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Investing in rural people

Republic of Tajikistan

Country Strategic Opportunities Programme

2019-2024

Note to Executive Board representatives

Focal points:

Technical questions:

Mikael Kauttu
Country Programme Manager
Near East, North Africa and Europe Division
e-mail: m.kauttu@ifad.org

Dina Saleh
Regional Director
Near East, North Africa and Europe Division
Tel.: +39 06 5459 2780
e-mail: d.saleh@ifad.org

Dispatch of documentation:

Deirdre Mc Grenra
Chief
Institutional Governance and
Member Relations
Tel.: +39 06 5459 2374
e-mail: gb@ifad.org

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COSOP delivery team

Regional Director:	Dina Saleh, Regional Director, Near East, North Africa and Europe Division (NEN)
Country programme manager:	Mikael Kauttu, Country Programme Manager, NEN
Regional economist:	Abdelkarim Sma, Regional Economist, NEN
Technical specialist:	Edward Heinemann, Lead Technical and Policy Advisor to the Associate Vice President (PMD)
Climate and environment specialist:	Nicolas Tremblay, Environment, Climate, Gender and Social Inclusion Division (ECG)
Financial management officer:	Alaa Abdelkarim, Financial Management Services Division (FMD)

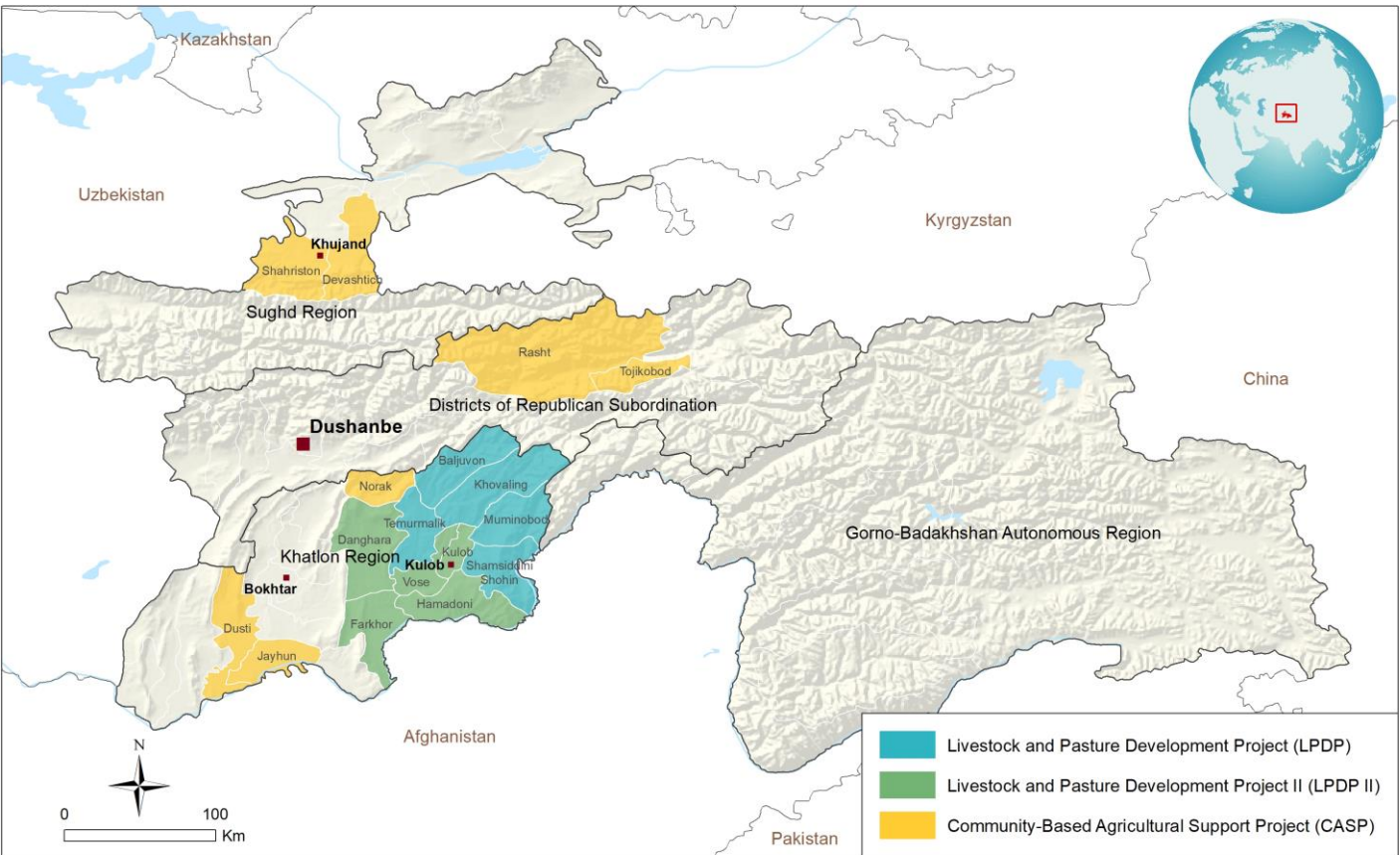
Abbreviations and acronyms

4P	public-private-producer partnerships
CASP	Community-based Agricultural Support Project
COSOP	Country strategic opportunities programme
EBRD	European Bank for Reconstruction and Development
FAO	Food and Agriculture Organization of the United Nations
GAO	gross agricultural output
KLSP	Khatlon Livelihoods Support Project
LPDP	Livestock and Pasture Development Project
PBAS	performance-based allocation system
SDG	Sustainable Development Goal
SSTC	South-South and Triangular Cooperation
UNFCCC	United Nations Framework Convention on Climate Change
WFP	World Food Programme

Map of IFAD-funded operations in the country

Republic of Tajikistan

IFAD-funded ongoing operations
COSOP



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 28-05-2020

Executive summary

1. Tajikistan is a landlocked country with a population of 9.126 million in 2018, of which 73 per cent live in rural areas. Tajikistan's per capita gross national income was estimated at US\$1010 in 2018.
2. Agriculture accounts for 18.7 per cent of the country's GDP (2018) and comprises two broad farming systems: upland areas, which are characterized by wheat, potatoes and horticulture along with rainfed pasture and lowland areas, where irrigated cultivation of cotton and wheat predominates.
3. While Tajikistan has seen progress in reducing poverty, the country remains in 129th place in the global ranking. At 36.1 per cent, poverty is higher in rural areas, which are home to 73 per cent of the country's poor people. One fifth of the population is affected by food insecurity.
4. The overall goal of this country strategic opportunities programme (COSOP) is to contribute to the reduction of rural poverty and the enhancement of national food security in rural Tajikistan. This goal will be achieved through two complementary strategic objectives:

Strategic objective 1: Promotion of inclusive agricultural-based rural economic growth in poor rural communities

Strategic objective 2: Enhancement of smallholder producers' resilience to climate change.

5. The COSOP will be implemented over two performance-based allocation system (PBAS) cycles (2019-2021 and 2022-2024). Using a public-private-producer partnership-based value chain approach, the IFAD programme will address constraints in the agriculture sector through integrated support in selected poor villages with development potential.
6. The COSOP will adopt a programmatic approach through scaling up and replication of the Community-based Agricultural Support Project in approximately 300 poor villages with high poverty but potential for agricultural development. An indicative PBAS allocation of US\$25 million for the 2019-2021 cycle and another allocation to be determined for the 2022-2024 cycle will be used to cofinance one pipeline programme.
7. IFAD will leverage cofinancing and coordinate with other donors to strengthen policy dialogue with the Government on: (i) the development of alternative crops to cotton and wheat; and (ii) the urgent need to focus on domestic food security rather than promotion of agricultural exports.

Republic of Tajikistan

Country Strategic Opportunities Programme

I. Country context and rural sector agenda: Key challenges and opportunities

1. Tajikistan had a total population of 9.126 million in 2018,¹ of which 73 per cent lived in rural areas. Its per capita gross national income (Atlas method) was estimated at US\$1010 in 2018.² The country's economic base is dominated by the production of aluminium and cotton (Tajikistan's main export commodities) supplemented by remittances from Tajik nationals working abroad.
2. In 2018, agriculture accounted for 18.7 per cent of the country's GDP, playing a significant role in the livelihoods of its rural population. Of Tajikistan's total land area of 141,387 km², 93 per cent is mountainous and only 26 per cent can be utilized for agriculture.³ Tajikistan's agriculture comprises two broad farming systems: upland areas are characterized by wheat, potatoes and horticulture along with rainfed pasturing, while lowland areas are dominated by irrigated cotton in rotation with wheat. There are two main groups of producers: those with small household plots – the successors of Soviet "private agriculture"; and *dehkan* (peasant) farmers – newly created family farming structures.⁴ The number of *dehkan* farms is currently estimated at 172,668, with an average farm size of 7 ha. Of these, 97 per cent are family farms and 18.7 per cent of those farms are headed by women.
3. In almost all zones, agro-climatic conditions permit only a single crop to be cultivated each year. However, some early-maturing crops (such as winter wheat) allow the planting of second crops with short vegetation periods (e.g. melons or buckwheat). Tajikistan's primary crops are cereals and cotton. Wheat accounts for 30.9 per cent, fodder -12 per cent and cotton - 22.5 per cent of the total cropping area respectively.⁵
4. **Irrigated land.** Irrigation is critical for the development of Tajikistan's agricultural sector. In 2018, more than 67 per cent of its arable land (563,000 ha) was irrigated.⁶ The irrigated area is decreasing because of deteriorating irrigation and drainage infrastructure, salinization, waterlogged soils and unreliable electricity supplies to pump stations.
5. The country's fruit, vegetable and livestock subsectors suffer from low productivity. Production and trade are spread across a large number of very small actors, leading to high transaction costs in marketing and access to services. Actors across the value chain are poorly integrated, and spot market transactions prevail. Farmers face difficulties in getting the right quality and quantity of inputs, while processors lack reliable and uninterrupted access to raw materials of adequate quality. The processing industry in both subsectors consists of a few medium and large operators, and a large number of small-scale processors. Outdated processing equipment and poor hygienic conditions, packaging and labelling undermine Tajikistan's competitiveness both in export markets and the domestic market.

¹ Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019

² The World Bank: <http://www.worldbank.org/en/country/tajikistan>

³ Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019

⁴ Household plots comprise 20 per cent of the country's arable land and produce 65 per cent of gross agricultural output (GAO). *Dehkan* farms take up 65 per cent of the arable land and produce close to 30 per cent of GAO. The remaining 15 per cent of arable land is held by agricultural enterprises – the rapidly shrinking sector of corporate farms that succeeded the Soviet *kolkhozes* and *sovkhoses*, and today produces less than 10 per cent of GAO (TajStat 2011).

⁵ Agency on Statistics under the President of Tajikistan. "Agriculture of Tajikistan" 2019. Page 29

⁶ *Ibid*, pp. 66-69

6. **Food security.** World Food Programme (WFP) assessment reports indicate that Tajikistan is the most vulnerable country in Central Asia with regard to food security: one third of its population suffers from undernourishment. Half of all children under 5 suffer from iodine deficiency and one quarter are stunted. Food security is negatively impacted by: (i) limited irrigated land; (ii) underdeveloped agriculture and agribusiness; and (iii) poor connectivity between markets and agricultural production areas.
7. **Climate change and natural resource management.** Among Central Asian countries, Tajikistan has the second lowest level of total actual renewable water resources per capita. Not only is the current efficiency of irrigation systems low (ranging between 60 per cent and 80 per cent water use inefficiency), but the deficit in water for irrigated crops is likely to increase and soils will become more prone to degradation. Smallholders have no access to information about disaster risk and no capacity to mitigate negative climate change impacts.⁷
8. **Rural poverty.** According to World Bank calculations, poverty declined between 2003 and 2018 from 72 per cent to 27.5 per cent. Despite recent progress, Tajikistan's Human Development Index score for 2017⁸ was 0.650, positioning it 127th out of 189 countries worldwide. According to national statistics,⁹ the unemployment rate reached 10.8 per cent in 2017. At 36.1 per cent, the poverty rate is higher in rural areas, which are home to 80 per cent of all poor people in the country.¹⁰

II. Government policy and institutional framework

9. Tajikistan is currently implementing the National Development Strategy 2030 (NDS) and Midterm Development Strategy for 2016-2020 (MTDS 2016-2020). The NDS covers 78 per cent of the Sustainable Development Goals (SDG) and serves as the main tool for SDG implementation in Tajikistan.
10. The Ministry of Economic Development and Trade participates in policy development and regulation for all socio-economic sectors. The Ministry of Finance ensures the implementation of state policy and regulation in the sphere of public finance management and public investments. The Ministry of Foreign Affairs is responsible for foreign policy and its relationships with sovereign nations and international organizations. The State Committee on Investment and State Property Management is responsible for state policy in the sphere of foreign investment attraction and public property management.
11. Agricultural development and food security are under the responsibility of the Ministry of Agriculture (MOA), with a focus on: (i) promoting agrarian reforms; (ii) ensuring economic and physical access to food; (iii) diversifying agricultural production and introducing innovations with minimum impact on the environment and quality of land; (v) increasing the sector's attractiveness – especially *dehkan* farms – by developing value chains; and (vi) increasing access to improved seeds and fertilizers, and agricultural production.
12. The State Committee on Land Management and Geodesy is responsible for the development and implementation of a unified state policy on state land management.

