

**United Nations Development Programme**  
**Country: Tajikistan**  
**Project Document**

<b>Project Title</b>	<b>Livelihood Improvement of 1 000 000 Rural Population in 9 districts of the Republic of Tajikistan</b>
<b>UNDAF Outcomes:</b>	Ensuring good governance and socio-economic development to reduce poverty, unlock human potential, protect the rights and improve the quality of basic public services (Component 1: Poverty reduction and good governance)
<b>Expected Outcomes:</b> <i>(Those linked to the project and extracted from the CPAP)</i>	<b>CP</b> <u>Outcome 1:</u> Poverty reduction and improvement of conditions for economic development, with special emphasis on the rural poor, women and marginalized groups of the population <u>Outcome 3:</u> National and local levels of government will have the capacity to implement democratic governance practices and effectively and strategically plan, finance, and implement development initiatives in an inclusive and participatory manner.
<b>Expected Outputs:</b> <i>(Those that will result from the project and extracted from the CPAP)</i>	<u>Output 1.1.</u> Sector strategies and policies in selected economic and social sectors formulated and implemented to support the achievement of the MDGs and the implementation of the National Development Strategy (NDS). <u>Output 1.2.</u> More transparent mechanisms for business registration, legal framework and tax base developed that promote business development and public-private partnerships leading to improved economic development. <u>Output 1.3.</u> Providing access to a wide range of financial, microcredit, legal services, and income generation opportunities and business support for households with low-income women, small and medium-sized enterprises (SMEs). <u>Output 3.3.</u> Comprehensive capacity building of subnational governments and local authorities in good governance, gender mainstreaming, management and administration of basic social and public services in education, health, social protection, water and infrastructure. <u>Output 3.4.</u> Raising awareness, skills and knowledge of civil society, with a special emphasis on women to improve the effective involvement in local development, advocacy and provision of social services.
<b>Implementing partner:</b>	UNDP
<b>Responsible parties:</b>	Ministry of Economic Development and Trade, Ministry of Finance, Ministry of Labor, Employment and Migration of the RT; Agency on Statistics under President of the Republic of Tajikistan; Committee on Environmental Protection under the Government of the Republic of Tajikistan; Local districts authorities and local self-governments; Microcredit foundations and organizations created with the support of UNDP.  The project will also actively cooperate with other development partners' initiatives, such as CESVI, the World Bank (at national level), the Aga Khan Foundation, Mercy Corps, British Oxfam, which are implemented in these target districts and aim to support the socio-economic development.

**Brief description**

“Livelihood Improvement of 1 000 000 Rural Population in 9 districts of the Republic of Tajikistan” is financed by the Government of the Russian Federation and will be implemented by UNDP in the Republic of Tajikistan over three years. Total volume of financial support amounts to 6.7 million dollars, which will be aimed at ensuring sustainable local economic development of 9 districts of Tajikistan, including 4 districts of Sughd oblast (including 2 districts of Zeravshan Valley), 2 districts of Khatlon oblast and 3 districts of Republican Subordination (Rasht Valley).

The project will assist local authorities in the effective planning and monitoring of socio-economic development of the districts through the process of development and updating of district development programs and implementation of *about 50 priority initiatives* emanating from these programs. The project will help to increase employment and development of business practice in nine of the most vulnerable districts of Tajikistan, taking into consideration their social and economic needs. The focus will be also on issues related to enabling business environment by developing a platform of public-private dialogue at the local level, capacity building of local authorities and businesses on local economic development. The project will provide technical assistance to Ministry of Economic Development and Trade of RT as a main partner in implementation of the project.

Programme Duration: <u>2014-2017.</u>	Budget for 2014-2017:	US\$ 6,700,000
Key results area (Strategic Plan): <u>1.1</u>	Total resources required:	US\$ 6,700,000
Atlas Award ID: 00083638 <b>Project ID:</b> 00092014	Total allocated resource:	US\$ 6,700,000
Start Date: <u>01/11/2014</u>	Unfunded budget:	n/a
End Date: <u>31/10/2017</u>	In-kind contribution:	n/a
PAC Meeting Date: 03/12/2014		
Management Arrangements: <u>Direct Implementation</u>		

**Agreed by MEDT RT**

Mr. Umed Davlatzod, Deputy Minister of Economic Development and Trade of RT

**Agreed by UNDP**

Mr. Norimasa Shimomura, Country Director, UNDP Tajikistan

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## I. SITUATION ANALYSIS

Tajikistan is a landlocked country in Central Asia, with a population of 8 million, which borders with China, Afghanistan, Kyrgyzstan and Uzbekistan. More than 93% of the country's territory is covered with mountains. More than 75% of the population lives in rural areas. The country is prone to seasonal and natural disasters.

National economy is mainly agricultural, which contributes more than 20% to the GDP<sup>1</sup> and employs 70% of the labor force. The economy, despite the annual growth of 8.6% since 2003, is vulnerable to external factors, such as global and regional economic crisis and fluctuations in the market of energy resources in the region (mainly in Russia). Due to lack of employment opportunities, about one million people have left their homes in search of work and went to Russia, Kazakhstan and other CIS countries. According to the World Bank, the remittances from migrant workers in 2012 accounted for 47% of the GDP.

Poverty level remains high, and according to the Ministry of Economic Development and Trade (as of 2013) 35.6% of the population lives below the poverty line. The country has the lowest Human Development Index (HDI) among the Central Asian countries, equal to 0,622 and ranks 125<sup>th</sup> among 189 countries in the world as of 2013.

Over recent years, the country has achieved macroeconomic stability, which is characterized by strengthening of the country's budget, lower inflation and predictability of the exchange rate of the national currency. According to the World Bank, in 2012, the real GDP growth in Tajikistan reached about 8% due to industrial production, remittances and agriculture. According to the National Bank of Tajikistan, the real GDP growth in the first half of 2013 compared with the previous year was 7.5%. At the same time, sectoral information provided by the Agency on Statistics, indicates a significant decline in the value of industrial and agricultural production in the second quarter compared with the first.

In addition, by submitting an application to the World Trade Organization (WTO) in 2001, Tajikistan became a member in early March of 2013. Over the past 11 years, the country authorities have worked on the reduction of customs tariffs and on liberalization of laws on foreign trade and investment. Apparently, potential material values of the development will only be available after the forecast period; although it is possible that trade policy will immediately be predicted for a longer period.

According to the government officials, 174,304 new jobs were created in the first 9 months of 2013, which is more for 55.5% than the same period of last year (112,070). However, due to lack of motivation, migration still covers most of the work force. Also, according to the government authorities of the Republic of Tajikistan, a total of 814,985 people migrated from Tajikistan in the first nine months of 2013, which is more for 15.1% than the same period of last year, and at the same time, 515,995 people have returned to the country.

The level of access to health care and education, drinking water and sanitation, irrigation and transport infrastructure, electricity in rural areas remains low. For example, it is estimated that over one million people in Tajikistan, mostly in rural areas during the winter time, have little access to electricity. To date, more than 95% of the generated electricity in Tajikistan accounts for power generated by hydroelectric power plants.

