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INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED IDA GRANT
IN THE AMOUNT OF SDR 1.3 MILLION
(US\$1.80 MILLION EQUIVALENT)

AND ON A

PROPOSED ADDITIONAL GRANT
IN THE AMOUNT OF US\$2.00 MILLION
FROM
THE PILOT PROGRAM FOR CLIMATE RESILIENCE
OF THE STRATEGIC CLIMATE FUND (PPCR)

TO THE

REPUBLIC OF TAJIKISTAN

FOR

ADDITIONAL FINANCING FOR THE ENVIRONMENTAL LAND MANAGEMENT AND
RURAL LIVELIHOODS PROJECT

June 9, 2015

Environment and Natural Resources Global Practice
Central Asia Regional Office
Europe and Central Asia Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective May 31, 2015)

Currency Unit = SDR
SDR 0.72 = US\$1
US\$1.39 = SDR 1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AF	Additional Financing
CAWMP	Community Agriculture and Watershed Management Project
CEP	Committee for Environmental Protection
CIG	Common Interest Group
CPS	Country Partnership Strategy
DA	Designated Account
DFID	UK Department for International Development
EBRD	European Bank for Reconstruction and Development
ECA	Europe and Central Asia
ELMARL	Environmental Land Management and Rural Livelihoods Project
EMF	Environmental Management Framework
FM	Financial Management
GDP	Gross Domestic Product
GEF	Global Environment Facility
GEO	Global Environment Objective
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GREAT	Growth in Rural Economy and Agriculture
ICT	Information and Communication Technologies
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFR	Interim Unaudited Financial Report
IG	Implementation Group
IPM	Integrated Pest Management
JRC	Jamoat Resource Center
LSIS	Living Standards Improvement Strategy
NGO	Non-governmental Organization
PDO	Project Development Objective
POM	Project Operational Manual
PPCR	Pilot Program for Climate Resilience
PUG	Pasture User Group
SIC	State Investment Committee

SLM	Sustainable Land Management
SPCR	Strategic Program for Climate Resilience
SUDVIO	Social Union for Development of Village Organization
UNDP	United Nations Development Programme
USAID	US Agency for International Development
WB	World Bank
WUA	Water User Association

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TAJIKISTAN
ENVIRONMENTAL LAND MANAGEMENT AND RURAL LIVELIHOODS

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ADDITIONAL FINANCING DATA SHEET

Tajikistan

Environmental Land Management and Rural Livelihoods - Additional Financing (P153709)

EUROPE AND CENTRAL ASIA

GENDR

Basic Information – Parent							
Parent Project ID:	P122694	Original EA Category:	B - Partial Assessment				
Current Closing Date:	31-May-2018						
Basic Information – Additional Financing (AF)							
Project ID:	P153709	Additional Financing Type (from AUS):	Scale Up				
Regional Vice President:	Laura Tuck	Proposed EA Category:					
Country Director:	Saroj Kumar Jha	Expected Effectiveness Date:	03-Oct-2015				
Senior Global Practice Director:	Paula Caballero	Expected Closing Date:	31-May-2018				
Practice Manager/Manager:	Kulsum Ahmed	Report No:	PAD1428				
Team Leader(s):	Angela G. Armstrong						
Borrower							
Organization Name	Contact	Title	Telephone	Email			
Ministry of Finance	Abdusalom Kurboniyon	Minister	(992-372) 21-14-17	min_fin@tojikiston.com			
Project Financing Data - Parent (Environmental Land Management and Rural Livelihoods Project-P122694) (in USD Million)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P122694	TF-14521	Effective	11-Jun-2013	11-Jun-2013	03-Oct-2013	31-May-2018	31-May-2018
P122694	TF-14523	Effective	11-Jun-2013	11-Jun-2013	03-Oct-2013	31-May-2018	31-May-2018

Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P122694	TF-14521	Effective	USD	5.40	5.40	0.00	0.83	4.57	15.37
P122694	TF-14523	Effective	USD	9.45	9.45	0.00	1.26	8.19	13.33
Project Financing Data - Additional Financing Environmental Land Management and Rural Livelihoods - Additional Financing (P153709) (in USD Million)									
<input type="checkbox"/>	Loan	<input checked="" type="checkbox"/>	Grant	<input checked="" type="checkbox"/>	IDA Grant				
<input type="checkbox"/>	Credit	<input type="checkbox"/>	Guarantee	<input type="checkbox"/>	Other				
Total Project Cost:		4.23		Total Bank Financing:		1.80			
Financing Gap:		0.00							
Financing Source – Additional Financing (AF)								Amount	
BORROWER/RECIPIENT								0.00	
International Development Association (IDA)								1.80	
Strategic Climate Fund Grant								2.00	
Local Communities								0.43	
Financing Gap								0.00	
Total								4.23	
Expected Disbursements for IDA and PPCR (in USD Million)									
Fiscal Year	2016		2017		2018		2019		
Annual	0.8		1.7		1.3		0.0		
Cumulative	0.8		2.5		3.8		0.0		
Expected Disbursements for PPCR (in USD Million)									
Fiscal Year	2016		2017		2018		2019		
Annual	0.5		1.1		0.4		0.0		
Cumulative	0.5		1.6		2.0		0.0		
Policy Waivers									
Does the project depart from the CAS in content or in other significant respects?							No		
Explanation									

Does the project require any policy waiver(s)?				Yes	
<p>Explanation</p> <p>A waiver to OP7.50 (Projects on International Waterways) was granted, as investment activities under the proposed Additional Financing (AF) fall within the exception to the notification requirements in paragraph 7(a) of OP7.50.</p>					
Team Composition					
Bank Staff					
Name	Role	Title	Specialization	Unit	
Angela G. Armstrong	Team Leader (ADM Responsible)	Sr. Natural Resources Mgmt. Spec.	Sr. Natural Resources Management Specialist	GENDR	
Dilshod Karimova	Procurement Specialist	Procurement Specialist	Procurement Specialist	GGODR	
Niso Bazidova	Financial Management Specialist	Financial Management Analyst	Financial Management Specialist	GGODR	
Bobojon Yatimov	Team Member	Senior Rural Development Specialist	Senior Rural Development Specialist	GFADR	
Jasna Mestnik	Team Member	Finance Officer	Finance Officer	WFALA	
Linh Van Nguyen	Team Member	Program Assistant	Program Assistant	GENDR	
Natalia Robalino	Counsel	Senior Counsel	Senior Counsel	LEGIA	
Nina Rinnerberger	Team Member	Natural Resources Mgmt. Specialist	Natural Resources Mgmt. Specialist	GENDR	
Nodira Pirmanova	Team Member	Temporary	Program Assistant	ECCTJ	
Extended Team					
Name		Title	Location		
David Lugg		Agricultural Specialist	Faringdon		
German Kust		Environmental Specialist	Moscow		
Nandita Jain		Participatory Natural Resource Management Specialist	Washington		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Tajikistan	Khatlon	Khatlon		X	
Tajikistan	Region of Republican	Region of Republican		X	

	Subordination	Subordination			
Institutional Data					
Parent (Environmental Land Management and Rural Livelihoods Project-P122694)					
Practice Area (Lead)					
Environment & Natural Resources					
Contributing Practice Areas					
Cross Cutting Topics					
[] Climate Change					
[] Fragile, Conflict & Violence					
[] Gender					
[] Jobs					
[] Public Private Partnership					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %	
Agriculture, fishing, and forestry	Agricultural extension and research	44	100		
Agriculture, fishing, and forestry	Irrigation and drainage	23	100	100	
Agriculture, fishing, and forestry	General agriculture, fishing and forestry sector	18	100	100	
Public Administration, Law, and Justice	Public administration-Agriculture, fishing and forestry	9	100	46	
Agriculture, fishing, and forestry	Animal production	6	100	100	
Total		100			
Themes					
Theme (Maximum 5 and total % must equal 100)					
Major theme	Theme	%			
Rural development	Rural services and infrastructure	28			
Rural development	Other rural development	22			
Environment and natural resources management	Land administration and management	22			

Rural development	Rural policies and institutions	21		
Environment and natural resources management	Climate change	7		
Total		100		
Additional Financing Environmental Land Management and Rural Livelihoods - Additional Financing (P153709)				
Practice Area (Lead)				
Environment & Natural Resources				
Contributing Practice Areas				
Cross Cutting Topics				
[X] Climate Change				
[] Fragile, Conflict & Violence				
[X] Gender				
[X] Jobs				
[] Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Agriculture, fishing, and forestry	Agricultural extension and research	25	100	
Public Administration, Law, and Justice	Public administration-Agriculture, fishing and forestry	25	100	50
Agriculture, fishing, and forestry	General agriculture, fishing and forestry sector	20	100	100
Agriculture, fishing, and forestry	Irrigation and drainage	15	100	100
Public Administration, Law, and Justice	Sub-national government administration	15	100	50
Total		100		
Themes				
Theme (Maximum 5 and total % must equal 100)				

Major theme	Theme	%
Rural development	Rural services and infrastructure	25
Rural development	Other rural development	25
Rural development	Rural policies and institutions	25
Environment and natural resources management	Land administration and management	15
Environment and natural resources management	Climate change	10
Total		100
Consultants (Will be disclosed in the Monthly Operational Summary)		
Consultants Required? Consultants will be required.		