⁷ Recent droughts and extreme weather have underscored the inadequacy of climate resilience in major sectors, with increased threats to water resources, energy security, ecology, agriculture and rural livelihoods.

⁸ <http://hdr.undp.org/en/countries/profiles/TJK>

⁹ Tajikistan National Statistics Agency data

¹⁰ Agency for Statistics (TajStat) data for 2015, quoted by World Bank Group, *The World Bank-Tajikistan Partnership Program Snapshot* (April 2016). Within rural areas of Khatlon, Regions of Republican Subordination and the Gorno-Badakhshan Autonomous Oblast, poverty rates were above 37 per cent in 2014. In terms of absolute numbers however, poor people in Sughd exceed those in the Gorno-Badakhshan Autonomous Oblast since the former is much more highly populated (comprising about 30 per cent of the country's total population).

The Committee on Food Security covers the sphere of veterinary, phytosanitary and plant quarantine; plant protection; seed production; and breeding.

13. The Committee on Environmental Protection is responsible for policy on hydrometeorology, the effective use of natural resources and protection of the environment, improvement of legal and regulatory systems for environmental protection, and honouring commitments to the United Nations Framework Convention on Climate Change (UNFCCC).
14. The Ministry of Energy and Water Resources leads the implementation of a unified national policy and regulation of the fuel and energy sector, managing water resources and promoting the use of renewable energy sources. The Ministry is authorized to implement initiatives related to the Clean Development Mechanism of the Kyoto Protocol and reporting on the UNFCCC.

The Agency for Land Reclamation and Irrigation is an authorized state body that develops unified state policy and ensures legal regulation in the sphere of land reclamation and irrigation, use and preservation of water facilities, and provision and protection of water resources.

III. IFAD engagement: Lessons learned

15. Since 2008, IFAD has invested US\$80 million in four projects directly benefiting 128,000 households within Tajikistan. A major impact of the Khatlon Livelihoods Support Project (KLSP) was the successful mobilization of support to 82 village organizations involved in the preparation and implementation of community action plans. The KLSP intervention led to: a 40 per cent increase in the household asset index; an average income increase of 41 per cent; and a 44 per cent increase in the number of households with improved food security.
16. Results from the Livestock and Pasture Development Project (LPDP) include: (i) legal establishment and capacity building of 203 pasture user unions, reaching 23,841 households with community livestock and pasture management plans; (ii) rotational grazing on 70,000 ha; and (iii) 738 income-generating activities for 883 women's common interest groups.¹¹ LPDP was also involved in the amendment of the Pasture Law, creating a de facto Department of Pasture within the MOA and a trust fund for pasture development investments. The subsequent LPDP-2 entered into force in 2016 as a geographical replication of LPDP-1.
17. Implementation of the Community-based Agricultural Support Project (CASP), began in 2018. The project seeks to benefit those who are already or could potentially be economically active, with an emphasis on poor rural women and poor rural youth. The project supports the piloting of private sector agricultural mechanization services.
18. IFAD has also contributed to the costs of mobilizing public-private partnerships in support of women-led small business development through an initiative implemented by the Aga Khan Foundation. The main focus of this initiative is to support women's groups in processing luxury fibres and producing quality yarns and related products for export markets.
19. Key lessons learned from IFAD's operations in the country include the following:
 - (i) Village organizations are effective partners in community-based interventions.
 - (ii) The participation of beneficiaries is a critical driver of the success of community action plans.

¹¹ Agricultural machinery reduced the cost of services to community members by 30 per cent.

- (iii) Poor people can be best reached through geographical targeting, along with village-level targeting using self-assessments and village-level wealth rankings.
 - (iv) Projects can ensure the inclusion of smallholders and mitigate against elite capture through equitable representation of rural poor people.
20. Smallholders need technical knowledge and business skills to organize – both individually and through community-based organizations. This will enable them to become profitable customers for local service providers and input suppliers, and to negotiate favourable prices and business terms.

IV. Country strategy

21. The main legal documents that formed the basis for the development of the COSOP are the Law "On government forecasts, concepts, strategies and programs of socio-economic development", the NDS and MTDS 2016-2020. The COSOP also takes into account the Programme for reforming the Agriculture Sector 2012-2020; Food Security Programme 2019-2023; Concept of innovative development of the agro-industrial complex; Comprehensive Programme for the livestock development sector 2018-2020; Programme for the development of horticulture and viticulture 2016-2020; and Integrated Crop Industry Development Programme.

A. Comparative advantage

22. IFAD has been successful in leveraging the potential of communities to collectively manage their natural resource base and improve their productive capacities. This country strategic opportunities programme (COSOP) builds on lessons from the 2016 country strategy note, with the strategic objectives of: (i) improving livestock productivity and enhancing the climate resilience of pastoral communities; and (ii) improving the access and integration of smallholder livestock farmers with remunerative markets for their products. During the design of CASP, the Government and IFAD agreed to extend support to smallholder producers engaged in horticulture as well as other crops. These objectives remain valid for the proposed COSOP period.

B. Target group and targeting strategy

23. The geographic scope of the COSOP is national. IFAD's operations will provide benefits to smallholder agricultural households that are actually or potentially economically active among:
- (i) Rural poor people living in extreme poverty, including landless families and those producing a bare-subsistence minimum on very small household plots with few animals;
 - (ii) Subsistence and semi-subsistence farmers (*dehkan* families) with slightly larger plots including orchards and pastures; and
 - (iii) Unemployed and underemployed people, including rural youth and former migrants returning from the Russian Federation and Kazakhstan.
24. IFAD will work with small and medium-sized entrepreneurs with actual or potential links to poor rural communities as service providers, input suppliers or buyers of agricultural produce.
25. IFAD's targeting is in line with its experience working with grassroots organizations in the country. To achieve impact on a wide scale over the medium and long term, the need for private-sector development in Tajikistan must be addressed.
26. **Gender mainstreaming.** Rural women have limited access to economic opportunities and decision-making. The village organization model incorporates the principle of inclusive participation of all village community members. Lessons learned from the successful programme on Accelerating Progress towards the

Economic Empowerment of Rural Women, jointly implemented by IFAD, the Food and Agriculture Organization of the United Nations (FAO), WFP and UN-Women in neighbouring Kyrgyzstan could be transferred to Tajikistan.

27. **Youth targeting.** The COSOP will support unemployed youth to obtain marketable job skills by facilitating their access to vocational training. Through the public-private-producer partnership (4P)-based value chain approach, the COSOP will support small and medium-sized enterprises in: (i) agroprocessing of dairy and horticulture products; (ii) supplying agricultural mechanization services to smallholder producers at the village level; and (iii) market intermediation on behalf of community members.

C. Overall goal and strategic objectives

28. The overall goal of the COSOP is to contribute to the reduction of rural poverty and the enhancement of national food security in rural Tajikistan. This goal will be achieved through two interlinked, which are outlined below.
29. **Strategic objective 1: Promotion of inclusive agricultural-based rural economic growth in poor rural communities** will be achieved through: a 4P-based value chain approach for selected commodities; institutional capacity-building for public and community-based institutions; enhancement of agricultural productivity; and promotion of agroprocessing and access to markets.
30. Strategic objective 1 will be achieved through the following outcomes:
- (i) Increased effectiveness and outreach of rural institutions and service providers;
 - (ii) Increased farm productivity and production resulting from the adoption of improved agricultural technologies and productive infrastructure;
 - (iii) Increased post-harvest processing and value addition for agricultural products; and
 - (iv) Increased access by smallholders to remunerative markets.
31. **Strategic objective 2: Enhancement of resilience of the smallholder producers to climate change** will be achieved by mainstreaming sustainable participatory natural resource management into all agricultural production systems and diversifying of income sources. IFAD will build the climate resilience of the most vulnerable and food-insecure communities through capacity building, awareness raising, climate proofing rural investments by repairing, refurbishing and expanding infrastructure, and diversifying livelihoods. Strategic objective 2 will be achieved through the following outcomes:
- (i) Increased adoption by smallholder producers of appropriate technologies and climate-resilient practices for sustainable horticulture and livestock production, and improved food security;
 - (ii) Increased access by smallholders to restored land suitable for horticulture and pasture lands for grazing; and
 - (iii) Diversified income sources for members of local communities, particularly rural women and youth, resulting in greater climate resilience and less need for households to resort to negative coping mechanisms.
32. The COSOP will strive to maximize outreach contingent on the size of IFAD's investment and will be driven by the relentless pursuit of efficiency gains.
33. **COSOP national ownership:** The Government of Tajikistan fully supports IFAD's strategic orientation and related programmatic and non-investment activities for 2019-2024.

34. **Link to Sustainable Development Goals (SDGs):** The COSOP will directly contribute to achieving SDGs 1, 2, 12 and 13.¹²
35. **Link to IFAD's Strategic Framework 2016-2025:** This COSOP's two strategic objectives will directly contribute to the Fund's three closely interlinked and mutually reinforcing Strategic Objectives as stated in its Strategic Framework: (i) increase poor rural people's productive capacities; (ii) increase poor rural people's benefits from market participation; and (iii) strengthen the environmental sustainability and climate resilience of poor rural people's economic activities.
36. **COSOP implementation approach:** The COSOP will be implemented over two performance-based allocation system (PBAS) cycles (2019-2021 and 2022-2024) based IFAD's five principles of engagement: targeting; empowerment; gender equality; innovation, learning and scaling up; and partnerships. Using a 4P-based value chain approach, the COSOP will address sector-specific constraints through integrated support in selected poor *jamoats* (local-level administrative divisions) and villages with development potential.¹³
37. **Natural resources and climate change.** Strategic objective 2 will continue support for climate change adaptation, with an increased focus on climate-resilient practices in croplands and an ongoing focus on pasture lands. The COSOP will build the climate resilience of the most vulnerable and food-insecure through capacity-building, and contributing to climate-proof rural investments in order to repair degraded infrastructure and diversify livelihoods.
38. IFAD will assist the Government in accessing climate change-related funds, with a particular focus on the Green Climate Fund and Adaptation Fund. IFAD will be proactive in helping the Government to access funding from the Global Environment Facility by emphasizing land degradation and the promotion of a green economy.
39. Malnutrition is still widespread in Tajikistan.¹⁴ The COSOP will support food security by: (i) increasing the production and processing of agricultural produce; (ii) promoting individual household production of agricultural products; and (iii) disseminating food security and nutrition information, along with market and farm-price data. Livelihood-diversification activities will support balanced food consumption and strengthen storing and processing of produce. The development of assets and skills may be combined with nutrition education and awareness raising for women in order to promote dietary diversity among targeted smallholders. Existing nutrition-sensitive approaches and programmes in Tajikistan are spearheaded by WFP: IFAD will capitalize on WFP's work and explore complementarities.

D. Menu of IFAD interventions

40. **Lending activities:** The COSOP will adopt a programmatic approach that involves scaling up and replicating CASP in approximately 300¹⁵ poor villages in selected districts in Soghd and Khatlon, and in the Regions of Republican Subordination, which have high poverty rates but the potential for agricultural development. An indicative PBAS allocation of approximately US\$25 million for the 2019-2021 cycle and another allocation to be determined for the 2022-2024 cycle will be used to cofinance CASP-II. Building on lessons generated by CASP, CASP-II will be designed for implementation in the two PBAS cycles. Government ownership is

¹² SDG 1: End poverty in all its forms everywhere; SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture; SDG 12: Responsible consumption and production; SDG 13: Take urgent action to combat climate change and its impacts.

¹³ Support will be focused on the participatory formulation and enhancement of community action plans, and cost-sharing of financing for priority community investments.

¹⁴ With FAO's support, the Government has joined the Scaling Up Nutrition movement to improve nutrition in the country.

¹⁵ This target is pegged to the availability of financing in the PBAS. With a cumulative PBAS allocation for 2019-2024 of US\$100 million for example, the total number of villages would be 500.

evidenced by a commitment to increase domestic counterpart funding for CASP-II to US\$10 million from US\$5 million for CASP-I. Additional cofinancing will be sought from the Green Climate Fund, Adaptation Fund and other international financial institutions.

41. **Non-lending activities:** Subject to availability, IFAD will mobilize country and regional grants to conduct thematic studies and assessments. These studies will generate the information needed to spur policy dialogue – particularly on the economics of alternative crops to cotton and wheat.
42. **Country-level policy engagement.** In line with the NDS, a development coordination council has been established to facilitate information exchange and collaboration between the donor community and Government.¹⁶ Of the Council's 12 working groups, four are directly relevant to IFAD.¹⁷ The Fund will leverage cofinancing and coordinate with other donors to strengthen policy dialogue with the Government on the issues described below.
43. **Development of alternatives crops to cotton and wheat.** Despite their political importance, Tajikistan has no comparative advantage in producing wheat in a country that is 93 per cent mountainous, while neighbouring Uzbekistan and Kazakhstan have large flat areas.
44. **Food security.** The COSOP will build the institutional capacity of public and community-based institutions, as well as build capacity for enhancing agricultural productivity and promoting agroprocessing and access to markets.
45. Knowledge-management activities will include thematic studies, information-dissemination campaigns and preparation of publications. With regard to South-South and Triangular Cooperation (SSTC), IFAD may approach Turkey through the Turkish Cooperation and Coordination Agency, and China within the IFAD China SSTC facility to share successful experiences and lessons learned, provide financing and build institutional capacity.¹⁸

V. Innovations and scaling up for sustainable results

46. IFAD's key innovation in Tajikistan is facilitating community-based organizations' involvement in natural resource management to collectively manage their resource base and cofinance and maintain infrastructure facilities. Future IFAD interventions will involve these organizations in local rural and agricultural development, and climate-resilient activities. Both CASP and the proposed CASP-II will foster this innovation within the 4P value chain model.
47. The main champions of IFAD's scaling-up agenda will be the MOA, Ministry of Finance, district-level government offices, *jamoats* and donors. The main drivers will be smallholder farmers' eagerness to profitably engage in crop and livestock enterprises along with a solid commitment by the Government to modernize and improve market-oriented agricultural and livestock production.
48. IFAD will partner with research institutions to foster low-input demand-driven production and processing technologies such as those utilizing renewable energy for climate change adaptation and food security.

