

Republic of Tajikistan

Livestock and Pasture Development Project

Supervision report

Main report and appendices

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Contents

Abbreviations and acronyms	iii
A. Introduction	1
B. Overall assessment of LPDP implementation	1
C. Outputs and outcomes	2
D. LPDP implementation progress	10
E. Fiduciary aspects	14
F. Sustainability	17
G. Impact	18
H. Climate Change Impact	18
I. Conclusion	19

Appendices

Appendix 1:	Summary of project status and ratings	21
Appendix 2:	Updated logical framework	23
Appendix 3:	Summary of key actions to be taken within agreed timeframes	29
Appendix 4:	Physical progress measured against AWP&B, including RIMS indicators	31
Appendix 5:	Financial: Actual financial performance by financier; by component and disbursements by category	35
Appendix 6:	Compliance with legal covenants: Status of implementation	37
Appendix 7:	Knowledge management: Learning and Innovation	39
Appendix 8:	Audit Log	40
Appendix 9:	Supervision Mission Schedule and Persons met	41
Appendix 10:	Summary of Implementation Support Provided by IFAD	43

Abbreviations and acronyms

Village Organization

Women's Income Generation Group

A. Introduction¹

1. An IFAD mission visited Tajikistan from 17 to 30 March and from 15 to 30 April to undertake a supervision of and provide support to the Livestock and Pasture Development Project (IFAD Grant No. G-I-DFS-8083-TJ). This was a first supervision mission in addition to a start-up and an implementation support missions carried out in 2013, and it was conducted jointly with supervision of the Khatlon Livelihoods Support Project (KLSP, IFAD Grant No. DSF-8026-TJ). The main focus of the mission was to review the status of LPDP, identify key issues and constraints, and propose further steps.
2. The mission had meetings and discussions with Mr. S. Karimov, Director of the Project Management Unit (PMU) and his staff, Mr. S. Isroilov, Deputy Minister of Agriculture (MOA, the lead implementing agency) and his staff, Mr. Q. Kosim, Chairman of the State Committee on Investments and State Property Management (SCISPM) and Mr. S. Sohibov, Deputy-Minister of Finance (MOF). The mission visited four jamoats (sub-districts) of the project area in Muminobod and Shurobod rayons and held discussions with the local administrations, district staff of LPDP, regional staff of MSDSP, CARITAS and German Agro Action (GAA), and eight community organisations (project beneficiaries). Altogether, the mission spent eight days in the field. In addition, discussions were held with the representatives of donor organisations currently acting in Tajikistan, including the WB, the FAO Office in Tajikistan, the Aga Khan Foundation and GIZ as well as with the central offices of MSDSP, CARITAS, GAA and OXFAM.
3. This Aide-mémoire reflects the mission's main findings and recommendations, and records the agreements reached with concerned authorities as discussed at wrap-up meetings on 25 April 2014 with the Deputy Minister of Finance and the Deputy Minister of Agriculture. This document is subject to confirmation by IFAD.
4. The mission expresses its sincere appreciation for the cooperation and hospitality extended by Government Authorities, and in particular to the PMU.

B. Overall assessment of LPDP implementation

5. The Livestock and Pasture Development Project is the second IFAD project in Tajikistan. LPDP became effective on 5 August 2011, and constitutes an investment of USD 15.8 million, of which the IFAD grant amounts to ca. USD 14.6 million (SDR 9,300,000) or 92% of total project cost; a contribution by the Government of about USD 407 000 (3% of total costs); and beneficiaries' contribution equivalent to approximately USD 775 000 or 5% of total project costs. There is a financing gap of about USD 3.4 million compared to the appraisal value, which is expected to be filled by IFAD from the country allocation for the 2013-15-allocation cycle. The project, scheduled for completion in September 2017, has been officially operational for almost 33 months or 44% of its 74-month implementation period. However, the de facto operation was initiated in March 2013 with disbursement of the first instalment of USD 600 000. As of 31 March 2014, IFAD grant disbursement amounts to SDR 1 037 210 (ca USD 1 640 000), constituting an 11% disbursement of the IFAD grant. The overall financial performance of the project is rated as **moderately satisfactory**.
6. The development goal of the project is to contribute to the reduction of poverty in Khatlon Oblast. The development objective of the project is to increase the nutritional status and incomes of 22 400 poor households by enhancing livestock productivity in a sustainable manner. In collaboration with the Government of Tajikistan seven districts have been identified for the project in the Khatlon region. These are (in alphabetic order) Baljuvon, Farkhor, Khovaling, Muminobod, Shurobad, Temurmaliq and Vose. The outcomes expected from LPDP include the following: (i) enhanced livestock productivity and production; (ii) enhanced productive capacity of pastures; and (iii) increase

¹ Mission composition: Mr. Frits Jepsen, IFAD Country Programme Manager (CPM), Ms. Anara Jumabayeva, Senior Economist, Team Leader; Ms. Asyl Undeland, Community Development and Institutions Specialist; Ms. Michelle Lockwood, Financial Management Specialist; and Mr. Rod Kennard, Livestock Specialist. The mission was accompanied by Ms. Zainab Kenjaeva, IFAD Country Presence Officer in Tajikistan.

in women's ability to process and market livestock products. The project has three principal inter-related components as well as the required support for project management and implementation as follows: (i) Institutional Development; (ii) Livestock and Pasture Development; (iii) Income Generation for Women; and (iv) Project Management. The Institutional Development component has two sub-components: (i) Development of Community Organisations; and (ii) Institutional Strengthening. The Livestock and Pasture Development component also has two sub-components: (i) Strengthening Private Sector Services; and (ii) Improved Pasture Management. The Income Generation for Women has no sub-component but a number of activities. The provision for Project Management is presented as two sub-components: (i) Project Management Unit; and (ii) Monitoring and Evaluation.

7. Since the project became effective, it has managed to undertake all preparatory activities, such as development of the Project Implementation Manual (PIM) and its approval by both the Project Steering Committee (PSC) and IFAD; establishment of the PMU and the sub-office in Kulob and recruitment of the related staff and consultants; conduct of an official start-up workshop and regional seminars; elaboration of training modules and project promotion booklets; mobilization of 17 Pasture User Unions (PUUs); development of a template Community Livestock and Pasture Development Plan (CLPDP); and commencement of demonstrations for improved fodder production on about 60 ha.

8. Project start-up was slow and lagged behind schedule, mainly due to a long recruitment process of the PMU Director. However, all preparatory activities have been completed, the project was largely in line with the 2013 Annual Workplan and Budget (AWPB), i.e. 84% of the planned target, and is now on a satisfactory track. It is expected that in 2014 the project will be able to catch up with the planned schedule. The percentage of actual disbursements against the 2014 AWPB first quarter is 76%. In view of the above the project's overall performance is rated as **satisfactory**.

9. For the effective implementation of the project, the following key actions need to be undertaken (as detailed further throughout the Aide-memoire):

Agreed action	Responsibility	Agreed date
Contract signing with CARITAS and German Agro Action (GAA) as Community Facilitators (CF) for Muminobad and Temurmalik rayons respectively	PMU	Mid May 2014
Testing and finalisation of first two Community Livestock and Pasture Development Plans (CLPDP)	PMU Kulob	Mid May 2014
Submission of revised PIM (based on gained experience) to IFAD and PSC for approval	PMU	Mid May 2014
Submission of Baseline survey report and complete establishing the project M&E system including MIS	PMU	End June 2014
Submission of Audit report	PMU	End June 2014
Preparation and submission to IFAD of first twenty CLPDPs	PMU Kulob/CF	End June 2014
Preparation and submission to IFAD of first twenty grant sub-projects	PMU Kulob/CF	End July 2014
Launch tendering and implementation of first twenty grant sub-projects	PMU/CF	End August 2014

C. Outputs and outcomes

Component 1: Institutional Development (satisfactory, 5)

10. Under the Institutional Development component there are two sub-components: (i) Development of Community Organisations; and (ii) Institutional Strengthening with an allocated amount of USD 1.76 million.

11. Under the first sub-component it is foreseen by the project design that a minimum 100 Pasture User Unions (PUUs) would be formed, mobilized and strengthened. It is expected that the participating PUUs would be committed to: (i) undertake overall pasture management responsibility by specifying individual and collective responsibility within the group; (ii) set and collect pasture user fees which should be sufficient to cover tax liabilities and associated costs for pasture operation and maintenance; and (iii) provide cash contributions for pasture rehabilitation works and livestock development activities (grant sub-projects). The PUUs, as focal points for the project, will be used for the introduction of the project and participatory identification of the target beneficiaries according to the established criteria for each project component. This will ensure the selection of households, which meet the criteria specified for each type of activity. Smallholder households interested in participating in livestock development activities will be organised into Common Interest Groups (CIGs) for the project interventions. Women's CIGs will be used for the identification and implementation of income generating activities for women. The project requires documented assurance from the hukumat and jamoat administrations on: (i) transfer of legal rights for pasture use to the participating PUUs for at least 10 years; and (ii) permitting the PUUs to collect user fees and pay any tax liabilities from within that accrued amount.

12. Project support under the Institutional Strengthening sub-component focuses on project orientation activities and activities for strengthening public services such as (i) pasture management policy strengthening; (ii) training and international study tours to build pasture management capacity; and (iii) support to locust management, including developing a long-term, regional locust control strategy and supply of equipment and materials as part of locust control measures.

13. The following key activities have been carried out:

- A start-up national forum and a regional workshop on the commencement of project implementation were held in February and June 2013 respectively;
- Key specialists of the PMU and representatives of the MOA visited neighbouring Kyrgyz Republic in July 2013 to learn about the experience of the pasture management reforms in the country and the activities supported by IFAD, WB, and other donors. The study tour was facilitated by the Kyrgyzstan National Association of Pasture Users' Unions. The group met with various experts and members of the PUUs and Pasture Committees. This helped the PMU experts to gain first-hand exposure to the lessons learned under similar initiatives in Kyrgyzstan and to reflect them in the implementation of LPDP;
- District workshops on project orientation were held in Muminobad and Shurobad rayons in August 2013 and in February 2014 respectively;
- Statistical data have been collected and analyzed for all villages of the project districts (demographical data disaggregated by gender, livestock population, pasture and fodder area, poverty, social data, etc.). Based on this analysis and the selection criteria established in the PIM, 317 villages are now eligible to participate in the project;
- The PMU has started piloting community development in six villages of Muminobad district. The piloting involved information dissemination to the key stakeholders on LPDP principles, objectives and tasks; community assessment with data collection for community pasture profiles; mobilization and formation of PUUs; and election of PUUs' Boards. The piloting of community development activities has provided valuable experience for the PMU specialists in defining detailed methodology and approaches to social mobilization, and preparation of community assessment and pasture management plans. Based on the lessons learned from this piloting stage, the PMU team has developed recommendations for the Community Facilitator (CF) on: (i) approaches to data collection for community assessment and pasture land allocation; (ii) information dissemination; (iii) community development and social mobilization; (iv) formation and functioning of PUUs and PUU's Boards; and (v) legalization of land use rights/transfer;

- Based on the above a Community Mobilization Manual and a format "Village profile" have been developed;
- Based on the contract signed on December 27, 2013, starting from beginning of January 2014 the Mountain Societies Development Support Program (MSDSP) of the Aga Khan Foundation (AKF) has started project activities as a Community Facilitator (CF) in Shurobad district. Several bilateral orientation meetings such as on selection of target villages, community mobilization strategy and methodology, data collection at the village level and organization of PUUs and CIGs have been conducted jointly with the PMU;
- MSDSP has facilitated the establishment of 11 PUUs in 11 villages of Shurobad district. Currently MSDSP activities are directed on institutional development of target community groups via provision of workshops and trainings as well as continuation of establishment of PUUs in other villages of Shurobad district;
- With the active participation of target jamoats' representatives the following information about each village was collected and analyzed (based on the village profile format): the village economic status, social and demographic status, the climate, available natural resources, agricultural resources, livestock related data, income generation status of communities and village infrastructure. As a result, the villages profiles have been formed which would be used during the project implementation;
- A "PUU Charter" has been developed jointly with MSDSP specialists. A format Memorandum of Understanding between the PMU and the district hukumat and jamoat administration has been prepared. Memoranda have been signed with the head of hukumats of Shurobad and Muminobod districts and all target jamoats in these districts. A draft quadrilateral Grant Agreement between the PMU, CF, jamoat administration and PUU has been developed. Also, in order to support PUUs on pastureland use procedures within the framework of the legislation of the Republic of Tajikistan, the PMU has developed the "Guidelines for Pasture Land Rent and Legal Use".

