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**ANNUAL REPORT**  
**ON IMPLEMENTATION PROGRESS**  
**OF THE PROJECT “LIVELIHOOD IMPROVEMENT OF RURAL**  
**POPULATION IN 9 DISTRICTS OF THE REPUBLIC OF TAJIKISTAN”**  
**FROM JANUARY 1 TO DECEMBER 31, 2017**



Dushanbe 2017

## Russian Federation-UNDP Trust Fund for Development (TFD)

### Project Annual Narrative and Financial Progress Report for January 1 – December 31, 2017

Project title:	"Livelihood Improvement of Rural Population in 9 districts of the Republic of Tajikistan"
Project ID:	00092014
Implementing partner:	United Nations Development Programme, Tajikistan
Project budget:	Total: 6,700,000 USD TFD: Government of the Russian Federation: 6,700,000 USD
Project start and end date:	November 2014 – December 2017
Period covered in this report:	1st January to 31st December 2017
Date of the last Project Board meeting:	17th January 2017
SDGs supported by the project:	1, 2, 5, 8, 9, 10, 12

#### 1. EXECUTIVE SUMMARY

*Please provide a short summary of the results, highlighting one or two main achievements during the period covered by the report. Outline main challenges, risks and mitigation measures.*

The project "Livelihood Improvement of Rural Population in 9 districts of the Republic of Tajikistan", is funded by the Government of the Russian Federation, and implemented by UNDP Communities' Program in the Republic of Tajikistan through its regional offices. Project target areas are Isfara, Istaravshan, Ayni, Penjikent in Sughd region; Vose and Temurmaliq in Khatlon region; Rasht, Tojikobod and Lakhsh (Jirgatal) in the Districts of Republican Subordination (DRS).

The main objective of the project is to ensure sustainable local economic development of the target districts of Tajikistan. The project supports local authorities in the effective planning and monitoring of socio-economic development of the districts through the elaboration and revision of District Social and Economic Development Programs (DDP) and the implementation of 50 priority initiatives emanating from these programs. The project supports increasing employment and business development in the nine most vulnerable districts, taking into account their social and economic needs. Also, within the project attention is paid to addressing issues of improving business environment through the development public-private dialogue platforms at the local level, local authorities' and business organizations' capacity-building in addressing the issues of local economic development. Within the framework of the Project technical support is provided to the Ministry of Economic Development and Trade of the Republic of Tajikistan and to the local executive authorities as key national and local partners with capacity building in strategic planning, implementation, and in enhancing their efforts to effectively address local development issues.

The main long-term outcome (Impact) of the Project should be to improve livelihoods of 1 million of rural population in 9 districts of the Republic of Tajikistan. To achieve this result in the medium

term (Project outcome), the Project will directly contribute to increasing employment and business development in nine most vulnerable districts taking into consideration their respective economic capacity. Indirectly, the project will help to reduce the flow of unskilled labor migrants from Tajikistan to other CIS countries, including to the Russian Federation.

Since the start of the project, the following results were achieved by the end of December 2017:

- 412 civil servants were trained in local economic development planning, statistics and analysis.
- Developed and adopted two new DDPs - Vose and Temurmaliq and updated 7 existing DDPs - Istaravshan, Ayni, Penjikent, Tojikobod, Lakhsh, Isfara and Rasht.
- Monitoring systems were introduced in all 9 districts.
- 154 (15 female) staff among local authorities, civil society, and the private sector were trained on issues related to local economic development and promotion of local development (e.g. improvement of business environment and investment; Public Private Partnership).
- 3 farmers participated in trainings on increasing productivity and profitability of agribusiness through innovative technologies of water and energy saving and drip-irrigation technology held in Astana, Kazakhstan. Participants established demonstration plots in their home communities in Isfara, Lakhsh and Ayni districts to showcase and advocate for expansion and introduction of drip irrigation technologies in the mountainous districts of Tajikistan.
- Study tour to Altay and Sverdlovsk regions of Russia for representatives of Sughd and Khatlon region, Rasht Valley districts and Isfara town was conducted.
- Improved capacity of 10 public-private partnership platforms (PPD) providing assistance and consultations on business and investment. 4 new platforms established in addition to 6 existing.
- In cooperation with the Consultative Council on Improvement of Investment Climate under the President of Tajikistan (CCIICP) assessment of 6 existing Consultative Boards carried out and assistance in creation of new Consultative Boards in Aini, Lakhsh, Rasht and Tojikobod districts provided. District platforms undertook study tour to CCIICP in Dushanbe.
- Investment guides for all target districts developed and disseminated among interested parties.
- The project supported the Regional Contraction Forum and International Trade Fair “Sughd 2016” in Khujand city. More than 200 local and foreign entrepreneurs and processors attended.
- The project supported the International Entrepreneurship Forum on “Development of national industry - new investment opportunities” (Dushanbe, 2016).
- Workshop on "Measures of support and development of youth entrepreneurship in Tajikistan" organized.
- Open lecture by Russian experts on start-ups was conducted for students and youth entrepreneurs gathering 75 participants (including 31 women).
- Study tour for 6 representatives of business incubators and consulting organizations of Tajikistan (including 2 women) to incubators in Russia. 4 representatives of business

incubators from Tajikistan participated in the Summer School of Business Incubators at the Higher School of Economy in Moscow.

- “Start-up Choikhona” events in Khudjand and Kurgantube cities where 55 pitchers / young entrepreneurs presented their business ideas for investors and other interested parties. At least 18 of them are supported by partner organizations with opportunities for further acceleration, capacity building and/or investing.
- 9 VTIs were rehabilitated and equipped.
- 84 projects of local economic development covering 611 532 (298 703 women) completed.
- 1026 students have been trained and 265 found a job under vocational trainings component of the project.
- The project contributes to improve access to affordable credit by providing at least 4,402 microloans to help the unemployed to generate income and start a micro-business. 1893 of these microloans are provided to women.