VI. COSOP implementation

A. Financial envelope and cofinancing targets

¹⁶ This council comprises 28 bilateral, multilateral and United Nations agencies that actively support Tajikistan.

¹⁷ These include: (i) agriculture and land; (ii) water and climate change; (iii) food security and nutrition; and (iv) private- and financial-sector working groups.

¹⁸ Tajikistan is part of the "Belt and Road" initiative, China's megaproject linking 70 countries across Asia, Europe and Africa. It is believed that producers and consumers within these countries will greatly benefit from trading opportunities linked to this project.

49. This COSOP covers a six-year period from 2019 to 2024. The indicative PBAS allocation for Tajikistan for the 2019-2021 cycle is expected to be approximately US\$25 million. A similar amount will be made available for Tajikistan in the 2022-2024 PBAS cycle.

Table 1

IFAD financing and cofinancing of ongoing and planned projects

(Millions of United States dollars)

Project	IFAD financing	Cofinancing		Cofinancing ratio
		Domestic	International	
Ongoing				
LPDP-II	22.4	1.8	5.0	Domestic: 1:0.08 International:1:0.22
CASP-I	30.6	8.3	0.25	Domestic:1:0.27 International:1:0.01
Planned				
CASP-II	60.0	10.0	5.0	International:1:0.16 International:1:0.09
Total	113.0	20.1	10.3	Domestic:1:0.17 International:1:0.1

B. Resources for non-lending activities

50. In addition to ongoing investment projects, resources from regional and country grants will be mobilized to promote innovations and facilitate learning and knowledge exchange. Resources available through the SSTC framework will also be used to promote technical cooperation.

C. Key strategic partnerships and development coordination

51. Partnerships will be explored with a wide range of actors including national institutions, private input and service suppliers, community-based organizations and donors.
52. IFAD will reinvigorate its engagement with traditional partners and leverage cofinancing for environmental sustainability and climate resilience. It will also explore ways to enhance the mobilization of domestic cofinancing. Potential cofinanciers include the World Bank, Asian Development Bank, Islamic Development Bank, European Union, European Bank for Reconstruction and Development, the Russian Federation, FAO, WFP, Green Climate Fund and Adaptation Fund. In addition, IFAD will build synergies with other donor-funded projects in the country.¹⁹

D. Beneficiary engagement and transparency

53. During the formulation of this COSOP, beneficiaries participated in stakeholder meetings. Transparency is a major factor in ensuring social inclusion, reducing conflicts in rural areas and building mutual trust. The establishment of procurement

¹⁹ The World Bank Agricultural Commercialization Project aims to increase the commercialization of farm and agribusiness products. The COSOP will facilitate access to rural finance by the target group through synergies with component II on Access to Finance for Agribusiness Enterprises and Small-Scale Commercial Farms. Through the Rome-based agencies' partnership with the Russian Federation on food security, a US\$1.32 million grant was provided through IFAD to the Tajikistan to support school feeding. WFP recently launched a Fill the Nutrient Gap analysis in Tajikistan aimed at identifying context-specific barriers to adequate nutrient intake among specific target groups. EBRD support to Tajikistan includes investments in micro, small and medium-sized enterprises through financial intermediaries, along with investments in agribusiness, commerce, energy and industry; synergies with this programme will be crucial in facilitating access to rural finance. Through the recently approved Climate-Resilient Dairy Value Chain Development Project, a public-private partnership framework will be used to link smallholder dairy farmers directly with processors and urban markets through the development of efficient dairy value chains. Finally, KfW Development Bank has established a revolving fund with the Government and other donors to provide financial institutions with sustainable access to refinancing resources.

and financial management procedures by IFAD and the Government is key for transparency.²⁰ Mandatory annual external audits will also contribute to transparency.

E. Programme management arrangements

54. **Institutional arrangements.** Embedding projects within government agencies builds national capacity and ensures sustainability. Based on lessons learned, public administration positions that are difficult to fill will be recruited externally on a competitive basis, and international technical assistance will be limited to periodic sequenced missions in areas identified at project design and during implementation.
55. **Institutional arrangements at the national level.** The MOA will have overall responsibility for project management on behalf of the Government.
56. **IFAD presence.** IFAD has no country office in Tajikistan. The portfolio will be managed from the subregional office in Istanbul by the country director, supported by a field representative based in Tajikistan.²¹

F. Monitoring and evaluation

57. COSOP implementation will be monitored through results-focused programme management and supervision. Special attention will be given to monitoring and evaluation to inform decisions regarding policy dialogue, knowledge management and scaling up. A COSOP mid-term review will be undertaken in 2022 to assess the relevance of the strategic objectives and make any adjustments needed.

VII. Risk management

Table 2
Risks and mitigation measures

<i>Risks</i>	<i>Risk rating</i>	<i>Mitigation measures</i>
1. Political and governance		
Political changes cause abrupt shifts in administrative institutions.	Medium	Provide targeted support through projects to drive the policymaking process.
2. Macroeconomic		
Remittances constitute a large share of FX inflows, presenting a risk for smallholders' capacity to accumulate capital.	Medium	Ensure adequate financing for programmes to address this.
3. Strategies and policies		
The veterinary service is inefficient and requires an institutional rebooting.	High	Join other donors to link policymakers with the World Organisation for Animal Health to develop a long-term strategy for the sector.
4. Institutional capacity for implementation and sustainability		

²⁰ This requires the use of a procedures manual and establishment of a monitoring and evaluation system prior to project implementation, facilitating the periodic publication and dissemination of data on a large scale (particularly technical data and financial reports).

²¹ Given Turkey's proximity to Tajikistan, the country programme manager will participate in field missions and strengthen IFAD's contribution to agricultural and rural policy formulation.

Risks	Risk rating	Mitigation measures
Financial incentives for positive behavioural change in community organizations are not included in national state budgets or are unsustainable.	High	Ensure adequate training of community leaders for fundraising and appropriate governance structures.
5. Financial management		
Issues with project governance negatively impact the currently robust financial management staff capacity and performance.	Medium	Strong oversight at all levels is required. Adequate staffing and financial controls, and independent internal audit functions are critical.
6. Procurement		
Issues with project governance negatively impact current procurement staff capacity and performance.	Medium	Strong oversight at all levels is required, including quality assurance of project management.
7. Stakeholders		
Stakeholders regard grant distribution as unfair or underfunded	High	Ensure that expectations are managed from the outset and stakeholder efforts are channelled efficiently.
8. Environment and social		
Valuable biodiversity areas may be damaged through grazing.	High	Reinforce mechanisms for pasture management.
Overall	Medium	

COSOP results management framework

Country strategy alignment	Related SDG and UNDAF outcomes	Key COSOP results (in the context of IFAD project beneficiaries)			
<p>The goal of Government's National Development Strategy 2016-2030 is to improve the standards of living of population based on sustainable economic development.</p> <p>With regards to agricultural development and food security, the strategy focus is as follows: Promote agrarian and water supply reforms; Ensure economic and physical access to food based on the stable growth of agricultural sector; Diversify agricultural production, as well as introduce innovations with minimum impact on the environment and quality of land; develop measures to replace hazardous chemicals with alternative, less dangerous, chemicals; increase the attractiveness of the sector, especially for Dehkan farms via the development and strengthening the value chains; Increase access to improved seeds and fertilizers at the domestic market, and increase agricultural production by motivating the use of new agricultural practices and technologies; Develop land and water resources management system on the basis of equitable and sustainable</p>	<p>UNDAF Outcome 2: People in Tajikistan benefit from equitable and sustainable economic growth through decent and productive employment; stable energy supply; improved access to specialised knowledge and innovation and a more favourable business environment, especially for entrepreneurs and farmers.</p> <p>The COSOP will directly contribute to achieving four SDGs: (i) SDG1 – End poverty in all its forms everywhere; (ii) SDG2 – End hunger, achieve food security and improve nutrition and promote sustainable</p>	Strategic objectives	Lending and non-lending activities for the COSOP period	Outcome indicators	Milestone indicators
		<p>SO1: promotion of inclusive agricultural-based rural economic growth in poor rural communities.</p>	<p>Lending/investment activities</p> <ul style="list-style-type: none"> Main agenda for policy dialogue would focus on development of agricultural alternatives to cotton and wheat through promotion of high value horticulture and livestock products Urgent need to focus on domestic food security rather than devoting scarce natural and investment resources to the promotion of agricultural exports <p>Non-lending/non-project activities</p> <p>Investment programme and policy dialogue would be supported by non-lending activities, including KM and SSTC</p>	<p>Overall impact: Percentage of targeted households experiencing economic mobility</p> <p>Percentage of targeted households experiencing reduction of child malnutrition</p> <p>Outcome 1.1: Increased effectiveness and outreach of rural institutions and service agencies.</p> <p>Outcome 1.2: Increased farm productivity and production for horticultural and livestock products.</p> <p>Outcome 1.3: Increased post-harvest processing and value addition to agricultural products</p> <p>Outcome 1.4: Improved smallholders' access to remunerative markets.</p>	<p>60 per cent of the targeted population with 30 per cent improvement in household assets ownership index and climate resilience, by end of COSOP period.</p> <p>Child malnutrition reduced by 20 per cent in targeted HHs, by end of COSOP period</p> <p>80 per cent of persons satisfied with services promoted or supported by the programme, by end of COSOP period.</p> <p>80% of targeted horticulture and livestock farmers improve productivity by 50%, by end of COSOP period.</p> <p>40% increase in volume and value of sales made by smallholder producers of horticulture and livestock products, by end of COSOP period.</p>

distribution of land for cultivation of essential agricultural crops;.	agriculture; (iii) SDG12 – Responsible consumption and production; and (iv) SDG13 – Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.				
		SO2: Enhancement of resilience of the smallholder producers to climate change	<p>Lending/investment activities Government implementing partners replicate the piloted IFAD interventions in non-programme areas</p> <p>Non-lending/non-project activities Cooperation with other stakeholders on climate change policy elaboration and implementation Investment programme and policy dialogue would be supported by non-lending activities, including KM and SSTC</p>	<p>Outcome 2.1: Increased smallholder producers adoption of appropriate technologies and climate resilient practices.</p> <p>Outcome 2.2: Increased area of restored land suitable for sustainable cropping and grazing.</p> <p>Outcome 2.3: Diversified income sources of members of the local communities, particularly smallholder farmers, rural women and youth</p>	<p>80% of the targeted population have access to infrastructure that is climate resilient and environmentally sound, by end of COSOP period.</p> <p>60% increase in number of farmers practicing climate-resilient agricultural practices</p> <p>80% of the targeted smallholder farmers and pastoralists have access to land restored from degradation.</p> <p>60% of rural women and youth income from IGAs, increased at least by 50%, by end of COSOP period.</p>

Transition scenarios

Table 1
Projections for key macroeconomic and demographic variables^a

Case	Base	High	Low
Average GDP growth (2018 - 2024)	3.8	7.1	2.5
GDP per capita (2018-2024)	801 (2017)	898 (2024 projection)	827 (2020 projection)
Public debt (% of GDP) (2018 - 2024)	56.3	>56	<56
Debt service ratio (% of GNI, 2018-2024)	8.6 (2017)	>8.6	<3%
Inflation rate (%) (2018 - 2024)	6%	>7%	<6%
Rural population	73.018 (2017 WB), end of COSOP period: 81.78016 (2023). Annual growth rate 2%.		
Investment climate for rural business ^b	3/6 .The Economist Intelligence Unit forecasts average real GDP growth of 3.8% in 2019-20, driven by private consumption and aided by growth in gold exports (both in value and volume terms), steady remittance inflows from Russia and investment from China. Tajikistan's international relations have in the past been characterised a foreign policy of attracting investment, financial aid and military support from China, Russia and the US. Economic dependence on China is increasing, mainly through public borrowing and infrastructure investment. FDI is expected to remain low, suffering from the general business climate. Over the medium term, capital outflows are expected to accelerate, assuming Tajikistan's slow reforms in creating a business-friendly environment compared to regional economies.		
Vulnerability to shocks ^c	3/6 "Despite an improved external environment, particularly in the Russian Federation, growing domestic vulnerabilities are weighing on Tajikistan's prospects for sustained economic growth. In particular, the outlook is constrained by a weak domestic policy framework. The narrowed fiscal space resulting from the rising public debt, a pending resolution of problems in the financial sector, rising contingent liabilities by state-owned enterprises and external uncertainties. the country's challenging business environment (including due to the high cost of regulatory compliance) require stronger and bolder policy responses. The "business as usual" approach is inadequate to effectively address the outstanding macro-financial and poverty reduction challenges confronting the economy. Moreover, the domestic social environment could deteriorate if Russia tightens migration regulations."		

