



PROJECT DOCUMENT
UNDP Tajikistan

Project Title: Accelerating Post COVID-19 Economic Recovery through Improved Livelihood, Employability, and Regional Cooperation in Ferghana Valley

Project Number: Award ID: 00123995, Output ID: 00119061

Implementing Partner: UNDP Tajikistan

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Brief Description

Building on strategic priorities of UNDP Tajikistan and on previous partnerships with the UNDP-Russia Trust Fund for Development (RTF), the project aims to strengthen livelihood and resilience potential of people living in the Tajik part of Ferghana Valley, contributing to recovery from COVID-19 impact and solidifying social cohesion in cross-border areas. The key Development Goal of the project is to restore and improve livelihoods, promote productive and decent employment and increase income generation opportunities through innovation for sustainable enterprise development and cross-border trade promotion in Ferghana Valley in Tajikistan.

The Project will target vulnerable women and men, youth, returned migrants and SMEs in Sughd province, living and working in rural districts bordering with Kyrgyzstan and Uzbekistan, considering their vulnerability to unemployment, social exclusion, social tensions in border areas. A special focus will be on activation of young men and women, who are not in education, employment, or training (NEET). The project will apply a gender-sensitive approach to reach girls and women, to equip them with employable knowledge and modern skills, and empower them to engage more actively in economic activities.

This project document was developed in coordination with the UNDP Country Offices in Kyrgyzstan and Uzbekistan. Outputs are designed to include opportunities for complementary data collection and activities shared across the three countries. Where feasible, activities to accelerate experience sharing and the replication of good practice examples are included to enhance a development dialogue across the three countries. Through this approach, UNDP aims to accelerate achievement of resilient socio-economic recovery in the region, and to enhance stability and prosperity in the Ferghana Valley in close partnership with the respective Governments.

The project is in line with national and local development priorities, which, in their turn, contribute to achieving Sustainable Development Goals. Among 17 Goals, the project will be contributing directly and indirectly in implementation of the Goals # 1, 2, 3, 4, 5, 8, 9, 11, and 17 covering issues of no poverty, quality education, gender equality, decent work and economic growth, sustainable cities and communities as well as partnership building with various sectors of society in the context of local and regional development.

Contributing Outcome: UNDAF/CPD Outcome 2. People in Tajikistan benefit from equitable and sustainable economic growth through decent and productive employment, stable energy supply, improved access to specialized knowledge and innovation and more favourable business environment especially for entrepreneurs and farmers CPD Output 2.1. National and sub-national systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment and livelihood intensive. Gender marker: GEN2	Total resources required:	USD 2,195,800.00	
	Total resources allocated:	Donor:	USD 2,000,000.00
		Community (in-kind):	USD 195,800.00
		UNDP (parallel funding):	USD 275,000.00
	Unfunded:		

Agreed by (signatures):

Government	UNDP Tajikistan
Deputy Minister of Economic Development and Trade of the Republic of Tajikistan 	Resident Representative
Print Name: Mr. Abdurahmon Abdurahmonzoda	Print Name: Dr. Pratibha Mehta
Date: 17/12/2020	Date: 17/12/2020



I. DEVELOPMENT CHALLENGE

Tajikistan 2020 socio-economic outlook

The economy of Tajikistan has been growing steadily over the past few years, with annual average rate of 7.6% since 2000¹, mostly driven by growth in remittances and public investments in construction, light industry (e.g. textiles and clothing), energy, and services. Persistently high growth rates have not translated into higher disposable incomes and a markedly improved welfare of the population. More recently, Tajikistan was hit by adverse economic shocks - a sharp drop in commodity prices,² a significant slowdown in major trading partners³ and a loss in competitiveness.⁴ According to the World Bank,⁵ Tajikistan is classified as a low-income country (LIC), the only such country in the Eastern Europe and Central Asia region.

While the economy of Tajikistan has been growing at a robust pace, job creation and poverty reduction has stagnated. The poverty level has decreased from around 80% in 2000 to 45% in 2010 and further down to 27.5% of the population in 2019, but poverty incidence is still prevalent among women and girls, particularly in rural areas.⁶ Since 2009, poverty has fallen by approximately 1%-point each year, which shows the slowing pace of poverty reduction efforts.⁷ One of the reasons why poverty persists is the lack of adequately remunerated jobs, which forces many citizens into labor migration. Another reason is that household incomes are mainly used for consumption, with little to no savings, which reduces resilience to withstand economic and financial hardships and increases vulnerability. It is highly likely that the gains from past years of poverty reduction may be lost due to the COVID-19 situation.

The COVID-19 outbreak is estimated to yield negative change in the country's domestic output. Thus, IMF estimates that Tajikistan's economy will contract up to 2% in 2020, which implies a significant economic downturn that will require targeted crisis mitigation measures.⁸ The last time Tajikistan's economy contracted so sharply was only caused by the civil war in the 1990s; and the lowest recorded year-on-year GDP growth rate was 3.9% in 2009, following the global financial crisis. Limited fiscal space, low foreign investment and shrinking domestic demand make the future economic prospect very unsustainable if external demand shocks and restriction against COVID-19 continue beyond 2020.

Micro, small and medium-sized enterprises (MSMEs) play an important role as a source of employment, but their contribution to GDP remains low (about 30%), compared to the OECD average of 50% in 2018. The share of MSMEs in total employment in Tajikistan comprises about 35%.⁹ The economy outside industrial complex (i.e. extractives and manufacturing) is dominated by self-employed individuals, as well as small,¹⁰ family-run companies. MSMEs are commonly regarded as part of the growth transmission mechanism contributing to the wellbeing of households. However, MSMEs are mainly operating in low productivity sectors and growth prospects for businesses are being held back by regulatory and economic impediments. The majority of entrepreneurs operate in agriculture, e.g. small-holder farmers, traders and service

¹ Partly, this is because the growth of Tajikistan has been less affected by exogenous shock that adversely affected growth of many other developing countries, such as the burst of dotcom bubble in 2001, the global financial crisis in 2008-2009, and the collapse of commodity prices in 2015-2016. Tajikistan's growth slowed down to 3.9% at the time of the global financial crisis in 2009, but the degree of decline was much less severe than the Caucasus and Central Asia as a whole.

² Particularly for oil and metals, such as gold and aluminum. Tajikistan is a non-oil economy, but there is a high correlation with the changes in oil price because over 80% of remittances are coming from oil-rich Russia.

³ Especially Russia and Kazakhstan (both countries are oil exporters).

⁴ Owing to a decrease in the value of Tajik somoni by more than 70% against the U.S. dollar during 2015-2019.

⁵ Source: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>. Tajikistan has only ever 'moved' into the lower-middle-income country (LMIC) category in 2015, with a GNI of \$1,080.

⁶ Agency for Statistics under the President of the Republic of Tajikistan: <https://www.stat.tj/ru/welfare-of-the-population>.

⁷ World Bank. 2019. *Tajikistan Country Economic Update: Heightening Fiscal Risks in Tajikistan*. Washington, D.C., p.23.

⁸ IMF. 2020. *Staff Report on the Republic of Tajikistan. Request for Disbursement under the Rapid Credit Facility (RCF)*. Washington, DC, p.4.

⁹ As a comparison, 10 years ago the share of SMEs in total formal employment was approximately 48% (IFC, 2009).

¹⁰ According to the World Bank, about 70% of formal private sector firms have fewer than 10 employees, while the average size of MSMEs in Tajikistan equals 16 employees.

providers. The initial assessment of COVID-19 impact confirms that private entrepreneurs working in the sectors of agriculture (including cross-border traders), manufacturing (light industry), tourism and hospitality and personal services – are the most affected by COVID-19 outbreak in Tajikistan, with the net effect being negative in terms of employment, sales and turnover.

Access to finance is severely constrained and the range of consumer products and services offered to MSMEs is limited. The cost of credit is prohibitively high, averaging in May 2020 an annualized 22.9% in local currency and 12.1% in foreign currency.¹¹ High cost of credit is explained mainly by greater risk of problem debts (evidenced by high rates of non-performing loans (NPLs))¹² and high overall portfolio risks due to economic uncertainty. High dependence on volatile sources of income (e.g. from remittances and informal employment) and high cost of credit led to over-indebtedness and financial constraints of a large number of borrowers.¹³

Employment outlook (2019)	
Indicator	Latest data
Labor Force (female %)	2,560,157 (31.82 %)
Labor Force Participation rate (% of total population ages 15-64)	45.9% (62% male and 29% female)
Labor Force participation 15-24	28% (36 male and 21 female)
Employment in services	32%
Employment in industry	16%
Employment in agriculture	50%
Self-employed	45%
Wage and salaried workers	54.64%
Vulnerable Employment (ILO est)	44%
Unemployment (ILO est) % of total labor force	11.08% (9.84 female and 20.95% of youth 15-24)
Labor migrants	530,883

Agriculture in Tajikistan is most densely populated by entrepreneurs, including dehkan farms.¹⁴ Although agricultural productivity remains low compared to neighboring countries, wheat and cotton continue to dominate crop production and account for approximately 36% and 25% of Tajikistan's total cropped area, respectively. The share of horticulture in total agricultural output has been growing, and 41% of aggregate agricultural output was produced by dehkan farmers in 2019. Many dehkan farms are also engaged in cross-border trade, which has been severely affected by COVID-19 due to border restrictions.

The COVID-19 situation has negatively affected Tajikistan's total trade. In January-June 2020, exports to other CIS countries declined by 30.6% in comparison with the same period last year. In the first six months of 2020, Tajikistan's exports comprised \$654.4 million, while imports equaled \$1,504.3 million. Imports from non-CIS countries have also declined, comprising 20.6% less than in the same period last year. Total imports also declined by 4%, compared to January-June 2019.

The export concentration and heavy dependence on natural resources also make Tajikistan's exports vulnerable to volatile international commodity prices. International market prices for copper, aluminum and cotton are falling since early 2018 and are expected to further drop in the next few years. This necessitates an overhaul of Tajikistan's export and production structure, and sustained investment in value chain development. According to UNCTAD data from 2018,¹⁵ Tajikistan has the greatest revealed comparative advantage in the following top 10 product groups: spices, hides and skins, fruits and nuts, crude vegetable materials, cotton, wool and other animal hair, crude minerals, oil seeds and oleaginous fruits, iron and steel, and coal.

Tajikistan is one of the most rapidly growing countries in terms of the size of its population. Between 2000 and 2019, Tajikistan's population increased by 49%, i.e. from 6,126.7 million to 9,127 million respectively. Nearly 73.6% live in rural areas. The population is relatively young (with mean age at 26.3 years in 2019) and 62.4% of the population is within working age, reflecting high fertility rates and rising workforce. These trends require a constant effort to create jobs, which can only be achieved through the expansion of private sector. Tajikistan's labor market is weak, with workers often under-paid, unskilled and disincentivized.

¹¹ National Bank of Tajikistan (NBT): https://nbt.tj/files/statistics/kredit_ru.xls.

¹² NPLs in the banking sector steadily declined but peaked in 2016, reaching 47.6% of total credit in the banking system.

¹³ Pratt, R. 2016. *Borrowing by Individuals in Tajikistan: A Review of the Attitudes and Capacity for Indebtedness. Summary Issues and Observations*. Dushanbe, p.4.

¹⁴ Mid-sized, privately owned commercial farms, which are distinct from household plots.

¹⁵ Source: <https://unctadstat.unctad.org/EN/RcaRadar.html>.

Agriculture remains the biggest employer (60.8% of total employment in 2018), followed by services (30.3%), construction (4.3%) and manufacturing (3.5%). However, wages differ significantly by sector. In May 2020, average monthly wages in agriculture were equal to \$52.2 per month, \$132 in services, \$230 in construction, and \$168.5 in manufacturing. In real terms, monthly wages went down by 5.2% year-on-year in May 2020.

Since outbreak of COVID-19 in May 2020, the World Bank Listening to Tajikistan survey noted sharp deterioration of the employment context due to affected MSMEs by the economic shocks. The share of household reporting that no member had worked in the preceding 7 days spiked from 20 percent in March to nearly 40 percent in May. Nearly 63 percent of respondents report changes to the working conditions of members due to COVID-19, and about 8 percent of those who halted work were reported as “unlikely to resume”¹⁶. Preliminary results of UNDP Assessment showed that 48,5% of respondents who were employed in the period of March – May 2020 confirmed that their employment status was affected by pandemic outbreak, in different ways¹⁷.

Alarmingly, even in pre-COVID context, 2.311 million Tajik people are neither studying nor formally contributing to economic activity, representing 42.6% of the working-age population (i.e. people aged 15 -65) in 2018. These people are unlikely to have stable source(s) of income, or working informally, thus being very vulnerable to economic shocks and poverty. It is anticipated that **informally employed people** (approx. 47% of all employed including in the agriculture sector) and **small entrepreneurs** will be those most affected by the economic impact of COVID-19. Women and youth of 15-24 years are at higher risk of losing their job due to higher rates of participation in informal sector and unpaid jobs (25% women are employed in unpaid family businesses and farming, compared to 13% men)¹⁸. 73% of households’ income in Tajikistan comes from informal sector activities, whereas women account for 58% of people producing good for own use¹⁹. It is evident that the crisis like others **differently affects women and men** about their socio-economic well-being, unpaid work and care responsibilities, gender-based violence, access to education and healthcare services. Whereas globally increased online interaction and contact-less consumption become increasingly important in service provision, in Tajikistan context the limited access to and high cost of Internet connection may result in increased inequality gap between rural and urban citizens in terms of access to information, essential services and consumer goods and potential for people to continue working from home²⁰.

Tajikistan, being one of the most remittance-dependent countries worldwide, has **around 30 to 40 percent of households**²¹ with at least one family member working abroad²². Majority of Tajik migrants are men (83%)²³ in the age of 15-65. Labor migration represents the most sought-after exit strategies for citizens, particularly in rural areas. Tajik labor migrants are working in lower-skilled and lower-paid jobs, mostly in Russia, compared to migrants from other CIS countries. The share of women among labor migrants increased from 6.6% in 2010 to 17% in 2019. As households seem unable to diversify with respect to destination, they expand into new occupations by increasingly sending women to work in housekeeping, caring and other service jobs.

