Project Information Document (PID)
BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
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<tbody>
<tr>
<td>Tajikistan</td>
<td>P166820</td>
<td>Fourth Phase of the Central Asia Regional Links Program</td>
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<td>27-May-2020</td>
<td>30-Jul-2020</td>
<td>Transport</td>
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<td>Investment Project Financing</td>
<td>Ministry of Finance</td>
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Proposed Development Objective(s)

The Project development objectives of the Fourth Phase of the Central Asia Regional Links Program are to enhance the efficiency of cross-border trade for participants of the regional economy and to improve the resilience and safety of regional connectivity infrastructure in Sughd Oblast and Gorno-Badakhshan Autonomous Region.

The project contributes to the Central Asia Regional Links Programs higher-level development objectives of increasing cross-border connectivity and enhancing integrated regional development to revitalize historically active economic exchanges in Central Asia and beyond along the Silk Route.

Components

- Improve regional connections in Sughd Oblast and GBAO Region
- Improve road asset preservation and road safety
- Facilitate cross-border movement of goods
- Support project implementation, coordination and management
- Contingent Emergency Response

PROJECT FINANCING DATA (US$, Millions)

<table>
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<th>SUMMARY</th>
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<td>Total Financing</td>
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<td>of which IBRD/IDA</td>
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<td>Financing Gap</td>
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## B. Introduction and Context

### Country Context

1. **Historical crossroads for the movement of people, goods and ideas along the Silk Route, the Central Asia region** is yet to fully capitalize on its natural, human and cultural resources. With over 70 million population, the aggregate regional GDP of USD$236 billion (in current price) is similar to that of Vietnam or Romania. Since the early 2000s, economic growth in the five republics has been fueled by strong export in response to robust global commodity demand and prices as well as remittances reflecting strong growth in Russia. Significant reserves of mineral resources, potential of water and hydropower resources, and rich natural and cultural resources are seen to be competitive assets of the countries which could be better utilized to drive long-term growth in a sustainable manner.

2. **The regions’ continentality and the landlockedness have had unfavorable impact on the region’s economic development, leaving the region isolated from international trade and global value chain.** Currently, international trade is often diverted to different routes circumventing Central Asia due to formidable geographic, infrastructure as well as institutional (procedural) barriers. Lack of cost-efficient sea-born transport and transit tariffs to reach seaports cause disproportionately higher transport costs for the central Asian countries to access markets and opportunities and to integrate with international value chains. Under these circumstances, regional integration is an important catalyst for the Central Asian countries to reduce trade costs and increase participation in regional and global value chains, offering opportunities for economic transformation. This is particularly true for landlocked countries as their continentality has impact on their economic development. The ongoing COVID-19 situation has

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1 Consisting of five republics: Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Turkmenistan and Uzbekistan.
2 World Bank Data. Romania’s GDP as of 2018 is 239 Billion; Vietnam’s GDP is 245 Billion
3 Estimated to be in the magnitude of a 30 percent decrease in trade and a 1.5 percent decline in economic growth compared to littoral countries.
further exposed the vulnerability of these countries as supply chains are broken and movements of people are restricted around the world. The region is disproportionately affected by the disruption of the movement of essential goods and lack of mobility of their migrant workers.

3. **After decades of fragmentation and animosity, Central Asian leaders are beginning to forge a regional mindset.** Renewed efforts focus, among others, on cross-border cooperation and trade. However, intra-regional trade is relatively small, representing only about 7.4 percent (by value) of overall trade, while trade with China and Russia seem to dominate most of Central Asia’s trade. While the Eurasian Economic Union (EAEU) as well as China’s Belt and Road Initiative (BRI) may open further possibilities of increased trade flows, changes in sectoral composition of trade may also trigger further reform at the regional level, with a view to increase the comparative advantage of specific products, e.g. time-sensitive agricultural products. Border closures and restrictions on trade that are currently imposed during the ongoing COVID-19 are expected to test the strengths and sustainability of these regional efforts.

4. **For the Republic of Tajikistan, a smaller economy in the region, further integrating regionally and tapping into external demand is key to ensuring sustainable and inclusive growth.** With a population of 8.4 million and a GNI per capita of US$1,010 (Atlas method) as of 2018, Tajikistan is the poorest country in the Europe and Central Asia (ECA) Region. Following the end of the civil war (1992-97), the Tajik economy bounced back strongly, growing at an average rate of 7-8 percent a year, according to official statistics. Despite the impressive growth performance, Tajikistan’s current development model has not achieved dynamic rates of sustainable and inclusive growth, lacking a productive, profitable or employment-generating private sector and a diversification strategy based on market-principles. In addition, capabilities in information communication technology (ICT), a precondition for investment, innovation and market creation are low with internet use being limited and expensive by international comparison. The economic gap among the five republics in the region, which was already significant in 1990, has widened further: Tajikistan’s GDP per capita fell from around 30 percent of that of Kazakhstan in 1990 to 8 percent in 2018; its GDP as a share of the region’s GDP dropped from 5.7 to 3 percent during the same period.

5. **Structural reforms would support the needed transition to a private investment-led and export-oriented growth path,** away from the current private consumption-driven (with remittances) and public investment-led (with ODA) growth. Tajikistan managed to reduce its trade deficit by more than half from 55 percent of GDP in 2008 to about 25 percent by 2017 and the main contribution, according to the Bank’s Country Economic Memorandum (CEM), came from import substitution. By both regional and international standards, however, the country’s export performance remains weak, as exports of key commodities are heavily dependent on the volatile price dynamics in international markets. Trade in services also remains small and concentrated on the tourism industry on the export side and on the transport and construction on the import side. Tourism was declared as a priority sector by the government, but proper infrastructure and logistics are lacking to expand and offset the overall deficit of trade in services. This points to a need to address infrastructure gaps, coordinate investments across borders at regional scale, and facilitate cross-border flows through reforming customs and other non-tariff measures.

6. **Within this context, Sughd Oblast and Gorno-Badakhshan Autonomous (GBAO) Region play a strategically important role as they serve as the country’s entry and exit points for trade and travel to neighboring countries as well as transit,** including Uzbekistan, Kyrgyz Republic, Afghanistan and China. Sughd Oblast is located in the densely

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5 While trade with China has reached US$2.1 billion in 2013 (and expected to reach US$3 billion in 2020), the greater development and expansion of trade and economic cooperation within the Belt and Road Initiative is seen by the Government of Tajikistan as an important opportunity for the further development.
populated Ferghana Valley, which is considered as the backbone of the Central Asian agriculture and is a key industrial production center for Tajikistan. The region is a major producer of cotton, wheat, fruits, and raw silk. While the population density of Central Asia as a whole is 40.8 people per square mile, in the Ferghana Valley it is 1,600 people per square mile. It is also one of the fastest-growing regions within Central Asia, experiencing a population growth of 32% in the last 10 years. Agriculture, including arable farming and livestock rearing, represents the major source of income and food security for the households in the region. About 80 percent of the Sughd Oblast’s population is engaged in agriculture, and women are the majority of those employed in this sector. Although labor participation is high, wages are low for both women and men in Sughd Oblast. Sughd is also home to one of the four Free Economic Zones established by the Government of Tajikistan (GoT), with preferential tax treatment and reduced customs fees. However, overall poor transport infrastructure and inefficient border crossing between the three countries located in the Ferghana Valley and with its neighbors pose to be key bottlenecks for producers in the valley to effectively participate in global value chains and promote trade and tourism in the region.

