



Investing in rural people

Republic of Tajikistan

Livestock and Pasture Development Project

Supervision report

Main report and appendices

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Abbreviations and acronyms

ADB	Asian Development Bank
AKF	Aga Khan Foundation
ATAC	Agriculture Training and Advisory Centre
BCR	Benefit Cost Ratio
CACILM	Central Asian Countries' Initiative on Land Management
CAMP	Central Asia Mountain Partnership Programme
CBA	Cost Benefit Analysis
CD	Community Development
CF	Community Facilitator
CIG	Common Interest Group
CIS	Commonwealth of Independent States
CO	Community Organisation
DPO	District Project Officer
CU	Cattle Unit
EBRD	European Bank for Reconstruction and Development
EC	European Commission
FAO	Food and Agriculture Organisation of the United Nations
GOT	Government of Tajikistan
HH	household
IFAD	International Fund for Agricultural Development
IGA	Income Generating Activity
IRR	Internal Rate of Return
LPDP	Pasture and Livestock Development Project
MOA	Ministry of Agriculture
MSDSP	Mountain Societies Development Support Programme
MTR	Mid-term Review (by IFAD and GOT)
MWRLR	Ministry of Water Resources and Land Reclamation
TAAS	Tajik Academy of Agricultural Sciences
NARS	National Agricultural Research System
NGO	Non-governmental Organisation
NPV	Net Present Value
OMPP	Operational Manual for Procurement Procedures
PCR	Project Completion Report
FMM	Financial Management Manual
PIM	Project Implementation Manual
CLPMP	Community Livestock and Pasture Management Plan
PMT	Pasture Management Trust
PMU	Project Management Unit
PRSP	Poverty Reduction Strategy Paper
PSC	Project Steering Committee
PUU	Pasture Users Union
PUUB	PUU Board
SCLMG	State Committee for Land Management and Geodesy
SOE	Statement of Expenditures
SVIS	State Veterinary Inspection Services
SU	Sheep Unit
TA	Technical Assistance
TJS	Tajikistani Somoni , Currency unit of Tajikistan
TOR	Terms of Reference
TT	Technical Team
UNDP	United Nations Development Programme
USD	United States Dollar
VO	Village Organisation
WA	Withdrawal Application
WB	World Bank
WIGG	Women Income Generating Groups
WFP	World Food Programme

A. Introduction¹

1. An IFAD mission visited Tajikistan from 20 October to 6 November 2016 to undertake supervision of and provide support to the Livestock and Pasture Development Project (LPDP, IFAD Grant No. G-I-DFS-8083-TJ). So far, there were seven missions carried out during 2013-2016: a start-up, one supervision, four implementation support and a mid-term review (MTR). The objective of the mission was to assess continued project relevance, effectiveness in achieving the objectives, effectiveness of the project's targeting and gender mainstreaming strategy, efficiency in project implementation, impact on food security and incomes of the rural poor to reduce rural poverty in the Khatlon region. In addition, the mission: (i) provided implementation support to improve project performance; and (ii) provided guidance for the resolution of outstanding implementation issues and obtained agreement on further steps.

2. The mission had meetings and discussions with Mr. Izatullo Sattori, the Minister of Agriculture (MOA) and his staff; Mr. Abdusalom Karim Kurboniyon, the Minister of Finance (MOF) and his staff; Mr. Umed Davlatzod, the Deputy Minister of Economic Development and Trade and his staff; Ms. Nigina Anvari, the Deputy Chairman of the State Committee on Investments and State Property Management and her staff, and Mr. Sadi Karimov, Director of the Project Management Unit (PMU) and his staff. The mission visited five project districts, namely Baljovan, Khovaling, Muminobod, Sh. Shohin (former Shurobod) and Temurmaliq, and held discussions with the local administrations, regional staff of LPDP and 31 Pasture User Unions (PUUs) and their groups (project beneficiaries). Altogether, the mission spent eight days in the field. The field visits were undertaken by the mission in four groups as to cover as many beneficiary clusters as possible. The visited PUUs were largely different from the ones included during the mid-term review last year. In addition, discussions were held with the representatives of donor organisations currently acting in Tajikistan, including the WB, EBRD, EU, WFP and the FAO Office in Tajikistan. Please refer to Appendix 9 for the Mission schedule and persons met including the mapping of visited communities.