## 2. RESULTS

*Please describe the main achievements during the project cycle and how they contribute to outputs/outcomes. Use of examples, evidence, personal stories of beneficiaries and reference to relevant SDGs is encouraged.*

*The results should be structured in accordance with project components per project document (they can be used as headings for subsections).*

*Project performance data should be attached as an annex and relevant indicators should be disaggregated by gender.*

### **Output 1: District authorities are capable to efficiently plan and monitor local socio-economic development of territories**

- Two rounds of three-day trainings were conducted for the members of local authorities on improvement of entrepreneurship climate and expansion of territories for partnerships in Ayni and Panjakent, Isfara and Istaravshan districts by PO “Amonat”. The objectives of the trainings were to improve the knowledge, skills of 154 (15 female) staff of local authorities, members of the civil society, and the private sector in local economic development, and promotion of local development. The trainings were conducted in 11 sessions with diverse relevant topics using the following modules: “The improvement of business environment and investment” and “Public Private Partnership”.
- Existing DDPs in Tojikobod and Lakhsh districts and Isfara city were updated and adopted for 2018-2020. On January 31, 2017 the expanded meetings of the Working Group and the Advisory Board on the improvement of business environment at the Chairman of Isfara City was conducted. During the meeting results of implementation of the Social and Economic Development Programme adopted for the period from 2013-2017 have been discussed, achieved results of the Consultative Council (CC) for the improvement of business environment have been discussed, and the draft version of the Investment Guide of Isfara was submitted. New DDP of Isfara for 2018-2020 was developed by the Working

group and sent to the line Ministries and Departments for coordination. The final version of DDP will be heard and approved at the session of People's Deputies of Isfara in December 2017.

- In April 2017, three farmers from selected districts of Tajikistan participated in the trainings held in Astana city of Kazakhstan. The trainings were dedicated to “Increasing of productivity and profitability of agribusiness through training of farmers and agricultural specialists of Central Asian countries in innovative technologies of water and energy saving through introduction of drip-irrigation technology”. The trainings were organized within joint support of the expert on MFA-UNDP project “Expert support for the establishment of a national ODA system in Kazakhstan”, in cooperation with the Israeli Embassy in Kazakhstan for the purpose of experience exchange in the sphere of stable water resources management for farmers and specialists of the departments of water resources management of Central Asia countries. The trainings were found to be very useful and inspiring in that, the participants, having returned to their home country used newly gained knowledge in the establishment of demonstration plots in their communities. The demo plots were organized in Isfara, Lyakhsh and Ayni districts and serve as the basis for further expansion and introduction of the drip irrigation technologies in the mountainous districts. Isfara city was amongst the first ones to organize trainings using the newly established demonstration plot, on drip irrigation and effective technologies of water use for 15 representatives, including 5 women of WUA Kulkent. Trainings have been organized with the participation of the department of water resources management of Isfara (IGUMI) and been carried out by the Chairman of Dekhkan Farm "Bogiston" and UNDP Khujand Area Office Engineers.
- On November 12-15 8 representatives of WUAs and ADFs Istaravshan and Isfara have paid a study visit to Kulob area of Eastern Khatlon. The main goal of the visit was to exchange with experience in localization of the state program on Water resources management and improvement of effective water use, institutional development of Water User Associations and Dehkan farms in the target area of the LIRP project.
- 14 representatives from Local Executive Body of State Power and the private sector have participated in the Study Tour to Altay region of the Russian Federation during September 27 - October 02, 2017. Study Tour participants learned from the exceptional experience and practices of Altay region on the implementation of local economic development initiatives, development of industrial sector, tourism, enhanced PPD and PPP initiatives and strengthened cooperation ties between Khatlon region and the districts of Rasht Valley of Tajikistan and Altay region of the Russian Federation. As a result, 3 agreements were signed between Tajik and Russian entrepreneurs on the procurement and delivery of high production technology.
- A delegation from Sughd Oblast of Tajikistan consisting of 11 persons has paid a working visit to Ekaterinburg city of Sverdlovsk Oblast from 03 through 08 December 2017. The visit took place within the framework of UNDP Tajikistan project “Livelihoods Improvement of Rural Population of 9 districts”. The purpose of the visit was to learn, exchange of experience, planning of interregional initiatives, studying Russian experience in the sphere of introducing of advanced technologies, and developing of entrepreneurship. During the visit the participants got acquainted with the experience of production enterprises, logistic centers, the Titan Valley industrial zone, as well as Techno-park Innovation Technologies Center of Sverdlovsk Region. The visit has resulted in the

participants' getting familiarized with the activities of SMEs, farmers, processing companies, including their activities in managing value chains, marketing and promoting goods and services in local and foreign markets. Participants also got familiarized with enabling environment created in Sverdlovsk Oblast for the development of entrepreneurship and attracting investments, as well as with public-private interaction/dialogue and support for business incubators. In addition, during the visit, the participants discussed the ways and mechanisms for establishing mutually beneficial cooperation with further establishment of joint cooperation between business entities of the Russian Federation and the Republic of Tajikistan, as well as establishing trade and industrial cooperation. As a result of the visit to the Logistical Center in Sverdlovsk Region, the parties have laid a solid foundation for concluding two Framework Agreements between the economic entities of the Russian Federation and the Republic of Tajikistan, dealing with the production and logistics of agriculture seed materials. Also, the parties have agreed to mutually participate in the regional and national forums, conferences and exhibitions organized in agricultural, industrial and agro-industrial, scientific and innovative spheres with wide involvement of youth, development of bilateral online contact and platforms for exchange of experience, hold exchange visits for youth entrepreneurs and gifted students and alumni of higher technological/educational institutions, development of cooperation between the Ministries of Agriculture and Food Industry, Science of Sverdlovsk Region with the relevant entities and institutions of the Republic of Tajikistan and its regions in the sphere of agriculture, industry and science, and the development of transportation and logistical cooperation.