7. **Gorno-Badakhshan Autonomous Region (GBAO) is the most popular tourist destination in Tajikistan, with large unrealized potentials.** In contrast to Sughd Oblast, it is home to the heart of Pamir Mountains which stretch across Afghanistan, China, Kyrgyz Republic, Pakistan and Tajikistan, where over 85% of its territory has no productive agropastoral potential. Only approximately 12.5% of GBAO territory is pastureland, and the has very little arable land. Endowed with its unique mountainous landscape, GBAO has since recently become a niche tourism destination for mountaineers, trekkers, and wildlife admirers. GBAO is now the most popular tourist region in Tajikistan, both in terms of tourist volume and length of stay. Lack of productive opportunities in GBAO has long caused GBAO to heavily rely on subsidies from the Soviet Union before the 1990s, and on Official Development Assistance (ODA) since the collapse of the Soviet Union. While poverty rates have fallen nationwide (29.5 percent in 2017), compared to other parts of the country, poverty is substantially higher in GBAO Region. GBAO is also characterized by decaying infrastructure. The Pamir Highway along the Pamir Mountains serve as the only regional level land transport mode linking Tajikistan with China and connecting GBAO residents to the capital of Dushanbe.

8. **Tajikistan is highly vulnerable to natural hazard and climate change risks, and therefore Tajikistan’s efforts to unlock sustainable economic growth potentials needs to be complemented with resilience building in its infrastructure and services.** Tajikistan ranks first among countries in the Europe and Central Asia Region in terms of vulnerability to climate change, a situation exacerbated by the country’s lack of adaptive capacity to respond to frequent shocks. Its unique terrain and geological and hydrological features make it prone to many natural hazards, such as floods, earthquakes, landslides, mudflows, avalanches, droughts, and heavy snowfall. Impacts from climate change are expected to increase the occurrence of events related to hydrometeorological conditions, such as rising temperatures causing massive glacial flooding and mudflows. Avalanche prone areas occupy nearly 75 percent of the country’s territory and an estimated 36 percent of the country’s territory is under threat from landslides.

9. **The ongoing pandemic of coronavirus (COVID-19) is expected to have significant impacts on the health and livelihoods of the population, imposing heavy economic and social costs.** Since Tajikistan’s Ministry of Health confirmed its first COVID-19 cases on April 30, 2020, the number of cases has been sharply increasing and reached

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8 The World Bank, Adapting to Climate Change in Europe and Central Asia, 2009
9 UNDP, Guidelines on regional disaster risk assessment for the territory of Tajikistan, 2011
1936 cases (and 41 fatalities) by May 19, 2020. Although initially hesitant, the Government has taken preventative measures that include the temporary closure of public facilities while other public services (food markets, public transport, or banks) remain open. As the result of many young Tajiks not having been able to go to Russia for work, which is also hard hit by the pandemic, remittances will fail to provide the principal pillar of financial support to the country’s most vulnerable families. With widespread poverty, the Government has recently rolled out the nationwide targeted social assistance (TSA) instrument of social policy, and for a policy focus on food production, storage, and processing. The interruption of import supply chains risks shortages in the market, including for food, and correspondingly accelerating rates of inflation and exchange rate depreciation. In addition, significant decreases in tax revenues, paired with increasing expenditure requirements, risks considerable budgetary imbalances.

10. Tajikistan will require considerable financial, medical, and technical support from development partners, including the World Bank, to be able to provide a minimal degree of medical services to the population. In April the Bank approved the US$11.3 million Tajikistan Emergency COVID-19 Project (TEC) with the Government having requested Additional Finance in FY21, Q1. On May 6, 2020, the IMF approved a US$190-million Rapid Credit Facility (80 percent of quota), following US$30 million in immediate debt relief under the Catastrophe Containment and Relief Trust (CCRT). The Asian Development Bank (ADB), through its Countercyclical Facility, a COVID-linked instrument of budget support, is expected to approve a package of US$50 million in June 2020 and a follow-up standard US$50 million Financial Sector and Fiscal Management Implementation Program. Under the ongoing CARs-2 Project, the Government and the Bank are discussing the use of project cost savings (approximately in the amount of $2 million) for supply and distribution of personal protective equipment and disinfectant chemicals for front line workers in transport and logistics sector and essential transport/transit facilities such as public transport vehicles, stations/depots, border crossing points, and other logistics facilities.

11. Even after the pandemic is managed, Tajikistan will face new challenges to rebooting the economy of which structural shortcomings and vulnerabilities have been exacerbated by COVID-19. Tajikistan’s GDP growth is expected to fall from 7.5 percent per annum in 2019 to 1.7 percent or lower in 2020, reflecting the impacts of the outbreak and the slowdown in Russia and China. Key contributing factors are sharp decline of trade and lower commodity prices, a likely large drop in remittances, and worsened prospects for transport and tourism industries. Many Tajik migrant workers who make significant contribution to the economy through remittances have lost the prospect to return to their jobs mostly in Russia, with continued global lockdown, restrictions on international travels, and economic recession in many countries. In this context, reviving the economy post-pandemic would require a mix of various measures including economic stimulus through public investments in infrastructure. Civil works and construction of productive infrastructures would partly substitute the expected sharp decline in investment and absorb excess labor of the returning migrant workers. Such impacts would be amplified if domestic construction materials are sourced and domestic producers are mobilized, as they create positive turnover dynamism. In addition to the short-term stimulus, these investments in infrastructure would improve overall productivity of the economy in the long-term; in case of transport infrastructure, by fostering connectivity, agglomeration and integration with regional and global markets.