14. This component is slightly behind schedule. So far, about USD 55,000 have been disbursed out of the total allocated USD 1.76 million or 3%, however achieving 84% of the 2013 AWPB target. The component's implementation performance is assessed as **satisfactory**.

15. Most interventions on the ground under the first sub-component are to be facilitated by the CF. The project design envisages engagement of one CF to undertake all community development activities in all project districts, beginning with the development of all necessary methodologies and approaches in one district and later expanding to the other districts in Project Year 2 (PY2). As mentioned previously, the MSDSP has been selected to perform this role. In January 2014 the MSDSP started its community development activities in Shurobad district. The PMU Kulob based team has been working with and advising the MSDSP team from the launch of the social mobilization program. The mission observed social mobilization carried out in four different communities of Shurobad district and advised on improvements in discussions with the MSDSP and PMU management.

16. The mission notes that while work has commenced, tasks remain that need to be quickly carried out to ensure effective, scaled-up mobilization. In particular, an international community development expert needs to be in place as soon as possible to produce and oversee implementation of training plans (see below) and develop guidelines for preparing a CLPDP. This issue is compounded by the ambitious expectations of the MSDSP stipulated in the contract, i.e. 60 communities to be mobilized and trained in 2014. The rush to carry out work in a large number of communities combined with the lack of substantive technical support for mobilization around pasture management affects the quality of this effort. The mission provided technical advice to the PMU and MSDSP in formulating community development methodology. This methodology will be implemented in villages of Cohort 1 of Shurobad district, and additional community mobilization will be undertaken in those villages where PUUs have been already formed. The MSDSP has submitted its strategies on

community mobilization, capacity building, M&E, project action plan and budget and reporting forms, which after feedback from the PMU would need to be revised and finalized by end of April 2014. It is expected that upon recruitment the CD expert will review and provide recommendations on these methodologies.

17. Owing to the slower than expected start of project implementation, the PMU decided to modify its general approach to community development arrangements and launched a second round of tendering for CFs to work in two other districts of Khalon region (Muminobod and Temurmalik). Two other organisations from the short list of qualified organizations identified at the project design stage – the CARITAS and GAA, have been pre-selected to submit their proposals. Specific Terms of Reference for these assignments were elaborated by the PMU and approved by IFAD during the mission. It is expected that CF contracting would be finalized and project activities started in Cohort 1 of Muminobod and Temurmalik districts before mid-May 2014.

18. Under the second sub-component the project intends to support development of policy and legislation on pasture management in Tajikistan. It was agreed that the project jointly with the MOA will design and launch an awareness raising campaign to inform the rural population and key stakeholders of the target areas on new pasture management legislation. These activities must begin as soon as possible in order to create a favourable environment for project implementation in the target areas. Information materials need to be developed and disseminated directly or through the CFs. It is evident from the project's pilots that information dissemination needs to be started before social mobilization commences. It was agreed that the PMU will develop and publish its initial information materials by mid May 2014.

19. The previous mission agreed that the PMU would provide recommendations for the CF based on the lessons learned from the piloting stage on approaches to data collection for community assessment and pasture land allocation; information dissemination; community development and social mobilization; formation and functioning of the PUUs and PUU's Boards (PUUB). Although these recommendations have been developed, they were not documented for sharing with all partner organizations. The mission emphasizes the importance of properly formulating these recommendations to contribute to the development of a more robust legislative and policy framework for pasture management. The recommendations are also critical to successfully scaling up of the project interventions. Furthermore, piloting and development of various approaches have led to generation of suggestions from the PMU on various mechanisms and arrangements on project implementation. It was agreed that a complete set recommendations and suggestions would be finalized by the PMU and submitted to IFAD for review and approval by mid May 2014.

20. As mentioned before, the PMU and MSDSP have facilitated formation of PUUs with PUUBs in 17 villages of Shurobad and Muminobod districts. This experience has shown that there is a lack of understanding and even knowledge of new pasture legislation and its implementation in practice, not only in the population but also among representatives of the state and local government bodies. The PMU met representatives of Parliament, the MOA and other state agencies related to pasture management to seek clarification on legal issues. It is evident that there is variance in interpretation of legal provisions by different stakeholders. The PMU is intending to hire a pasture policy consultant by end May 2014, who will analyze legal, policy, and institutional issues on pasture management based on consultations with the stakeholders. This analysis and recommended steps to resolve issues should be submitted to IFAD by end July 2014. These issues will need to be discussed with the GoT, NGOs, projects and donors engaged in pasture management improvement initiatives at a roundtable discussion to be organized by the PMU in about October 2014.

21. LPDP aims to strengthen the capacity of various institutions at community, local and central government levels, as well as of implementing partners. Capacity at the community level will be strengthened through social a mobilization process, as well as through targeted trainings (obligatory) and training activities based on each community's needs. In order for the CFs to plan their interventions and synergize them with other project activities, it is necessary to develop an overall community training strategy and specific training plan for 2014. It is expected that a training strategy

will be developed by the international CD Consultant (to be hired by end April 2014) under the guidance of the international and local technical specialists by end of May 2014. However, for the CFs to design their technical and financial proposals, the PMU has provided the specific communities' training plan developed by the technical experts. This plan can later be updated.

22. The mission had detailed discussions with the PMU and jointly agreed on the following actions:

Agreed action	Responsibility	Agreed date
Preparation of village targeting approach and list of target villages by cohorts based on priority for livestock and pasture development and poverty criteria (village ranking within each district)	PMU	End April 2014
Launch work by the international CD consultant	PMU	End April 2014
Contract signing with CARITAS and German Agro Action (GAA) as Community Facilitators (CF) for Muminobod and Temurmalik rayons respectively	PMU	Mid May 2014
Preparation of information materials on the project and pasture management legal framework, commencement of information dissemination campaign	PMU	Mid May 2014
After-pilot recommendations and suggestions on project's approaches and modalities to be finalized and submitted to IFAD for review and approval.	PMU	Mid May 2014
Improvement of the Community Mobilization Manual, if required	PMU/CD Consultant	End May 2014
Development of a Training Strategy	PMU/CD Consultant	End May 2014
Recruitment of a national Pasture Policy (PP) consultant	PMU	End May 2014
Prepare analysis of policy, institutional, and legislation issues in pasture management based on consultations with the stakeholders	PMU/PP Consultant	End July 2014
Conduct a roundtable on policy and legislation issues with the GoT, NGOs, projects and donors engaged in pasture management improvement initiatives to elaborate joint roadmap	PMU/PP Consultant	Mid October 2014

Component 2. Livestock and Pasture Development (moderately satisfactory, 4)

23. The component includes two sub-components: (i) Strengthening Private Sector Services; and (ii) Improved Pasture Management with an allocated amount of USD 13.9 million. The first sub-component will support four activities: (a) fodder promotion and production; (b) improved sheep breeding; (c) strengthening private veterinary services; and (d) strengthening private entrepreneurs, while the second sub-component consists of two main elements: (a) Development of Community Livestock and Pasture Development Plans (CLPDPs); and (b) CLPDP Investments (pasture/livestock improvement grant sub-projects).

24. Activities so far comprised: i) recruitment of a technical team consisting of a national coordinator/economist; a national mapping and GIS consultant, a national pasture management consultant, a national veterinary consultant, an international farming system adviser and an international livestock adviser. The PMU has not been able to recruit an international pasture management adviser as no qualified pasture specialist is available until June 2014. In fact, technical team recruitment has been a long and frustrating process, with the team of the current composition in place only in January 2014; ii) conducting awareness consultations with private veterinarians in Muminobod, Shurobad and Temurmalik districts; iii) development of a training needs assessment, preparation of a training plan and budget for the Strengthening Private Sector Services sub-component and elaboration of a Livestock Extension Training module and Seasonal Calendar of

vaccines and remedies; iv) establishment of 9 CIGs in Muminobod and Shuroobod districts with a total number of 242 households to participate in the fodder development activities. All the members of these CIGs have received packages of inputs, which include lucerne, sainfoin and barley seeds as well as ammonium nitrate and super-phosphate fertilizers. The participants have planted the received seeds on 60.5 ha of arable land where mainly wheat was planted in the past. In addition, all 242 beneficiary households have undergone training in planting and cultivation of the distributed seeds in order to ensure a proper utilization of the received packages of inputs; v) to ensure access to the legal pastureland use rights the information on land balance in Muminobod district including the total area, land category, number of land users, total area of farmland, pastures and other lands as of November 1, 2013 has been collected and analysed. Maps of Balkhobi and Boghgai jamoats of Muminobod district have been prepared by the national mapping and GIS consultant. Procurement of a first batch of GPS and mapping equipment completed; vi) 6 PUUs of Muminobod pilot villages have signed land lease contracts with the primary land right use owner (Pedigree State Farm "Tebalay") which ensure legal land use for the PUUs for 10 years; and vii) a template CLPDP has been developed and the PMU team has continued preparation of CLPDPs in the 6 pilot villages of Muminobod district.

25. This component is also slightly behind schedule mainly due to the delay in preparation of a template CLPDP. So far, about USD 123,000 have been disbursed out of the total allocated USD 13.9 million or 1%. As major investments of the project fall under this component there is an impression of a very low disbursement percentage. However, many preparatory activities (without financial implications) have been completed, thus the Component's implementation performance is assessed as **moderately satisfactory**.

26. Fodder/pasture development demonstrations. The inability of the PMU to recruit an international pasture management adviser has not materially affected progress thus far, but with the adviser under recruitment now, obtaining his advice as to the pasture species and sowing rates suitable for the expected range of locations and topographies is a priority. This and the number of PUUs (and the CLPDPs which follow) projected for 2014/15, should indicate the amount and type of pasture seed and other inputs required for demonstrations. With the timing of planting already known, this information should be used to ensure that procurement is undertaken in time.

27. Improved sheep breeding. The PMU has prepared the specifications for Gissar rams. Without the development of any Sheep Breeding Interest Groups (SBIG), there is no requirement for rams to be supplied yet. The PMU has raised a legitimate concern however, over the prescribed ratio of improved rams to the sheep they are joined with. As currently structured, sheep breeding is based on 40 groups of 60-70 households each with 10-12 sheep, or about 700 sheep per group. It is not clear from the PIM whether this number includes sheep of either sex and all ages, or only the number of breeding ewes. If the latter, the mission agrees with the technical team that the number of households per breeding group should be reduced to about seven while keeping the breeding ewes per group to about 12 head. This would result in a smaller combined flock of 80-100 ewes and a more sensible ram:ewe ratio of something less than 2%.