Labor migration continues to fuel Tajikistan's GDP growth through consumption, with remittances comprising about US\$2,731 million in 2019 (or 35.3% of GDP). However, this is down from 4,219 million in 2013 which was equivalent to 49.6% of GDP. In 2019, remittances comprised about 47% of average monthly wages of Tajikistan's population.²⁴ Studies have shown that remittances

¹⁶ WB Listening to Tajikistan Survey

¹⁷ UNDP Assessment of COVID-19 impact on lives, livelihood and MSMEs, preliminary analysis

¹⁸ <https://www.worldbank.org/en/country/tajikistan/publication/tajikistan-addressing-challenges-to-create-more-and-better-jobs>

¹⁹ Labor Force Survey, 2016

²⁰ <https://eurasianet.org/tajikistan-and-its-terrible-horrible-no-good-very-bad-internet>

²¹ The latest figures estimate the number of Tajik labor migrants working in Russia is around 1,200,000 people, and remittances around 30% of the GDP

²² <https://www.migrationpolicy.org/article/dependent-remittances-tajikistan-prospects-dim-economic-growth>

²³ National data on migration

²⁴ National Bank of Tajikistan (https://nbt.tj/ru/payments_balance/analytical_representation.php) and Agency for Statistics under the President of the Republic of Tajikistan (<https://www.stat.tj/ru/welfare-of-the-population> and <https://www.stat.tj/ru/tables-real-sector>).

alleviate poverty, improve nutritional outcomes, and reduce child labor in disadvantaged households.²⁵

Once social distancing measures had been put in place in Russia and Kazakhstan, up to 40% of labor migrants had their income jeopardized or reduced, 51% reported loss of all sources of income²⁶ and stopped sending money back home, thus lowering incomes of their families in Tajikistan.²⁷ The rapid fall in oil prices in the first six months of 2020 and the negative impact of COVID-19 on the Russian economy left an estimated 530,000 migrant workers (5.3% of Tajikistan's population) unable to return to work at the start of the 2020 migrant work season.²⁸ Specifically, remittances from labor migrants declined by 28.2% in the first six months of 2020. The Central Bank of Russia (CBR) reported that remittances from Russia to Tajikistan in Q1-2020 declined by 19.4% year-on-year - the second largest drop in remittances among all CIS countries (except Kazakhstan).²⁹ For Tajikistan, further decrease of remittances up to 50% is projected in the next 3-4 months³⁰, and according to the Ministry of Finance projection the deficit of a state budget in 2020 will be around 3,1 billion TJS (more than \$300 million) or roughly, 3,7% of the country's GDP³¹.

The World Bank survey "Listening Tajikistan" confirmed that the share of respondents reporting a deterioration in their family's finances spiked from 8 percent in March to nearly 23 percent in May 2020. Households reporting that they have "no savings" rose from 29 percent in January to more than 41 percent in May 2020. About 71 percent of respondents' report being very concerned about the impact of COVID-19 on the economy and their livelihoods.

To better understand the situation, UNDP initiated a comprehensive assessment of COVID impact on lives, livelihoods and MSMEs³² in close cooperation with the Government of Tajikistan and inputs from the private sector, CSOs and other partners. The findings highlight a few findings:

- 63 % of surveyed MSMEs were negatively affected by the pandemic due to closure of international borders, local markets, breakdown in logistics and other restrictions,
- Almost 25% of affected MSMEs had to temporarily shut down;
- Approximately 33% of affected MSMEs allowed their workers to take unpaid leave;
- Only 22.5% of SMEs surveyed could use digital means such as text messaging and only 4 % could use web-based resources for marketing because of their low computer literacy, lack of guidance; lack of access to on-line transactions; cost and speed of mobile services and internet connectivity.
- Since February 2020, 68% of migrant laborers could not leave Tajikistan to work abroad, and only one third of them (32%) could find some paid jobs here.
- Overall, women are the hardest hit by the crises especially as they are over-represented in informal jobs, at the same time their workload as the primary care giver to sick and elderly in the house has significantly increased.

UNDP Assessment indicated that 80% of labor migrants who are currently in Tajikistan argued that border closures due to COVID-19 prevented them from leaving the country for work. Only 32% of them have been able to secure some paid job or work in Tajikistan while others are awaiting travel restrictions to be lifted in order to continue working in Russia and other neighboring countries such as Kazakhstan, the Kyrgyz Republic and Uzbekistan.

²⁵ In 2020 remittances to countries in Central Asia (including Tajikistan) are expected to fall by approximately 28% due to the combined effect of the global coronavirus pandemic and lower oil prices. Source: <https://www.worldbank.org/en/news/press-release/2020/04/22/world-bank-predicts-sharpest-decline-of-remittances-in-recent-history>.

²⁶ <https://asiaplustj.info/ru/news/tajikistan/society/20200709/v-rossii-40-migrantov-poteryali-rabotu-iz-za-pandemii>

²⁷ According to estimates by the Ministry of Labor, Migration and Employment of the Population of the Republic of Tajikistan, there are more than 530,000 Tajik citizens (of which 14.5% are women) working in Russia and Kazakhstan as labor migrants. Besides, the total number of migrants increased by 13% in 2019 in comparison with the previous year.

²⁸ Asian Development Bank. 2020. *Republic of Tajikistan: Growth Assessment*. Dushanbe, p.12.

²⁹ Source: https://www.cbr.ru/vfs/statistics/CrossBorder/Personal_Remittances_CIS.xlsx.

³⁰ <https://tj.sputniknews.ru/infographics/20200409/1031039001/koronavirus-dohody-migranty-russia.html>

³¹ www.asiaplustj.info

³² UNDP Assessment of COVID-19 impact on lives, livelihoods and MSMEs. <https://bit.ly/2TxiMkt>

Apparently, deferral of loan, tax, rent and utility payments are perceivably more important for MSMEs affected by COVID-19, whereas **opportunities offered by digitalization and innovative coping strategies are often underestimated** due to limited knowledge and skills to use modern technologies, **especially by micro and small enterprises, private entrepreneurs and farmers**. In the absence of systemic, sustained and hands-on support to help them adopt new work processes, speed up digitalization of their operations and/or services, and interact with customers, MSMEs will be unable to innovate and employ effective and sustainable measures in order to adapt to a "new normal" of the post-COVID economic reality.

The early lessons from pandemic confirm that none of the countries can any longer rely on conventional approaches in socio-economic development. New habits and regulations will shape the way people and institutions work, interact, and communicate in the post-COVID era. Gradual shifts happening now will accelerate significant behavior change in the longer term.

According to the findings of the UNDP Assessment, **job creation and job retention, investing in value chains and trade promotion as well as digitalization of public services should be at the forefront of the post-COVID recovery efforts**. A smart government policy for targeted business support and more effective provision of public services to entrepreneurs are pre-requisite for a quick recovery of the private sector allowing to create more jobs and maintain the value chains for critical products and services. **Improved access to digital solutions and one-stop shops for public services and business consulting** become critical in the current context.

Digitization of public services (e.g. utility payments, banking transactions, distance-learning modalities, medical consultations) and **strengthening digital and financial literacy of people** coupled with **reducing the cost of mobile and broadband services** should be viewed as not only a means to reduce costs for households and businesses, but also as a **meaningful way to gradually reduce informal economic activity**.

COVID19 impact in Northern Tajikistan (Sughd region)

The Fergana valley is considered as one of the most densely populated areas³³ and plays an important economic and geopolitical role in Central Asia, yet, valley has long been the population and agricultural heartland of Central Asia. It has also been one of the most unstable areas in the region since the collapse of the Soviet Union due to several factors, including diverse and interspersed populations, complex borders, dwindling resources and religious extremism³⁴. One flat part of the valley is of Uzbekistan, covering its Andijan, Namangan and Fergana regions, the second, the eastern part of the plain, as well as the mountains and foothills surrounding the valley from the north, east and south, belong to Kyrgyzstan covering Osh, Jalalabad and Batken regions, the western part of the valley covers the territory of the Sughd region of Tajikistan.

The project will target the Tajikistan part of the Ferghana Valley, namely the Northern part of the Sughd region. The Sughd Region of Tajikistan consists of 12 districts and 6 cities, the territory is 25.2 thousand sq. km., the population is more than 2.7 million people. Its Northern part consists of the following districts: B.Gafurov, J.Rasulov, Isfara, Konibodom, Devashtich, Asht, Mastchoh, Spitamen, and cities of Khujand, Buston and Guliston and shape the **North Sughd Agro-industrial livelihood zone**. The Tajikistan part of the Fergana Valley shares similar geo-economic profile with neighboring Uzbekistan and Kyrgyzstan.

³³ <https://www.britannica.com/place/Fergana-Valley>

³⁴ <https://worldview.stratfor.com/article/central-asia-complexities-fergana-valley>

Even though the average poverty rate is considerably low in Sughd (22%), the geographic distribution of poor remains highly uneven in urban/rural locations and reaches 46 and above percent in some remote areas of Sughd. Multidimensional poverty in rural areas of Sughd affects more than 63% of population, mostly due to limited access to clean water, sewerage, heating and education. According to official data, about 27% of the population in Sughd are unemployed (including youth 15-29 years - 57%). 24% of young people of 15-24 are neither in employment nor in education or training (NEET). Sughd area has the highest share of employees in the informal sector – 22%. From 14 to 19% of households in Sughd are considered as female-headed.

Box 1. Brief profile of Ferghana Valley

While the Ferghana valley comprises 1% of the total territory of the five Central Asian states, it is home to roughly one fifth of the region's total population (approx. 12 mln people). Around half of the Valley's population is assessed at 28 years old or younger. The population is also extremely diverse and territorially heterogeneous, as can be expected in a region whose administrative and ethnic characteristics reflect the complicated history of Soviet state-building (including the delineation of administrative borders to weaken pre-Soviet political identities and structures).

The rapid growth in population, lack of marketable skills and limited employment opportunities, compounded by growing shortages of water and inefficient land use practices seem likely remain important risks/threats to the Valley's development prospects. These are often linked to issues of socio-economic marginalization, social and political exclusion and disenfranchisement, and corruption and infighting among political elites.



The regional economy is highly dependent on agriculture and thus is prone to climate change and natural disasters, such as hailstorms, weather fluctuations and downpours. For instance, the sharp decrease of temperature in April, 2020 from 24-25°C to abnormal 5-9°C, has negatively impacted the harvest prospects for sweet-cherries and apricots³⁵, equaling to loss of 15-20% of expecting income.

The North Sughd was the first in Tajikistan hit by outbreak of COVID, due to active population movement across the borders with Kyrgyzstan and Uzbekistan and absence of quarantine measures at the initial stage. The first cases of atypical pneumonia have been recorded in J. Rasulov and B. Gafurov districts in the end of March 2020. Official data by the end of June 30, 2020 confirmed 1,938 cases of COVID-19 in the Sughd region, 1,891 recovered, and 16 people died. However, the actual figures might be much higher, considering people's limited access to testing, and punitive measures for COVID-19 spread adopted by the Government. More than 7,000 citizens of Tajikistan, who crossed the

border, were hospitalized in Sughd for 14-day quarantine. 5 hospitals are profiled to accept patients with COVID symptoms in the region.

Currently, there are 114,653 MSMEs functioning in Sughd, including 62334 dekhkan farms. Apparently, closure of borders and restrictive measures against COVID-19 impacted the small and medium enterprises in the region, especially those working in the sphere of catering and other services (salons, repair points of cars and household appliances), small and medium trade, etc. Tax collections in Khujand accounted for only 35-50% of the total plan for the period April-June 2020, which can subsequently affect wages in the social sphere.

It is worth noting that during the period of restrictions and self-isolation, there was an increase in demand for online services for the delivery of goods, as well as taxi orders. During UNDP SEI Assessment 43% of respondents from Sughd confirmed availability of internet connection, although often slow and expensive.

Currently, Khujand, Isfara, B. Gafurov, J. Rasulov in Northern part of Sughd region and Panjakent city in Zarafshan valley have faced the hardest hit of COVID-19 outbreak, due to increased pressure on local healthcare, and immediate impact on lives and livelihoods of people during lockdown phase in May-September 2020. Disruption in supply and demands chains have also significantly affected the prices and exporting potential of agriculture products, hence rural districts of Sughd region, dependent on agriculture production and cross-border trade, will face the long-

³⁵ <https://east-fruit.com/article/poteri-urozhaya-chereshni-ot-zamorozkov-v-uzbekistane-dostigayut-15-20-a-urozhay-yablok-ne-postradal/>

term social and economic impact unless support package is provided to the farmers, local producers and merchants.

Government's Response to COVID-19 pandemic.

Since early January 2020, when the first signs of pandemic were announced at the global level, the Government of Tajikistan has created an **Inter-ministerial Standing Committee**, led by the Prime-Minister and prepared a National Action Plan to mitigate the risk of COVID on socio-economic development of Tajikistan. Based on the parameters of this plan, two additional plans were prepared by the Ministry of health and Social protection and economic block of the Government on 1) *Action Plan for prevention and reducing the national economy's exposure to potential risks of COVID-19*, approved by the Prime-Minister with estimate of USD 700 mln. (mainly for budget support) and 2) *COVID 19 Country Preparedness and Response Plan*, approved by the Minister of Health and Social Protection.

The COVID-19 Country Preparedness and Response Plan (CPRP) consists of 23 broadly defined measures for implementation during March to December 2020, including:

- A health sector and social protection response package to assist the poor and vulnerable;
- A package of economic measures to ensure food security; and
- A package of economic measures to safeguard MSMEs prone to being severely affected.

These measures were prepared in close consultation with key international development partners, including UNDP.

Business support measures introduced by the Government of Tajikistan are in line with the Decree of the President of the Republic of Tajikistan 'On Countering the Socio-Economic Impact of COVID-19 Outbreak on the Republic of Tajikistan' (#1544 dated June 5, 2020) and the CPRP document. The full package of business support measures is estimated to cost approximately \$160 million in line with the CPRP and is intended to support MSMEs and employment through temporary tax concessions and relief to domestic producers and entrepreneurs. According to June 2020 estimates of the Ministry of Finance, these measures are estimated to cost more than 600 million somoni in forgone tax revenue.

Specifically, amended annual budget legislation introduces the following measures to support MSMEs:

- Tax holidays and fee waiver for late submission of tax declarations for businesses in the tourism and hospitality sector, recreational and sports centers, sanatoriums, food places, international passenger transport and air navigation (from April 1, 2020 until September 1, 2020);
- Tax exemption for individual entrepreneurs operating under a patent in local markets (bazaars), trading centers, shopping malls and consumer service points, including beauty salons, fashion houses, hairdressers and sewing workshops (from May 1, 2020 until August 1, 2020);
- Exemption of businesses which import disinfectants, medical supplies and personal protective equipment, other medical equipment and instruments for equipping medical laboratories, and other supplies required for COVID-19 testing from value added taxes (VAT), excises and customs duties (from July 1, 2020 until September 1, 2020);³⁶
- Exemption of medical facilities, hotels and sanatoriums, which are hosting, diagnosing and/or treating COVID-19 patients free of charge from corporate income tax (CIT), value added taxes (VAT), and automobile road user tax (from July 1, 2020 until December 31, 2020);

³⁶ The list of products/supplies which are exempt from VAT, excise duties and customs duties is approved by the Government of Tajikistan upon submission by the Ministry of Health and Social Protection of the Population (MoHSP) in consultation with the Ministry of Finance.