- 10 representatives from business incubators, universities and business schools participated in the study tour to Republic of Tatarstan from December 18-21, 2017. Main purpose of the visit is to get familiar with their experience in the below directions:
  - Creation of business support environment and functioning business incubators in the region
  - Collaboration of universities with businesses and business support organizations
  - Introduction of e-governance elements in the Government of the Republic of Tatarstan, including multifunctional center “My Documents”
- On November 13 – 14, 2017 eight representatives of Water Users Associations and Association of Dehkan Farms of Sughd region conducted a study tour to Kulyab, Vose, Temurmaliq and Farkhor districts of Khatlon region. During the tour the participants were provided with an opportunity to get acquainted with the best practices, achieved results, share experience, discuss issues and challenges faced during project implementation. The study tour served as a platform to establish and enhance north – south cooperation, replicate and scale out similar initiatives.
- A three-day training on “Strategic planning and monitoring” was conducted to 20 representatives of Working Groups of Tojikobod district.

**Output 2: Support development of favorable investment climate, entrepreneurship, and employment at the local level**

- Capacity building trainings were conducted for the representative of the CCs of Khatlon and Sughd Regions, and the Rasht, Isfara, Istaravshan, Panjakent, Vose and Temurmaliq



districts. The trainings covered such technical and information management of CCs web-pages. In order to further improve the coordination and linkages between the national and local PPDs, the programme and IT specialists of CC under the President of RT were involved to participate in the training courses. Link to the CC webpage is below: <http://investmentcouncil.tj/ru/regional/>;

- Regular session of CC under the Chairmen of target districts conducted during reporting period, were dedicated to: a) monitoring and evaluation of DDP implementation progress; discussion of achieved results and provision of recommendations for inclusion to the new DDP; b) presentation of the results of CC activity beginning from the date of its creation, and future plans; c) presentation of the draft investment guide of respective districts to partners and CC members; d) presentation of the results of cooperation and collaboration of local public and private sectors with UNDP Tajikistan within different projects including LIRP through created platforms and mechanisms. e) creation of linkage between youth and businesses, promotion of innovations through youth start-up;
- A survey has been conducted in Isfara City which based on the results of CC session. The survey mainly targeted agriculture sector as the main income source of local economy and identified issues and problems, as well as solutions. More than 1000 medium and large dehkan farms participated in the survey. As a results of the survey the system of vertical and horizontal cooperation has been defined; the range of issues that created barriers to the development of the agricultural sector studied; a package of proposals for strengthening the mechanism of cooperation between partners (agriculture department, farmers, producers, statistics office, tax authorities, land committee and others) developed, discussed and presented to beneficiaries and local partners;
- Baseline for youth involvement into strategic planning at local level, promotion of innovative technologies and generating business ideas has been created through technical support for creation of “Innovative youth center” under the Committee of youth and tourism of Isfara;
- For improvement of access of rural population and business representatives (domestic and foreign) to public services, establishment of an online “Single Window” Center has been supported through development of web-site/portal with feedback mechanism;
- An internal documentation flow system was developed and put in place for the purposes of improvement of the quality of public service delivery and shortening the process of review and decision-making on citizen’s appeals, and creating a horizontal and vertical linkages between the LEBSP of four target districts (Isfara, Istaravshan, Panjakent and Ayni) with the regional administration of Sughd;
- Investment Guide of all target districts, and Sughd and Khatlon regions were developed within the project and provided to international partners, donors and potential investors;
- Financial and advisory support provided to regional authorities during the Contraction Forum and Fair Trade Sughd-2017. Totally, more than 207 (36 women) guests and partners participated in the event and the following results were achieved:
  - Total number of signed memorandums and agreements – 99:
  - 1. Between the companies of the Republic of Tajikistan and the Republic of Belarus – 2
  - 2. Between the companies of the Republic of Tajikistan and the Republic of Poland – 2;
  - 3. Between the companies of the Republic of Tajikistan and the Russian Federation – 3;
  - 4. Between the companies of the Republic of Tajikistan and the Republic of Uzbekistan – 80;

5. Between the companies of the Republic of Tajikistan – 2;
- International Economic Forum "Dangara-2017" was held in Dangara city of Khatlon region on October 13, 2017 with the participation of the representatives of the Government of the Republic of Tajikistan, heads of ministries and departments, the executive authority of Khatlon region, international organizations, the diplomatic corps, as well as over 250 foreign and domestic investors. The purpose of forum was to create favorable conditions for dialogue and familiarization, expand cooperation and establish relations between representatives of government stakeholders, private sector in the regions and foreign investors, and develop proposals for improving the regulatory framework for the regions to eliminate existing shortcomings. Forum participants visited Free Economic Zone "Dangara" and participated in the opening ceremony of LLC "Lolazor-88"'s enterprise that produces industrial goods. Agreements on construction of cement factory in A. Jomi district and university campus in Khatlon region were signed by investors at the end of forum.
  - As result of the meetings conducted by Panjakent Consultative Council with a wide participation of their members in Amondara Jamoat, 7 new initiatives were proposed by local private sector representatives which included rehabilitation of an existing (dilapidated) infrastructure and establishment of a Cultural Center, creation of 5 ha of intensive orchard through turning rainfed land into an irrigation one by construction 10km of irrigation water-line, improvement of food security through creation of a fishery basin, and construction of a bakery workshop with the capacity to employ 4 women and 3 men. Of the 7 initiatives, the following, lobbied by the local Consultative Council, were supported by Panjakent city administration: establishment of a bakery workshop for TJS 20,000; establishment of a Cultural Center through rehabilitation of an existing infrastructure for TJS 450,000; establishment of an intensive orchard on 5 ha of land and construction of 10km of irrigation water line – TJS 456,000; and construction of a fishery basin for TJS 60,000. The proposed projects will be funded by the private sector, however, the representatives of the microfinance sectors who participated during the meetings, committed to support the local entrepreneurs through provision of *preferential loans*, if required;
  - Over 150 representatives including 60 women from government agencies and the private sector participated in the CCs regular meetings. Topics and issues discussed during the meetings included investments attracted each quarter of 2017, future plans, development and extension of processing businesses that are important for the economic development of both districts and creating employment opportunities for local rural people. Newly developed "Guidelines for Investors" are also presented for local entrepreneurs in the consultative councils' meetings;
  - During the reporting period, the activities on professional development vocational courses have continued. The existing classroom within the vocational lyceum in Vose district was overhauled at the end of 2016 with the purpose to establish adras weaving classroom in this VTI. Renovated class has been equipped with necessary equipment and professional training course on have been set up. So far around 50 women have undergone trainings since October, and 15 more have been enrolled for November 2017-January 2018 courses. More than half of trained students have found employment after graduation;