28. This means that fewer households would be reached by improved sheep breeding than planned by the project design. It will be necessary as groups develop to increase the number of rams supplied, from the 80 originally intended to about 560 heads if the same number of households are to be reached. Further, the requirement for rams is driven by the number of SBIGs as they are developed. Therefore, rather than attempting to procure rams in one go, their procurement should be through a single supply contract in which parcels of rams are provided as and when the SBIGs need them. The PMU needs to estimate how fast this program will develop and decide, based on the prepared specifications, how many rams are needed overall.

29. Strengthening private veterinary services. The project design provides for the support of 56 veterinary clinics. The PMU engineer's estimates put the cost of constructing a single clinic much higher than has been budgeted. As a result, it is likely the USD 301 700 allocation for clinics will

finance fewer than half the number² planned. It has not been possible to estimate the actual number of clinics needed, partly because some have already been established under other programs and projects, and of which a number are no longer in operation. This confuses the picture, but it also suggests that fewer clinics are needed than were envisaged originally. The demand for veterinary services will be determined primarily by the livestock numbers in the PUUs, and with the time-consuming mobilisation of communities the number of these will also not be known for some time.

30. Veterinary support will be directly linked to (and based on) the veterinary service requirements of livestock raisers managing their animals according to the CLPDPs. This in turn should be driven by the animal health calendar the PMU technical team has prepared. The demand for veterinary services by each PUU – vaccinations in particular - will determine the number of clinics needed and that demand, together with the animal health calendar, would set the procurement plan for vaccines in particular. But the health calendar in combination with the development of CLPDPs will also set the calendar for community technical training, which in turn will inform a community's decision as to whether they support the development of a veterinary clinic. Ideally this sequencing should provide the basis for an evolving training and procurement program, but until the CLPDPs are developed and their requirements known, the PMU has no alternative for the moment but to conduct both training activities and procurement on an ad hoc basis.

31. The PMU can establish new clinics only to the number the budget can support. There may be fewer clinics needed than originally proposed, but the financing of more clinics if more are still needed is an issue the PMU will have to address at that time. In the short-term it should establish as many clinics as it can, as and when they are needed.

32. The PMU should begin by assessing the level of services and income veterinary practices need, and match this with the demand for services. It could do so in the pilot communities initially, in locations where a PUU is large enough for a single clinic, or in areas where communities are smaller, a clinic might be supported if the combined demand of several PUUs is large enough to justify one.

33. Two other factors will determine how the program is managed: (a) in some locations, veterinarians will not need clinic buildings³, and (b) livestock raisers in more remote locations are unable to obtain veterinary services because personnel are unable to reach them. These factors suggest the usefulness of financing veterinary clinics more flexibly. The Veterinary Services Grant prescribes support for several items - clinic buildings, veterinary equipment and a supply of medications and pharmaceuticals - but not vehicles. The grant allocation could be made more flexible by attaching it to the CLPDP Grant allocation of a PUU as a sequestered lump sum. This would be restricted to expenditures which support veterinary service delivery only (veterinarians), and which are used to finance a veterinarian's actual needs rather than just the list of prescribed items. While the fund could still allow a veterinarian to purchase the prescribed items, it would also permit the purchase of a small vehicle or motorbike, subject to the approval of the PUUB and PMU.

34. Strengthening private entrepreneurs activities are to be initiated next year. However, the PMU is encouraged to start the preparation of TOR, identification and possible recruitment of business TA already this year as there could be a need for such an advice during preparation of CLPDPs.

35. Development of CLPDPs. The PMU's experience in the pilot areas have shown that pastures are utilized in an ad hoc manner and highly degraded, especially in near village areas. The project needs to elaborate and induct new approaches to pasture use with consideration of their carrying capacity and possible improvements. It is anticipated that a CLPDP would form the base for such interventions. However, the template CLPDP is still not fully developed or tested. Without this tool there can be no CLPDPs nor can any of the activities relating to a CLPDP be implemented in any of the targeted communities. **This is a critical constraint.** A fully detailed draft template was completed and submitted to the Project Director for approval in early March 2014. It was considered too complex and was not approved. It must be said that the draft template itself is most comprehensive and well-

² A construction cost of Somoni 63 000 (USD 12 600) against an average budget of USD 5 400 for each of the 56 clinics.

³ Caritas livestock personnel advised the mission of empty clinic buildings and veterinary personnel operating without them.

constructed. If it was to be completed in full in its present form for each village, it would provide all of the information any PUUB would need to implement its CLPDP. However, it is considered too complicated for PUUB personnel (essentially rural villagers) to complete or easily understand, and the CLPDPs in any event, require much less data than the completed template in its present form would capture⁴.

36. Accordingly, the mission suggested that the PMU (a) divides the template into separate sections, the first of which should deal with the essential livestock:pasture balance requirement of the CLPDP and pasture use - the first module to be introduced to the PUUB; (b) followed at appropriate intervals by the other sections dealing with different parts of the plan – i.e. administration, financial management, investments, animal health care elements and M&E; (c) simplifies the template by removing all unnecessary data input fields; (d) ensures the template CLPDP when simplified, is tested on the PUUB in communities in the two pilot villages as soon as possible; and (e) revises and retests them as necessary before a more general training of CF staff and eventual roll-out by the CF. The mission appreciates the complexity of this task and performed a brainstorming session on preparation of a sample CLPDP in the PMU Kulob office together with the MSDSP staff. The template CLPDP is now ready for testing and further refinement. It has been agreed that after the testing, a final template CLPDP will be submitted to IFAD for approval. This would be followed by a TOT for the CFs and further preparation of CLPDPs by CFs in their respective districts. The TOT should be performed on the basis of learning-by-doing approach by the technical teAM attending during the preparation of the first 2-3 CLPDPs by CFs in their targeted villages. The PMU may attract qualified TOT trainers for this purpose. The PMU is reminded of the necessity of ensuring that CF personnel fully understands the purpose of the CLPDP and the function and outputs of the template in relation to the CLPDP itself. This is critical. The TOT personnel who are to train the trainers of the CF must be qualified to do so to ensure the quality of the pasture development program. The PMU should also provide for a follow-up assessment of the PUUBs (and the CF trainers) and revise the training program if that proves necessary.

Agreed action	Responsibility	Agreed date
Recruitment of international Pasture Management Adviser	PMU	As soon as possible, expected in June 2014
Test and refine two CLPDPs in pilot villages	PMU Kulob	Mid May 2014
Submission of the template CLPDP to IFAD for approval	PMU	End May 2014
Preparation and submission to IFAD of first twenty CLPDPs	PMU Kulob/CF	End June 2014
Preparation and submission to IFAD of first twenty grant sub-projects	PMU Kulob/CF	End July 2014
Launch tendering and implementation of first twenty grant sub-projects	PMU/CF	End August 2014
Detailed elaboration of the improved sheep breeding program, including a workplan and budget	PMU Kulob	End July 2014
Detailed preparation of strengthening veterinary services program, including a 2014/15 workplan and budget	PMU Kulob	End July 2014
Preparation of TORs and identification of business TA for the strengthening private entrepreneurs program	PMU Kulob	End August 2014

⁴ In this respect the mission reminds the PMU that only a handful of the 400 World Bank-established pasture management plans in Kyrgyzstan were completed.

Component 3. Income Generation for Women (IGA)

37. The main objective of this component is to help enhance the nutritional status and increase the incomes of women from poor households, especially women-headed households in the project districts. Despite the fact that livestock is a key factor in the livelihoods of the small farming households in the project districts, there are many households who are too poor to own any livestock. Thus the project will provide different packages to women who have the capacity and willingness to manage the livestock but who own little or no livestock. The component includes four activities: (a) poultry packages; (b) bee-keeping packages; (c) small ruminant packages; and (d) livestock processing and marketing activities; with a total allocation of USD 1.25 million. In the light of early project implementation experience consideration would be given to broadening the initiative to new, young families who also have little or no livestock and are consequently highly vulnerable.

38. As per project design, the activities under this component have been initiated in 2014 with the recruitment of an international income generating consultant and a national gender specialist. The PMU is now in the process of developing implementation approach and mechanisms to ensure the sustainability and effectiveness of a program targeting the poor and vulnerable groups in project communities (including data collection, selection of villages and beneficiaries, establishment of WIGGs, community mobilization for IGA as well as women training needs and a feasibility assessment for grant packages including economic and technical aspects).

The overall component performance is rated as **moderately satisfactory**.

39. Small-scale poultry investment. Supporting introduction of small-scale improved poultry to community households may not be the best use of resources. Experience in Afghanistan⁵ where many thousands of households were given poultry packages of between fifteen and thirty birds is informative. That experience showed that an extremely high level of screening of communities and households is needed for them to have any chance of success, and that quality of training, household preparation, quality of supplied inputs and birds were the determinants of success or failure. This in large part was a function of the professionalism of the CFs specifically charged with setting up poultry groups. The PMU should consider in light of this, whether it can ensure the level of preparation and supervision necessary for successful poultry production, and consider the advisability of providing the much more forgiving (of poor feed and husbandry environments) bee and small ruminant packages instead.

Agreed action	Responsibility	Agreed date
Development of implementation approach and mechanisms for the component, including component's workplan and budget	PMU/IG consultant	End May 2014
Commencing investment activities under the component	PMU Kulob	End July 2014

D. LPDP implementation progress

40. **Project Management Performance (satisfactory, 5).** All of the envisaged elements of project management are in place. The PMU national and regional offices have been established, with technical staff concentrated in the regional office in Kulob, and administrative functions, such as a financial management and procurement, undertaken in Dushanbe. Office premises in Dushanbe are fully refurbished while office premises in Kulob have been secured and are to be renovated by the end of April 2014. The PMU Director takes responsibilities including but not limited to project management, financial management, accounting, etc. The planning, budgeting and reporting process follows the established system of implementing IFAD projects in the country, including the preparation of Annual Work Plan and Budgets (AWPBs). **Coherence between AWPB and implementation is rated as moderately satisfactory, 4.** The capacity of the PMU Director, Procurement Officer and Chief Accountant has been enhanced through the intensive training course on project management in the

⁵ The World Bank Horticulture and Livestock Project (HLP) – ongoing as the National Horticulture and Livestock Project (NHLP).

ILO International Training Centre in Turin, Italy, as well as through participation in the “Management of IFAD-funded projects” workshop organized by IFAD in November 2013 in Amman, Jordan.

41. In accordance with conditions of the Financing Agreement, a **Project Steering Committee (PSC)** has been established for the overall management, supervision, support and consultation on the AWPBs. The Deputy Minister of Agriculture (who is in charge of livestock and pasture issues) has been elected as chairman of the PSC. The PSC includes representatives of the Ministry of Finance, the State Committee on Investments and State Property Management, the Tajik Agricultural Sciences Academy, the State Committee for Women and Family Affairs. The PMU assured the mission that the representatives of communities and the private sector of agribusiness preferably working in the livestock field would be involved in the work of the PSC at a later phase.