3. This Aide-Memoire reflects the mission's main findings and recommendations, and records the agreements reached with concerned authorities as discussed at a wrap-up meeting on 2 November 2016 with the PMU Director and his staff. 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 especially to the PMU.

B. Overall assessment of project 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 was expected to be filled by IFAD from the country allocation for the 2013-15-allocation cycle. However, this has not been materialized, instead, a second phase has been approved covering additional districts in the project province. The LPDP-II became effective in February 2016, but no disbursements have been made so far.

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

¹ Mission composition: Mr. Frits Jepsen, IFAD Country Programme Manager (CPM), Ms. Anara Jumabayeva, Senior Economist, Mission Leader; Ms. Inna Punda, Agribusiness Specialist; Ms. Sarina Abdysheva, IFAD Country Presence in Kyrgyzstan; Mr. Brien Norton, Pasture Management Specialist, Mr. Mikael Kauttu, Monitoring and Evaluation Specialist, Mr. Moez Makhoulouf, Financial Management Specialist, Mr. Kubanyshbek Ismailov, Institutional Development Specialist; Mr. Zholdosbek Dadybaev, Livestock and Veterinary Specialist; Mr. Anvar Mamkulov, Procurement Specialist. The mission was accompanied by Ms. Zainab Kenjaeva, IFAD Country Presence in Tajikistan. The mission also greatly benefited from the coincided official visit of Dr. Khalida Bouzar, IFAD Director Division of Near East, North Africa, Europe and Central Asia Programme Management Department and Ms. Graziella Zabatta, Administrative Associate, Office of the President and Vice President.

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, Muminobad, Shurobad, Temurmalik 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 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. Due to the reduced available funding (in total about USD 4.8 million, including USD 3.4 million of the above appraisal gap and USD 1.4 million because of the depreciation of SDR against USD), the following key revisions were made during the MTR last year: (1) moving Farkhor and Vose districts to the second phase (LPDP-II); (2) dropping locust control activities; and (3) reallocation of Grant Categories by increasing provisions for community grants, civil works and equipment, and reducing shares for TA and operational expenditures.

8. The project continues progressing very well and it has managed to undertake all the planned activities up to day, including the following key ones: (i) legal establishment and capacity building of 203 Pasture User Unions (PUUs); (ii) provision of legal evidences for land use by all PUUs, including land use certificates by 51 PUUs and land lease agreements for at least 10 years by 152 PUUs, with majority of them in process of transferring the leasing to land use rights; (iii) preparation of Community Livestock and Pasture Management Plans (CLPMP) for all 203 PUUs, including maps; all of these CLPMPs were updated in 2016; (iv) preparation and approval of 390 priority subprojects with completion of 223 subprojects and 167 subprojects under implementation, out of which 62 to be concluded by the end of this year; (v) improvement of about 79 263 ha of pasture lands, including application of rotational grazing on nearly 47 000 ha; (vi) Community Interest Groups (CIGs) for fodder production and promotion of around 20 households per CIG were formed in 149 villages for a total of 2 675 member households, bringing a total of 750 ha into fodder production; (vii) supply of 80 Gissar rams to 20 CIGs for improved sheep breeding trials; (viii) completion of Component 3: Income Generation for Women, including provision of 738 Income Generating packages (IGA) to 110 Women CIG (883 women); and (ix) construction of 24 veterinary points, with provision of drugs/tools in two of them and 22 to be equipped by the end of this year.