The Tax Committee under the Government of the Republic of Tajikistan has also introduced moratorium on tax and audit inspections of businesses. In the meantime, the Tax Committee and the Ministry of Finance are also drafting the amended Tax Code of the Republic of Tajikistan, which is meant to provide further 'breathing space' for businesses which have been affected by the coronavirus pandemic.

Through the state-owned Entrepreneurship Support Fund (ESF)³⁷ under the Ministry of Finance, the government is disbursing concessional loans to struggling MSMEs in need of urgent financing as a result of COVID-19, including businesses which produce and/or import food and medical products.

The impact of the measures taken by the Government to mitigate the consequence of COVID is still to be evaluated. However, the business support organizations indicate the narrow focus of adopted measures and emphasize the need for wider complex of mitigation activities required to support the Government to address urgent socio-economic issues of the country through harmonized activities in socio-economic sectors, as well as capacity building of private sector (MSMEs) for prevention from closure and enable them to operate as jobs and income-creation tool for rural population. Considering the economic context of Ferghana Valley in particular, high level of dependence of the districts of valley from the remittances and agriculture sector, call for expanded range of support for development of productivity, value-chains and marketing of the agriculture products to enable the population of the valley to survive in terms of negative shocks from COVID-19 pandemic. Above-mentioned will contribute to the stabilization of the valley, stronger social cohesion and socio-economic development of the region.

II. STRATEGY

Overall Project Goal / Expected impact is to strengthen livelihood and resilience potential of people living in the Tajik part of Ferghana Valley, contributing to recovery from COVID-19 impact and solidifying social cohesion in cross-border areas. The goal will be achieved through integrated approach and package of development interventions to restore and improve livelihoods, create productive and decent employment and increase income generation opportunities through innovation for sustainable enterprise development and cross-border trade promotion. The project will focus on enhancing employability and income of people most affected by COVID-19 with a geographic focus on Ferghana Valley in Tajikistan. The proposed activities are aimed to achieve indicators of the National Development Strategy of the Republic of Tajikistan for the period up to 2030³⁸, Mid-term Development Programme of the Republic of Tajikistan for 2021-2025³⁹ and other sectoral programmes of Tajikistan.

This project was developed based on regional and local analysis of COVID-19 impacts across the three countries sharing Ferghana Valley. As such, activities are designed through coordinated approach of UNDP country offices in Kyrgyzstan, Tajikistan and Uzbekistan. Each output has been designed to include opportunities for complementary data collection and analysis that will be shared across the three countries. Where feasible, activities to accelerate experience sharing and the replication of good practice are included to enhance a dialogue across the three countries. Through this approach, UNDP aims to accelerate achievement of a resilient socio-economic recovery in the region, as well as enhanced stability and prosperity in the Ferghana Valley in close partnership with the respective Governments.

The project pursues the following development **objectives**:

³⁷ The Entrepreneurship Support Fund is in the process of being restructured into a state-owned bank 'Sanoatsodirobank'.

³⁸ https://nafaka.tj/images/zakoni/new/strategiya_2030_en.pdf

³⁹ Currently under the elaboration of the Government of Tajikistan with support of UNDP and other partners.

1. Address inefficient and partially ineffective provision of employment opportunities in the target districts of Sughd region with labor market interventions targeting unemployed and economically idle population, including vulnerable young women and men;
2. Increase income generation opportunities while fostering social cohesion to mitigate the escalation of tensions for communities living along the borders with Kyrgyzstan and Uzbekistan.
3. Promote digital solutions for stronger engagement and collaboration of public and private sectors and strengthening efficiency of public services to local communities.
4. Promoting trade cooperation across Tajikistan, Uzbekistan and Kyrgyzstan for better diversification of the markets for quality agricultural products and development of cross-border cooperation.

The Project strategic approach: The project builds on existing strategic priorities of UNDP Tajikistan and the new project interventions aimed to accelerate the immediate and long-term response to COVID-19 and to ensure capacities for stronger recovery. The project builds on institutional strengthening of its partners, both from public and private sector. It acts as a facilitator, focusing on technical assistance, coordination, networking, and knowledge dissemination/exchange. The project focuses on sustainability and scale, which means striving for both systemic change and developing a clear vision of the future beyond the project lifespan. Change is facilitated with an emphasis on long term sustainability, which can be driven by market system stakeholders. Acting as a “catalyst for change” encourages more players to take part in the market systems (i.e. crowding in), and leads to greater local ownership and more relevant and sustainable change and impact. The Project will specifically target rural men and women, especially those living in districts of Sughd region bordering with other CA countries, considering vulnerability of the population to unemployment, social exclusion, social tensions in border areas, their limited access to trainings, limited capacity to start a business, etc. In rural areas the focus will be on people, who are Not in Education, Employment, or Training (NEET). The project will apply the gender-sensitive approach to reach girls and women from NEET category, to equip them with needed knowledge and skills, and empower them to engage more actively in economic activities.

The project targets the following groups:

- 1) Female and male youth aged between 15 and 30 through employment promotion services, on-the-job training, apprenticeships and skill training opportunities leading to sustainable employment;
- 2) Female and male citizens, current job seekers, members of rural communities living in economically disadvantaged areas, members of households affected by COVID-19 by assisting them in better accessing productive employment, decent work and income opportunities as a way to lift their well-being and minimize their unemployment insecurities, income inequality and social exclusion;
- 3) Women and men who own and/or manage Micro Small and Medium Enterprises (MSMEs), including farmers by increasing income from and employment in the selected value chains;
- 4) Women and men, including youth, who work in MSMEs as paid or unpaid employees or workers that benefit from value chain interventions;
- 5) Returned migrants lacking job opportunities in their locations.
- 6) SMEs, private entrepreneurs, farmers and merchants involved in agricultural value chains and trade at the local and regional level, whose businesses were affected by COVID-19 and its consequences, and who could benefit from more effective cross-border trade cooperation.
- 7) Local government authorities involved in local economic development planning and managing employment and economic development processes.

The project is aligned with the *National Development Strategy (NDS) of the Republic of Tajikistan till 2030*, as well as *Mid-Term Development Programme 2016-2020* and *districts development plans of targeted districts*, which focus on economic diversification and competitiveness, sustainable jobs, improving energy supply and transport connectivity, ensuring food security, enhancing public administration and developing human resources. The measures to strengthen resilience of people and MSMEs to COVID impact are aligned with the Government’s *COVID-19*

Country Preparedness and Response Plan (CPRP), adopted for period of March -December 2020 and take into consideration the results of the review of the *State Entrepreneurship promotion program 2016-2020* and the framework for new *Strategy for Private Sector development 2021-2025* elaborated by the Government with UNDP support in 2020. The measures for inclusive labor market are coordinated with ongoing process of elaboration of the new long-term *Employment Promotion Strategy* currently being elaborated by the Ministry of Labor, Employment and Migration.

Overall, the project is highly relevant to the government strategies for providing support to livelihoods via income generation at the household level and through cross-border trade. It is highly relevant for achieving the *United National Development Assistance Framework (UNDAF)*'s Outcome 2, which calls for achieving equitable and sustainable economic growth through better employment opportunities and livelihoods, access to knowledge and information for entrepreneurs and farmers, and a stable energy supply and *UNDP Tajikistan's CPD Output 2.1: National and sub-national systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment and livelihood intensive*. The Project is also aligned with *SDGs Goals 1, 2, 3, 4, 8, 9 and 17* and contributes to the promotion of SDG principles for leave no one behind and promotion of sustainable partnerships for development.

The projects **theory of change** is based on the following rationale:

If vulnerable people and communities affected by COVID-19 pandemic get additional opportunities to maintain their livelihoods and employment, **then**, they will be more resilient to withstand the economic and social impact of COVID-19 pandemic, will be able to maintain decent living standards for their household members and remain resistant to social tensions triggered by difficult geo-political and economic context.

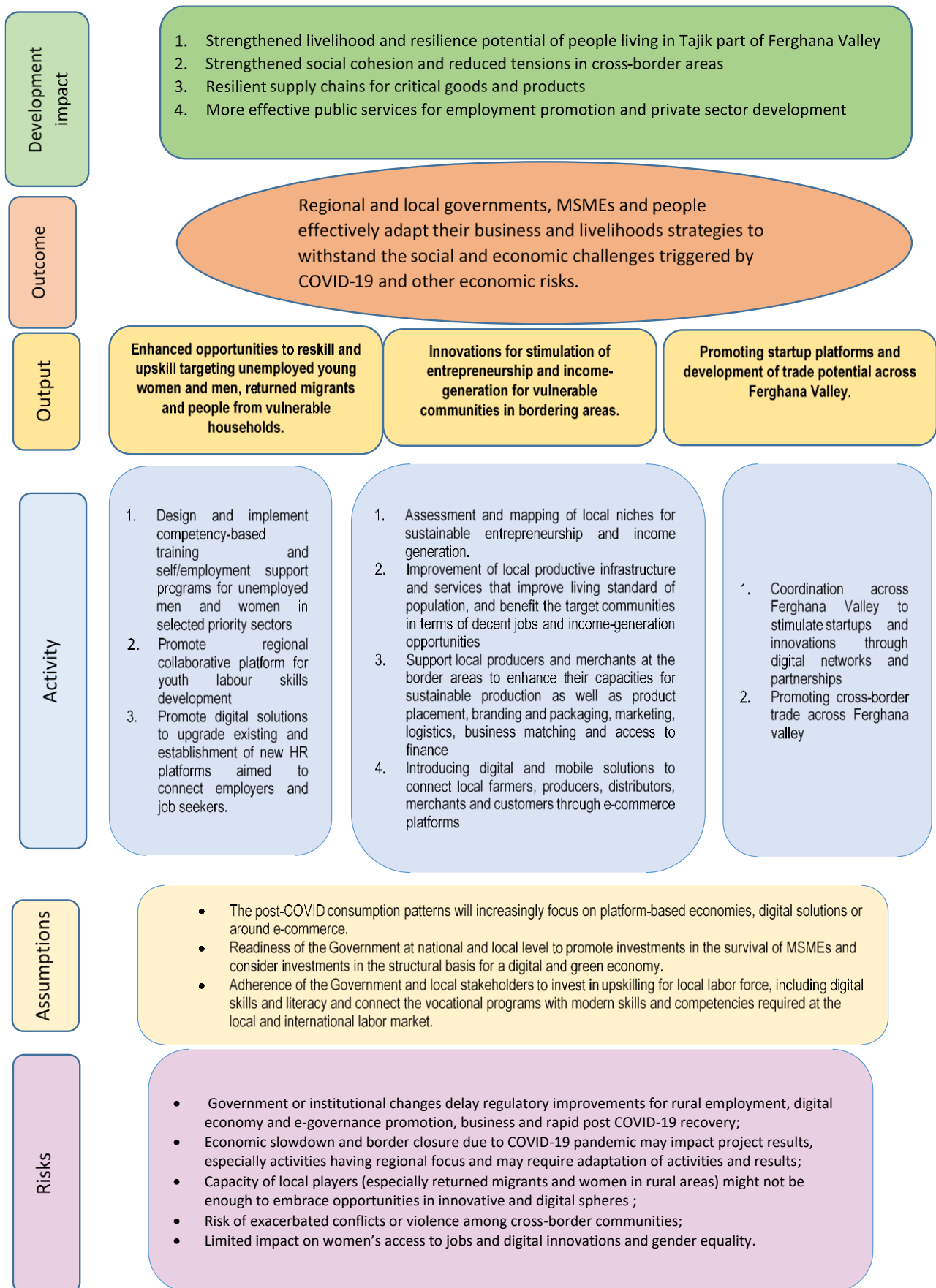
And

If small and medium enterprises, including farmers and cross-border traders, get business stimulation support, access to affordable finance and assistance for introducing innovative and greener ways of doing businesses, **then** they will be enabled to uphold their business, retain employees, adapt to new market demands and potentially create new job opportunities.

The theory of change is based on **assumptions** that the post-COVID consumption patterns will increasingly focus on platform-based economies, digital solutions or around e-commerce. Therefore, throughout its response and recovery actions, UNDP will focus on promotion of increased online interaction and contact-less consumption, as both will become increasingly important in service provision and possibly also responsible consumption. UNDP works closely with the Government to promote investments in the survival of MSMEs and consider investments in the structural basis for a digital and green economy. Adaptation of technology to be flexible and productive will be critical. Investment in the structural basis will need to be accompanied by upskilling for local labor force, including digital skills and literacy. Please also refer to **Figure 1** below.

Current uncertainty with COVID situation in Tajikistan makes it difficult for small businesses to plan or prepare. There is no doubt that stabilization and stimulation support are critical in order to ensure jobs and livelihoods. Careful consideration should be given to whether these stimulation support programmes contribute to maintaining jobs and climate change mitigation and adaptation, supporting the rebirth of MSMEs and regional cross-border economic relationships that built more on cooperative rather than rivalrous systems. For example, the crisis could be used by Central Asian countries to adapt policy responses that favour a transition to a cooperative regional economy. The build back better principle is to be central in all intervention to stop the uncontrolled use of natural resources, as well as limitless consumption as a main factor of success and development within society. Hence, one of the key assumption of the project is readiness of the Government to ensure conducive environment for innovations, especially in such areas as digital economy and sustainable local development, and readiness for more open cross-border cooperation with its neighbors considering conflicting priorities and pressures on the state and regional budget because of pandemic impact and global economic recession.

Figure 1. Theory of Change of the Project.



Gender Analysis

In Tajikistan, the gender disparities are exacerbated by the fact that women's vulnerability persists mainly due to a low level of education, limited access to economic resources, a misconception of the traditional family structure and the existence of gender stereotypes in the public consciousness. The situation has worsened due to impact of COVID-19 pandemic and needs respective recovery efforts. Currently, the projects implemented by UNDP in Tajikistan have an emphasis for advancing women's economic empowerment and participation in decision making with a special focus given to women from rural settings. UNDP is implementing targeted activities to address specific vulnerabilities experienced by women in terms of access to finance and non-financial resources, business skills and basic services. On average, women comprise 37% of all people reached by UNDP through its livelihood support and vocational trainings interventions.

The National Strategy for Enhancing the Role of Women in the Republic of Tajikistan proposes concrete actions to improve women's participation in education, the labour market, entrepreneurship, and in politics, though without identifying responsible agencies, timeframes with milestones, funding sources, and monitoring plans.

In technical subjects, such as economics and management, agriculture and energy men make up virtually 100% of the student population. Such clear gender segregation patterns in academic subjects suggest that there is little to no attention paid to identifying and removing barriers to women's entering technical areas of study in vocational institutions. In 2016, the share of women-students in higher education made ~33%⁴⁰, which is still low and directly affecting the issue of women empowerment.

In addition to gendered employment differences, the labour market in Tajikistan exhibits segregation—both horizontal (the sectors where women and men work) and vertical (women's and men's position in employment hierarchies).