42. The process of PMU and technical team staffing is still underway, with delays in recruitment of some international and national consultants. Three international consultants, including the Farm System Management, Livestock Specialist and Income Generation Specialist were hired and have commenced work. Recruitment of the international Community Development Specialist, Pasture Management Specialist, and international and national Pasture Policy consultants is still ongoing. The delay has significantly slowed the project implementation. The mission was informed that within two months all specialists are expected to be recruited and working.

43. The location of central and regional project offices in different towns of Dushanbe and Kulob poses initial challenges for coordination of activities, effective management processes and decision making, and timely information sharing. The mission discussed with the PMU management the necessity of streamlining management procedures, including reviewing and potentially revising the functions of key personnel as well as improving planning and reporting procedures. The overall project management performance is rated as **satisfactory**.

44. **Monitoring and Evaluation (satisfactory, 5).** IFAD provided its technical support to the PMU in developing and initiation of the M&E framework for the project. The PMU has started reporting based on RIMS. The M&E Specialist who attended training on M&E in Italy left the PMU recently, but was replaced by a capable and motivated person in March 2014. The M&E framework is based on the regular monitoring and evaluation of project activities and results against indicators specified in the project design document/PIM which are captured in the baseline survey, and on continuing recording and documenting of information and data at community level. The PMU has contracted a local private company Agro Service Khovaling to undertake a baseline survey for the project. The major objective of this exercise is to obtain quantitative and qualitative data on poverty and nutrition in the target areas in order to measure project results and impact. The baseline survey report is expected to be submitted to the PMU by mid May 2014.

45. The PMU has also contracted a local company ZNANIE for developing the project's Management and Information System (MIS). It is expected that the MIS will be launched by mid June 2014.

46. Ground level monitoring will be implemented by the CFs and the PMU. There is a need to develop a synergized approach to measure a set of unified indicators by all CFs through updating Community Data Sheets (CDS) and conducting regular participatory monitoring. It was agreed that the PMU with support from the international Community Development expert would elaborate further the CDS and discuss it with all CFs for its introduction in all target areas before June 2014.

Agreed action	Responsibility	Agreed date
Community Data Sheet format elaborated and agreed with all CFs	PMU	End May 2014
Submission of baseline survey report and complete establishing the project M&E system including MIS	PMU	End June 2014

47. **Gender Focus (satisfactory, 5).** Project implementation has just started and it is too early to assess its gender mainstreaming. However, gender considerations are profoundly reflected in targeting and inclusion strategies, in TOR for all assignments, including for the CFs, in the M&E

framework with requirement to have data disaggregated by gender, which would make it easy to assess women's general inclusion and quality of their participation in project activities. All community activities require women engagement through quotas, which would ensure minimal level of their participation in consultations, decision-making, implementation of grant sub-projects and reflecting processes.

48. Component 3 is aimed at women headed households and women belonging to poor households, including in young families. It is expected that the project would provide them support with assets, materials and through developing their skills for livestock based income generation. The PMU has recruited international and local TA for income generation activities (IGA) to develop a WIGG strategy on identification and selection of female beneficiaries, and delivery of project support to them.

49. The PMU is preparing TOR for a gender assessment to identify obstacles and constraints in livestock development from women's perspectives. It will focus on three dimensions of women's empowerment, such as their access and control over income and assets, wellbeing, and decision-making capacity and avenues. The results of that study would provide guidance on better targeting of women and tailoring project activities to their specific needs. It will also assess the safeguards for women inclusion as well as M&E tools for assessment of such inclusion established by all implementing partners.

50. It was agreed with the PMU that the TOR for the study will be prepared and the task contracted out by end June 2014.

51. **Poverty focus (satisfactory, 5).** The primary target groups and beneficiaries of LPDP are smallholder livestock farmers, who mostly live on less than USD 2 per capita per day. The project focuses on these groups by mobilizing them into PUUs to empower them to have better, fair, and secure access to pastures, to strengthen their skills in livestock and pasture use for improved livelihood, and to undertake joint grant sub-projects to rehabilitate pastures and improve livestock productivity. CFs are required to engage poor households in project activities through conducting Community Wealth Ranking and mobilizing poor groups for income generation support.

52. **Effectiveness of targeting approach (satisfactory, 5).** LPDP has a clear targeting approach based on poverty level of the population and potential for development of livestock. The project targets Khatlon region, which is one of the poorest regions in the country, with about 78 percent of the population living on USD 2 per capita per day. It was agreed with the PMU that targeting of *jamoats* will be based on nine criteria, starting from poverty indicators showing that livestock in the area is mostly with the smallholder farmers and it plays significant role in their livelihood, willingness of the local population to form and develop PUUs, commitment of district and *jamoat* administrations to recognize and support PUUs through delegating them management authority over pastures, and transfer of pasture land rights to PUUs.

53. Project activities have started in Muminobad and Shorubad districts and a social mobilization will be launched soon in Temurmalik district. The other three project districts are to be phased-in in 2015. The mission recommends excluding Vose district from the project due to its poor potential for livestock development, as well as to ensure an efficient use of project funds. Based on the above-mentioned criteria, the PMU has selected 29 target *jamoats* in six project districts. The PMU specialists collected detailed statistical data for 139 villages of Muminobad districts to ensure accurate and efficient methodology for elaboration of village pasture and livestock profiles.

54. The general population of these six districts is about 280 000 people in 34 000 households. LPDP targets 22 400 households, i.e. about 70 percent of the total population of these districts. The PMU proposed and IFAD agreed that the project will target villages that have more than 20 households to ensure efficiency of interventions. However, the mission recommends that if there are villages with a population below this threshold but nonetheless significantly involved in livestock and pasture improvement, modalities for their participation in the project should be further discussed and developed.

55. The mission recommends that the PMU prioritize selected villages to ensure that areas with the highest potential for livestock and pasture management development are engaged as early as possible. The mission discussed selection criteria that the PMU could use for prioritizing villages: i) number of livestock; ii) available pasture area; iii) estimated livestock pressure on pasture (if reliable data available); iv) size of population, and v) poverty level. The mission discussed with the PMU and MSDSP the possibility of using criteria on community cohesion and activeness, but it was agreed that this is not practical due to the lack of valid relevant information for all project communities. The mission proposed a Village Targeting Methodology to group all target villages into cohorts according to the above mentioned priority criteria. These cohorts are to be phased into the project activities gradually to ensure smooth implementation. It was agreed that the final list of target villages by cohorts in priority order is to be submitted by the PMU to IFAD for approval by end April 2014.

56. The mission also discussed with the PMU and MSDSP the approach to target beneficiaries for various interventions. It is important to ensure that PUUs include all livestock holders and pasture users in the community, with its dynamic, capable and trustful members to be selected for the PUU Boards. It was agreed that PMU and CFs need to make an additional effort to facilitate understanding of PUU and PUUB roles, functions and responsibilities by the community so it can select appropriate people to represent their interests.

57. International and local TA on IGA is in the process of developing a targeting strategy for WIGG activities. This strategy will be developed based on the results of the feasibility and needs assessment studies. It will also reflect findings of the gender assessment.

58. **Knowledge management.** The project has several innovative aspects, such as facilitation of development of private services in the livestock sector, especially private veterinary services through provision of trainings and materials to private vets. The mission discussed with the PMU and technical team an approach to provide effective and demand driven support to private vets and arrangements to ensure that they are based on cost recovery and sustainability principles, and provide services to the PUUs. This approach is being developed based on consultation with livestock holders, private vets and representatives of the Association of Private Veterinarians.

59. The project is aimed at supporting development of a policy and regulatory framework for pasture management with engagement of local communities. There have been several initiatives in Tajikistan to promote pasture management reforms to ensure sustainable use of resources, improvement in livestock productivity and fair access to resources. LPDP is innovative in that it takes many of these lessons learned by various development partners, and develops new approaches to advance these efforts on a larger scale. This innovative nature of the project poses many challenges, including lack of a legal framework for PUU establishment and operation, poor understanding of the pasture management reform on the ground, and resistance to it from various vested interests. To address these obstacles, the project in partnership with the CFs develops a sound information dissemination and awareness campaign, develops and tests on the ground mechanisms for community based pasture management, which would be formulated into policy and legal acts. This innovative nature of the project slows down its implementation, but brings long-term sectoral changes. It is important to collect feedback on the process, reflect on it and properly document these lessons learned, and thus the mission agreed with the PMU on a need to recruit a local pasture policy consultant.

60. The PMU has conducted a number of round tables and workshops on the national and regional level, which were used to raise issues and share visions on pasture management and livestock development approaches.

61. CFs are local and international organizations with a rich prior experience in pasture management and livestock development in Tajikistan. Their engagement in the project and flexibility in implementation allows testing and sharing of different approaches.

62. **Partnerships.** LPDP is aimed at developing strong partnership with local CBOs, NGOs, private sector agents, as well as donor agencies. The mission met with Government officials, donor

representatives, and local NGOs and participated in several community level activities in Kulob region. It noted the significant number of interventions supported by various donors in the area of livestock and pasture development in the same districts and the need for better coordination. The mission discussed coordination issues with different GIZ funded projects and the WB team. It was agreed that the PMU would continue close coordination of its project activities with other projects in the sector. The PMU participates in a network of practitioners in area of pasture management led by the GIZ, shares lessons learned with development partners, and contributes its knowledge and experience for efficient scale up.

63. The PMU has conducted scoping of experiences in pasture management in Tajikistan and mapped different interventions and organizations active in that area for establishing a dialogue and cooperation.

Agreed action	Responsibility	Agreed date
Submission of final list of eligible villages to IFAD for approval (by prioritized cohorts)	PMU	End April 2014
Establish coordination with the GIZ funded GREAT Project to avoid overlap and duplication	PMU	Mid May 2014
Discuss coordination with the WB funded Project	PMU	Mid May 2014
Conduct of gender assessment	PMU/M&E Specialist	End June 2014

E. Fiduciary aspects

64. **Financial management.** The Financial Management (FM)-unit of the PMU is responsible for budgeting, accounting, maintaining internal controls, preparation of withdrawal applications, execution of payments, financial reporting and ensuring compliance with external audit requirements. During its review, the mission identified some minor areas where FM-practices could be further improved and the risk mitigated. Overall, the project financial management is **satisfactory**.

65. **Staffing.** The FM-unit reports to the PMU Director and until 1 April 2014 was composed of an experienced Chief Accountant and an Assistant. The latter has recently transferred to be the accountant of the KLSP. Given that the main activities of the project will commence in 2014, the mission recommends that additional staff be hired for the FM-unit as soon as possible.

Furthermore, the Chief Accountant has now full access to undertake all actions in the system i.e. there is no segregation of duties from a system point of view. Although necessary at the moment, given the limited accounting staff, the mission recommends that once an accounting assistant is hired, the access of the Chief Accountant be limited to approval only i.e. the ability to initiate transactions and update supplier masterfile information should be removed.

66. **AWPB.** The AWPB is prepared by the end of the year and submitted to the Project Steering Committee for approval and subsequently to IFAD for its no objection. IFAD provided its non-objection to the 2014 AWPB in January. In 2013 the project spent USD 582 301 of project funds against the planned USD 689 938 yielding an execution rate of 84%. In 2014 the project plans to spend USD 2.0 million of the IFAD grant against which the project has incurred expenditures up to USD 0.14 million during the first quarter. The AWPB is prepared using the Planner software provided by IFAD. There are certain inconsistencies in some of the tables deriving from the software used and the PMU is following up with IFAD to understand the discrepancies. For 2014 the AWPB includes both financial and physical targets as well as financing from all sources and attribution of activities to each financing partner.