9. The project continues generating a wide range of improvements in income, nutrition and food security, quality of life, and control over physical and natural assets. Key benefits highlighted by the interviewed beneficiaries were: (i) better management of their resources; (ii) improved animal health and productivity; and (iii) improved coordination and collaboration in solving the problems of the community. Key achievements so far are - enhancing productivity of livestock by 15-20% and creation of 330 jobs in the targeted areas. The magnitude of such outcomes has been confirmed by the independent mid-term review assessment.

10. Joint ownership of natural and physical assets brings community members much closer together and motivates them to maintain it well for joint use. PUUs are becoming main drivers for social mobilization at village community level and have been mustering additional resources to solve the problems of the community. Thus, in addition to collection of pasture use fees and beneficiary contributions, PUUs are generating additional income from tractor/machinery lease and veterinary services provided to members of the community. The mission witnessed completed activities, including construction of bridges and watering points, which were funded by the community's own financial means. It is a direct impact of the project and a result of social mobilization that was done by

the project and went beyond. It allows them to implement activities beyond the planned by the project and ensure financial sustainability in longer term.

11. The project, scheduled for completion in September 2017, has been officially operational for almost 63 months or 84% 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 October 2016, IFAD grant disbursement amounts to SDR 6 604 966, constituting a 71% disbursement of the IFAD grant. It is estimated that project funds would be fully utilized before the completion date of 30 September 2017. The overall financial performance of the project is rated as **Satisfactory** (see further below in Section on Fiduciary aspects).

12. The project was largely in line with the 2015 Annual Workplan and Budget (AWPB), i.e. 90% of the planned target, and the execution rate for ten months of this year is about 63% against the 2016 AWPB. The forecast for execution rate for 2016 is 90-95%. In view of the good progress in implementation of CLPMPs and confirmed visible outcomes on the ground the project's overall performance is rated as **Satisfactory**.

13. It has been agreed that the following key actions would be undertaken:

Agreed action	Responsibility	Agreed date
Resolve the issue on transfer of remaining balance from the old to new bank accounts.	MOF/ PMU Director/ Chief Accountant	As soon as possible
Prepare and submit the AWPB for the fiscal year 2017 for IFAD's no objection.	PMU Director	End December 2016
Prepare a list of the key staff who will continue working on the project until the closing date (31 March 2018), estimate the cost for the category 7 and submit it to IFAD.	Chief Accountant/ PMU Director	Mid March 2017
Follow-up with Hukumat authorities on granting land-use certificates, or scheduling a pathway to certificates, in all PUUs that don't have them.	PMU Director	End August 2017
Implementation of the remaining subprojects.	PMU Director/ Project Coordinator	End August 2017
Submit a revised Project Procurement Manual to IFAD for no objection.	Sr. Procurement Specialist	As soon as possible but not later than end 2016
Submit an amended LTR (procurement) to IFAD for no objection.	Sr. Procurement Specialist	As soon as possible but not later than end 2016
Regular monitoring of PUUs and project activities as per established procedures and schedule, including institutional aspects.	M&E Consultant	Continuous
Regular provision of documentary evidences from PUUs on fulfilment of their obligations, specifically: 1) Land certificate/lease; 2) Protocol confirming application of rotational grazing; 3) implementation of Animal Health Plan; 4) collection of pasture use fee; 5) collection of beneficiary contribution; and 6) regular PUU meetings.	Project Coordinator/ District Officers	Continuous
Continuous implementation of the PUUs' sustainability programme outlined in the MTR report, including training in financial management, planning, business management, progressing use fees, reserve fund establishment, conflict resolution, leasing, etc. (see more details in Appendix 11 of the Supervision Report).	Project Coordinator/ Community Development Specialist/ District Officers	Progress report by end of February 2017 and continuous
Continue implementation of the knowledge management program including exchange visits, networking, workshops, training sessions, and establishment of mentoring relationships between PUUs, CIGs and women's groups.	Project Coordinator/ Public Relations Consultant	Continuous

C. Outputs and outcomes

Component 1: Institutional Development (*Satisfactory, 5*)

14. Under the Institutional Development component there are two sub-components: (i) Development of Community Organisations; and (ii) Institutional Strengthening.