Considering the structure of women and men employment, women are concentrated in unskilled jobs. These findings indicate the persistence of barriers to women's career advancement and the need to expand opportunities for them to gain a range of professional skills.

According to the official statistics the number of unemployed women, in 2019, was 21,900, which makes almost half (44,7%) of the official unemployment in Tajikistan (54,500 unemployed people)⁴¹. Women engagement in business sphere, especially in agribusiness, remains weak. In 2017, the number of women headed dehqan farms made 31,615 against 133,016 men headed or ~19%⁴².

The proposed project aims to support rural women in women economic empowerment through increased access of rural women to new vocational and digital skills, knowledge for sustainable productive capacities and employment. The project results framework includes outputs and activities directly contributing to the project objective, with gender, sex/age segregated indicators to inform project implementation and its impact on gender equality. It is envisaged that at least 30% of beneficiaries of project activities will be women and young girls, as well as businesses led by women.

To ensure that women equally benefit from the project, all project activities will be inclusive and implemented in a participatory manner with meaningful involvement of women in planning and training processes. The project will apply efforts to increase participation of women in project activities beyond the minimum threshold identified in Result Framework, and involve women in design and delivery of project interventions and in monitoring and evaluation fo project results.

The project will combine its partnership strategy along with existing CO assessments and advocacy actions to build capacities of local stakeholders to promote women's engagement in higher-value chains and social entrepreneurship.

In addition, UNDP Tajikistan possesses a number of comparative advantages, which allow effective implementation of the programme interventions both at the national and subnational levels (all regions countrywide):

⁴⁰ http://oldstat.wv.tj/ru/img/c1464007cb84f4e545746a409ba5794c_1467094723.pdf

⁴¹ http://stat.wv.tj/files/4-2019_toc..pdf

⁴² http://stat.wv.tj/publications/September2018/Pressemitteilung_Gender_2018.pdf

- (i) UNDP Tajikistan covers all intervention levels – at macro, meso and micro levels;
- (ii) UNDP is a trusted partner for public authorities, civil society and donors in providing development policy support and advice, as well as cost effective implementation services to achieve visible results in a transparent, accountable and timely manner;
- (iii) Knowledge, Advisory and Advocacy Services relate to UNDP’s substantive contribution to the development dialogue at large and UNDP’s conceptual and intellectual leadership in particular areas; and
- (iv) With its own resources, UNDP supports innovative pilot interventions to test, observe and - when results are positive – to expand such interventions in other regions of the country. UNDP has already launched implementation of several projects related to minimize effect of COVID-19 pandemic to livelihood and businesses.

III. RESULTS AND PARTNERSHIPS

Expected Results:

For implementation of UNDP’s CPD 2016-2020, as per its rules and regulations, UNDP has established an internal monitoring and evaluation mechanism, which serves as a basis for monitoring of projects’ results against set goals and targets. Each outcome and output of the Project has baseline data and targets identified based on UNDP past experience in the field. Indicators are both quantitative and qualitative and developed based on the proposed project interventions.

The project contributes to the indicators and targets of UNDP’s CPD 2016-2020 at impact, outcome and output level, in particular: **CPD Outcome 2**. People in Tajikistan benefit from equitable and sustainable economic growth through decent and productive employment, stable energy supply, improved access to specialised knowledge and innovation and more favourable business environment especially for entrepreneurs and farmers.

The project is expected to be implemented in the framework of localizing NDS/SDGs agenda in Tajikistan and Trust Fund for Development (TFD) priorities and will facilitate concrete action on the ground with the most vulnerable so that “no one is left behind”. Project will be implemented in close partnership with the Government of Tajikistan (both national and local levels) as well as private sector, civil society organizations and development partners. Below are the details on the components of the proposed project.

Expected Impact:

Strengthened livelihood and resilience potential of people living in the Tajik part of Ferghana Valley, contributing to recovery from COVID-19 impact and solidifying social cohesion in cross-border areas.

Expected Outcome:

Regional and local governments, MSMEs and people effectively adapt their business and livelihoods strategies to withstand the social and economic challenges triggered by COVID-19 and other economic risks.

Project Outputs:

Output 1. Enhanced opportunities to reskill and upskill targeting unemployed young women and men, returned migrants and people from vulnerable households.

The first output of the Project is aimed at improving capacity of vocational institutions to reskill and upskill targeting unemployed young women and men, returned migrants and people from vulnerable households. The project will establish partnership with the Ministry of Labour, Migration and Employment of Population of the Republic of Tajikistan to design and implement competency-based training and self/employment support programs for unemployed men and women in

selected priority sectors. In order to improve coordination, its supposed to establish a working group/collaborative platform with participation of Ministry of Labour, Migration and Employment (MoLME) and Adults Education Centre, universities, local civil society organizations working with youth, and local private sector agents, to develop and apply innovative methods for skills development and employment support for young people.

The project will promote digital solutions to upgrade existing and establishment of new HR platforms aimed to connect employers and job seekers through conducting Hackathon on creation of platforms for matching youth and communities living in Fergana valley with employment and professional education opportunities. UNDP will implement InnoResponse mechanism/platform, engagement with the private sector, ITC geeks and universities in development of digital solutions for dissemination of information about employment opportunities, career orientation, free education/vocational courses and connecting with employers (HR platforms) at the local level. To bring new knowledge on modern competencies and skills, UNDP will establish cooperation with the *WorldSkills Russia* initiative for elaboration and enhancement of the system of vocational education and training including through digital solutions and platforms for implementation of educational programmes and the governments prioritize the activities in their strategic programmes.

Activity 1. Design and implement competency-based training and self/employment support programs for unemployed men and women in selected priority sectors.

- Implement online mapping and needs assessment of VTI/Adult Education facilities, and assessment of the opportunities of the World Skills integration, professional education centres and apprenticeship providers in target areas.
- Technical assistance for MoLME, Ministry of Education and Science and their affiliate agencies for development of modern educational modules for adult education/vocational courses with a focus on digital skills and IT-based professions.
- Provide small value grants to local education facilities and CSOs to provide vocational skills training, basic business management and accounting skills, Russian and English language courses, IT literacy and digital employable skills and other specialties on demand;
- Establish cooperation with vocational training institutions (VTI) in the district/rural areas and match funds of Ministry of Labour with UNDP grant resources to support graduates of vocational courses with equipment and expendables to help them start their professional activity.

Activity 2. Promote regional collaborative platform for youth labour skills development

- Establish a working group/collaborative platform with participation of Ministry of Labour, Migration and Employment (MoLME) and Adults Education Centre, universities, local civil society organizations working with youth, and local private sector agents, to develop and apply innovative methods for skills development and employment support for young people.
- In partnership with interested stakeholders, assess and map local and regional labour market demands and needs, including demand for new specialties and skills, defined by COVID-19 impact.
- Establishing a database of students who passed vocational education courses, VTIs institutions, etc., for their engagement into continued education/professional orientation and HR programs.
- Technical assistance for local employment structures for elaboration of territorial employment strategies considering COVID-19 pandemic impact.

- Creation of digital volunteer platform for community outreach work to engage young people from remote rural areas in employment promotion events and youth empowerment activities in their communities.

Activity 3. Promote digital solutions to upgrade existing and establishment of new HR platforms aimed to connect employers and job seekers.

- Organization of Hackathon on creation of platforms for matching youth and communities living in Fergana valley with employment and professional education opportunities.
- Through the InnoResponse mechanism/platform, engagement with the private sector, ITC geeks and universities in development of digital solutions for dissemination of information about employment opportunities, career orientation, free education/vocational courses and connecting with employers (HR platforms) at the local level.
- Support private sector and state-owned enterprises providing apprenticeship and on-the-job trainings for young women and men through purchase of equipment, provision of learning resources, small grants for tuition expenditures and mentoring services.

Expected Results under Output 1:

1. 900 students covered by vocational and employable skills training.
2. 80 graduates of vocational courses received grant resources to procure equipment and expendables to help them start their professional activity.
3. Working group/collaborative platform is functional with participation of Ministry of Labour, Migration and Employment (MoLME) and Adults Education Centre, universities, local civil society organizations working with youth, and local private sector agents, to develop and apply innovative methods for skills development and employment support for young people.
4. 6 education facilities having stronger potential to provide vocational and employable skills training.

Output 2. Innovations for stimulation of entrepreneurship and income-generation for vulnerable communities in bordering areas.

The second output of the Project is aimed at improving capacity of local businesses of the Fergana valley to promote innovations for stimulation of entrepreneurship and income-generation for vulnerable communities in bordering areas. UNDP will partner with trade support institutions, business and farmers associations as well as with national and local government decision makers to promote opportunities for the micro, small and medium enterprises to recover from the impact of COVID and adapt their business practices to the new realities triggered by COVID. Attention will be paid to bring forward new technologies, and innovative solutions in production, sales and marketing and to connect rural value chains for delivery of quality and tradable products and services. Specific focus will be paid to ensure business continuity for the key local stakeholders at the government level and to support delivery of basic services for population of Fergana Valley to reduce the economic burden of COVID on local citizens, especially on women and youth. Thus, the project will improve rural productive infrastructure, will stimulate local production of sanitary and hygiene materials and PPEs, and will support telecommuting capacities of local healthcare facilities. Within implementation of this activity UNDP will partner with local and regional Internet providers, such as Megafon, T-Cell and others and will play a role as integrator to connect digital/IT companies with businesses and government partners.

Activity 1. Assessment and mapping of local niches for sustainable entrepreneurship and income generation

- Partnership with Russian and local research companies to run the assessment identification of local niches for sustainable income and doing business and disseminate its findings among stakeholders. The research should focus on local production potential, enterprise capacity and resources, market demands, traditional and new value chains, opportunities of business adaptation to shifting consumer preferences and government demands shaped by COVID-19 impact, opportunities for innovative types of business applicable in the districts of Fergana valley, explore ways of doing joint business in cross-border areas, as well as provide clear models for greener value chains and diversification of local economy.

Activity 2. Improvement of local productive infrastructure and services that improve living standard of population, and benefit the target communities in terms of decent jobs and income-generation opportunities.

- Consultations with local stakeholders, including local administration, private sector representatives, local consultative councils for investment promotion and PSD for identification of local economic infrastructure priorities and needs.
- Capacity building for local stakeholders on new models of public-private partnership for sustainable management of local economic infrastructure.
- Provision of small grants to local stakeholders or direct implementation support to improve local productive capacities and creating decent jobs in selected areas: procurement of equipment, rehabilitation and construction works. The activity will be also focused on provision of technical support for local businesses to realignment of existing production and business facilities to address the demands and needs occurred in the context of COVID-19 (e.g. production of sanitation and hygiene products, realignment of small workshops to produce quality PPEs and protective equipment for local healthcare facilities, etc).
- Consultative services and training to local stakeholders on sustainable management and maintenance of infrastructure facilities.
- Partnership with local civil society organizations for promotion of youth-led community-based initiatives with temporary income opportunities for young unemployed people.
- Support to improve connectivity and efficiency of business processes in the public institutions in Sughd area, including use of telemedicine in healthcare facilities and/or local administrations/ public service providers.

Activity 3. Support local producers and merchants at the border areas to enhance their capacities for sustainable production as well as product placement, branding and packaging, marketing, logistics, business matching and access to finance.

- Capacity building, online trainings and business advisory services for local entrepreneurs and producers, including farmers' associations to adapt to post-COVID19 context and new demands.
- Support participation of targeted producers, merchants, and businesses associations in the local, national and regional forums, trade fairs and business matching events;
- Organization of domestic and international participation of local producers to successful business networks to exchange experience among businesses and connect with wholesales and retails networks.
- Promote tradability of local products through support to local producers to improve quality standards, marketing, packaging and logistics arrangements.
- Introduction of new credit products' lines aimed at following objectives:
 - Support businesses to re-align their production and services to COVID response and recovery context

- Support businesses affected by COVID-19 to maintain their production and sales, keep employment and create new job places for vulnerable communities;
- Support farmers in introduction of environmentally friendly technologies promoting sustainable natural resource management (efficient use of land and water resources);
- Support farmers and businesses in promoting organic agricultural production, certification and marketing;

Activity 4. Introducing digital and mobile solutions to connect local farmers, producers, distributors, merchants and customers through e-commerce platforms

- Seek for new ideas and partnerships through *InnoResponse* Innovation Facility of UNDP and other platforms to stimulate the expansion of digital technologies for local value chains development by encouraging innovation and linkages between producers, traders and customers.
- Capacity building (series of web-based seminars and face-to-face learning sessions) for local businesses to utilize opportunities offered by e-commerce and other digital resources to strengthen their business connectivity and tradability of their products and services.
- In partnership with professional consulting organizations, improve the content of existing UNDP platform for green products <https://greenagro.asia/> and expand its coverage and outreach at the local and regional level.

Expected Results under Output 2:

1. Gender-sensitive assessments/research conducted in partnership with Russian research institutes.
2. 15 gender-responsive local economic and development infrastructure projects supported to improve local productive capacities and create decent jobs.
3. 7 public institutions in Sughd area, including healthcare facilities and local administrations, public service providers with improved capacities for telecommuting and business continuity.
4. At least 55 micro and small enterprises (incl % of women-led) receiving affordable loans for recovery and adaptation.
5. 125 jobs (incl. 30% jobs for women) maintained by project beneficiaries.

Output 3. Promoting startup platforms and development of trade potential across Ferghana Valley.

The outputs promotes regional cooperation of various partners among three countries of Ferghana valley through promotion of regional cooperation and knowledge exchange in the spheres of startup movement and innovations promotion and promotion of cross-border trade. The output envisages scale up of the flagship UNDP platform - Startup Chohona and its launch at the regional/international level. A major focus in promotion of new innovative startups will be on digital and IT technologies for recovery and adaptation. The project will cooperate with local and regional IT/digital companies and Internet providers (e.g. *MegaFon Tajikistan*, etc) to ensure concerted efforts to support digital solutions. Its expected to facilitate activities that stimulate partnerships between various digital interventions carried by public, non-profit and for-profit IT entities from Tajikistan, Kyrgyzstan and Tajikistan to expand digital knowledge and cross-border digital entrepreneurship. These interventions will help to strengthen collaborative efforts in each country leading to establishment of a network of IT players that will jointly promote modern skills, technologies for pandemic prevention and recovery, contactless solutions, networks, working on raising awareness, providing education and creating future-proof jobs for export in IT and digital

sectors. It is expected to encourage dialogue and joint projects between the IT network of the Ferghana valley and other regional IT and Innovation Centers of Excellence, including the *Skolkovo Innovation Center, Digital SGD Accelerator under the Eurasian Economic Union*, and other entities in the Russian Federation and CIS to broaden links with international and CIS markets.

