

APPLICATION FORM/PROPOSAL TEMPLATE FOR READINESS PACKAGE GRANTS



ADAPTATION FUND

READINESS PACKAGE GRANT APPLICATION FORM TEMPLATE

Application for a Grant to support NIE accreditation through the readiness package

Submission Date: **05 April, 2024**

Adaptation Fund Grant ID:

Country receiving support:

Tajikistan

Institution to navigate accreditation process, if already identified:

“Environmental Project Implementation Unit” State Agency under the Ministry of Environment of the Republic of Armenia

Name of Implementing Entity delivering support:

“Center for Implementation of the Investment Projects” (CIIP) of the Committee for Environmental Protection under the Government of the Republic of Tajikistan

Type of Implementing Entity delivering support (NIE/RIE/MIE):

NIE

A. Timeframe of Activity

Expected start date of support	<i>01 September 2024</i>
Completion date of support	<i>01 September 2025</i>

B. Experience participating in, organizing support to, or advising other NIE candidates

- (i) Describe the support provided for accreditation through readiness grants from the Adaptation Fund to developing countries and/or entities seeking to use the Fund’s Direct Access modality (*please list only up to five of the most recent and add any others as an annex to this template*).

Year support started	Year support ended	Climate Fund (source of grant)	Type of support provided	Outcome of the support	Country/institution supported
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

- (ii) Describe any other type of support provided outside the grants from the Adaptation Fund to other national, sub-national and/or local entities relevant to the AF accreditation process.

Year	Type of Support	Outcome of the Support	Country/Institution Supported
2021-2022	Support in advancement of the fiduciary standards for accreditation with the Green Climate Fund during the process of responding to the GCF reviewers' comments on the submitted accreditation package.	<p>Initial submission from Armswissbank received a number of comments with regard to the fiduciary standards, environmental and social guidelines and gender policy. Despite the availability of the most policies and procedures, some of them lacked alignment with the GCF requirements.</p> <p>EPIU has been instrumental in providing guidance to the team of ArmSwissBank in responding to these comments, refining the documents and incorporating them into the workflow of the organization.</p> <p>Specific attention has been paid to the policy on prohibited practices, grievance and redress mechanism, protection of whistleblowers and gender policy.</p> <p>The support from EPIU has been channeled not only in the form of technical expertise during the review process, but also</p>	<p>ARMSWISSBANK CJSC, Republic of Armenia</p>

		guidance/mentorship of the responsible team members from Armswissbank.	
2020	Support in advancement of the fiduciary standards for accreditation with the Green Climate Fund, more precisely for reviewing Environmental and Social Policies, Standards and Procedures (including Gender Policy).	EPIU has provided guidance to the R2E2 in reviewing these policies and identification of respective gaps (compliance with GCF requirements), designing comprehensive and responsive TORs for the consultants and review and acceptance of the final deliverables provided by letters. Also, EPIU has participated to the capacity building activities for the R2E2 responsible staff members (including support in designing training materials) and shared its experience with the review (at pre-accession stage) and application (at post-accession stage) of the respective policies and standards.	<i>Armenia Renewable Resources and Energy Efficiency Fund,</i> Republic of Armenia

C. Proposed activities to support NIE accreditation

- (i) Describe the initial exchange that took place with the candidate entity and with the DA e.g., state with who (director, committee, DA etc.). Also state when the discussion took place and state what conclusions were arrived at. e.g., briefly state what issues the identified candidate NIE(s) is likely to face considering its experience managing project finance, its institutional capacity and experience implementing and managing the full climate change or development finance project life cycle, and its competency for transparency, self-investigative powers and anti-corruption measures.

Initial exchange of ideas on the potential support from “Environmental Project Implementation Unit” State Agency under the Ministry of Environment of the Republic of Armenia (EPIU) to the accreditation of the “Center for Implementation of the Investment Projects” (CIIP) of the Committee for Environmental Protection under the Government of the Republic of Tajikistan (CEP, the DA) to the Adaptation Fund took place between the directors of two organizations on the margins of the Climate Finance Forum, which was held in Dushanbe during 3-7 July 2023. Moreover, the representatives of EPIU took the advantage to meet with the representatives of the Designated Authority of Tajikistan to ensure the endorsement of the candidacy of CIIP as a potential entity to be nominated for accreditation with the Adaptation Fund.

The engagement with CIIP identified its specific interest in benefiting from EPIU’s experience in accreditation process and necessary competences to advance the following fiduciary standards, taking into account similarities in legal and regulatory frameworks of the countries, as well as respective practices:

- Project appraise, management, monitoring and evaluation, as well as impact assessment;
- Procurement procedures and financial management system;
- Stakeholders’ engagement and consultative framework;
- Policy on prohibited practices and mechanisms to combat them (including grievance redress mechanism).

Also, EPIU’s experience in collaboration with climate financiers in designing response and stakeholder driven projects has been prioritized. Thus, CIIP expressed interest in benefiting from EPIU’s experience and expertise through implementation of the Readiness Package Grant.

