



Government of the Republic of Tajikistan

United Nations Development Programme

“Communities Programme”
(2007 – 2009)
Programme Document

Summary

The *Communities Programme* is a multi-year initiative that builds on the accomplishments of previous work begun by UNDP in 1996. The programme supports the implementation of Tajikistan’s Poverty Reduction Strategy and the United Nations Development Assistance Framework outcomes to address economic initiatives, water and local governance at the community level. The programme has area offices in Soughd, Khatlon, and the Rasht and Zarafshan Valleys. The strategy is to support the efforts of the Government of Tajikistan to improve participatory processes by enhancing opportunities for community participation in local development planning and the management and implementation of local development projects. The project will enhance accountability at the local level, increase access to rural finance, and improve infrastructure and the delivery of basic services.

UNDAF Outcome(s)/Indicator(s):

5. Increased agricultural productivity, food security, and economic opportunities, especially for women and vulnerable groups
6. Better access to clean drinking water
7. Increased responsiveness and accountability of decision-making structures strengthen the rule of law and human rights

Expected Outcome(s)/Indicator (s):

<p>Outcome 1: Rural communities, including the most marginalized, have greater access to rural finance, infrastructure and employment. <i>MYFF Service Line 2.6: Local poverty initiatives, including microfinance</i></p>
<p>Outcome 2: Rural communities, including the most marginalized, have greater governance. <i>MYFF Service Line 2.6: Decentralization, local governance and urban/rural development</i></p>
<p>Outcome 7: Natural resources sustainably managed and fewer persons killed, injured, made homeless, or affected by disasters. <i>MYFF Service Line 3.2: Effective water governance</i> <i>MYFF Service Line 3.3: Access to sustainable energy services</i> <i>MYFF Service Line 3.4: Sustainable land management to combat desertification and land degradation</i> <i>MYFF Service Line 3.5: Conservation and sustainable use of biodiversity</i></p>

Expected Output(s)/Annual Targets:

<p>Output 1: Capacity for Entrepreneurship - Target groups gain access to better sustainable economic development tools such as business incubators, credit facilities and advisory services.</p>
<p>Output 2: Sustainable Local Capital - Revolving funds more sustainable through the provision of diversified services and networking.</p>
<p>Output 3: Improved Environment for Businesses - Economic development at local, national and sub-regional levels less hindered by bureaucratic requirements.</p>
<p>Output 4: Improved Access to Rural Infrastructure - Access to services improved through rehabilitated rural assets, including water in selected communities</p>
<p>Output 5: Local Governance - Enhanced partnerships between governments, civil society and the private sector in local development planning and the implementation of local development projects.</p>
<p>Output 13: Environment and Sustainable Energy Management - Innovative and adaptive practices devised to strengthen environmental management and secure sustainable livelihoods to ensure conservation of the environment and respond to new challenges.</p>
<p>Output 14: Improved Water Management - Improved water management at national, local and sub-regional levels.</p>

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Programme Period: January 2007- December 2009

Programme Title: "Communities Programme"

Project Duration: 3 years

Management Arrangement: DEX

Total Foreseen Budget \$22.4million

Allocated resources: \$10.1million

DFID \$5,057,917.00

EC/TACIS Khujand \$240,139.00

EC/TACIS Khatlon \$1,479,896.00

IDA \$1,321,109.00

ECHO \$273,356.00

Finland \$29,950.00

CIDA \$96,020.00

TRAC \$1,661,900.00

Unfunded budget: \$12.3million

Agreed by Government of Tajikistan:



Ms. Khairinisso Yusufi, Deputy Prime Minister

Agreed by UNDP:



14.11.2007

Mr. Farid Garakhanov, UNDP Deputy Resident Representative

SITUATION ANALYSIS

Tajikistan remains a country in transition, dealing with the triple challenge of the economic and social dislocation surrounding independence from the Soviet Union, a civil conflict that devastated the country from 1992-1997 and being a small, mountainous and landlocked territory. Following political stabilization and strong economic growth, development activities in Tajikistan have recently shifted from a short-term humanitarian approach addressing post-conflict issues towards a longer term development strategy. Despite this progress in macroeconomics, public administration and socio-economic areas, rural development and local governance remain crucial challenges for the three-quarters of Tajiks who live in rural areas.

While rural poverty has declined since 1999, nearly two-thirds of rural citizens remain in poverty even after strong growth in the agricultural sector.¹ This growth, however, is driven by short-term conditions such as economic recovery and increasing remittances, and cannot be considered as a mechanism for sustainable long-term development. Access to land for poor farmers remains constrained and as a result, many resort to subsistence agriculture. Lack of access to credit has led to a decline in capital and capital renewals and has constrained opportunities for farmers, both in agriculture and in private enterprise. Reducing rural poverty, then, requires improving agricultural productivity, diversifying the livelihoods of rural residents and ensuring that poor households enjoy the benefits.

Equally important to improving economic livelihoods in rural areas is ensuring better access to basic services such as education, health, water and transportation. The drastic decline in public spending following independence and the civil conflict greatly undermined local governments and has left them unable to maintain services. For example, only 61 percent of citizens in rural Tajikistan have access to safe drinking water and 40 percent are vulnerable to water-borne diseases.² Unclear ownership, meeting cost recovery for use and lack of expertise for maintenance are all ongoing issues for infrastructure.

The linked challenges of poverty and limited access to basic services are aggravated by fragmented responsibility for local governance. Unclear divisions of responsibilities between local and central government have been aggravated by a lack of fiscal independence and human capacity, which constrains their ability to plan and budget for community priorities. Considering all these factors, authorities should further strive for enhancement of public administration system, including decentralization of functions, power and finance structures in line with fundamental principles of democracy, as well as requirements of market economy. Local authorities at the sub-district and district levels must continue to move towards greater transparency and be given greater incentives for accountability to their constituencies as well as higher levels of government. This is a significant challenge, given their difficult fiscal constraints and lack of experience in encouraging participation from civil society and the private sector. Given the limitations of budgets for the foreseeable future, more effective local governance is

¹ World Bank Agricultural Governance Strategy, 2006, p. vii

² UNICEF Multiple Indicator Cluster Survey, 2005

crucial for delivering services to citizens and encouraging local development. Additionally, the important task is to facilitate and encourage both civil society and private sector to participate in the processes of local governance and development.

UNDP's Communities Programme has built considerable past experience in dealing with these challenges. It has closely engaged with poverty reduction and local governance issues since its inception in 2004 through its five area offices in Soughd, Khatlon, and the Rasht and Zarafshan Valleys. Previous activities have focused on fostering employment and income-generating opportunities, improving the quality and accessibility of public services and making local governments more accountable and representative.

UNDP's strategy on local governance balances partnerships with both local authorities and civil society organizations for a more responsive and effective local governance system. Government officials at the jamoat and district levels have received extensive support for capacity development in service delivery, development planning, public dialogue and poverty monitoring. Through such capacity development, strong partnerships have been forged at the national level with the Strategic Research Center under the President of the Republic of Tajikistan and with the Institute for Civil Servants Training under the Department for Civil Service of the President of the Republic of Tajikistan.

To support rural civil society, UNDP has supported a network of community-based organizations called Jamoat Resource Centers (JRCs). These institutions were established since 2001 to support communities in formulating and addressing their own priorities through participatory decision making, building civic awareness and the mobilization of local resources for community priorities. UNDP has made significant investments in the capacity of these community-based organizations through training and workshops as well as fostering of local ownership of poverty reduction initiatives.

Over a hundred JRCs are currently working in almost one-third of all jamoats and are increasingly competent and active in taking charge of their own development. JRCs serve as an important institution linking communities and authorities to discuss and address local development challenges. On the district level, a similar role is played by District Development Councils (DDCs), which bring together authorities, civil society and the business community for inclusive development planning and investments.

The community-based JRCs have also been crucial in UNDP Communities Programme's support to economic development. These organizations manage microfinance portfolios to enhance economic livelihoods, complemented by business development assistance and agricultural extension services. The loan portfolio has grown to 3.1 million USD, which provides microcredit for more than 67,000 rural people, 30 percent of whom are women. As well, business advisory and agricultural extension services have also been provided, often bundled with microcredit, to improve agricultural productivity and encourage alternative livelihoods.

Investments in infrastructure have been guided by the priorities articulated by communities and local authorities. As a result of UNDP-implemented projects, approximately 1 million rural people enjoy improved access to social and economic infrastructure in more than 100 Jamoats.