- Two planned workshops/training centers for VTL's were constructed and furnished in Lakhsh (welding-center) and Rasht (manufacturing of furniture) districts. The mentioned training centers were equipped with necessary modern machineries, equipment and tools.
- By end of December 2017, 588 (167 women) students who were enrolled into the different programmes have completed their education. Statistic as per regions is as follow:
  - In VTIs of Ayni and Panjakent districts, 185 (109 women) students. Namely, 100 students received trainings on automatic training simulator for drivers with B and C categories, 60 students received certificates and diplomas as gas and electric welders, and 25 students completed a programme for electricians.
  - Isfara – 45 male mechanic courses; Istaravshan - carpentry – 70 male, welding – 43 male
  - Lakhsh – 25 welding courses, Tojikobod carpentry courses – 50 male, Garm – manufacturing furniture – 50 male
  - Vose – 58 adras weaving course; 22 male – plumbing course; VTI Temurmaliq – 40 male gas welding course
- The students made a wide use of the equipment provided through the LIRP project and learned new skill;
- Education materials and visual aids for all targeted VTL's were provided as planned. It is expected that the materials will contribute to the improvement of quality of vocational education and will increase the chances of graduates to securing sustainable employment.
- 75 (14 women) were trained and completed course on July 2017 by Dushanbe Modular Center. Courses were conducted by an implementing partner in three targeted districts.
  - 25 (5 women) in Rasht district - "Car Repair"- 25 (7 women) in Tojikobod district – “Basic Dekhkan Farm Management” - 25 (2 women) in Lakhsh district – “Basic Dekhkan Farm Management”;
- Workshop on "Measures of support and development of youth entrepreneurship in Tajikistan" conducted with the participation of Russian experts from Higher School of Economy for 80 participants.
- Open lecture by Russian experts on start-ups was conducted for students and youth entrepreneurs gathering 75 participants including 31 women.
- Study tour for 6 representatives of business incubators and consulting organizations of Tajikistan including 2 women to incubators in Russia. 4 representatives of business incubators from Tajikistan participated in the Summer School of Business Incubators at the Higher School of Economy in Moscow.
- “Start-up Choikhona” events were held in Khujand and Kurgantube cities where 55 pitchers / young entrepreneurs presented their business ideas for investors and other interested parties. At least 18 of them have found potential investors and support by partner organizations with opportunities for further acceleration, capacity building and/or investing.
- Support in conducting the International Tourism Conference and meeting of the President with entrepreneurs.

**Output 3: Support rural initiatives aimed to address the local population priorities, creation of new jobs and entrepreneurship development**

With the purposes of strengthening of the local economic development, creating of new jobs and promoting an efficient use of local resources, at the end of December 2017, **27** sub-projects were initiated and completed. The information of completed sub-projects by regions are the following:

- **2** infrastructure sub-projects on the improvement of access to storage facilities and innovative agriculture technologies supported in Isfara and Istaravshan districts. **1** case on creation of conditions for self-employment for the most vulnerable rural women (parents of children with disabilities) in Isfara supported.
- **5** infrastructure sub-projects have been completed in 2017 in Ayni and Panjakent districts aimed at supporting the local businesses and entrepreneurs on the development of intensive gardens, processing of fruits and vegetables, and on the improvement of the ameliorative system in the target districts, have completed .
- **7** infrastructure sub-projects were launched in Rasht Valley aimed at supporting the local businesses and on the improvement of the ameliorative system in the target districts. The implementation of the projects is completed.
- **14** initiatives have been completed in target districts supported under the small grants initiative. Aimed at widening the scope and the reach of the project, and to diversify the pool of project beneficiaries, and in order to contribute to capacity-building of local and regional non-governmental organizations, the project issued small grants initiative for creating new jobs. As a result, the following initiatives proposed by the local institutions have been supported and implemented in 2017:

#	Public Organizations / Associations	Project title	Budget (in USD)	Status
1	PO "Rushdi Bonuvoni Qamar"	Technique is a pledge of increasing crop yields	20,076.00	100 % completed
2	PO "Soyuz Veteranov Afghanistana"	Creating an intensive garden and vineyard in 5 ha land of SVA farm in Rugund village, Istaravshan	20,266.00	100% completed
3	IPO "Surkhob"	Livelihood improvement of rural population in Rasht -214	19,550.00	100% completed
4	PO "Nihol"	Livelihood improvement of wives and families of migrant by beekeeping in Rasht region	19,500.00	100% completed
5	WUA "Obod Zavron"	Investment to create a base 339 for Dehkan farms WUA "Obod Zavron"	19,500.00	100 completed
6	ADF "Rushdi Kishovarzi"	Creation of mini fruit-drying workshop	19,746.00	100% completed
7	Industrial Practice Enterprise of Blind People of Isfara	Establishing favorable condition for blind through creation of new job opportunities	17,500.00	100 completed
8	Base station of the Academy of Horticulture under the Ministry of Agriculture of Tajikistan, branch in Isfara, Sughd region	Greenhouses for scientific works, nursery for breeding seedlings	18,767.00	100% completed