Starting from Autumn 2023 the EPIU team started to consult with the CIIP colleagues on the current capacities to meet AF’s accreditation criteria, existing gaps, opportunities and modalities for addressing the latter, the institutional capacity assessment to be conducted by EPIU, the need and modalities to take the AF’s online courses of accreditation, etc. This was conducted through sequential correspondence and organization of online meetings, including with the participation of respective AF colleagues.

- (ii) Describe results of the self-assessment done by the candidate NIE or assessment done by intermediary on suitability of the candidate/nominated NIE to meet the accreditation criteria. Confirm whether any candidate NIE staff took the AF online course on accreditation and explain how the learning outcome from taking this course has been incorporated into the proposal. (The AF accreditation course can be found [here](#)).

Candidate entity (CIIP) has conducted no self-assessment due to lack of necessary knowledge and expertise. However, several rounds of preliminary consultations with the engagement of experts accompanying director of EPIU to the Climate Finance Forum has revealed the need to re-engineer number of policies and procedures (procurement and financial management, project management), as well as to introduce missing ones (entire set of regulations on the policies of prohibited practices).

Following the agreements reached in the backstage of the Climate Finance Forum, the EPIU team conducted an institutional capacity assessment of CIIP. Despite the fact that the conclusion of the exercise was the determination of sufficient institutional capacities of CIIP to meet the accreditation

requirements of the Adaptation Fund, the assessment as well uncovered several gaps and areas of improvement, namely:

- The need to update guiding documents at the disposal of CIIP to fill in the identified gaps, to align with donors' potentially amended policies and procedures and with project implementation derived best practices and lessons learned.
- The need to organize trainings/seminars for CIIP respective staff members on the introduction and implementation of updated policies and procedures.
- The need to develop, if feasible, an official website for CIIP to ensure the transparency and communication of the updated guiding documents to a wide range of stakeholders starting from donor organizations and operational partners to the local beneficiaries of CIIP's projects.

The conclusions of the institutional capacity assessment were cleared with the representatives of CIIP during the call from March 29, 2024 (participants: Milena Kiramijyan, Leading Specialist of Cooperation with Donors Department, from EPIU's side and Mr. Muhibullo Junaidzoda, Director, Mr. Karomatullo Samiev, Chief Specialist, and Mr. Manuchehr Murodov, Specialist, from CIIP's side). Moreover, as a result of the online meeting an agreement was reached on indirect communication of the capacity assessment conclusions and the RPG proposal interventions derived from them with the Designated Authority. The DA communicated its endorsement of project proposal through CIIP.

CIIP has participated in the capacity building activities (number of trainings) organized within the framework of GCF Readiness and Preparatory Support Programme implemented by FAO and aimed at the advancement of Tajikistan engagement with GCF through building national programming framework and identification/advancement of the potential accredited entities.

Moreover, CIIP staff members of different managerial levels - Mr. Muhibullo Junaidzoda, Director of the Center for Implementation of Investment Projects, Mr. Karomatullo Samiev, Chief Specialist of the Center for Implementation of Investment Projects, Mr. Manuchehr Murodov, Specialist of the Center for Implementation of Investment Projects - has taken the AF online course on accreditation, which helped them to formulate a better understanding of the accreditation process, contribute to the identification of gaps and needs in the frameworks of the capacity assessment initiated by the EPIU team and proactively participate the programming of the Readiness Package Grant proposal.

(iii) Briefly justify why the nominated NIE candidate is best suited to meet the accreditation criteria.

CIIP has been identified by the DA of the Republic of Tajikistan for accreditation with Adaptation fund due number of factors:

- It is an operational arm of the Government's Committee for Environmental Protection (DA) in attracting climate finance, as well as initiation and implementation of the respective projects;
- Its policies and procedures are much more advanced in comparison with other entities;
- There are significant internal professional capacities that can be advanced and empowered to serve the proposed role.

CIIP was established in accordance with the decision No. 357 of the Government of the Republic of Tajikistan "On the Committee for Environmental Protection under the Government of the Republic of Tajikistan" dated September 2, 2021. It is a legal entity mandated to coordinate and implement projects financed by international financial organizations and institutions within the Committee for Environmental Protection under the Government of the Republic of Tajikistan. It has

rich climate-related track record that goes back even before 2021 when it was functioning under the name of “Project Implementation Unit” of the Committee for Environmental Protection under the Government of the Republic of Tajikistan.