15. Under the first sub-component it was 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, are used for the

introduction of the project and participatory identification of the target beneficiaries according to the established criteria for each project component. This ensures 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 transfer of legal rights for pasture use to the participating.

16. For the reasons described above, the LPDP has reduced its regional scope to five districts instead of the original six envisaged in the project design document and seven proposed by the regional Government. Yet, in spite of dropping Farkhor and Vose districts from LPDP activities, 203 Pasture Users Unions (PUUs) have been created from a target of 100 PUUs. Within those 203 PUUs there are 23 841 households against the planned 22 400 households. These PUUs manage about 80 000 ha of pastureland.

Sub-Component 1.1: Development of Community Organizations

17. Community organizations in the form of a PUU in each participating village have been in place since 2014. Community Facilitators (CF) handle project implementation for the PUUs in each district, under PMU direction. For the first 3 years of the project the CFs were international NGOs (Caritas, MSDSP & German Agro-Action). These were replaced by the end of 2015 with local NGOs, of which one had been working for German Agro-Action in Temurmalik and Baljuvon.

18. **Pasture land use rights.** Many PUUs still lack a land-use certificate that guarantees long-term right to use community pastures free of rent or lease payments. In its upcoming final year, the LPDP should continue to apply pressure on Hukumat authorities to provide Certificates or at least confirm a pathway for granting Certificates. The overall situation has improved since October 2015, but more remains to be done.

Sub-Component 1.2: Institutional Strengthening

19. **Training.** Following recommendations from the 2015 MTR, a substantial amount of internal training and capacity building was accomplished over the past 12 months. Apart from additional basic training in Khovaling, the PMU organized several forms of local study tours: among high-performing and low-performing PUUs; visits to high-performing PUUs by Jamoat and Hukumat representatives; and study tours and information exchanges among CFs.

20. 36 training sessions were held in 2016 on pasture management (including pasture rotation) and improvement of fodder crops; another 22 training sessions were concerned with conflict resolution. Additional technical training was delivered to all PUUs in the method for estimating live weight of animals using a tape measure, and a method for assessing trend in pasture condition using a qualitative scoring system. 100 PUUs received GPS navigation units and were trained in their use in 13 training sessions. The intent is to use these units to record the location of demonstration plots and the coordinates of grazing herds on PUU pastures. However, of 100 distributed, only 32 are being used in practice: by at least 5 PUUs in each district, and by 10 PUUs in Sh. Shohin.

21. **Amendment to the Law On Pasture.** The LPDP participated actively with government agencies and politicians to amend the law "On Pasture", and employed consultants on legal, policy and legislative issues to drive this effort. The Amendment is due to be submitted to Parliament in the near future. It will create a *de facto* Department of Pasture under the direction of a Deputy Minister of Agriculture, and establish a Trust Fund for pasture development investments. Of specific interest to LPDP, the amendment introduces a new clause covering collection of fees and their use by the PUUs.

22. It has been agreed that the following actions would be undertaken **for Component 1:**

Agreed action	Responsibility	Agreed date
Follow-up with Hukumat authorities on granting land-use certificates, or scheduling a pathway to certificates, in all PUUs that don't have them.	PMU Director	End August 2017
Conduct training in fine-tuning pasture rotation plans, in pasture condition assessment by PUUs, and to strengthen use of GPS units.	PMU Kulyob/CF	End May 2017
After the amendments to the law On Pasture have been approved, consider appropriate changes to PUU financial management and operations, and instruct PUUs accordingly.	PMU /CF	End July 2017

Component 2: Livestock and Pasture Development (*Satisfactory, 5*)

23. This component addresses the implementation of technical developments and improvements managed by the institutions described in Component 1. The LPDP aims to engage more than 4 000 PUU members in improved fodder crop production; enable more than 6 000 members to use advanced livestock and pasture management methods; introduce Gissar rams to improve the productive capacity of local sheep in a breeding trial; and construct and equip veterinary clinics. It appears that these targets would be realized by the end of 2016.

