27. Integrated Financial Management Information Systems</b>	<b>D</b>
Dimension 27.1 – Accrual information	D
Dimension 27.2 – Capturing of transactional information	D
Dimension 27.3 – Integration of accounting and PFM systems	D
Dimension 27.4 – Automated consolidation process	D

Indicators	Rating
	Actual level
<b>PI-28. Human resources and capacity</b>	<b>D</b>
Dimension 28.1 – Accrual accounting competencies	D
Dimension 28.2 – Professionalization of the PSA function	D
Dimension 28.3 – Appropriate staffing level	D
<b>PI-29. Accounting function and standard-setting environment</b>	<b>D</b>
Dimension 29.1 – Accounting function	D
Dimension 29.2 – Independence of standard-setter	D
Dimension 29.3 – Independence of standard-setting process	D
<b>PI-30. Reform ownership</b>	<b>D</b>
Dimension 30.1 – Mandate for Reform	D
Dimension 30.2 – Political commitment	D
Dimension 30.3 – Stakeholder Involvement	D

- Tajikistan has adopted a single CoA for all public sector entities. It is used to support the preparation of financial statements by public sector entities using TPSAS. Hence, the main objective of the CoA is financial reporting. Government finance statistics and budget reporting are not embedded in CoA. Hence, Dimension 26.1 *Multipurpose CoA* receives a lower score.
- The higher score for Dimension 26.2 *Treasury Single Account* is because there is a single treasury account in Tajikistan, opened and held at the central bank under the authority of the Ministry of Finance. Nevertheless, the extra-budgetary inflows are not always entered into the it. Instead, subject to the approval of authorities, extra-budgetary funds can be entered into commercial bank accounts.

79. All the dimensions under PI-27 *Integrated Financial Management Information Systems*, are evaluated with the lowest score (**D**).

- Tajikistan uses TIFMIS for capturing and maintaining information only on a cash basis. The accounting module is being developed but is not

yet adopted. At the level of public sector entities, no mainstream or centralized accounting software is used. There is no automated consolidation process.

80. Dimensions under PI-28 *Human resources and capacity* score **D**.

- Tajikistan is in the process of developing a qualification system for public sector accountants but it is not yet adopted. No formal training plan is in force for public sector accountants; although training is organized on a project-by-project basis.

81. The overall score for PI-29 *Accounting function and standard-setting environment* is D.

- PSA in Tajikistan is decentralized. Day-to-day accounting of separate public sector entities is carried out in places. The Ministry of Finance has a separate department in charge of the aggregation of financial statements. However, these procedures are not part of the consolidation process defined by IPSAS. No formal staffing level is sought for the authority undertaking PFM

reform. Hence, Dimension 29.1 *Accounting function* is evaluated with the lowest score.

- Regarding Dimensions 29.2 *Independence of standard-setter* and 29.3 *Independence of standard-setting process*, the Ministry of Finance is a standard-setter. The standard setting procedure is not carried out with due process, and no independent bodies are involved in this procedure; hence, the lowest score is given.

82. Dimensions under PI-30 *Reform ownership* are evaluated with the lowest score (**D**).

- The Roadmap of Application of Public Sector Accounting Standards of Tajikistan for 2020-2025 elapses in June 2025 and there is no further reform plan in place.

# FINDINGS AND

# RECOMMENDATIONS

83. Tajikistan has taken the first steps toward IPSAS-based frameworks and more efficient and effective PSA systems. It has a conceptual framework and 14 standards, of which eight standards have an effective corresponding IPSAS (the other six do not correspond to international standards in their current form). The PULSE assessment finds that there is more work needed on many areas, and significant efforts to improve implementation. Technical assistance as part of the Strengthening Public Financial Management and Fiscal Transparency Project will support this process.

84. Under this project it is envisaged to update Roadmap on the use of Tajikistan Public Sector Accounting Standards for 2020-2025 and to develop detailed action plan. Subsequently, development of new TPSASs based on IPSASs will be initiated together with multidimensional chart of accounts as one of the main steps described in the action plan. Newly developed TPSASs and multidimensional chart of accounts will be piloted and revised thereof.