CIIP track record:

Project Name:	Country of Implementation:	Funding Source:	Project Value:	Dates of Performance:
Water Resources Management in the Pyanj River Basin (additional financing) GCF grant	Tajikistan	GCF	6,5 mln USD	2019-2024
Climate Change Adaptation and Mitigation in the Aral Sea Basin (CAMP4ASB)" (Additional financing) GCF grant: through World Bank 2022- 2024	Tajikistan	GCF	9 mln USD	2022-2024
Water Resources Management in the Pyanj River Basin (additional financing) GCF grant, 2019-2024	Tajikistan	ADB	11.5 mln USD	2019-2024
Tajikistan Resilient Landscape Restoration Project, Grant of World Bank 2022-2027	Tajikistan	WB	45 mln USD	2022-2027
Community-based Agricultural Support Project Plus	Tajikistan	IFAD	45 mln USD	2023-2029

(iv) Provide a list in chronological order of occurrence, of the main components/steps that would be implemented to address the NIE candidate gaps/challenges, the activities to be undertaken, and the requested budget to support accreditation of the NIE candidate. An example is provided within the table in italics.

Component	Proposed support activities to address Gap/Challenge	Expected Output of the Activities	Tentative completion date	Requested budget for component in USD
Component 1. – Gap	Under this component, the review of existing policies,	Gap Assessment Report	End of December	12,000

analysis	<p>procedures and methodologies against AF accreditation questionnaire will be carried out to identify the key gaps. This will include the following key elements:</p> <ul style="list-style-type: none"> ➤ Legal status and capacities; ➤ Financial management capacity; ➤ Internal control framework; ➤ Project appraisal, preparation, implementation, M&E and impact assessment (including ESS, gender and stakeholder engagement); ➤ Procurement procedures and capacities; ➤ Policies on prohibited practices; ➤ Grievance mechanism. <p>Since an initial institutional capacity assessment exercise was carried out by EPIU the proposed activity would focus on diving deeper into the identified gaps and further tailor support to be provided. Comprehensive gap assessment report will be designed and presented to the entity along with proposed workplan (with necessary inputs from the entity).</p>	<i>(that also includes proposed timelines and necessary inputs)</i>	2024	
<p>Component 2. – Supporting design of missing documents and advancing</p>	<ul style="list-style-type: none"> ➤ Design of the missing policies, procedures and methodologies and advancement of existing (that requires certain improvements); ➤ Translation of the updated/existing/newly 	<ul style="list-style-type: none"> ➤ Introduced (new) and advanced (existing) policies, procedures and manuals; ➤ Documents translated into English as per the 	End of April 2025	43,000

existing ones	<p>developed documents to be mandatorily provided for AP's consideration in English.</p> <ul style="list-style-type: none"> ➤ Development of an official website for CIIP to ensure the transparency and communication of the updated guiding documents to a wide range of stakeholders. 	<p>AF requirements;</p> <ul style="list-style-type: none"> ➤ Functional official website that showcases the up to date policies and procedures of CIIP. 		
<p>Component 3. – Strengthening the capacities of CIIP in attracting and implementing climate finance through country visits and exchange</p>	<ul style="list-style-type: none"> ➤ Implementation of the on-job trainings for responsible staff in the country receiving the support on how to implement new regulatory framework developed under the project; ➤ Implementation of training and capacity-building workshops in the country providing the support on: <ul style="list-style-type: none"> ○ Mapping of adaptation financiers, their priorities; ○ Implementation of the national consultations to identify needs to be incorporated into the potential projects' portfolio; ○ Design of project idea notes and proposals; ○ Implementation of climate projects, adaptive management practices, M&E. 	<ul style="list-style-type: none"> ➤ Enhanced capacities of the potential NIE in attracting and implementing climate finance through enhanced and cognisant engagement with Adaptation Fund; ➤ Reports on the trainings/workshops conducted (including curricula, materials, outcomes, and performance assessment). 	End of June 2025	45,000
<p>Component 4. – Submission of the</p>	Mentorship/guidance on properly structuring accreditation application and necessary annexes.	Accreditation application is submitted	End of July 2025	10,000

accreditation application to the Adaptation Fund				
Component 5. – Addressing comments from AF	Addressing comments from AF Accreditation panel	Accreditation application resubmitted	is	End of August 2025
Total Project Cost				120,000
Project/Programme Cycle Management Fee charged by the Implementing Entity (Maximum of 8.5%)				10,200
Total Grant Requested (USD)*				130,200

Budget breakdown per components:

Component	Activities under the Component	Budget (in USD)	Budget narrative
Component 1. – Gap analysis	Enhanced gap assessment of the potential accredited entity guided by the results of the initial institutional capacity assessment using accreditation questionnaire of the Adaptation Fund, development of the respective workplan.	7,000	Gap assessment services of individual international consultant (500 USD per day * 9 days) and national consultant/s (250 USD per day * 10 days)
	Stakeholder consultations and engagement. <i>(Gap assessment should capture recent advancement of the framework and identify points requiring further advancement).</i>	5,000	Travel of international consultant to Dushanbe (3,000 USD for air ticket, DSA) and rent of premises for organization of the consultations