Sub-Component 2.1: Strengthening private sector services

24. **Fodder promotion and production.** Winter fodder remains a major limitation to livestock production in Khatlon Region, a situation exacerbated when the winter season extends longer than usual. The two principal avenues for boosting winter feed are: (i) planting more fodder crops such as alfalfa and improved management of fodder crops, or introducing fodder species into pastures, and (ii) harvesting more grass from hayfields. Both activities offer opportunities for entrepreneurial initiatives.

25. Previous grants of alfalfa seed and fertilizer allowing poor HHs to grow fodder on 0.25 ha have significantly reduced winter-feed problems. In 2015-16, 5 079 Mt of dry fodder and 691 Mt of fodder seed were produced. Also in 2016, 3 grants of fodder seed and fertilizer have gone directly to PUUs. A new emphasis has been placed on seeding into pastures. In the 4th quarter of 2016, 12 grants of seed for spreading onto pasture (1 180 kg total) and 69 fertilizer packages for pasture (46 610 kg total) have been approved. The Tajik Agrarian University has been contracted to analyze pasture soil fertility in 44 PUUs representing different eco-zones across the LPDP districts. The results will allow better targeting of fertilizer applications.

26. The potential for cutting and storing grass hay has increased with LPDP provision to PUUs of tractors and grass-cutting machines that can be attached to the drive shaft. Tractor operations are limited to flat land, but most hayfields are on sloping land where people have traditionally cut hay by hand. Here the sub-projects supplying hand-operated motor-driven grass cutters such as the Kentaur machine are most effective. Many of these hand-operated grass-cutter machines were delivered to PUUs in 2016. Most came too late to be employed in the 2016 hay harvest, but they should make a difference to winter-feed resources in 2017 and subsequent years.

27. **Sheep breeding trials.** In 2015, the LPDP supplied 20 CIGs with 4 Hissar rams that were mated with 80 local ewes in each PUU, involving a total of 220 HHs. Altogether 2 393 ewes were mated and 1 959 lambs produced in 2016. In April-May 2016 the new-born lambs from the Hissar cross mothers weighed 3.6kg on average (3.3-3.9kg); a second weighing will be done in November 2016. In the 4th quarter of 2016, this intervention will be expanded to a new distribution of 430 Hissar rams. Growth of the Hissar-cross lambs should be compared with a control group of local village sheep in the expanded program.

28. **Entrepreneur enterprises:** Business developments in 2015-16 have gone beyond trade in surplus fodder and seed of fodder species. Seed cleaning has potential for further business development. Grazing with a pasture rotation has consistently led to higher milk yields, generally 30-80% more milk. For many HHs, the extra milk exceeds home consumption and can be processed into milk products for sale. Women in Obi Shirin reported that for parts of the year they can earn USD15/week selling yogurt at USD1/kg. Similarly, in Mamurdast women are selling milk products now whereas previously they had no milk-based income. Three milk collection centres have been

developed by the project in order to supply dairy factories. These advances in money-making ventures are contributing significantly to poverty alleviation. The topic is addressed further in section for Component 3.

29. **Veterinary services**, as per design, are limited in scope and include:

- 1) Construction of 24 veterinary points;
- 2) Procurement of office furniture and veterinary equipment for 24 veterinary points;
- 3) Conducting trainings on Animal Health for beneficiaries;
- 4) Trainings (initial and refresher) for vets involved in the LPDP;
- 5) Elaborate Animal Health Plan as part of the Community Livestock and Pasture Development Plans (CLPDPs).