85. As for the next stage, consolidation methodology will be developed in line with TPSASs and piloted.

86. Detailed training program will be developed and appropriate stakeholders (accountants, internal auditors, other financial specialists and authorities) trained on TPSASs, multidimensional chart of accounts and consolidation methodology.

87. The findings and recommendations are divided into two parts:

- Findings related to conceptual framework and standards (Pillars I-V): The conceptual framework needs a major upgrade to include all relevant IPSAS provisions and many standards need revisions. Table 11 provides recommendations on a standard-by-standard basis.
- Findings related to capacity building and other reforms in PSA (Pillar VI). Recommendations focus mainly on improving training and supporting public service accountants to implement the reforms, adopting a multidimensional chart of accounts, introducing consolidation methodology, and enhancing software. Table 12 provides more details and recommendations.

**Table 11.** Findings and recommendations related to conceptual framework and standards (Pillar I-V)

#	Standard	IPSAS Implementation Status	TPSAS	Finding	Recommendation for Action Plan
	<b>The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities</b>	<b>Effective and adopted</b>	Implemented	Although adopted by Tajikistan, it has not been revised in light of the latest revisions.	Revise Conceptual Framework.

#	Standard	IPSAS Implementation Status	TPSAS	Finding	Recommendation for Action Plan
IPSAS 1	Presentation of Financial Statements	Effective and adopted	TPSAS 1	Sample financial statements used by public sector entities lack mandatory line items provided by IPSAS 1.	Develop and adopt financial statements template (sample financial statements), to be used by public entities that include all mandatory line items provided by TPSAS 1 with instructions for preparation of the respective financial statements.
IPSAS 2	Cash Flow Statements	Effective and partially adopted	TPSAS 2	NA	NA
IPSAS 3	Accounting Policies, Changes in Accounting Estimates, and Errors	Effective and adopted	TPSAS 3	Public sector entities do not have an adopted accounting policy.	Design a sample accounting policy to be used by entities.
IPSAS 4	The Effects of Changes in Foreign Exchange Rates	Effective and adopted	TPSAS 4	TPSAS 4 lacks consistency concerning non-monetary items.	Revise the standard to bring consistency and coherence with IPSAS 4.
IPSAS 5	Borrowing Costs	Effective and adopted	TPSAS 5	NA	NA
IPSAS 6	Consolidated and Separate Financial Statements	Not effective but adopted. Replaced by IPSAS 35	TPSAS 6	NA	NA
IPSAS 7	Investments in Associates	Not effective and not adopted. Replaced by IPSAS 36	NA	NA	NA
IPSAS 8	Interests in Joint Ventures	Not effective and not adopted. Replaced by IPSAS 36	NA	NA	NA

#	Standard	IPSAS Implementation Status	TPSAS	Finding	Recommendation for Action Plan
IPSAS 9	Revenue from Exchange Transactions	Not effective and not adopted. Replaced by IPSAS 46 starting from January 1, 2026	NA	NA	NA
IPSAS 10	Financial Reporting in Hyperinflationary Economies	Effective but not adopted.	NA	IPSAS 10 is not adopted.	Adopt IPSAS 10.
IPSAS 11	Construction Contracts	Not effective and not adopted. Replaced by IPSAS 46 starting from January 1, 2026	NA	NA	NA
IPSAS 12	Inventories	Effective and adopted	TPSAS 12	TPSAS 12 lacks consistency with IPSAS 12, particularly for the inclusion of work in progress in the definition of inventory.	Revise the standard.
IPSAS 13	Leases	Not effective and not adopted. Replaced by IPSAS 43	NA	NA	NA
IPSAS 14	Events after the Reporting Date	Effective but not adopted.	NA	IPSAS 14 is not adopted.	Adopt IPSAS 14.
IPSAS 15	Financial Instruments: Disclosures and Presentation	Not effective and not adopted. Replaced by IPSAS 28, 29, and 30.	NA	NA	NA