Scenario 1: Continuing current trend: Tajikistan's economy registered strong growth in 2018, driven by private consumption and public investment in the energy sector. Thanks to favorable commodity prices, substantial public investment, and a gradual recovery of domestic lending, growth is expected to remain at around 3.8% over the medium term. The scenario implies that the current policies will be maintained, restricting the inflation rate through price controls and anticipating an increase in investments and migrant remittances following economic recovery in Russia. Despite the sustained GDP growth associated with this scenario Tajikistan remains in the category of LIC. PBAS allocation as well as the level of concessionality of IFAD resources would remain about the same with a steady increase related to the improvement of the management of the portfolio and disbursement rate.

Scenario 2: Severe Economic Deterioration. The structure of the economy remains highly susceptible to external and domestic risk factors. A sharp fall in remittance inflows and lower prices of aluminium and cotton, its main export commodities will dampen external earnings through commodity price shocks, lower FDI. Growth is expected to decline, a casualty of the slowdown in trading partners' growth, particularly in Russia.

The country's risk of debt distress remains high in the context of the elevated public debt and further spending pressure and this might affect Tajikistan ability to borrow from IFAD. The risk of losing at least one PBAS allocation is therefore relatively high. New potential projects would rebalance resources towards more direct support basic food production for enhanced food security.

Scenario 3: Improvement of the national context: The prospects of positive growth in Russia, elevated prices for major export commodities (cotton and aluminum), and deepening regional cooperation will sustain levels of around 7% GDP growth. Remittance inflows will continue to support private consumption; restoration of trust in the banking system will lead to a climate of confidence where investments increase. Strong economic growth and a continuing recovery in remittance inflows are projected to help drive down the poverty rate. In this case the PBAS allocation remains about the same or decreases. However, domestic co-financing levels associated with IFAD own resources expected to substantially increase to reflect GoT improving fiscal space.

Agricultural and rural sector issues

1. Tajikistan is a landlocked country, bordering Afghanistan in the south, China in the east, Kyrgyzstan in the north, and Uzbekistan in the west. Country's population has reached 9.126 million people in 2018.²² The country is faced with poor infrastructure, especially in rural areas, lack of machinery and other inputs, lack of access to proper education and health systems exacerbated by the rigid continental climate making agriculture highly susceptible to risks, in particular in three regions of the country, in particular Soghd, Region of Republican Subordination and Khatlon. Extreme poverty and shortages of heating, power and water, combined with the poor state of the banking sector due to the regional economic crisis, pose some threats to political stability in 2017-18.
2. Agriculture is a major component of the Tajik economy. In 2018 it accounted for 18.7% of GDP and it plays a significant role in the rural population's livelihoods and food security. In 2018 it employed 60.8% of the workforce according to government statistics. According to the Workforce Survey by the Agency on Statistics under the President of Tajikistan in 2016, the share of male and female employed in agricultural sector are 35.5% and 60.8% accordingly.²³ Despite its critical importance, the agricultural resource base is characterized by limited arable land. Of the total land area of 141,387 km², 93% is mountainous and 26% or 3.7 million hectares can be considered as agricultural land. Of this total, 18% is arable, 4.1% is under perennial crops (orchards and vineyards) and 77.2% is pastures and hay meadows.²⁴
3. Agriculture is mainly focused on growing wheat, cotton, potatoes, vegetables, gourds, grapes and cattle breeding. Compared to the Soviet period, the acreage of cotton and cotton production has declined by 2.5-3 times, while the acreage, size of the harvest and volumes of wheat, potato, vegetables and fruit has substantially increased. The Khatlon oblast is the leader in terms of the total volume of production, especially of cereal crops, cotton, vegetables, and gourds.
4. As a result of a land reform process which started in 1997, the former collective and state farms have been reorganized and the following major three types of farms emerged: (i) large state farms inherited from the Soviet system; (ii) private dekhkan farms, comprising of individual, family and collective farms, the latter managed by former managers on behalf of workers with land share certificates; the former two with associated land use titles conferred with 50-year leases that can be bought and sold since 1997; and (iii) household farms. All land holders have long-term land lease entitlements often tradable and inheritable. In 2018 all arable land was shared among (i) dekhkan farms (63.9%); enterprises (14/6%); and household plots (21.5%).²⁵
5. The individual households, despite their small size, are responsible for over 62% of country's agricultural production and in some agricultural sub-sectors their contribution goes even higher (94% for milk, 95% for meat). For vegetables it is lower, 49%.
6. The country's leading crop is wheat occupying around 33.8% of irrigated land (counting all seasons) and cotton (22.5%).²⁶ Cotton is exported enabling the country to earn the hard currency very much needed by its economy. Wheat in turn ensures country's food security, especially for the poor. Livestock is a key part of the agriculture sector and is also of critical importance in the coping strategy of poor rural households.

²² Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019

²³ Agency on Statistics under the President of Tajikistan. "Labour Market in Tajikistan. 2019" page 251

²⁴ Agency on Statistics under the President of Tajikistan. "Agriculture in Tajikistan. 2019", pages 22-25

²⁵ Agency on Statistics under the President of Tajikistan. "Agriculture in Tajikistan. 2019", page 23

²⁶ Agency on Statistics under the President of Tajikistan. "Agriculture in Tajikistan. 2019", pages 29

7. The agricultural sector is in general characterized by poor efficiency; productivity and incomes are low. Key factors that limit development include lack of access to: finance, modern agricultural machinery and equipment (see below), modern technologies and farming practices, and agro-services.
8. Rural Poverty. Tajikistan was one of the poorest members of the former USSR and after independence poverty increased sharply as a result of an abrupt termination of economic support from the Soviet Union and an extended civil war after independence in 1991 that derailed all economic activity. By 1997, GDP had fallen by 60% to US\$175 per capita. Improved political and economic stability since 1999 have, however, provided a base for a recovery.
9. The economic difficulties of the country have stalled poverty reduction as of late. The fall in remittances (33% in 2015 and 12% in the first half of 2016 in nominal US dollar terms²⁷) has a particular effect on the rural poor; remittances stood for 24% of total income poverty reduction in rural areas (in contrast to 18% in urban areas)²⁸. This considerably heightens the importance of the agricultural sector as a source for income. Yet, with its fast-growing population, Tajikistan has a comparatively and increasingly low per capita cropland, and the low level of productivity combines to a shortfall in supply. Tajikistan imports over 50% of its food, most of which are staples such as wheat, wheat flour and oil, and poor people even in rural areas typically need cash to satisfy their basic needs. Malnutrition remains an issue as one third of the total population suffer from undernourishment. Prevalence of stunting among the under-5 children is 26.8% in comparison to 19.6% in Uzbekistan.²⁹
10. Incidence of poverty is above average in rural areas (36.1%) which host over 80% of the total poor³⁰. Poverty also has geographical dimensions with Khatlon, Districts of Republican Subordination (DRS) and Gorno-Badakhshan Autonomous Oblast (GBAO) recording poverty over 37% in 2014. In absolute numbers, however, the poor in Soghd exceed those in GBAO as the former is much more populated (about 30% of the total population in the country). One fifth of the population in Tajikistan is affected by food insecurity³¹.

²⁷ National Bank of Tajikistan data quoted in *Country Report: Tajikistan*, Economist Intelligence Report, February 2017.

²⁸ Azevedo, J.P. et al, *Poverty Reduction and Shared Prosperity in Tajikistan: A Diagnostic*, World Bank, June 2014.

²⁹ ADB, *Country Partnership Strategy: Tajikistan, 2016–2020*, 2017.

³⁰ The Agency for Statistics ('TajStat') 2015 data quoted in *The World Bank-Tajikistan Partnership Program Snapshot*, World Bank Group, April 2016.

³¹ WFP, *Tajikistan: Food Security Monitoring*, Bulletin Issue 17, June 2016.

SECAP background study

Introduction

1. This SECAP background study considers (i) the specific context (including sector and wider institutional and legislative framework and its alternatives) in which the country programme is likely to be implemented, and (ii) the likely implications for IFAD's work. The study is based on a review of the key pertinent documents and consultation with relevant stakeholders. It uses mainly secondary information and was undertaken during the development of the COSOP.

Part 1 - Situational analysis and main challenges

A. Socio-economic situation and underlying causes

2. The country's population is concentrated at lower elevations, with around 90% of the people living in valleys; overall density increases from east to west. The population of Tajikistan is primarily rural and dependent on agriculture. Limited cropland, low yields due to underdeveloped agricultural technologies and poor connectivity to markets are among the factors of low-income levels of the farming households.
3. Poverty. The percentage of population below \$1.90 at 2011 purchasing power parity line dropped from 10.4% in 2007 to 4.7% in 2009. Extreme poverty fell from 41.5% in 2003 to 13.8% in 2009. Inequality as reflected by the Gini index dropped from 0.33 in 2003 to 0.31 in 2009. Poverty incidence declined by 40.3% in urban areas and 34.6% in rural areas from 2003 to 2012. Urban poverty rates fell from 68.6% in 2003 to 49.4% in 2007 and 28.5% in 2012. Rural poverty was reduced from 73.8% in 2003 to 55% in 2007 and 39.2% in 2012. Extreme poverty rates in urban areas fell from 39.4% in 2003 to 18.9% in 2007 and 10% in 2012, while in rural areas it dropped from 42.3% in 2003 to 16.4% in 2007 after which it has remained at the same level.³²
4. Food insecurity. One fifth of the population in Tajikistan is affected by food insecurity³³, and household food security is further negatively impacted because of recent reductions in remittances - 80% of remittances are used to purchase food³⁴. It is also argued that the country's food insecurity will increase in the long run because of limited capacity to respond to climate-induced shocks, which would adversely affect agricultural production³⁵. In addition, food insecurity is exacerbated by (i) limited irrigated land that accounts for 95% of crop production, (ii) underdeveloped agriculture, and (iii) poor connectivity between markets and agricultural production areas.³⁶
5. Malnutrition. Malnutrition is still an issue in Tajikistan, where one third of the total population suffers from undernourishment. Half of all children under five suffer from iodine deficiency, while a quarter suffers from stunting. The Nutrition and Food Safety Strategy for Tajikistan (2012-2020) has been developed to establish nutrition and food safety goals and provide a coherent set of integrated actions,

³² ADB, 2016 ; Country Partnership Strategy: Tajikistan, 2016–2020.

³³ WFP, *Tajikistan: Food Security Monitoring*, Bulletin Issue 17, June 2016.

³⁴ While labour earnings and remittances were the main driving forces behind income poverty reduction during the period 2003 – 2009, the importance of these factors differed between rural and urban areas: employment played a role for reducing urban, but not rural poverty. Remittances were responsible for 24% of total income poverty reduction in rural areas in contrast to 18% in urban areas (Azevedo, J.P. et al, *Poverty Reduction and Shared Prosperity in Tajikistan: A Diagnostic*, World Bank, June 2014).

³⁵ Asian Development Bank (ADB) Country Partnership Strategy – Tajikistan 2016-2020. August, 2016.

³⁶ *Ibid.*

spanning different government sectors and involving public and private actors and to be considered in the national policies and health system governance.³⁷

6. Migration. The economy is highly dependent on remittance inflows that grew from about 6.4% of GDP in 2002 to 49.6% in 2013, then down to 41.4% in 2014 and 33.4% in 2015³⁸. Out of a population of 8.4 million in 2014, 0,67 million are migrant workers³⁹, 90% of whom work in Russian construction and trade sectors. As a result of tightened migration legislation in the Russian Federation, 13.7% workers returned to Tajikistan in 2015. As of January 2016, 333,391 were banned from re-entering for 3–5 years.⁴⁰
7. Gender. As a consequence of out-migration, the number of female-headed households is high⁴¹. Analysis on the 2007 the Living Standards Measurement Survey found a higher-level extreme poverty among female-headed households (22.9%) than male-headed ones (17.0%). About 75% of all workingwomen are engaged in agriculture⁴², but forms of their participation are variable and complex, reflecting entitlement according to land reforms, land types, labour dynamics and other factors. No laws or regulatory provisions discriminate against women. In 2010, government adopted a National Strategy for Women's Empowerment for 2011–2020. Equal rights and opportunities for men and women are also codified in the 2005 Law on State Guarantees of Equal Rights for Men and Women and Equal Opportunities in the Exercise of Rights. The Programme for Reforming the Agriculture Sector of the Republic of Tajikistan for 2012–2020 recognizes the important roles women play in agriculture. In particular, the Programme proposes to pay particular attention to gender equality in long-term land tenure, access to finance, capacity building and mitigating the effects of climate change on particularly vulnerable groups, including female-headed households (FHHs).⁴³

B. Environment and climate context, trends and implications

8. Tajikistan is a mountainous region dominated by the Trans-Alay Range in the north and the Pamirs in the southeast; western Fergana Valley in north, Kofarnihon and Vakhsh Valleys in southwest. The terrains of Pamir, Tien-Shan, and the Gissar-Alay mountains occupy 93% of its territory, and the within-country altitude varies from 300 (Syr Darya) to 7,495 m (Qullai Ismoil Somoni) - almost half the country lies above 3,000 m. The eastern mountains are home to many glaciers and lakes (the Fedchenko Glacier, surrounding the country's highest peaks, is the largest non-polar glacier in the world), while the lowest elevations are found in the northwest, southwest and in the Fergana Valley. Tajikistan is made up of twelve ecosystems: nival glacier, high mountain desert, high mountain meadow and steppe, mid-mountain conifer forest, mid-mountain mesophyllic forest, mid-mountain xerophytic light forest, mid-low-mountain semi-savanna, foothill semi-desert and desert, wetlands, agroecosystems, urban, and ruderal degraded.
9. Biodiversity. Significant abundance of species diversity of flora and fauna, valuable genetic resources, endemic and epibiotic species of flora and fauna have evolved in the varied environmental conditions of Tajikistan. Currently this diversity is contained in natural ecosystems, and, partly, in agricultural ecosystems. Tajikistan has a rich biodiversity, characterized by approximately 23,000 different flora and fauna species, 1,900 of which are endemic. Tajikistan's biodiversity is also globally important: eleven plant species have been identified as

³⁷ FAO, 2014. Eastern Europe and Central Asia Agro-Industry Development Country Brief. Tajikistan, http://www.fao.org/fileadmin/user_upload/Europe/documents/Publications/AI_briefs/AI_briefs2014/AI_Brief_Tajikistan_new.pdf

³⁸ ADB, 2016

³⁹ Data of the Ministry of Labour, Migration, and Employment of Population of the Republic of Tajikistan.