Sectoral and Institutional Context

Physical Connectivity: Transport and Road Sector Development
12. **Mountainous and landlocked, the Republic of Tajikistan has one of the least developed transport sectors and the highest transport costs in Central Asia.** Of the country’s total road network of 26,366 km, 14,220 km is under the jurisdiction of the MoT comprising international (2,128 km), national (3,348 km) and local (8,743 km) roads. The rest are rural and industrial access roads previously owned by public entities and currently with no definitive legal status. Paved roads account for 28 percent, bitumen-treated gravel roads for 45 percent, and gravel roads without bitumen treatment for 27 percent of the entire road network. Most of the road network was constructed before 1970 and is largely inadequate for present traffic volumes and loads. Currently, about 80 percent of the nation’s roads are in poor or very poor condition, mainly because of inadequate maintenance and severe damage during the civil conflict, which was barely repaired. Road rehabilitation, maintenance and repairs are insufficient primarily due to lack of funding. During the period of 2014 and 2019, an average of 6.2 million dollars was budgeted for road maintenance and repairs\(^{10}\). In this context, the current road capacity is mostly inadequate for present traffic volumes and roads.

13. **The Government of Tajikistan puts highest priority towards ending the “communications deadlock” at the national and regional level to improve access to markets and increase its competitiveness as a transit country through reduction in transport costs.** The National Development Strategy, the Transport Sector Masterplan (currently being updated), and the Export Promotion Strategy spell out the overarching country and sector development program with a view to take full advantage of the country’s strategic location at the intersection of trade and travel routes as well as transform peripheral regions into the core of new economic neighborhoods. Tajikistan has one of the highest transport costs in the world which discourages potential trade and transit traffic. The high transport cost is due to the country’s remoteness from seaports and degrading transport infrastructure and facilities. Tajikistan borders Afghanistan for 1,206 kilometers (km), the People’s Republic of China (PRC) for 414 km, the Kyrgyz Republic for 870 km, and Uzbekistan for 1,161 km, making regional cooperation a necessity to achieve sustainable economic growth.

14. **The ongoing COVID-19 situation has revealed the weaknesses of transport connectivity in the country.** The borders have been closed in fear of transmission of the virus, causing disruptions to the regional trade and supply chains. It has become critical for transport sector to be equipped with the abilities to address these paramount challenges of ensuring essential services such as food supplies and movement of medical equipment, while protecting health and safety of frontline workers and transport users. As the country starts to impose stricter lockdown, reforming of the sector for long-term resilience and preparedness in providing connectivity will become increasingly important.

15. **The Ministry of Transport (MoT) is the lead policy-making and regulatory agency in charge of land transportation in Tajikistan, planning for investment and operations of road and railway transportation.** The Ministry is led by the Minister and three Deputy Ministers each in charge of (i) maintenance, planning and evaluation of road, (ii) road construction and road safety, and (iii) road and railway transport policy. The government’s budget decision for the transport sector is made at the Ministry of Finance (MoF), and MoT develops and implements public expenditure budgets for construction, repair, and maintenance of national roads and railways. The Road repair and maintenance is carried out by MoT’s local repair and maintenance units (GUSADs).

16. **Much of the country’s investments in transport infrastructure has been financed by ODA funds from various sources, supported by the framework for coordination among government bodies and development partners.** Since

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\(^{10}\) Task Team data collected from the Ministry of Transport
1992, approximately 2,830 km of new roads were constructed, of which over 85% was financed with ODA.\textsuperscript{11} Approximately US$1.6 billion dollars has been provided by development partners to finance investments on road rehabilitation projects, with technical assistance mainly focusing on capacity development and institutional support, including through the World Bank Central Asia Regional Links Program (CARs, a series of projects in multiple countries, see further relationship to CPF). Assistance from the Asian Development Bank alone, mainly supporting Central Asia Regional Economic Cooperation (CAREC) corridors 2, 5 and 6 has supported some 28 transport projects with loans, grants and technical assistance totaling US$600 million (1998-2020)\textsuperscript{12}. Other main development partners in the sector are the Islamic Development Bank (IsDB), the Japan International Cooperation Agency (JICA), the Government of the People’s Republic of China, European Bank for Reconstruction and Development (EBRD) as well as other bilateral and international development partners. ODA funded activities have made contributions to the country’s connectivity with Uzbekistan to the east (Dushanbe – Tursunzoda); with Kyrgyz Republic to the north (Guliston and Madaniyat; Khujand - Chanok); with Afghanistan to the south (Dangara-Qurghonteppa); and with China to the east (Murgab - Kulma Pass).

**Sustainability, Resilience and Safety of Physical Connectivity**

17. Notwithstanding the recent and ongoing investments, infrastructure condition remains poor, especially in GBAO Region, and underserves the rising demand for road transport. Tajikistan’s vehicle ownership has been rising steadily from 33 registered vehicles per 1,000 people in 2008 to 51 in 2019\textsuperscript{13}. In addition to the increasing road demand overall nationwide, Tajikistan serves as a transit route between China and Europe, and South Asia and Europe for certain commodity groups. Heavy overloading of trucks that travel through Tajikistan, sometimes up to 80 tons per truck, is an added problem to the country’s already poor condition road network due to its climate and deferred maintenance. The overloading is caused by weak enforcement of trucking companies that seek to reduce transport costs for goods shipped. Particularly vulnerable to overloading are Sughd Oblast and GBAO which serve as main industrial production area and transit corridors respectively. Development of an axle load control strategy along with pilot program to install automated system to record the axle weights and gross vehicle weights is being implemented in Sughd Oblast under the ongoing CARs-2 operation.

18. Good governance and efficient asset management in the transport sector is therefore equally critical to ensure provision of sustainable, resilient and safety transportation services to users. Despite the country’s laudable achievements and progress in improving transport infrastructure reliability in recent years, the investments have not always reached full potential of further market integration and economic development at the regional level. At the same time, to keep such investments sustainable as well as to ensure safe and reliable transport services, necessary policy actions in sector governance, asset preservation and management are critical. The ongoing CARs-2 operation has laid foundation for a road asset management system (RAMS) including through supply of key equipment and software system. Based on this foundation, full functionality of the RAMS requires regular data collection at the network level, institutionalized and technical capacity, integration with budgeting and planning processes, and monitoring. Continued support for completion of the RAMS would need to be closely coordinated with other development partners that are providing related support to MOT.\textsuperscript{14}

\textsuperscript{11} MoT Statistics
\textsuperscript{12} Asian Development Bank Tajikistan fact sheet
\textsuperscript{13} Based on MoT Statistics on car ownership and total population
\textsuperscript{14} JICA is funding the design, development, installation and commissioning of a comprehensive Bridge Maintenance Management System, under their recently approved Project for Capacity Development for Bridge Management, which could be extended to maintenance of tunnels in a future intervention. The ADB is proposing to provide funding for a baseline condition survey of the road network and upgrading of road
19. **When compared to countries at a similar level of development, road accident fatalities and injuries in Tajikistan are very high.** The World Health Organization’s (WHO) estimated that in 2017 there were 1,577 fatalities caused by road accidents, equivalent to a 18.1 fatality rate per 100,000 population.\(^{15,16}\) This compares to 6.4 in Macedonia, the best performer in the Europe and Central Asia Region, and 2.74 in Switzerland, the best global performer. The WHO estimates that in 2016 the cost of road accident deaths and injuries in Tajikistan was equivalent to 6.0 percent of GDP. The lead agency for Road Safety Management is the Department of State Automobile Inspection, at the Ministry of Internal Affairs. This agency has been assigned the functions that include coordination, legislation and monitoring and evaluation of road safety strategies. However, the country does not have a Road Safety Strategy and has no known road safety targets. Moreover, interventions to reduce the impact of road crashes are limited, as is enforcement of Traffic Laws. In Dushanbe the City has been rolling out its Safe City initiative since 2014. This initiative includes enforcement of traffic laws through video monitoring at 74 major road intersections. As a result of this initiative violations of traffic laws at intersections has reduced by 50 percent but throughout the city violation of speeding, lane and use of safety belt remain common.