The achievements of the programme as well as emerging challenges and opportunities have created new dynamics for the programme. Since its inception, community-based organizations have established roots and have been accompanied by ever-denser networks of civic associations and deeper social capital. As well, local authorities have been strengthened through greater capacity and resources and are gradually moving towards representative governance practices, in part due to their interaction and partnership with community-based organizations. The result in many areas is growing opportunities for local authorities to take ownership of local development and create greater synergies with empowered civil societies. Greater partnerships in local governance are particularly important given the national government's strategic priority for "the formation of full-fledged local government," including a redistribution of responsibilities and financial autonomy.³

Increased partnership with government in turn provides greater opportunities for joint investments in poverty reduction initiatives in areas such as infrastructure development. As well, underutilized remittances and labor migration play an increasingly large role in rural development yet these sources of income are not fully integrated into opportunities for local development. Both of these sources of support present great opportunities for increasing local ownership of poverty reduction initiatives as well as increasingly their sustainability over time.

STRATEGY

Enhancing livelihoods and improving local governance in rural communities remains a crucial challenge for lifting rural citizens out of poverty. Working within the framework of the PRSP2 and the NDS, the Communities Programme's goal is to *reduce rural poverty through improved economic opportunities, improved access to infrastructure and enhanced local governance*. As well, the Programme will continue deepening cooperation with other international organizations and enhancing the sustainability of its programme through greater local ownership.

Effective local governance requires capable local governments with sustainable funding and constitutional authority that engage civil society and the private sector. Given the increased opportunities for partnership between community-based organization and local authorities, UNDP Communities Programme will step up its activities with district governments, building their capacity and fostering mechanisms for participatory planning and service delivery that would include civil society and the private sector. The Communities Programme will also support regional governments in their development planning and poverty reduction monitoring through tools such as socio-economic surveys, capacity mapping and citizen report cards on service provision.

At the same time, local poverty reduction initiatives will continue at the community level, with increased focus on sustainability through local contributions and ownership. This approach aims to strengthen local governance within its current legal framework while fostering mechanisms to encourage partnerships between government and communities. The programme's activities will

³ National Development Strategy, Functional Block, Key Activity 3

remain flexible as institutions evolve but the investment in local capacity and fostering participatory practices will improve local governance regardless of any outcome.

This deepening of local ownership and partnership between government and communities will be achieved through engagement at three levels. First, the capacity of local authorities to deliver services needed to reduce poverty will be strengthened, particularly through improved local development plans that are connected to and supported by the budget process. Efforts towards this aim will include trainings and other capacity development efforts in partnership with the Strategic Research Center and the Institute for Civil Servants Training within fields such as development planning, resource mobilization, and budget management, emphasizing the importance of aligning local priorities to national strategies such as the PRSP2 and the NDS, with a view to localizing planning and monitoring of MDG-based targets.

Second, mechanisms must be implemented to incorporate civil society and the private sector into development planning. District development councils (DDCs) will produce plans for development and the localization of the MDGs that incorporate the needs expressed by community-based organizations and private sector representatives. These local development plans may be funded through regular budget channels as well as other local and external resources. Where these development plans are feasible and are created representatively, they will become the primary instruments for development planning for all stakeholders, including international organizations. As well, UNDP will continue its work with Oblast authorities to promote dialogue and joint planning between regional government, local authorities and communities.

Third, community-based organizations must be supported on civil advocacy while ensuring local ownership of poverty initiatives by articulating community priorities, mobilizing community resources and monitoring service delivery. Community-based organizations will thus play a strong role in ensuring ownership of economic development priorities, as well as acting as partners in district development planning.

To reduce poverty, outside investment in crucial infrastructure will remain necessary. While UNDP will continue to facilitate this outside investment, it will also require community to increase their share of the investment costs. Local authorities and communities will also be expected to take the full responsibility for their operations and maintenance. Local authorities will take responsibility for technical management while CBOs such as JRCs or WUAs will be responsible for community mobilization for investments and cost recovery as well as monitoring service quality. Given the differing capacity and ownership of infrastructure across districts, however, a flexible approach will be taken to find the best local solution that ensures both the service quality and sustainability of infrastructure.

Remittances from labor migrants have great potential as a source of local resources for development. Community-based organizations will again play a fundamental role in mobilizing these remittances for investments in infrastructure, SMEs and microfinance. Establishing mechanisms for this mobilization will be central in assuring the sustainability of development-related projects and to give communities a greater financial stake in local governance. Dividends

from microfinance will also continue to provide some financial support to local community projects.

Microfinance activities will be continued and scaled up, with the continued creation of regional microfinance institutions (MFIs). While previous microfinance portfolios were managed by community-based organizations with great success, the new 2004 Law on Microfinance Organizations made it expedient to manage the funds through legally registered six regional MFIs. In this arrangement, community-based organizations will remain stakeholders in the new MFIs, retain discretion in lending at the community level and continue to receive financing from their operation. Microcredit will be increasingly packaged with business advisory assistance through business advisory centers, which has been successfully piloted in a number of areas. The Programme will thus support Small and Medium Enterprises (SMEs) with technical assistance and financial support, as well as promoting cooperation between INGOs also active in the sector.

Given the importance of agriculture for poor rural residents, improving agricultural productivity will be a key focus for enhancing rural livelihoods. The project will continue to provide extension services with its partners and improve the quality and delivery of services, focusing on enhancing value-added agricultural products and promoting greater access to agricultural markets. The governance framework in the agricultural sector will be enhanced through technical assistance and capacity building for farmers associations and the National Association of Dekhan Farmers. Finally, enhancing coordination with implementers and national ownership with partners such as the Ministry of Agriculture and the Academy of Agricultural Sciences will be a strategic priority.

Finally, the Communities Programme will continue its responsibility in implementing environmental and energy-related assistance at the community level. Tajikistan's ability to manage its natural resources and environment remains hampered by low technical capacities, a lack of financial resources, and the prevalence of extreme poverty. The Government will be supported in meeting its international obligations through financial support and partnerships with competent counterparts. UNDP will complement its action plan on environmental management by conducting activities to curb the unsustainable use of natural resources through comprehensive resource conservancy measures, including poverty alleviation.

RESULTS AND RESOURCES FRAMEWORK

Outcome 1 - The livelihoods of vulnerable rural residents, including both income and access to basic services, will be improved.

Result 1.1 - The capacity of rural residents to become successful entrepreneurs is increased, including their employable skills and knowledge of enterprise creation and business processes.

This output will improve the knowledge and capacity of small and medium entrepreneurship in rural areas through advisory services, consultancy, extension services, technical assistance and

provision of resources for rural farmers and SMEs. The output will foster increased output through new knowledge and effective management of their businesses. Under this output, these actions will also develop marketable and employable skills through trainings for beneficiaries. Business advisory centers will be set up in communities to provide soft assistance to communities such as advisory and technical assistance to start-up ventures and existing businesses among the rural poor. Facilitating the acquisition of employable skills will have a direct impact on labor migration by giving people a better chance of finding employment in their own country, or by improving their qualifications when seeking work abroad.

Output Activities:

- 1.1 Developing Business Advisory Services in Communities
- 1.2 Employable Skills Development.

Risks:

- Changes among customers or beneficiaries;
- The legislative risks which bans to provide the services;
- Services are not sustainable after project exits;
- Extension and advisory service providers are not available;

Assumptions:

- Beneficiaries are willing to get services;
- Stakeholders remain supportive;
- Respective personnel available and able to become involved;
- New knowledge and techniques available locally;

Result 1.2 - Rural residents, particularly vulnerable households and women, have greater access to microcredit loans.

Under this output, the established capital for microfinance and the Revolving Loan funds will be brought into line with national institutions, specifically the Law on MFI. This output strives to attract the funds both from local and outside donors through granting or equity investment to increase the financial portfolio accessible for rural citizens. UNDP will develop the capacity of regional MFIs to accountably and effectively manage existing local microfinance funds, with a focus on pooling savings and labour migrant remittances to develop local communities.

This output will build the capacity of migrant households, local communities and civic groups to capitalize and promote the investment of migrant remittances for local development. This initiative also will harness remittances for development needs through small public projects.

Output Activities:

- 2.1 Capacity for Microfinance in Communities
- 2.2 Remittance-Based Development

Risks:

- Ruin in financial or banking system;
- Weak trust for financial system;
- Default cases in microfinance;

- NBT recalls the certificate;
- The legislative risks which bans to mobilize the remittances;
- Migrants are not willing to mobilize their remittances;
- Migration policy changes in the country of destination;

Assumptions:

- Local Authorities and civil society institutions in cooperation with community members are willing to facilitate remittances channelled into local development
- NGOs and CBOs are willing to enter partnership agreements
- Respective agencies are able to become involved

Result 1.3 - Cooperation on business environment between the public and the private sector is improved.