Distribution of microfinance throughout Tajikistan, especially in remote mountainous districts remains priority. Since the beginning of 2013, the volume of microcredits amounted to 2.9 billion Somoni (608.2 million. million US dollars), an increase of 41.5% compared to the same period in 2012. In the remote mountainous districts, the loans amounted to 601.1 million. Somoni (126.1 million US dollars) - an increase of 41.5% compared to the same period in 2012. Private sector contribution to GDP is about 50%, which leaves room for growth.

According to the Economist Intelligence Unit, over the recent years, the Government of Tajikistan strongly adhered to the reform requirements of international financial institutions, which enabled to enhance the economic growth and macroeconomic stability.

According to expert estimates<sup>2</sup>, for ensuring economic growth, including in rural areas, and sustainable development of the economy as a whole, it is necessary:

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<sup>1</sup>www.stat.tj

<sup>2</sup> Including prepared with the support of UNDP, Conflict situation assessment in Tajikistan, 2011.

- solve a range of socio-demographic problems (compared to 1970, the population has tripled and, accordingly, this growth increases the degree of tension in terms of distribution of land and water resources);
- develop social and economic infrastructure, strengthen the capacity of government agencies to provide better services at the local level (today their quality leaves a lot to be desired);
- develop effective measures to prevent political and other risks associated with the proximity of Afghanistan (the border with this country is often used as a corridor for drug trafficking and illegal movement of groups), and other external factors;
- implement a targeted policy to support business (today, despite some improvement of the situation, the entrepreneurs are generally considered by the authorities as sources of revenue for the budget, which creates certain obstacles to business development).

### *Public policy measures*

Following Millennium Declaration signing in 2007, the Government adopted the "National Development Strategy of the Republic of Tajikistan until 2015" (NDS), based on the MDGs for 2007-2015, and a series of medium-term Poverty Reduction Strategy (PRS). Followed by the PRS, the second phase of NDS implementation was covered by PRS for 2007-2009 and the third phase by PRS for 2010-2012. In late 2012, the Government and Parliament of the Republic of Tajikistan adopted a "Living Standards Improvement Strategy of the population of Tajikistan (LSIS) for 2013-2015". The transition from the PRS to LSIS is fully consistent with the concept of sustainable development of human resources.

"Living Standards Improvement Strategy of the population of Tajikistan (LSIS) for 2013-2015" is the final implementation phase of the "National Strategy for Development of the Republic of Tajikistan until 2015". It examines various issues related to the achievement of strategic objectives, such as public administration reform, rule of law, the demographic projection and planning, regulation of labor migration, development of private sector and support for the formation of middle class.

In order to improve the living standards of the population by promoting economic growth, the Government of the Republic of Tajikistan is making efforts to address the issues of sustainable macroeconomic development; improve governance; promote the real sectors of economy; diversify production; build the export capacity; improve the investment climate; support business; ensure social protection; develop labor market; and strengthen human resources. Three priority areas for the Government of the Republic of Tajikistan to improve the standards of living are energy independence, food security and communications development.

### *UNDP's Role*

A wide range of international partners support the Government of Tajikistan in the implementation of these tasks. Nevertheless, the international community's efforts are mainly aimed at the **development** of policies and framework documents, and the issues of **enforcement of specific programs on the ground** are neglected. Accordingly, there is a need to work not only at national but also at the local level, as well as provide feedback between the stages of policy development and implementation.

Integrity of assistance and work on the ground is one of the pillars of UNDP's approach to work in the Republic of Tajikistan. UNDP is supporting the Government in socio-economic development, addressing critical social issues, establishment of effective systems of governance at local and national levels. This project proposal intends to make a significant contribution to this work in one of the most important areas - the development of rural areas.

The basis for the implementation of this project proposal will be an extensive infrastructure of the District Development Programmes (DDP), established by UNDP across Tajikistan. DDPs are complex, multi-sector and medium-term programs developed by UNDP in collaboration with the Ministry of Economic Development and Trade the local authorities. . As part of DDP:

- contacts with local residents established, there is a clear work and awareness system etc;
- national priorities of local development strategies taken into account, while being adapted to the unique conditions of the districts;
- emphasis made on the real needs of the most disadvantaged and poor;
- environmental issues successfully mainstreamed, which ensures environmental sustainability and efficient use of natural resources.

Use of DDP would save substantial funds, as there will be no need to build the system "from scratch". As a result of direct contact with beneficiaries and opportunity to focus on the problems of local rural development relevant to certain districts, taking into account their particular nature, the efficiency of spending donor's funds will be increased.

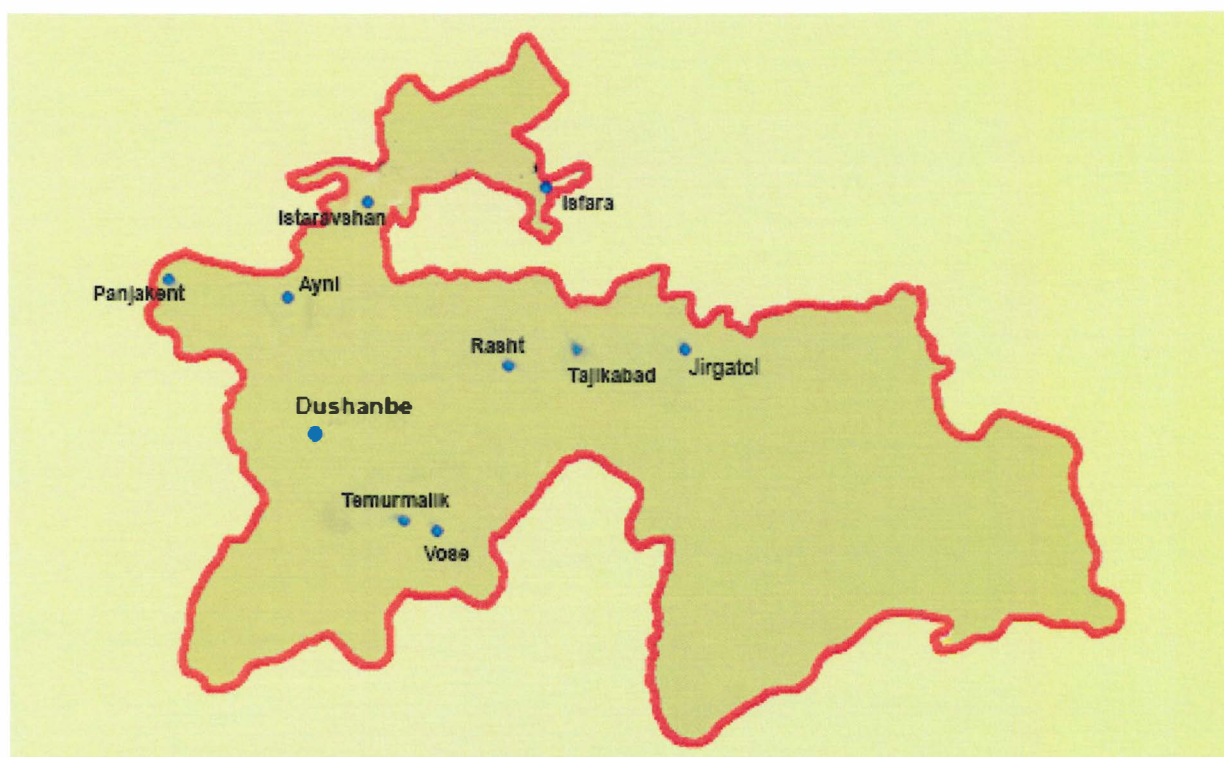
## II. STRATEGY

Objective of Livelihood Improvement of 1 000 000 Rural Population in 9 districts of the Republic of Tajikistan project is to address socio-economic issues, which contribute to improvement of livelihood of population, according to priorities at national and local levels, indicated in:

- (a) National Development Strategy till 2015;
- (b) Living Standards Improvement Strategy of Tajikistan for 2013-2015;
- (c) Sectorial programs and development programs of districts of Republic of Tajikistan.