67. **Accounting.** The PMU uses IPSAS-cash as basis for accounting. The project transactions are recoded in the accounting software 1-S. This has been modified so that all the financial reporting requirements of the project are automatically generated by the system, including the Designated Account reconciliation and withdrawal applications.

68. **Flow of funds.** Currently the project operates two accounts in a commercial bank (Tajprombank Zao): (i) the IFAD designated account (USD), and (ii) the IFAD project account (TJS). There are plans to open a third account for the funds from beneficiaries once these start to be collected. The mission undertook a reconciliation (as at 31 of March 2014) of the accounts.

69. For IFAD, the balance of the DA is USD 1 427 446.55. The balances in the accounts of the project are USD 909 982.75 in the Designated Account and USD 7.38 in the TJS account. Expenditures of USD 227 446.55 have been claimed in WA 2, and USD 290 010 of expenditures are yet to be claimed.

70. Payments are managed so that they do not occur at month end. Hence the balance in the accounting records of the bank accounts agrees to the bank statements. With the foreseen increase in activities and the opening of a third bank account, the mission recommends that a formal monthly bank reconciliation process be implemented for all bank accounts for the project. The reconciliation should be approved by the Project Director.

71. **Counterpart funds (satisfactory, 5).** Contributions from the government are provided by way of VAT exemption. In accordance with the Tajikistan tax law, projects managing grant funds are not subject to duties and taxes. Hence invoices from suppliers, which would normally include VAT are issued to the project without VAT. The project submits a report on a monthly basis to the tax authorities of the VAT exemptions, which are being claimed. The contributions are recorded by way of a journal debiting expenditure (under government contributions) and crediting income. The VAT reports are submitted on a timely basis, in fact at 31 March 2014, VAT had been reclaimed on one invoice, however payment (and hence expenditure) had not been effected. The majority of the VAT exemption has been on the renovation of the PMU offices. Funds from beneficiaries will be forthcoming once the project commences implementation.

72. **Disbursement rate.** The disbursement rate is rated as **unsatisfactory**. To date 4 WAs have been processed under the IFAD grant for a total amount of USD 1.6 million (SDR 1.04 million), yielding a disbursement rate of 11%. The 5th WA (USD 290 010) for reimbursement will be processed shortly. The Project Director was appointed in September 2012 and the first advance from IFAD was received in March 2013, following the approval of the APWB. The first year has been spent in setting up the Project Management Unit, training for staff and in elaborating the AWPB in more detail.

73. **Internal controls.** Despite the limited number of FM staff, the mission notes that up until 1 April 2014 there was a sufficient level of segregation of duties and authorization with regards to transactions. The PMU maintains a Financial Management Manual, which is kept substantially up to date. The assistant accountant prepares payment orders together with all the relevant supporting documentation. The Chief Accountant checks and then provides to the PMU Director for signature. At the end of each period, the Chief Accountant reviews all transactions for the month, ensuring validity and accuracy. Any corrections required are made at this point and then the accounting records are closed off. Once a period is closed it cannot be reopened.

74. **Budget Monitoring.** The FM-unit undertakes budget monitoring at the stage of payment. Although the 1-C software is capable of tracking commitments, it has not been configured to do so, and reliance is placed upon the no-objection of IFAD to purchases. In order to assist in budget monitoring, the mission recommends that the commitment monitoring functionality be implemented.

75. **Fixed Asset Register.** The FM-unit records all assets in the 1-C software. This information is used by the Administrator to create a fixed asset listing with serial number, location, custodian, historical cost etc. All assets are tagged and a commission is created yearly to physically verify the assets before year end. The last physical count was November 2013. Given the fact that the vehicles have been purchased recently, no vehicle maintenance log has been created. The mission recommends that one be set up.

76. **Information back-up and filing.** The accounting data is password protected and backed up on weekly basis into an external flash drive and on the Chief Accountant's computer. All supporting documentation is filed in the PMU. No archiving has taken place due to reduced activities.

77. **Financial reporting.** The PMU prepares its financial statements in accordance with IPSAS cash. In accordance with best practice, the PMU prepares and submits to IFAD Interim Financial Reports (IFRs) semi-annually and annual financial statements as well as a reconciliation of the Designated Account.

78. **Use of SOE and adequacy of supporting documentation.** The mission examined on sample basis expenditures claimed under SOE and noted the following: i) all POs are duly authorized and entered into the accounting system, ii) the supporting documentation is adequately filed, iii) the supporting documentation for training, technical assistance etc. contained all the required supporting documentation regarding the quality of the delivered service (list of participants, completion report, third party evaluation/assessment etc.).

79. **Procurement (satisfactory, 5).** The PMU prepares an annual procurement plan (PP), which is submitted to IFAD for its no objection. The PP contains information on the procurement method, unit costs, prior/post review, bidding signing and delivery date. The PP for 2014 amounts to USD 1.3 million. The project maintains a complete procurement register. There is a formal procurement manual in place, which has been prepared with the support from an IFAD-recruited consultant. From the beginning of the project implementation till March 31, 2014 in total 22 contracts with a total sum of USD 1 101 900 have been concluded, including 6 contracts on procurement of goods amounting to USD 302 800, 1 contract on procurement of works with a total sum of USD 22 600 and 15 contracts on provision of services amounting to USD 776 500. A spot check on the procurement files for various procurement methods (goods, works and services) revealed no specific weaknesses.

80. **Compliance with loan covenants.** The compliance with the loan covenants is **satisfactory**. The details with regards to the status of implementation and compliance with Project Financing Agreement covenants can be found in Appendix 6.

81. **Project Implementation Manual.** The project has gained substantial experience over the first year of implementation, which requires some principal modifications to be introduced into the PIM. It has been agreed that the PMU would submit a revised PIM to IFAD for no objection by mid May 2014.

82. **Internal audit (moderately satisfactory, 4).** The PMU has no internal audit function in place. However, the project is subject to internal review by the State Agency on Anti-Corruption on an annual basis, and by the Accounting Chamber and Revision Commission of the MOF on an ad hoc basis. To date no review has taken place. The last ROSC report on Tajikistan in 2007 indicated weaknesses in the external and internal audit profession in Tajikistan. Furthermore, the 2012 World Bank PEFA report indicated:

‘the Law on the Supreme Audit Institution was adopted in 2011 indicating progress, however no appointments have been made yet’

83. Thus, the mission recommends that the project set up its own internal audit.

84. **External Audit arrangements.** The terms of reference for the External Auditor have been approved by IFAD, and the PMU based on the CQ selection is now in the process of negotiating a proposal with the pre-selected external auditor, Grand Thornton, which is included in the World Bank list of approved auditors. However, the mission noted that many audit companies had been contacted, including local ones. The mission recommended that only those audit companies on the World Bank list should be considered in the tender. Furthermore, the Audit Guidelines of IFAD provide that the appointment of the External Auditor be completed before the end of the reporting period, which is to be audited and that the shortlist for appointment should be cleared by IFAD. The mission recommends that the PMU give priority to the hiring of the external auditor.

Agreed action	Responsibility	Agreed date
Recruit accounting assistant	Chief Accountant	As soon as possible
Formalise bank reconciliation process	Chief Accountant and PMU Director	As soon as possible
Prioritise the hiring of an External Auditor in accordance with IFAD guidelines	PMU Director	As soon as possible
Audit report including management letter to be submitted to IFAD.	Project Director and Chief Accountant	Continuous/As soon as possible but not later than 30 of June 2014
Interim financial reports including procurement reports to be submitted to IFAD semi-annually and unaudited project financial statements to be submitted to IFAD annually within four months after the end of the fiscal year	Chief Accountant	15 th of August 2014/30 of April 2014
The Chief Accountant undertakes training on commitments and budget monitoring in his own language	Chief Accountant	As soon as possible, following hiring of accounting assistant
Accounting software to be reconfigured to include commitments	Chief Accountant	As soon as possible
Submit AWPB in accordance with grant terms i.e.no later than 60 days before the start of the reporting period	PMU Director	31 October 2014
Resolve inconsistencies in Planner software	Chief Accountant	As soon as possible
Access of Chief Accountant to accounting software to be limited to approval to maintain segregation of duties	Chief Accountant	As soon as possible, following hiring of accounting assistant
Vehicle Maintenance log to be instituted	Administrator	31 May 2014
Insurance contract to be updated as assets are acquired	Chief Accountant	Continuous
Internal audit function to be created	PMU Director	As soon as possible
Within the APWB, financial and physical outputs associated with the community facilitator to be aligned	PMU/M&E specialist	As soon as possible
Submission of revised PIM (based on gained experience) to IFAD and PSC for approval	PMU	Mid May 2014

F. Sustainability

85. LPDP has very ambitious task to facilitate establishment and strengthening of the pasture users' organizations at the village level. Government of Tajikistan adopted a new Pasture Law in March 2013, which stipulates basic principles of engagement of users into management of pasture resources. However, the legal framework is still weak and need further elaboration. The legal provision on formation and registration of PUUs is vague, but there is a strong opinion of the Agrarian Committee of the Parliament that PUUs cannot be formed based on existing Village Organizations and should be separate legal entities registered as CBOs. The mission agreed with the PMU that a pasture policy and legal consultant would be hired to review the advantages and disadvantages this approach and provide recommendations to the project on that matter by end of June 2014.

86. Sustainability of these community level institutions charged with the management of pasture resources would depend on actual legal rights of these institutions to access and manage these resources, including the right to collect and manage pasture use fees and to monitor and enforce implementation of CLPDPs. If Government of Tajikistan pursues its commitment to advancing pasture reforms with further decentralization of management to resource users, the PUUs would have better chances of becoming sustainable organizations. The mission agreed that the project needs to focus more on establishment of a favourable policy and legal environment for these institutions to thrive.

87. The project makes efforts to establish sustainable arrangements for delivery of services to PUUs by the private sector, especially by veterinarians. In order to ensure sustainability of these arrangements, the project aims to strengthen the capacity and resource base of private vets and link them to PUU to foster a mutually beneficial cooperation. Similar arrangements are expected to be

developed in provision of extension services, fodder seeds supply, and processing of livestock products.

88. The project has a strong focus on capacity building of stakeholders in the livestock sector at all levels, starting from poor and vulnerable households, private sector service delivery organizations, to the policy makers at the national level. All project activities are accompanied by awareness raising and training programs to ensure ownership of the processes and sustainability of the interventions. The mission agreed with the PMU on a need to recruit an assistant coordinator, who in addition to his/her administrative duties would ensure the effectiveness of the capacity building program, the synergy of training plans between all implementing partners, and tailoring the training to respond to demands and needs of the beneficiaries. The PMU agreed to submit TOR for the local assistant coordinator and complete hiring by mid May 2014.

Agreed action	Responsibility	Agreed date
Legal status of PUU is reviewed and recommendations on formation and registration developed and submitted to the IFAD	PMU	End June 2014
TOR for local assistant coordinator developed and recruitment finalized	PMU	Mid May 2014

G. Impact

89. It is still early to assess the ability of the project to achieve its objectives. However, the expectation that LPDP can benefit 22,400 poor households may be overly ambitious considering the complexity of the project. The change of target districts requested by the Government from Western Khatlon to Eastern Khatlon areas is reasonable in terms of concentration of the project in the districts with livestock development potential. Nevertheless, it poses the risk that in order to reach the full number of target households the project would need to cover more than 300 villages, since settlements in that part of Khatlon are less densely populated than in the Western part of the region. Originally, it was expected that the project would work with 100 villages. A substantial increase in the number of target villages might increase resources necessary for community mobilization activities, as well as stretch finances available for community grants. In order to address this risk, the mission suggested phasing the eligible villages into project activities according to their priority ranking (see Targeting).