This output will address the main obstacles to investment in rural areas, including inadequate banking system, unclear taxation practices and insecure legal environment, private sector's poor understanding and abidance by the law and lack of entrepreneurial confidence. UNDP will promote dialogue between the public and the private sector in the capital and pilot districts to forge legal and institutional mechanisms, partnerships and practices to improve the environment for business development. Particular attention will be given to the establishment of public-private business forums and the promotion of emerging sectors such as tourism. Regional business associations will be supported through a bottom-up approach. In addition, the participation of Tajikistan in Silk Road initiative will be improved through project support to this initiative.

Output Activities:

3.1 Advocacy for Business Growth

3.2 Silk Road Project

Risks:

- Unwillingness of SMEs to participate in forums;
- Legislative risk;
- Financial risk;
- Economic instability;

Assumptions:

- Business environment remains stable;
- Government is willing to eliminate the business administrative barriers;

Result 1.4 - Rural residents have greater ownership and improved access to sustainable rural infrastructure.

The last output under Transforming Livelihoods will improve the provision of and access to better public services such as clean drinking and irrigation water, power supply, accessible roads, bridges, health and education facilities. These investments will be made in a decentralized and participatory manner, harnessing local potential to improve facilities and allowing local stakeholders to participate during project implementation. The implementation of drinking water

projects will be complemented with water quality monitoring, and hygiene and sanitation trainings.

The effective water management and sustainability of facilities will be improved through the involvement of local actors, with a strong emphasis on developing sustainability mechanisms. This assistance will focus on approaches that emphasize community participation and local responsibility for operation and maintenance of rural water supply systems in selected areas. Advocacy to resolve ownership issues and management of water systems will be actively pursued within the local governance portfolio of UNDP.

Output Activities:

4.1 Safe Drinking Water

4.2 Rural Infrastructure

Risks:

- Environmental risks can undermine the project implementation;
- Institutional risk like incompetent personnel;
- Corruption in the structures of counterparts;
- Unwillingness of construction companies to implement the project;
- Financial risk;
- Natural disasters;

Assumptions:

- The economic and political situation remains stable in the country;
- The prices of construction materials comparatively stable;
- The local construction companies are available

Outcome 2 - Local government and communities improve their ability to plan, budget and implement basic services in a participatory manner.

Result 2.1 - Officials in local government and communities representatives are better able to plan, budget and manage finances in a participatory manner.

Effective local governance does not depend on a single actor but rather the ability of many local stakeholders to act effectively in concert, with each performing those roles with competence. This performance of the public and civil society sectors depends not only on the investment of resources but also on their professionalism, openness and responsiveness.

Training and technical assistance activities will focus on training local government officials and representatives of civil society for holding public hearings, open town hall meetings, and publishing information through local media about budget management and participatory mechanism. These organized interest groups can engage and strengthen local government institutions, raise their legitimacy and encourage greater trust between public officials and ordinary citizens.

Providing training courses such as strategic planning, procurement, local economic development, and financial management may be selected based on capacity assessment. A number of trainings

(over 5,500 training events) will be offered to officials to increase their understanding of the role, function, and technical operating systems essential to effective local governance.

Assumptions:

- Political and economic conditions in Tajikistan remain favourable;
- All stakeholders committed to NDS;
- National Government will support this agenda and provide timely data on allocations, expenditures.

Result 2.2 - Mechanisms are established to inform local policy-makers about poverty indicators, governance capacity and local socioeconomic trends.

Little information currently exists on the differences in poverty, capacity or the provision of social services between communities which could guide local and national policy-makers. This result will support the collection of information on local trends in the areas to inform local planning and technical assistance. Baseline surveys will be conducted to allow authorities to track poverty trends and feedback conditions to local planning and progress on national strategies. This tool will be complemented by further capacity mapping surveys, which will assess the accountability and ability of local authorities and communities to plan, budget and deliver services. As well, citizen reports cards will enable communities to give feedback to service providers in a constructive manner, allowing them to improve the quality of the services they provide.

These information tools will be continued and mechanisms will be established to disseminate the results to local and national policy-makers. In particular, data analysis will be performed and the results discussed in roundtables and workshops.

Assumptions:

- Government is committed for partnership with other sectors of society;
- Local engagement affected by oblast/national budget decisions;
- National Government will support this agenda and provide timely data on allocations, expenditures;

Result 2.3 - Participatory district planning mechanisms are in place which incorporate the needs of civil society and the private sector and are informed by local poverty indicators.

UNDP will promote and support a participatory process enabling each District to produce a shared district development plan. Dialogue between authorities and society on poverty reduction and development targets is an essential ingredient for development initiatives. However, the quality of participation and representation depends on the level of awareness and information, and on the organizational capacity of civil groups.

Organizational and capacity building measures and incentives will be promoted to ensure that service providers are systematically responsive to citizen demands, and citizens are aware of constraints on service providers.

In considering alternatives to make the public services more responsive to consumer needs, there is necessity for the involvement of local government and communities in planning and maintenance and building partnerships with the private sector for delivery and management of services. Involving the private sector as a partner allows local government to avoid the pitfalls, utilize new technology and expertise, share risks, and gain access to increased capital to improve operating efficiency. For improving the public service delivery the financially independent administrative bodies will be developed to oversee service delivery.

Initial activities to promote a shared district development plan will include meetings with District and Jamoat authorities and public awareness campaigns to explain the district development plan. The establishment of district development committees (DDC) and Jamoat resource and advocacy centers (JRCs) will facilitate the process of elaborating shared district development plans. The establishment of JRCs will enhance the organizational capacity of civil society and thus their participation in creating quality district development plans.

DDCs and JRCs will ensure that district development plans and other relevant data is publicly available, carefully analyzed and used as a basis for development discussions for government and coordination of aid mechanisms.

Training programs will be developed and integrated in a participatory fashion to redefines the respective roles of central and local government and align local planning to national strategic priorities. The goal will be educating local authorities about decentralization and changing their orientation towards local policy-making.

Capacity building and organizational support measures to improve service delivery will include possible activities such as:

- joint review of capacity mapping survey, feedback from the report card system with a particular focus on service delivery;
- training programmes for system operators, responsible officials and community facilitators in realistic project design, maintenance planning, costing and fee collection;
- capacity building support for associations involved in monitoring of service delivery (ex. water user associations; parent teacher groups, other specialized initiative groups);
- Analysis and advocacy on legal regulatory frameworks that will create incentives for better service delivery.

Assumptions:

- Local authorities are open for changes and willing to participate at development process;
- Districts will be interested in participating;
- Data will be available in a timely manner and budget revisions will be supported during the years

Result 2.4 - Civil society is better able to engage authorities and contribute resources to local development projects.

In addition to its focus on the district level, the Programme will continue to empower civil society and community-based organizations to engage authorities in local planning and contributing resources to local development. The programme will focus on improving the ability of civil society to engage authorities in the district planning process. In addition, the capacity of communities to mobilize resources and take increased ownership of local development will be increased.

The programme will empower civil society by improving their access to information through enhanced information systems. Rural citizens will be able to get access to the internet through JRC networks, facilitating information exchange between government agencies and with civil society. The system will be implemented where there is a willingness to publish official information and database for public access, which will be made available through local government websites.

Assumptions:

- Local authorities are open for changes and willing to participate at development process;
- Districts will be interested in participating;

Outcome 3 - Environment and Sustainable Energy Management

Result 3.1 - Environment and Sustainable Energy Management

UNDP CP will assist the Government and local communities in biodiversity conservation and sustainable environmental management. Building institutional capacities and promoting effective and sustainable approaches based on international experience will strengthen national environmental management.