30. Up to date, all 24 veterinary points have been built by the project. Two points have been equipped, and provision of drugs/tools for the remaining 22 points to be completed by the end of 2016. Implementation of the Animal Health Plans has been completed in the villages served by two vet points, which were constructed and equipped in 2015. There are 203 CLPMPs in place including Animal Health Plans as a part of the CLPPPs in all PUUs. 34 sessions were provided to PUUs' board members on Animal Health and Feeding in 2014-2015 by Community Facilitators. Only one-day trainings have been conducted by the PMU Livestock Specialist for 37 vets in the project area.

31. It is recommended that:

- All veterinarians who have received equipment and involved in the project activities (24 persons) should be trained. The topics of training should be drawn up according to the needs of each particular vet. To select topics of training, the vets could be provided with a list of the trainings, according which the Association of Veterinarians of Tajikistan provides training in two courses: introductory and advanced.
- When the project provides equipment to the participating vets, the PMU requires signing a contract for receipt of the equipment and provision of vet services to beneficiaries with signatories of the veterinarian and representatives of the local administrations (Hukumat and Jamoat). It is advised to also add the signatures of the District Veterinary Officer and the Chairman of the PUU. Moreover, in the contract it is recommended to specify that the veterinarians who have received support from the project are obliged to carry out explanatory work on veterinary, zootechnical requirements and the prevention of infection of humans and animals among population in the villages assigned to them.

32. It has been agreed that the following actions would be undertaken:

Agreed action	Responsibility	Agreed date
Focus final year investments on activities that increase winter feed resources from fodder crops and hayfields.	PMU Kulyob	End August 2017
Invest in grass-cutting equipment for PUUs for hayfields on sloping land before hay-harvesting season.	PMU	End April 2017
Monitor weights of both lambs from the Hissar rams as well as a control group of lambs from local sheep, in order to quantify the difference due to the Hissar breed.	PMU Kulyob/CF	Continue Nov 2016 and again in April-May 2017
Complete the furnishing and equipping of veterinary points.	PMU Kulyob/CF	End 2016
Revise content of the contract with participating vets.	PMU Kulyob	As soon as possible
Conduct demand-driven professional training to participating vets.	PMU	End Feb 2017

Sub-Component 2.2: Improved pasture management

33. This Sub-component has absorbed the largest share of the LPDP budget. Within this Sub-component pastures are used more efficiently, degradation has been reversed and livestock productivity increased. With the current restriction in LPDP scope to five districts instead of six, about 79 263 ha of pastures are managed by 203 PUUs.

34. **CLPMP development:** The past 12 months all 203 CLPMPs undergone updating, with more specific attention to grazing management and amendments to sub-project requests. CLPMPs should focus on pasture rotation plans for community pastures and approaches to increase winter-feed resources. Calculating carrying capacity should be of little interest, because carrying capacity is a function of grazing management, among other things, and can increase as available forage rises in response to rotational grazing.

35. **Pasture rotation:** All 203 PUUs are now using pasture rotation for their grazing management, and all have appointed Grazing Supervisors to manage the implementation of individual rotation plans. Specific details of the rotation – in terms of starting date of grazing in spring, length of grazing periods and intervals of rest from livestock – vary among PUUs. Nevertheless, all PUUs visited by the mission understand the basic principles and all have observed positive benefits from the rotation. These benefits are consistent: more forage, heavier/fatter animals and higher milk yield. Better ground cover by vegetation increases rainfall infiltration and reduces erosion. In addition, some PUUs reported that more cows were delivering a calf every year while other PUUs noted that herd sizes had increased in the past year. The latter could be due to more offspring or less mortality, or a combination of both, but the underlying reason is undoubtedly more available forage of higher quality.

36. **Fine-tuning pasture rotation plans.** There is room for improvement through fine-tuning of the rotation plans, which could require some additional training. Grazing should be delayed as late in spring as possible, preferably 1 April at the earliest. This is enabled by increase in winter-feed resources from fodder crops and hay. Pastures are vulnerable to trampling damage during early spring grazing when temperatures are low, plant recovery from grazing is slow and the ground is wet. Each portion of the pasture should be grazed for no more than one week and only once per year. This step will automatically increase pasture seed production and recruitment of seedlings of desirable species. [A portion of pasture grazed in April can recover to set seed in May-June. A portion of pasture grazed in late June has already matured and distributed seed.] Every portion of the pasture should be grazed at a different calendar date from year to year. Finally, the most degraded areas of pasture should not be grazed for an entire year. The mission observed during field visits that PUUs followed some but not all of these guidelines. Fine-tuning pasture rotation plans will achieve greater pasture and livestock productivity, reducing poverty.