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an Additional Financing (AF) grant of US\$3.8 million from IDA (US\$1.8 million) and additional Pilot Program for Climate Resilience (US\$2.0 million) resources to the Tajikistan Environmental Land Management and Rural Livelihoods Project (P153709).

2. The proposed AF would help finance costs associated with strengthening and expanding Component 1 (Rural Production and Land Resource Management Investments) and Component 2 (Knowledge Management and Institutional Support) of the existing project. In particular, AF will enable the project to (i) expand its geographic coverage and support to different climate vulnerable districts, by scaling up support for innovative rural production and sustainable land management (SLM) measures at the village level to help rural livelihoods become more resilient to climate change and (ii) improve access to the best or most appropriate knowledge on the adoption of SLM and climate resilient practices among the rural population and households.

3. By expanding the project's geographic coverage to support communities in one additional climate vulnerable district, the impact of this well-performing project will be enhanced. The proposed AF will help communities build resilience to climate variability and change, by supporting approximately 5,350 additional households in developing and adopting rural production and sustainable land management practices that improve livelihoods and food security, and restore productive natural resources. In addition, it will further promote increased adoption of SLM practices by supporting activities to expand farmers' access to knowledge and skills on both SLM and climate resilient practices.

4. The project is collaborating with international donors active in rural development, agriculture, and related sectors, including DFID, GIZ, KfW, IFAD, USAID, Caritas-Switzerland, ADB, and UNDP. The DFID supported Growth in Rural Economy and Agriculture (GREAT) project implemented by GIZ has strong synergies with the project, and the project team has been closely collaborating with the GIZ team to support scale-up and ensure that the project's rural production and land resource management investments build upon GREAT's community mobilization and agriculture advisory service work. In addition, the Bank is participating in periodic roundtables among all donors supporting pasture management to learn from each other's implementation experiences and lessons.

II. Background and Rationale for Additional Financing in the amount of \$3.8 million

5. The Tajikistan Environmental Land Management and Rural Livelihoods Project (total project cost: US\$16.88 million) was approved by the Board on March 29, 2013, signed on June 11, 2013, and became effective on October 3, 2013. The existing project is financed with grant resources from the Pilot Program for Climate Resilience (PPCR Grant, US\$9.45 million) and Global Environment Facility (GEF Grant, US\$5.40 million). Beneficiary contributions from local communities are estimated at US\$2.03 million.

6. There have been no changes to the project's objective or design since implementation began. The project objective is to enable rural people to increase their productive assets in ways that improve natural resource management and resilience to climate change in selected climate vulnerable sites. The project components include: Component 1 (Rural Production and Land Resource Management Investments); Component 2 (Knowledge Management and Institutional Support); and Component 3 (Project Management and Coordination). Component 1 is promoting the adoption of innovative rural production and land management measures, by providing (1.1.) small-scale grants at the village level, and (1.2.) grants to *jamoat*-level pasture user groups to implement participatory pasture and livestock management plans, and to water user associations to introduce sustainable on-farm water management practices. Component 2 is providing facilitation services and technical and institutional support for rural populations to plan, implement and manage rural investments. Relevant data collection and analysis, and information exchange for wider adoption of sustainable land management is also being supported.

7. The project has been under implementation for approximately a year and a half. By May 30, 2015, the PPCR Grant (TF14523) disbursed 13.33% of PPCR grant proceeds, and the GEF Grant (TF14521) disbursed 15.37% of the GEF grant proceeds. There were delays in project implementation during the first half of CY2014 due to institutional changes within the implementing agency and the project implementation group (the Committee for Environmental Protection, CEP/IG). The CEP/IG has made significant advances in contracting key consultancies and overseeing the planning of rural production and land resource management investments. This includes the contracting of organizations (NGOs) to facilitate participatory planning and resource assessments, community mobilization, and assisting groups in the preparation and implementation of rural investments and pasture and on-farm water management plans.

8. With this facilitation support, participatory *jamoat*-level environmental analyses and climate change adaptation assessments are being conducted in four districts (Farkhor, Kulyob, Tavildara, and Jirgatol). As these assessments are concluded, facilitating organizations are then assisting villages in preparing participatory appraisals, and identifying and designing investment plans that help address the findings of both village and *jamoat* environmental and climate change adaptation appraisals. Contracted facilitating organizations are also supporting larger-scale participatory initiatives in sustainable community land management. Under this support, Pasture User Groups have been established in *jamoats* in Jirgatol and Talvidara districts, and Pasture and Livestock Management Plans developed. These Pasture and Livestock Management Plans are supporting Pasture User Groups with improvements in livestock management (feeding, housing, animal health); pasture production (rotational grazing, protecting pastures); pasture rehabilitation through spot planting; improved processing and marketing; supplementary fodder production on non-pasture land; and capacity building, with investment support beginning in April 2015. In addition, a facilitating organization is working with Water User Associations in Farkhor and Kulyob to develop and implement on-farm water management plans that are helping address a range of issues, such as salinity, waterlogging, soil erosion, partial irrigation, and uneven distribution of water. With the planning of rural investments underway in CY2015 for subcomponents 1.1. and 1.2., disbursements to groups of farmers for rural production investments and subsequent implementation are expected to pick up during the year.

9. Project performance is rated as “satisfactory” for all parameters, following the last supervision mission in April - May 2015. Despite satisfactory performance ratings, the team is closely monitoring disbursements, which are lower than originally planned at appraisal. This lag is partly due to the change in institutional arrangements shortly after project effectiveness, including the time required for a new team to familiarize itself with the project, as well as the design of this community driven development project, where communities collectively assess their climate and environmental risks and select investments that best address these risks. The team has developed a timebound action plan with the CEP/IG for the community rural investments to be carried out this calendar year in order to bring disbursements closer to original estimates.

10. The proposed AF responds to a request from the Government of Tajikistan (through the National PPCR Focal Point) for the utilization of additional PPCR resources in the amount of US\$2 million in support of the Environmental Land Management and Rural Livelihoods Project (ELMARL). Additional financing also includes IDA resources in the amount of US\$1.8 million. These additional IDA resources were requested by the Deputy Prime Minister in order to expand the project’s geographic coverage and support new climate vulnerable villages in becoming more resilient to climate change. Tajikistan is rated as the most vulnerable to the adverse impacts of climate change of the countries in the Europe and Central Asia (ECA) region. Participating in the PPCR constitutes a chief component of Tajikistan’s response to the related challenges of climate change and development. As part of Tajikistan’s PPCR, ELMARL support for increased adoption of sustainable land management practices and improved livelihoods aims to build greater rural resilience to climate related shocks. Project investments in environmental land management and rural livelihoods are also opportunities to increase the long-term returns to agriculture and incentives for the rural population, and returning and potential migrants, to remain permanently engaged in agriculture, rather than continuing to migrate in search of employment as coping strategies.

11. ELMARL contributes to the FY 15-18 Country Partnership Strategy (CPS) objectives of private sector development and social inclusion, and all three cross-cutting themes of governance, gender and climate change in an integrated manner. By addressing productivity in agriculture through direct support of small-scale farms, capacity building and innovative extension services, the project contributes to private sector development and long-term employment in agriculture. Through its support for widespread adoption of sustainable land and water management strategies and practices, the project will help communities understand and build resilience to the risks of climate variability and change. A commitment to social inclusion, citizen engagement and gender is seen through the project’s community development driven approach to planning and implementation in which: a) at least 50% of households in participating villages receive support; b) mechanisms will be used to help ensure women’s participation, with at least 40% of beneficiaries expected to be women; c) a range of CSOs are actively engaged to participate and support planning, implementation and monitoring of village and rural investments; and d) a process to address any grievances that beneficiaries and stakeholders may have with project implementation.