20. **Tajikistan’s ongoing efforts in enhancing legal and institutional framework for disaster risk management (DRM), with support from the World Bank and other development partners, need to continue.** Damaged infrastructure systems can leave large parts of the population without access to the rest of the country, and restoring access may require major reconstruction works. Several road sections in GBAO pass through a mountainous and geological complex region where various types of hazards such as floods, landslides, mud/debris flow and avalanches occur regularly, damaging road infrastructure and blocking roads for extended periods. The unfinished agenda of DRM include the following: (a) a need for systematic disaster risk reduction and risk-informed investments for critical infrastructure; (b) a need to increase the country’s response capacity by modernizing its crisis management systems to respond to emergencies more efficiently and by putting in place financial protection mechanisms; (c) a need to produce and share disaster risk information to inform planning and investments in various development sectors; and, (d) a need on the part of DRM stakeholders for further capacity. Under the World Bank’s Strengthening Critical Infrastructure Against Natural Hazards Project, approved in 2017, a foundation is being established to address these significant needs but beyond this project the need for long-term support remains.

**Institutional Connectivity: Trade Facilitation and Customs**

21. **In addition to the improvement of physical connectivity, important institutional reforms on trade and transport facilitation remain to be addressed to unleash the full growth potential of the Tajik economy.** Tajikistan stood at the 134th position out of 160 countries studied under the World Bank’s 2018 report on Logistics Performance Index (LPI), which considers a variety of cross-cutting issues that impact logistics, including infrastructure connectivity, regulation of services, sustainability, resilience and trade facilitation. It is well below other countries in Central Asian region, namely Turkmenistan (126) Uzbekistan (99), Kyrgyz Republic (108), Kazakhstan (71) and Russian Federation (75). Tajikistan’s export competitiveness is being impeded by high trade costs. According to the World Bank’s Ease of Doing Business (DB) 2020, Tajikistan is overall ranked at 106 (out of 190 countries), having risen 20 steps since 2019. However, its ranking is uneven across the ten categories of the DB indicator and particularly lower


\(^{16}\) The Government of Tajikistan disputes the WHO estimates for fatalities and injuries. GoT estimates that the WHO figures are a factor of 3 times larger than actual figures. In their estimates, the WHO takes into account the results of an assessment of the reliability of data collection.
in the “trading across borders” category, ranked at 141 (improved 7 steps from 148 in 2019). The data shows that it takes five times longer to import in Tajikistan (107 hours for border compliance) than Europe and Central Asia average (20.7 hours for border compliance). This implies that, even though the overall performance of the country has significantly and steadily improved, customs and trade facilitation reforms are behind the rest of the other indicators for Tajikistan.

22. As a member of the World Trade Organization (WTO) and participant in the CIS Free Trade Agreement, Tajikistan needs to further its effort to enhance trade competitiveness and increase market opportunities. Tajikistan will need to address its cumbersome regulatory and business environment, gaps in physical infrastructure, as well as align standards to international practices and modernize procedures of cross-border movement of goods and people. The government has expressed interest in developing a comprehensive institutional reform program, including upgrade of equipment, IT systems and human resources development, not only to facilitate trade and travel, but also focus on the potential to develop the country’s transit potential. These efforts are expected to help the country capitalizing on the business enabling environment, utilizing public infrastructure for reaching out to domestic and external markets as well as integrating in regional and global value chains. Despite a historically small and narrow export base, there seems to be high and relatively inelastic demand by neighboring countries to import food products, minerals and metals, and energy, all products, for which Tajikistan has a comparative advantage. For example, during 2018, Tajikistan’s total export of goods have increased by more than 9 percent, with exports to Uzbekistan having tripled, compared to the previous year; total export continued growing by 4 percent in 2019.¹⁷

23. The Customs Service under the Government of Tajikistan (herein “Customs Service”) is an independent body, reporting directly to the President. It comprises approximately 1,160 staff spread around 70 Customs offices and processed approximately 250,000 declarations in 2018. The Customs Service is plagued with high level of inefficiencies, low productivity, and low control over movement of goods. Modern Customs practices based on risk and compliance management have not been introduced effectively, due to mix or reasons such as inadequate staffing, training, or persistence with reform endeavors. The lack of a reliable automated customs system is also cited as an important factor behind the lack of overall progress. Attempts to modernize were previously made through the help of various donors, but these were piecemeal, and automation of processes have not yielded the desired results. Customs automation was carried out and a processing system, called Unified Automated Information System (UAIS) was developed through financing from the Asian Development Bank and with the help of a private sector firm, and started functioning in January 2012. This system has a number of shortcomings, and further development and improvement stopped after the firm’s support contract expired.

24. Currently the customs processing through UAIS remains, at most, semiautomated with limited integration and interaction with internal and external systems. A number of steps required for clearance e.g. valuation, exchange rate input etc. are done manually. The system has practically no time controls i.e. automatic notifications, and also does not allow to upload supporting documents; the ICT hardware (servers, computers etc.) has also outlived its lifecycle. The Customs infrastructure including border posts, and inland offices are also not geared up for modern operations. Being landlocked, Tajikistan also requires high level of integration with its neighbors for seamless movement of goods, which is also lacking. Overall the current operations cannot support any improvement in Customs performance, and to correct this, the Customs Service should update its operating model, organization, and staff employment policies.

25. Apart from Customs, there are other agencies whose performance will impact the efficiency of trade flows. The current regulatory regime remains cumbersome, and the clearance process is administratively complex. Even if Customs become efficient and fully automated, traders will still need to carry out burdensome paperwork with several government agencies that continue to process manual documentation. To address this, Tajikistan has introduced the principles of a single window, providing a single system of liaison with importers and exporters, submission of documents and full-cycle handling applications for customs clearance and transit. This system has, however, not yet been fully adopted. Despite the significant role of agribusiness in the economy and the size and potential for agricultural exports, Sanitary and Phytosanitary (SPS) measures have not yet been considered as strategic priority in the government. SPS capacities are at an early stage development in the context of trade facilitation initiatives. Areas for improvement include legislation, laboratory capacity, coordination among border agencies. There is also role for improved border enforcement in addressing vulnerability to transboundary pests and diseases that could damage agricultural productivity and resilience.