⁴⁰ International Organization for Migration. 2016. *An overview of current migration trends in Tajikistan*. Dushanbe.

⁴¹ The Demographic and Health Survey (DHS) in 2012 found 21% of the total families are female-headed.

⁴² M. Abdulloev, M., *Gender Aspects of Agriculture*, Agency on Statistics, 2014.

⁴³ FAO, *National Gender Profile of Agricultural and Rural Livelihoods: Tajikistan*, 2016.

- important for selective breeding, including *Aspicilia oxneriana*, *Hordeum bulbosum*, *Fritillaria regelii*, *Tulipa subquinguefolia*, *Punica granatum*, *Ficus carica*, *Juglans regia*, *Pistasio verae* and others – two of which were included in the IUCN Red Book(2006): Darvaz dogwood (*Swida darvasica*) and apple-tree (*Malus sieversii*). Animals of global importance include: markhor (*Capra falconeri*), snow leopard (*Uncia uncia*) and urial (red sheep) (*Ovis vignei*). Tajikistan's protected areas system includes four nature reserves, one national park that covers nearly half of the Tajik Pamir, the Shirkent and Saryhosor natural-historical parks, several Ramsar sites and 13 species management areas. Overall, protected areas occupy almost 22 per cent of the country.
10. Water resources in Tajikistan are mainly formed from glacial meltwater, frost and seasonal snow cover in the Pamir Mountains. The current glaciers, containing 550 cubic kilometers of fresh water, cover 7,000 km² or 4.8% of the land area of Tajikistan. In addition, Tajikistan water resources include also river flows, groundwater, springs, lakes and other water bodies. The total area of all lakes in Tajikistan is 700 km². Tajikistan's rivers reach high-water levels twice a year: in the spring, fed by the rainy season and melting mountain snow, and in the summer, fed by melting glaciers. The summer freshets are the more useful for irrigation, especially in the Fergana Valley and the valleys of southeastern Tajikistan. Waters of the large rivers are only partly used for irrigation in Tajikistan. Because of the steepness of fall and the huge amount of water in the rivers, Tajikistan has great energy generating potential that makes half the total hydro potential in Central Asia. However, due to warming, the area and volume of glaciers continues to shrink and this situation enhances the risk of droughts; the resulting degradation of aquatic ecosystems can cause damage to both the economy and the population.
 11. Forests. They only take up 3% (421,000 ha) of the land area of the country. Most of the forest (150 thousand ha) consists of evergreen, low productive and diffused Juniper forests (*Juniperus turkestanica*, *J. Seravcshanica*, *J. Semiglobosa*). The broad-leaved forests cover approximately 52 thousand ha. They consist predominantly of walnuts (8 thousand ha), Turkestan maple (44 thousand ha), and Asian wild apples (*Acer turkestanicum*, *Juglans regia*). Shrub forests cover approximately 15 thousand ha growing on the mountain plateau at an altitude of 2,000-3,500 m. Tugai Forests consisting of Asiatic poplar, tamarix, along with reed tangles and other vegetation (*Populus pruinosa*, *Elaegnus angustifolia*, *Tamarix laxa*, *Phragmites communis*) grow in the hotter lowland districts of Tajikistan and on the river floodplains. Desert saxaul forests grow in the south and cover less than 8 thousand ha; they are used as pasture during spring and autumn.
 12. Pasture. Pasture make up 80% of agricultural land and are mainly found in the Khatlon region and the Districts of Republican Subordination (DRS). In the east of the Pamir the condition of the teresken (*Eurotea*) pastures are critical, due to the local population who started a massive uprooting of teresken, a very good animal fodder, because of lack of other energy sources. This has resulted in the desertification of highland pastures. In other districts cattle often graze near human settlements and thus local pastures have become overgrazed and degraded. More than half of the natural pastures in the country are in the highlands, at altitudes varying from 1,700-2,000 to 3,500 m, and can be used for less than 100 days a year, mainly in summer. Access to these summer pastures has become difficult due to problems related with distant pastures, as well as the conditions of roads and bridges. On the lowland pasture, a reduction of productivity and an increase of soil erosion and overgrazing have been observed because of changes in the stand composition, predominantly of 'non-grazeable' grass.
 13. Climate. The climate of Tajikistan is classed as continental, but its mountainous terrain gives rise to wide variations. In those areas where cultivation takes place,

which is mainly in the floodplains of the rivers, the climate consists of hot, dry summers and mild, warm winters. The average annual precipitation is about 700mm, ranging from less than 100mm in the southeast up to 2,400mm on the Fedchenko Glacier in the central part of the country. Precipitation occurs during the winter season, mainly between September and April. The annual mean temperature depends partly on altitude and varies between +17.C in hot southern districts to -6.C and lower in the Pamir highlands. The absolute maximum temperature recorded is 48°C in July, the absolute minimum temperature -49°C in January. The daily temperature range is about 7°C in winter and 18°C in summer.

14. High dependency on glacier-fed rivers for water supply and irrigation makes the country vulnerable to climate change, floods; besides seismic risks. Climate projections up to 2100 forecast a decrease in average precipitation and an increase in droughts, and annual mean temperature is projected to increase by 1.7°C in Pyanj river basin and 1.5°C in Vakhsh river basin by 2050; by 2100, temperatures are to rise by 3.6°C . There are serious implications also for glaciers and water resources. Since 1930, total area of glaciers declined by one-third, and is expected to fall a further 15-20 percent over the next 30-40 years, with many small glaciers disappearing altogether. Due to intensive melting of mountain glaciers, water inflow into major rivers will initially increase, but then will drastically decrease in the longer-term.
15. Precipitations. Approximately 75% of annual precipitation takes place during the colder times of the year. While the majority of precipitation falls in mountain districts which are open to humid air masses from the west, some districts protected from humid air masses by high mountains have less precipitation (including the deep and closed valleys, mountains and highland plateau in the eastern part of the Pamir) have less than 100 mm per year. The hot lowland deserts in the south of Tajikistan also have a low level of precipitation. The maximum level of precipitation is observed in the mountains of central Tajikistan, which experiences 1,000-1,800 mm per year.
16. Temperature. Tajikistan has experienced an increase in temperature, which has serious implications on water resources. According to the TNC, the biggest increase in annual mean temperature over a period of 65 years (until 2012) has occurred in southern Tajikistan, including the region of Khatlon (from +0.5 .C to +1 .C, with the highest increase of +1.2 .C in Dangara) and Dushanbe (+1 .C). As a result of the warmer climate, there are now 5-10 more frost-free days per year, with earlier dates with average temperatures above zero in spring and autumn.

C. Climate change impact

17. High temperatures. The high temperatures during the first decade were mainly due to climatic characteristics, and a reduction in intensive irrigation networks and the area of large water reservoirs. The last two decades, especially 2000-2010, were also characterized by increased temperatures and continuous heat.
18. Fogs complicate transport movement. The high humidity during fogs events accelerates corrosion and the aging of paint. A tendency towards an increase in the days with advection fog was observed. This is a result of an enhanced role of southern cyclones and advection of warm air masses.
19. Dust storms occur during strong winds when sand and dust rise up leading to reduced visibility. In Tajikistan dust storms are mainly observed in southern desert and semi-desert districts, especially in Shaartuz. Hazes are most frequent during dry summer-autumn period. The number of days with dust storms and haze in southern and central Tajikistan has declined because of an increase in irrigated land and reduction of intensity and frequency of intrusions of cold air masses from west and northwest.
20. Climate warming over the next 50 years might result in global climatic catastrophes. In the arid areas of Tajikistan droughts and desertification are likely

and these in turn may lead to more frequent storms in the region and countries neighboring with Central Asia.

21. Winds. An analysis of dynamics of strong winds revealed that the number of days with western winds decreased as a result of fewer cold western intrusions. In terms of consequences, heavy precipitation creates the most dangerous events such as sudden rise of water level in the rivers, floods mudflows and avalanches. Therefore a reduction of number of days with thunder is linked to reduction in the number of cold intrusions.
22. Drought and dry weather conditions. Drought is one of the dangerous meteorological events and it can result in considerable losses during extreme situations. The drought of 2000- 2001 in Tajikistan and in neighboring Central Asian countries is considered as one of the most large scale natural disasters of the last decade in the region. A large part of the densely populated areas of Tajikistan lives in arid zones and both less extreme localized drought and extreme droughts that cover large areas are experienced. These droughts mostly affect the southern densely populated districts together with the Gissar valley where the highest number of years with average and extreme droughts has been recorded.
23. Agriculture. According to the assessment of WB (2008), Tajikistan tops the list of 28 countries of Central and Eastern Europe, Caucasus and Central Asia on the Climate Risk Index being a sensitive country with low adaptation potential. The vulnerability assessment of UNDP (2012) revealed drought as the most devastating consequence of climate change at present and in the future. Extreme temperatures combined with droughts reduce the amount of available water, causing considerable losses to crop and pasture productivity, and the rise in the price of goods as was the case in 2000-2001, and in 2008. The negative impact of climate change over the last decade includes floods in Pyanj, Vakhsh, Zerafshan and Kafernigan river basins, desertification of fertile lands in southern districts of the country, land erosion resulting from inadequate irrigation and intensive precipitation, a shortage of water due to droughts, and loss of agricultural crops due to heat and frost.
24. The deficit of water for irrigated crops is likely to increase, and agriculture and pasture soils will become more prone to degradation due to the projected increase in torrential rainfall, floods, mudflows and landslides. Current fodder varieties have been impacted by prolonged summer heat waves. Furthermore, pastoralist communities have no access to information regarding disaster risk and no capacity to mitigate negative climate change impacts. The drought-induced lack of pasture and fodder may lead to overgrazing, animal death, or force livestock owners to destock herds they are unable to feed. In addition, and due to the increased intensity of rains, loss of soil and erosional processes the sediment load of rivers will increase which will result in further sedimentation of irrigation channels, reservoir pumping stations and reservoirs. The current efficiency of irrigation systems is low and may be further aggravated by the water problem.
25. Environmental issues. The major environmental problems in Tajikistan include: (i) natural disasters (ii) Land degradation (iii) Deforestation and desertification (iv) limited availability of clean drinking water (v) low levels of water treatment (vi) deterioration of wildlife and protected areas (vii) threats of soil pollution and, especially, nitrate contamination of surface water.
26. The main causes of land degradation are: (i) poorly adapted farming practices; (ii) overgrazing leading to erosion; (iii) illegal forest harvesting; (iv) population growth; (v) climate change that is already exacerbating land degradation problems; and (vi) poor national and local capacity to deal with sustainable land management issues. As of 2017, Tajikistan has made little investment towards climate change adaptation and for the adoption of Climate Smart Agriculture technologies.

27. Vulnerability analysis suggests that the most vulnerable areas are the eastern Region of Republican Subordination (RRS) Mountains, the Southern Soghd hills, and the Khatlon hills and lowlands.

D. Climate change scenarios

28. Precipitation and temperature scenarios. According to the different models an increased variation in maximum and minimum precipitation will be observed. There will be more intensive precipitation events, especially in Pamir. Geographically, the annual amount of precipitation is likely to decrease in southern Tajikistan and neighboring areas; and is likely to increase in mountainous parts of the country. An increase in temperature will be observed in all districts of the country. The risk of drought will increase due to an increase in total evaporation and earlier snowmelt. Insufficient winter precipitation (snow), especially in the mountainous glacier zone, may change river flow regimes. This, coupled with insufficient precipitation in spring will negatively affect water, energy and food security.
29. Water resources and glaciers. Climate change may possibly result in further increase inter-annual variability of discharge due to the reduced regulatory role of glaciers and the expected growth in the level of precipitation intensity. It is expected that the peak discharge in non-regulated rivers will shift to earlier months of the year, affecting the economic sectors dependent on water supply. By the middle of 21st century river discharge will possibly be reduced in summer and in early autumn, the period during which demand for water from agriculture is highest.
30. Agriculture and water management. The following hydro-meteorological events and related processes could cause considerable damage to the agricultural sector: high air temperatures followed by dry hot winds and droughts; unusually low temperature and continuous cold weather; intensive rain and hailstorms; mudflows and floods; pests and diseases. With the progressive drying climate in the southern districts of the country where farming is well developed, increasing desertification processes poses a growing threat to farming and requires response measures.
31. Degradation of pastures is a widespread problem and manifests itself in different ways but primarily through an increase in the proportion of 'non grazable' grass and decline in the productivity of pastures by 15-25%. The participatory vulnerability assessment carried out by UNDP (2012) in different parts of the country revealed that the main climate change related concern and adaptation priorities of the population included; improving access to clean drinking water, increasing the effectiveness and reliability of irrigation systems, better access to high quality seeds and sustainable land management practices. Reliable access to energy in rural areas is also among the top priorities.
32. Adaptation measures to climate change: The agriculture sector requires comprehensive measures to ensure food security and to sustainable production adapted to climate change. For the 3rd National Communication on Climate Change, given that more than 70% of the population lives in rural areas and is engaged in smallholding and agribusiness, there is a great potential for developing organic land management, livestock breeding, and gardening.