12. ELMARL has complementary linkages with the Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB). Under ELMARL, grant resources support village households in adopting rural production and land management measures, thereby helping

rural livelihoods become more resilient to climate change, while CAMP4ASB's credit-line financing will support farmers and communities in investing in larger-scale land management and rural production measures. While both projects will strengthen the climate resilience of those vulnerable to climate change, ELMARL is able to also target poor rural households through the provision of small-scale grants.

13. The project is aligned with current strategies and policies of the Government of Tajikistan. The country's current Living Standards Improvement Strategy (LSIS) for 2013-2015 emphasizes poverty reduction through sustainable economic growth, especially food security including agriculture and land use, and through ensuring development of human potential including environmental stability and gender equality. Tajikistan's Strategic Program for Climate Resilience (SPCR) is in line with this and other national plans, such as the National Environmental Action Plan, in promoting sustainable and resilient growth, ensuring more sustainable livelihood development, water and energy security, health and social equity in the long-term.

14. The AF would provide additional resources for Components 1 and 2 of the project without changing the overall structure or underlying project objectives. Under Component 1, expanding the number of households will increase the volume of investments supporting sustainable agriculture and engagement of the rural population in long-term production activities. Additional resources for Component 2, to support innovation in knowledge generation, management and delivery will help address demand for information and assistance to improve agricultural and land management practices, as well as increase their adoption in the country.

15. Expanding the scope of ELMARL is strongly supported by recent analytical work¹ indicating that climate-related shocks (and particularly droughts) are experienced by a majority of Tajikistan's farmers. Small (individual or family) farms are more likely to have been affected by floods, crop pests and disease, and shocks on input or output prices. Additional analytical work also indicates that restructured individual and family farms with secure tenure (the focus of investments in ELMARL) are hiring more labor as they diversify agricultural production, and are actively considering actions needed to absorb returning migrants and/or retain family members.² Also, while the adoption of sustainable land practices has been accelerating in recent years, analytical work indicates that overall levels remain low, with knowledge about sustainable practices a constraint to accelerating adaptation and building resilience through on-farm investments. Analytical work also informs the project's approach to gender issues. The target of at least 40% of beneficiaries as women draws from the experiences and results of previous similar projects in the country. The target takes into account the varied cultural roles of Tajik women in livelihood strategies, and recognizes that even though it is widely acknowledged that women carry out most of the agricultural labor (up to 80% depending on location), relatively few have meaningful decision-making power (fewer than 15% overall are heads of restructured farms). Recent analytical work indicates that if women are included in opportunities to learn

¹ World Bank, 2014, "Tajikistan: Autonomous climate change adaptation, economic opportunities and institutional constraints for farming households."

² Land Registration and Cadastre System for Sustainable Agriculture Project (2015), Draft Final Report of the Project Evaluation, Dushanbe, April 2015

they perform equally as well as men in generating farm income.³ Thus providing opportunities for meaningful participation by women are critical elements in the project's participatory approach.

Country and Sector Context

16. Tajikistan's economic growth is jeopardized by a downturn in the Russian economy and the prospective loss of remittance income. Preliminary forecasts from IMF and the World Bank suggest that remittance income will fall by more than the 31% fall in remittance income that occurred after the global financial crisis in 2009. Falling oil prices and western sanctions have forced the Russian government to raise interest rates and cut public expenditure, and 2015 began with the Russian economy in recession. The Russian ruble has also fallen sharply against the US\$. As more than 95% of Tajikistan's migrant workers seek work in Russia, these changes will substantially reduce not only their employment opportunities but also the US\$ value of the remittances they send home. Current forecasts suggest that remittance income could fall by US\$1 billion in 2015. Tajikistan's economic growth in 2015 is expected to slow as a result, falling below the estimated 6% of GDP growth in 2014. Global demand has weakened, and prices for the main export commodities, aluminum and cotton, fell. Inflation will also rise due to the continued depreciation of the Tajik somoni, which will increase food prices. Lastly, low agricultural productivity and rudimentary safety nets still leave those below the poverty line vulnerable to shocks and stresses, including women who have experienced lowered rates of poverty reduction than men.

17. The agricultural sector accounts for 64% of employment, and is generally characterized by low productivity. Environmental degradation and unsustainable use of natural resources are important constraints, and the country's predominantly mountainous terrain makes it particularly vulnerable to natural disasters. Mono-cropping and improper land use practices, such as wasteful irrigation methods and inadequate drainage, continue to contribute to soil degradation and stagnating yields, especially in lowland areas. Pasture degradation, due in part to overgrazing and poor stocking practices, is an important threat. In upland areas, the conversion of steep slopes to cereal production has contributed to land degradation. Chronic energy shortages have also resulted in increased burning of organic matter and vegetation that would otherwise be available as fertilizer or ground/tree cover.

18. Climate variability and change are likely to pose additional and significant risks, and only reinforce the need to follow sound land resource management principles. In the Europe and Central Asia region, Tajikistan is ranked the most vulnerable to the adverse impacts of climate change due to: a) dependence on natural resources, e.g., agriculture and hydropower; b) inadequacies of climate resilience of key economic sectors; and c) low adaptive capacity to respond to on-going and projected changes. Even under the most conservative scenarios, climate change is projected to lead to higher temperatures, more rapid glacier melt, increased incidence of flooding, and also more severe and prolonged droughts. These projected impacts put at risk ten years of progress in poverty reduction and shared prosperity and threaten the achievement of the country's development priorities (food and energy security in particular). For instance, based on the recent Turn Down the Heat III report (2014), a 30 percent yield drop is envisaged in

³ Ibid

Tajikistan with extreme temperature increases (4° to 5°C) over time. These climate change-related shocks to agricultural systems can result in dramatic development and poverty impacts: a 20 percent drop in yields triggered by a drought would push the poverty rate up by an estimated 13 percentage points. While the population is vulnerable as a whole, those pursuing subsistence agriculture and pastoralism will be particularly affected as they depend more directly on vulnerable land and water resources.

19. Since 2007, the Government with the assistance of development partners has taken a number of actions to reduce its intervention in agricultural production, giving farmers and resource user groups increased scope to take independent decisions and respond more effectively to opportunities, as well as shocks and stresses. Until recently a Government approved action plan to reform the agricultural sector served as a platform for developing and implementing agrarian reforms to ensure freedom to farm accelerate efforts to ensure proper land titling, improve irrigation and drainage infrastructure and institutions, improve farmers' access to finance and collateral and increase returns to farmers and cotton sector recovery. Under irrigation, maximizing the role of Water User Associations in water management remains a key feature, as does changing the basis of irrigation water management from administrative boundaries to river basin and hydrological units. In a separate Government initiative, a Pasture Law has been approved and contains provisions for the establishment of Pasture User Associations. With donor assistance, there has been significant progress in land reform with over 115,000 land use rights certificates issued to individual and family farms, covering about 30% of the country's arable land. Similarly, the Law on Dekhan Farm and the Land Code are currently being revised and updated to prepare for marketable transaction of land rights.

20. Direct investment support to farmers through a systematic small grants program as implemented in ELMARL, provided in community driven participatory approach with facilitation and training can build entrepreneurial capacity and resilience. Farmers can assume responsibility for sustaining their livelihoods, and engage others in rural production in financially and environmentally sustainable ways. Fostering innovation in extension can support further widespread adoption of sustainable land management practices linked with improved rural livelihoods. By demonstrating, strategic communication and learning tools, such as participatory videos that showcase star farmers and facilitate a rural library of digital videos providing localized agricultural solutions, the project expects to amplify its reach to farmers and land users.