Gender

26. Tajikistan exhibits large gender gaps in many areas, such as, educational and health endowments, economic opportunities, and inequality in the voice and agency that women hold in society compared to men. Only 33% of females participate in the labor force compared to 53% for their male counterparts. The low female labor force participation (LFP) in absolute terms as well as the 20-percentage point gender gap in LFP indicates a significant disparity in economic opportunity for women compared to men and illustrates the magnitude of the economic potential that bridging this gap represents for the country. Women are concentrated mainly in agriculture, health and education sectors while men dominate other sectors, such as industry, construction and transport, which tend to be better remunerated. Alongside traditional gender norms, occupational segregation contributes to a high gender pay gap (GPG) in the labor market: on average, in 2017 men earned 40.6% more than women in Tajikistan when their median monthly earnings were compared - which is one of the highest GPG in ECA. There are fewer women entrepreneurs than men entrepreneurs in the country. Women entrepreneurs in Tajikistan are reported to be facing disproportionate challenges compared to their male counterparts to start or grow their businesses due to their weak application of property rights, which limits their ability to pledge property as collateral to access finance, and lack of knowledge of customs regulations and taxes, just to name a few.

27. Evidence, albeit limited, as well as the discussions with key interlocuters in the country show that women traders experience disproportionate challenges when it comes to cross-border trade. One of these challenges is the limited knowledge about taxes and customs regulations and the concerns about fines and confiscation of goods. According to the World Bank’s Enterprise Surveys, 6.4% of the surveyed firms in Tajikistan headed by females identified customs and trade regulations as a major constraint compared to 2.3% of those managed by males. Discussions with a number of stakeholders including the Customs Service and the National Association for Women Business Owners of Tajikistan (NAWBT) confirmed the lack of knowledge of customs regulations among women traders to be indeed a

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18 World Bank Gender Statistics, 2019. 15 years and above
20 Agency on Statistics under the President of the Republic of Tajikistan (TAJSTAT)
21 “Gender-responsive climate investment assessment in Tajikistan”. European Bank for Reconstruction and Development (EBRD) 2019
22 “Barriers to Female Entrepreneurship in Tajikistan”. UNDP and the Ministry of Foreign Affairs of Finland
23 Ibid, EBRD
24 World Bank’s Enterprise Surveys [https://www.enterprisesurveys.org/](https://www.enterprisesurveys.org/)
significant barrier. These observations are also in line with the global evidence indicating that since women are more likely to operate outside mainstream business circles and have more limited business networks, accurate trade information on customs requirements does not often reach them. Furthermore, discussions with some stakeholders in Tajikistan suggest that customer-service in border agencies is not necessarily gender-sensitive, which is likely further exacerbated by the largely male-dominated workforce: only about 10% of the 1,108 employees in customs are female.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

28. The Project development objectives of the Fourth Phase of the Central Asia Regional Links Program are to enhance the efficiency of cross-border trade for participants of the regional economy and to improve the resilience and safety of regional connectivity infrastructure in Sughd Oblast and Gorno-Badakhshan Autonomous Region. The project contributes to the Central Asia Regional Links Program’s higher-level development objectives to increase cross-border connectivity and enhance integrated regional development to revitalize historically active economic exchanges in Central Asia and beyond along the Silk Route.

Key Results

29. The achievement of the PDO will be measured through (i) time efficiency of cross-border trade in Sughd Province with Uzbekistan, (ii) access to markets and trade opportunities for the population in the project areas, (iii) resilience and safety of connectivity in project roads and institutional foundation to scale. Wherever possible, gender disaggregated data will be collected, with an aim to narrow the existing gender gaps, which will be established during appraisal through consultation, surveys and focus groups.

a. Time efficiency of cross-border trade, measured by

i. Travel time between Kannibodam and Bekobod BCPs, measuring the improvement of regional connectivity along the trade corridor connecting with Kyrgyz Republic and Uzbekistan; and

ii. Average time spent for customs clearance, separately for import and export and accounting for time spent at border crossing point and at clearance terminals, measuring time-efficiency of trade across borders resulting from improved customs processes

b. Access to markets and trade opportunities, measured by

i. Market accessibility index of Sughd Oblast, measuring trade opportunities resulting from efficiency improvement due to reduced time and cost for customs and improved reduced transport cost

c. Resilience and safety of transport and trade, measured by

i. Number of hours of road closures in Barsem caused by natural hazards, significant enough to necessitate public announcement, measuring the resilience of transport and trade; and

ii. Road fatalities along the main routes in Khorog, measuring the safety of transport and trade

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25 “Gender Dimensions of Trade Facilitation and Logistics”, World Bank 2012

26 Data obtained from Customs Service on 06/05/2020
D. Project Description

30. The CARs-4 Project is structured around four components: preliminary costs and financing sources are shown in Table 1 and each component is described in detail below:

<table>
<thead>
<tr>
<th>Table 1 Cost Estimates and Financing Sources by Component</th>
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<tbody>
<tr>
<td>Component</td>
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<tr>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>1: Improve regional connection in Sughd Oblast and GBAO Region</td>
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<tr>
<td>2: Improve road assets preservation and road safety</td>
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<tr>
<td>3: Facilitate cross-border movement of goods</td>
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<tr>
<td>4: Support project implementation, coordination and management</td>
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<td>Total</td>
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31. **Component 1: Improve regional connections in Sughd Oblast and GBAO Region (US$89 million equivalent from IDA; US$1 million from PACT Trust Fund).** Activities to be financed under this component include: (i) rehabilitation of a 50.5 km long, Category I and III roads in Sughd Oblast in four sections (estimated at US$37.0 million); (ii) construction of Khorog bridge and tunnels/galleries and bridges around Barsem Village in GBAO to enhance the resilience of the road connectivity from climate hazards such as mudslides and avalanches (estimated US$46.7 million); (iii) provision of construction supervision services for road construction and rehabilitation works (estimated US$4.3 million); and (iv) preparation of feasibility studies, to be partially financed by Program for Asia Connectivity and Trade (PACT) Trust Fund, for improvement of regional road connectivity for Sughd, Khatlon and GBAO Oblasts as the basis for potential lending operation (tentatively titled CARs-5) (estimated US$2.0 million). The four road sections under activity (i) above include, from west to east, Bek Abad (Uzbek Border) – Kurkat (12.3 km), Dehmoi – Gafurov (21.9 km), Gafurov – Kistevarz (6.3 km), and Kuchkak – Kanibodom (10.0 km), as presented in the maps in Annex 4. The preliminary cost estimates presented in Annex 2 will be updated when the ongoing Feasibility Study is completed, expected in June 2020.