90. In order to achieve policy impact and create a favourable environment for community based pasture management, the PMU would need to strengthen its activities in that area, as discussed earlier.

H. Climate Change Impact

91. The Second National Communication (SNC) of the Republic of Tajikistan to the UNFCCC (2008) acknowledges that the country will be increasingly and strongly affected by climate change. According to the SNC, land and water resources, agriculture, forest resources and human health will continue to be the most vulnerable areas. In order to mitigate the adverse effects of future climate change, the SNC has proposed the following adaptation measures specifically for agriculture: selection and introduction of plant varieties that are highly productive; continuation and broadening of interventions against soil salinity, erosion and drought; wide application of water-saving technologies; and improvement and up-scaling of an agricultural products storage system (warehouses, cold storage, etc.).

92. The project is likely to have a significant positive impact on pasturelands, grassland productivity, livestock productivity and the overall policy and institutional arrangements for natural resource management in Tajikistan. In order to ensure that there is no negative impact from the livestock development activities of the project, environment monitoring indicators will be made a key part of the reporting system and will be monitored on a regular basis. The positive impact on the environment will also be monitored and reported upon in the progress reports as well as in any third party assessments that are commissioned.

93. All activities will result in improvements to the environment and more sustainable use of available natural resources further supported by wide ranging training and sensitization activities targeting all beneficiaries in the project area. Therefore, the project will be supporting the measures proposed by the SNC, thus enhancing climate change adaptation capacity by project beneficiaries. The climate and environmental focus of the project is rated as **moderately satisfactory**.

I. Conclusion

94. The project, scheduled for completion in September 2017, has been officially operational for almost 33 months or 44% of its 74-month implementation period. However, the de facto operation was initiated only in March 2013 with disbursement of the initial instalment to the designated account. The delay was caused by a long recruitment process of the Project Director, as well as uncertainty about the future of the KLSP, suspended in February 2012. The project's overall performance is rated as satisfactory. Although the disbursement rate is considered low at 11%, the project has completed all the preparatory activities that are without major financial implications, and now has a solid basis for moving into the investment phase with substantial disbursement.

95. In order to maintain momentum and catch up with the planned implementation schedule it is now critical that the project management closely follow the plan of action agreed in the Aide-memoire. The key actions that need to be urgently undertaken are: 1) contract signing with CARITAS and German Agro Action as community facilitators for Muminobad and Temurmalik rayons respectively; 2) testing and finalisation of the first two community livestock and pasture development plans, followed by preparation of the first 20 plans and first 20 community sub-projects; 3) submission to IFAD and the Project Steering Committee of the Project Implementation Manual revised to reflect experience gained; 4) submission of the baseline survey report and completion of the project M&E system, including the Management Information System; and 5) preparation and submission of audited financial statement for 2013.

96. IFAD and the Government of Tajikistan endorse the findings of the supervision mission.

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Tajikistan			Project ID	1575	Loan/DSF Grant No.	8083
Project	Livestock and Pasture Development Project					Top-up Loan/DSF Grant	
Date of Update	02-Jul-2014						
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	2	No. of Implementation Support/Follow-up missions	3				
Last Supervision	30-Mar-2014	Last Implementation Support/Follow-up mission	30-Apr-2014				

USD million Disb. rate %

Approval	11-May-2011			Total financing	15.78	
Agreement	21-Jul-2011	Effectiveness lag	2.9	IFAD Total	14.60	
Entry into force	05-Aug-2011	PAR value	Not at risk	IFAD loan		
First disbursement	11-Mar-2013			DSF grant	14.60	11
MTR		Last amendment		IFAD grant		
Original completion	30-Sep-2017	Last audit	30 June 2014	Domestic Total	1.18	
Current completion	30-Sep-2017			Beneficiaries	0.78	0
Original closing	31-Mar-2018			Government (National)	0.41	0
Current closing	31-Mar-2018			External Cofinancing Total		
No. of extensions	0					

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	5	1. Quality of project management	5	5
2. Acceptable disbursement rate	2	2	2. Performance of M&E	4	5
3. Counterpart funds	4	5	3. Coherence between AWPB & implementation	4	4
4. Compliance with financing covenants	4	5	4. Gender focus	4	5
5. Compliance with procurement	5	5	5. Poverty focus	4	5
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	4	5
			7. Innovation and learning	4	5
			8. Climate and environment focus		4

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Institutional Development	4	5	1. Institution building (organizations, etc.)	4	5
2. Livestock and Pasture Development	4	4	2. Empowerment	4	5
3. Income Generation for Women	4	4	3. Quality of beneficiary participation	4	5
			4. Responsiveness of service providers	4	5
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	4	5

B.5 Justification of ratings

The project's overall performance is rated as satisfactory. Although the disbursement rate is considered low at 11%, the project has completed all the preparatory activities, which don't imply high costs, and has gain a critical mass to move to the investment phase with a more tangible activities in terms of disbursement capacity. The project, scheduled for completion in September 2017, has been officially operational for almost 33 months or 44% of its 74-month implementation period. However, the de facto operation was initiated in March 2013 with disbursement of the first advance tranche. The delay was caused by a long recruitment process of the Project Director. In 2013 the project spent USD 582,301 of project funds against the planned USD 689,938 yielding an execution rate of 84%.

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	4	4
C.2 Food security	4	4
C.3 Quality of natural asset improvement and climate resilience		4
C.4 Overall implementation progress (Sections B1 and B2)	4	5

Rationale for implementation progress rating

The project's overall performance is rated as satisfactory. Although the disbursement rate is considered low at 11%, the project has completed all the preparatory activities, which don't imply high costs, and has gained a critical mass to move to the investment phase with more tangible activities in terms of disbursement capacity. The project, scheduled for completion in September 2017, has been officially operational for almost 33 months or 44% of its 74-month implementation period. However, the de facto operation was initiated in March 2013 with disbursement of the first advance tranche. The delay was caused by a long recruitment process of the Project Director. In 2013 the project spent USD 582,301 of project funds against the planned USD 689,938 yielding an execution rate of 84%.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	5
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Rationale for development objectives rating

The project is progressing satisfactory towards achieving its development objectives.

C.6 **Risks** Short description of major risks for each section and their impact on achievement of development objectives and sustainability

Fiduciary aspects	No major risks
Project implementation progress	No major risks
Outputs and outcomes	No major risks. Though a template CLPDP was prepared with a delay, however with 3 CFs in place, preparation of CLPDPs could be undertaken simultaneously in 3 project districts, thus speeding up project implementation
Sustainability	No major risks. Sustainability of community level institutions charged with the management of pasture resources would depend on actual legal rights of these institutions to access and manage these resources, including right to collect and manage pasture use fees, to monitor and enforce implementation of Community Livestock and Pasture Development Plans. If Government of Tajikistan continues to show its commitment to advance pasture reforms with further decentralization of management to resource users, these PUUs would have stronger chances to become sustainable organizations. The mission agreed that the project needs to focus more on establishment of favourable policy and legal environment for these institutions to thrive.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
	Submission of Baseline survey report and complete establishing the project M&E system including MIS	End June 2014	
	Submission of Audit report	End June 2014	
	Preparation and submission to IFAD of first twenty CLPDPs	End June 2014	

Additional observations

Appendix 2: Updated logical framework

Narrative Summary post workshop 27 Jan 2014	Surv.	Objectively Verifiable Indicators	RIMS core	Baseline values	Target values	Monitoring Mechanism and Information Sources	Assumptions /Risks
A. PROJECT GOAL Poverty levels are reduced in the districts of Khatlon Region targeted by LPDP ⁶	H	G.1 % of targeted HHs with household asset ownership index improved by xx%;	RIMS Third level	0	70%	Frequency: Information collected at i) start, ii) mid-term and iii) end of project. Sources: - Baseline, - Mid-Term and Impact Survey. - National Statistics ⁷	Political stability Appropriate Community Facilitators and Technical Assistance are available Government pursues endeavor in poverty reduction
	H	G.2 % of targeted HHs' wealth ranking improved by xx% or more		0	65%		
	H	G. 3 % increase of average targeted HH incomes (compared to baseline values) – disaggregated by district and gender of household head.		0	+25% (or more)		
	N	P.1 Prevalence of child malnutrition reduced by xx% in 70% targeted HHs (gender ⁸ disaggregated): - height-for-age (stunting) - weight-for-height (wasting) - weight-for-age (underweight)	RIMS Third level	0	70%	Frequency: Information collected at i) start, ii) mid-term and iii) end of project.	
B. PROJECT PURPOSE	H	P.2 % of targeted HHs reporting incomes from livestock increased by xx% ¹⁰		0	70%	Sources: - Baseline, - Mid-Term and Impact Survey.	Favourable government policies
The nutritional status and Income of the targeted 22 400 poor households (HHs) from the six targeted districts of Baljuvon, Farkhor, Khovaling, Muminobad, Shurobad and Temurmalik is increased.	M	P.3 % of targeted beneficiaries having positive perception ¹¹ about LPDP interventions		0	70%	- National Statistics ⁹	Prices are relatively stable
	M	P.4 # of HHs benefitting of project's activities	RIMS	0	22,400		
C. Outcomes and Outputs			COMPONENT 1: INSTITUTIONAL DEVELOPMENT				

⁶ In Khatlon Region, 78% of people are estimated to live below the poverty line (US\$2).

⁷ Specific source to be identified, focusing on HH income in rural areas, if possible disaggregated by Khatlon region (or if available by District). This source will allow comparison between the values in the project targeted areas and the overall average values in the intervention region.

⁸ All targets and actual values for 'people-related indicators are to be set and measured disaggregated by gender.

⁹ Specific source to be identified to collect information from national statistics on child malnutrition, possibly disaggregated by gender and region (or if available by District). This source will allow comparison between the values in the project targeted areas and the overall average values in the intervention region.

¹⁰ NB: cumulative national inflation at an estimated annual rate comprised between 6% and 9% per year (IMF forecast to be verified) corresponds to about 33% for the four years of the project. In targeted rural areas the effects of inflation may be lower hence the target of +25% increase (or more) of nominal income looks a safe target (probably conservative).

¹¹ Perception questionnaires will need to be developed for the mid-term and end of project survey.