Project Design and Delivery

21. There are no additional or new activities proposed under Component 3 (Project Management and Coordination).⁴ The CEP, with its mandate for natural resource management and climate change policy, will continue to serve as the project's implementing agency. An Implementation Group (IG) within CEP, comprising existing CEP staff and contracted technical assistance, will continue to have responsibility for project management and coordination functions. The project IG will also continue to contribute to the overall PPCR program, including reporting project results, lessons learned, etc. into the broader PPCR/SPCR results

⁴ While no new activities are envisaged under Component 3, one of the project's (CEP/IG's) part-time M&E specialists will now be contracted on a full-time basis with resources available under the component to monitor scaled-up activities under Component 2, in particular.

framework, participation in programmatic knowledge management activities and annual reviews, etc. The US\$3.8 million AF will support strengthening and expanding Component 1 (Rural Production and Land Resource Management Investments) in order to scale up support to vulnerable communities in implementing these investments, and Component 2 (Knowledge Management and Institutional Support) since rural households' adoption of sustainable land management and climate resilient practices has been limited by inadequate access to the best or most appropriate knowledge. Activities will be coordinated closely with related initiatives within the country's PPCR portfolio and with other similar initiatives to avoid duplication and to provide synergies where possible. Proposed activities include:

22. Component 1. Rural Production and Land Resource Management. *Sub-component 1.1. Sustainable village-based rural production and land resource management (US\$2.16 million: US\$ 1.73 million from IDA, and US\$0.43 million from beneficiary contributions).*

Activities associated with the AF under this component, require no change to its design. This activity aims to expand support currently provided under the project in promoting the adoption of innovative rural production and land management measures, and related small-scale infrastructure investments, by providing small-scale grants at the village level to help rural livelihoods become more resilient to climate change in an additional climate vulnerable district in the middle hills region of the country. Areas covered under the AF will use the ELMARL approach of appraisals at jamoat and village level, from which villages will prioritize investments based on a fixed budget for each type of rural investment determined by the number of households. Within a plan of action, villagers will decide on the allocation of investments to groups of households (Common Interest Groups, CIGs) using rules that limit the funding for any one household as is the case in ELMARL. At least 50% of the village households should participate in either farm production or land resource management investments. Villages will use a toolkit with best practices to ensure that those investments selected are the most appropriate to address climate risks identified in village and jamoat-level environmental and climate assessments. Only those investments that have clear linkages to the findings to these adaptation and environmental appraisals will be financed. Where possible and appropriate, villagers will be encouraged to look at sustainable landscape management and include joint activities with other villages in activities such as tree-planting, joint forest management, infrastructure rehabilitation, etc.

23. The project will finance investments in three categories that are expected to contribute to household assets and sustainable land management, and increase climate resilience, examples of which are listed below:

- (i) *Farm Production*: field and horticultural crop productivity and diversification, livestock production efficiency, agro-processing and market access;
- (ii) *Land Resource Management*: pasture management, water management, soil fertility, integrated pest management, and sustainable sloping lands cultivation (including orchards, woodlots, shelter-belts), joint forest management, agroforestry; and
- (iii) *Small-scale rural production infrastructure*: irrigation/drainage system rehabilitation, minor transport infrastructure, renewable energy, and energy efficiency measures.

Project-financed grants to CIGs for each subproject under categories (i), (ii), and (iii) will not exceed US\$7,000 and will require a match of 25% in beneficiary contributions which may be in

cash or in-kind. It is anticipated that at least an additional 5,350 households will participate in village level rural production investments.

24. **Component 2. Knowledge Management and Institutional Support. Sub-component 2.1. Facilitation support and technical advice. (US\$ 0.07 million from IDA).** This activity includes financing for community mobilization, participatory planning and implementation support of village-level, rural production investment plans. A locally-based international agency or NGO, or national NGO with a track record in similar activities, will be contracted to facilitate participatory planning and resource assessments, community mobilization, and assist groups in the preparation and implementation of rural investments in the selected district in the middle hills (funded under sub-component 1.1.). Resource assessments include jamoat-level environmental analyses to better understand environmental threats and impacts as well as jamoat-level assessments of community-based adaptation to climate change to enable participants to factor in the potential impact of climate change on livelihoods and vulnerability to disasters. These will be followed by detailed participatory appraisals at village-level covering environmental, social and economic issues related to livelihoods, environmental management and climate change. Based on the village level findings and integration of jamaot level analyses, villagers will prepare action plans outlining possible investments from which priorities that meet project financing and participating rules will be chosen and proposals prepared for funding. The contracted organization will also help build the technical and organizational capacity of this beneficiary group to implement and manage its investments and plans.

25. **Sub-component 2.2. Training, Analysis, Dissemination and Networking.**

26. **Establishment of an innovative farmer/land user focused knowledge management/information and delivery system in the CEP. (US\$1.20 million from PPCR).** This activity aims to expand existing methods of knowledge management and extension (brochures, personal interaction, manuals, demonstration plots and farms, compilations, etc.) through combining ICT tools, particularly short videos, with improved capacities for organizational support. Drawing on the successful experience of efforts such as digitalGREEN (India)⁵, the project will finance selected locally-based organizations to produce and facilitate the use of short videos (5-10 minutes), and supporting materials. In keeping with the project's community driven approach, local farmers/land users will be critical partners acting as both content providers and consumers. Topics and examples will be selected not only from rural investments supported by ELMARL, but also from other sources such as WOCAT,⁶ farmer competitions, and previous compilations in the country. Topics and practices of relevance to women will be included in the content, especially topics that relate to their roles in SLM including choice of crops, soil and water management, harvesting and processing. The equipment used for video production and dissemination will be low cost, durable and easy to use, and adaptive to diverse environments. The project will establish the necessary communications infrastructure to house the videos and other materials, under the responsibility of the CEP.

⁵ World Bank, Digital Libraries for the Poor: Facilitating Bottom-up innovation through Video-based Learning Platform, South Asia Livelihood Innovations in ICT Series, Volume 1, No. 1

⁶ World Overview of Conservation Approaches and Technologies – under the preparation phase of PPCR in Tajikistan (2011), successful sustainable land management practices were documented. Largely in a written format, the material is more accessible and useful for academics, experienced practitioners, and less so to farmers/land users.

Suitable equipment may include a portable, battery powered projector, which can store a number of films allowing screenings at the community level facilitated by a trained local person. Web-based materials will be referenced or tagged by geographic location and a number of keywords/phrases to facilitate browsing. As a result, users will be able to look at usefulness both as practices to be adopted and/or to examples in use in a particular location/region. It is anticipated that about 50-100 videos with supporting tutorials will be produced.

27. ***Capacity building to facilitate use of knowledge management products by farmers/land users and interested parties. (US\$0.50 million from PPCR).*** Additional financing will support a number of capacity building activities within the CEP and for key partners to produce, share and monitor the use of knowledge products. After an initial assessment, training will be provided to key partner organizations to produce, share (using a facilitated process) and monitor feedback and use of knowledge management products. Videotaped demonstrations per se are not seen as a complete extension solution since they lack the interactivity expected of good extension. Therefore, a facilitated approach with trained local persons to engage audiences with discussion and capture feedback will be used. While locally-based NGOs will take the lead in video production, facilitation training will be offered to others including village based advisors, farmers associations, and jamoat and raion specialists. Training activities will pay careful attention to ways that women and vulnerable groups are active participants in generating content, featuring in videos and support material, and in delivering and receiving information on SLM. The project will look for opportunities to collaborate and learn from World Bank partnerships in ICT, e.g., in South Asia where video-based learning is already underway, and with other platforms such as the TerrAfrica Partnership.

28. CEP staff, especially those in two recently established information centers, and Implementation Group consultants will be given assistance to oversee field-based production and extension activities, and to build facilitation skills in the use of videos. Assistance will also be provided to the CEP centers to monitor and maintain the results of extension activities, e.g., development of protocols to assess feedback at dissemination sessions, adoption of practices, etc. CEP centers will also be supported to provide back-up extension advice in sustainable land management in partnership with local organizations. If initial assessments indicate adequate communications infrastructure, the project will experiment with GIS mapping and crowd sourcing for data collection and beneficiary feedback.

29. ***Networking and dissemination to increase adoption of SLM practices among the rural population. (US\$0.20 million from PPCR).*** Additional financing will support a larger than planned effort under the current project to expand and strengthen dissemination and networking among stakeholders to increase awareness of SLM knowledge and practices, and provide platforms for sharing and exchange. Examples include joining the K-LINK initiative supported by GIZ⁷. K-LINK is promoting access through an application on computers and hand-held devices to a range of digital resources on SLM in Central Asia housed by participating organizations (e.g., government agencies, universities, NGOs). Other activities will include expanding farmer competitions to identify innovation and good practice for conversion into videos and tutorials, and promotion of project activities in SLM knowledge management.