<p>Component 2. – Supporting design of missing documents and advancing existing ones</p>	<p>Design of the missing regulations/procedures/policies, support with embedding into the overall operational framework and capacity enhancement.</p> <p><i>(Final scope is subject to the screening under the component 1 of the gap assessment carried out within the framework of the GCF Readiness project. Preliminary list of documents is provided in Section D).</i></p> <p>Translation of the updated/existing/newly developed documents to be mandatorily provided for AP's consideration in English.</p> <p>Development of an official website for CIIP to ensure the transparency and communication of the updated guiding documents to a wide range of stakeholders.</p>	<p>28,000</p> <p>5,000</p> <p>10,000</p>	<p>The following consultancy services will be required for the implementation of this activity:</p> <ul style="list-style-type: none"> ➢ International expert/s on (but not limited to) fiduciary standards, financial management, project development – 18,000 USD (500 USD per day * 36 days); ➢ Local expert/s on (but not limited to) M&E, ESS, gender – 10,000 USD (250 USD per day * 40 days). <p>Translation services will be required for the implementation of this activity – 5000 USD (50 USD per day * 100 days).</p> <p>The following non-consultancy services will be required for the implementation of this activity:</p> <ul style="list-style-type: none"> ➢ IT specialist/s on development of the website – 6,000 USD (20 USD per hour * 300 hours); ➢ IT company on maintenance of the website – 4,000 USD for 1-2 years).
<p>Component 3. – Strengthening the capacities of CIIP in attracting and implementing climate finance through country visits and exchange</p>	<p>Implementation of the on-job trainings for responsible staff in the country receiving the support on how to implement new regulatory framework developed under the project.</p>	<p>22,250</p>	<ul style="list-style-type: none"> ➢ International expert on (but not limited to) fiduciary standards, financial management, project development – 2,500 USD (500 USD per day * 5 days); ➢ 3 local experts on (but not limited to) M&E, ESS,

	Implementation of training and capacity-building workshops on process starting from project ideation to project implementation in the country providing the support.	22,750	<p>gender – 3,750 USD (250 USD per day * 5 days * 3 experts);</p> <ul style="list-style-type: none"> ➤ Travel of 4 experts – 12,000 (3,000 USD for air ticket and DSA of 3 experts for 5 days); ➤ Implementation of 5-day long consultative workshops – 4,000 USD (venue, catering, equipment, printing, interpretation). ➤ 2 experts (preferably experienced in project development and implementation) on the elaboration of workshop topics – 2,500 USD (250 USD per day * 5 days * 2 experts); ➤ Travel of 4 CIIP staff members – 12,000 (3,000 USD for air ticket and DSA of 2 experts for 5 days); ➤ Implementation of 5-day long consultative workshops accompanied with a site visit – 8,250 USD (venue, catering, equipment, interpretation, printing, transportation).
Component 4. – Submission of the accreditation application to the Adaptation Fund	Distant mentorship and final peer review of the documents and necessary evidence to be submitted to the Adaptation Fund.	10,000	International Consultant on Accreditation (500 USD per day * 20 days)
Component 5. – Addressing comments from AF	Distant mentorship for responding to the comments from Adaptation Fund and implementation of the final round of the capacity building activities.	10,000	International Consultant on Accreditation (500 USD per day * 20 days)

Budget breakdown for project management fees:

Line Item	Cost in USD
Project Coordinator	5,400
Final Evaluation	2,000
External Audit	2,800
TOTAL	10,200

D. Justification of project activities

Provide a description of each identified NIE candidate gap/challenge and explain the status core, current processes and procedures within the NIE candidate regarding the identified gap/challenge and explain how the activities to be undertaken would address the identified gaps/challenges to advance accreditation of the NIE candidate. For new policies, procedures and institutional structures that need to be newly established, also provide a timeframe for demonstrating their effective operation and submission of evidence to the Accreditation Panel (AP), including responding to feedback from the AP. *(for missing policies, manuals and institutional structures, please list and explain each one individually)*

Policies, manuals procedures	Status	Relevance	Timeline for embedding and collecting evidence
Charter of the organization	The existing document requires advancement - improving the wording about CIIP's core business in the entity's charter.	Alignment of the operational framework, practices and capacities of CIIP with the requirements established for the National Implementing Entities to the Adaptation Fund.	N/A
Financial Procedures Manual	The existing document requires advancement – addressing CIIP's capacity to prevent and deal with financial mismanagement.		1 month
Internal Control Framework	The existing document requires advancement - establishing an institution level policy and procedures for self-		1 month

	investigation		
Operational Manual	The existing document requires advancement - updating the document and policies (including but not limited to procurement) related to competency to manage or oversee the execution of the project/programme, competency to undertake monitoring and evaluation, including monitoring of measures for the management of environmental and social risks.		1 month
Protocol on Project/programme Development/appraisal	A new document to be developed - establishing experience and protocol for project/programme development and appraisal.		2 months
Gender Policy	The existing document requires advancement - updating the gender policy and operational manual to enable the entity to comply with the AF gender policy.		1 month
Policies on Prohibited Practices	A new document to be developed - establishing a policy on anti-money laundering		2 months

	and anti-terrorist financing.		
Grievance Mechanism	The existing document requires advancement - updating the policy and mechanism to monitor and address complaints about environmental or social harms caused by projects.		1 month

The table above is drawn on the basis of the institutional capacity assessment conduct by the EPIU team prior to the proposal development. It can be amended based on the gap assessment exercise provided for under the Component 1 of the project proposal.

E. Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures.

Head of Implementing Entity	Signature	Date (Month, day, year)	Implementing Entity Contact	Telephone	Email Address
Mr. Armen Yesoyan, Acting Director of EPIU SA		April 5, 2024	Ms. Milena Kiramijyan, Leading Specialist of the Cooperation with Donors Department	+374 10 651631	Info@cep.am milena.kiramijyan@epiu.am , milena.kiramijyan@gmail.com

F. Record of request of support on behalf of the government

Provide the name and position of the government official who is the Designated Authority of the Adaptation Fund in the NIE candidate country and indicate date of endorsement. The letter of

endorsement from the Designated Authority should be attached as an annex to the application.

<p><i>Committee for Environmental Protection under the Government of the Republic of Tajikistan</i></p> <p><i>Mr. Sheralizoda Bahodur Chairman</i></p>	<p>Date: <u>18 September, 2023</u></p>
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КУМИТАИ
ҶИФЗИ МУҶИТИ ЗИСТИ
НАЗДИ ҲУКУМАТИ
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**COMMITTEE FOR ENVIRONMENTAL PROTECTION
UNDER THE GOVERNMENT OF THE REPUBLIC OF TAJIKISTAN**

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№ 1/17-03-2377 from « 18 » 09 2023

To _____ from « ___ » ____ 2023

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Letter of Endorsement for “Application for a grant to support NIE accreditation through readiness package”

In my capacity as designated authority for the Adaptation Fund in Republic of Tajikistan, I confirm that the above national grant proposal is in accordance with the government’s national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the Republic of Tajikistan.

Accordingly, I am pleased to endorse the above grant proposal with support from the Adaptation Fund. If approved, the project will be implemented by “Environmental Project Implementation Unit” State Agency under the Ministry of Environment of the Republic of Armenia and executed by the “Environmental Project Implementation Unit” State Agency under the Ministry of Environment of the Republic of Armenia.

Sincerely,

Mr. Bahodur Sheralizoda

Chairman of the Committee for Environmental Protection
under the Government of the Republic of Tajikistan
AF Operational and Political Focal Point

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№ 13/12-3 from «04» 04 2024

To _____ from « » 2024

To: Mr. Mikko Ollikainen
Manager of the Adaptation Fund Board Secretariat
c/o Global Environment Facility
1818 H Street NW
Washington DC 20433, USA
Email: mollikainen@adaptation-fund.org

Subject: Nomination of the Center for Implementation of Investment Projects of the Committee for Environmental Protection under the Government of the Republic of Tajikistan for accreditation with the Adaptation Fund as a National Implementing Entity (NIE)

In my capacity as designated authority for the Adaptation Fund in Republic of Tajikistan, I confirm that the Center for Implementation of Investment Projects of the Committee for Environmental Protection under the Government of the Republic of Tajikistan has demonstrated the essential capabilities and system that a NIE candidate is expected to demonstrate during the accreditation process, namely:

- The nominated NIE can demonstrate and give evidence of its fiduciary abilities and obtain the accreditation from the Adaptation Fund.
- The nominated NIE is the most capable and suitable within the country to take responsibility and accountability for the full climate change adaptation project cycle in an agile, efficient, and effective manner.
- The nominated NIE has the appropriate processes and management for implementing climate change adaptation projects.
- The nominated NIE promotes a zero tolerance for fraud and corruption that is clearly demonstrated.
- The nominated NIE can demonstrate its commitment and capacity to comply with the Environment and Social Policy and Gender Policy of the Adaptation Fund in the implementation of the Fund's projects or programmes. Furthermore, it has mechanism in place to address Environmental and Social Policy and Gender Policy complaints.

- The nominated NIE is able to work together with government entities, leveraging cofinancing organizations and other stakeholders within the country in order to identify, appraise, implement, monitor and evaluate projects – including those related to climate change adaptation.

The focal points of the Center for Implementation of Investment Projects of the Committee for Environmental Protection under the Government of the Republic of Tajikistan for the accreditation process are:

1. Mr. Junaidzoda Muhibullo – Director of the Center for Implementation of Investment Projects of the Committee for Environmental Protection under the Government of the Republic of Tajikistan, email: cepciptj@gmail.com, tel: (+992)-918-38-36-36.
2. Mr. Samiev Karomatullo – Chief specialist of the Center for Implementation of Investment Projects of the Committee for Environmental Protection under the Government of the Republic of Tajikistan, email: karomatullo_s@mail.ru, tel: (+992)-555-55-96-40.