*The Project will be implemented*, mainly, in mountainous districts of Republic of Tajikistan, which are more prone to factors, hampering their development. These are – remoteness from centers, lack of infrastructure (social – health, education, drinking water supply facilities; economic – roads and bridges, irrigation, finance, etc.), unemployment, high level of labor migration, slow growth of entrepreneurship, poverty and many others.

Figure 1. Location of target districts



Current reforms in Republic of Tajikistan, focused, in particular, on improvement of livelihood through effective governance, increased employment opportunities through investments promotion and support to entrepreneurship, reforms in education and health sectors, agriculture, require support from international community. UN Development Program in Tajikistan supports the Government of the Republic in implementation of these objectives.

The objectives of the Project, which is also closely related to Millennium Development Goals (MDG) and UN Development Assistance Framework (UNDAF), Area-Based Development approach will be applied, that is, activities, implemented at the local level, will be closely interlinked and integrated to achieve highest result. Following this, UNDP will focus on implementation of priorities, identified in District Development Programmes (DDPs), which identify priority sectors in social and economic development, infrastructure, environment protection, etc.

To achieve this, UNDP will actively cooperate with government bodies both at national and local levels. Infrastructure improvement, professional skills development, access to finance, employment creation, migration, and many others will be the main directions of the Project, which are also connected to the main actions of Saint-Petersburg Development Outlook, adopted by the G20 under the chairmanship term of the Russian Federation. These actions are the following:

1. Promoting food security, nutrition, economic growth and jobs;

2. Facilitate provision and uptake of financial services;
3. Accelerate innovative approaches to reduce remittance costs;
4. Address long-term financing for infrastructure;
5. Enhancing national capacities on skills to meet labor market needs;
6. Developing regional and international cooperation for training

Priorities of the project are mainly related to these actions, and addressing them will contribute to enhancing employment opportunities, improving employable skills development, labor market, governance, interaction of different sectors for local development, improvement of infrastructure, development of entrepreneurship, access to financial resources in nine districts of Tajikistan. Also, the project will contribute for decreasing number of unqualified labor migrants to other countries of CIS, including Russian Federation, and increase of managed and qualified labor migration.

### **On-going initiative in target regions**

Main initiatives, on-going in target regions of the Project (Sughd and Khatlon oblasts and the Rasht valley) and financed by international agencies, are listed below:

#### **Sughd oblast**

One of the main and complex initiatives was the Rural Growth Programme, financed by Department for International Development of Great Britain (DFID), UNDP and German Society for International Cooperation (GIZ). The Programme was implemented in 14 districts and 65 jamoats of Sughd oblast and the following mechanisms and instruments for local development have been developed and introduced within its framework:

- Districts and jamoats development programmes, based on wide participation of representatives of all sectors, and improvement of monitoring and evaluation systems for local development processes;
- Trust Fund for support and implementation of local initiatives based on priorities identified in District Development Programmes;
- Offering micro-credits for support and development of small and medium entrepreneurship;
- Public-private dialogue to enhance feedback mechanism for improvement of quality of social services (local economic development indicators, introduction of e-governance elements, public hearings);
- Capacity building of government bodies at local level;
- Improvement of professional skills development through rehabilitation of infrastructure and introduction and new training programmes<sup>3</sup>;

There is a UNEP-UNDP joint "Poverty-Environment Initiative" implemented in the oblast, which promotes the sustainable development agenda and integration of poverty and environment linkages into the national, sectorial and local development plans, as well as regional cooperation in the field of introduction the green economy principles.

UN Bureau for Crisis prevention and Recovery (BCPR) support a project, facilitating cross-border cooperation through rehabilitation of irrigation infrastructure in the bordering areas of Tajikistan and Kyrgyzstan.

With financial support from Government of Finland, UNDP implements Aid for Trade project, which facilitates trade development at local and regional levels.

World Bank, Asian Development Bank and European Bank for Reconstruction and Development are implementing projects for modernization and rehabilitation of education sector infrastructure, energy system (construction of high-voltage power transmission lines and reduction of power losses) and drinking water supply.

#### **Khatlon oblast:**

There are various separate initiatives in Khatlon oblast, implemented by a number of development partners. In Khovaling district, for instance, CESVI, an international NGO, implements activities focused on supporting increase of agriculture production and improvement of access to drinking and irrigational water supply. Aga Khan Foundation through its Mountainous Societies Development Support

<sup>3</sup> GIZ was mainly responsible for developing new curricula



Programme (MSDSP) supports development processes and community level and UN World Food Programme (WFP) provides food for primary school classes. Projects, financed by UNDP, WFP, MSDSP, German Agro-action (GAA), Oxfam, Creative Associates int., in the sectors of health, energy and environment, education and disaster risk management are implemented in Temurmalik district. At the same time, these projects are not complex and integrated, but rather have limited focus.

**Rasht valley:**

In July 2013, a three-year initiative "Empowering Rural Communities for Better Livelihoods and Social Protection" was launched in Rasht Valley, which is funded by the UN Human Security Trust Fund and implemented by five UN agencies (UNDP, UNICEF, UNFPA, UNWomen and WFP). The main objective of the project is to improve the economic, food, environmental, energy, personal safety and public health in 5 districts of Rasht Valley. The proposed Project, which will cover three districts of Rasht Valley and will not duplicate the issues that are the focus of the above project.

The Bureau for Crisis Prevention and Recovery (BCPR) finances the project, within the framework of which there were the following local development mechanisms and tools developed and implemented:

- District Development Programmes based on the principles of wide participation and introduction of monitoring and evaluation of development processes at the local level.
- Trust Fund to support initiatives aimed at preventing conflicts that arise due to the limited access to resources;
- Development and implementation of a mechanism of civil perception in order to improve the quality of public services;
- Strengthening the capacity of public institutions at the local level;

In addition, the Aga Khan Foundation (MSDSP) operates in the region, which implements projects on drinking water supply, UNICEF- projects in the field of children's rights and education, WFP - providing school feeding and ensuring food security.

The mechanisms and tools developed by the above-mentioned initiatives and projects – District Development Programmes, Trust Fund, Public-Private Dialogue, provision of micro-credits to small and medium enterprises and others, will be used in this project as a platform for the implementation of the project activities, which ultimately will enhance the development at the local level. This approach will avoid duplication of activities and results of the proposed project.

### III. OUTCOMES, OUTPUTS AND EXPECTED PROJECT RESULTS

The main long-term outcome (impact) of the project should be to livelihood improvement of 1 million rural population in 9 districts of the Republic of Tajikistan. To achieve this result, in the medium term (Project outcome), project will directly contribute to increasing employment and business development in nine of the most vulnerable districts of Tajikistan, in view of their economic capacity. Indirectly, the project will help to reduce the flow of unskilled labor migrants from Tajikistan to other CIS countries, including the Russian Federation.