⁷ K-LINK is a software system for connecting different institutions through the orchestration of their pre-existing software platforms that manage digital resources - <http://klink.azurewebsites.net/>

30. ***Analysis and planning for knowledge management. (US\$0.10 million from PPCR).*** Additional financing will support activities to help ensure that the knowledge management initiatives proposed can be sustained both technically and organizationally. An initial assessment of the ICT environment and infrastructure in Tajikistan will identify technical challenges and opportunities, and how these might be addressed given the activities proposed. A training needs assessment will also be conducted to ensure that capacity building interventions are designed and targeted appropriately for the range of participants. The project will support the preparation of a plan to support financial, technical and organizational sustainability of the proposed interventions. This plan may include strategies to maintain activities supported by the project, as well as ways to expand the knowledge management system in the country and networking to access similar efforts in the region and elsewhere.

Project Restructuring

31. No changes will be made to the existing PDO, overall project components or project subcomponents. In addition, most of the AF's proposed activities for scale up correspond to the project's existing subcomponent activities. As such, the AF expanded support is primarily reflected in increased funding for project components and activities, as well as an increase in expected project targets (see Annex 1).

32. The project will, however, be restructured to better reflect the expansion of existing dissemination activities under Subcomponent 2.2. In particular, the project's dissemination and networking activities will be refined to reflect the dissemination of best practices to farmers through the development and use of ICT tools, as well as sharing SLM practices more broadly through the use of regional information platforms. This activity will be revised in the PAD as follows:

33. ***Sub-component 2.2. Training, analysis, dissemination and networking.*** A program will be instituted to improve skills and knowledge through training courses, workshops, study tours and other activities, in key topics such as environmental assessment and monitoring; integrated land, water and grazing management; integrated pest management (IPM); gender issues and climate change adaptation. The project will support analytical work on topics that include soil quality and extent of land degradation, market development and access, potential incentive policies for sustainable land management practices, and changes in productivity and environmental conditions resulting from technological change, payment for environmental services, impacts of project supported pasture and water management activities, etc. The aim is to provide guidance for the design and sustainability of rural investments both within and beyond the project. The project will support the documentation, dissemination, and knowledge exchanges of successful project tools and approaches for their continued replication and support. This dissemination and knowledge exchange will be supported through a focus on exchange and learning between project sites and with similar initiatives, including (i) farmer-to-farmer exchanges and best farmer practice competitions, (ii) the use of ICT tools, particularly short videos, combined with improved capacities for organizational support, as well as (iii) the use of regional SLM platforms such as the K-LINK initiative. Results and lessons learned will be shared with national and regional stakeholders at workshops/seminars. Contracted trainers,

NGOs, and specialists will carry out programs at farmer, community, local government and management level. Support will also be included for project evaluation, including assessments at project mid-term and completion.

34. In addition, the parent project will be restructured to reflect changes in environmental and social safeguards, including the project's implementation in accordance with applicable social standards and practices and in compliance with applicable laws and regulations on child and forced labor. Preparation activities for subprojects under Component 1 will require that the CEP/IG ensures that facilitating organizations are raising awareness among participants about Tajikistan's legal commitment to the prohibition of child and forced labor. A clause will also be included in sub-grant agreements committing recipients to not using forced labor.

35. The project will be restructured to trigger OP 7.50 (Projects on International Waterways), because project activities will use water from 'international waterways,' such as the Amu Darya and its tributaries. However, the activities to be financed will be limited to ongoing schemes, and will not adversely change the quality or quantity of water flows to other riparians, and will not be adversely affected by other riparians possible water use.

Benefits and Key Results

36. Tajikistan's Strategic Program for Climate Resilience (SPCR) presents the country driven strategic approach to climate resilience and defines the underlying investment program for PPCR support. The SPCR prioritizes building resilience of the agricultural and land management sector through the adoption of sustainable land management practices, and thus has allocated PPCR resources to support the sector. The adoption of sustainable land management strategies for agro-ecosystems will help farmers and communities address current threats to agricultural production and rural livelihoods, stemming from climate risks such as droughts and weather extremes, and better adapt and become more resilient to climate change to not only restore productive natural resources, but also to improve livelihoods and food security. Furthermore, investments in rural production with an emphasis on financial and environmental sustainability provide long-term employment opportunities for existing farmers and land users, and the conditions to absorb returning migrants. There is anecdotal information emerging from recent assessments of measures being taken to retain labor, as well as to absorb returning migrants on restructured farms.⁸ In the same vein, the project will work with the Bank's communication team throughout implementation of the AF, to conduct interviews and develop case studies that will highlight the opportunities provided to returning migrants and the local poor by the project.

37. In particular, with AF support, research, training, and information will be provided that farmers need to be successful and to build their entrepreneurial capacity. Farmers can in turn assume responsibility for sustaining their livelihoods in financially and environmentally sound ways. In addition, through the project's linkages to the GIZ/DFID GREAT project, further opportunities will be provided to assist farmers in market development.

⁸ Land Registration and Cadastre System for Sustainable Agriculture Project (2015), Draft Final Report of the Project Evaluation, Dushanbe, April 2015

38. The additional financing will expand the project's geographic coverage and support to different climate vulnerable districts (selected based on findings from the PPCR Phase 1 assessment and other sources⁹), with an additional 5,350 rural households, representing a population of approximately 24,000 persons, expected to benefit from scaled-up support for rural production and land management investments. Of the total beneficiary population, it is anticipated that at least 40% will be female. The selection of project sites and populations takes into account: degree of climate and other environmental vulnerability; extent of farmland restructuring since secure land tenure is an important aspect of sustainability; and donor complementarity.

39. Analytical work conducted during preparation of the approved parent project, and more recent findings indicate that while the adoption of sustainable practices has been accelerating in the country, overall adoption levels still remain low. Farmers are increasingly concerned about environmental problems and want access to appropriate information to improve management. On small individual and family farms knowledge of sustainable land management practices is poor among the majority of farmers, and differs by gender. Within villages, female-headed households do not seem to benefit from the knowledge-sharing networks.

40. The activities to be financed with additional resources will also help stimulate the adoption of improved land management practices, by providing more rural households better access to information on sustainable land management and climate resilient practices. The project will also seek to ensure that women also have improved access to this information. The proposed activities will also seek to build organizational and technical capacity of key stakeholders such as government agencies, civil society organizations and land user associations to engage on a long-term basis in SLM support as part of the country's climate resilience strategy.

41. Expected key results from the use of the AF grant include:

- Increased number of households supported [in project area] that have adopted climate change and sustainable land management practices (additional 5,350);
- At least 50 instructional videos with supporting materials;
- Increased number of client days of training provided in organizational and technical support (additional 4,000 days, 46,000 days in total);¹⁰
- Increased number of land users adopting sustainable land management practices as a result of the project (additional 4,000 land users, 16,000 land users in total);
- Increased hectares in which local communities have adopted management practices in land use and land use change, resulting in restoration and enhancement of carbon stocks (additional 2,000ha, 32,000 ha in total)
- Increased number of direct project beneficiaries (additional 33,000).
- Feedback/grievances resolved within the stipulated service standards for response times (100%)

⁹ World Bank (2011) Tajikistan: Economic and Distributional Impacts of Climate Change, Poverty Reduction and Economic Management, Europe and Central Asia, (#63718), World Bank, Washington DC.

¹⁰ Women's participation will be monitored through gender-disaggregated data.

Risk Assessment

42. The overall risk rating for the parent project was designated as moderate, with substantial risks assessed for implementing agency capacity and the project's community driven development approach. At appraisal, CEP/IG's experience in managing World Bank financed projects was recognized as limited, with the identified risk that project start-up and certain aspects of implementation might be delayed. In addition, the lack of procurement and financial management knowledge and capacity at the community level was recognized, with the risk that implementation could be delayed. Other risks were assessed as moderate or low.

43. A moderate overall risk rating is also proposed for the AF, with substantial risk ratings assessed for macro-economic, sector strategy, institutional capacity, and fiduciary risks. While CEP/IG's implementation capacity has been strengthened and training is being provided to further increase the IG's management and technical capacities, implementation capacity is still perceived as a risk and closely monitored. There are also risks related to the fiduciary and operational aspects of managing and administering project activities in a weak fiduciary environment. In particular, lack of fiduciary knowledge and capacity at the community level is still perceived as a risk. Procurement and financial management training are being provided to facilitating organizations, as well as CEP/IG staff, to ensure support is provided to communities in developing grant proposals to mitigate fiduciary risks. Technical support is also being provided to communities to assist them in subproject implementation and oversight.