9	PO “Dunyoi umed”	Development of beekeeping and honey production with involvement of women from vulnerable families in Vose district	18,729.00	100 % completed
10	PO “Bonu”	Establishment of production greenhouse in Temurmaliq district	19,538.00	100 % completed
11	PO “Sadoi Umed”	Creation of confectionery workshop for unemployed women in Tojikobod district	15,903.00	100% completed
12	PO “Azam”	Creation of sewing workshop for wives of labor migrant and unemployed housewives	19,504.00	100 completed
13	PO “Yangi Shahr”	Establishment of poultry farm in Lakhsh district	13,348.00	100% completed
14	Zerafshan Tourism Development Association	Promotion of tourism in Zerafshan Valley through development of folks craft among local population, especially women	10,165.00	100% completed

- PO “Dunyoi Umed” has been contracted by the UNDP for "Development of beekeeping and honey production with involvement of women from vulnerable families in Vose district". In project initiation stage PO presented target sub-project to local authorities, assessed vulnerable and labour migrants families, selected potential beneficiaries, procured 100 beehives, 100 bee boxes and other items and equipments that were necessary for bee-keeping and honey production businesses. Training modules and information materials on beekeeping and honey-production are developed by the PO for the training events. PO “Dunyoi Umed” trained 21 women from migrants families and vulnerable communities on bee-keeping and honey production skills. At the end of training all trained women were provided with 2 beehives families and 2 bee boxes for establishment of bee-keeping and honey production businesses. This initiative created 21 job places for rural women.
- PO “Bonu” has been contracted by the UNDP for "Establishment of production greenhouse in Temurmaliq district". PO “Bonu” developed project designing documents for construction of lemon-planting greenhouse, procured construction materials and constructed lemon-production greenhouse (50m2x6m2) that is equipped with water, energy and heating systems. So far lemon trees seedlings are planted in the greenhouse.
- To promote tourism in Zerafshan Valley through strengthening economic development, and create jobs for local women, the Zerafshan Tourism Development Association (ZTDA) has been provided with grants to conduct trainings on handicraft production amongst the local women. More than 200 women were involved in various activities including trainings, master classes and other capacity-enhancing events which took place during the five months, i.e. from June through October 2017. Within the grant agreement signed between UNDP and ZTDA, 8 different self-support groups consisting of local women were established who have strengthened and widened the scope of their knowledge on various aspects of handicraft products for promotion of tourism and sustainable self-employment. The project activities have resulted in the development of new designs and production of 4 (four) new types hand-made products by local women who used locally available resources to manufacture their products. It is expected that the new products will be offered by women-groups for tourists visiting Zerafshan Valley, and generate income.

- In order to expand the capacities of the existing mini-plants in Ayni and Panjakent districts, UNDP supported the ADF “Kurud” in Ayni and ADF “Rushdi Kishovarzi” in Panjakent with the construction of a hot-house for drying of fruits, and procurement of seed-cracking and shell separating equipment. It is expected that this expansion will add a significant value to the products produced by local farmers (mainly apples, apricots, mulberry and grapes), in that they will have access to a quality fruit processing lines giving an edge to their products in the local and regional market for high quality agriculture products.

The micro-credit funds (MCF)s contracted by UNDP for the purposes of implementing the *low-interest* credits continued issuance of loans at the local level for various activities to boost local economic activities. A total of 1,883 (including 858 women) microcredits were provided. The following is the breakdown of the micro-credit activities;

- ✓ 215 microcredits (95 for women) were provided in the total amount of 1,121,150.00 TJS by MCF “Sarvati Vakhsh” in Vose and Temurmaliq districts with low-interest rate 12%
- ✓ 500 microcredits (198 for women) were provided in the total amount of 2,057,600.00, TJS by MCF “Rushdi Sugd”
- ✓ 588 microcredits (231 are provided for women) in the total amount of 2 728 500 TJS were provided in the Ayni and Panjakent districts by MCF “Rushdi Vodii Zarafshon”
- ✓ 113 microcredits (41 are women) were provided in the total amount of 564,222.00 TJS by MCF “Faizi Surkhob” in Rasht, Tojikobod, and Lakhsh districts
- ✓ 162 microcredits (136 for women) were provided in the total amount of 1,229,600.00 TJS by the MCF “Borshud” in Lakhsh, Tojikobod and Rasht districts
- ✓ 116 microcredits (57 for women) were provided in the total amount of 514,800.00 TJS by the MCF “Jovid”
- ✓ 189 microcredits (100 for women) were provided in the total amount of 940,000.00 by the MCF «Hamyori» in Panjakent and Ayni districts

A total of 4 small grants were provided to the public organizations, business associations with the purpose of the provision of consultative support services to producers and processors of agricultural products in the pilot districts. These initiatives were implemented through October 2017 and more than 1,000 dehkan farms and SMEs were covered with consultations and other capacity building measures. Development of methodical and informational materials and demonstration plots were planned within this initiative. Brief information of this initiative is given below:

#	Public Organizations / Associations	Project title	Budget (in USD)	Status
1	PO “Surkhob”	Entrepreneurship in development	19,960.00	100% completed
2	PO “Quality Management Center”	Capacity development of entrepreneurs on food safety	19,400.00	100% completed
3	PO “Jovid”	Improving production, marketing and trade capacities of agricultural producers and processors in Sughd region	39,476.00	100% completed