Sincerely,



Mr. Bahodur Sheralizoda

Chairman
Committee for Environmental Protection
under the Government of the Republic of Tajikistan
AF Designated Authority from the Republic of Tajikistan

INSTITUTIONAL CAPACITY ASSESSMENT REPORT

FOR THE “CENTER FOR IMPLEMENTATION OF THE INVESTMENT PROJECTS” OF THE COMMITTEE FOR ENVIRONMENTAL PROTECTION UNDER THE GOVERNMENT OF THE REPUBLIC OF TAJIKISTAN IN THE FRAMEWORKS OF ACCREDITATION TO THE ADAPTATION FUND

Prepared by “Environmental Project Implementation Unit” State Agency of the Ministry of Environment of the Republic of Armenia | MARCH, 2024

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BACKGROUND

“Environmental Project Implementation Unit” State Agency of the Ministry of Environment of the Republic of Armenia (EPIU) in cooperation with the “Center for Implementation of the Investment Projects” of the Committee for Environmental Protection under the Government of the Republic of Tajikistan (CIIP CEP) has initiated a Readiness Package Grant application process to facilitate the accreditation of the latter to the Adaptation Fund (AF) as a National Implementing Entity (NIE).

To this end the EPIU team, guided by the recommendation of the Readiness Program Officer of the AF Secretariat, performed an assessment of institutional capacities of CIIP CEP to provide up to date information on the capabilities of the latter.

Adaptation Fund. The Adaptation Fund (AF) is the financial mechanism under the Kyoto Protocol for the UNFCCC. AF was established to finance national and regional adaptation projects and programs in developing countries committed to the Kyoto Protocol. In August 2019, the AF approved a project for Tajikistan in the form of a grant through UNDP in the amount of USD 9.9 million “An integrated landscape approach to enhancing the climate resilience of small-scale farmers and pastoralists in Tajikistan”. The Government of Tajikistan has designated the CEP as the focal point for the AF.

The accreditation will allow the Committee for Environmental Protection to directly access climate finance in order to contribute to building climate-resilient communities across Tajikistan and to implement national climate change adaptation related priorities.

This report presents the development and outcome of the institutional assessment carried out by the EPIU team from December 2023 to March 2024 in close collaboration with the CIIP CEP.

It has the following specific objectives:

1. **Provide the results of the institutional assessment conducted with the nominated national institution in Tajikistan** that have a potential in becoming accredited to AF,
2. **Evaluate and analyze a range of capacity gaps** which may hinder the identified national institution from becoming a NIE.

STRUCTURE OF THE REPORT

The current report is structured around the following sections, that illustrate the elements of the overall assessment process of CIIP CEP’s capacities.

- **Methodology**, outlining the tools and steps of the overall institutional assessment process, presenting the various activities that made the assessment possible including the self-assessment questionnaire and online meetings with nominated entity staff;
- **AF Accreditation standards**, giving the detail of the official AF criteria applied for the mapping and institutional assessment of national organizations;
- **Profile of the nominated entity**;

- **Results of the institutional assessment**, illustrating the outcome of the assessment regarding the ability of CIIP CEP to meet AF accreditation requirements;
- **Conclusions and recommendations**;
- **Annexes**, containing additional information and materials.

METHODOLOGY

The finding presented in this report is based on the research and the respective correspondence conducted from December 2023 to March 2024 between EPIU and CIIP CEP. During the mentioned term an institutional assessment using a respective questionnaire was carried out, a number of regulatory documents were collected (annexed), a desk review was conducted.

In the context of the assessment the EPIU team was in correspondence with Mr. Muhibullo Junaidzoda, Director of the Center for Implementation of Investment Projects, Mr. Karomatullo Samiev, Chief Specialist of the Center for Implementation of Investment Projects, Mr. Manuchehr Murodov, Specialist of the Center for Implementation of Investment Projects. The representatives of the organization highlighted the importance of accreditation to AF for Tajikistan and their willingness to support in the fulfillment of this endeavor.

The results of the current assessment were cleared during an online meeting from March 29, 2024, between the representatives of EPIU (Ms. Milena Kiramijyan, Leading Specialist of Cooperation with Donors Department) and CIIP (Mr. Muhibullo Junaidzoda, Mr. Karomatullo Samiev, Mr. Manuchehr Murodov).

AF ACCREDITATION STANDARDS

The accreditation process of the Adaptation Fund aims to ensure that the entity follows fiduciary and safeguard standards to identify any project risks in advance, prevent any harm and improve the effectiveness and sustainability of results while accessing financial resources of the Adaptation Fund.

The Adaptation Fund's accreditation process is composed of a set of accreditation standards that consist of four broad categories: legal status, financial and management integrity, institutional capacity, and transparency, self-investigation and anti-corruption.

1. **Legal Status:** Status to contract with the Adaptation Fund Board;
2. **Financial and management integrity:** Accurate recording of transactions, disbursing funds on a timely basis, and audited periodically by an independent firm or organization;
3. **Institutional Capacity:** Ability to manage procurement procedures, ability to identify, formulate and appraise projects/programmes, competency to manage or oversee the execution of the project/programme, competency to undertake monitoring and evaluation, including monitoring of measures for the management of environmental and social risks;

4. Transparency, Self-investigation, Anti-corruption: Mechanism to monitor and address complaints about environmental or social harms caused by projects;
5. Compliance with Adaptation Fund's Gender Policy.