Safeguards

44. The AF remains under environmental category B. The environmental procedures outlined in the existing Environmental Management Framework (EMF) remain applicable. The environmental impact of the AF is expected to be largely positive and no major adverse environmental impacts are anticipated. Rural investments financed through the provision of small grants to farmers will be screened to ensure that they do not result in adverse impacts on the environment. Proposals will identify potential environmental impacts of activities, and include mitigation measures for any likely negative impacts. The existing environmental management capacities within the implementation group and other involved parties are adequate.

45. As with the parent project, subprojects financed through grants to farmers will be screened to ensure they will not result in the involuntary resettlement or economic displacement of third parties. This will be done using a checklist in the Operational Manual; hence, OP 4.12 is not triggered. Additional screening will also be carried out to ensure that the project is complying with current guidance on measures to address child and forced labor in agriculture.

46. The project also triggers OP.70 (Projects on International Waterways), because project activities will use water from 'international waterways', and in particular, one of the main river basins in Central Asia, the Amu Darya, and its tributaries. However, the activities to be financed would be limited to rehabilitation, modifications and minor additions or alterations to existing schemes in ways which would not increase the amount of water abstracted or lead to appreciable impact on the water sources or local hydrological regimes. The applicability of OP 7.50 was

reviewed with the Bank's Legal Department, and a waiver on notifying riparian states was granted.

47. *Child and Forced Labor.* Child and forced labor remains a concern in the agriculture sector, particularly in cotton production. The project is working predominantly with farmers with secure land tenure who have independence in farming decisions, and assessments indicate that these farmers in the irrigated lowlands are increasingly interested in reducing their area under cotton production. However, there are still instances of district and jamoat authorities having to meet "planned" areas under cotton production. Recognizing that this requirement can be found, the project will not engage in cotton-related activities, and will explicitly engage only in subprojects where child and forced labor issues are uncommon in all project areas. To mitigate any residual risk and avoid any potential cross linkage with cotton production, the project includes awareness raising and training of beneficiaries on the applicable legislation and regulations on child and forced labor. In addition, the project will adopt the following measures: (i) any sub-grants (as defined in the Grant Agreement) will include provisions that require the relevant beneficiary to comply with any applicable law and regulation on forced and child labor. The activities of all potential project beneficiaries will be pre-screened and regularly monitored to ensure that they are not related in any form to child or forced labor. Should child or forced labor cases be found, the right of the beneficiary to use the proceeds of the sub-financing may be suspended and terminated, and declared to be immediately due and payable to the IG for financing provided through grants. Such amounts will be cancelled from the PPCR or GEF grant; (ii) the IG will monitor, and allow monitoring, as applicable, in connection with child and/or forced labor in accordance with the relevant terms established in the Grant Agreement. Any use of child and/or forced labor may result in remedies as prescribed in the Grant Agreement; and (iii) sub-grant financing will not be provided for investments in cotton production.

48. *Gender and Social Inclusion.* Despite the fact that women carry a significant percentage of the agricultural labor in the country, relatively few have meaningful decision-making power. In addition, women tend to have unequal access to resources and control over resources particularly in rural areas. This makes women more vulnerable to poverty. Climate change exacerbates these problems in particular on food/nutrition and livelihoods. The project will pay particular attention to gender dimensions. As with the parent project, the AF will seek to address gender and social inclusion issues through its use of participatory processes, and the monitoring and evaluation of project results. The project will ensure that women benefit equally from its interventions by requiring a minimum percentage of women as beneficiaries. The results of project interventions will be monitored, using gender-disaggregated data based on capacity and participation intermediary indicators included in the Results Framework. Facilitating organizations will be required to have expertise in working on gender issues, as well as in using participatory techniques, and community mobilization activities will use mechanisms that help ensure participation, e.g. women only sessions, ensuring meetings are held at times of the day when women can participate, holding meetings with women in convenient locations. Different demands and expectations of male and female beneficiaries will also be considered as part of the beneficiary feedback mechanisms. The project will build on experience in gender and social inclusion gathered from activities to date, e.g., in gender analyses and measures to encourage participation in pasture and livestock management, participation in national networks on gender

in agriculture, etc. The IG will facilitate regular meetings for social development specialists working in the FOs to share experience and good practice, and to help ensure a consistent yet innovative approach to gender and social inclusion.

49. The AF also seeks to support engagement of beneficiaries through the use of transparency of information, consultative processes, and feedback mechanisms to strengthen project design, build ownership and thus contribute to sustainability and better project outcomes. As a community driven development project, community participation is a core feature of the project investments. A feedback mechanism has also been designed and incorporated in the Operational Manual to process and inform the CEP/IG and the World Bank of complaints, concerns, and questions from beneficiaries.

50. *Grievance Redress Mechanism.* Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Financial Management

51. The financial management responsibilities for the AF will remain with the CEP, and the organizational structure is in place for the implementation of the project. The CEP has established an IG responsible for fiduciary and technical support: a Financial Management (FM) Consultant and Disbursement Consultant have been recruited within the IG to provide fiduciary support to CEP's Chief Accountant, who has overall responsibility for the project's financial management arrangements. The CEP has gained the necessary capacity in implementing donor-funded projects, and is adequately staffed with appropriate controls and procedures instituted. The CEP's project internal control system continues to be acceptable overall to the Bank. The Project Director approves all project expenditures and signs payment orders along with CEP's Chief Accountant. In addition, the project's financial management arrangements, including accounting and reporting arrangements, internal control procedures, planning and budgeting, external audits, funds flow, organization and staffing arrangements are assessed as Satisfactory.

52. The CEP submits quarterly Interim Unaudited Financial Reports (IFRs) on time, which are satisfactory to the Bank. The CEP's first project's audit reports (for CY2014) are due by June 30, 2015. The State Committee on Investments and State Property Management, which is responsible for organizing project audits, included the project in the new block audit contract with Baker Tilly Romani in December 26, 2014. To improve financial management capacity, the CEP will update the existing automated accounting system for the AF to cope with the rigorous

requirement for project accounting and reporting, inbuilt controls, and capacity to generate consolidated IFRs, and update the existing FM volume of the POM, in order to enable the proper tracking of project activities.

53. **Financial management arrangements for the project are adequate.** The following action plan, as agreed with the CEP, will be implemented to incorporate additional financial management requirements for the proposed project.

		Action	Responsibility	Completion Date/remarks
1	Revision of Financial Management volunet of the POM	Financial Management volume of POM needs to be updated to reflect AF activities and include the last FM mission's recommendations.	CEP	By Effectiveness
2	Accounting software implementation	Accounting software needs to be updated, including development of consolidated reports.	CEP	By Effectiveness

54. It is recommended that the CEP open one Designated Account (DA) in a commercial bank/financial institution, acceptable to the WB for the portion of grant funds allocated to it. The ceiling for the DA and other disbursement details will be provided in the Disbursement Letter. The overall residual FM risk of the project is Substantial.

55. The CEP will submit quarterly IFRs that will be generated by the respective accounting software based on formats agreed with the World Bank. The reports, to include Statement of Sources and Uses of Funds, Uses of Funds by Project activities (Components & Expenditure Categories) and Statement of DA, will be submitted to the World Bank within 45 days after the end of each quarter, with the first reports under the project to be submitted after the end of the first full quarter following initial disbursement. The format of these IFRs will be agreed with the CEP during Negotiations.

56. The CEP will submit annual audited project financial statements within six months of the end of each fiscal year of the Client. Each such audit will include the project financial statements, Statement of Expenditures, and DA Statement. The cost of the audit will be financed from the project funds. Following the Bank's formal receipt of the audited financial statements from the CEP, the Bank will make them available to the public in accordance with the Bank's Access to Information (AI) Policy through its website. In addition, the CEP will publish the audit reports in a manner satisfactory to the Bank.