32. This component aims to improve connectivity and road infrastructure resilience along the priority trade and travel routes for Sughd Oblast and GBAO Region, selected on the basis of the government priorities, available financing envelope as well as sequencing of construction works. Improved road infrastructure will provide better access to markets and economic opportunities for the residents in the two regions. In designing and construction of the above transport infrastructure, high standards for safety and resilience will be applied, based on global experiences and considering the local conditions. Cost-effective engineering solutions that ensure safety and resilience of the infrastructure will be fully incorporated in the final design.

33. In order to support the economic recovery post-COVID, construction techniques would incorporate use of labor wherever possible and appropriate, to maximize the number of construction jobs to be created under the Project, and contractors would be required to source local materials and suppliers to the extent possible, to generate positive impacts on the local economy. These requirements will be stipulated in the bidding documents and works contracts. Road construction jobs created for local communities will be measured as one of the intermediate results indicators.

34. The above listed activity (iv), to be funded both by IDA Grant and PACT Trust Fund, would focus on key regional economic corridors: unrehabilitated sections of Khujand-Kanibadam corridor in Sughd, Guliston-Kulab section in
Khatlon, and Khorog to Kulma Pass section of the Dushanbe to Kashgar (in China) Highway in GBAO. The initial viability of these key corridors will be assessed through survey of initial road conditions, identification of natural disaster risks and mitigation measures, identification and assessment of measures to maximize wider economic benefits of corridor development, and assessment of technical, economic, financial, social and environmental feasibility. The results of this activity would inform future operations of the Program. IDA financing (US$1 million equivalent) will be used for the assessment for Khatlon region; PACT Trust Fund (US$1 million) for Sughd and GBAO regions.

35. **Component 2. Improve road asset preservation and road safety (US$20 million equivalent)** will aim to strengthen the road asset management system for long-term sustainability and climate resilience of the country’s road network, and to create the institutional foundation to systematically address road traffic safety issues, and comprises two sub-components, described below.

36. **Sub-Component 2a Improve road asset preservation (US$8 million equivalent)** will finance (i) supply and installation of weigh-in-motion (WIM) systems to preserve road assets, (ii) installation and commission of software packages for recording, storage and analysis of road network condition, traffic volumes, and natural hazard exposure data, development of prioritized maintenance planning, optimized to allow for budget constraints, and annual maintenance plans, and (iii) training on the installed systems. Activities under this component have been carefully coordinated with other development partners.

37. **Sub-Component 2b Improve Road Safety (US$12 million equivalent)** will finance three activities. (i) Support the Department of State Automobile Inspection to increase use of 4-wheel vehicle safety belts, through carrying out a legal and regulatory review, publicity campaign to promote use of safety belts, and design of working procedures and capacity-building to raise compliance. (ii) Retrofit or construct safety barriers along selected road sections in severe mountainous terrains as a demonstration pilot. (iii) Support DSAI, the lead agency for road safety, to develop a Road Safety Strategy and to establish a Road Safety Observatory through provision of technical assistance, equipment, support for the design installation, commissioning and training of staff for a road accident reporting and analysis database, training of key staff in the management and operation of a Road Safety Observatory, and operating costs.

38. **Component 3. Facilitate cross-border movement of goods (US$20 million equivalent).** Two groups of activities will be financed under this component. (i) Upgrading of the Customs information and communication technology (ICT) platform (estimated at US$17.5 million) would include equipment and facilities (computers, networking equipment, data center, end-use terminals), customs automation software suitably adapted and tested to be compatible with local requirements and including a module to facilitate relief consignment in the event of natural disasters and other emergencies, development and testing of the provided system, and implementation support up to 2025. (ii) Strengthening of institutional capacity and human resources in Customs Service (estimated at US$2.5 million) would comprise integration of the newly upgraded Customs ICT platform with the National Single Window and other related systems, technical assistance for development of a detailed implementation plan for customs modernization, implementation of time release studies, assessment of implementation of measures under the WTO Trade Facilitation Agreement including capacity building support in select areas, increasing the share of female employees within Customs offices, and training of staff on the revised code of ethics and gender-sensitive service delivery.

39. Through the above activities, this component will help streamline and rationalize processes and procedures at the border and provide a platform for the application of a range of internationally agreed norms and standards, many

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27 The National Single Window system is under development and is expected to become functional during the life of the CARs-4 Project.
of which are incorporated in the Government of Tajikistan’s Medium-Term Program for Customs Development. In particular, the detailed implementation plan for customs automation would encompass institutional, technical and operational elements to make full use of the ICT system to be put in place: (i) governance and operational framework, (ii) technical and functional requirements of the proposed solution, (iii) identification of legal, regulatory and procedural gaps, (iii) technology architecture and procurement elements, (iv) implementation schedule, including activities, timelines and milestones, (v) benefits profile, including the expected benefits mapped to milestones, (vi) risks and mitigation strategies, and (vii) change management strategy. It would also aim to provide more equal employment and promotion opportunities among female and male staff and quality services for both female and male users through ensuring gender-sensitive service delivery. The capacity of the Customs staff related to their ICT proficiency is assessed to be very low, and thus, this component will provide a comprehensive capacity-building program to address this shortcoming sustainably.

40. **Component 4. Support project implementation, coordination and management (US$2 million equivalent).** This component will support project implementation, coordination and management including provision of goods, consultants’ services and training, operating costs and financial audit.

41. **Component 5: Contingent Emergency Response (US$0).** This zero-dollar component is designed to provide swift response in the event of an eligible crisis or emergency, by enabling Tajikistan to request the World Bank to reallocate project funds to support emergency response, and reconstruction, where needed. A Contingent Emergency Response Component (CERC) annex will be included in the Project Operations Manual (POM), specifying the implementation arrangements for the component, including its activation process, roles and responsibilities of implementing agencies, positive list of activities that may be financed, environmental and social aspects, and fiduciary arrangements.