Part 2 -Institutions and legal framework

A. Institutions

33. At the Presidential level, all the concerned key state agencies and programme executives report to the Executive Office of the President of the Republic of Tajikistan. Corresponding departments of the Executive Office of the President monitor and coordinate policies and the measures of different ministries and other

state institutions, and inform high level officials on the adoption of national programmes and action plans.

34. At the Parliamentary level the Parliament (Majlisi Oli) plays a key role in the development of legislation and ensure its compliance with international treaties, including those on climate change. A diversity of Ministerial Departments and institutions are concerned by environmental as well as climate change issues, mainly:
35. The Committee on Environmental Protection (CEP) under the Government of RT, including its subcommittees at the local level, is the lead state executive body responsible for the implementation of state policy on hydrometeorology, the effective use of natural resources, as well as the control and protection of the environment. The CEP is responsible for developing an environmental policy and implementing the UNFCCC commitments. It is also responsible for the improvement of legal and regulatory systems of environmental protection.
36. The State Administration for Hydrometeorology under the CEP (Gidromet) is the national executive body responsible for the coordination of climate change related issues in Tajikistan. The Director of Gidromet is the national coordinator on UNFCCC.
37. The Centre on Climate Change operates under Gidromet. After the launch of PPCR, a Climate Change Secretariat and permanent Working Group led by Deputy Prime Minister of RT were created.
38. The Ministry of Energy and Water Resources is the state executive body leading the implementation of a unified state policy and regulation of the fuel and energy sector, the management of water resources and promoting the use of renewable energy sources. The Ministry acts as the authorized body for implementing functions related to the Clean Development Mechanism of Kyoto Protocol and reporting to the UNFCCC. Also, the Ministry takes an active part in implementation of investment projects.
39. The Ministry of Economic Development and Trade is the lead executive body for oversight of the system of economic planning and forecasting. The mandate of the Ministry includes the formulation and implementation of economic development programmes, as well as strategies aimed at poverty reduction and sustainable development.
40. The Ministry of Finance of the Republic of Tajikistan ensures the implementation of state policy in the sphere of public finance management, conducts legal regulation of budget and tax policies, and is also responsible for budget financing of various sectors of the economy. In addition, the Ministry of Finance is an authorized state body in the sphere of public debt management and attraction of public investments.
41. The State Committee on Investment and State Property Management of the Republic of Tajikistan is responsible for implementation of state policy in the sphere of foreign investment attraction, public property management, privatization of public property in the Republic of Tajikistan, as well as implementation of the entrepreneurship support programs.
42. The MOA develops and coordinates the state policy, programmes and plans in the agricultural sphere. The Ministry also oversees the Academy of Agricultural Science, which is the Centre of agrarian science closely linked to the Tajik Agrarian University.
43. The Ministry of Industry and New Technologies is the state body developing and implementing a unified state policy in the industrial sector. In the field of environment and climate change, the Ministry is in charge of developing and implementing multi-sectoral research and development programmes and innovative projects. The Ministry oversees the implementation of investment projects using modern energy saving technologies and 'green' products.

44. The Ministry of Education and Science is the key executive body which implements a unified state policy and regulates legal requirements in education and science, teaching, research and development, as well as social protection of students enrolled in education and science institutions. The Ministry takes an active part in the development and implementation of environmental programmes in schools and higher education institutions.
45. The Ministry of Health and Social Protection includes the State Sanitary and Epidemiological Service (which has 75 oblast, town and district level Centers of Sanitary and Epidemiological Monitoring), the Republican Tropical Diseases Centers and Healthy Lifestyle Centers, as well as centers related to the problems of nutrition and prophylactic disinfections. These structures cover issues related to climate risk reduction and prevention of diseases in the context of climate change and extreme water and weather related events. Under the regional health and climate change programme of the World Health Organization (WHO), a Strategy for Health and Climate Change in Tajikistan was developed.
46. The Forest Agency (FA) under the Government is the central executive body of the Republic of Tajikistan implementing functions related to forest management. This includes the development and implementation of a unified state policy, as well legal and normative regulations related to the management of forests and forest resources, hunting and game management, plant and animal life, and also protected areas, including management and state oversight functions. The Forest Agency (FA) is the holder of management rights over 1,336,331 ha . The FA administers 478,171 ha of pasture⁴⁴. The Agency takes an active part in the implementation of programmes and projects on climate change.
47. The State Statistics Agency under the President is the state body responsible for statistics policy and economic analysis. The Agency implements its work through the collection and dissemination of statistical data based on the principles of objective and comprehensive analysis of socio-economic and environmental processes taking place in the country. The Agency also registers administrative territorial units and settlements.
48. State Committee on Land Management and Geodesy is the lead state body in the sphere of land use, as well as related reforms and land inventories. The Committee is responsible for the control of land use, making inventories and the registration of land use rights, setting land tax, monitoring the changes in land use and in forest management.
49. The Committee on Emergency Situations and Civil Defence (CoES) is engaged in early warning, disaster prevention and recovery, as well as disaster risk reduction. The early warning and monitoring system for water overspill from Lake Sarez is operating under the oversight of CoES. The CoES also controls and forecasts natural disasters and undertakes laboratory analysis.
50. It is worth noting that, due to structural changes decided in December 2013, an important decision has been taken with regard to climate change through the formation of a Ministry of Energy and Water Resources (previously two separate agencies), and an increase and expansion of the functions of the State Committee on Land Management and the Ministry of Health and Social Protection, as well as the creation of the Local Development Committees.
51. Hukumats, the local district level administrations, are a key state stakeholder on the ground. District Hukumats are a major body responsible for land management, including allocation of communal land (mainly grazing) to legal entities such as PUs, and individual farmers from state land fund (state land reserve) though the process of allocation of land rights has been basically completed. Hukumats are responsible for protecting land users' rights.

⁴⁴ Data of the State Forest Agency (SFA) under the Government of Tajikistan.

B. Policy and regulatory frameworks

52. Policies. The National Development Strategy for the period until 2030 (01 September 2016), and its Medium-term Development Strategy 2016-2020 (MDS), aim at improving living standards of the population on the basis of sustainable economic development of the country. More specifically the strategy aims at: (a) ensuring energy security and efficient energy saving; (b) ensuring food security and access to high quality products by the population; and (c) raising employment of the population. In the sphere of energy security shall be set forth the following priorities: (a) diversification of energy sources; (b) use of renewable energy sources; and (c) use of hydropower generated from big and small rivers. In the sphere of food security shall be set forth the following priorities: (a) promotion of agrarian and water management reforms; (b) stabilization of agrarian sector in order to ensure physical access to foodstuffs of the population; (c) diversification of agricultural production; (d) improvement of access to high quality seeds and fertilizers, and introduction of new agricultural production methods; and (e) raising efficiency of irrigation and drainage infrastructure.
53. Legislation. Regarding the legislation several laws were adopted in the fields of agriculture, rural development and natural resource management. The following table presents the main relevant legislative texts.

Nº	Name of legal document	Number	Date of adoption
1.	Water Code of the Republic of Tajikistan	Nº 34	29.11.2000
2.	Land Code of the Republic of Tajikistan (amended by the Law of the Republic of Tajikistan dated 1 August 2012, Nº891)	Nº 326	13.12.1996
3.	Forest code of the Republic of Tajikistan	Nº 761	02.08.2011
4.	Law of the Republic of Tajikistan "On dehkan farms"	Nº526	19.05.2009
5.	Law of the Republic of Tajikistan "On Food Security"	Nº 641	29.12.2010
6.	Law of the Republic of Tajikistan "On Pasture"	Nº951	19.03.2013
7.	Law of the Republic of Tajikistan "On poultry farming"	Nº 633	21.07.2010
8.	Law of the Republic of Tajikistan "On fish farming"	Nº 220	22.12.2006
9.	Law of the Republic of Tajikistan "On Seed Production"	Nº355	05.01.2008
10.	Law of the Republic of Tajikistan "On Veterinary Medicine"	Nº 674	29.12.2010
11.	The Law of the Republic of Tajikistan "On Land Reform" (amended by the Law of the Republic of Tajikistan dated 3 March 2006, Nº175)	Nº 604	14.03.1992
12.	The Law of the Republic of Tajikistan "On Environmental Protection" (amended by the Law of the Republic of Tajikistan dated 18 July 2017, Nº 1449)	Nº 760	02.08.2011
13.	The Law of the Republic of Tajikistan "On bowels of the earth" (amended by the Law of the Republic of Tajikistan dated 28 December 2013, Nº 1048)	Nº 983	20.07.1994
14.	The Law of the Republic of Tajikistan "On biological security" (amended by the Law of the Republic of Tajikistan dated 30 July 2007, Nº 330)	Nº 88	01.03.2005

C. Programmes and partnerships

54. Donor Coordination. With an overall objective to strengthen aid effectiveness in Tajikistan, the Development Coordination Council (DCC) was established in 2007

to facilitate information exchange and collaboration within the development community, as well as foster dialogue on shared priorities with the Government of Tajikistan. The DCC functions as development partners' coordination mechanism with the GoT in support of the National Development Strategy 2016-2030 and the Mid-term development Strategy 2016-2020. The heads (or in their absence, deputies) of 28 bilateral, multilateral and UN agencies comprise the Council.

55. Within the DCC most of the donors and international organizations have adopted the same priority fields in rural areas, in focusing on water and watershed management, rural energy efficiency, agricultural productivity and market efficiency, crop diversification and value chains' strengthening, development of agricultural services and environments as well as horizontal activities such as capacity building and institutional development at various levels, information-based decision-making and support to policy dialogue. In agriculture development, there is a consensus for the embedment of the development of smallholder agriculture into a wider value chain approach.

Some main donors

56. European Union. The overall EU cooperation objective for Tajikistan is to contribute to the reduction of poverty in rural communities by improving people's livelihoods and food security (through improved food availability and accessibility, including access to nutritionally adequate diet), respecting the natural resource base. The specific objectives followed by the EU cooperation with Tajikistan are: 1) to ensure the development of rural communities resulting from inclusive rural growth, sustainable on and off-farm wealth creation and income and employment-generating opportunities; 2) the sustainable use and management of natural resources and ecosystems, and resilience to extreme climatic conditions. To this end, the EU allocated €251 million over the period 2014-2020.
57. UNDP. The UNDP country programme coincides with that of the new National Development Strategy, 2016-2030. The priorities of the proposed country programme are aligned with those of the new United Nations Development Assistance Framework (UNDAF), 2016-2030 and the National Development Strategy, and in line with the UNDP strategic plan (2014-2017).
58. UNDP programme will aim at transformational development results in the following priority areas: (a) improved governance, rule of law and access to justice; (b) sustainable and equitable economic growth; (c) social equity and protection of vulnerable groups from violence and discrimination; and (d) resilience and environmental sustainability.
59. ADB. The Asian Development Bank is a strong partner for Tajikistan and provides loans and grants in a wide range of socio economic fields. The table below presents the active ADB project in the rural area and water resource management.
60. World Bank. The strategic goal of the WB Country Strategic Partnership (CPS) is to help reduce extreme poverty and promote shared prosperity by expanding opportunities for the private sector and excluded groups, thus supporting transition to a new growth model. CPS support would be provided through targeted interventions organized around broad areas of engagement: 1) Strengthen the role of the private sector by expanding micro, small and medium-sized enterprises (MSMEs) and increasing access to finance; 2) Social inclusion, by improving delivery of basic social services (social protection, water and sanitation, primary health care), while expanding access to higher education for youth from poor families, and to land rights for women; 3) Regional connectivity: the objective is to expand access to regional markets and global information and knowledge through infrastructure improvement. The table below presents the main active project of the World Bank in the fields of rural area and water management.