PROFILE OF THE NOMINATED ENTITY

Center for Implementation of Investment Projects of the Committee for Environment Protection under the Government of the Republic of Tajikistan was established in 2021 by the Decree of the Government of the Republic of Tajikistan #357 "On the Committee for Environmental Protection under the Government of the Republic of Tajikistan" dated September 2, 2021. Overall, the founder of the Center is Government of Republic of Tajikistan and in accordance with regulations of the Republic of Tajikistan, the authorized body of the Government of the Republic of Tajikistan exercising the functions and powers of the Founder is the Committee for Environmental Protection under the Government of the Republic of Tajikistan. Within its powers, the Center is a coordinating and implementing structure of projects financed by international financial organizations and institutions within the Committee for Environmental Protection under the Government of the Republic of Tajikistan. The Center is a legal entity, which have independent balance sheet, separate property, bank accounts in national and foreign currencies, as well as special seals, stamps and forms with its own name, on its behalf can possess, realize and oblige property and non-property rights, as well as act as a plaintiff and defendant in a court.

Center for Implementation of Investment Projects supports the attraction of grant funds, especially for: protection of natural landmarks, biodiversity, flora and fauna, specially protected natural areas, types of waste, water resources, water supply source, atmospheric air, persistent organic pollutants, meteorology, climate change, desertification, ozone layer, environmental safety, chemical safety, territory protection (buffer), red book, environmental monitoring, natural object, natural landscape, environmental information, nature reserve, natural park, biosphere reserve, ecological tourism, biotechnical activities, nature nursery, nursery of rare animals, construction of administrative building complex, repair and reconstruction of administrative buildings and investments for the implementation of strategies, concepts, state and sectoral programs for environmental protection and climate change.

The predecessor of the Center for Implementation of Investment Projects is Projects Implementation Unit of the Committee for Environment Protection under the Government of the Republic of Tajikistan has been established in 2019 on terminating the activities of Grant Agreements TF014521 and TF014523 of June 11, 2013 between the Government of the Republic of Tajikistan and the World Bank aimed to improve the living standards of the population, approved by the Resolution of the Majlisi Namoyandagon of the Majlisi Oli of the Republic of Tajikistan dated of May 14, 2014 No. 1489 and establishing Projects Implementation Unit. PIU was a legal entity and was guided by the Charter of PIU, norms and principles of international law, international contracts and agreements, present bylaws and the laws of the Republic of Tajikistan.

Center for Implementation of Investment Projects has managed to attract and access several sources of international finance including the World Bank, GEF, PPCR, IDA, GCF, UNDP.

So far, the investment projects implemented through CIIP are:

1. Climate Change Adaptation and Mitigation in the Aral Sea Basin (CAMP4ASB)" (Additional financing) GCF grant: through World Bank 2022-2024;

2. Water Resources Management in the Pyanj River Basin (additional financing) GCF grant, 2019-2024;
3. Tajikistan Resilient Landscape Restoration Project, Grant of World Bank 2022-2027;
4. Community-based Agricultural Support Project Plus.

RESULTS OF THE INSTITUTIONAL ASSESSMENT

Below are presented the findings of the institutional assessment carried out by the EPIU team.

1. Legal Status

Strengths:

- **Demonstrated legal status:** Provisions of the Charter of CIIP CEP, as well its experience in cooperation with multilateral organizations, including WB, GEF, etc., demonstrate its legal ability to contract with AF.

Areas of improvement:

- Charter CIIP CEP could use some amendment taking into account that the wording about organization's core business and areas of activity are not directly stated.

2. Financial and Management Integrity

Strengths:

- **Strong capacity for general management and administrative oversight:** CIIP demonstrated a defined governance and oversight structure (see the Organogram), and experience in the regular preparation of budgets in the context of developing annual expenditure plans on the basis of budgets of investment projects, provided by the donor organizations, to be submitted to and approved by the Ministry of Finance.
- **Overall alignment with international standards on financial management and accounting:** CIIP demonstrated that reports and financial statements are prepared in accordance with recognized international accounting standards given previous collaboration with International Financial Institutions and other partners (see TFOB5999_TJ project financial statements and independent auditors' report). In the context of financial management procedures the organization is guided by the Financial Procedures Manual (annexed), developed by the Financial manager of CIIP. The document also reflects on the strict commitment of the organization to follow national normative standards and requirements against money laundering and terrorism financing as a state institution.