The second priority stream of this output is to promote cross-border trade among citizens of Ferghana valley through assessment of cross-border shuttle trade and economic relations in bordering districts of Fergana Valley and defining the current needs and bottlenecks for expansion of trade between the three countries. The results of the assessment will be presented to decision makers, businesses and other interested stakeholders from the three countries. As a result of findings of the assessment, series of web-based capacity building sessions for traders and national/subnational decision makers from CA countries on cross-border trade opportunities, including the opportunities and regulations of the Eurasian Economic Union will be organized. In order to consider opinions and recommendations of businesses, traders and programmers from Ferghana Valley a 3- day hackathon will be conducted for developing digital tools to simplify cross-border procedures and create online information resources on border crossing rules, cross-border trade requirements, border points and border markets, SPS requirements, Eurasian Economic Union requirements. The project will apply lessons and information derived from research and knowledge exchange on innovations in trade to improve infrastructure at least in one of the bordering markets to stimulate trade as livelihood option for local citizens.

Activity 1. Coordination across Ferghana Valley to stimulate startups and innovations through digital networks and partnerships

- Organization of Startup Chohona pitching sessions involving youth from countries of Ferghana valley. The project is intended to scale up the Start-up Chohona⁴³ into the Ferghana valley. Its envisaged to conduct joint pitching sessions of youth from all over Ferghana valley and further matching with potential investor in Central Asian countries and abroad.
- Organization of meetings of IT companies and providing platforms for joint discussions on establishment of network among countries of Ferghana valley.

Activity 2. Promoting cross-border trade across Ferghana valley

- Assessment of cross-border shuttle trade and economic relations in bordering countries of Fergana Valley and defining the current needs and bottlenecks for expansion of trade between the three countries.
- Series of web-based capacity building sessions for traders and national/subnational decision makers from CA countries on cross-border trade opportunities, including the Eurasian Economic Union.
- Conducting trade fairs / forums to promote cross-border trade and partnership among traders.
- 3- day hackathon with participation of traders and programmers from Ferghana Valley for developing digital tools to simplify cross-border procedures and create online information resources on border crossing rules, cross-border trade requirements, border points and border markets, SPS requirements, CU requirements.

⁴³ Since November 2016, UNDP, jointly with many partners, including the State Investment Committee, UN Volunteers, Business incubator Accelerate Prosperity, the Youth Entrepreneurs Club, the National Association of Women Entrepreneurs of Tajikistan, private sector companies and others, has been supporting an innovative platform called “Startup Chohona”, where young entrepreneurs get together to present innovative business ideas, matching these with potential investors and business partners, and create business partnership. This initiative aims to build a functioning entrepreneurs’ ecosystem, to promote start-up ideas and an entrepreneurial spirit among young men and women. So far thirteen “Start-Up Chohona” platforms events have been organized in regions of Tajikistan and has brought together more than 400 young men and women who had the opportunity to present their start-up ideas to potential investor and as of today, at least 27 commercially feasible business projects have already been launched. Since 2019, new products of the platform, including Chohona Incubation, Chohona Consult, etc. are launched.

- Technical support to improve trade infrastructure in bordering areas, e.g. border markets, information points, ATMs installation, currency exchange offices, etc.

Expected Results under Output 3:

1. At least 30 (11 women-led) feasible projects developed and pitched by young startupperes at regional Chohona sessions.
2. Gender-sensitive assessments of cross-border trade in Fergana Valley conducted.
3. 80 (incl. 30% women) traders and decision makers from CA countries participating in online webinars on cross-border and regional trade.
4. 10 trade promotion contracts concluded as a result of the trade fairs.

Partnerships

The project will actively look for synergies with the past and ongoing projects of UNDP in Tajikistan and other UN and development partners working in Tajikistan. The partnership schemes envisaged by the project, are based on the previous experiences and lesson of UNDP projects.

The SED Cluster of UNDP aims at supporting economic development, digital technologies, financing SDGs and access to services and basic infrastructure at the national and local levels. The Cluster supports the Government of Tajikistan to promote wider participation of communities in the process of development planning, promote decent employment, create enabling environment for businesses and promote cross-border trade among other countries. The efforts of UNDP increased in scale and financially during the last years with the financial support of the Russian Federation, UK, Switzerland, Finland, Japan, Norway, as well as from its own resources. The project logically continues, complements and reinforces the following ongoing UNDP projects:

- “Mitigating the Impact of COVID-19 on Livelihoods in Tajikistan” project, funded by the own resources of UNDP Tajikistan. The project envisages that residents of pilot rural areas, women, returned migrants, vulnerable households and/or from rural settlements facing development issues, are equipped with skills for employment, self-employment and innovations in farming during the COVID-19 pandemic and are able to more effectively react into the crisis situations. The project provides rapid tools and employment opportunities to people affected by COVID-19 and an opportunity for UNDP to pilot tools for supporting livelihoods during crisis situations. The total parallel contribution for implementation by this project will be around 120,000 USD. The project will strengthen activities related to improving capacity of businesses to operate in new normality and supports farmers within the 2 outputs of the project.
- “Support to business continuity of national and local government institutions in the context of COVID19 outbreak in Tajikistan” project, funded by the own resources of UNDP Tajikistan. The initiation plan envisages the usage of digital technologies by the MEDT and the local government in Sughd region for online engagement initiatives to improve coordination and planning as well as for provision of accurate, useful and up-to date information to population, to keep local government entities and people connected during the outbreak. Expanding the usage of e-administration and creation of the dedicated section on COVID-19 on local administration’s web-site will allow to establish a system of emergency coordination at the local level and eliminate information gaps between the government, media, NGOs and citizens and build public trust and confidence. The total parallel contribution for implementation by this project will be around 65,000 USD. The project will strengthen activities related to improve connectivity and efficiency of business processes in the public institutions in Sughd area, including telemedicine healthcare facilities and/or local administrations / public service providers within the activity 2.2.6 of the project.
- The “Youth for Business and Innovation” Project funded by the Russian Federation-UNDP Trust Fund for Development is addressing the economic vulnerability and social exclusion of young people of age 15-29 in Tajikistan. This project will work on building the capacity of young people in Tajikistan for development their own business and improvement of their

livelihood and promoting digital tools among youth through several means, including Startup choihona platform. Youth beneficiaries under the “Youth for Business and Innovation” project will be further actively involved in project activities in Sughd region of Tajikistan.

- The “Aid for Trade for Central Asia” (AFT) project in phase IV focuses on supporting Central Asian countries in promoting inclusive and sustainable growth patterns in rural areas and within green productive sectors, as well as support in creation of centers for provision of services to entrepreneurs. The project will work on the macro (policy), meso (trade support institutions) and micro (SMEs & producers) levels ensuring that interventions at the three levels are mutually supportive to ensure a focused impact level. Building on the extensive experience, lessons learned and results from previous phases, the AFT project will work on promoting inclusive and sustainable pathways through the promotion of productive capacities and increasing trade through the identification of niche products, which can contribute to greening local production, while also increasing the quality and quantity of jobs, especially for women and young people living in rural areas. The total parallel contribution for implementation of proposed project by AFT project will be around 90,000 USD. The project will strengthen activities related to establishing or developing green niche products and value chains that are employment rich and have high productivity and market potential, ensuring higher productivity and export readiness of target products/VCs, as well as promoting cross-border trade.
- Also, parallel funding is envisaged from the Government, private sector, business incubators and other institutions of Tajikistan for implementation of the project. The total amount of parallel funding is estimated to be around 195,800 USD mainly consisting from contribution for implementation of economic and infrastructure initiatives.

UNDP will ensure strong connection with local private sector, business support organizations and other international organizations, such as WFP, FAO, UNICEF, EU funded projects for implementation of this project.

The Russian Federation is providing support to the Republic of Tajikistan through the provision of testing systems⁴⁴, medicines, medical equipment⁴⁵ and other reagents⁴⁶ to fight against COVID-19 pandemic. The support from the Russian Federation was timely to handle the situation in the country and save lives. The proposed project will strengthen support of the Russian Federation provided to Tajikistan on socio-economic development of the country and contribute to the creation of jobs, digitalization and private sector development in response and recovery to COVID-19 pandemic.

The project expects **partnership with Russian institutions**. As such, the partnership is expected with the **WorldSkills Russia** for facilitating and promoting the activities on professional skills and competences development. The national network in Tajikistan will be involved in the collaboration that would enhance capacity building of the national institutions. It is expected to encourage dialogue and joint projects between the IT network of the Ferghana valley and other regional IT and Innovation Centers of Excellence, including the Skolkovo Innovation Center, Digital SGD Accelerator under the Eurasian Economic Union, and other entities in the Russian Federation and CIS to broaden links with international and CIS markets.

The project is expecting to partner with **Megafon Tajikistan** on piloting new types of conducting online apprenticeship platforms under the first output and piloting an ICT tools for improving an access to reliable trade information under the second output. As well as its supposed to cooperate with Megafon Tajikistan on other activities, including conducting online events and webinars.

Experts from the **International Coordinational Digital Centre under the Ministry of Digital Development, Communications and Mass Media of the Russian Federation** will be actively involved on implementation of activities related to promote digital solutions to upgrade existing and

⁴⁴ <https://tj.sputniknews.ru/health/20200326/1030961203/Russia-Tajikistan-test-sistemy-koronavirus.html>

⁴⁵ <https://tj.sputniknews.ru/main/20200421/1031105785/tajikistan-koronavirus-mery.html>

⁴⁶ <https://www.kommersant.ru/doc/4327770>

establishment of new HR platforms aimed to connect employers and job seeker within the first output of the projects.

Partnership is expected with the organization of the **Moscow State University named after M.Lomonosov, Russian Tajik Slavonic University, other Russian NGOs**, private sector and educational institutions. The project is intended to involve Russian experts on conducting assessment and mapping of local and regional labour market demands and needs, including demand for new specialties and skills, defined by COVID-19 impact under the activity 1.2.2. related Russian institutions will be involved to support with implementation activities and building partnership among Tajikistan and Russian Federation, as well as improve the level of cross-border trade.

Stakeholder Engagement

The project will ensure partnership with below partners at the national and local levels to ensure effective implementation of the project:

Partners	Anticipated roles to play
Ministry of Economic Development and Trade of the Republic of Tajikistan	Ministry of Economic Development and Trade of the Republic of Tajikistan (MEDT) as the leading state authority on the development and implementation of economic development policy of the state is the main partner of the project. At the national level, the Ministry will assist in the design and monitoring of the necessary legislation and regulations at the central level, as well as the effective implementation of the project. MEDT has its structural divisions in the regional, city and district levels. The Ministry will be a key member of the Steering Committee, conducting monitoring of the project implementation and achievement of specified goals and objectives.
Ministry of Labour, Migration and Employment; Ministry of Agriculture of the Republic of Tajikistan; State Committee on Investment and State Property Management; Committee on Women and Family Affairs under the Government of the Republic of Tajikistan; Local administrations of pilot districts of Sughd region	Ministry of Labour, Migration and Employment will be main partner for implementation of activities under the output 1. Ministry of Agriculture of the Republic of Tajikistan is main government agency on agricultural sector of the country. Both ministries and committees will be actively involved in planning and monitoring of project activities in the pilot districts, as well as provide necessary advice for implementation project. The project will also partner with institutions of the entities, such as scientific centres, organizations working on seedings and other institutions. Local administrations are the structural bodies at the local level for the implementation of state policy in the field. The main role of local administration is to support the sustainable socio-economic status of the areas, improving welfare of people living in these areas, development of economic infrastructure and territories, etc. UNDP has established a fruitful collaboration with these local authorities. Thus, the main task of local administrations in the implementation of this project is to assist in the effective implementation of the project in the target districts and conduct daily monitoring of the project's activities.
Local public organizations, academia, private sector representatives and support institutions	Close cooperation with community-based organizations, academia, particularly Russian-Tajik Slavonic University, Agricultural College in Mascho district, Technical college in Kanibadam, Institute of Economics and Trade, Khujand State University, associations of dekhkan farms, as well as business support centers are envisaged within the project implementation. Also, representatives of mahalla committees will be involved into the project implementation. These organizations will contribute to the effective implementation of the project in the field and awareness raising of local people about the project implementation.

South-South and Triangular Cooperation (SSC/TrC)

The project envisages engagement of experienced national and international trainers and experts having advanced understanding of the country's socio-economic context, experienced in the field of area development, business promotion, enhancing cross-border trade and cooperation, employment agencies for capacity building of national and local stakeholders. The project also assumes SSC/TrC exchange visits depending on COVID-19 pandemic to the counties having relevant experience, conducting knowledge sharing events in the regions, establishing the e-platform for sharing innovative approaches, experiences and best practices, as well as supporting participation of people living in rural areas in capacity building events.

Knowledge

Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will share lessons and knowledge products with project managers of similar projects and development partners working in the same area of development. The project will identify and participate, as relevant and appropriate, in scientific, policy-based, and/or any other networks, which may be of benefit to project implementation through lessons learned.

Sustainability and Scaling Up

The project's approach towards sustainability is focused on ensuring national ownership, involving stakeholders at all levels through enhanced dialogues, and capacity building. The sustainability of the project will depend on stability both in the sense of security and political, as well as pandemic context, and continued commitment of all stakeholders.

The project's objectives are based on national priorities and a series of national legislative and strategic documents. Such approach ensures inherent ownership over the project's interventions and targets the core needs of the authorities.

Innovative solutions and expertise

To achieve the above-mentioned objectives and outputs, UNDP Tajikistan will actively search and apply innovative solutions and bring expertise and knowledge of the best international practice. The Russian expertise on innovations in business, volunteerism and development will be actively utilized through involvement of Russian experts, organization of online and offline knowledge exchange events and peer networking with relevant institutions of the Russian Federation.

The project will explore opportunities from the Eurasian and CIS countries during the project implementation to support local communities with green and decent jobs, educational and apprenticeship opportunities. The project will explore innovative ways of conducting assessment and mapping of local and regional labour market demands and needs, including demand for new specialties and skills, defined by COVID-19 impact.

Also, innovative approaches and solutions will be attracted on supporting target districts to improve local productive capacities in selected areas, particularly on provision of consultative services and training to local stakeholders on sustainable management and maintenance of infrastructure facilities through innovative models such as PPP, impact bonds, etc.

The project will support producers with organization of domestic and international visits to successful business networks to exchange experience among businesses and connect with wholesales and retails networks. During the process producers can gain new knowledge and skills through exchange of innovative solutions and expertise of foreign producers and retails.

UNDP is intended to scale up the Start-up Chohona and InnoResponse collaborative platforms into the Ferghana valley. Its envisaged to conduct joint acceleration programmes, pitching sessions of youth from all over Ferghana valley and further matching with potential investor in Central Asian countries and abroad. The Start-up Chohona initiative can be further scaled up to other Central Asian countries and be a platform / entry point for venture capital from foreign countries.