#	Standard	IPSAS Implementation Status	TPSAS	Finding	Recommendation for Action Plan
IPSAS 16	Investment Property	Effective but not adopted.	NA	IPSAS 16 is not adopted.	Adopt IPSAS 16 in several stages. Consider adoption of fair value model at more advanced stage of the new roadmap, taking into account PSA capacity at this stage.
IPSAS 17	Property, Plant, and Equipment	Not effective but adopted. Replaced by IPSAS 45 starting from January 1, 2025	TPSAS 17	Please see under IPSAS 45.	Please see under IPSAS 45.
IPSAS 18	Segment Reporting	Effective but not adopted.	NA	IPSAS 18 is not adopted.	Adopt IPSAS 18 to be applicable for a limited group of public sector entities. For example, the application of IPSAS 18 for consolidated financial statements only at the state level.
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets	Effective but not adopted.	NA	IPSAS 19 is not adopted.	Adopt IPSAS 19.
IPSAS 20	Related Party Disclosures	Effective but not adopted.	NA	IPSAS 20 is not adopted.	Adopt IPSAS 20.
IPSAS 21	Impairment of Non-Cash-Generating Assets	Effective but not adopted.	NA	IPSAS 21 is not adopted.	Consider the applicability of the standard if other simplified accounting treatments can be adopted in other standards, i.e., IPSAS 45. The standard may be effective if adopted once the new roadmap is more advanced stages, taking into account PSA capacity at this stage.

#	Standard	IPSAS Implementation Status	TPSAS	Finding	Recommendation for Action Plan
IPSAS 22	Disclosures of Financial Information about the General Government Sector	Effective and adopted	TPSAS 22	NA	NA
IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)	Not effective but adopted. Replaced by IPSAS 46 starting from January 1, 2026	TPSAS 23	Please see under IPSAS 47.	Please see under IPSAS 47.
IPSAS 24	Presentation of Budget Information	Effective and adopted	TPSAS 24	TPSAS 24 lacks certain disclosures provided in IPSAS 24.	Consider the applicability of missing disclosures that may be adopted at a more advanced stage of the new roadmap.
IPSAS 25	Employee Benefits	Not effective and not adopted. Replaced by IPSAS 39	NA	NA	NA
IPSAS 26	Impairment of Cash-Generating Assets	Effective but not adopted.	NA	IPSAS 26 is not adopted.	Consider the applicability of the standard if other simplified accounting treatments can be adopted in other standards, i.e., IPSAS 45. The standard may be effective to be applied at a more advanced stage of the new roadmap, taking into account PSA capacity at this stage.
IPSAS 27	Agriculture	Effective but not adopted.	NA	IPSAS 27 is not adopted.	Adopt IPSAS 27.

#	Standard	IPSAS Implementation Status	TPSAS	Finding	Recommendation for Action Plan
IPSAS 28	Financial Instruments: Presentation	Effective and adopted.	TPSAS 28	In substance, IPSAS 28 is not adopted. TPSAS 28 provided only incomplete provisions of the corresponding IPSAS 28. Hence, substantial revision is needed.	Adopt IPSAS 28.
IPSAS 29	Financial Instruments: Recognition and Measurement	Effective and adopted. Effective for Hedge Accounting. The rest was replaced by IPSAS 41	TPSAS 29	Please see under IPSAS 41.	Please see under IPSAS 41.
IPSAS 30	Financial Instruments: Disclosures	Effective and partially adopted.	TPSAS 30	TPSAS 30 does not have the complete set of disclosures described in IPSAS 30.	Revise the standard in more advanced stages of the new roadmap and include a complete set of disclosures in the sample financial statements.
IPSAS 31	Intangible Assets	Effective but not adopted.	NA	IPSAS 31 is not adopted.	Adoption of IPSAS 31 in several stages. Assess the applicability of the entire standard in terms of the option for having infinite useful lives for intangible assets at a more advanced stage of the new roadmap.
IPSAS 32	Service Concession Arrangements: Grantor	Effective but not adopted.	NA	IPSAS 32 is not adopted.	Consider the applicability of the entire standard in terms of the availability of concession agreements as a legal model for public-to-private partnerships. Adopt IPSAS 32 if appropriate.