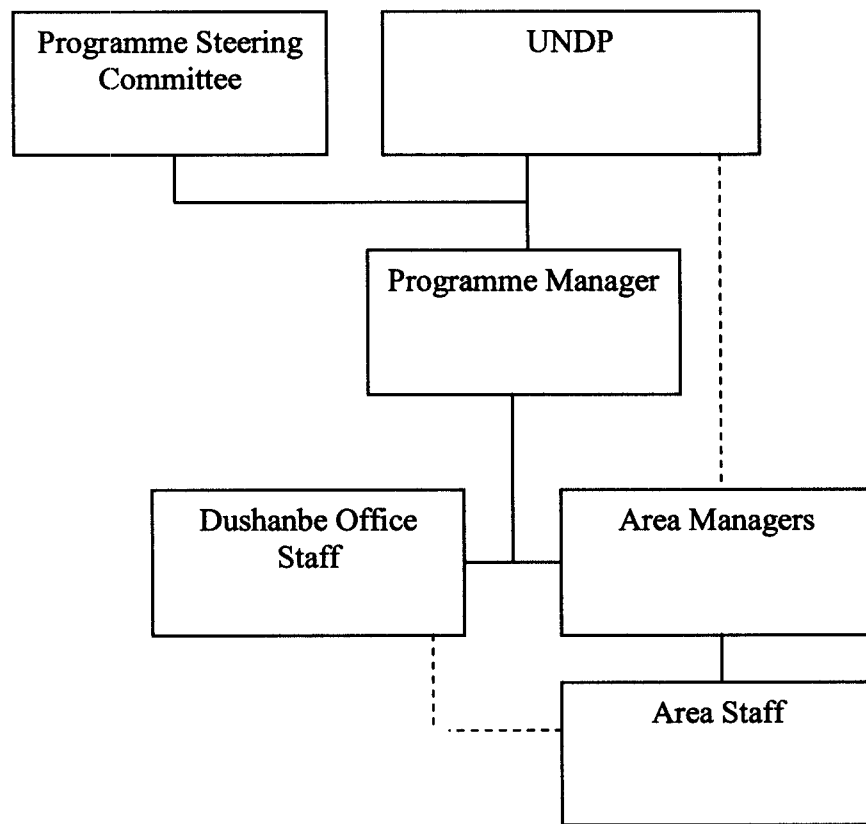
The assistance will address the causes and negative impacts of land degradation on the structure and functional integrity of ecosystems, and promote sustainable land management practices to help improve people's livelihoods and economic security. With support from the Global Environment Facility (GEF) and other donors, UNDP will target the expansion and improved management of protected areas, and pilot various approaches for the sustainable management of natural resources. Activities will include socio-economic measures to reduce poverty, a root cause of the stress affecting the environment and ecosystems. UNDP will promote the incorporation of these approaches into national legislation and policies.

CP will promote energy options for sustainable development and concentrate on integrated and renewable energy solutions for remote rural areas and disadvantaged communities. The Programme will support the Government's interest in renewable energy development by establishing pilot projects. Improving national legislation on renewable energy sources will also receive support. The promotion of renewable energy options will be pursued in parallel with energy conservation and energy efficiency activities.

MANAGEMENT ARRANGEMENTS

In recognition of the special development situation of Tajikistan and the limited capacity of local authorities to execute the project, it was agreed that the project will be directly executed in accordance with DEX guidelines in close collaboration with the Government.

A Programme Steering Committee (PSC) will be established for strategic project activity management to ensure achievement of results on the primary outcomes and that these outcomes fall within MDG, NDS and PRSP2 frameworks. The frequency of meetings will be determined as needed, but will be at minimum once every six months. The PSC will represent a senior executive responsible for the ultimate outcome, representatives of the Government of the Republic of Tajikistan, a senior supplier representing the implementers and a senior user representing the interests of civil society and government. In this PSC, the UNDP Resident Representative (or his delegate) and the UNDP Programme Manager will be represented.



The Programme Manager (PM) manages the CP programme, is directly involved in the implementation of the proposed programme and provides overall supervision of the programme activities. The PM will coordinate project activities with relevant Government institutions and other stakeholders at the national level. The PM is the supervisor for both Dushanbe Office Staff and the Area Managers.

The PM will act under overall guidance of UNDP Senior Management and refer major executive project decisions to the Project Steering Committee, in which the PM will act as a Senior Supplier representative.

The direct support to the project will also be provided by CP Reporting Officer, Economic Development Advisor and CP Local Governance Advisor based in Dushanbe. The Local Governance and Economic Development Advisors will be responsible for advising the programme on strategic direction, coordinating project activities within the programme and serving as team leaders and focal points for their respective areas of operation. The CP Reporting Officer will support the Programme Manager in providing overall strategic direct and reporting to UNDP and donors.

In addition, Area Office Staff will be responsible to Dushanbe Office Staff, who will play a role in their management and supervision. While day-to-day management will be the responsibility of the Area Office Manager, Area Office Staff will also report to Dushanbe Office Staff, who will provide guidance and assure the quality and implementation of the Programme.

The Area Office Managers (AOM) will supervise and ensure that the programme achieves planned results in the field and coordinates with the key stakeholders at the local level. The AOM will be based at the CP Office in the field, with frequent travel throughout the area. The AOM will directly report to the Programme Manager and will act under his overall guidance as well as being responsible to the UNDP CO. The evaluation of the AOM's performance will be made by both the UNDP Senior Management and the Programme Manager.

The AOM will be responsible for overall project coordination and achievement of results, project implementation, planning and reporting for each individual project implemented in their area of operation within the framework of the CP Programme. The AOM will also closely coordinate project activities with relevant Government institutions and hold regular consultations with other project stakeholders at the local level. The work of AOM will also be supported by the field AO Programme Analyst (APA) who will support the AOM in all technical and operational issues related to the project implementation and lead the activities at the local level in case of absence of the AOM.

UNDP CP will include a unit for support services within the programme, which will facilitate functions such as administration and financial control. UNDP CP will also receive support from UNDP CO through the Administrative and Finance Units as necessary. A project financial management system will be established to provide for accountability, and annual audits will be performed.

The sample terms of reference for the major staff of the programme is given in the Annex 2 to the project document.

MONITORING AND EVALUATION

UNDP will be responsible for monitoring both the substantive implementation of programme activities as outlined in this document as well as budgetary reports. UNDP will work closely with the Donors and the Government of Tajikistan to ensure joint coordination and support of the programme. The project objectives, indicators and targets mentioned in the project logical framework matrix will serve as the primary reference for the monitoring and evaluation of the

project. The Government of the Republic of Tajikistan, along with UNDP, will be involved in the monitoring and evaluation of the results in achieving the programmatic outcomes. The Communities Programme will provide regular reports on the progress of project implementation to the State Committee on Investment and State Property of the Republic of Tajikistan.

A formal, external evaluation of project activities will also take place according to UNDP requirements at the mid-project and end of project intervals. The project is further subject to the audit and inventory in accordance with UNDP rules and regulations. Regular external financial audits as required according to UNDP rules will be conducted.

An Annual Project Work Plan will be prepared by the CP (in consultation with UNDP) in consultation with the project stakeholders and agreed upon by the Project Steering and Coordination Committee. The Work Plan will generally serve as a planning, coordination and monitoring tool. Findings and “lessons learned” will be used to revise the programme’s logical framework and preparation of annual work plans, led by the programme manager. Any donor contributing to the programme will be encouraged to undertake regular monitoring visits and participate in any evaluation exercise.

Day-to-day management is the responsibility of the CP and his direct reports. Activities have been planned and will be managed for results against the approved logical framework. Accordingly, monitoring is a daily process. Analysis and reporting on activities *vis à vis* stated outcomes will depend on the specific projects implemented within different components. Additionally, leading UNDP staff will conduct annual monitoring visits to selected project sites. The Annual Project Report will be the key instrument to document and ensure project progress towards envisaged outputs and outcomes.

LEGAL CONTEXT

1) This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of the Republic of Tajikistan and the United Nations Development Programme, signed by the parties on 1 October 1993. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

2) The UNDP Resident Representative in Dushanbe, Tajikistan is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the Project Steering Committee and is assured that the other signatories to the Project Document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;

- c) **Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and**

- d) **Inclusion of additional annexes and attachments only as set out here in this Project Document**

ANNEX 1 - PROJECT RESULTS AND RESOURCES FRAMEWORK

Goal:	NDS/PRS Indicators; Poverty rates by region	Annual NDS/PRS Progress Reports; National Statistical Agency's regular reports;	Annual NDS/PRS Progress Reports; National Statistical Agency's regular reports;
<p>To Halve the Poverty in Tajikistan by 2015.</p> <p>Objective: To reduce rural poverty in the areas covered by the Programme activities through improved economic opportunities, improved access to infrastructure and enhanced local governance using environmentally sustainable approaches.</p>	<ul style="list-style-type: none"> • Measurable, significant reduction in extreme poverty over three years • Measurable growth in gross employment • Improved quality and affordability of social services; • Strengthened linkages between central government, the regional administration, and local government; • Increase of participation of civil society in policy processes and impact monitoring; • Demonstrated evidence of effectiveness of environmentally sustainable approaches. 	<ul style="list-style-type: none"> • Baseline survey, evaluation and impact assessment studies; • Regional Statistical Agency regular reports; • Semi-annual and annual reports to donors; • Citizen satisfaction surveys; • Monitoring and evaluation reports. • Pilot projects on the sustainable development (through environment and energy activities) with the possibility to replicate in other areas. 	
<p>Outcome 1 - The livelihoods of vulnerable rural residents, including both income and access to basic services, will be improved.</p>	<ul style="list-style-type: none"> • Number and value of microcredit loans by socioeconomic category • Rate of repayment for microcredit • Number of infrastructure beneficiaries 		<p>\$14.7 mil. USD (65% of project costs)</p>