4	International Association of Producers and Exporters of Agricultural Products of Tajikistan	Establishment of quality chain of apricot supply from gardens of Vose and Temurmaliq districts to processors from Isfara	19,980.00	100% completed
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Based on the grant agreement between UNDP and IPO Surkhob signed on December 2016, 14 information campaigns were conducted for 760 (206 women) heads and representatives of dehkan farms in targeted districts covering the following topics:

1. “One stop shop” or “Single window”
2. “The National Development Strategy of RT”
3. “Analysis of legal normative of agricultural sector development”
4. “Startup Business and strategic planning”
5. “Recommendations on access to credit”

Also the following brochures were developed and distributed:

1. “Vegetables and potatoes growing technology”
2. “Apple trees diseases and pests of and ways to prevent them”
3. “Potatoes diseases and pests and ways to prevent them”
4. “Agro-techniques and the creation of gardens in Dehkan Farms”

With the purpose of strengthening the capacity of Isfara and Istaravshan local producers and processors of agricultural products on improvement the quality of produced products corresponding to international quality standards, the local public organization MIS was hired to introduce HASSP and Global GAP standards. As a result 4 production and processing companies including LLC Isfarafood, LLC Isfagroup, LLC Fozilov and LLC Mevai oftobi, dehkan farm Bogparvar (Istaravshan) and Isfara Agriculture base station have benefited from the activity.

Within the framework of this activity, and in accordance with the results of the internal audit, target companies are working to improve all 15 areas covering the quality standard program. The main problematic areas of the target enterprises were related with prevention of cross-contamination. Also, during the implementation of tasks for each enterprise 13 registration journals for control of the entire production activity of the enterprise were developed. Maintaining these logs is a must for HACCP. Additionally, capacity building trainings on the introduction of these standards were conducted for 42 farmers in both of the districts.

Increasing the knowledge and skills of farmers, producers and processors of agricultural products on production, processing, packaging, storing and marketing of produced products, following the safety rules and procedures is one of the key aspects of effective business, and for this purposes local public organization PO Jovid was contracted to carry out trainings and consultations for 196 farmers (48 women) of Isfara and Istaravshan. As a result, two demo-plots were established in both districts. Drip irrigation system for gardens and vegetables installed and trainings and consultations on agro-technique norms of growing fruits and vegetables were conducted. to

promote products in the domestic and foreign markets, a catalogue of was designed and presented for interested parties.

The activities of the International Charity Public Organization “Jovid” continued in Zerafshan Valley in March and April 2017 and in consultation with local agriculture departments of Ayni and Panjakent districts they selected 4 processing organizations using pre-developed criteria. Thematic training was conducted to the members of the selected organizations, including identification of their needs and development of tailored training to address existing barriers for their successful development. Also, the ICPO organized demonstration plots in Sangiston village of Ayni district in the area of 0.12ha which includes various vegetables and seedlings, where they conducted a 4-day practical training for 67 farmers including 29 women. Capacity-building measures are carried out with the 4 following processing enterprises in Ayni and Panjakent districts to improve their potential on designing their development plans: LLC “Shamtuch”, LLC “Shahdi Zarafshon”, PE “Valiev Tursun”, and PE “Kurbanov Halim”. In addition to that, a total of 70 consultations were provided to local farmers and landowners for the improvement of agricultural production and processing. The ICPO activities have completed in Zerafshan Valley.

International Association of Producers and Exporters of Agricultural Products of Tajikistan (IAPEAPT) contracted by UNDP for the "Establishment of quality chain of apricot supply from gardens of Vose and Temurmalik districts to processors from Isfara". First round trainings on “Technology of planting apricot fruit tree” has been conducted for more than 50 (30 female) dehqan farm representatives of Vose and Temurmalik districts. Target groups of farmers were mainly trained on the methods of planting apricot trees and drying apricots in the orchards. In addition, the training participants also learned the following specificities of apricot drying during the trainings: identification of good-quality sorts of apricot trees, proper apricot trees planting techniques, proper and timely cutting of trees.

Second round of trainings on “Technology of drying of apricot fruit” has been conducted in the month of June in Vose and Temurmalik districts. Target groups of farmers were trained on the methods of drying apricots in the farmer’s gardens. Accordingly, training participants learned following specificities of apricot drying during the training: proper collection of apricots, washing apricots, quality checkup of apricot, sorting of apricot, smoking of apricots, placing of apricot on wooden or stainless pallets, release apricot seeds, drying of apricot, maintenance of proper temperature for drying, quality control of product and packaging of ready product. A session on the horticulture safety standards Global G.A.P system was conducted during the training to training attendants as well. Another important part that is taught to training participants was how to turn apricot drying skills into a business and accordingly training attendees how to start and follow entrepreneurship skills through the selling of dried apricots. During reporting period a Round Table was conducted both in Vose and Temurmalik districts. Around 40 (15 female) dehqan farms representatives attended the events in both districts. During the round table entrepreneurs of Isfara district met with DFs representatives of Vose and Temurmalik and discussed the opportunities and barriers of exporting dried apricot and other fruits to Isfara district of Sughd region. As a result of events 5 agreements were signed between the entrepreneurs of Isfara and the DFs of Vose and Temurmalik districts for exporting of more than 4,500kg of dried apricot, dried cherry and dried almonds to Isfara district in 2018. Also, during the events DFs of Vose and Temurmalik districts



agreed to export 3,000kg of dried apricot, dried cherry, dried apple to Isfara district before the end of 2017.

Jointly with UNDP AfT project and in cooperation with local partner the Agricultural Advisory Organization “Neksigol Mushovir” a regional conference on the role of Information and Communication Technologies (ICT) in Agribusiness was organized with the participation of more than 60 farmers and entrepreneurs.