#	Standard	IPSAS Implementation Status	TPSAS	Finding	Recommendation for Action Plan
IPSAS 33	First-time Adoption of Accrual Basis IPSAS	Not relevant	NA	Taking into account that Tajikistan has already transitioned to IPSAS based accounting in accordance with its current roadmap, IPSAS 33 is not relevant.	NA
IPSAS 34	Separate Financial Statements	Effective but not adopted.		IPSAS 34 is not adopted.	Adopt IPSAS 34.
IPSAS 35	Consolidated Financial Statements	Effective but not adopted.	NA	IPSAS 35 is not adopted.	The new roadmap should detail several levels of consolidation, i.e., the interim and state level. Consider the schedule for the performance of consolidation for each level. State-level consolidation will need more detailed procedures and methodologies to be adopted. Adopt IPSAS 35 applicable for each level of the consolidation-based schedule provided in the new roadmap.
IPSAS 36	Investments in Associates and Joint Ventures	Effective but not adopted.	NA	IPSAS 36 is not adopted.	Consider the applicability of the entire standard in terms of the availability of such investments now and in the foreseeable future. Adopt IPSAS 36 if appropriate.
IPSAS 37	Joint Arrangements	Effective but not adopted.	NA	IPSAS 37 is not adopted.	Consider the applicability of the entire standard in terms of the availability of such arrangements now and in the foreseeable future. Adopt IPSAS 37 if appropriate.

#	Standard	IPSAS Implementation Status	TPSAS	Finding	Recommendation for Action Plan
IPSAS 38	Disclosure of Interests in Other Entities	Effective but not adopted.	NA	IPSAS 38 is not adopted.	Consider the applicability of the entire standard in terms of the disclosure requirements now and in the foreseeable future. Investments in controlled entities are present; hence, the applicable disclosures should be provided. Adopt IPSAS 38 as appropriate.
IPSAS 39	Employee Benefits	Effective but not adopted.	NA	IPSAS 39 is not adopted.	Adopt IPSAS 39 for available employee benefit plans. Consider the applicability of the parts of the standard in terms of the adoption of post-employment benefits plans, if such plans are not expected to exist in the public sector.
IPSAS 40	Public Sector Combinations	Effective but not adopted.	NA	IPSAS 40 is not adopted.	Adopt IPSAS 40.
IPSAS 41	Financial Instruments	Effective but not adopted.	NA	IPSAS 41 is not adopted.	Adopt IPSAS 41 in several stages. Initially, more simplified accounting treatments should be adopted. Consider the applicability of all parts of the standard in terms of the adoption of certain types of financial instruments, such as derivatives, hedging instruments, etc., in more advanced stages of the new roadmap, as such instruments are available in the public sector.
IPSAS 42	Social Benefits	Effective but not adopted.	NA	IPSAS 42 is not adopted.	Adopt IPSAS 42.

#	Standard	IPSAS Implementation Status	TPSAS	Finding	Recommendation for Action Plan
IPSAS 43	Leases	Effective but not adopted.	NA	IPSAS 43 is not adopted.	Adopt IPSAS 43.
IPSAS 44	Non-Current Assets Held for Sale and Discontinued Operations	Effective from January 1, 2025 but not adopted.	NA	IPSAS 44 is not adopted.	Adopt IPSAS 44.
IPSAS 45	Property, Plant, and Equipment	Effective from January 1, 2025 but not adopted.	NA	IPSAS 45 is not adopted.	Adopt IPSAS 45.
IPSAS 46	Measurement	Effective from January 1, 2025 but not adopted.	NA	IPSAS 46 is not adopted.	Adopt IPSAS 46.
IPSAS 47	Revenue	Effective from January 1, 2026 and not adopted yet.	NA	Tajikistan has adopted TPSAS 23 <i>Revenue from Non-Exchange Transactions</i> based on IPSAS 23 that is already not effective and did not adopt IPSAS 9 "Revenue from Exchange Transactions". New IPSAS 47 defines all the revenue transactions with new perspective, i.e. binding and non-binding unlike the previous IPSAS 9 and 23. IPSAS 47 is not adopted.	Adopt IPSAS 47.
IPSAS 48	Transfer Expenses	Effective from January 1, 2026 and not adopted yet.	NA	IPSAS 48 is not adopted.	Adopt IPSAS 48.