Part 3 - Strategic recommendations

A. Lessons learned

61. Lessons learned from IFAD's supported grants and projects IFAD's overarching objectives in Tajikistan are to improve the livelihoods of poor rural people by strengthening their organizations and enabling them to access productive technologies and resources. The major IFAD on-going operations in country are: The Khatlon Livelihoods Support Project (KLSP), which was started in 2009 and was restructured in 2013: the coverage was reduced to two districts, Muminobod and Shurobod, and the total IFAD grant financing was reduced to US\$9.3 million; The Livestock and Pasture Development Project (LPDP) became effective in August 2011, and constitute an investment of US\$ 15.8 million (the IFAD grant amounts to US\$14.6 million). The implementation of the project has progressed well and the overall performance is rated as satisfactory by IFAD supervision; the LPDP II is in the continuity of the LPDP 1 for an investment of US\$ 24 million; improving access of communities to productive infrastructure and services leading to sustainable agricultural production and equitable returns. The IFAD investment in this project is of US\$ 39.3 million.
62. Among the more important lessons of a general nature from LPDP are: PUU establishment requires time and effort. LPDP experience, as well as lessons learned from other similar initiatives in Tajikistan, demonstrates that inclusive community mobilization is a time and resource consuming process. LPDP experience has shown that the establishment of the legal, social and organizational structures of the PUU and the PUU Board necessary for accessing pasture lands, preparing mid-term pasture management plans and identifying sub-projects requires at least one year of intensive social mobilization and empowerment.
63. The social mobilization process developed and implemented by LPDP is greatly appreciated by all stakeholders. However, in communities, where PUUs have been established it is necessary to extend the mobilization support in order to strengthen these young institutions, empower their Boards, and install and enhance accountability and transparency mechanisms for better governance. In order to expand coverage and compare approaches to social mobilization employed by different organizations the PMU contracted MSDSP, Caritas, and German Agro Action to mobilize pasture users into PUUs in the six target districts of Khatlon. The experience of engaging three CFs with different approaches, targeting different districts has been a learning process for the CFs and for the PMU. All three CFs have their own sets of comparative advantages, but all were instrumental in setting up PUUs within the first year of operation.
64. Among the specific, operational key lessons learned and adopted from IFAD experience are: (i) the targeting strategy has been found to be successful in reaching poor and vulnerable communities and households and should be maintained; (ii) while social cohesion issues of the PUUs have been adequately addressed by the social mobilization process, the building of technical capacity needs to be more in focus and to be better resourced, something that has been given consideration in the design (iii) institutional strengthening, including in governance of PUUs needs to be continued beyond the first year of establishment; (iv) horizontal learning among local initiatives has proven to be effective for capacity building; (v) women income generation activities should go beyond livestock to diversify sources of livelihood and avoid non-productive increase of livestock; (vi) exposure to international experience in pasture management can be very instrumental in setting the national policy agenda; and (vii) strengthening of the sub-regional office for administrative and procurement functions speeds up implementation.

65. The experience of other donor agencies has shown that effective project implementation requires the following: (i) capable local management staff; (ii) international consulting assistance to provide international practice in technical fields and aspects; (iii) effectively functioning procurement and financial management system; (iv) flexibility in implementation to accommodate lessons as they emerge; (v) close supervision of and implementation support to project management to ensure that project implementation capabilities are aligned with the objectives; (vi) recognition that the central and local government administrations have very weak capacity and are under-resourced, and can therefore provide only limited support; and (vii) recognition of the vulnerability of project implementation to top-down approaches, because the need to involve all stakeholders, particularly beneficiaries, in implementation is understood inadequately or resisted.
66. The experience of the World Bank in the previous years shows that: 1) though many institutional, legal, and regulatory reforms were adopted to promote private sector development, their impact still needs to take full effect; 2) sustainable improvement in public service delivery requires a suitable combination of political leadership, dedicated civil servants, and the proactive engagement of civil society. 3) economic growth, private sector development, job creation (especially for young people), and education and training for employment are considered the four most critical areas that need support for reducing poverty and promoting shared prosperity.

Strategic actions and targeting

Access to climate change related funds

67. The Republic of Tajikistan is a participating country of the international Pilot Programme for Climate Resilience (PPCR), funded by the WB, ADB, EBRD and DFID, under the Strategic Climate Fund (SCF), which is one of two multi-donor trust funds within the Climate Investment Fund (CIF). Tajikistan's PPCR investments focus on climate-proofing key water management and hydroelectric infrastructure, improving institutional capacities for effectively integrating climate resilience into national development and investment planning, and supporting land management measures to enhance rural livelihoods through greater resilience to climate-related shocks.
68. There are three main funding sources targeting adaptation to climate change and combating land degradation: GEF, GCF, Adaptation Fund. Concerning the GEF, it appears that all the resources for Tajikistan are already allocated. The Annex 1 lists the ongoing projects funded by GEF. However, IFAD could be proactive and already prepare the ground for a possible access to GEF7, by emphasizing on land degradation and promotion of a green economy.
69. The Green Climate Fund (GCF) is a global fund that supports developing countries in their climate mitigation and adaptation efforts. Established within the framework of the UN Framework Convention on Climate Change (<http://unfccc.int/secretariat/items/1629.php>) in 2010, the GCF represents the newest and largest architecture of climate finance with over US\$10 billion in pledges. With regard to Tajikistan the GCF recently approved 2 projects: 1) «Building climate resilience of vulnerable and food insecure communities through capacity strengthening and livelihood diversification in mountainous regions of Tajikistan» with the World Food Programme (USD 9.27 million) and: 2) « Institutional Development of the State Agency for Hydrometeorology of Tajikistan », with the Asian Development Bank (ADB) (USD 5 million). At this stage the GCF grants are already allocated and IFAD would wait for the next years to submit a proposal for cofinancing.

70. The Adaptation Fund (AP) seems to be the most promising for IFAD as a funding source. The Adaptation Fund finances climate adaptation projects in nine diverse sectors. Among them: 5 sectors are directly linked to IFAD activities in Tajikistan: Agriculture, Disaster Risk Reduction, Food Security, Rural Development and Water Management.
71. Tajikistan did not benefit until now of any national AF project. The AP website just mentions a regional project implemented by UNESCO, entitled "Reducing Vulnerabilities of Populations in Central Asia Region from Glacier Lake Outburst Floods in a Changing Climate (Kyrgyzstan, Tajikistan, Uzbekistan). The strategic objectives of the new COSOP, orienting IFAD support to cover the overall value chain, from agriculture production to access to the market, is in line with AP objectives, which give priority to the involvement of the private sector. In terms of partnerships IFAD should see how to be member of the Development Coordination Council. Different donors, met during the mission, expressed their interest to see IFAD leading a Working Group, maybe on Food Security, in deep cooperation with FAO and WFP. They would give the opportunity for IFAD to be more visible and close to partners as well as the Government.

References

Full SECAP Report: (Detailed report available at NEN)

COSOP preparation process

X. **Preparatory work.** Major policy and strategy documents of the Government of the Tajikistan Republic, national statistics data and relevant Government reports were reviewed and analyzed. Implementation of the IFAD funded programme in the Tajik Republic was reviewed, lessons learned collected and discussed with the key implementing partners and stakeholders in preparation for the RB COSOP.

XI. **Design Team.** The COSOP was developed by Mr. Abdelhamid Abdouli, Country Programme Manager, a.i. in collaboration with Mr. Mikael Kauttu, IFAD Country Programme Manager, Mr. Antonio Rota, PMI LA, Mr. Youssef Ibrahim, Environmental Specialist, who was in charge of SECAP, and Ms. Mia Madsen (IFAD Programme Officer). Mr. Sadi Karimzoda Director of LPDP-I and LPDP-II and Ms. Zainab Kenjaeva IFAD Proxy Field representative contributed to the COSOP preparation.

	Entity	Contact	Address
1	IFAD Mission Field Visit	Representatives of PUUs and Women Group	Temurmaliq District
2	World Bank	Mr. Jan-Peter Olters, Country Manager of the World Bank in Tajikistan and Turkmenistan; Email: jolters@worldbank.org	48, Aini Street, Dushanbe
3	United Nations World Food Programme (WFP)	Mr. Paolo Mattei - Representative/Country Director in Tajikistan Email: paolo.mattei@wfp.org	7 L. Tolstoy str., Dushanbe
4	EU Delegation to Tajikistan	Mr. Maciej Adam Madalinski, Head of Operations Section of the Delegation of the European Union to Tajikistan Email: maciej.madalinski@eeas.europa.eu	74, Adhamova Street, Dushanbe
5	UN Food and Agriculture Organization in Tajikistan	Mr. Oleg Guchgeldiyev, FAO Representative in Tajikistan; Email: Oleg.Guchgeldiyev@fao.org	27 Rudaki ave., Dushanbe
6	LPDP PMU Office	Mr. Sadi Karimzoda, LPDP Project Director; LPDP staff; IFAD Mission Team	78 Bukhoro str., Dushanbe
7	Asian Development Bank	Mr. Pradeep Srivastava - Country Director Tajikistan Resident Mission Email: psrivastav@adb.org	107 N.Hikmat Str., Dushanbe
8	European Bank for Reconstruction and Development	Mrs. Ayten Rustamova Head of EBRD Office in Tajikistan Email: RustamoA@ebrd.com	34 Rudaki ave., Dushanbe
9	State Committee on Investment and State Property Management	Mr. Ahmadzoda Orzu - Deputy Chairman Email: siyavush1979@mail.ru	27 Shotemur Str., Dushanbe
10	Ministry of Finance	Mr. Qahhorzoda Faiziddin Sattor, Minister of Finance; Email: faiziddin@inbox.ru	3 Academicians Rajabov Str., Dushanbe
11	Ministry of Agriculture	Mr. Musoev Nusratulo, Deputy Minister;	5/1, Shamsi Str., Dushanbe,
12	State Committee of Environmental Protection	Mr. Abdurahmonzoda Saidomron, Deputy Chairman; Email: muhit@hifzitariyat.tj	5/1, Shamsi Str., Dushanbe,
13	Swiss Cooperation Office SDC and Consular Agency	Ms. Corinne Demenge, Deputy Country Director Email: corinne.demenge@eda.admin.ch	3, L.Tolstoy Street, Dushanbe
14	German International Cooperation (GIZ)	Mrs. Bernadette Neu, Country Director, Email: bernadette.neu@giz.de	1, Ayni/ Nazarshoeva str., Dushanbe
15	Aga Khan Foundation Tajikistan	Mr. Yodgor Faizov- Chief Executive Officer; yodgor.faizov@akdn.org	Email: 137 Rudaki Ave., Dushanbe

Strategic partnerships

<i>Partnering objectives</i>	<i>Partners/networks/platforms</i>	<i>Partnership results and outcomes</i>	<i>Justification for partnership</i>	<i>Monitoring and reporting (to be completed for GRR and CCR)</i>
Engaging in policy and influencing development agendas	Government of the Republic of Tajikistan; Technical and financial partners	Policy Dialogue with the Government Satisfactory performance of the COSOP; Performing National M&E System for projects / programs Good knowledge management system	Continuation of ongoing support and partnership with the Government	
	Agriculture Working Group	Improved implementation of agrarian reform policy	Government is actively engaging with AgWG on this issue	
	Pasture Management Networking Platform	Improved pasture management procedures	Network Platform has held high profile event on this topic with private sector and government engagement	
Leveraging cofinancing	Government	Mobilization of funding for national strategies in agriculture	Key partner	
	Donors group	Land and water development, Livestock and pasture development as well job creation for youth Building Climate resilient and Sustainable management of natural resources Cooperation with other stakeholders on climate change policy elaboration and implementation	Synergy with donors, Mobilize funds to covers the financing gap	
Enabling coordinated country-led processes	Technical and financial partners	National platform for monitoring and evaluation of projects	Continuation of ongoing support and partnership with Government	
	UNCT	Improved UNDAF monitoring	In collaboration with the Government, major effort to improve data collection for indicators that will support results monitoring for IFAD projects	
Developing and brokering knowledge and innovation (including SSTC)	Technical and financial partners	Involvement in natural resource management on the part of the CBOs (VOs and pasture users unions. Experience Sharing, Sustainable business models and Value chain development	Knowledge management, Policy Dialogue and strategic coordination IFAD will partner with research institutions to foster low-input demand-driven production and processing technologies such as renewable energy (for climate change adaptation and food security).	
Strengthening private sector engagement	Citizen Engagement	Food Security, better nutrition and job creation, Development of value chain approach	Need to develop public-private-producer partnerships (4P)-based value chain approach for selected commodities	
	Community-based organisations (CBOs): Village Organisations	The programme focus will include institutional capacity-building of the	Strategic partnership of IFAD, represents CBOs,	

	(VOs); Pasture Users Unions (PUUs), Pasture Users Associations (PUAs), Women's Common Interest Groups (CIGs)	public and community-based institutions, enhancement of agricultural productivity and production, and promotion of agroprocessing and access to markets	VOs, PUUs, PUAs and CIGs	
Enhancing visibility	AgWG	IFAD ensures that its work is aligned and visible	Support the Government in its resource mobilization process as well coordinate donors funds on agricultural sector All key development partners participate, along with Government	
	National and international organizations	IFAD participates and presents at key forums and events	Active national and international organisations that hold high profile events with links to beneficiaries in IFAD projects	
	National farmers' organization	IFAD participates and presents at key forums	Active national organization that holds high profile events with strong links to producer organizations in IFAD projects	

South-South and Triangular Cooperation strategy

I. Introduction

1. In response to the growing importance of South-South and Triangular Cooperation (SSTC), IFAD aims to strengthen its comparative advantage and expand its work in SSTC, in terms of both knowledge-based cooperation and investment promotion, seeing it as an integral part of its business model and of its country programming process.
2. SSTC involves a set of activities, with complementary and coordinated measures that contribute to improving the effectiveness of IFAD's country programming. These include the exchange of knowledge, resources, practical skills and technical know-how on small-scale agriculture and rural development, including innovative solutions for operations supported by IFAD.
3. IFAD updated its approach to SSTC in 2016. The new approach proposes two main objectives for IFAD in its SSTC work:

Objective 1: Share relevant rural development solutions and knowledge, and promote investments among developing countries; and

Objective 2: Establish and support partnerships and other forms of collaboration to improve rural livelihoods

II. Opportunities for rural development investment promotion and technical exchanges:

4. Sound Knowledge Management at project level is one of the key foundations of SSTC. KM is closely linked to the effectiveness of the M&E function, which feeds into the assessment on the effects and impacts of projects, especially when they bring in innovative approaches and technologies that have potentials for being scaled-up at national and international level.
5. In the Tajikistan portfolio, certain activities that are embedded in the main focus areas of the COSOP will bring about outcomes that will be particularly looked at for exploration of avenues for SSTC initiatives. These activities are: managing natural resources and rangelands, value-chain organisation, and economic integration of women and young people in rural areas and policy engagement.
6. These activities will support policy, advocacy and scaling up of good practices. IFAD will promote knowledge sharing among its projects, through annual or thematic workshops, or through exchange visits with other projects in the sub-region. Similar approaches will be developed with countries closer to Tajikistan and with stronger similarities, developing similar approaches with good potential of cross fertilisation.
7. South-South Cooperation is a key component of NEN's portfolio and is well streamlined in regional grants that foster joint activities among countries, such as staff and expert exchanges and workshops. Additionally, IFAD may approach at least two well-placed countries – Turkey (through the Turkish Cooperation and Coordination Agency) and China (within the current IFAD/China SSTC facility) – to share their successful experiences and lessons learned with Tajikistan and to provide financing and capacity-building for public and community-based institutions in Central Asian countries, including Tajikistan.