### 3. PROJECT RISKS

*Please provide an update on any changes with regard to the risks indicated in the project document (e.g. risk occurred; no change and etc.). Specify the responses taken including any project adjustments. Please identify risks (if any) you anticipate for the next year and suggested mitigation measures.*

Challenges	Responses
The increasing tendency of migrants arriving from Russian Federation, due to lack of employment opportunities, reduced wages resulting from an unstable and fluctuating exchange rate of Ruble, and the violation of migration legislation.	The project accelerates the implementation of the microfinance component, to provide funds for the establishment of new businesses and entrepreneurship activities, especially for the unemployed and returning migrants. Renovation and equipping of the vocational training institutions for the training of the unemployed, migrants and young people. In 2017, these activities will continue.
Weak involvement of local authorities in the issues of capacity building and local development planning.	Close cooperation is maintained with local authorities, the schedule of activities is adjusted to ensure effective and timely implementation of project activities.
Weak capacity of staff of economic departments in conducting analysis of economic priorities delay the process of selecting priority projects to start the work	This issue has been discussed with the planning team and included in the educational program/modules of the training courses for the state local authorities.
Lack/deficit of cash of local currency (Somon) in the local banks could lead to delay in the implementation of the planned activities within the project.	Opening new bank accounts in the financially stable banks was recommended to implementing partners to ensure they have access to cash. Also, regular monitoring of the sub-project is conducted to ensure timely and quality implementation of the planned works.
Weak capacity, lack of incentives to engage and involvement of local authorities in implementation of local economic development (LED) project activities	Close cooperation is maintained with the local authorities to strengthen their capacity in implementation of LED activities. Local authorities are engaged in identification and monitoring of project activities with the purpose to learn, experience, ensure timely/effective implementation and guarantee sustainability of LED activities in rural areas.

### 4. LESSONS LEARNT

*Please describe the lessons learnt and how they informed project changes and adjustments if any.*

The following lessons learned and good practices of the LIRP project:

1. Priority is given to problems and issues stemming from the Social and Economic District Development Programme (DDP). The DDP is a tool for local development planning; it is also a mechanism of localization of global and national strategic priorities. This tool provides coordination between national programs and the objectives of local development. Being an effective tool, the DDP allows to take into account the interests of all levels of population in the planning and implementation of local development priorities. DDP promotes more effective resource mobilization and allows monitoring and evaluation of local development. It is also an effective tool for raising awareness and mobilizing communities to jointly address actual problems of local development.
2. Involvement of local population and personnel of the local executive bodies of state power in the process of not only prioritization but also in the process of evaluation and design of infrastructure and social projects has been found to be a crucial factor in strengthening and development of their potential. This ensures independence of target groups as well as the sustainability of the implemented projects.
3. Rehabilitation and equipping of vocational training institutions and provision of professional training courses are very important for the development of professional potential and subsequent employment of the local population, including the poor and vulnerable people. UNDP, through its projects, supports the introduction of new training courses in local vocational lyceums, and the diversification of educational programs that are in demand in the labor market. Targeted vocational lyceums are actively working with various groups (including women, youth, people with disabilities), and actively cooperate with employers and local authorities. This experience will be taken into account in the implementation of this project, in particular in the implementation of measures to enhance the capacity of vocational training institutions in conducting of professional courses and business trainings.
4. Platform for public-private dialogue - Regional Consultative Councils have been established to improve the investment climate and serve as a tool to build confidence between different sectors of society, and as an effective mechanism for solving business problems. Regular meetings and open discussions create an atmosphere of trust between the sectors; increase the possibility of obtaining the views and expertise of the private sector on how to improve the policy, ensure transparency in the decision on the development of business solutions; provide vertical and horizontal exchange of information and involve other state and public institutions in the process of dialogue. Consultative Councils also serve as a platform to help investors with selection of areas for funding. Based on their roles, the Consultative Councils will be involved to conduct information campaigns, business trainings, and in the monitoring the implementation of small grants issued in the framework of this project.
5. The contribution of the local community and the local administrations in the implementation of projects in local economic development is an important base for the sustainability of the initiatives. Previous UNDP experience has shown that the most sustainable projects are the projects with economic outlook. Economic projects are an important tool to create new jobs, increase export potential of the territory and, overall, in improving livelihoods of the population. This experience will be taken into account in the provision of small grants to non-governmental organizations, associations of dekhkan farms, local business associations and business support centers.
6. Close cooperation with responsible government agencies and the local community to raise awareness about the reforms in the sphere of labor and employment opportunities is a prerequisite for the effective implementation of projects to increase employment. This

experience will be used for events as part of the project, in particular, for carrying out information and training campaigns.

7. There is an increased demand for the training of girls and women in the folk craft, particularly for adras weaving in the target areas. The heightened interest of the representatives of state structures confirms this fact and warrants its inclusion in the state programs. The local employment centers for instance, showed interest in cooperating with the VTL of Vose district for training of girls and women on adras-weaving. The employment center agreed to issue scholarships to students and partially cover the trainers' expenses. Similar cooperation mechanisms can be developed and used to increase the economic activity of girls and women at the local level, which can help them find employment in the future.
8. Holding investment forums and fairs is an important mechanism for attracting investment in the regions and promoting territories.
9. Development of guidebooks for investors at the regional and district levels is a new initiative of UNDP to attract investors and promote the territories, especially in rural areas. This document is intended to serve as an effective tool for increasing the interest of investors and attracting investment.
10. The provision of microcredits with preferential interest rates in rural areas positively influences the initiation and implementation of business ideas and is an effective tool for supporting businesses and improving the well-being of rural people. A spin-off effect of micro lending in the countryside is that the expansion of existing successful businesses can be motivational and serve as a kick-start for new business ideas.
11. Producers of agricultural crops in the southern part of the country for instance, do not have required skills in processing agricultural products, especially in drying fruits, etc. Establishing ties and creating close cooperation between processors from the north and the south is a good mechanism for solving this problem. Hence, the Project establishes cooperation between processors from the north of the republic, to train processors from the south to efficient methods of growing and tending to apricot trees, special methods of drying fruits and promoting their export. Practice and experience in establishing ties and developing close cooperation between processors can also positively influence the development and promotion of cooperation between the north and the south of the republic.
12. Links between project activities are established to ensure further sustainability of activities implemented within the project framework, as absence or weak links between project activities could lead to instability of activities implemented within the project framework.. For example, CCs are engaged in investment promotion through assisting project partners in development and submission of project proposals to investors and local farmers trained apricot-drying skills to follow establishment of fruits drying processing workshops at rural areas and etc..
13. Weak capacity of partners in implementation of projects related to processing of agricultural products, mainly fruits could delay in the implementation of planned project activities. Close ties have been established between south and north. An internal study tour has been organized to learn the production and processing experience from north and to replicate best practices in south taking into consideration experienced lesson learnt. Training on "Technology of apricot drying" has been arranged and conducted on timely basis to teach farmers and/or future partners the methods of apricot drying. Conducted training equipped farmers with solid knowledge and practical skills on apricot drying and accordingly potential partners are identified for future partnership on the frame of ongoing project.