37. **Pasture condition assessment.** Pasture condition has been assessed in 26 PUUs over the period May-August 2016. Most of the monitoring sites are in Sh. Shohin (former Shurobod) and Baljuvon. The procedure follows a scoring system that rates various characteristics of soil and ground surface, and of the pasture vegetation, to arrive at an overall score that indicates the trend of change in pasture condition: improving, deteriorating or stable. All PUUs show an improving trend in pasture condition, which is what could be expected from the use of a pasture rotation.

38. The PMU has produced and distributed to PUUs, Jamoats and Hukumats a handbook on "Description and Management of Pastures". Handbooks such as this will contribute to the legacy of the LPDP after 2017.

39. **Live weight measurements.** An innovation since the MTR is widespread adoption of a simple method for estimating live weight of livestock using a tape measure. Animal weight data were collected from 10 HHs in every PUU in November 2015, to be repeated in November 2016. The 10 HHs represent a range of asset levels with 4 wealthy HHs, 3 of medium status and 3 poor HHs. The weight of every animal in the HH herd was estimated, and 1 cow selected for milk yield. The same cows will be assessed for milk yield in Nov 2016. Milk yield varied among the five LPDP districts, with Temurmalik having low yields of about 4 l/day and Baljuvon and Khovaling reaching 10 l/day. The average appears to be around 5.9 l/day. The M&E team could do more data summarization and analysis before the LPDP's final report.

40. Although detailed enumeration of herd composition and body weights is of interest to the project, and carried out by LPDP staff, it is unlikely to be continued by PUUs after LPDP ends. However, a minimum set of live weight data could benefit both the project and HHs directly. HHs could

weigh animals before taking them to market to help the price negotiation with a buyer. Second, growth over the first year of life is a strong indicator of both the mother's milk capacity and the quality of available forage. The weight of animals at birth and of the same animals at one year of age reflects productivity partly as a function of inherited characteristics. Growth rate is highly heritable, so such data could be used to select the best females of both mothers and offspring and improve overall herd productivity. Poor performing females should be rejected and sold or slaughtered.

41. **Demonstration (pilot) plots.** Over the past 18 months 82 1-ha demonstration plots have been fenced, 20 in 2016 calendar year so far. Dry weight (DW) of palatable forage has been estimated in sixty-two plots from the average of 4 1m² clipped quadrats in each plot. As with animal live weights, productivity varies across the five LPDP Districts. Plots in Temurmalik had biomass as low as 800 kg DW/ha. On the other hand, 3 demonstration plots in Baljuvon and Khovaling recorded >7000 kg DW/ha. The average across all 62 plots is around 3500 kg DW/ha. This average is roughly three times (or more) the figures used for available forage in the calculations of carrying capacity in the original CLMPs.

42. Demonstration plots give both the PUUs and PMU an indication of the potential forage production that can be achieved with a properly managed pasture rotation. In addition, a demonstration plot maintained for several years will show the emergence in the vegetation of species that are not obvious in grazed pasture outside the plot. These are usually more palatable and more nutritious species. Information on change in species composition of the vegetation will guide the PUU in what to expect and what to look for in pastures managed in a grazing rotation. This information could also guide the pasture rotation design when the PUU membership meets each year to plan the next year's rotation. When pastures have recovered from degradation, a carefully designed pasture rotation can be used to optimize sustainable forage production and favour increase in the most palatable and nutritious species.