OUTCOME: Targeted Public sector organisations ¹² (disaggregated by type, eg: PUUs, VOs, MoA, Locust Control Unit, Local Government, Jamoats) are more effective and efficient at pro-poor development	S	C.1.1 Satisfactory levels of governance ¹³ for 70% of PUUs facilitated by the project	0	70%	Frequency: Six-monthly reporting	
	S	C.1.2 Managerial capacity ¹⁴ of targeted public organizations (disaggregated by type ¹⁵) is increased.	Qualitative - TBD	Qualitative - TBD	Sources: - Progress Reports - Annual Reports - M&E Reports - VO, CF and TA Reports - Specific Public Records (e.g. of Parliamentary Proceedings)	Favourable government policies Community interest
	R	C.1.3 Pro-poor policy and legislation with regard to sustainable pasture management.	0	TBD		
OUTPUTS: 1.1 More than 300 village level Pasture User Union (PUUs) established and functional 1.2 National Forum on LPDP pro-poor development 1.3 Regional workshops on LPDP pro-poor development 1.4 LPDP contributions to improved pasture management including policy dialogue, legal support 1.5 Training and study tours for VO members and local government staff 1.6 Locust control unit provided with equipment and technical assistance		1.1.a 300 (on the village level) PUUs established;				2.1.5 RIMS
		1.1.b % of women in PUU Board	0	300		
	R	1.1.c # of sub-set organizations established (disaggregated by type ¹⁶);	0 0	50% TBD		
	R	1.2 # of National Forum held	0	1		
	R	1.3 Regional w/shops held	0	1		
	R	1.4 Policy published, related legislation proposed/passed	0	TBD	Frequency: quarterly	
		1.5 Number of people benefitting of training or study tours, disaggregated by: i) type of training, ii) target group ¹⁷ iii) gender	0 0 0	TBD TBD TBD	Sources: - PUUs' logbooks; - Progress Reports - Annual Reports - M&E Reports - CF and TA Reports - RIMS survey	Favourable government policies Community interest
	R	1.6.a # of locust control strategies formulated;				1.2.3
	R	1.6.b Equipment and materials distributed to trained personnel in place	0 0	TBD TBD		

¹² Public sector organizations are defined in the PIM in section 136.

¹³ Governance levels of PUUs will be assessed through a specific study. Governance will be measured through levels of i) democratic accountability (*qualitative*: if elections of board or head have been democratic), ii) transparency of financial management (if members are informed of revenues and expenditures of PUUs); iii) gender equity (eg: presence of women's *sub-set organizations* / women's groups within the VO). Source of information will be an annual survey, conducted by CF, and mid-term / end of project HHs survey.

¹⁴ Managerial capacity needs to be defined. Such level will be assessed when the project starts the interactions with the targeted organizations. Once the parameters of managerial capacities are defined, the M&E Officer will develop a list of aspects (similarly to what done for Governance levels), with help from the company developing the MIS.

¹⁵ MoA, Pasture Management Trust, Locust Control Unit, SVIS, Hukumats, Jamoats, VOs, PUUs.

¹⁶ List of sub set organization is provided in the PIM in page 22.

¹⁷ A full list of potentially targeted organizations and bodies is in page 68 of the PIM.

C. Outcomes and Outputs		COMPONENT 2: LIVESTOCK AND PASTURE DEVELOPMENT				
<p>OUTCOME: Livestock production and productivity increased to the benefit of the assets and incomes of at least 22 400 poor and extremely poor rural households.</p> <p>OUTPUTS: 2.1 At least 6000 beneficiary HH trained in improved livestock husbandry practices (by CF)</p> <p>2.2 3600-4500 beneficiary HHs engaged in participatory fodder promotion and production demonstrations</p> <p>2.3 40 groups (270 HHs) engaged in improved sheep breeding trials</p> <p>2.4 56 new veterinary clinics built and equipped</p> <p>2.5 Private sector veterinarians' capacities are strengthened to serve the population</p>		Livestock productivity data:				Frequency: Annual reporting
	H	C.2.1a Litres of milk produced per cattle / day		TBD	TBD	
		C.2.1b Kg weight at slaughtering:				
	H	cattle		TBD	TBD	Sources:
	H	sheep		TBD	TBD	- Progress Reports
	H	goat		TBD	TBD	- Annual Reports
	H	C.2.1c Tons of fodder produced / ha / year		TBD	TBD	- M&E Reports
		Agriculture sales data				- RIMS survey
		C.2.2a Litres of milk sold / year				- CF/TA reports
	H	C.2.2b Kg of processed dairy product sold / year		TBD	TBD	- Sales data
	H	C.2.2 Assets ¹⁸ increased by xx% in poor HHs primarily dependent on livestock for their livelihoods		TBD	TBD	source: Governance
						Statistic
	H	C.2.4 % of PUUs collecting regularly membership fees for O&M of the PMUP		0	70%	Committee – 24 agriculture form (should be provided by Muso Kholov)
	S	C.2.5 # of services provided disagg. by: i) vaccinations; ii) treatments; iii) insemination				- Treatment records: Tajik Veterinarian Association
	V					Communities willing to participate in the project activities; Govt support is favourable
	R	2.1 # HHs trained in livestock production practices	1.2.3 1.2.2	0	TBD	
		2.2.a # HHs received training package on fodder				Frequency: quarterly
	R	2.2.b Incremental area under fodder production (ha)		0 0	3600 900	Sources:
	R	2.3 % of HHs benefitting of sheep breeding trials whose 2-year-old sheep weight is equal or above expected average		0 0	270 80%	- CF/TA Reports
	S	2.4 # New / existing Animal health clinics built / rehabilitated and equipped		0	TBD	- Progress Reports
	R	2.5 # Veterinarians trained		0 TBD	168 TBD	- Veterinarians logbooks (as sources for output 2.5)
						- Annual Reports
						- Case studies

¹⁸ Key assets are defined as follows : i) number of livestock, disaggregated by cattle, sheep, goat; ii) kg of forage reserve; iii) hectares of pasture land; iv) correspondent carrying capacity of land.

2.6 Business Development Services (BDS) provided including plans, legal advice, and linkage with finance and markets	R	2.6 % of planned BDS implemented ¹⁹ in time	0	80%		
2.7 449 Community Livestock and Pasture Development Plans (CLPDP) implemented.		2.7.a # and type of infrastructure rehabilitated	0	TBD		
		2.7.b # of “land use right agreements” (certificates/ lease agreements) signed by the participating PUUs	0	100%		
	R	2.8 # of Ha of land under improved management practices disaggregated by type.	1.1.14	0	90,000 TBD	
2.8 90,000 ha of pasture rehabilitated (on average 300 ha/village)	R					
2.9 Pasture Reserve Fund Established	R	2.9 Pasture Reserve Fund established (clarify)	0			
C. Outcomes and Outputs						
COMPONENT 3: INCOME GENERATION FOR WOMEN						
OUTCOME: Poor and extremely poor women’s assets and incomes increased through provision of Income Generating Activities (IGA) skills and materials including livestock	S	C.3.1 % of women engaged in IGA report having their income increased by xx% or more	0	80%	Frequency: Annual reporting	
	S	C.3.2 % of WIGG collecting regularly membership fees	0	60%	Sources: - Progress Reports - Annual Reports - M&E Reports - CF and TA Reports - RIMS surveys - Feedback from beneficiaries	Prices motivate producers
	S	C.3.3 % targeted women having positive perceptions ²⁰ about the project interventions		70%		
	R	3.1 # IGA training provided to women participants	0	1600	Frequency: quarterly	CF/TA and private sector have credibility with the communities.
	R	3.2 # IGA packages provided to women beneficiaries, disaggregated by type of package	0	1100		
OUTPUTS: 3.1 Training on IGA packages provided to 1 600 women	R					
3.2. 1 100 women provided with IGA packages.	R					
3.3 50 Women Income Generating Groups (WIGGs) provided with IGA packages	R	3.3 # of WIGG received IGA packages	0	50	Sources: - Progress Reports - Annual Reports	
C. Outcomes and Outputs						
COMPONENT 4: PROJECT MANAGEMENT						
OUTCOME: Efficient, cost effective and gender sensitive use of project and	S	C.4.1 % of targeted beneficiaries having positive perception ²¹ about LPDP	0	70%	Frequency: Annual	Sufficient financial and human

¹⁹ Number of community project implemented is a RIMS indicator 2.6.2

²⁰ Perception questionnaires will need to be developed for the mid-term and end of project survey.

complementary donor resources.		interventions			Sources:	resources
	R	C.4.2 %of AWP&Bs timely submitted and of satisfactory quality	0	90%	- Progress Reports - Annual Reports - M&E Reports - RIMS survey - Planner reports	available; Districts take active role; Target group-centric partnerships with CF and TF and with private sector exist
	R	C.4.3 % of M&E reports submitted timely and of satisfactory quality	0	90%		
OUTPUTS:						
4.1 Staff for PMU recruited	R	4.1 PMU established	0	1	Frequency: quarterly	
4.2 Coordination committees established	R	4.2 # of Project Steering Committee meetings held regularly	0	10		
4.3 M&E system established in PMU	R	4.3 MIS installed and functional	0	1	Sources:	Human
4.4 Technical inputs provided timely to project management	R	4.4 List of studies conducted	0	TBD	- Progress Reports - Annual Reports - Mission reports - Planner reports	resources for successful interventions developed and exist;
4.5 Regular audits completed	R	4.5 # of Audit report submitted on time	0	5		

²¹ Perception questionnaires will need to be developed for the mid-term and end of project survey.

Appendix 3: Summary of key actions to be taken within agreed timeframes

Action Area	Action Agreed	Date	Whom	Progress
Project Implementation	Contract signing with CARITAS and German Agro Action (GAA) as Community Facilitators (CF) for Muminobad and Temurmalik rayons respectively	Mid May 2014	PMU	
	Testing and finalisation of first two Community Livestock and Pasture Development Plans (CLPDP)	Mid May 2014	PMU Kulob	
	Submission of revised PIM (based on gained experience) to IFAD and PSC for approval	Mid May 2014	PMU	
	Submission of Baseline survey report and complete establishing the project M&E system including MIS	End June 2014	PMU	
Outputs	Preparation and submission to IFAD of first twenty CLPDPs	End June 2014	PMU Kulob/CF	
	Preparation and submission to IFAD of first twenty grant sub-projects	End July 2014	PMU Kulob/CF	
	Launch tendering and implementation of first twenty grant sub-projects	End August 2014	PMU/CF	
Sustainability	Legal status of PUU is reviewed and recommendations on formation and registration developed and submitted to the IFAD	End June 2014	PMU	
Fiduciary Aspects	Submission of Audit report	End June 2014	PMU	
	Recruit accounting assistant	As soon as possible	Chief Accountant	
	Formalise bank reconciliation process	As soon as possible	Chief Accountant	
	Submit AWPB in accordance with grant terms i.e.no later than 60 days before the start of the reporting period	31 October 2014	PMU Director	

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

Component/ Sub-component or Output		Indicator	Unit	Period: 01-01-13 to 15-04-14			Cumulative Actual	Appraisal Target	
				AWP&B	Actual	%			
Component 1. Institutional Development									
		People receiving Project Services	Total	110	97	88%		145,500	
		People receiving Project Services	Male	85	79	93%		75,540	
		People receiving Project Services	Female	25	18	72%		73,960	
Sub-component 1.1. Development of community Organizations									
		Government officials and staff trained	#					8	
		Government officials and staff trained	Male					30	
		Government officials and staff trained	Female					8	
		People trained in community mgt topics (pasture mgt)	#	6				300	
		People trained in community mgt topics (pasture mgt)	Male	15				600	
		People trained in community mgt topics (pasture mgt)	Female	5				300	
Sub-component 1.2. Institutional Strengthening									
		Village/community plans formulated	#					300	
		Village/community plans formulated	HH					22,400	
		Government officials and staff trained	#	7	8	114%		12	
		Government officials and staff trained	Male	70	79	113%		10	
		Government officials and staff trained	Female	20	18	90%		2	
		Community workers and volunteers trained	#					300	
		Community workers and volunteers trained	Male					600	
		Community workers and volunteers trained	Female					300	
Component 2. Livestock and Pasture Development									
		People receiving Project Services	Total					145,500	
		People receiving Project Services	Male					75,540	
		People receiving Project Services	Female					73,960	
Sub-component 2.1. Strengthening Private Sector Services									
		People receiving Project Services	Total					26,494	
		People receiving Project Services	Male					13,288	
		People receiving Project Services	Female					13,206	
		People trained in crop production and technologies (incl. Demos)	HH					4,050	
		Staff of service provider trained (vet.)	#					9	
		Staff of service provider trained (vet.)	Male					125	
		Staff of service provider trained (vet.)	Female						

