I. Introduction and Context

Country Context

Tajikistan has enjoyed relative political stability and has had steady economic growth since 1997, with real GDP growth of 7.4% in 2011. Much of the growth in 2011 was driven by external factors including increased remittances, a good cotton harvest in response to high world cotton prices and increased export earnings from aluminum in response to high world aluminum prices. However, the continued effects of the global financial and economic crisis, the current economic downturn in euro-zone countries and weak economic recovery in the USA, as well as high dependence on imported fuel and cereal, leaves the country in a vulnerable position. Despite an improved fiscal position in 2011, the government’s capacity to respond to adverse events remains limited. Some structural reforms have been undertaken in the agriculture, energy, transport and private and financial sectors, but these reforms need to be accelerated. Tajikistan still faces seasonal energy shortages and periodic food insecurity. Although over a million Tajik citizens have escaped poverty and social conditions have improved, reduced remittances, low agricultural productivity and
rudimentary safety nets have left the 45% living below the poverty line vulnerable to shocks and stresses. Poor governance continues to be a key constraint. In spite of improvements in the ease of doing business, the country’s ranking remains low at 147 out of 183 (World Bank, 2012). World Governance Indicators rank Tajikistan in the bottom 15% of countries on voice, accountability, rule of law and control of corruption (2010). Tajikistan is also rated as the most vulnerable to climate change impacts of the 28 countries in Europe and Central Asia (ECA); a function of its high exposure and sensitivity to climate change impacts coupled with very low adaptive capacity.

Sectoral and Institutional Context
Tajikistan has an area of some 141,000 km² (14,100,000 ha) of which about 90% is considered upland and mountainous. More than two thirds of the population is rural and dependent on 4.6 million ha of agricultural land, the majority of which is rain-fed pasture. Only about 850,000 ha are arable land, of which some 500,000 ha are irrigated and under rotation between cotton and cereal crops. Wheat, potatoes and horticulture with few significant irrigation systems and extensive pasture areas characterize upland agro-ecosystems. Irrigated cotton in rotation dominates lowland systems. The agricultural sector accounts for around 24% of GDP (average for 2000-2010, World Bank, 2011), but 64% of employment, and is generally characterized by low productivity. Environmental degradation and unsustainable use of natural resources are important constraints, and the country’s predominately mountainous terrain makes it particularly vulnerable to natural disasters. Monocropping and improper land use practices, such as wasteful irrigation methods and inadequate drainage, are associated with soil degradation and stagnating yields, especially in lowland areas. Pasture degradation, due in part to overgrazing and poor stocking practices, is an important threat. In upland areas, the conversion of steep slopes to cereal production has contributed to land degradation. Chronic energy shortages have also resulted in increased burning of organic matter and vegetation that would otherwise be available as fertilizer or ground/tree cover. Other land uses affected by degradation include rain-fed cropping and forests (CDE, 2011). Climate variability and change are likely to pose additional and significant risks, particularly for those pursuing subsistence agriculture or pastoralism, and only reinforce the need to follow sound land management principles. Climate projections suggest Tajikistan will experience higher temperatures, reduced rainfall and higher evapotranspiration with an increased frequency of extreme events. These changes will lead to impacts, such as fluctuations in the hydrological cycle - especially from glacial retreat and flash floods – with downstream consequences for agro-ecosystems and water resources.

The proposed project is aligned with strategies and policies of the Government of Tajikistan. The National Development Strategy (2015) and Poverty Reduction Strategy III (2012) both emphasize the need to promote economic growth, especially in rural areas, and recognize the importance of addressing environmental issues, including land management, for the country’s development and poverty reduction goals. The government is also working to expand agricultural capacity through measures to improve land tenure security and independent farm management through its Freedom to Farm policy. The National Environmental Action Plan also states that a primary challenge for the country is land degradation, including deterioration of pasturelands, arable and irrigated lands and forests. Tajikistan is one of 12 countries and regions globally implementing Pilot Programs for Climate Resilience (PPCR). This project is a component of Tajikistan’s PPCR and will coordinate closely with other PPCR components working in river-basin management, hydrometeorology and capacity building.

Relationship to CAS
The project is included in the 2010-2013 Country Partner Strategy (CPS) Progress Report for
Tajikistan, which extends the CPS to end-FY14 to align the CPS with the government’s medium-term planning process. The proposed project will contribute to the FY13-14 CPS Program’s emphasis on achieving inclusive, sustainable growth, and in particular, supports the country-level priority of increasing agricultural productivity and food security, as well as the greater priority placed on gender. The project builds on the experience and lessons learned from the Community Agriculture and Watershed Management Project (CAWMP, 2005-2012), and has benefitted from a sector study on farmer perceptions of land reform and sustainable agriculture, which included consideration of relevant Bank-financed projects. As such, the project meets the CPS principle of scaling up previous operations, by developing links from rural productivity investments to market development. The project also seeks to address gender and social inclusion issues through its use of participatory processes, and the monitoring and evaluation of project results.