#	Standard	IPSAS Implementation Status	TPSAS	Finding	Recommendation for Action Plan
IPSAS 49	Retirement Benefit Plans	Effective from January 1, 2026 and not adopted yet.	NA	IPSAS 49 is not adopted.	Consider the applicability of retirement employment benefits plans. Such plans are not expected to exist in the public sector. Adopt IPSAS 49 if they become available.

**Table 12.** Findings and recommendations related to capacity building and other reforms in PSA (Pillar VI of PULSE methodology)

#	Recommendation	High-level action plan	Recommendation for Action Plan
1	CoA adopted only for financial reporting purposes.	Develop and adopt a multidimensional chart of accounts	Update and revise the CoA to cover all missing and revised standards as provided in section 5.1. In addition, enable CoA to be used for other purposes such as budgetary, performance, and management. The CoA structure and categories should allow subsequent changes in IPSAS to be accommodated.
2	Day-to-day accounting is carried out without accounting software	Define appropriate requirements for the acquisition or development of accounting software.	Appropriate requirements should be defined for the acquisition or development of accounting software that enables accounting in line with TPSAS, as well as the preparation of TPSAS-based financial statements. The focus should be on the scope and depth of the general ledger, as well as functionality of classifications. The reporting needs of the entity and external parties should be central to the specification requirements.
3	Lack of formal training plan and minimum knowledge package for accounting staff of public sector entities	Develop a formal training plan and conduct training for public sector accountants and other stakeholders	Training should be conducted based on the needs of the professional community, which includes accountants, internal and external auditors, policymakers, etc. It should cover reforms, revisions, and changes to support effective implementation of the TPSAS-based accounting system.

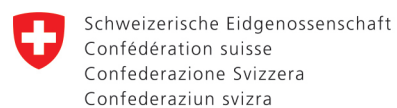
#	Recommendation	High-level action plan	Recommendation for Action Plan
4	Lack of actual implementation of TPSASs at public sector entities despite the fact of preparation and presentation of financial statements	Supervise, review, and oversee the transition to IPSAS-based accounting system.	IPSAS-based accounting requires the gathering of vast information on matters such as stock take and valuation of tangible assets, the existence of a complete set of financial assets and liabilities, as well as actual commitments. Authorities should provide public sector accountants with question-by-question guidance, on-the-job coaching, and close supervision of stage-by-stage implementation to full scope IPSAS-based accounting. A centralized and harmonized approach should be used for matters such as stock taking and valuation of the tangible assets.
5	Lack of consolidation procedures	Prepare consolidation methodology and a practical guide for consolidation	<p>1. Consolidation methodology should provide the definition of control, high-level mechanisms of elimination of intragroup transactions, harmonization between controlled entities, etc.</p> <p>2. A practical guide for consolidation should be developed based on the legislative acts and regulations of TPSAS and the developed methodology. The guide should provide practical steps for the preparation of consolidated financial statements at each level of state authority, as well as treatment of complex issues in the process of consolidation.</p>
		Define appropriate levels for consolidation	Besides state-level consolidation, a special format of interim consolidation should be sought. A relevant state authority should define the levels of central government that must prepare consolidated financial statements. This may imply consolidation at the state level based on the special purpose financial statements provided at ministry level.
		Develop or acquire unified accounting software for consolidation purposes	Appropriate requirements should be specified for the development or acquisition of modules enabling the preparation of consolidated financial statements.

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