### Legal Operational Policies

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<tr>
<td>Projects on International Waterways OP 7.50</td>
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<td>Projects in Disputed Areas OP 7.60</td>
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### Summary of Assessment of Environmental and Social Risks and Impacts

42. **The social and environmental risks and impacts are mostly construction induced and contextual.** The Environmental Risk is due to the fact that much of the road rehabilitation work is expected to take place in remote and mountainous regions of GBAO; therefore, the risk of landslides resulting in damage to ecosystems is higher than for roads in the more populated parts of the country. Such risks will be mitigated by prudent construction site management and designing of the road sections using appropriate bio engineering techniques, resilient structures against hazards, and quality materials. On the social front, while the project is expected to result in positive impacts due to increasing the number of people with access with improved transportation resulting in enhanced employment and livelihood opportunities, there are , a variety of risks are evident, most of which are identifiable and can be mitigated. Some of these do will have a bearing on the project as it manifests in risks related to security and safety. Apart from this, the project interventions, especially the activities under component 1, require additional lands for the widening of the road and potential economic displacement due to livelihood losses. On securing lands, the
established procedures outlined in the RPF to be followed and RAPs will be prepared for the subprojects that have land acquisition and resettlement issues. In planning and designing interventions as well as during implementation, due consideration to be given to vulnerable and disadvantaged groups/communities and need to be monitored closely to ensure full compliance with Environmental and Social Standards (ESS) in the remote areas being targeted by the project. Preliminary assessments suggest that capacity of the client in reaching out to remote and poorer households and the provision of appropriate technologies is quite inadequate. Considering the above, the social and environmental risks are both rated as substantial.

43. **This is one of the first projects in the country that the Bank’s new Environment and Social Framework (ESF) to be applied.** Except ESS 7 and 9 all other Environmental and Social Standards apply for the project. The borrower has prepared: 1) an Environment and Social Impact Assessment/Environment and Social Management Plan (ESIA/ESMP) for the rehabilitation of Bek Abad–Kurkat, Dehmoi–Gafurov–Kistevarz and Kuchkak–Kanibodom road sections; 2) an Environment and Social Management Framework (ESMF) for the remainder of activities under the project including the two major works planned in GBAO, and the road safety component; 3) a Resettlement Policy Framework (RPF) for the entire project; 4) Labor Management Procedures (LMP) for the entire project; and 5) a Stakeholder Engagement Plan (SEP). Site specific ESIA/ESMPs and Resettlement Action Plans (RAPs) acceptable to the World Bank will be prepared, consulted on, and disclosed for each of the planned works in GBAO prior to the finalization of the bidding documents so that the ESMP can be included. For the road sections in Sughd, the ESIA/ESMP have identified that the project interventions will be all within the existing right-of-way and no land is to be acquired, and thus RAPs have not been prepared. In all relevant ESF instruments, COVID-19 induced requirements to ensure health and safety of workers and communities are incorporated. Environment and social due diligence requirements for the Contingent Emergency Response Component (CERC) will be addressed once the CERC is activated with details of planned activities, and the ESMF will be amended accordingly.

44. **The project does not expect labor influx issues and only limited number of external/foreign labor force will be involved.** The total number of labor force involved under the project will not exceed 200. The LMP outlines the procedures and actions to be carried out in labor recruitment and management. The project will conduct GBV screening and implement SEA/H prevention measures such as sensitization/orientation of the PIU, implementation of the Code of Conduct, training of workers on SEA/H prohibition, awareness sessions with communities and SEA/H sensitive grievance redress mechanism. Some locations covered under the project (Sughd Oblast and GBAO Region) are intrinsically diverse regions and some groups living along the borders are vulnerable due to absence of livelihood and job opportunities, particularly women and youth in remote villages. The Stakeholder Engagement Plan (SEP) is prepared taking into consideration of views of stakeholders and will continue throughout the project in compliance with the SEP prepared. A project specific GRM for external stakeholders and a worker’s GRM will also be established in line with the ESS 10 and ESS 2 requirements, respectively. Advanced drafts of the ES documents prepared by the Borrower (ESIA/ESMP, ESMF, RPF, SEP, LMP and ESCP) will be consulted on virtually and disclosed prior to Appraisal completion due to COVID 19 pandemic crisis.

45. **Citizen Engagement.** Due to the socially vulnerable and conflict prone social context in some of the project locations, several citizen engagement (CE) activities are being carried out and will aim to take into account voices and views of vulnerable groups. First, the proposed project will establish processes for participatory planning and needs assessments through a series of digital (virtual, online) or traditional focus group discussions, blended to adapt to post-COVID circumstances and prevailing regulations. These discussions will ensure to obtain feedback from local communities on road safety needs, challenges to be addressed in rehabilitation works designs. Focus groups will also
provide the opportunity for all citizens to provide feedback on the effectiveness of the consultation process. Second, the project will set up participatory monitoring through Social Impact Monitoring Committees (SIMCs), in localities through which the road improvements/rehabilitation works are conducted. These SIMCs may also function as auditing and monitoring of the quality of the works carried out by contractors and will provide a vehicle for communities to provide feedback on any issue that emerges (e.g. inconvenience, safety for children, etc.). The SIMCs may form at Akimat (local level) comprising local citizens and leaders, technical and professional, local government representatives and members of civil society organizations (CSOs), etc. It will be important to ensure that SIMCs closely monitor the processes of the rehabilitation and construction work and that local citizens themselves are trained and empowered for the monitoring work and are in the position to identify gaps and provide feedback to arrangements. Third, a robust Beneficiary Feedback and Grievance Redress Mechanism will be established for the proposed project. It will not only address safeguards-related issues, but also cover a broader range of aspects related to the proposed project, including gender-based violence. This mechanism will be actively promoted and easily accessible through the project and will ensure that various avenues of contact and information are utilized (including telephone and widely used web apps such as Facebook, WhatsApp, and Viber). Its results are reported on an annual basis.

46. Moreover, MoT will launch a robust communication strategy to increase the awareness about the proposed project. Such communication campaign may include frequent beneficiary surveys (for example through online user report card surveys) as well as communications about the objectives of the project, main activities, status of implementation and next steps through leaflets, posters and localized public consultation meetings. To implement these CE mechanisms, the MoT will appoint a Social Development specialist, who will be responsible for CE activities, gender mainstreaming and gender-based violence (GBV) activities. An indicator is suggested to be included in the Results Framework to measure the effectiveness of the above community engagement processes.

47. Gender. The appraisal for the project was informed by consultations with a number of non-governmental organizations working with female smallholder farmers and entrepreneurs in the Project’s two regions, as well as focus group discussions undertaken during project preparation with women and men smallholder farmers, traders and entrepreneurs of small and medium-sized businesses.