Procurement

57. The procurement arrangements remain the same as for the parent project, with procurement activities to be carried out by the CEP through the existing IG. The IG will continue to engage the services of the procurement consultant who works in close collaboration with the CEP designated staff. The CEP staff have gained significant experience during implementation of the ongoing Bank-financed project and have participated in a number of

procurement training courses. Overall capacity for procurement implementation is presently assessed as Satisfactory. Procurement risk for the parent project was assessed as ‘High.’ With implementation of the mitigation measures planned under the project, the residual risks have lowered to “Substantial.” In particular, facilitation support and technical advice are contracted to empower and train communities; minimum requirements to a beneficiary community to be permitted to handle procurement are defined in the Operational Manual; clearance processes with the State Committee for Investments and State Property Management are being monitored against the agreed timeframes and implementation of the procurement plan; and regular physical inspections and compliance checks and quality control of the deliverables are conducted by the IG. However, the following risks remain at the same level for the proposed AF: (i) lack of procurement knowledge at community level; (ii) lack of technical skills to implement small civil works; and (iii) high risk public procurement environment. To minimize these risks, the CEP will continue procurement training to communities by facilitation teams; will hire a technical support agency to provide design documentation, technical notes to construct and supervise; hire a third-party Quality Assurance/Quality Control (QA/QC) consultant to ensure the quality of scattered civil works; enforce public disclosure and transparency provisions of the Bank’s Guidelines; and strengthen the CEP procurement capacity to be better able to check for signs of fraud and/or collusion.

58. The CEP has prepared and discussed with the Bank team the initial procurement plan for AF implementation. The plan will be agreed between the Bank and CEP IG at Negotiations, and will be published on the CEP website and Bank’s external website. Procurement will be carried out in accordance with the World Bank’s “Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers” Dated January 2011 and Revised July 2014; Consulting services would be procured following the Bank's Guidelines "Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" Dated January 2011 and Revised July 2014; and the provisions stipulated in the Financing Agreement. The World Bank Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credit and Grants dated October 15, 2006 and revised on January 2011, would also apply. Further the project procurement arrangement is in line with Guidance Note for Design and Management of Procurement Responsibilities in Community-Driven Development Projects Dated March 15, 2012.

Economic Analysis

59. The project is expected to generate a wide variety of benefits not all of which can be quantified. Key benefits include increased agricultural productivity resulting in greater household financial capital and contributions to national-level economic growth, and improved capacities and knowledge in climate resilient and sustainable agricultural practices. This will be primarily achieved through a variety of household-level interventions. For example, rural production and land management investments are expected to primarily contribute to: (a) crop diversification, climate-resilient seed varieties, and seed system support measures, (b) on-farm water resource management and efficiency improvement measures, (c) rehabilitation of degraded lands and land degradation control through pasture management measures, (d) promotion of stability and sustainability of mountain ecosystems and livelihoods, and (e) conservation

agriculture. The beneficiary requirement and the selection of investments within fixed budget constraints provide an incentive and encourage prioritization of investments with maximized marginal returns within a site-specific context. These actions will lead to more environmentally-sound land management practices and ensure the sustainability of project outcomes. Project funds are grants to households and farmers and will not be used to provide loans.

60. Average farm-plot level revenue is expected to increase by \$250-500 for an approximate \$250 investment. Given the assumption of phasing household beneficiaries participating in the project (as outlined in PDO indicator 1), the project is expected to reach full development in Year 14 (calendar year 2027, with the project’s initiation in early 2014). In the base case (20% attrition of participants, low gross revenue estimates, 12% discount rate, 20 year time horizon), the financial IRR is estimated at 47%. The high returns are driven mainly by investments in farm productivity land management. However, it should be noted that given the nature of investments in farm productivity returns are expected to show considerable variation. The net present value of the project is calculated to be about US\$15 million (using a discount rate of 12%). The NPV becomes positive in Year 6 as a significant number of investments are expected to reach full development.

61. Benefits will be sustained through farmers and CIGs acquiring the knowledge and capacity to transform their practices, and through widespread adoption by these beneficiaries of incentives linking economic returns to better environmentally sound management, and usufruct rights with stewardship responsibilities. Investment in the country’s pastures builds the basis for these areas to provide critical ecosystem services important for climate change resilience to many millions of downstream populations in Tajikistan and other Central Asian countries who are dependent on irrigation, drinking water, hydropower, and other benefits.

III. Proposed Changes

Summary of Proposed Changes	
The proposed changes will include (i) scale up and expansion of Component 1 and 2 activities of the parent project; (ii) a revision of the project indicators to reflect the AF; and (iii) a revision of environmental and social safeguard provisions, triggering OP 7.50 and reflecting the project’s implementation in accordance with applicable social standards and practices and in compliance with applicable laws and regulations on child and forced labor.	
Change in Implementing Agency	Yes [] No [X]
Change in Project's Development Objectives	Yes [] No [X]
Change in Results Framework	Yes [X] No []
Change in Safeguard Policies Triggered	Yes [X] No []
Change of EA category	Yes [] No [X]
Other Changes to Safeguards	Yes [X] No []

Change in Legal Covenants	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Loan Closing Date(s)	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Cancellations Proposed	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Reallocation between Disbursement Categories	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Estimates	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change to Components and Cost	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Institutional Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Financial Management	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Procurement	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Implementation Schedule	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Other Change(s)	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]

Development Objective/Results

Project's Development Objectives

Original PDO

The overall Project Development Objective (PDO) and Global Environmental Objective (GEO) is to enable rural people to increase their productive assets in ways that improve natural resource management and resilience to climate change in selected climate vulnerable sites.

Change in Results Framework

Explanation:

By expanding the project's geographic coverage to support communities in one additional climate vulnerable district, the target values for four of the project's five outcome indicators will increase. In addition, one new intermediate result indicator will be introduced to measure the expansion of knowledge management and extension services provided under the AF.

The project's monitoring and evaluation (M&E) system will remain the same as the original project. The project will also continue to report on project performance, using the PPCR core indicators and the GEF Land Degradation Tracking Tool. The project's M&E system involves CEP/IG, regional CEP offices, facilitating organizations, community based organizations, project beneficiaries, and other stakeholders, e.g., schools, and makes use of a detailed "Guide for project monitoring and evaluation" that provides guidance on roles and responsibilities of project beneficiaries and partners. The Guide stresses, in particular, issues and approaches related to the monitoring of livelihood impacts. The M&E unit of the CEP/IG coordinates and oversees project M&E including progress reporting to relevant stakeholders. This M&E unit also participates in periodic meetings organized by the country's PPCR Secretariat, where it reports on project results contributing to the broader country PPCR monitoring framework and PPCR core indicators.

Compliance						
Covenants - Additional Financing (Environmental Land Management and Rural Livelihoods - Additional Financing - P153709)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
				<input type="checkbox"/>		
Conditions						
Source Of Fund		Name		Type		
IDA				Effectiveness		
Description of Condition						
The execution and delivery of the Financing Agreement (Grant) on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than effectiveness of this Agreement) have been fulfilled.						
Source Of Fund		Name		Type		
IDA				Effectiveness		
Description of Condition						
The Project Operational Manual has been updated and amended by the Recipient in a manner satisfactory to the Association.						
Risk						
Risk Category				Rating (H, S, M, L)		
1. Political and Governance				Moderate		
2. Macroeconomic				Substantial		
3. Sector Strategies and Policies				Substantial		
4. Technical Design of Project or Program				Low		
5. Institutional Capacity for Implementation and Sustainability				Substantial		
6. Fiduciary				Substantial		
7. Environment and Social				Low		
8. Stakeholders				Moderate		
9. Other				Moderate		
OVERALL				Moderate		

Finance				
Loan Closing Date - Additional Financing (Environmental Land Management and Rural Livelihoods - Additional Financing - P153709)				
Source of Funds		Proposed Additional Financing Loan Closing Date		
Allocations - Additional Financing (Environmental Land Management and Rural Livelihoods - Additional Financing - P153709)				
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement %(Type Total)
			Proposed	Proposed
CSCF	USD	Goods, works, non-consulting services, consultants' services, training, and incremental operating costs	2.00	100.00
		Total:	2.00	100.00
IDA	XDR	Goods, works, non-consulting services, consultants' services, training, and incremental operating costs	1.80	100.00
		Total:	1.80	100.00
Components				
Change to Components and Cost				
Explanation:				
There are no changes to the overall project component names, but the component costs will change due to the AF.				
Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Rural Production and Land Resource Management	Rural Production and Land Resource Management Investments	10.14	12.30	Revised

Investments				
Knowledge Management and Institutional Support	Knowledge Management and Institutional Support	4.74	6.81	Revised
Project Management and Coordination	Project Management and Coordination	2.00	2.00	No Change
	Total:	16.88	21.11	

Appraisal Summary

Economic and Financial Analysis

Explanation: As with the parent project, the AF is expected to generate a variety of benefits, not all of which can be quantified. Key benefits will include increased agricultural productivity resulting in greater household financial capital and contributions to national-level economic growth, and improved capacities and knowledge in sustainable agricultural practices. This will promote more environmentally sound land management practices at farm-level and also the sustainability of project benefits.