UNDP in the planning activities of the proposed project uses an approach for the integrated development of rural areas, which means the decision of problems of local rural development within certain areas (region, district, jamoat) as the existing local problems are complex and interrelated, and consequently the supposed measures should be based on a comprehensive and complex approach. Based on previous experience of UNDP, i.e. efficient and complex use of resources and for achieving maximum results, the project assumes interconnection of all the activities within the district development programmes implementation, which are adopted at the local level by local authorities with participation of representatives of the civil society and private sector. These programmes are medium-term programs aimed at addressing the most important priorities of the local development, such as economic and social development, infrastructure, environmental protection, disaster risk prevention and others. All of these issues, including strengthening capacity of the local authorities, supporting development of labor market (vocational training), private sector development, in particular representatives of agriculture, are highest priority in economic development of the target districts and properly reflected in their development programmes. Thus, all the planned activities will be linked to each other and will contribute in implementation of priorities reflected in District Development Programmes.

To achieve these results, the project is supposed to take the following actions:

**1. District authorities are capable efficiently plan and monitor local socio-economic development.** More specific:

*1.1 Training and retraining of about 180 civil servants (20 persons per target district)* on the topics such as project and financial management, basics of civil and labor rights, basics of investment analysis, agricultural economics, M&E and other topics identified by the results of the initial assessment of training needs. To achieve this outcome, UNDP will involve the specialists of Ministry of Economic Development and Trade of RT and other ministries as well as other agencies that are specialized in the training of civil servants. Training will cover district and jamoats level government officials, including heads of departments of economy and trade, investment and business support, agriculture, which by the nature of their activities should coordinate the process of economic reforms on the ground.

*1.2 Elaboration /review of DDPs of 9 target districts aligning with the national development strategies<sup>4</sup>,* international (including Russian) experience as well as on the basis of extensive consultations with representatives of local businesses and the public. This result is a logical continuation of the result 1.1, in which trained civil servants will be given the opportunity to apply their knowledge and skills (see. 1.1) in practice. At the same time, preliminary training will contribute in elaboration of the programmes that fully comply with the requirements of the planning methodology, developed by the Ministry of Economic Development and Trade of the Republic of Tajikistan with the support of UNDP.

*1.3 Introduction and efficient use of the monitoring system for the local socio-economic development,* including through the regular collection of basic statistical information at the local level, population-based surveys and use of modern tools of collecting and aggregating information. Under this result, the the relevant units of district administrations will be provided with computer equipment and Internet access (if necessary), as well as computer literacy training, collection and processing of statistical data at the local level.

Among the main partners will be also districts statistics units that reported to the districts administrations. Accordingly, the establishment of close cooperation and building partnerships with the statistical authorities at both the local and national level, may serve as the main mechanism for coordination, in particular with the World Bank project "Strengthening the National Statistical System of Tajikistan", as well as with other similar initiatives. The World Bank project is implemented at the national level statistical system with a vertical effect. UNDP will work mainly with the local statistics

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<sup>4</sup> Particularly, methodology will be applied, which is elaborated within the UNDP technical assistance and adopted by the Ministry of Economic Development and Trade (MEDT) of the Republic of Tajikistan in 2012.

bodies taking into consideration the changes that occur at the national level under support of the World Bank. The World Bank project works at the national level, while UNDP will focus only in capacity building at the local level. Accordingly, the duplication of efforts within the framework of these projects will be excluded and the measures on strengthening of institutional capacity, material and technical base and improvement of the national statistics system will complement each other. UNDP will maintain coordination between existing projects in the framework of the Development Coordination Council, which aims to support improvement of coordination and cooperation within the framework of donor assistance to the Republic of Tajikistan.

1.4 Travels to conduct trainings for the local authorities, entrepreneurship and farms to other districts of the Republic of Tajikistan for the exchange of experience between districts and support planning of inter-regional initiatives, as well as to Russia to study the Russian experience in the implementation of advanced technologies on local development management, entrepreneurship development. Tours will be organized for representatives of government agencies and the private sector. Also, there will be involved specialists from Russia to promote best practices in the field of management of the development processes. The participants of the exchange experience programmes will be selected on the basis of: (i) beneficiaries of the target districts; (ii) beneficiaries from appropriate state agency / partner of the Project; (iii) review and assess of the development of entrepreneurs / farmers and the possibility of their contribution in further sustainability of the Project, taking into the consideration the opinion of MEDT as main partner of UNDP.

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

2.1 Creating an advisory council of local economic development of the number of representatives of local authorities and the private sector – standing body to promptly identify and resolve problems that hinder business development (in regulation, taxation, access to national government programs, etc.). Experience shows that countries that pay more attention to improving the business environment, achieve notable success in terms of production of goods and services, creating new jobs, attracting investment, which ultimately leads to economic development. In this context, it is important to note the role of the government in implementation of policies to support business and its involvement in the process of addressing issues of economic development and decision-making. This is due, primarily, the increasing role of the private sector in economic development. States that pay more attention to strengthening the regulation of the private sector are doomed to economic risks than those who have favored a more liberal policy. Public- private dialogue - a platform for interaction between the public and private sectors, to discuss and resolve issues to improve the business and investment climate, development of the private sector and the economy as a whole. The advantages of creating platforms are:

- ensure transparency and create more trust between sectors of society;
- increase in the possibility of sharing opinions and experiences of the private sector on how to improve policies;
- provide vertical and horizontal exchange of information and the involvement of other government and public institutions in the process of dialogue and address priority issues;
- promote effective implementation of reforms aimed at improving the business and investment environment in the context of economic development;

The Council will serve as a tool to build trust between the main sectors of the society. The state conducts more effective reforms if the private sector understands its substance and supports the policy of the state in this direction. Regular meetings and open discussions create an atmosphere of trust between the sectors; increase the possibility of sharing the opinions and expertise of the private sector on how to improve policies, ensure transparency of decision-making on the development of entrepreneurship; provide vertical and horizontal exchange of information and involve other state and public institutions in the process of dialogue; promote the effective implementation of reforms aimed at improving the business and investment environment in the context of economic development; promote best practices and expertise in dealing with issues, and more. Thus, the Council will provide a mechanism to reconcile the positions and interests of the sectors of society for the benefit of local economic development.

Significant development of dialogue between sectors has been made after the establishment of Consultative Council in December 2007, on improvement of investment climate under the President of Tajikistan. Council at the national level, as well as the Councils established later under the oblast chairman becomes a key link in the process of conducting the reforms.

To ensure vertical relationship of established councils at the local level and promoting issues from the bottom up, and thus ensure the participation of local entrepreneurs in the process of decision-making and implementation of reforms, there was a need to facilitate such a dialogue at the local level.

Public-private dialogue at the local level is relevant that brings together the interests of the sectors, build trust, encourages the participation of other sectors in the process of local economic development, monitors and evaluates the implementation of national reforms at the local level, helps to improve economic indicators of the districts, promotes the districts and improves the well-being of the population.

The effectiveness of the dialogue reflects the private sector development and investment, which is impossible without creation of favorable conditions for business development and investment.

2.2 Analysis of the investment capacity of each areas with the involvement of international (including Russian) expertise. discuss the results of the analysis, develop specific proposals to address the barriers of doing business.