The project will explore opportunities of connecting digital resources and digital knowledge platforms established in Kyrgyzstan and Uzbekistan through organization of joint hackathons and related digital events. A special attention will be paid to promote environmentally sustainable and green solutions and products, in financing and value chain development. A close coordination with UNDP COs and IRH will be ensured to promote integrated solutions, based on good governance principles, sustainable and resilient development and human rights-based approach, with a gender equality being a cornerstone for all interventions.

IV. PROJECT MANAGEMENT (1/2 PAGES - 2 PAGES RECOMMENDED)

Cost Efficiency and Effectiveness

The activities implemented by UNDP will make part of the portfolio of projects implemented by the Sustainable Economic Development Cluster of UNDP Tajikistan. The portfolio approach allows saving on administrative and operational costs of the project, as well as benefit from the synergies with other development projects and activities implemented by the SED Cluster in the country. Monitoring of activities will be implemented by UNDP along with the implementation of the CO/SED Cluster monitoring plan. One UNDP Local Implementation and Innovation Centre based in Khujand will be engaged in direct implementation of activities at the local level.

The project expects contribution from the government and communities, particularly on activities related to implementation of income generation activities and innovative platforms. Its expected that at least 20% of co-contribution will be for each economic related sub-projects, as well as contribution to activity 2.3.5 Introduction of new credit products' lines for SMEs affected by COVID-19 and young entrepreneurs is expeted from the financial organization.

Project Management

The project will be implemented by UNDP Country Office in Tajikistan through its Sustainable Economic Development Cluster and Local Implementation and Innovation Centre in Khujand under Direct Implementation Modality (DIM) in accordance with rules and procedures of UNDP. SED Cluster will play a leading role in project implementation. International and local consultants and SSC/TRC schemes will be involved on a need basis. UNDP will provide operational and management support in project implementation through its programme and operations units.

The Project Steering Committee will be established to provide strategic project management of the project and will include a representative of the donor – Embassy of Russian Federation in the Republic of Tajikistan, UNDP in Tajikistan and the Government of Tajikistan – Ministry of Economic Development and Trade of the Republic of Tajikistan. Steering Committee will review the progress of the project, including project reports and work plans. Steering Committee will serve as a platform that key stakeholders will use it to discuss the overall direction of the project implementation, as well as to make strategic decisions to ensure the best use of resources to achieve goals and objectives.

Project Steering Committee Meeting will be held at least once a year (physically or virtually through an exchange of emails) to discuss the project implementation progress. For more effective communication of the project results, representatives of key project stakeholders, including from other countries of Fergana valley could be invited to the Project Steering Committee meetings and communication exchange.

The activities under the project have been designed in through a coordinated approach that brought together the UNDP country offices in Kyrgyzstan, Tajikistan and Uzbekistan. Each output has been designed to include opportunities for complementary data collection and analysis that will be shared across the three countries. Thus, the project teams from Kyrgyzstan, Tajikistan and Uzbekistan are expected to conduct joint workshops at least once a year to coordinate activities. As well as joint monitoring visits are expected to ensure exchange of approaches and models.

V. RESULTS FRAMEWORK⁴⁷

Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework:

People in Tajikistan have their rights protected and benefit from improved access to justice and quality services delivered by accountable, transparent, and gender-responsive legislative, executive and judicial institutions at all levels.

Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:

UNDP Tajikistan CPD Output 2.1: National and sub-national systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment and livelihood intensive.

Indicator 2.1.1: Number of additional full-time equivalent jobs created disaggregated by sex

Baseline: 6,295 (incl. 4,242 women)

Target by 2020: 81,884 (incl. 32,750 women); Data source: Progress reports

Indicator 2.1.2: Number of additional people benefiting from strengthened livelihoods, disaggregated by sex

Baseline: 82,585 (incl. 40,839 women)

Target by 2020: 107,361 (incl. 42,944 women); Data source: Progress reports;

Indicator 2.1.3: Extent to which policies, systems and/or institutional measures are in place at the national and sub-national levels to generate and strengthen employment and livelihoods;

Baseline: Very partially

Target by 2020: Largely; Data source: NDS review.

Indicator 2.1.4: Number of additional schemes which expand and diversify the productive base, based on the use of sustainable production technologies;

Baseline: 15

Target by 2020: 25; Data source: external evaluations

Applicable Output(s) from the UNDP Strategic Plan: 1.1.2 Marginalised groups, particularly the poor, women, people with disabilities and displaced are empowered to gain universal access to basic services and financial and non-financial assets to build productive capacities and benefit from sustainable livelihoods and jobs

Relevant SDG targets: 1.2, 1.4, 4.3, 8.3., 8.5, 8.6, 8.9.

Project title and Atlas Project Number: 00119061 - Accelerating Post COVID-19 Economic Recovery through Improved Livelihood, Employability, and Regional Cooperation in Ferghana Valley

⁴⁷ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

EXPECTED OUTPUTS	OUTPUT INDICATORS ⁴⁸	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year	2021	2022	2023	FINAL	
Output 1: Enhanced opportunities to reskill and upskill targeting unemployed young women and men, returned migrants and people from vulnerable households.	Activity 1.1. Design and implement competency-based training and self/employment support programs for unemployed men and women in selected priority sectors.								
	# of education facilities having stronger potential to provide vocational and employable skills training	Project/partner reports	9 VTIs (LIRP)	2019		3	3	6	
	# of students covered by vocational and employable skills training	VTI reports	0	2020	450	450		900	
	# of VTI graduates received matching funds for their professional activity.	UNDP reports	0	2020	9	12	9	30	
	Activity 1.2. Promote a regional collaborative platform for youth labour skills development Activity 1.3. Promote digital solutions for employment services to connect employers and job seekers in target districts.								
	# of digital tools developed to promote employable skills and employment	Partner report	0	2020	2	2		4	
	# of young apprentices (% women) get on-the job training and increased professional skills	Partner report	0	2020	35 (30%)	25 (30%)	20 (30%)	80 (30%)	
# of young people and job seekers (% women) reporting use of innovative digital platforms for employment and job seeking	Partners reports	0	2020			200 (40%)	200 (40%)		

⁴⁸ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

Output 2: Innovations for stimulation of entrepreneurship and income-generation for vulnerable communities in bordering areas.	Activity 2.1. Assessment and mapping of local niches for sustainable entrepreneurship and income generation								
	# of gender-sensitive assessments/research conducted in partnership with Russian research institutes	UNDP report	0	2020	1			1	Internal monitoring and reporting of UNDP; Secondary data from partners.
	Activity 2.2. Improvement of local productive infrastructure and public services that improve living standard of population, and benefit the target communities in terms of decent jobs and income-generation opportunities								
	# of local stakeholders and community members (% women) with improved knowledge on sustainable management of local resources	UNDP/partner reports	0	2020	40 (30%)	90 (30%)	120 (30%)	250 (30%)	Internal monitoring and reporting of UNDP; Primary data collection from UNDP field office, Secondary data collection from partners.
	# of gender-responsive local economic and development infrastructure projects supported to improve local productive capacities	UNDP/partner reports	0	2020	5	8	2	15	Final evaluation fo the project
	# of public institutions in Sughd area , including healthcare facilities and local administrations, with improved capacities for telecommuting and business continuity	UNDP/partner reports	0	2020	7			7	
	Activity 2.3. Support local producers and merchants at the border areas to enhance their capacities for sustainable production as well as product placement, branding and packaging, marketing, logistics, business matching and access to finance.								
	# of entrepreneurs (incl. % women-led businesses) benefiting from online counseling and information services	UNDP/partner reports	0	2020	300 (30%)			300 (30%)	Internal monitoring and reporting of UNDP;

	# of MSMEs (% of women-led) with improved capacity for recovery and adaptation	UNDP/partner reports	0	2020	55 (30%)	50 (30%)		105 (30%)	Primary data collection from UNDP field office, Secondary data collection from partners. Final evaluation for the project Social media reports
	# of jobs (incl. % jobs for women) maintained by project beneficiaries	Partner /MSMEs reports	0	2020	50 (30%)	100 (30%)		125 (30%)	
	Activity 2.4. Introducing digital and mobile solutions to connect local farmers, producers, distributors, merchants and customers through e-commerce platforms								
	# of innovation digital solutions supported for local value chains development	UNDP/partner reports	0	2020		4		4	Internal monitoring and reporting of UNDP;
	# of businesses trained on e-commerce and other digital resources	UNDP/partner reports	0	2020	60	40		100	Primary data collection from UNDP field office, Social media reports
Output 3: Promoting startup platforms and development of trade potential across Ferghana Valley	Activity 3.1. Coordination across Ferghana Valley to stimulate startups and innovations through digital networks and partnerships								
	# of feasible innovative projects pitched at regional Choikhona sessions (# of projects ideas proposed by women)	UNDP/partner reports	354	2020	15 (5)	15 (6)		30 (11)	
	# of regional-level events of IT/digital innovation conducted	UNDP/partner reports/social media posts	0	2020	2	2		4	
	Activity 3.2. Promoting cross-border trade across Ferghana valley								

	# of traders and decision makers from CA countries participating in online webinars on cross-border and regional trade (% women participants)	UNDP/partner reports	0	2020	20 (30%)	60 (30%)		80 (30%)	
	# of trade promotion contracts concluded	UNDP/partner reports	0	2020		10		10	
	# of people benefiting from improved infrastructure of cross-border markets	UNDP/partner reports	0	2020		2000 (30% w)		2000 (30% w)	

VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:
[Note: monitoring and evaluation plans should be adapted to project context, as needed]

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. Project information reported by partners will be verified through field monitoring visits and on-site checks.	Semiannually	Slower than expected progress will be addressed by project management.		USD 20,000
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Semiannually	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		USD 5,000
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		USD 5,000
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make		

			course corrections.		
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)			
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least once a year	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		USD 5,000

Evaluation Plan⁴⁹

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Project Evaluation	n/a	SP 1.1.2	Outcome 2.	June 2023	MEDT, local administrations, private sector and CSOs	USD 20,000

⁴⁹ Optional, if needed

VII. MULTI-YEAR WORK PLAN ⁵⁰⁵¹

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		
		2021	2022	2023		Funding Source	Budget Description	Amount
Output 1. Enhanced opportunities to reskill and upskill targeting unemployed young women and men, returned migrants and people from vulnerable households. Gender marker: 2	Activity Result 1.1. Design and implement competency-based training and self/employment support programs for unemployed men and women in selected priority sectors							
	1.1.1 Implement online mapping and needs assessment of VTIs in target areas	\$12,000			UNDP Tajikistan, MLME	RTF		\$12,000
	1.1.2 Technical assistance for MoLME, MEaS and its affiliate agencies for development of modern educational modules	\$15,000	\$15,000		UNDP Tajikistan, MLME	RTF		\$30,000
	1.1.3 Provide small value grants to local education facilities and CSOs to provide vocational skills training	\$30,000	\$60,000	\$30,000	UNDP Tajikistan, MLME	RTF		\$120,000
	1.1.4 Establish cooperation with VTI in the district/rural areas and match funds of Ministry of Labour with UNDP grant resources to support graduates of vocational courses	\$9,000	\$21,000		UNDP Tajikistan, MLME	RTF		\$30,000
	Total Activity Result 1.1:	\$66,000	\$96,000	\$30,000				\$192,000.00

⁵⁰ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

⁵¹ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

	Activity Result 1.2. Promote a regional collaborative platform for youth labour skills development							
	1.2.1 Establish a working group/collaborative platform with participation of stakeholders on employment	\$3,400	\$3,400	\$3,400	UNDP Tajikistan, MLME	RTF		\$10,200
	1.2.2 Assess and map local and regional labour market demands and needs	\$40,000			UNDP Tajikistan, MLME	RTF		\$40,000
	1.2.3 Establishing a database of students who passed vocational education courses	\$10,000			UNDP Tajikistan, MLME	RTF		\$10,000
	1.2.4 Technical assistance for local employment structures for elaboration of territorial employment strategies considering COVID-19 pandemic impact	\$24,000	\$12,000		UNDP Tajikistan, MLME	RTF		\$36,000
	1.2.5 Creation of digital volunteer platform for community outreach work to engage young people from remote rural areas	\$12,500	\$12,500		UNDP Tajikistan, MLME	RTF		\$25,000
	Total Activity Result 1.2:	\$89,900	\$27,900	\$3,400				\$121,200
	Activity 1.3. Promote digital solutions for employment services to connect employers and job seekers in target districts							
	1.3.1 Organization of Hackathon on establishment of platforms for matching youth with employment and professional education opportunities	\$15,000			UNDP Tajikistan	RTF		\$15,000

	1.3.2 Development of digital solutions for dissemination of information about employment opportunities at the local level	\$15,000	\$15,000		UNDP Tajikistan	RTF		\$30,000
	1.3.3 Providing apprenticeship and on-the-job trainings for young women and men	\$21,875	\$15,625	\$12,500	UNDP Tajikistan	RTF		\$50,000
	Monitoring and direct management cost	\$20,000	\$20,000	\$10,000	UNDP Tajikistan	RTF		\$50,000
	Total Activity Result 1.3:	\$71,875	\$50,625	\$22,500				\$145,000
	Sub-Total for Output 1:	\$227,775	\$174,525	\$55,900				\$458,200.00
Output 2. Innovations for stimulation of entrepreneurship and income-generation for vulnerable communities in bordering areas Gender marker: 2	Activity Result 2.1. Assessment and mapping of local niches for sustainable entrepreneurship and income generation							
	2.1.1. Conducting assessment on identification of local niches for sustainable income and disseminate its findings among stakeholders	\$30,000			UNDP Tajikistan	RTF		\$30,000
	Total Activity Result 2.1.	\$30,000						\$30,000
	Activity Result 2.2. Improvement of local productive infrastructure and public services that improve living standard of population, and benefit the target communities in terms of decent jobs and income-generation opportunities							
	2.2.1. Conducting consultations for identification of local development priorities and needs.	\$16,000	\$20,000		UNDP Tajikistan, MEDT	RTF		\$36,000