48. From the consultation it has been found that several factors influence women’s labor force participation, entrepreneurship, and cross-border trade in Tajikistan. For example, women entrepreneurs in Tajikistan are reported to be facing disproportionate challenges to start or grow their businesses due to barriers, such as, weak application of property rights, which limits their ability to pledge property as collateral to access finance, limited transport infrastructure and red tape. Women are also more likely to cite tax code as particularly onerous, and in some cases, report harassment by tax authorities. Female entrepreneurs are also disadvantaged by unequal access to business networks, lack of accounting and legal literacy skills and information about markets. In the study conducted by the UNDP in Sughd and Khatlon regions, the women entrepreneurs interviewed named lack of business skills, self-esteem and self-confidence together with market information and knowledge of legislation and taxes as some of the key barriers to start and operate their businesses. The information on the challenges that women are facing with cross

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28 Ibid, ADB 2016
29 Gender-responsive climate investment assessment in Tajikistan, European Bank for Reconstruction and Development (EBRD) 2019
30 Barriers to Female Entrepreneurship in Tajikistan Micronarrative study, UNDP and the Ministry of Foreign Affairs of Finland https://www.undp.org/content/dam/tajikistan/docs/Poverty%20Reduction/Barriers%20to%20Female%20Entrepreneurship%20report_ENG.pdf
border trade is limited in Tajikistan but existing literature\textsuperscript{31} and discussions with key interlocutors\textsuperscript{32} indicate that women traders are constrained by the limited knowledge about taxes and customs regulations, and the related concerns about fines and confiscation of goods. It is of note that 6.4\% of the surveyed firms in Tajikistan headed by females identified customs and trade regulations as a major constraint compared to 2.3\% of those managed by males\textsuperscript{33}. Discussions of the Project team with the Customs Service and the National Association for Women Business Owners of Tajikistan confirmed the lack of knowledge of customs regulations by women traders as one of the significant barriers that women are facing at border crossing. These observations are in line with the global evidence\textsuperscript{34} that shows that since women are more likely to operate outside mainstream business circles and have more limited business networks, accurate trade information on customs requirements does not often reach them. Also, lack of gender-sensitive customer-service in customs offices is a challenge that women traders are likely facing, which tends to be exacerbated by largely male-dominated workforce: just 10 percent (114) of the 1,108 employees in customs offices are female in Tajikistan\textsuperscript{35}.  

49. The Focus Group Discussions held with female and male smallholder farmers and entrepreneurs in Sughd region and GBAO as part of the preparation of this Project confirmed some of the above-mentioned challenges. According to the respondents, poor quality roads and insufficient transport links pose a significant obstacle to accessing markets and various essential services, such as health and education facilities. Among road safety concerns, respondents named lack of street lighting and road accidents. Some participants identified a large number of regulatory bodies, duplication of their functions and costs of registering business as reasons for abandoning trade activities. In terms of challenges within marketplace, the overall market infrastructure was reported somewhat acceptable although some mentioned they often cannot trade under cover because of the lack of free covered spots.  

50. The project aims to narrow the existing large gender gaps in economic opportunities, both in terms of employment and entrepreneurship, by promoting equal access to information and economic opportunities. To that end, the project will implement a range of actions to create a more amenable customer service experience for all traders with a focus on females. Firstly, the project will increase number of female employees in both management and customer-facing roles, by promoting women’s employment in traditionally male-dominated roles and gender sensitize customer service. Secondly, the project will revise the Code of Ethics of the Customs Service and/or related guidance to set minimum requirements for gender-sensitive customer care and provide necessary training for management and staff in customer-facing roles. The staff will be required to use non-discriminatory language towards customers, and provide equal treatment in terms of time, courtesy, privacy and information given to both female and male customers. To make staff accountable to adequate service standards, customers will be given an opportunity to leave anonymous feedback, protocols will be defined to respond to the complaints in a timely manner, and the customer satisfaction will be tracked separately of female and male users. Thirdly, to maximize the potential long-term systemic benefits of above measures, the project will work closely with the Human Resources (HR) team of the Customs Office to enhance their capacity focusing on the design and implementation of key HR policies and processes including but not limited to staff recruitment and career management, which is critical to raise and sustain the number of female employees within customs offices. In parallel, the project will reach out to female traders informing them...
of customs and border requirements and processes using relevant communication channels. Finally, in coordination with key stakeholders, a regional conference will be organized to bring together women business associations of neighboring countries and explore the challenges they face during cross-border trade. The findings of the conference will inform these envisaged interventions. Lastly, the project will closely coordinate its gender interventions with the International Trade Centre (ITC) which under the gender component of its Ready4Trade project will be undertaking a range of activities such as guiding policy decisions with sex-disaggregated data in the area of trade, raising awareness of border officials on gender-specific challenges faced by women traders, and encouraging women to engage in trade through confidence building activities and advocacy. Close coordination will enhance synergies and avoid fragmentation of efforts.

E. Implementation

Institutional and Implementation Arrangements

51. The participating countries of the CARs program have agreed to use the existing regional coordination mechanism of CAREC in order to ensure the achievement of the PrDO. Regional coordination would be exercised at (i) policy level; and (ii) the operational level. At the policy level, the Transport Sector Coordinating Committee (TSCC) within CAREC would be the platform to discuss policy-related issues, such as the harmonization of standards, norms, and parameters on vehicle (truck) weight and axle load limits and the application of tariffs. At the project’s operational level, interactions between respective implementing agencies of the projects would be expected and supported through financing provided by the Bank on project management and implementation. These interactions would include regular meetings between the implementing agencies to report on progress of physical investments.

52. The Ministry of Finance represents the Government of Tajikistan as the signatory of legal agreements; the Project will have two Implementing Agencies, the Ministry of Transport and one in the Customs Service. The IAs will implement project activities under their respective components (Components 1 and 2 by MoT and Component 3 by CS) through their respective project implementation groups (PIGs). The PIG under MoT (MoT-PIG) is in place and currently implementing the ongoing CARs-2 Project and has accumulated experience with implementing IDA-financed projects, although there has been some staff turnover. Under the Customs Service, there is an existing Project Implementation Unit, implementing an ADB-financed project, which is due to close in December 2020; this PIU will be built into a PIG under CS (CS-PIG). In order to ensure close coordination among MoF, MoT, CS, and their PIGs, signing of a Cooperation Agreement will be made an Effectiveness Condition for the IDA Grant. This agreement will specify the roles and responsibilities of each agency and specific mechanisms for coordination. A steering/coordinating committee at the level of the office of the Prime Minister, or Executive Office of the President, is expected to provide overall direction and oversee the activities of the involved agencies and their coordination. The National Traffic Police (Ministry of Internal Affairs) will be involved in project implementation through coordination with MoF, MoT and project implementation groups, but will not have fiduciary responsibilities.

53. As a general requirement under the Bank-financed project a Project Operational Manual is being prepared and will be finalized before effectiveness. This document summarizes key aspects of the project and determines the responsibilities as well as the tools to be applied during the project implementation and will be followed by both MoT-PIG and CS-PIG for their respective components. The POM is intended to ensure consistency, transparency, and accountability in the application of the project management procedures and will apply during the entire project
implementation period. As described above, the POM will include a CERC annex that specifies the implementation arrangements for the component.

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