<p><i>Result 1.1 - The capacity of rural residents to become successful entrepreneurs is increased, including their employable skills and knowledge of enterprise creation and business processes.</i></p> <p>Indicators:</p> <ul style="list-style-type: none"> • Number of extension agents selected and trained and number of permanent jobs created and extension services provided for beneficiaries on various topics on agriculture and non-agriculture; • Number of SME representatives got personalized business trainings and advices on improvement of business activities; • Number of agro-processing workshops and number of farm cooperatives with demo-plots based on Farm Field school model established and green houses constructed; • Number of Business advisory centers created and counseling services provided; • Number of marginalized groups in involved in income generating activities; • Number of beneficiaries benefit from extension services on agriculture and business related sectors and provided with marketable skills 	<ul style="list-style-type: none"> • 40% of agricultural extension and business advisory services are women <p>Deliverables</p> <p>Extension service trainings Business trainings Business advisory sessions Agro-processing workshops Demonstration plots Business advisory centers</p>	<p>Output Activities:</p> <p>1.1 Developing Business Advisory Services in Communities 1.2 Employable Skills Development</p> <ul style="list-style-type: none"> • Conduct baseline survey on SMEs and the status of agriculture in rural areas; • Boost business advisory services and promote extension services for communities; • Publish and disseminate information materials on SME and better farming practices; • Establish Business Advisory Centres; • Provision of employable skills for community inhabitants; • Establishment of Vocational training centres in communities; 	<p>\$2.4 mil. USD (11% of project costs)</p> <p>Local NGOs, Jamoat Resource Centres, Vocational Training Centres, Advisory and Consulting companies etc.</p>	<p>Risks:</p> <ul style="list-style-type: none"> - Changes among customers beneficiaries; - The legislative risks which bans to provide the services; - Services are not sustainable after project exits; - Extension and advisory service providers are not available; <p>Assumptions:</p> <ul style="list-style-type: none"> - Beneficiaries are willing to get services; - Stakeholders remain supportive; - Respective personnel available and able to become involved; - New knowledge and techniques available locally;
<p><i>Result 1.2 - Rural residents, particularly vulnerable households and women, have greater access to microcredit loans.</i></p> <p>Indicators:</p>	<ul style="list-style-type: none"> • Regional MFIs are functional and competitive and active in providing microfinance; • Microfinance outreach increased with 50% women clients; 	<p>Output Activities:</p> <p>2.1 Capacity for Microfinance in Communities 2.2 Remittance-Based Development</p> <ul style="list-style-type: none"> • Find an investment for regional MFIs for their operational 	<p>\$4.7 mil. USD (21% of project costs)</p> <p>National Bank of Tajikistan, Association of Microfinance Institutions in Tajikistan, Local NGO providers of trainings, local</p>	<p>Risks:</p> <ul style="list-style-type: none"> - Ruin in financial or banking system; - Weak trust for financial system; - Default cases in microfinance; - NBT recalls the

<ul style="list-style-type: none"> • Number of long-term credits disbursed to dehkan farm holders for agriculture processing and land development; • Number of JRCs leveraged migrants remittances for small-scale development projects; • Amount channeled for local community development from remittances transferred by labor migrants; • Number of diasporas established based on regional origins; 	<ul style="list-style-type: none"> • Memberships in AMFOT and MIX Market reached for all regional MFIs; • Various trainings conducted on migration related topics <p>Deliverables</p> <p>Microcredit loans Remittance contributions Regional MFIs established</p>	<p>expenses;</p> <ul style="list-style-type: none"> • Conduct various trainings in cooperation with counterparts on microfinancing for all members of regional MFIs; • Develop standardized loan, administrative and accounting policy for regional MFIs; • Information regional MFIs made available globally for investors and donors; • Transfer regional MFIs into other types of MFI; • Provision of short term and long-term credits for beneficiaries; • Continuation of pilot initiatives for improvement of labor migration in target jamoats; • Attraction of remittances through provision of credits for local economic development; • Initiation of migrant-financed small-scale infrastructure projects 	<p>Microfinance Institutions, MIX Market, Ministry of Labor and Social Protection, Modular centers, JRCs, DDCs, IOM, UNCDF</p>	<p>certificate;</p> <p>The legislative risks which bans to mobilize the remittances;</p> <p>Migrants are not willing to mobilize their remittances;</p> <p>Legislative risk in the country of destination;</p> <p>Assumptions:</p> <ul style="list-style-type: none"> - Local Authorities and civil society institutions in cooperation with community members are willing to facilitate remittances channelled into local development - NGOs and CBOs are willing to enter partnership agreements - Respective agencies are able to become involved
<p><i>Result 1.3 - Cooperation on business environment between the public and the private sector is improved.</i></p> <p>Indicators:</p> <ul style="list-style-type: none"> • Number of SMEs benefit from Business Advisory Centers; • Number of events organized under the Silk Road Project; 	<ul style="list-style-type: none"> • Publications on various topics for SMEs issued and disseminated preliminary discussed with stakeholders; • Regional business forums bringing entrepreneurs and the Government established; • Investment climate in country is getting improved; <p>Deliverables</p> <p>Business Advisory Centers Silk Road Project events</p>	<p>Output Activities:</p> <p>3.1 Advocacy for Business Growth 3.2 Silk Road Project</p> <ul style="list-style-type: none"> • Establish a network of consultants on accounting, business plans, business management and legal advice in cooperation with two associations of entrepreneurs; • Establish two Business Advisory Centers under Association of Entrepreneurs in Soughd and Khatlon; • Recruitment of qualified personnel for provision of personalized 	<p>\$0.4 mil. USD (2% of project costs)</p> <p>Ministry of Economy, PRAGMA, USAID, IFC, Office of the President, Local NGOs, Regional Associations of Entrepreneurs, Local Hukumat of districts and regions</p>	<p>Risks:</p> <ul style="list-style-type: none"> - Unwillingness of SMEs to participate in forums; - Legislative risk; - Financial risk; - Economic instability; <p>Assumptions:</p> <ul style="list-style-type: none"> - Business environment remains stable; - Government is willing to eliminate the business administrative barriers;

<p><i>Result 1.4 - Rural residents have greater ownership and improved access to sustainable rural infrastructure.</i></p> <p>Indicators:</p> <ul style="list-style-type: none"> • Number of inhabitants of target area get improved access to safe drinking water in rural areas; • Number of Mini Hydro power stations constructed and access to better power supply made available in communities; • Number of small scale irrigation system rehabilitated and number of ha of land irrigated based on alternative methods; • Number of inhabitants provided with trainings about health and sanitation; • Number of WUAs established. • Number of poor households are provided bucket drip feed irrigation systems 	<p>Public-private business forums Topical business workshops</p> <ul style="list-style-type: none"> • Methodology of sustainability mechanisms developed and implemented in infrastructure projects. • Improved water management and sustainability of rehabilitated irrigation systems; <p>Deliverables</p> <p>Infrastructure subprojects Water User Associations Bucket drip feed irrigation systems</p>	<p>advice for entrepreneurs; Capacity building of number of Business Advisory centers; Facilitate participation of Government officials in Silk Road events;</p> <p>Output Activities: 4.1 Safe Drinking Water 4.2 Rural Infrastructure</p> <ul style="list-style-type: none"> • Selection of priorities on safe drinking water and other social infrastructure; • Community mobilization and attraction of community contribution; • Construction and rehabilitation of prioritized infrastructure facilities in rural areas; • Water quality control jointly with SES; • Ensuring sustainability of social infrastructure through O&M trainings and capacity building activities; 	<p>\$7.1 mil. USD (32% of project costs)</p> <p>Ministry of Water Resources, agency for Construction and Architecture, State Unitary Agency "Hojagii Manzilii Kommunal", Tajikselkhozvodoprovodstroj, SES, HLSC, Ministry of Health, Ministry of Education, Ministry of Transportation, Private Construction companies, Project Design institutions, Barki Tojik, Ministry of industry and energy, Suppliers of construction materials and equipment</p>	<p>Risks:</p> <ul style="list-style-type: none"> - Environmental risks the project can undermine implementation; - Institutional risk like incompetent personnel; - Corruption in the local authorities structure; - Unwillingness of construction companies to implement the project; - Financial risk; - Natural disasters; <p>Assumptions:</p> <ul style="list-style-type: none"> - The economic and political situation remains stable in the country; - The prices of construction materials comparatively stable; - The local construction companies are available
<p>Outcome 2 - Local government and communities improve their ability to plan, budget and implement basic services in a participatory manner.</p>	<ul style="list-style-type: none"> • Number of district development plans • Improved perception of services from citizen report card • Improved capacity on mapping survey 		<p>\$2.4 mil USD (11% of project costs)</p>	