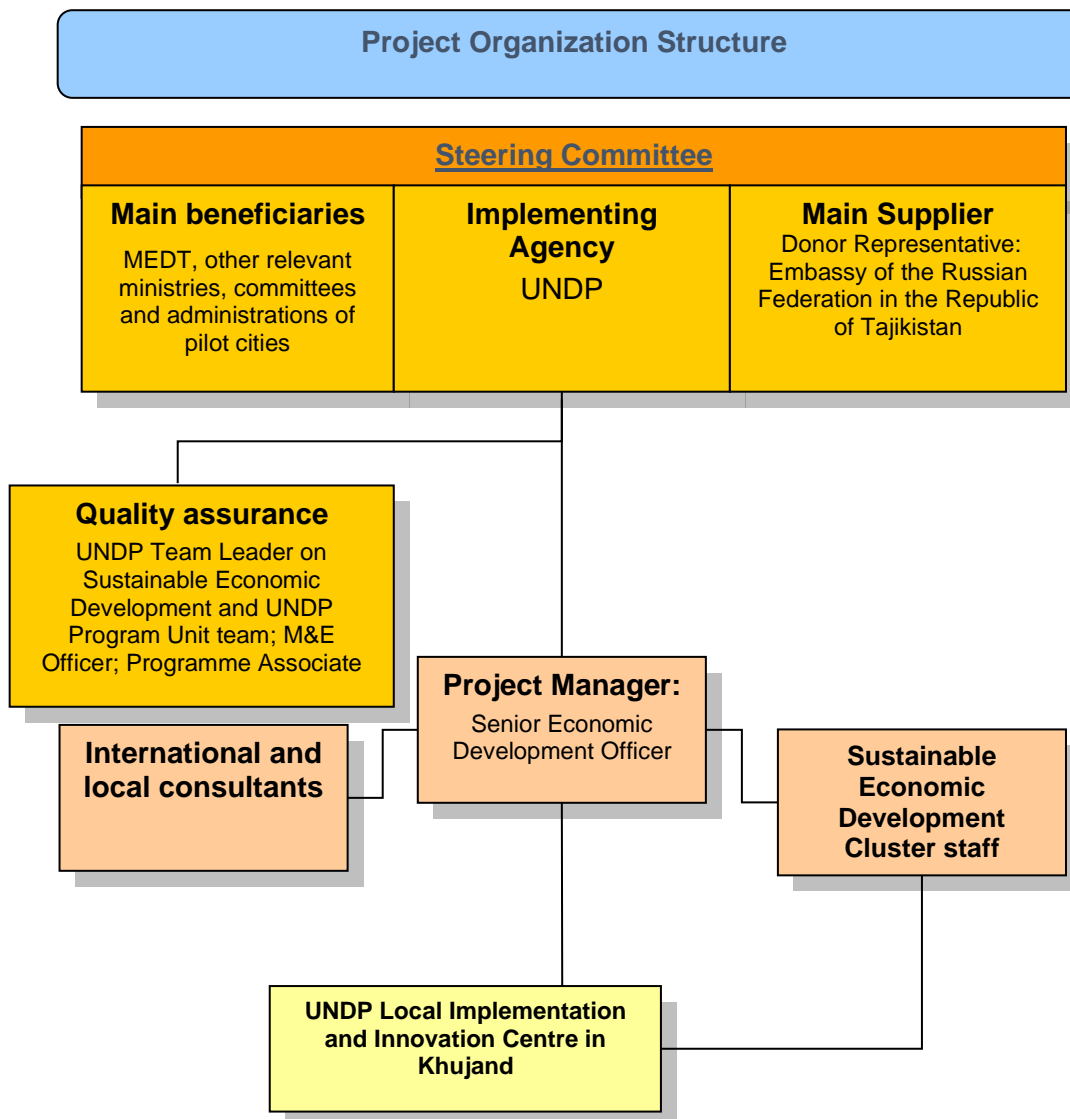
2.2.2. Capacity building for local stakeholders on new models of public-private partnership	\$10,000	\$10,000	\$5,000	UNDP Tajikistan, MEDT	RTF		\$25,000
2.2.3. Support to target districts to improve local productive capacities in selected areas	\$100,000	\$160,000	\$40,000	UNDP Tajikistan, MEDT	RTF		\$300,000
2.2.4. Consultative services and training to local stakeholders on sustainable management and maintenance of infrastructure facilities		\$5,000	\$10,000	UNDP Tajikistan	RTF		\$15,000
2.2.5. Promotion of youth-led community-based initiatives with temporary income opportunities for young unemployed people	\$15,000	\$15,000		UNDP Tajikistan	RTF		\$30,000
2.2.6. Support to improve connectivity and efficiency of business processes in the public institutions in Sughd region	\$105,000			UNDP Tajikistan	RTF		\$105,000
Total Activity Result 2.2.	\$246,000	\$210,000	\$55,000				\$511,000
Activity Result 2.3. Support local producers and merchants at the border areas to enhance their capacities for sustainable production as well as product placement, branding and packaging, marketing, logistics, business matching and access to finance.							
2.3.1 Capacity building, online trainings and business advisory services for local entrepreneurs and producers to adapt to post-COVID19 context	\$30,000			UNDP Tajikistan, MEDT	RTF		\$30,000

2.3.2 Support participation of targeted producers, merchants, and businesses associations in the local, national and regional forums, trade fairs and business matching events	\$15,000	\$15,000		UNDP Tajikistan, MEDT	RTF		\$30,000
2.3.3 Organization of domestic and international visits of local producers to successful business networks	\$27,500	\$27,500		UNDP Tajikistan, MEDT	RTF		\$55,000
2.3.4 Promote tradability of local products through support to local producers to improve quality standards, marketing, packaging and logistics arrangements	\$10,000	\$10,000		UNDP Tajikistan	RTF		\$20,000
2.3.5 Introduction of new credit products' lines for SMEs affected by COVID-19 and young entrepreneurs	\$75,000	\$75,000		UNDP Tajikistan	RTF		\$150,000
Total Activity Result 2.3.	\$157,500	\$127,500					\$285,000
Activity Result 2.4. Introducing digital and mobile solutions to connect local farmers, producers, distributors, merchants and customers through e-commerce platforms							
2.4.1 Stimulate the expansion of digital technologies for local value chains development		\$30,000	\$30,000	UNDP Tajikistan	RTF		\$60,000
2.4.2 Capacity building for local businesses to utilize opportunities offered by e-commerce and other digital resources	\$3,750	\$3,750		UNDP Tajikistan	RTF		\$7,500
Monitoring and direct management cost	\$20,000	\$20,000	\$10,000				\$50,000
Total Activity Result 2.4.	\$23,750	\$53,750	\$40,000				\$117,500

	Sub-Total for Output 2:	\$475,250	\$391,250	\$95,000				\$943,500
Output 3. Promoting startup platforms and development of trade potential across Ferghana Valley Gender marker: 2	Activity Result 3.1. Coordination across Ferghana Valley to stimulate startups and innovations through digital networks and partnerships							
	3.1.1 Organization of Startup Chohona pitching sessions involving startups from countries of Ferghana valley	\$15,000	\$15,000		UNDP Tajikistan, MEDT	RTF		\$30,000
	3.1.2 Organization of meetings of IT companies and providing platforms for joint discussions on establishment of network among countries of Ferghana valley	\$15,000		\$15,000	UNDP Tajikistan, MEDT	RTF		\$30,000
	Total Activity Result 3.1.	\$30,000	\$15,000	\$15,000				\$60,000
	Activity Result 3.2. Promoting cross-border trade across Ferghana valley							
	3.2.1 Assessment of cross-border shuttle trade and economic relations in bordering countries of Fergana Valley	\$30,152			UNDP Tajikistan, MEDT	RTF		\$30,152
	3.2.2 Series of web-based capacity building sessions for traders and national/subnational decision makers from CA countries on cross-border trade opportunities	\$2,000	\$6,000		UNDP Tajikistan, MEDT	RTF		\$8,000
	3.2.3 Conducting trade fairs / forums to promote cross-border trade and partnership among traders		\$12,000		UNDP Tajikistan, MEDT	RTF		\$12,000

	3.2.4 Hackathon with participation of traders and programmers from Ferghana Valley	\$15,000			UNDP Tajikistan, MEDT	RTF		\$15,000	
	Technical support to improve trade infrastructure in bordering areas, e.g. border markets, information points, ATMs installation, currency exchange offices, etc.		\$15,000		UNDP Tajikistan, MEDT	RTF		\$15,000	
	Total Activity Result 3.2.	\$47,152	\$33,000					\$80,152	
	Sub-Total for Output 3:	\$87,152	\$48,000	\$15,000				\$140,152	
	TOTAL programme Budget	\$762,177.0	\$613,775	\$165,900.0				\$1,541,852.00	
Project Management and Technical Support	Project support cost	\$45,000	\$55,000	\$27,500	UNDP Tajikistan	RTF		\$127,500	
	DPC	\$15,000	\$15,000	\$5,000	UNDP Tajikistan	RTF		\$35,000	
	Travel and Office costs (communication, stationary, equipment)	\$27,000	\$27,000	\$13,500	UNDP Tajikistan	RTF		\$67,500	
	Monitoring, communication and knowledge management	\$20,000	\$20,000	\$10,000	UNDP Tajikistan	RTF		\$50,000	
	Evaluation and Audit			\$30,000	UNDP Tajikistan	RTF		\$30,000	
	General Management Services (8%)	\$69,534.00	\$58,462.00	\$20,152.00	UNDP Tajikistan	RTF		\$148,148	
	TOTAL PROJECT BUDGET	\$938,711.00	\$789,237.00	\$272,052.00				\$2,000,000	
	RTF contribution								\$2,000,000
	RTF tranches	\$938,711.00	\$789,237.00	\$272,052.00				\$2,000,000	
GRAND TOTAL								\$2,000,000	

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



The main project management functions are:

- The UNDP Country Office team will provide overall strategic guidance of project, general management oversight on project implementation and programmatic and operational quality assurance.
 - UNDP Team Leader on Sustainable Economic Development (5%) and UNDP Programme Associate (5%) will ensure strategic management guidance, support in linking the projects' outputs with UNDP country program strategic objectives, general management oversight on project implementation and programmatic quality assurance, as well as other programmatic support;
 - UNDP M&E Analyst will ensure that regular monitoring is performed and reporting on results is being effectively captured. This will be done through regular or

alternative M&E channels and tools, noting the limited movement to be imposed by COVID19.

- UNDP Communications Analyst will ensure the visibility of the project and will contribute to reporting on activities on UNDP's communication platforms and will regularly develop stories and document achievements.
- Project Manager/Senior Economic Development Officer (SEDO) (25%) will provide overall management of project implementation and activities. He/she will coordinate the project activities with relevant state bodies and other stakeholders at the national level. SEDO will be acting under the direct governance of UNDP Team Leader on Sustainable Economic Development and deliver the main executing project decisions to Project Board (Steering Committee);
- SED cluster team will support PM/SEDO in programme/operations activities and daily coordination of the practical implementation of all activities and reporting and includes;
 - Project Associate (100%)- under the direct supervision of the SEDO will be responsible for day by day implementation of project activities and based in Dushanbe. Preparation of annual work plans including budgets, reports, monitoring of project activities, etc.
 - Finance Associate; Admin and Logistics Associate, Driver (30%)- under the direct supervision of the SEDO will be responsible for the implementation of finance, procurement and administrative issues related to all Project activities;
 - Digital Development and Innovation Officer (60%)- under the direct supervision of the SEDO will be responsible for implementation of activities on digitalization and innovation, ensuring establishment of proper communications and partnership strategy of all Project activities;
 - Economic Adviser of the LIIC in Khujand (100%)- under the direct supervision of the SEDO will be responsible for the coordination of all project activities on the ground. He/she will actively participate in the preparation of annual work plans including budgets, reports, ensuring the establishment of proper communications and partnership with local stakeholders, coordinating activities with other development partners and private sector companies;
 - Civil Engineer of the LIIC in Khujand (60%) - responsible for overall activities related to implementation of infrastructure projects, sub projects design, preparation of BoQ, quality control, monitoring and evaluation of sub-projects.

Above-mentioned project staff will ensure an appropriate level of cooperation, linkages and synergy of project activities with the other projects of UNDP.

- Local and International consultants, including experts from Russian Federation, will provide the needed technical expertise necessary for the project implementation.

IX. LEGAL CONTEXT

This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement between the Government of Tajikistan and the United Nations Development Program (signed by the parties on 1 October 1993). All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner”.

This project will be implemented by UNDP Tajikistan and Responsible Parties in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

Option b. UNDP (DIM)

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]⁵² [UNDP funds received pursuant to the Project Document]⁵³ 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/sc/committees/1267/ag_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.

⁵² To be used where UNDP is the Implementing Partner

⁵³ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
 - a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. 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;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
 - b. 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 the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
 - c. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
 - d. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
 - e. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
 - f. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
 - g. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

h. Choose one of the three following options:

Option 1: UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Option 2: Each responsible party, subcontractor or sub-recipient agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Option 3: UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- i. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- j. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

- k. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

ANNEXES

Annex 1. Project Quality Assurance Report

Project Information

Project Information	
1. Project Title	Accelerating Post COVID-19 Economic Recovery through Improved Livelihood, Employability, and Regional Cooperation in Ferghana Valley
2. Project Number	Award ID: 00123995, Output ID: 00119061
3. Location (Global/Region/Country)	Tajikistan, target districts in Ferghana Valley

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

The project goal: The key Development Goal of the project is to restore and improve livelihoods, create productive and decent employment and increase income generation opportunities through innovation for sustainable enterprise development and trade promotion. The project will focus on enhancing employability and income of people most affected by COVID with a geographic focus on Ferghana Valley in Tajikistan.

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

The project was designed taking into consideration the existing research data and UNDP own observations on the effect of existing inequality issues and gender biases on social and economic opportunities of rural people including women. The project activities will be implemented using the results of analysis of specific needs of project target groups, men and women, with consideration of active engagement of the vulnerable groups, including women and girls, returned migrants, as agents of change. The project indicators include disaggregation by gender, wherever is applicable, to ensure targeted assistance and proper monitoring of gender-responsiveness of the project.

Briefly describe in the space below how the Project mainstreams environmental sustainability

The project will contribute to environmental sustainability by promoting research of the green niche products and wherever is possible will promote green jobs and environmentally-friendly practices. In addition, it will cover environmental sustainability through its consideration in each implementing initiatives.