Component/ Sub-component or Output		Indicator	Unit	Period: 01-01-13 to 15-04-14			Cumulative Actual	Appraisal Target	
				AWP&B	Actual	%			
Sub-component 2.2. Improved Pasture Management									
		People receiving Project Services	Total				145,500		
		People receiving Project Services	Male				75,540		
		People receiving Project Services	Female				73,960		
		Livestock water points constructed/rehabilitated	#				55		
		Livestock water points constructed/rehabilitated	HH				1,200		
		Land under improved management practices (improved pastures)	HH				22,400		
		Land under improved management practices (improved pastures)	ha				90,000		
		People trained in livestock production and technologies	#				300		
		People trained in livestock production and technologies	HH				6000		
		Roads constructed (access to pastures)	HH				5000		
		Roads constructed (access to pastures)	km				25		
		Community groups formed/strengthened (pastures mgt)	#				300		
		Community groups formed/strengthened (pastures mgt)	HH				22,400		
Component 3. Income Generation for Women									
		People receiving Project Services	Total				30,376		
		People receiving Project Services	Male				13,488		
		People receiving Project Services	Female				16,888		
Sub-component 3.1. Training									
		People receiving Project Services	Total				3,050		
		People receiving Project Services	Male				-		
		People receiving Project Services	Female				3,050		
		People trained in crop production and technologies	#				80		
		People trained in crop production and technologies	Female				1,600		
		People trained in income generating activities (IGAs)	#				70		
		People trained in income generating	Female				1,450		

Component/ Sub-component or Output	Indicator	Unit	Period: 01-01-13 to 15-04-14			Cumulative Actual	Appraisal Target	
			AWP&B	Actual	%			%
	activities (IGAs)							
Sub-component 3.2. Income Generating Activities								
	People receiving Project services	Total					27,325	
	People receiving Project services	Male					13,488	
	People receiving Project services	Female					13,838	
	Households receiving animals from restocking/redistribution (poultry)	#					500	
	Households receiving animals from restocking/redistribution (poultry)	HH					500	
	Households receiving animals from restocking/redistribution (beekeeping)	#					100	
	Households receiving animals from restocking/redistribution (beekeeping)	HH					100	
	Households receiving animals from restocking/redistribution (small ruminant)	#					500	
	Households receiving animals from restocking/redistribution (small ruminant)	HH					500	
	People trained in post-production, processing and marketing (packages)	#					50	
	People trained in post-production, processing and marketing (packages)	HH					50	
	Processing, marketing or storage facilities constructed/rehabilitated	#					500	
	Processing, marketing or storage facilities constructed/rehabilitated	HH					3,000	
	Marketing groups formed/strengthened	#					50	
	Marketing groups formed/strengthened	Female					350	
Component 4. Project Management								
	Project Steering Committees set up	#	1	1	100%	1	1	100%
	PMU established and functional in Dushanbe and Kulyab	#	2	2		2	2	100%
	Office and field equipment provided to PMU							
	1C accounting system established & functional	#	1	1	100%	1	1	100%
	TA recruited	#						
	MIS installed	#	1				1	

Component/ Sub-component or Output	Indicator	Unit	Period: 01-01-13 to 15-04-14			Cumulative Actual	Appraisal Target	
			AWP&B	Actual	%			%
	Baseline survey	#	1				1	
	Audit reports submitted	#					5	
	Project Impact	#	0				1	
	M&E system functional and reports generated	#	1	1			1	
	AWP&Bs prepared and presented	#	1	1	100%	1	5	20%
	Committees established and effective;	#					100	
	Staff trained and capacity enhanced	#						

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier

Financier	Appraisal (USD '000)*	Disbursements (USD '000)	Per cent disbursed
IFAD loan	NA	NA	NA
IFAD grant	18000,00	723,17	4,02
Co-financier	N/A	N/A	N/A
Government	407,00	56,30	13,83
Beneficiaries	775,00	0	0%

Total

There is a gap of about USD 3.4 million of IFAD grant between the estimated by design and actual numbers in Financing Agreement. It is foreseen that this gap would be covered by the 2013-15 PBAS allocation. Disbursements show as actually spent.

Table 5B: Financial performance by financier by component (USD '000)

Component	IFAD loan			IFAD grant			Co-financier			Government			Beneficiaries			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1(a)	-	-		1,157.0	18.2	1.6	0	0		-	-	-	-	-		1,157.0	18.2	1.6
1(b)	-	-		588.0	36.7	6.2	0	0		19.0	-	-	-	-		607.0	36.7	6.0
2(a)	-	-		854.0	25.8	3.0	0	0		227.0	-	-	82.0	-		1,163.0	25.8	2.2
2(b)	-	-		12,100.0	93.4	0.8	0	0		13.0	3.7	28.5	585.0	-		12,699.0	97.1	0.8
3	-	-		1,138.0	19.3	1.7	0	0		-	-	-	108.0	-		1,246.0	19.3	1.6
4	-	-		2,163.0	529.8	24.5	0	0		147.0	52.6	35.8	-	-		2,310.0	582.4	25.2

Table 5C: IFAD loan disbursements (SDR, as at 31-03-2014)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Civil Works	130,000	NA	11,795		118,205	9
II	Equipment and Goods and Vehicles	320,000	NA	128,295		191,705	40
III	Training, Workshops, Technical Assistance and Studies	1,590,000	NA	41,055		1,548,945	3
IV	Pasture Improvement Grants	5,605,000	NA	-		5,605,000	-
V	Income Generating Activity (IGA) Grants	635,000	NA	-		635,000	-
VI	Pasture Reserve Fund	130,000	NA	-		130,000	13
VII	Operating Expenses	510,000	NA	64,790		445,210	
	Unallocated	380,000		-		380,000	
	Initial deposit			791,275		791,275	
	Total	9,300,000		1,037,210		8,262,790	11.15

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B.2	Opening of the Designated Account	Opening prior to Effectiveness	Complied with	Special Account with Tajprombank Zao
Section B.3	Opening of the Project Account	Grant Covenant	Complied with	Special Account with Tajprombank Zao
Section E.2.a	The PMU has been set up and the Project Director appointed.	Disbursement condition	Complied with	
Section E.2.b	AWPB approved by IFAD for first 18 months	Disbursement condition	Complied with	
Section 4.08	Eligible Expenditures	IFAD financing proceeds to be used exclusively to finance Eligible Expenditures	Complied with	
Section 7.01	Annual Work Plans and Budgets and Procurement Plans to be submitted to Fund	No later than 60 days before beginning of each Fiscal Year	Partly Complied with	Draft AWPB was discussed in October 2013, final draft AWPB was submitted to IFAD in December 2013, approved by IFAD in January 2014.
Section B.8	Availability of Grant Proceeds and Counterpart Funds	Continuous	Complied with	
Section 7.05	Procurement of goods, civil works and services in accordance with Schedule 4	Continuous	Complied with	
Section 8.02	Monitoring, establishment of information management system	Continuous	Complied with, but requires some improvements	Although actual and budget information is included there is no monitoring of commitments
Section 8.03	Progress Reports to be submitted to IFAD on a six-monthly basis	No later than six weeks after the end of each six-month period	Complied with	
Section 8.03	A Mid-Term Review to be carried out jointly by Borrower and IFAD	No later than 36 months after the Effective Date	N/A	
Section 9.02	Submission of Financial Statements	Within 4 months after the end of each fiscal year	Complied with	.
Section 9.03	Audit Reports on project accounts of each year to be submitted to Fund	Within 6 months after the end of each fiscal year	N/A	

Appendix 7: Knowledge management: Learning and Innovation

Learning

As little progress has been made in project implementation, there is only one major lesson learned so far: the appointment of a qualified project director and preparatory activities (staff recruitment, establishment of office, planning, etc.) takes much longer time in Tajikistan than anticipated in the project design. This should be taken into consideration when preparing another project in the country.

Innovation:

With an aim of increasing the awareness of the PUUB members on the land degradation issues a field visit to one of the degraded areas of Momirak village has been conducted. The field visit assisted to explain the problems related to pasture land degradation and the negative outcomes of this phenomenon on pasture and livestock productivity. For the community it was an eyes-opening experience. Taking into account the positive result of this field visit it has been decided to organize and conduct regular visits for other PUUB members from other villages.

Appendix 8: Audit Log

The Audit of the FY 2013 is the first audit to be undertaken and is currently on going. The Audit report is expected to be delivered to IFAD on time.

Financial Year	Audit Observations as per Audit Report		Audit Observations Settled		Audit Observations Outstanding	
	Numbers	Value (BDT)	Numbers	Value (BDT)	Numbers	Value (BDT)
2013	NA	-	-	-	-	-
Total:	0	-	0	-	0	-

Appendix 9: Supervision Mission Schedule and Persons met

17 March	Mission arrives in Tajikistan, Mission Team meeting and discussions
18-21 March	Field visit to Khatlon region. Meetings with the LPDP PMU Regional staff and consultants, local authorities, representatives of regional offices of MSDSP, Caritas, Oxfam, German Agro Action, and VOs in Muminabad and Shurabad districts to discuss of the LPDP implementation issues.
22 March	Return to Dushanbe. Meeting with the LPDP PMU staff
24 March	Meeting with the Deputy Minister of Agriculture
25 March	Meeting with the KLSP PMU consultants
26 March	Field visit to Khatlon region. Meetings with the Heads of VOs of Muminabad districts, representatives of the MSDSP Regional Office in Kulob to discuss of the KLSP implementation issues.
27 March	Meeting with the Chairman of the State Committee on Investments and State Property Management
27 March	Meeting with the German International Cooperation (GIZ)
28 March	Meetings with the Deputy Minister of Finance, the Chief Executive Officer of Aga Khan Foundation Tajikistan, representatives of the World Bank
29 March	Meetings with the LPDP PMU staff and KLSP consultants to discuss initial mission findings
15 April	Mission arrives in Tajikistan, start drafting Aide Memoires
16-18 April	Meetings with the LPDP PMU staff and KLSP consultants
19-20 April	Field visit to Khatlon region. Meetings with the LPDP PMU Regional staff and consultants, local authorities, VO's representatives, MSDSP Regional Office in Kulob to discuss LPDP and KLSP implementation issues
21-23 April	Drafting Aide Memoires
24 April	Meeting with the Chairman of the State Committee on Investments and State Property Management
24 April	Discuss and agree draft Aide Memoire with the PMU staff
25 April	Wrap-up meeting with the Deputies of the Ministry of Finance and Ministry of Agriculture
26-27 April	Field visit to Khatlon region to support preparation of template Community Livestock and Pasture Development Plan
28-29 April	Discussions on the detailed plan of actions for next 6 month for both projects with the PMU staff

Appendix 10: Summary of Implementation Support Provided by IFAD

So far, IFAD has undertaken a start-up and one support implementation missions. The major inputs provided include preparation of: Project Implementation Manual; key TORs; first AWPB and PP, baseline survey's TORs, methodology and questionnaire; financial management and procurement manuals together with all relevant forms; development of mobilization and targeting strategy; and support to preparation of template Community Livestock and Pasture Development Plan.