The net present value of the project is calculated to be about US\$15 million (using a discount rate of 12%). Benefits will be sustained through farmers, CIGs and resource user groups acquiring the knowledge and capacity to transform their practices, and through widespread adoption by these beneficiaries of incentives linking economic returns to better environmentally sound land management.

Technical Analysis

Explanation:

No changes are expected to the parent project's technical analysis.

Social Analysis

Explanation:

The AF will maintain the parent project's emphasis on citizen engagement and gender inclusion. In addition, the parent project will be restructured to reflect the project's implementation in accordance with applicable social standards and practices and in compliance with applicable laws and regulations on child and forced labor. Preparation activities for subprojects under Component 1 will require that the CEP/IG ensures that facilitating organizations are raising awareness among participants about Tajikistan's legal commitment to the prohibition of child and forced labor. A clause will be included in sub-grant agreements committing recipients to not using forced labor.

Environmental Analysis

Explanation:

No changes are expected to the parent project's environmental management framework. However, the project does trigger OP.750 (Projects on International Waterways), because project activities will use water from the Amu Darya Basin, one of the main river basins in Central Asia. However, project activities would be limited to minor modifications to existing schemes and would not increase the amount of water abstracted or lead to appreciable impact on water sources or local hydrological regimes.

Risk

Explanation:

A moderate overall risk rating is proposed for the AF. The Operational Risk Assessment Framework developed for the parent project remains relevant to cover implementation risks and mitigation measures under the AF. The Bank task team will continue to monitor potential risks.

ANNEX 1. RESULTS FRAMEWORK

Project Name:	Environmental Land Management and Rural Livelihoods - Additional Financing (P153709)	Project Stage:	Additional Financing	Status:	DRAFT
Team Leader(s):	Angela G. Armstrong	Requesting Unit:	ECCU8	Created by:	Angela G. Armstrong on 24-Mar-2015
Product Line:	IBRD/IDA	Responsible Unit:	GENDR	Modified by:	Angela G. Armstrong on 07-Apr-2015
Country:	Tajikistan	Approval FY:	2016		
Region:	EUROPE AND CENTRAL ASIA	Lending Instrument:	Investment Project Financing		
Parent Project ID:	P122694	Parent Project Name:	Environmental Land Management and Rural Livelihoods Project (P122694)		

Project Development Objectives

Original Project Development Objective - Parent:

The overall Project Development Objective (PDO) and Global Environmental Objective (GEO) is to enable rural people to increase their productive assets in ways that improve natural resource management and resilience to climate change in selected climate vulnerable sites

Proposed Project Development Objective - Additional Financing (AF):

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Number of households supported [in project area] that have adopted climate change and sustainable land management practices ¹¹	<input type="checkbox"/>	Number	Value	0.00	7421.00	26350.00
				Date	03-Oct-2013	03-Apr-2015	31-May-2018
				Comment		NGOs have been contracted that are providing implementation support for subcomponents 1.1 and 1.2. Planning and investment activities are on-going.	
Revised	Land users adopting sustainable land mgt. practices as a result of the project ¹²	<input checked="" type="checkbox"/>	Number	Value	0.00	4411.00	16000.00
				Date	03-Oct-2013	03-Apr-2015	31-May-2018
				Comment		NGOs have been contracted that are providing implementation support for subcomponents 1.1 and 1.2. Planning and investment	

¹¹ Contributes to PPCR Core Indicator 5 (Number of people supported by the PPCR to cope with the effects of climate change)

¹² Contributes to PPCR Core Indicator 4 (Extent to which vulnerable households, communities, businesses and public sector services use improved PPCR supported tools, instruments, strategies, activities to respond to Climate Variability and Climate Change)

						activities are on-going	
No Change	Proportion of population by household in target villages reporting at least 20% increase in well-being or household/livelihood assets ¹³	<input type="checkbox"/>	Percentage	Value	0.00		50.00
				Date	03-Oct-2013	03-Apr-2015	31-May-2018
				Comment			Index of well-being developed through a participatory process.
Revised	Number of hectares in project area covered by effective agricultural, land and water management practices suited to local agro-ecological conditions and climate change resilience ¹⁴	<input type="checkbox"/>	Hectare(Ha)	Value	0.00	8027.00	32000.00
				Date	03-Oct-2013	03-Apr-2015	31-May-2018
				Comment		Facilitation support now contracted for subcomponents 1.1 and 1.2. Planning and investment activities are on-going.	
Revised	Direct project beneficiaries ¹⁵	<input checked="" type="checkbox"/>	Number	Value	0.00	47,638	159000.00
				Date	03-Oct-2013	03-Apr-2015	31-May-2018
				Comment		Facilitation support now	

¹³ Contributes to PPCR Core Indicator 5 (Number of people supported by the PPCR to cope with the effects of climate change)

¹⁴ Contributes to PPCR Core Indicator 3 (Extent to which climate responsive instruments/investment models are developed and tested); and to GEF Land Degradation Focal Area Strategy expected outcome indicator for Strategic Objective 1

¹⁵ Contributes to PPCR Core Indicator 5 (Number of people supported by the PPCR to cope with the effects of climate change)

						contracted for subcomponents 1.1 and 1.2. Planning and investment activities are on-going.	
Revised	Female beneficiaries ¹³	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	49.00	40.00

Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Total value in USD m of rural production and land resource management investments (including at least 25% beneficiary match) in villages where project is operational	<input type="checkbox"/>	Amount(USD)	Value	0.00	186536.00	12300000.00
				Date	03-Oct-2013	03-Apr-2015	31-May-2018
				Comment		NGOs have been contracted that are providing implementation support for these village-level rural production investments.	Cumulative target. Component 1.1 only
No Change	Number of pasture management plans under implementation by Pasture User Groups	<input type="checkbox"/>	Number	Value	0.00	2.00	8.00
				Date		03-Apr-2015	31-May-2018
				Comment		Contracted NGO is providing support for the development of pasture	Cumulative number, targets may change depending on sites selected

						management plans.	during year one of implementation
No Change	Number of on-farm water management plans under implementation by Water User Associations in lowland areas	<input type="checkbox"/>	Number	Value	0.00	4.00	8.00
				Date		03-Apr-2015	31-May-2018
				Comment		Contract NGO is providing support for the development of on-farm water management plans.	Cumulative number, targets may change depending on sites selected during year one of implementation
Revised	Hectares in which local communities have adopted management practices in land use and land use change, resulting in restoration and enhancement of carbon stocks ¹⁶	<input type="checkbox"/>	Hectare(Ha)	Value	0.00	18007.00	32000.00
				Date	03-Oct-2013	03-Apr-2015	31-May-2018
				Comment		NGOs providing facilitation support for subcomponents 1.1 and 1.2, and planning and investment activities are on-going.	Technical assistance to develop methodology and overall support
No Change	Degree to which villages have integrated climate change adaptation and environmental appraisals into community action plans and are	<input type="checkbox"/>	Number	Value	0.00	0.00	
				Date		28-Oct-2014	31-May-2018
				Comment		NGO and trainers have been	At least 75% of plans will have

¹⁶ Contributes to PPCR Core Indicator 3 (Extent to which climate responsive instruments/investment models are developed and tested)

	implementing appropriate investments					contracted that are providing support for these appraisals. Will be reported as investment plans are prepared.	acceptable scores
Revised	Number of client days of training provided in organizational and technical topics	<input type="checkbox"/>	Days	Value	0.00	3000.00	46000.00
				Date	03-Oct-2013	28-Oct-2014	31-May-2018
				Comment		Training to date has been provided to the IG in a number of administrative, knowledge management, and technical topics, as well as at hh level.	Assumes one person per benefiting hh participates in 2 days training, results disaggregated by gender
New	Instructional good practice short videos produced ¹⁷	<input type="checkbox"/>	Number	Value	0.00	0.00	50.00
				Date	03-Apr-2015	03-Apr-2015	31-May-2018
				Comment			
New	Feedback/grievances resolved within the stipulated service standards for response times (100%)	<input type="checkbox"/>	Percentage	Value	0.00	0.00	100%
				Date	03-Apr-2015	03-Apr-2015	31-May-2018
				Comment			

¹⁷ Contributes to PPCR Core Indicator 3 (Extent to which climate responsive instruments/investment models are developed and tested)