Part B. Identifying and Managing Social and Environmental Risks

<p>QUESTION 2: What are the Potential Social and Environmental Risks?</p> <p><i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i></p>	<p>QUESTION 3: What is the level of significance of the potential social and environmental risks?</p> <p><i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i></p>			<p>QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?</p>
<p>Risk Description</p>	<p>Impact and Probability (1-5)</p>	<p>Significance (Low, Moderate, High)</p>	<p>Comments</p>	<p>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</p>
<p>Risk 1: Human rights: Capacity of local authorities and duty-bearers might be limited to support and enable results expected within the Project, due to lack of knowledge and skills and their engagement with other priorities at the district level, as well as due to pandemic impact</p>	<p>I – 2 P - 2</p>	<p>Low</p>		<p>Close cooperation will be maintained with local authorities; capacity building activities are envisaged to increase adherence and accountability to project results; the schedule of activities is adjusted to ensure the effective and timely implementation of project activities in the project target areas</p>
<p>Risk 2. Human Rights: Rural people due to lower level of confidence, knowledge and skills might be less active in taking benefits from opportunities provided by the project or will take passive role in the process of implementation of small economic projects.</p>	<p>I – 2 P - 2</p>	<p>Low</p>		<p>The project will ensure proper information sharing, awareness raising and capacity building for vulnerable groups including women, as well as their equal participation in the project to ensure their proactive engagement, feedback for proper decision making and monitoring of results.</p>
<p>Risk 3. Human Rights: Implementation of infrastructure projects in the areas along the Tajik-Kyrgyz border (where delineation is not yet finalized) can exacerbate cross-border conflicts and the risk of violence to project-affected</p>	<p>I – 1 P-1</p>	<p>Medium</p>	<p>The risk is based on lessons of Cross-border cooperation project funded by PBF in 2015-</p>	<p>The project considers the risks related to disputed cross-border areas and sensitivities related to implementation of any infrastructure projects on the territories along the Tajik-Kyrgyz border. The project will thoroughly monitor all potential risks and avoid the areas with high level of conflict risks. Risk mitigation strategy will be coordinated closely with Uzbekistan and Kyrgyzstan</p>

communities and individuals.			2018	CO and the situation along the borders will be monitored on a regular basis.
Risk 4. Introduction of the innovations in digital spheres to enable better access to public services, employment and entrepreneurship can increase disparities between urban/rural population as well as between men and women. Women (particularly young women in rural areas) having lower level of education and digital/IT skills might be in a disadvantaged position in comparison with men to benefit from the project results.	I - 2 P - 2	Low		The project will pay attention to development of skills of women and girls in rural areas, to ensure their proper engagement and participation in all stages of project implementation, starting from design and ending with use of innovative products generated by the project. Targeted information and communication campaign and tailored activities will be implemented to ensure proper coverage of women and girls (at least at the level of 30%) and gender-sensitive dissemination of knowledge and information about products and services.
QUESTION 4: What is the overall Project risk categorization?				
Select one (see SESP for guidance)			Comments	
<i>Low Risk</i>			<input checked="" type="checkbox"/> <input type="checkbox"/>	UNDP will be capable to address and mitigate the potential human rights and gender risks, related to insufficient capacity of duty-bearers and right-holders and potential risk of conflicts in cross-border areas. The risks will be assessed and addressed by the project at the earliest stage of project implementation to ensure effective support and engagement of both groups.
<i>Moderate Risk</i>			<input type="checkbox"/>	
<i>High Risk</i>			<input type="checkbox"/>	
QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?				
Check all that apply			Comments	
<i>Principle 1: Human Rights</i>			<input checked="" type="checkbox"/>	Human rights risks, related to insufficient capacity of duty-bearers and right-holders will be assessed and addressed by the project at the earliest stage of project implementation to ensure effective support and engagement of both groups.
<i>Principle 2: Gender Equality and Women's Empowerment</i>			<input checked="" type="checkbox"/>	Risk related to lower level of women engagement and knowledge in digital/IT spheres which may result in disparities in terms of benefiting from project results.

			The risk will be managed through tailored solutions, communication campaign and skill building, focusing on women and girls from rural areas.
	1. Biodiversity Conservation and Natural Resource Management	<input type="checkbox"/>	
	2. Climate Change Mitigation and Adaptation	<input type="checkbox"/>	
	3. Community Health, Safety and Working Conditions	<input type="checkbox"/>	
	4. Cultural Heritage	<input type="checkbox"/>	
	5. Displacement and Resettlement	<input type="checkbox"/>	
	6. Indigenous Peoples	<input type="checkbox"/>	
	7. Pollution Prevention and Resource Efficiency	<input type="checkbox"/>	

Final Sign Off

Signature	Date	Description
QA Assessor		UNDP Team Leader for Sustainable Economic Development.
QA Approver		UNDP Assistant to Resident Representative. Final signature confirms they have “cleared” the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases, PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

Annex 2. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	
Principles 1: Human Rights	Answer (Yes/No)
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ⁵⁴	No
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, marginalized groups, from fully participating in decisions that may affect them?	No
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	Yes
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	Yes
7. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	Yes
Principle 2: Gender Equality and Women's Empowerment	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	Yes
3. Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4. Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below	
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	
1.1 Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?	No

⁵⁴ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water?	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area?	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ⁵⁵ greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)?	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No

⁵⁵ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ⁵⁶	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No

⁵⁶ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

Annex 3. Risk Analysis.

Project Title: Accelerating Post COVID-19 Economic Recovery through Improved Livelihood, Employability, and Regional Cooperation in Ferghana Valley	Award ID: 00123995 Output ID: 00119061	Date: 25 OCT 2020
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Description of risk	PROBABILITY (high, medium, low)	IMPACT (high, medium, low)	Mitigation Measures
Government or institutional changes delay regulatory improvements for rural employment, digital economy and e-governance promotion, business and rapid post COVID-19 recovery	Medium	Medium	<ul style="list-style-type: none"> → Continued advocacy at the national decision making and policy level for youth friendly policies and reforms; → Direct and extensive engagement in project implementation of the key national stakeholders, including, but not limited with the MEDT; → The project will enhance knowledge and capacity of the local governments to ensure effectiveness and continuity of initiated efforts; → Continued engagement with GoT across multiple platforms, including Consultative Councils, Forums, Regional and National Policy Dialogues and etc. → The project will build on existing development strategies, particularly National Development Strategy, and SDGs, etc.
Economic slowdown and border closure due to COVID-19 pandemic may impact project results, especially activities having regional focus and may require adaptation of activities and results	Medium	Low	<ul style="list-style-type: none"> → The project will keep abreast with the latest changes in economic context in the country affected by COVID-19 pandemic and in target areas to adapt its implementation strategies and jointly with project stakeholders and UNDP offices in Kyrgyzstan and Uzbekistan will define the most effective coping strategy to ensure achievement of project results.
Capacity of local players (especially returned migrants and women in rural areas) might not be enough to embrace opportunities in innovative and digital	Medium	Low	<ul style="list-style-type: none"> → The project envisages active engagement of both government and non-government constituencies, including representatives of marginalized and excluded groups in design and implementation of planned

Description of risk	PROBABILITY (high, medium, low)	IMPACT (high, medium, low)	Mitigation Measures
spheres			<p>actions;</p> <ul style="list-style-type: none"> → The project will ensure proper information sharing, awareness raising and capacity building for vulnerable groups including women and young people, as well as their equal participation in the project to ensure their proactive engagement, feedback for proper decision making and monitoring of results. → The project will partner with telecommunication companies to improve internet coverage and conduct awareness raising campaigns.
Risk of exacerbated conflicts or violence among cross-border communities	Low	High	<ul style="list-style-type: none"> → The project will thoroughly monitor the situation along the borders with Uzbekistan and Kyrgyzstan and consider the risks related to disputed cross-border areas and sensitivities related to implementation of any infrastructure projects on the territories along the borders. → The project will assess the potential risks for each intervention, reject the projects with high level of sensitivity, and avoid the areas with high level of conflict risks. → Risk mitigation strategy will be coordinated closely with Uzbekistan and Kyrgyzstan CO and the situation along the borders will be monitored on a regular basis.
<p>Institutional Risks: Limited impact on women's access to jobs and digital innovations and gender equality</p>	Medium	Medium	<ul style="list-style-type: none"> → The project will be using existing dialogue platforms with the Government and development partners, including Taskforce on Women Entrepreneurship under the State Investment Committee to advocate on WEE issues at the high level; → The Project has a special focus on addressing gender disparities in terms of labor force participation and envisaged targeted interventions benefiting women

Description of risk	PROBABILITY (high, medium, low)	IMPACT (high, medium, low)	Mitigation Measures
			<p>and young girls;</p> <p>→ The Project will conduct awareness raising campaigns to advocate women and youth economic empowerment and entrepreneurship.</p>
<p>Environmental Risks: Negative impact on climate/environment</p>	<p>Low</p>	<p>Low</p>	<p>→ All projects of UNDP undergo environmental screening. If required, the project will apply environment friendly measures;</p> <p>→ The project has a special focus to introduce innovative solutions for more sustainable production and trade, including development of 'green' niche products.</p>

Annex 4. Project Board Terms of Reference

Terms of Reference for the Project Board - Steering Committee for the Project “Accelerating Post COVID-19 Economic Recovery through Improved Livelihood, Employability, and Regional Cooperation in Ferghana Valley”

1. General information about the Project

UNDP through its Sustainable Economic Development (SED) Cluster and its projects has defined a set of strategies to support equitable and sustainable economic growth by promoting decent and productive employment, improving access to specialised knowledge and innovation and creating a more favourable business environment especially for entrepreneurs and farmers, as outlined in the Outcome 2 of the Country Program Document. The “Accelerating Post COVID-19 Economic Recovery through Improved Livelihood, Employability, and Regional Cooperation in Ferghana Valley” project is aimed to address the economic vulnerability and social exclusion of rural people in Tajikistan, with a special focus on women living in the remote areas of Khatlon region and Rasht valley. Building on existing strategic priorities of UNDP Tajikistan and on previous partnerships with the Russian Trust Fund (RTF), the project aims to address vulnerabilities that have been exacerbated by COVID-19, and to accelerate immediate and medium to long-term response and recovery. The key Development Goal of the project is to restore and improve livelihoods, create productive and decent employment and increase income generation opportunities through innovation for sustainable enterprise development and trade promotion. The project will focus on enhancing employability and income of people most affected by COVID-19 with a geographic focus on Ferghana Valley in Tajikistan.

The Project will target rural men and women, especially those living in cross-border districts bordering with Kyrgyzstan and Uzbekistan, in light of vulnerability to unemployment, social exclusion, social tensions in border areas. In rural areas the focus will be on people, who are not in education, employment, or training (NEET). The project will apply a gender-sensitive approach to reach girls and women from NEET category, to equip them with needed knowledge and skills, and empower them to engage more actively in economic activities.

This project document has been developed in close coordinate with the UNDP Country Offices in Kyrgyzstan and Uzbekistan. Outputs have been designed to include opportunities for complementary data collection and analysis that will be shared across the three countries. Where feasible, activities to accelerate experience sharing and the replication of good practice examples have also been included that can enhance dialogue across the three countries. Through this approach, UNDP aims to accelerate achievement of resilient socio-economic recovery in the region, as well as enhanced stability and prosperity in the Ferghana Valley in close partnership with the respective Governments. The project objectives will be achieved through interconnected complex of activities including but not limited to capacity building to meet the rising local demand for development, Accelerating Post COVID-19 Economic Recovery through Improved Livelihood, Employability, and Regional Cooperation in Ferghana Valley, which is expected to be achieved through the following Outputs:

- **Output 1:** Enhanced opportunities to reskill and upskill targeting unemployed young women and men, returned migrants and people from vulnerable households;
- **Output 2:** Innovations for stimulation of entrepreneurship and income-generation for vulnerable communities in bordering areas;
- **Output 3:** Promoting startup platforms and development of trade potential across Ferghana Valley.

2. Steering Committee: structure and membership

The Steering Committee (SC) makes a central element of the Project and is aimed to provide overall guidance and strategic direction to the project, including development, periodic revision, and implementation of the project strategy, and adaptation of global policies and best practices to

country's circumstances. The SC carries out monitoring and progress assessment of the Project activity and contributes to establishing mechanisms for the Project sustainability in Ferghana valley of Tajikistan. The SC is responsible for ensuring and monitoring of project technical and substantive quality.

The SC will serve as a platform for the major stakeholders of the project to discuss the overall progress of the project and make strategic decisions and recommendations to be implemented by the project team.

The SC will consist of senior staff of UNDP Tajikistan, representatives of relevant government agency representing interest of the beneficiary and is open to the donor organization. The SC meetings are co-chaired by the UNDP Tajikistan and a high-level representative of the MEDT.

The responsibilities of Co-Chairs include:

- Organization of the SC's meetings and invitation of participants.
- Conducting meetings and encouraging all members for equal participation in discussions and evaluation of project;
- Maintaining the meeting procedures as per principles of transparency and efficiency;
- Approving of the SC's resolutions and ensuring SC minutes are signed.

Regular members of SC include representatives/senior staff of the following entities:

1. Ministry of Economic Development and Trade of the Republic of Tajikistan
2. UNDP Tajikistan
3. Representative of the donor – Embassy of the Russian Federation in the Republic of Tajikistan (optional).

Due to the complexity and inclusiveness of the Project activities, the SC may also invite to the meetings independent representatives and technical experts from other governmental organization, UN agencies, local civil society organizations and international partner organizations, depending on the specific objectives and topic discussed at the specific SC's meeting.

3. Role and main functions of the SC

The SC will act as the coordination and management mechanism for the project. Its major role is to provide strategic oversight and direction to the project, to ensure that it retains strategic focus, and delivers the agreed benefits. *It will:*

- Make strategic decisions and provide guidance to senior management of implementing agencies;
- Review and approve a consolidated summary annual work plan prepared by the project implementing agencies, ensuring that it is focused and consistent with deliverables set out in the Project Document;
- Receive and if necessary, approve progress reports against the work plans and take strategic decisions on how to address any major challenges brought to the SC's attention;
- Monitor progress and impact of any wider issues - e.g. sector reform and other legislative changes, financial situation, programmes by other partners - that might impact upon the project and ensure that these are reflected as necessary within the project.
- Consider and approve any substantive changes in the action plan or budget of the project upon submission of a solid justification by implementing agencies, should this be necessary;
- Represent, as necessary, the interests of the project in high level government and development partners' discussions.

Responsibilities of the SC members

Each member of the SC should have a possibility to carry out the following functions:

- Get acquainted with the concepts of the project, progress reports and annual work plans in advance, before the SC's meeting is held;
- Consider the progress of the project against the targets set in the project log-frame, provide remarks and comments as to reports and work plans;

- Participate in monitoring of the execution of the Project in the field and the entire programme as a whole;
- Participate in fact-finding visits to potential beneficiaries;
- If necessary, participate in training and capacity building exercises that the project holds for potential beneficiaries.

Requirements to the work and representatives to the SC

The members of the SC should take all required measures to ensure full objectivity of the SC decision, both actual and formal (visible), and should avoid conflicts of interest or excessive influence. The representatives to the SC are obliged to ensure objectivity in the decision-making process using a principle of consensus, to exclude questions of personal character and conflict of interests as well as possible external influences.

In a case where a representative to the SC has any financial interest in the project or a conflict of interests with the project's vendors and contractors, s/he is obliged to inform the members of the SC well in advance and abstain from participation in the discussion even if s/he is not an executor under the project.

Financing

Members of the SC will fulfill the duties on a voluntary no-pay basis, without a financial compensation.

A compensation of expenses related to projects monitoring and evaluation and other Project related activities can be carried out upon submission of all confirming documents, according to the UNDP procedures and standards, and should be approved prior to expenses are made.

SC's meetings

The SC will meet regularly at least once a year to ensure coherence, review progress, adjust programming and endorse work plans.

The minutes of the SC will be taken by the assigned Project responsible staff. SC will ensure that discussions and decisions taken at the SC are complementary and well communicated to all stakeholders and partner.