Analysis of the investment potential will be conducted to determine the internal and external opportunities and constraints in attracting investment for economic development. These activities may include the development of an investment profile of the district, strengthening the capacity of authorities responsible for attracting investments, development of information web sites for mentioned districts.

This priority direction is part of the economic section of socio-economic district programs and will be one of the key mechanisms for the programs implementation.

2.3. Rehabilitation of the vocational training system in each district. rehabilitation and equipping vocational schools, elaboration of training modules taking into consideration the needs and standards of the local, regional and international labor markets (including Russian). This activity will focus on training and retraining of unemployed, including potential and existing labor migrant for such demand professions as a mechanic, welder, mason, electrician, etc.

2.4. Conducting trainings courses on agribusiness, entrepreneurship, arable farming, sustainable economic management, efficient nature management for no less than 500 local farmers. Through the obtained knowledge and skills in planning and management of agricultural activities farmers can increase yields and reduce losses to a minimum.

Given the close relationship of socio-economic development of Russia and Tajikistan, the Project will involve Russian capacity and expertise in key areas of the Project. The Project will contribute in development and establishment of contacts between local governmental agencies, entrepreneurs and farmers of Russia and Tajikistan.

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

3.1 Grant support to at least 50 small-scale projects with a total coverage of more than 200,000 people (the amount of funding per project is up to US\$40,000 with the coverage of more than 5,000 people). Based on the experience of UNDP within the framework of Rural Growth Programme in Sughd oblast<sup>5</sup>, there will be Trust Funds established in each target district, which will be supplemented by budgetary and extra-budgetary sources of financing. The Fund's resources will be disbursed on priority issues stated in the district development plans.

Previous experience of UNDP demonstrated that the most sustainable projects are the projects of an economic nature. Due to the fact that the rural population is mainly employed in the agricultural sector, they are usually put forward for financing infrastructure projects such as the rehabilitation of irrigation facilities and land reclamation, purchase of agricultural machinery, providing access to alternative sources of energy through the construction of small hydro power plants and so on. Such projects can significantly improve the productivity (productivity of workshops and repair shops, etc. in the case of small hydro power plants), provide large coverage and long-term benefit. As a result, these projects contribute to the replenishment of local budget through taxes and other incomes from the rehabilitated infrastructure and jobs created. However, these projects are often costly. Local authorities and the population, although willing to make a significant contribution, are not able to solve such problems alone.

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<sup>5</sup> Rural Growth Programme is a three-year programme funded by DFID, GIZ and UNDP. The Programme was implemented in 2010-2013 in Sughd region with overall budget of US\$18.7 million.

As part of the project activities, support will be provided to local economic development initiatives. In reviewing proposals, the following selection criteria will be used:

- 1) The project should address high-priority issues in the target area (village, jamoat or district);
- 2) The requested amount for the project shall not exceed US\$40,000, while the contribution of local authorities or the population must be at least 25% of the total cost of the proposed project;
- 3) The project will contribute to the development of local economy, in particular, creation of jobs or opportunities for increasing the income of local population;
- 4) The project will not have a negative impact on the environment.

### 3.2 Provision of at least 2,000 microcredit aimed at creating jobs and additional income for the unemployed and the development of micro-entrepreneurship.

All microcredit will be issued with preferential interest rates in targeted areas for self-employment and also will facilitate the organization of production and job creation. Emphasis will also be given to those companies that export their products to the Russian Federation and other countries so that by using preferential credits, they are able to improve production.

Microfinance is the most flexible form of financing for the population, especially in rural areas, where the intervention of large banks is minimal. Microfinance plays an important role in reducing poverty, providing self-employment, improving people's access to credit and preparing population to work with larger loans. Microfinance organizations work with the poor, offering a service that helps to meet their needs.

To implement this, UNDP will actively collaborate and attract the capacity of the existing micro-credit organizations, which are currently more than one hundred and twenty in Tajikistan. Some of these micro-credit organizations collaborated with UNDP in the past while implementing microcredit initiatives in rural areas. Microfinance institutions will be involved through tendering process for the right to the allocation of resources provided by UNDP. Under this program, emphasis mainly will be placed on micro-lending funds, which, according to the legislation, are public organizations and fulfill a social function at the same time. Micro-credits will be issued to the rural poor, particularly women, to start their own business, as well as entrepreneurs to create new jobs. Size of microcredit will vary from US\$300 to US\$1,500 for individuals, and from US\$10,000 to US\$30,000 for legal entities and entrepreneurs<sup>6</sup>. Based on the recent experience on microcredit, borrowers in the second credit cycle on average receive from US\$600 to US\$800. The project will use the previous experience of UNDP in the area of microcredit in Tajikistan<sup>7</sup>.

UNDP has extensive experience in implementing microfinance projects in rural areas of the Republic of Tajikistan since the early 2000s. Within the framework of the project, UNDP will actively involve public microcredit funds that were established after the adoption of the Law of the RT "On Microfinance Organizations" in 2006 and operate in rural areas.

Each microcredit fund covers several districts with their cash processing points (CPP) in jamoats - CPP (from 4 to 24 jamoats per each microcredit fund). Each microcredit fund has its staff hired on a competitive basis, including loan officers, accountants, risk managers, and others. Daily work is managed by the Executive Director, who reports to the Board of Trustees - the supreme management body of the microcredit fund. The members of the Board of Trustees are elected by the Board of Founders and carry out their functions on a voluntary basis. The Founders of the microcredit fund are public associations working at the jamoat level.

Activities of the microcredit fund are guided by the Law of the Republic of Tajikistan "On Microfinance Organizations", the Civil Code of the Republic of Tajikistan, other legal acts and regulations of the National Bank of Tajikistan. Credit activity of the microcredit fund is regulated by its internal credit policy, according to which, micro-credits are granted on group and individual schemes. Group loans are issued to the groups of 4 to 8 people asking for a small credit - on average up to US\$900 equivalent. Herewith, group loans are issued under the group mutual obligation and do not provide a collateral. Individual loans, in turn, are issued in a larger size (from US\$900 to US\$3,000 equivalent) and are provided with collateral that covers at least 150% of the collateral. Also, loans may be granted to legal entities (dehkan

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<sup>6</sup> According to the Regulation 137 of the National Bank of the Republic of Tajikistan the maximum amount of microcredit issued by microcredit funds cannot exceed US\$50,000 for individuals and US\$70,000 for legal entities.

<sup>7</sup> Rural Growth Programme (2010-2013) – total budget US\$18.7 million; Zerafshan Valley Initiative (2006-2009) – total budget US\$9,2 million, Tajikistan-Afghanistan Poverty Reduction Initiative (2011-2012) – total budget US\$5 million etc.

farms, small enterprises) under collateral. Monthly interest rates on microcredit will depend on the type of loan product.

Decision to approve the application for a credit is made by the Credit Committee of the microcredit fund based on the recommendations of loan officers. A prerequisite for this is a rigorous study of the client's business plan, the study of its solvency, and others. Utilization of these credits by customers are regularly monitored by loan officers, risk managers, as well as the heads of cash processing points and the microcredit fund itself.

All the activities of the microcredit fund is subject to direct supervision by the internal auditors of microcredit fund and the members of the Board of Trustees. Furthermore, according to the current legislation, the activities of the microcredit fund are mandatory subject to an independent external audit on an annual basis, as well as planned inspections by the National Bank of Tajikistan.