II. Proposed Global Environmental Objective(s)

Proposed Global Environmental Objective(s) (From PCN)

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

Key Results (From PCN)

Outcome Indicators:

Progress towards achieving the PDO will be measured against the following end of project expected outcomes:

• at least 30,000 households in the total project area will be participating in at least one type of rural investment;
• a minimum of 50% of the population by household in target villages reporting at least X% increase in well-being or household/livelihood assets;
• at least 30,000 ha in the project area covered by effective agricultural, land, and water management practices; and
• at least 40% of project beneficiaries are women.

III. Preliminary Description

Concept Description

The proposed project would comprise three components implemented over five years: (1) Rural Production and Land Resource Management Investments; (2) Knowledge Management; and (3) Project Management. The design incorporates lessons based on experiences under previous and ongoing Bank projects in the sector, but also successful approaches supported by other donors in the field.

Component 1. Rural Production and Land Resource Management Investments. The purpose of this component is to provide funding at the community level that would allow rural people to adopt innovative and appropriate practices that reduce land degradation and increase resilience to climate change.

Sub-Component 1.1. Village-based sustainable rural production and land resource management in selected climate vulnerable sites. At the village-level, the project would finance rural productivity investments in three categories: (i) farm production (activities that improve field and horticultural crop productivity and diversity, livestock production efficiency, agro-processing and market
access); (ii) land resource management (activities that improve water conservation; soil fertility; pasture management, sustainable sloping lands cultivation, including orchards, woodlots, shelter-belts); and (iii) small-scale rural production infrastructure (activities that improve irrigation/drainage systems, minor transport infrastructure, renewable energy, energy efficiency measures). These activities would be selected based on their potential to reduce land degradation, improve livelihoods and increase resilience to the impacts of climate change.

Sub-Component 1.2. Community Sustainable Pasture Management. This sub-component would finance the development of sustainable participatory pasture and livestock management plans in selected jamoats. The participatory plan would define: (i) measures to improve pasture productivity, such as rotational grazing, protecting areas for regeneration, pasture rehabilitation, improving access to remote pastures, and needs for supplementary fodder production; (ii) grazing utilization levels; (iii) animal health requirements such as vaccinations; (iv) investment needs; and (v) and implementation targets and indicators. Investments could include: (i) infrastructure to access and use remote pastures, such as spot road improvements, stock watering points, shelters, and milk cooling equipment; (ii) machinery to produce and harvest fodder; (iii) rehabilitation measures for degraded areas such as fencing, weed and shrub control, and re-seeding; (iv) inputs for supplementary fodder production such as seeds; (v) animal health measures; and (vi) breed improvement through artificial insemination.

Sub-Component 1.3. On-Farm Water Management. This sub-component aims to introduce sustainable on-farm water management practices in irrigated cropland, particularly in lowland districts. The sub-component would support farmers to introduce, test and demonstrate practices that could contribute to improving on-farm water management and efficiency, maintain soil quality and reduce land degradation, and increase resilience to climate change. Investments could include: (i) provision of equipment for drip irrigation and land-leveling; (ii) cleaning drains to alleviate waterlogging and for salinity control; (iii) provision of seedlings for planting shelter belts, protecting canals and as an intercrop; (iv) materials for conservation agriculture; and (v) seeds of improved drought, pest, disease, and salt-tolerant varieties.

Component 2: Knowledge Management. This component will provide facilitation services and technical support for rural populations to plan, implement and manage rural investments. The component would comprise the following activities:

Sub-Component 2.1. Facilitation support and technical advice for mobilization, participatory planning, and implementation of development plans at the village and/or jamoat level.

Sub-Component 2.2. A comprehensive training, dissemination and networking program would be instituted to improve skills and knowledge in key topics such as environmental assessment, monitoring and control, and information management; integrated land, water and grazing management including pasture management approaches; sustainable land management and curtailing land degradation; integrated pest management (IPM); pollution control; and climate change adaptation.

Sub-Component 2.3. Analysis, research and impact evaluation will include analyses of topics such as soil quality and extent of land degradation, grazing management and livestock production, market development and access to markets, potential incentive policies for environmental measures, sustainable land management practices and changes in productivity and environmental conditions.
resulting from technological change to provide guidance for the design of rural investments and supporting sustainability of the project’s impacts.

Component 3: Project Management. This component will finance the operating costs of a Project Management Unit (PMU), which will undertake project management functions for both Components 1 and 2. The PMU will provide project management support in the following areas: procurement, financial management, project coordination, reporting, and monitoring and evaluation.

IV. Safeguard Policies that might apply

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V. Tentative financing

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VI. Contact point

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