III. SSTC engagement rationale

8. The SSTC strategy for Tajikistan is developed along two main avenues that are complementary one to each other. The first avenue relates to building the

capacities at the project portfolio level, which is linked to the activities implemented in the country and by the projects themselves, and the way they are monitored, evaluated and then documented to facilitate south-south and triangular cooperation.

9. The SSTC strategy for Tajikistan is developed along two main avenues that are complementary one to each other . The first avenue relates to building the capacities at the project portfolio level, which is linked to the activities implemented in the country and by the projects themselves, and the way they are monitored, evaluated and then documented to facilitate south-south and triangular cooperation.
10. The second avenue relates to the financing opportunities arising from the promotion through IFAD grant financing. The two avenues will take advantage of the decentralisation process and particularly of the sub-regional SSTC and Knowledge centres, that create a conducive environment to strengthen cross fertilisation among countries and projects.

IV. Partnerships and initiatives:

Thematic area	Potential partner
Knowledge sharing, managing natural resources and rangelands, value-chain organisation, and economic integration of women and young people in rural areas and policy engagement.	TIKA, China

V. Conclusion:

11. SSTC is embedded in the country programming of IFAD operations in Tajikistan. In line with the two SSTC objectives above, the COSOP 2019-2024 will undertake a range of technical cooperation activities that build on the success of activities already under way as part of its SSTC work in Tajikistan ,as well as offer new opportunities for further development. It highlights instruments and activities, as well as thematic areas for SSTC. These activities will be integrated into the lending and grant portfolio, and contribute to knowledge sharing and policy engagement of IFAD operations in Tajikistan. Furthermore, it identifies areas in which other countries can learn from Tajikistan.

Country at a glance

GDP (y)	68,844 billion somoni (2018) 64,1610 billion somoni (2017) 59,907 billion somoni (2016) Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019
GDP (official exchange rate)	\$7.524 billion (2018) \$7.504 billion (2017) \$7.641 billion (2016) Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019
GDP - real growth rate	7,3% (2018) 7,1% (2017) 6,9% (2016) Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019
GDP - per capita (PPP)	\$824 (2018) \$840 (2017) \$874 (2016) Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019
GDP - composition by sector	agriculture: 18.7% industry: 17.3% services: 43,7% (2018) Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019
Population below poverty line	27.4% (2018 est.) Source: World Bank (https://www.worldbank.org/en/country/tajikistan/overview#3)
Labor force	2.426 million (2018) 2.407 million (2017) 2.385 million (2016) Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019
Labor force - by occupation	agriculture: 60.8% industry: 3.85% services: 30.26% (2018)

Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019

Unemployment, youth
ages 15-24

total: 27%
male: 12%
female: 13.7% (2016)
Source: Ministry of Labour, Migration and Employment of Population of Tajikistan

Distribution of family
income - Gini index

34.0 (2015)
30.8 (2009)
Source: World Bank
https://data.worldbank.org/indicator/SI.POV.GINI?locations=TJ&most_recent_year_desc=true

Budget

revenues: \$2.614 billion
expenditures: \$2.643 billion (2018)
Source: Ministry of Finance of Tajikistan

Taxes and other
revenues

\$1.834 billion (2018)
24.4% of GDP (2018)
Source: Ministry of Finance of Tajikistan

Budget surplus (+) or
deficit (-)

-0.4% of GDP (2018)
Source: Ministry of Finance of Tajikistan

Public debt

48.8% of GDP (2018)
51.5% of GDP (2017)
44.8% of GDP (2016)
Source: Ministry of Finance of Tajikistan

Inflation rate
(consumer prices)

5.4% (2018)
6.7% (2017)
6.1% (2016)
Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019

Central bank discount
rate

13.25% (3 June 2019 – 1 December 2019)
14% (20 March 2018 – 31 January 2019)
16% (20 March 2017 – 22 January 2018)
Source: National Bank of Tajikistan: www.nbt.tj

Commercial bank prime lending rate	<p>In national currency: 20.5% (31 December 2018) 28.2% (31 December 2017) 30% (31 December 2016)</p> <p>In foreign currency: 16.4% (31 December 2018) 21.1% (31 December 2017) 15.9% (31 December 2016) Source: National Bank of Tajikistan: www.nbt.tj</p>
Agriculture - products	cotton, grain, fruits, grapes, vegetables, potato; cattle, sheep, goats
Industries	aluminium, cement, construction materials, textiles, vegetable oil
Current Account Balance	<p>-\$378.5 million (2018) \$159.0 million (2017) -\$290.8 million (2016) Source: National Bank of Tajikistan: www.nbt.tj</p>
Exports	<p>\$1073.3 million (2018) \$1198.0 million (2017) \$898.7 million (2016) Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019</p>
Exports - commodities	aluminium, ores and concentrates, electricity, cotton fibres, fruits, vegetable oil, textiles
Exports - partners	<p>Kazakhstan 27.9%, Turkey 25.8%, Uzbekistan 14.5%, China 5.3%, Russia 5.1%, Iran 3.3%, Netherlands 2.7% (2018) Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019</p>
Imports	<p>\$3151.0 million (2018) \$2774.9 million (2017) \$3031.2 million (2016) Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019</p>
Imports - commodities	petroleum products, wheat, flour, aluminium oxide, machinery and equipment, foodstuffs
Imports - partners	<p>Russia 30.7%, China 18.9%, Kazakhstan 17.1%, Uzbekistan 4.2%, Iran 2.0% (2018) Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019</p>
Reserves of foreign exchange and gold	<p>\$1284.0 million (2018) \$1292.0 million (2017) \$644.8 million (2016)World Bank: https://data.worldbank.org/indicator/FI.RES.TOTL.CD?locations=TJ</p>

Debt - external	\$2924.2 million (2018) \$2879.0 million (2017) \$2274.1 million (2016) Source: Ministry of Finance of Tajikistan
Exchange rates	Tajikistan somoni (TJS) per USD: 9.15 (2018) Tajstat Source: Agency on Statistics under the President of Tajikistan. "Tajikistan in Figures" 2019

Financial management issues summary

COUNTRY	Tajikistan	COSOP	
A. COUNTRY PORTFOLIO PERFORMANCE			
Country – FM KPIs:			
<i>FM Inherent Risk:</i>	High	Transparency International (TI)	
<i>¹Country Disbursement Ratio (rolling-year)</i>	14.30%	Tajikistan ranks 153 out of 180 countries according to the Transparency International's Corruption Perceptions Index (CPI) for 2019 with a score of 25/100, which is similar to last year's score. Tajikistan's score is one of the three scores that are at the bottom of the Eastern Europe and Central Asia region noting that the region has an average score of 35.	
<i>Outstanding Ineligible Expenditure</i>	0 USD		
<i>Outstanding Advances (Projects in Expired Status)</i>	0 USD		
<i>Applicable PBAS cycle:</i>	IFAD11		
<i>PBAS Available allocation:</i>	IFAD 11 full allocation \$25 million is embarked for CASPII		
		PEFA	
		Last PEFA was in 2017, it assessed the progress on the 10-year Public Financial Management (PFM) reform program, which was planned over the period 2009-2018 by the Government of Tajikistan. Mainly, there was an improvement in the scores of the PFM indicators as almost half of the 31 indicators scored A or B. In the previous assessment most of the indicators scored C or D. In the last assessment, improved areas included budget comprehensiveness and budget execution control, reporting, accounting and external audit. However, even in these areas, there are weaknesses in some dimensions that need improvement such as budget credibility, timing, reports coverage and full independency of the external auditors.	
		On another matter, the government's debt management system has scored A as the approval of debt and guarantees and the debt management strategy were found suitable. One of the major challenges is public investment management as it has poor costing system and weaknesses in project selection. Transparency is still	

	<p>suffering in terms of public disclosure and sharing financial information with people. Last PEFA was prepared based on 2013-2015 data, as they were the most recent fiscal reports available.</p> <p>Debt Sustainability</p> <p>Based on Article IV “IMF EB consultation with the Republic with Tajikistan” which was published early 2020 by IMF, the external current account has faced a deterioration due to weak exports and remittances and increased imports. In addition, the Article noted that debt is unsustainable and it is weakening the external position, fiscal deficit is expected to stay high as it is mainly affected by the Roghun hydro-power construction project and the inflexibility in the exchange rates. As per the latest DSA, the risk of debt distress for Tajikistan remains high. On the other hand, the article noted the improvements in banks supervision and regulation, growth performance as inflation picked up in 2019 and poverty reduction.</p> <p>As per WB’s country economic update for Tajikistan published in November 2019, the GDP growth continued in 2019 (7.2% compared to 7.1%-7.3% in 2017 &2018). External debt that was \$2.9 billion at the end of 2018 formed 40% of GDP. By the end of 2020, it is expected that the external debt will reach \$2530 million as per the Trading Economics.</p> <p>Tajikistan is a low-income country. For 2018, GNI per capita was 1 100 for the country.</p> <p>In response to COVID-19 pandemic, IMF has approved Rapid Credit Facility (RCF) disbursement for an amount of \$189.5 million for Tajikistan in May 2020. The aim of these funds is to support the country in the economic crisis and to help in meeting the financing needs resulting from the pandemic</p> <p>Tajikistan is currently in high debt distress as per IMF. As per IFAD’s current lending terms, the country is eligible to receive a portion of the allocation as a loan on highly concessional lending terms and the remainder as a grant; which is subject to final decision by the IFAD Executive Board.</p>
<p>¹Corporate Disbursement Ratio Methodology considers ASAP, AFD, IFAD, KFW and SPA financing sources only.</p>	
<p>CURRENT LENDING TERMS</p>	<p>DSF Grant/Highly Concessional</p>

B. PORTFOLIO, FM RISK & PERFORMANCE

Existing Portfolio:

Project	Financing instrument	FLX Status ⁽²⁾	Lending Terms	Currency	Amount (million)	%Disbursed	Completion date
LPDP	G-I-DSF-8083-	EXPD*	DSF HC GRANTS	XDR	9.3	95.9	29/09/2018
LPDP II	200000143700	DSBL	ASAP GRANTS	XDR	3.6	69.58	30/03/2021
LPDP II	200000143800	DSBL	DSF HC GRANTS	XDR	6.2	68.32	30/03/2021
LPDP II	200000143900	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	XDR	6.2	79.28	30/03/2021
CASP	200000214200	DSBL	DSF HC GRANTS	USD	15.33	6.28	30/03/2024
CASP	200000214300	DSBL	HIGHLY CONCESSIONAL TERMS 0.75 pc	USD	15.33	0	30/03/2024

*LPDP is not closed yet as PCR has not yet been submitted for final clearance in ORMS.

Project	Project FM risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds
LPDP**	Medium	Not Specified	Highly satisfactory	Not Specified	Not Specified
LPDP II	Low	Highly Satisfactory	Highly satisfactory	Moderately Satisfactory	Highly Satisfactory
CASP	Low	Satisfactory	Not Specified	Highly Unsatisfactory	Moderately Satisfactory

**No rating in FMDB as last mission was in 2017.

- Despite the high inherent risk for the county, current financial management risk for on-going projects in Tajikistan is low.
- The portfolio was suspended from December 2018 to June 2019 due to the government decision to restrict the access to the old designated accounts at CJSC "Tajprombank". Frozen amount was refunded to IFAD on the 3rd of June 2020 and suspension was lifted.
- PMU staff has sufficient experience in IFAD projects. Quality of financial management was rated highly satisfactory as per 2019 missions as the finance unit is maintaining robust finance arrangements that include proper accounting software and standards, timely submission of interim financial reports and audit reports and proper documentation.
- Due to the suspension, that was effective from December 2018 until June 2019, CASP disbursement was affected until the project managed to complete staff recruitment and kick off the tendering process. CASP has entered into force in February 2018.
- Counterpart funds is highly satisfactory for LPDP II due to timely submission and the fact that the government contribution has exceeded the planned amount for 2018 and 2019.
- There is no internal audit at the project level. However, IFAD projects are subject to ex-post review by the Accounts

chamber and by the Agency for State Financial Control and Fight with Corruption of the Republic of Tajikistan.

- A private independent auditor audits IFAD funded-projects. Quality & timeliness audit work is rated highly satisfactory; audited financial statements are submitted usually before the deadline and are in accordance with IFAD guidelines.