At present, the total credit portfolio of seven microcredit funds, supported by UNDP, is more than US\$7.5 million. Total number of active clients as of 1 January 2014 is above 18,000. Portfolio at risk up to 30 days makes up US\$93,000 (1.2%).

Micro-credits will be issued based on the group (uncollateralized system where the collateral is a guarantee and surety of the rest of the group) and the individual methods (deposit system, more used to lending business). Credits will be issued for a period of 3 months to 1 year, depending on the type of activity, and the process is controlled and monitored by the microfinance institution, based on their credit policy. Micro-credits have a repayment mechanism so that the system will function stably to further provide services to the population. The interest rate will be lower than the market rate, but acceptable to ensure sustainability and, depending on the type of activity. Micro-credits will be mainly granted for the following activities:

1. Agriculture, cultivation and processing of fruits and vegetables;
2. Animal husbandry, fattening and cattle breeding;
3. Production of goods and provision of services;
4. Trade.

All three components of the project are planned to be implemented in 9 districts of Tajikistan, including 4 districts of Sughd oblast (considering 2 districts of Zarafshan valley), 2 districts of Khatlon oblast and 3 districts of the Republican Subordination (Rasht valley).

3.3. Organization of support services to producers and processors of agricultural products (advisory services on increasing productivity, technologies, certifications and so on) in order to promote trade and increase export potential, including for future access to the promising regional markets in Russia, Kazakhstan and other countries. There will be support provided in improving the performance of processing companies through the introduction of advanced process control standards, quality standards (ISO, HACCP), preparing them for entry into other markets and taking into account the demand in these markets. Trainings will be conducted and advisory services rendered on quality management, marketing, human resource management, financial management, and many other issues depending on the needs of the companies.

On capacity building, it is expected to develop appropriate curriculum, the involvement of local and international, including Russian, consultants, and the organization of study tours within the project.

1. Curriculums will be developed and selected based on the needs assessment, taking into account the specifics of the industry (agribusiness, entrepreneurship, farming, sustainable agriculture, efficient use of natural resources), requirements and standards that are consistent with the goals and objectives of the sectoral policies of the country, as well as the district development plans.
2. Local and international consultants are selected on a competitive basis according to the procedures of UNDP as per the terms of references and qualification requirements, which are developed based on the nature of tasks within the project. Terms of reference for the recruitment of local and international consultants are agreed with the relevant partners (state agencies, local authorities, etc.), which are the beneficiaries of these services.

#### IV. RESULTS AND RESOURCES FRAMEWORK

<b>Intended Outcome as stated in the Country Programme Results and Resource Framework:</b>
1. Good governance and economic and social growth are jointly enhanced to reduce poverty, unlock human potential, protect rights, and improve core public functions
<b>Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:</b>
1. Enhanced economic development and poverty reduction programmes with specific focus to the rural poor population, women and detached groups.
<b>Applicable Key Result Area (from 2014-17 Strategic Plan):</b> Sustainable development pathways, resilience building
<b>Partnership Strategy:</b> The Project will be implemented by the UNDP CP in cooperation with the national counterparts (Government entities, donors, civil society and the private sector).
<b>Project title and ID (ATLAS Award ID):</b> Livelihood Improvement of 1 000 000 Rural Population in 9 districts of the Republic of Tajikistan
<b>ATLAS Award ID:</b> 00083638 <b>Project ID:</b> 00092014

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p><b>Output 1:</b></p> <p><b>District authorities are capable efficiently plan and monitor local socio-economic development</b></p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>- In 7 of 9 districts have been conducted trainings on District Development Programmes (DDPs) elaboration, however further capacity building in M&amp;E of the local economic development is required;</li> <li>- DDPs for 7 districts, which adopted in 2011-2013, need to be reviewed within the Project. 2 districts have not DDP.</li> </ul> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- Number of civil servants trained on local economic development issues;</li> <li>- Number of elaborated/reviewed DDPs with</li> </ul>	<p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>- 180 civil servants trained by the end of 2016 (2015 – 90 persons and 2016 – 90 persons);</li> <li>- 7 DDPs elaborated / reviewed by the end of 2015 and 2 DDPs by the end of 2016</li> </ul> <p>All targeted districts are using the monitoring system of social and economic development of territory</p>	<ul style="list-style-type: none"> <li>- Training and retraining of about 180 civil servants (20 persons per target district);</li> <li>- Elaboration /review of DDPs of 9 target districts aligning with the national development strategies;</li> <li>- Introduction and efficient use of the monitoring system for the local socio-economic development;</li> <li>- Travels to conduct trainings for the local authorities, entrepreneurship and farms</li> <li>- Technical assistance to MEDT and districts administrations</li> </ul>	<p>UNDP, MEDT</p>	<p><b>Total Output 1:</b> <b>\$647000,00</b></p>

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
integrated M&E system; - Number districts, which regularly and efficiently apply monitoring system for the local economic development				
<p><b>Output 2:</b>  <b>Support development of favorable investment climate, entrepreneurship and employment at the local level</b></p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>- There is no active Public-Private Dialogue (PPD) platforms in the target districts;</li> <li>- Data on investment capacity in target districts need to be updated;</li> <li>- Material and technical capacity of the existing vocational schools does not allow to provide qualitative vocational training according to the local and external labor markets needs;</li> <li>- Lack of knowledge on modern efficient agro-technologies limits farms to ensure reduction of the process loss and increasing productivity</li> </ul> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- Number of established and efficiently functioning PPD platforms at the district level;</li> <li>- Conducted investment capacity analysis in target districts and the results submitted to the general public;</li> <li>- Number of rehabilitated and equipped vocational schools;</li> <li>- Number of people trained and received</li> </ul>	<p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>- PPD platforms established and efficiently functioning in all the target districts (4 PPD by the end of 2015 and 5 PPD by the end of 2016);</li> <li>- Results of the conducted investment capacity analysis submitted to the general public at the national and local levels by the end of Project;</li> <li>- 9 vocational schools rehabilitated and equipped by the end of Project (4 – by the end of 2015 and 5 – by the end of 2016);</li> <li>- 500 persons got new knowledge by the end of Project (150 persons – by the end of 2015, 150 persons – by the end of 2016 and 200 persons – by the end of 2017)</li> </ul>	<ul style="list-style-type: none"> <li>- Establishment of the Consultative Councils on local economic development consisting of representatives of the local authorities and private sector;</li> <li>- Conducting investment capacity analysis of each district with involving international (in particular Russian) experts;</li> <li>- Rehabilitation of the vocational training system in each district;</li> <li>- Conducting trainings courses on agribusiness, entrepreneurship, arable farming, sustainable economic management, efficient nature management</li> </ul>	<i>UNDP, MEDT</i>	<b>Total Output 2:            \$580400,00</b>



INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
vocational knowledge				
<p><b>Output 3:</b>  <b>Support rural initiatives aimed to address the local population priorities, creation of new jobs and entrepreneurship development</b></p> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>- Budget of the local authorities and the population capabilities not enough to address all priorities of the local economic development;</li> <li>- Rural entrepreneurship and farms have a limited access to the financial resources;</li> <li>- Rural entrepreneurship and farms have not enough information for doing business</li> </ul> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- Number of implemented local economic development initiatives;</li> <li>- Number of provided micro-credits;</li> <li>- Number of business-consultations provided for entrepreneurs and agricultural producers</li> </ul>	<p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>- Supported 50 initiatives (16 in 2015, 17 in 2016 and 17 in 2017);</li> <li>- Provided 2 000 microcredits within the Project (625 in 2015, 625 in 2016 and 750 in 2017);</li> <li>- 50 000 persons increased awareness in local development (15,000 in 2015, 15,000 in 2016 and 20,000 in 2017)</li> <li>- 16 organizations received business-consultations within the Project (6 in 2015, 5 in 2016 and 5 in 2017)</li> </ul>	<ul style="list-style-type: none"> <li>- Grant support at least 50 small initiatives with total coverage not less than 200,000 persons (funding of one initiative up to \$44,000 with coverage not less than 4,000 persons);</li> <li>- Provision at least 2,000 microcredits aimed to create new jobs and additional income for unemployed and development of small entrepreneurship;</li> <li>- Conducting information campaign for at least 50,000 persons;</li> <li>- Provision of support services for producers and processing of agricultural products</li> </ul>	<p><i>UNDP, MEDT</i></p>	<p><b>Total Output 3:</b>  <b>\$4288000,00</b></p>
<b>Project management</b>				<b>\$ 1,184.600</b>
			<b>Total:</b>	<b>\$ 6,700.00</b>

#### IV. ANNUAL WORK PLAN FOR 2015

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<b>Project: Livelihood Improvement of 1 000 000 Rural Population in 9 districts of the Republic of Tajikistan</b>									
<b>Output 1:</b> <b>District authorities are capable efficiently plan and monitor local socio-economic development</b>									<b>Total: \$2,180,700</b>
									<b>Output 1: \$194,800</b>
<b>Baseline:</b> - In 7 of 9 districts have been conducted trainings on District Development Programmes (DDPs) elaboration, however further capacity building in M&E of the local economic development is required; - DDPs for 7 districts, which adopted in 2011-2013, need to be reviewed within the Project. 2 districts have not DDP.	<b>Activity 1:</b> Training and retraining of about 90 civil servants;	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$84,000
	Elaboration /review of DDPs of 7 target districts aligning with the national development strategies;	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$90,000
	Introduction and efficient use of the monitoring system for the local socio-economic development	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$20,800
<b>Indicators:</b> - Number of civil servants trained on local economic development issues; - Number of elaborated/reviewed DDPs with integrated M&E system; - Number districts, which regularly and efficiently apply monitoring system for the local economic development									
<b>Targets:</b> - 90 civil servants trained by the end of 2015;									

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
- 7 DDPs elaborated / reviewed by the end of 2015									
<b>Output 2:</b> <b>Support development of favorable investment climate, entrepreneurship and employment at the local level</b>									<b>Output 2: \$158,000</b>
<b>Baseline:</b> - There is no active Public-Private Dialogue (PPD) platforms in the target districts; - Data on investment capacity in target districts need to be updated; - Material and technical capacity of the existing vocational schools does not allow to provide qualitative vocational training according to the local and external labor markets needs; - Lack of knowledge on modern efficient agro-technologies limits farms to ensure reduction of the process loss and increasing productivity	<b>Activity 2:</b> Establishment of the Consultative Councils on local economic development consisting of representatives of the local authorities and private sector;	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$18,000
	Conducting investment capacity analysis of each district with involving international (in particular Russian) experts;	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$35,000
	Rehabilitation of the vocational training system in each district;	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$81,000
	Conducting trainings courses on agribusiness, entrepreneurship, arable farming, sustainable economic management, efficient nature management	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$24,000
<b>Indicators:</b> - Number of established and efficiently functioning PPD platforms									

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
at the district level; - Conducted investment capacity analysis in target districts and the results submitted to the general public; - Number of rehabilitated and equipped vocational schools; - Number of people trained and received vocational knowledge <b>Targets:</b> - PPD platforms established and efficiently functioning in 4 target districts by the end of 2015; - Results of the conducted investment capacity analysis submitted to the general public at the national and local levels by the end of 2015; - 4 vocational schools rehabilitated and equipped by the end of 2015; - 150 persons got new knowledge by the end of 2015									
<b>Output 3:</b> <b>Supporting rural initiatives aimed to address the local population priorities, creation of new jobs and entrepreneurship development</b> <b>Baseline:</b> - Budget of the local authorities and	<b>Activity 3:</b> Grant support at least 16 small initiatives with total coverage not less than 200,000 persons (funding of one initiative up to \$44,000 with coverage not less	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$750,000
									<b>Output 3:</b> <b>\$1,390,000</b>

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<p>the population capabilities not enough to address all priorities of the local economic development;</p> <ul style="list-style-type: none"> <li>- Rural entrepreneurship and farms have a limited access to the financial resources;</li> <li>- Rural entrepreneurship and farms have not enough information for doing business</li> </ul> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- Number of implemented local economic development initiatives;</li> <li>- Number of provided micro-credits;</li> <li>- Number of business-consultations provided for entrepreneurs and agricultural producers</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>- Supported 16 initiatives by the end of 2015;</li> <li>- Provided 625 micro-credits by the end of 2015;</li> <li>- Conducted information campaign on local development for 15 000 persons;</li> <li>- 6 organizations received business-consultations by the end of 2015.</li> </ul>	than 4,000 persons);								
	Provision at least 625 micro-credits aimed to create new jobs and additional income for unemployed and development of small entrepreneurship;	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$500,000
	Conducting information campaign for at least 15,000 persons;	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$20,000
	Provision of support services for producers and processing of agricultural products	X	X	X	X	UNDP, MEDT	Government of the Russian Federation		\$120,000
<b>Project management</b>									<b>\$437,900</b>
<b>Total for 2015:</b>									<b>\$ 2,180,700</b>

## V. MONITORING FRAMEWORK AND EVALUATION

UNDP jointly with donor and MEDT and other project partners will develop monitoring and evaluation (M&E) system to collect and analyze data in a regular basis on set indicators of the project, as well as for further measurement of the achieved results.

M&E system will help UNDP and key partners to monitor the status of execution of the Project for each planned results and to use the data for decision-making, resource allocation and communication of results achieved.

In particular, a system of goals, objectives, indicators and expected results, as well as M&E plan, will be developed which will serve as the basis for monitoring and evaluation of the project. Further, a qualitative assessment will capture progress towards key outcomes based on quality criteria and methods on a quarterly basis.

In addition, necessary reports will be developed on a quarterly and annual basis containing data on both the progress in achieving results, and on the lessons learned to ensure continuous learning and adaptation project realities. In addition, to assess the degree of achieved goals and objectives the mid-term review and final evaluation of the project will be carried out by independent experts.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

### Within the annual cycle

- Regular Steering Committee (SC) meeting will be organized by UNDP to monitor the execution of the program activities. SC will take strategic decisions. SC meetings will take place as necessary, but at least once a year.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted, a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- Further, the project is subject to audit and inventory according to UNDP rules and procedures. Following the rules of UNDP, regular external audits will be conducted.