<p><i>Result 2.1 - Officials in local government and communities representatives are better able to plan, budget and manage finances in a participatory manner.</i></p> <p>Indicators</p> <ul style="list-style-type: none"> Number of Jamoats strengthened capacity through trainings on independency, local autonomy and decentralization; Number of budget and strategic committees have been working with local councils on priority topics Number of advocacy seminars conducted by JRCs; Number of topics covered by advocacy material, available in local JRCs. 	<ul style="list-style-type: none"> A set of trainings for local council conducted; Set of trainings and consultancy provided to target JRCs; <p>Deliverables</p> <p>Budget trainings Local governance trainings Budget and strategic committees Advocacy seminars Advocacy material</p>	<p>Strengthening capacity of district level administration to monitor poverty and plan for poverty reduction;</p> <p>The interaction and promotion of dialogue between civil society, area and districts authorities, Jamoats and Parliament and other civilians, including the media facilitates;</p> <p>Overall development of training programs focused on specific regions and for each sector, to be devised and implemented by way of a participatory process; redefine the role of central and local government, in the light of deregulation of the economy and privatizations; reallocate national budget resources and foreign aid in line with programming, in a more selective way</p>	<p>\$0.9 mil USD (4% of project costs)</p> <p>Strategic Research Center, Institute Training for Civil Servants Local NGOs, and local International Consultants</p> <p>Inputs</p> <p>Ministries and districts share learning and new budget and planning formulation processes with other districts.</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> Political and economic conditions in Tajikistan remain favorable All stakeholders committed to NDS; National Government will support this agenda and provide timely data on allocations, expenditures
<p><i>Result 2.2 - Mechanisms are established to inform local policy-makers about poverty and local governance capacity and local socioeconomic trends.</i></p> <p>Indicators:</p> <ul style="list-style-type: none"> Number of outcomes delivered better for local people by local, district and national government working effectively together 	<ul style="list-style-type: none"> Clearer lines of accountability and responsibility, a more coherent and joined up approach across central Government, and a finance system; <p>Deliverables</p> <p>Baseline survey Capacity mapping survey Citizen report card survey Publication on survey results Roundtables and workshops</p>	<p>Facilitation and organization policy dialogue with and between local elected officials on decentralization of powers and functions, electoral systems in democratic governance, and transparency in financial management Baseline survey will be designed and fixed; Citizen report card mechanism</p>	<p>\$0.8 mil USD (4% of project costs)</p> <p>Districts, Jamoat, DDCs and JRCs Ministry of Finance and Ministry of Economy</p> <p>Inputs</p> <p>Improved strategic planning and budget submission and reporting processes installed</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> Government is committed for partnership with other sectors of society; Local engagement by affected oblast/national budget decisions; National Government will support this agenda and provide timely data on allocations, expenditures;

<p>Joint CBO-District Hukumat budget consultation structure established and operational</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> - Local authorities are open for changes and willing to participate at development process; - Districts will be interested in participating; - Data will be available in a timely manner and budget revisions will be supported during the years 	<p>Joint CBO-District Hukumat budget consultation structure established and operational</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> - Local authorities are open for changes and willing to participate at development process; - Districts will be interested in participating;
<p><i>Result 2.3 - Participatory district planning mechanisms are in place which incorporate the needs of civil society and the private sector and are informed by local poverty indicators.</i></p> <p>Indicators:</p> <ul style="list-style-type: none"> • Number of JRCs identified key reform areas to plan rural development; • Number of districts reported a marked improvement in the quality of communal service delivery; 	<p>New relationship between local and national government based on dialogue, strong performance management within all local authorities, clarity about where national standards and local differences are appropriate, and effective use of the range of providers and technology available</p>	<p>Joint CBO-District Hukumat budget consultation structure established and operational</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> - Local authorities are open for changes and willing to participate at development process; - Districts will be interested in participating;
<p><i>Result 2.4 - Civil society is better able to engage authorities and contribute resources to local development projects.</i></p> <p>Indicators:</p> <ul style="list-style-type: none"> • Number of JRCs provided with internet access; 	<p>Effective advocacy and participation of civil society in local governance processes and service delivery</p> <ul style="list-style-type: none"> • Effective and efficient local service delivery and use of resources. Increased access to public safety and basic services, including but not limited to water, public sanitation, health services and education <p>Deliverables</p> <p>District development committees</p> <p>District development plans</p>	<p>Joint CBO-District Hukumat budget consultation structure established and operational</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> - Local authorities are open for changes and willing to participate at development process; - Districts will be interested in participating;
<p><i>Result 2.4 - Civil society is better able to engage authorities and contribute resources to local development projects.</i></p> <p>Indicators:</p> <ul style="list-style-type: none"> • Number of JRCs provided with internet access; 	<p>Increase of participation of civil society in policy processes and impact monitoring;</p> <p>Educate local authorities in the principles of decentralization and in the defining the roles of and the relationship between policy making bodies and local administration</p> <p>Awareness of political, civil and economic rights at the grassroots encouraged women, especially the poor and those living in rural areas, to be more confident and active to</p>	<p>Joint CBO-District Hukumat budget consultation structure established and operational</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> - Local authorities are open for changes and willing to participate at development process; - Districts will be interested in participating;

	<p>Internet access for JRCs Resource mobilization training Advocacy training</p>	<p>take part in political and socio-economic life at their localities</p> <p>Jamoat Resource and Advocacy Centers will establish a network of internet access points where the local population will have the opportunity to get acquainted with the possibilities new technologies offer</p>	<p>reduction trends at local and central levels</p>	
<p><i>Result 3.1 - Environment and Sustainable Energy Management</i></p> <p>Indicators: Number of communities involved in environmental projects. Improved legislation on environment and energy issues.</p>	<ul style="list-style-type: none"> • Consensus on priorities and capacity/experience (both on local and national levels) to collaborate meaningfully in the sustainable land management • Specific energy production cost of renewable energy systems implemented decrease over project duration 	<p>Improvement of the policies in land and energy management through the consultative process.</p> <p>Identify the priorities on sustainable land management and use of renewable energies and implement the activities in pilot areas for demonstration and possible replication.</p>	<p>\$1.3 mil. USD (6% of project costs)</p> <p>Ministry of Energy, Ministry of Agriculture and Nature Protection, Agency for Sustainable Land Management, Local NGOs</p> <p><u>Inputs</u></p> <p>The demonstration activities will serve as a basis for further replication in different parts of the country (by the government and communities)</p>	<p>Risks:</p> <ul style="list-style-type: none"> - The government will neglect environmental issues in its development policies; - The communities will not want to take credits (or cost-share) for the activities connected with environment and energy friendly approaches. <p>Assumptions:</p> <ul style="list-style-type: none"> - the government supports the promotion of sustainable environment and energy approaches. - Improved state policies on environment and energy. - Willingness of communities to cost-share (or take credits) for the activities devoted to sustainable environment and energy.