## 5. FUTURE PLANS

*Please briefly describe the priority tasks for the next year based on the initial implementation plan, lessons learnt, new risks, etc.*

Considering project closure in December 2017, only activities related to monitoring and evaluation of project activities and development of project completion report.

## 6. PARTNERSHIPS

*Please provide information on the partnership with various stakeholders and institutions, including women-led organizations if any. For a large number of partners, a table form might be preferable*

<i>Partners</i>	<i>Areas of cooperation</i>
Ministry of Economic Development and Trade of the Republic of Tajikistan	Ministry of Economic Development and Trade of the Republic of Tajikistan as the leading state authority on the development and implementation of economic development policy of the state is the main partner of the project. MEDT has its structural divisions at the regional, city and district levels. The Ministry is a key member of the Steering Committee, constantly conducts monitoring of the project implementation and achievement of specified goals and objectives.
Ministry of Labour, Migration and Employment of the Republic of Tajikistan, VTIs in the districts	The Ministry plays a significant role in the implementation of activities related rehabilitation/equipping VTIs and in conducting vocational courses for rural youth and women.
Consultative Council on Improvement of Investment Climate under the President of the Republic of Tajikistan	Partnered on development of favorable investment climate, entrepreneurship and employment at the local level through building capacity of local PPD platforms.
Local administrations of regions and all target districts, as well as jamoats	The main task of local administrations in the implementation of this project is to assist in the effective implementation of the project and in conducting daily monitoring of thereof. Local administrations are actively involved in the selection of small local economic development projects, as well as development of DDPs.
Local public organizations and business support institutions	Close cooperation was established with public administrations, business support centers and association of dehkan farms. Also, representatives of mahalla committees were involved into the project implementation. These organizations contribute to the effective implementation of the project in the field, and provide consultancy for SMEs, dehkan farms, and awareness raising for local people about the project.
MCFs “Rushdi Sughd”, “Jovid”, “Hamyori”, “Rushdi vodii Zarafshon” in Sughd, “Sarvati Vakhsh” in Khatlon, “Fayzi Surkhob”	Partnered in provision of microloans aimed at creating jobs and additional income for the unemployed and the development of micro-entrepreneurship.

and “Borshut” in Rasht Valley	
Media	Awareness raising of local people about the project implementation process.

## 7. PARTNERSHIP WITH THE RUSSIAN FEDERATION

*Please provide information on the partnership with the Russian Federation, including*

- *Cooperation with Russian institutions;*
- *Use of Russian expertise;*

Russian expertise was utilized during conducting of vocational trainings to the students, particularly on plumbing, as masters used mostly educational modules developed with use of Russian expertise. Also, several connections and collaborations on youth entrepreneurship and trade were established.

- *Alignment and coordination with other Russia-funded projects in the area of project implementation, including projects implemented by other international organizations.*

## 8. COMMUNICATION AND VISIBILITY

*Please provide details on the communication results. Media coverage data should be included in the annex featuring the information on the main news stories describing project results. It is encouraged to provide a link to the storage of the pool of best project photos.*

Link to the success story from LIRP project about support of the Russian Federation in SDG implementation: <https://trello.com/c/WTUVVOFI/94-tajikistan>

Below are links to the press releases of the project activities:

<https://www.facebook.com/undp.cp.tj/>

<https://twitter.com/undptjk>

<https://news.tj/ru/news/tajikistan/society/20170531/kak-menyaetsya-zhizn-selskogo-naseleniya-pri-podderzhke-proon-i-rossii>

<http://mavji-ozod.tj/2017/video-omuzishi-zardoluparvari-vose/>

<http://www.uralhitech.ru/news/tekhnopark-posetila-delegatsiya-iz-respubliki-tadzhikistan>

Below is the links to the video links of the project activities:

<https://www.youtube.com/watch?v=JSiD31LQPeo>.

<http://mavji-ozod.tj/2017/video-omuzishi-zardoluparvari-vose/>

## 9. FINANCIAL MANAGEMENT

<b>OUTPUT</b>	<b>Budgeted for the reported year (2016)</b>	<b>Delivered for the reported year (2016)</b>	<b>Delivery rate for the reported year 2016(%)</b>	<b>Budgeted for the entire project</b>	<b>Delivered since the project start (2015-2016)</b>
Output 1	305 415,00	155 566,36	50,90 %	698 760,00	381 313,15
Output 2	316 200,00	234 679,82	74,21 %	626 832,00	410 674,22
Output 3	1 997 890,00	1 739 194,56	87,07 %	4 631 000,00	2 937 655,11
Project support cost:	230 600,00	245 242,22	106,34%	743 408,00	452 397,04
	2 850 105,00	2 374 682,96	83,31 %	6 700 000,00	4 182 039,52