### Annually

- **Annual Work Plan of the project.** UNDP in consultation with project partners will prepare annual work plan and agree with SC. The work plan will serve as a mechanism for planning, coordination and monitoring.
- **Monitoring and Evaluation.** UNDP will be responsible for monitoring the implementation of project activities, as described in this document, as well as the implementation of the budget. UNDP will work closely with the donor and the Government of Tajikistan to ensure coordination and support in the performance of the project. Assessment of program activities will be conducted in accordance with UNDP requirements. Goals, objectives, indicators, listed in the table of resources and results of the project will serve as a basis for monitoring and evaluation. Additionally, the staff of UNDP will selectively attend project sites/areas. Annual

report will serve as the primary tool for documenting progress in the project implementation against objectives and expected results.

- **Annual Report and Lessons learned:** conclusion and lessons learned will be used to implement the necessary changes to the table of resources and results, and for the preparation of annual reports by the Project Manager. Final external evaluation will be carried out in the last four months of the program execution. Donor participation can be arranged in regular monitoring as well as during any evaluation of the program.
- **Independent Project Review** will be held in mid cycle of the project implementation (1.5 years).

## **VI. COMMUNICATION, VISIBILITY AND PUBLIC RELATIONS**

To increase the visibility and awareness raising on the project results among the stakeholders and communities the communication and public relations strategy will be developed.

UNDP will use various communication materials, such as project reports, success stories, presentations, video and audio materials to disseminate the project implementation information. Besides, media will be channeled to disseminate the information. It includes the publication of articles in local newspapers and magazines, including TV and Radio. The regular updates and the main project documents will be placed in created public web page.

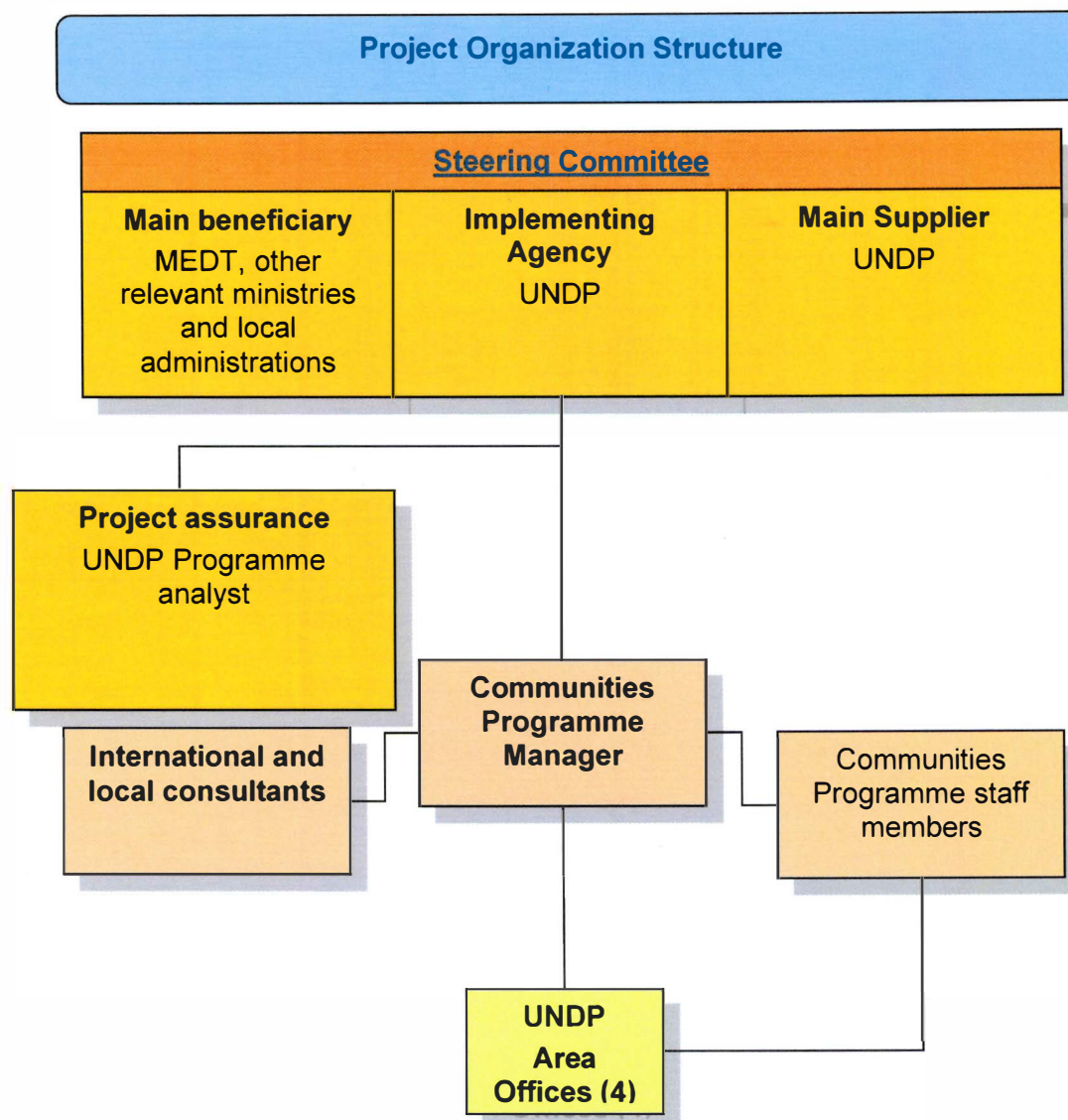
In strategic level, the Project Steering Committee (PSC) represented by donor, implementing agency and key partners, including project beneficiaries. PSC will arrange the meeting not less than one time in a year and will serve as important platform to exchange the and information dissemination about the project achievements and lessons learnt.

The Communication and Partnership specialist will be responsible for public relations and provide on the regular basis the stakeholders, communities with the necessary information, generated by the results of project monitoring and evaluation.

To provide the linkage of project with the donor's information/communication policy, all publications and informational materials will be agreed with donor during the preparation process. Logos and other materials with indication of project donor will be applied based on the donor's information and communication policy.



## VII. MANAGEMENT ARRANGEMENTS



Project will be implemented by UNDP through its Communities Programme (CP) under Direct Implementation Modality (DIM) in accordance with rules and procedures of UNDP. CP will play the leading role of project implementation. International and local consultants will be involved on a need basis. UNDP will provide concrete support in project implementation through its programme and operations units. The Board of the CP will be used as the project board (as the project will be implemented under the CP).

CP Programme Manager (CPM), local consultants (LC), CP Dushanbe staff members, 4 Area Offices of CP will be involved for the implementation of daily management and complementary functions. UNDP Programme Analyst responsible for the poverty reduction and achieving the MDGs portfolio will serve as a project assurance functions.

The main project management functions are:

- UNDP Programme Analyst (poverty reduction and achieving MDGs portfolio) will provide general project implementation assurance, including other programme support ;
- Communities Programme Manager will provide overall management of project implementation and activities. He will coordinate the project activities with relevant state bodies and other

stakeholders at the national level. CP Manager will be acting under the direct governance of UNDP Senior Management and delivery the main executing project decisions to project Board (Steering Committee)

- CP Dushanbe staff members will support PM in programme/operations activities and daily coordination of practical implementation of all activities and reporting;
- Regional Area Offices in Garm, Kulyab, Khujand and Ayni will be the direct implementers of project components in relevant fields;
- International/local consultants will provide needed technical expertise necessary for project.

## VIII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the SBAA between the Government of Tajikistan and UNDP, signed on 1993.

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.