CIIP prepares monthly, quarterly, semi-annual, nine-month and annual financial reports to be submitted to the management of CEP, relevant ministries and agencies of the republic and international financial organizations. The accounting system is rather appropriately established and maintained with specified roles and responsibilities of designated staff members and equipped with country-wide exploited specialized accounting program along with the project-specific tools of each donor organization. It is

worth to mention that authorized specimen in relation to the processes of financial management and accounting are the Director and Chief Accountant of CIIP, who are particularly under the oversight of the Ministry of Finance in this context. Overall, the Ministry is actively engaged in the financial management of funds allocated to CIIP, since the Ministry is intermediary between the donor organizations and the CIIP in this context.

- **Good coverage of internal/external audit:** The statement of CIIP regarding the internal audit function were controversial, since from one hand it is stated that “CIIP itself within the projects conducts financial audits”, from the other – the answer to the question “Does your organisation have an internal audit function?” is no. However, everything is fixed with external auditing, the projects are regularly audited by the Tajik Ministry of Finance, as well as by recognized external audit firms appointed by donors or contracted through tenders.

Areas of improvement:

- **Capacity to prevent and deal with financial mismanagement:** Information is missing or unclear, internal policies should be developed to fulfil investigation functions of malpractice.
- **Anti-money laundering and anti-terrorist financing:** Though CIIP follows national legislation an internal policy or body should be established to prevent such malpractice and carry out due diligence. The organization might need to demonstrate how/if national normative standards and requirements on anti-money laundering and anti-terrorist financing apply at the organization’s level.

3. Institutional Capacity

Strengths:

- **Procurement functions in-line with international standards:** The Charter of the organization states that procurement procedures are carried out “in accordance with the legislation of the Republic of Tajikistan and the requirements of international financial organizations”. The record track of CIIP proves that the common practice is continuing to be the exploitation of procurement policies and related guidelines of donor organizations (as was the case with two WB projects implemented by CIIP). However, CIIP shared as well a Procurement Manual (annexed), dated December 2020, which is simultaneously used by the organization.

Areas of improvement:

- **Project/programme development and appraisal:** The information provided by the organization gives us grounds to conclude that CIIP has not been granted with an opportunity to formulate and appraise projects/programmes so far. The staff could use specific issue-related mentored trainings to develop such capacities.
- **Competency to manage or oversee the execution of the project/programme, competency to undertake monitoring and evaluation, including monitoring of measures for the management of environmental and social risks:** While the record track of CIIP testifies the presence of enough project execution, M&E, E&S risk management related institutional capacities, and though the organization has a

governing document (Operational Manual, OM) that guides its activities and uses case-by-case strategy depending of the approaches of the donor organization, it is assumed that CIIP could use some update to align with donors' potentially amended policies and procedures and project implementation derived best practices and lessons learned.

4. Transparency, Self-investigation, Anti-corruption

Strengths:

- **Anti-corruption:** A separate part of the Financial Procedures Manual refers to the Anti-Corruption and Anti-Fraud Policy of CIIP.

Areas of improvement:

- **Mechanism to monitor and address complaints about environmental or social harms caused by projects:** CIIP has a project level grievance redress mechanism and a respective guideline on its use. However, the review shows that the document needs some refreshment and improvement in the context of defining the eligibility criteria and ensuring the stakeholders' awareness on the channel of complaint escalation. It is important to mention that the latter issue could be partially addressed by developing an official website for the organization which will have respective section for online complaint submission.
- **Self-investigation:** Though the categories of complaints described in "Grievance Redress Mechanism Guidelines at Project Level" document seem to cover fraudulent and corrupt practices, CIIP does not appear to have guidelines or a ToR for providing independent and objective investigation of allegations of such practices in organizational operations.

5. Compliance with Adaptation Fund's Gender Policy

Areas of improvement:

- Though CIIP demonstrates rather strong experience in mainstreaming gender into climate-related projects and programs according to the policies of donor organizations, and the organization exploits an overall regulatory gender policy, the review of the policy and the OM show that the Gender Policy could be updated to incorporate the sections demonstrated in the OM, to face the possible updates in the respective policies and procedures of the donor organizations, and to align with project implementation derived best practices and lessons learned.

CONCLUSIONS AND RECOMMENDATIONS

The institutional assessment of "Center for Implementation of the Investment Projects" of the Committee for Environmental Protection under the Government of the Republic of Tajikistan carried out by EPIU underlines the existence of sufficient institutional capacities of the organization to meet the accreditation requirements of the Adaptation Fund.

As it can be observed in the previous section, besides strengths pinpointed in the context of institutional capacities, there are gaps and areas of improvement as well. The report suggests insights on the recommended measures to be implemented in order to capitalise on strengths and address the existing capacity needs. The main takeaways in this regard are:

- To update guiding documents at the disposal of CIIP to fill in the identified gaps, align with donors' potentially amended policies and procedures and project implementation derived best practices and lessons learned.
- To organize trainings/seminar for CIIP respective staff members on the introduction and implementation of updated policies and procedures.
- If available, to develop an official website for CIIP to ensure the transparency and communication of the updated guiding documents to a wide range of stakeholders starting from donor organizations and operational partners to the local beneficiaries of CIIP's projects.