ANNEX 2 – PROJECT BUDGET 2007-2009

Programme Cost	Total Expected Budget				Existing			To be attracted in	
	2007	2008	2009	2010	2007	2008	2009	2008	2009
1. Output – Capacity for Entrepreneurship	1,011,840	782,678	655,000	2,449,518					
1.1 Developing Business Advisory Services in Communities	954,772	414,845	455,000	1,824,617	954,772	226,769	6,250	188,076	448,750
1.2 Employable Skills Development	57,068	367,833	200,000	624,901	57,068	225,736		142,097	200,000
2 Output – Sustainable Local Capital	1,070,146	1,512,949	2,136,600	4,719,695					
2.1 Capacity for Microfinance in Communities	840,360	561,349	1,260,000	2,661,709	840,360	357,500		203,849	1,260,000
2.2 Remittance-Based Development	229,786	951,600	876,600	2,057,986	229,786	87,500	12,500	864,100	864,100
3. Output – Improved Environment for Businesses	124,962	100,000	200,000	424,962					
3.1 Advocacy for Business Growth	124,962	100,000	150,000	374,962	124,962			100,000	150,000
3.2 Silk Road Project	-	-	50,000	50,000					50,000
4. Output – Improved Rural Infrastructure	2,325,918	2,633,844	2,140,750	7,100,512					
4.1 Safe Drinking Water	238,262	891,310	800,000	1,929,572	238,262	191,310		700,000	800,000
4.2 Rural Infrastructure	2,087,656	1,742,534	1,340,750	5,170,940	2,087,656	969,088	340,750	773,446	1,000,000
Redistributing Responsibilities									
Support for capacity building	279,998	353,424	293,494	926,916	279,998	173,290	16,250	180,134	277,244
Development of organizational potential of civil society	232,230	100,000	470,000	802,230	232,230			100,000	470,000
Improving Service Delivery	166,750	142,500	255,000	564,250	166,750	42,500	5,000	100,000	250,000
Civic Awareness/Social Advocacy and Information	2,000	88,449	63,000	153,449	2,000	14,000	13,000	74,449	50,000
Sub Total on Redistributing Responsibilities	680,978	684,373	1,081,494	2,446,845	680,978	229,790	34,250	454,583	1,047,244
Sub Total on Environment and Energy	155,000	600,000	600,000	1,355,000	155,000	300,000	300,000	300,000	300,000
Total programme direct costs	5,368,844	6,313,844	6,813,844	18,496,532	5,368,844	2,587,693	693,750	3,726,151	6,120,094
Administrative costs	920,000	1,539,070	1,539,070	3,998,140	920,000	500,000	90,000	1,039,070	1,449,070
Administrative cost share of project cost	15	21	20	18	15	16	11	22	19
Total project costs	6,288,844	7,852,914	8,352,914	22,494,672	6,288,844	3,087,693	783,750	4,765,221	7,569,164

ANNEX 3 – LPAC MINUTES

Minutes
Of the Local Programme Advisory Committee (LPAC) for
Communities Programme
August 2, 2007

Participants:

<i>Chairman</i>	1. Mr. Ahad Mahmoudov, Programme Manager/Field Programme Coordinator, UNDP CP
<i>Members</i>	1. Sukhrob Khoshmukhamedov, UNDP Assistant Resident Representative 2. Alisher Rajabov, UNDP Programme Analyst 3. Ms. Nargizakhon Usmanova, Programme Associate, UNDP
<i>Invitees</i>	1. Sezin Sinanoglu, UNDP Resident Representative, a.i. 2. Sukhrob Sharipov, Director of the Strategic Research Centre, Executive Office of the President of the Republic of Tajikistan 3. Sherali Zardov, Head of Investment Department, Executive Office of the President of the Republic of Tajikistan 4. Asror Latipov, Deputy of Head of Civil Servants Department of the Executive Office of President of the Republic of Tajikistan 5. Anvar Najmiddinov, Deputy Head of Economic Reforms and Investments, Executive Office of the President of the Republic of Tajikistan 6. Ali Aliev, Deputy of the Rector of the Institute of Civil Servant Training, Executive Office of the President of the Republic of Tajikistan 7. Lola Orifkhojaeva, State Department on Investment and Property of Sughd Region 8. Abdulloev Faizullo, Head of Economic Department, Hukumat of Khatlon Region 9. Aslanbek Abdurakhmonov, Head of Hukumat of Jirgital District, Rasht 10. Dylan Winder, Head of DFID Office Tajikistan 11. Zulfia Davlatbekova, Project Manager, EC Delegation, Tajikistan 12. Kiemiddin Davlatov, Director of NGO “Center for Development” 13. James Gibson, UNDP Programme Analyst

	<p>14. Surayo Buzurukova, Snr. Governance Advisor, UNDP Communities Programme</p> <p>15. Mubin Rustamov, Snr. Economic Advisor, UNDP Communities Programme</p> <p>16. Anvar Buzurukov, Area Manager, UNDP Gharm Area Office</p> <p>17. Yakubjon Abduhalikov, Area Manager, UNDP Kulyab Area Office</p> <p>18. Gulbahor Nematova, Area Manager, UNDP Ayni Area Office</p> <p>19. Khurshed Kholov, Area Manager, UNDP Shaartuz Area Office</p> <p>20. Parviz Akramov, Area Manager, UNDP Khujand Area Office</p>
<i>Secretary</i>	Ms. Nargizakhon Usmanova, Programme Associate, UNDP

Agenda

1. Introduction of the strategy of the UNDP Communities Programme and current situation
2. Presentation of the CP Project Document for phase II (2007-2009)
3. Discussion of the CP Project Document for phase II (2007-2009)
4. Recommendations

Minutes

Mr. Ahad Mahmoudov, Chairman

Mr. Mahmoudov introduced Ms. Sezin Sinanoglu, UNDP Resident Representative a.i., to meeting participants and explained that the purpose of the meeting is to advise and give feedback on the project document in order to establish an agreement on the CP strategy and results indicated in the project document, among all project stakeholders.

Mr. Mahmoudov stressed that the stakeholders have been sent the project document prior to the meeting, however all LPAC members will have two weeks for review of the project document and comments.

Ms. Sezin Sinanoglu, UNDP Resident Representative, a.i.

Ms. Sezin Sinanoglu greeted the participants of the meeting. She pointed out that the UNDP Communities Programme is widely known in the region being a successful though rather complex programme with different elements on poverty reduction, conflict prevention, local governance, etc. implemented throughout the country. Ms. Sinanoglu further elaborated that there are emerging realities to be taken into account and an Outcome Evaluation has been

conducted to spot and assess these realities. The findings of the Outcome Evaluation are incorporated into the project document, e.g. into the section on management arrangements. Ms. Sinanoglu also stated that the goal of this meeting is to see to which extent the project meets the needs of the project partners; therefore the participation of stakeholders in the discussion of the project document is particularly important.

Mr. Anvar Najmiddinov, Deputy Head of Economic Reforms and Investments, Executive Office of the President of the Republic of Tajikistan

The Communities Programme is a purposeful initiative, and the results of its interventions are already visible. The structures within the programme, i.e. Jamoat Resource Centres (JRCs) actively involve the society into governance and development issues.

We are very much interested in continuation of this programme. Though the country experienced a significant growth since 2000, the living standard of the population is still low. I think that it is vital to add up the potential of other structures, i.e. international community and private sector, to the one of governmental agencies.

Mr. Ahad Mahmudov, Chairman

We highly appreciate the support of the Government and, particularly, of the Executive Office of the President of the Republic of Tajikistan. There is a need in capital investments, in order to improve the living standard of the population. The Government of the Republic of Tajikistan is interested in the efficient and effective use of investment flows. The Communities Programme works closely with several major donors. One of them is the Department for International Development of the United Kingdom of Great Britain and Northern Ireland (DFID). DFID is our partner in the model project "Development of Zeravshan Valley". Therefore I would like to give the floor to the representative of DFID, Mr. Dylan Winder.

Mr. Dylan Winder, DFID

With regard to partnership, I would like to note that there is much integration between the Government, Communities Programme and local structures. During the review of Annual Project Report (APR) of the Zeravshan Valley project, our mission was pleased to learn about citizens appreciating the role of and partnership between the local Hukumats and the Communities Programme. The private sector is also very much involved into the implementation of the programme, notably in micro-credit projects. It was also good to see women participating in the planning processes within DDCs.

DFID is committed to supporting the Communities Programme, particularly in the development of Zeravshan Valley and broadening its participation in the poverty reduction processes.

Mr. Ahad Mahmoudov, Chairman

Civil society is an important actor for strengthening development capacity. The Communities Programme works mainly at jamoat level, Jamoat Resource Centers being our key partners. At the same time, we work at the district level as well, and have District Development Councils as our main partners in the development of planning processes at the district level, in which the civil society is greatly involved. One of our partners is an NGO “Center for Development”.

Mr. Kiemiddin Davlatov, Director of NGO “Center for Development”

Our NGO established a partnership with the Communities Programme while working on capacity building of JRCs, and while providing training and consultancy services to all JRCs. Within the framework of the Communities Programme we have conducted a number of workshops on establishment of public associations.

Based on our experience and view of our focus groups within jamoats, one can say with confidence about the highest level of relevance and importance of the Communities Programme as a development initiative with a focus on development of local institutional capacity.

The Communities Programme is not just about educational and training services to the Jamoats, it also provides an opportunity for dialogue and exchange of experience on existent issues between the JRCs, thus sustaining dialogue between all sectors of society.

Mr. Ahad Mahmoudov, Chairman

Mr. Ahad Mahmoudov introduced the project document and provided an overview of the on-going and future activities stating that the UNDP Communities Programme is a “successor” of RRDP working since 2004 on establishment of sustainable mechanisms for poverty reduction through piloting new development models. The Communities Programme has field offices in Rasht, Khujand, Shaartuz, Kulyab and Aini and is supported by EC, SDC, SIDA, Governments of Japan, Germany and Finland.

Ms. Surayo Buzurukova, UNDP CP Senior Governance Advisor and Mr. Mubin Rustamov, UNDP CP Senior Economic Advisor

Ms. Surayo Buzurukova and Mr. Mubin Rustamov presented the programmatic and technical part of the Project Document.

Mr. Dylan Winder, DFID

We are very much impressed by the impact of activities implemented by the Communities Programme. I would like to reiterate that DFID is committed to support the Communities Programme, and we are very much pleased to see the level of commitment of the Government as well. However I would like to elaborate on some issues which I find important to be discussed within the framework of the Project Document.

- ✓ There is a need for a lot more learning across the programme, particularly on implications on the national programming, i.e. efforts should be made to link activities of the Communities Programme to the National Development Strategy of the Republic of Tajikistan (NDS) and the Poverty Reduction Strategy of the Republic of Tajikistan (PRS), more specifically – with PRS monitoring. Of course, there should be a lot more discussions to see what it would mean in practice, with the leading role of the Government. 15-20% of programme resources should be directed to learning needs.
- ✓ Strategic partnership should be strengthened. In this regard it is advisable to look at the community-based development projects implemented by the Aga Khan Foundation.
- ✓ More attention should be directed to the issues at the policy level. For instance, it would be useful to look closely at the IFC project on policy-regulating environment, and see what could be done.
- ✓ Donor coordination is another issue of importance. DFID, while supporting Zeravshan Initiative, is also interested to see more donor coordination within the programme, in order to ensure that replication of the Zeravshan model is further supported.
- ✓ How to make the activities sustainable is another issue to be taken care of. There should be specific attention to the roles of private sector, civil sector and the Government in this regard.
- ✓ More specific comments will be provided in two weeks.

Asror Latipov, Deputy of Head of Civil Servants Department of the Executive Office of President of the Republic of Tajikistan

The Project Document is currently being reviewed by the staff of our Department and specific comments will be provided soon. However I would like to elaborate on the issue of trainings and the way they are provided.

- ✓ Interrelation between the project and the Institute for State Civil Servants should be strengthened. Particularly it is related to provision of educational services. I heard of the cases when the Communities Programme involved NGOs in provision of educational and training services to the mid-level civil servants. More specifically, of involving an NGO named “Centre on educating of municipal authorities”. I would like to accentuate on the level of efficiency and effectiveness of the trainings provided by this NGO. According to

the data available, 70% of civil servants who were trained by NGOs still need to be re-trained. To my mind, in order to educate the mid-level civil servants, the management teams supervising these civil servants should be educated and trained, so that to enable these management teams to further provide trainings to the others. I think that the resources of the Institute for State Civil Servants to the full scale in this regard.

- ✓ Another comment is on capacity building of state structures. What is actually meant by the term “capacity building”? I think that the Strategic Research Centre should be involved to help us to define this term in its political, economic aspects.
- ✓ The final version of the Project Document is to be agreed by with the Government, and the relations with the state structures thus should be at the centre of attention in the document.

Mr. Ahad Mahmoudov, Chairman

The issue of capacity building of state structures at the local level (at the level of district administration) has been raised by the international community around three years ago. Of course this issue is rather complex and long-term. The Project Document gives only a general outline how this issue is to be approached by the Communities Programme. Each and every specific activity will be discussed with the Institute for State Civil Servants, and with the Civil Servants Department of the Executive Office of President of the Republic of Tajikistan.

Ms. Surayo Buzurukova, UNDP CP Senior Governance Advisor

The sustainability of trainings provided to the civil servants is ensured through:

- Survey on knowledge needs of civil servants;
- Participation of civil servants in the training programme (ToT approach): those civil servants who completed training courses provide trainings to other civil servants thus strengthening their knowledge.

Mr. Ahad Mahmoudov, Chairman

All comments voiced during the meeting will be taken into account in our further work on the Project Document. The LPAC participants are welcome to provide their comments within two weeks after the meeting.

The LPAC Committee made the following recommendations:

- Agree that the process of the proposal development was transparent and conducted with the involvement of the main stakeholders.
- To review the project document within two weeks and provide comments, if any, to the office of Communities Programme.

Following the LPAC meeting, comments were solicited from the project stakeholders. No major comments were received and thus the Chairman proceeded with approving the programme document.

Prepared by:



**Nargizakhon Usmanova,
UNDP Programme Associate**

Chairman:



**Ahad Mahmudov,
Programme Manager,
UNDP Communities Programme**

ANNEX 4 – RECOURSES MOBILIZATION STRATEGY BRIEF

Currently there are several Donor organisations providing financial support to the UNDP's Communities Programme, including ADB, CIDA, DFID, EC, ECHO, Finland, IDA and World Bank. The total amount of potential Donors' funding to be attracted for the period 2007-2009 is \$22.4 out of which the confirmed commitments amount to approximately \$10.1 million.

However, there is a good chance to fundraise more than \$12million for the timeline covered by this Project Document. In order to ensure effective fund raising strategy UNDP has already approached the several Donors. Following is the table with the preliminary information on the discussions that are currently being conducted with some donors:

Project Title	Donor	Objective	Duration	Budget	Comments
Enhancing individual incomes and improving living standards in Khatlon, Tajikistan	EC TACIS	Support the economic and social development of vulnerable populations in Tajikistan's Khatlon Oblast in a participatory and sustainable way.	24 months (2008-2010)	EUR1.6mln.	Another new TACIS Khatlon Proposal to be submitted in September 2007. this would be an add-on project to the existing TACIS Khatlon project started in 2007.
Addressing the social consequences of transition in the Ferghana Valley – Tajikistan	EC TACIS	Support the socio-economic transition and poverty reduction in Sughd Region	24 months (2008-2010)	EUR 550,000	New TACIS Sughd Proposal should be submitted for the amount \$1/2million. The activities will be focused around the existing JRCs to further strengthen their capacities.
Community development through employment creation and improved migration management	HSTF	To increase the level of human security of people from the Rasht region of Tajikistan, in particular socio-economic and personal security of people on the move and of women that are left without income	24 months (2007-2010)	\$390,000	HSTF has approved the project and ILO have already received the funds. Currently, the agreement with ILO is being finalized and the project should start at the end of 2007.
Pool funding for UNDP's activities on poverty reduction, MDG planning with the involvement of other UN agencies	DFID	Poverty reduction in rural areas of Tajikistan with the extensive involvement of UN agencies. <i>(initial idea)</i>	3 years (2008-2011)	\$12 mln. (indicative)	At the moment UNDP (through CP) is implementing the DFID funded programme in Zarafshan. Recently, UNDP received the positive feedback from DFID and indication of the interest to fund the CP further outside of Zarafshan Valley. The discussions on this are at the preliminary stage, but the funding is planned for the second half of 2008

(earliest).

Rural Development Project	ADB	Increase the productivity of farm and non-farm enterprises within an environmentally sustainable management framework in the area around Dushanbe.	7 years (2008-2014)	\$8.7mln. (indicative)	UNDP was approached by ADB on the implementation of the certain components of their Rural Development Project focusing on the area around Dushanbe. This should allow to extend CP's activities to the new districts. UNDP committed to provide 15% UNDP contribution from TRAC as a cost-sharing to the project.
Renewable Energies Project	GEF	Promote renewable energies development in the rural areas of Tajikistan	3 years (2008-2010)	\$1.2mln.	UNDP has applied to GEF for funding of the RE proposal. The proposal was preliminary cleared in 2006 by the donor, but due to changes in GEF its further approval and funding was postponed to October 2007.

In addition to the above UNDP will continue working closely with as the following donors:

- Canadian International Development Agency. During last two years CIDA provided some funding to CP on Promoting of Local Governance and Agricultural Governance for the total amount of \$1.25mln. UNDP is planning to approach CIDA for further funding of the new activities implemented within CP.
- European Commission. EC was one of the biggest donors of CP for the long time. UNDP will participate in the calls for bids announced by EC.
- World Bank. Currently, UNDP CP is implementing WB-funded project on Watershed Management in Gharm. There is a good probability of further cooperation with the organization based on our successful experience.
- UNDP's Thematic Trust Funds. UNDP for several last years was the recipient of the TTF funds amounting to \$100-200k annually. These projects were implemented through the CP. UNDP is going to continue to apply to the TTFs for further funding.

- Furthermore, it is planned to approach other donors. i.e. Governments of Norway, Finland, Turkey, Germany, UK, US, Japan and others to explore additional contributions.

UNDP fundraising strategy for CP aims to integrate fundraising and resource mobilization as part of the organization's strategic priorities.