43. **Subproject investments:** PUUs have submitted 390 priority subprojects since the project began, of which 223 have been implemented. Machinery investments should now focus on the facilitation of growing and gathering winter fodder and hay. Shortage of water is a critical feature of livestock management on summer pastures. 31 watering points have been developed since the last mission (October 2015) and more are planned. The LPDP has also obtained 4 water-tank trucks to carry water to remote pastures. Infrastructure improvements include yards in remote pastures (3), bridge construction and repair (7), and access roads to pastures (17). The LPDP has progressed well and should keep the same pace.

44. It has been agreed that the following actions would be undertaken:

Agreed action	Responsibility	Agreed date
Provide training in better management of pasture rotations, building on existing knowledge.	PMU Kulyob/CF	End April 2017
Provide additional training on use of GPS navigation units, as needed.	PMU Kulyob/CF	End March 2017
Ensure that GPS coordinates have been taken for all demonstration plots so that forage weight estimates can be correlated with satellite-based monitoring.	PMU Kulyob/CF	End March 2017
Extend monitoring of trend in pasture condition using the standard method in all PUUs.	PMU Kulyob/CF	End August 2017
Encourage PUU members to estimate live weights of their livestock using the tape measurement method, and provide additional training as needed; supply 1.5m cloth tape measures if necessary.	PMU Kulyob/CF	Nov 2016 – April 2017
Using the weight-estimate method, assist HHs to monitor growth rate of calves, lambs and kids over the first year of life, even after LPDP ends.	PMU Kulyob/CF	Nov 2016 – Sep 2017
Complete the designation and fencing of 1-ha demonstration plots in all PUUs.	PMU Kulyob/CF	End April 2017
Address remaining submissions for equipment, especially grass cutters.	PMU Kulyob	Nov 2016 – Apr 2017
Encourage and assist M&E staff to do more data summarization and analysis of their records, to be included in LPDP final report.	PMU	Nov 2016 – Sep 2017

Component 3. Income Generation for Women (IGA) (*Satisfactory, 5*)

45. 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 has provided different packages paired with the training programs tailored for the most vulnerable members of the rural community: poor women and women-heads of households.

46. The component includes four activities: (a) poultry packages; (b) bee-keeping packages; (c) small ruminant packages; and (d) livestock processing and marketing activities.

47. The mission is pleased to note that the component is **fully implemented** and has achieved a number of tangible results. Initiated in August 2014, today the component has provided support to 110 Women's Income Generation Groups (WIGGs), perfectly on target. The total allocation of USD 703 thousand was almost fully disbursed during 2014-2015 (98%) and no activities have been carried out in 2016 except for mentorship and monitoring. The disbursement consisted of procurement of live animals, hives of honeybees, processing equipment and tools, and technical assistance provision.

48. The project has met its outputs' targets set in the logical framework: (i) training on IGA packages provided to 883 women, and (ii) 883 women take part in WIGGs. Overall, 738 IGA packages were distributed to support the activities selected by women. Groups' formation resulted from a thorough targeting done in accordance with the criteria (village selection criteria) set and approved by the PUUs' board. The project is well on track with regards to the achievement of its outcome target: at least 90% of women engaged in IGA report increased incomes. See incremental income further down.

Table 1: Overview of IGA packages distributed under the project

		Sh.Shohin 62 villages		Muminabad 40 villages		Temurmaliq 40 villages		Baljuvon 26 villages		Hovaling 35 villages		Total 203 villages		
№	PACKAGE TYPE	Villages	Grants	Villages	Grants	Villages	Grants	Villages	Grants	Villages	Grants	Villages	Grants	Beneficiaries
1	Sm. ruminants	12	120	8	40	13	130	7	70	9	90	49	450	450
2	Laying hens	8	40	8	40	6	60	5	50	6	60	33	250	250
3	Bee-keeping	0	0	0	0	0	0	3	13	0	0	3	13	13
4	Lvst prod	10	10	0	0	0	0	0	0	0	0	10	10	60
	Milk	0	0	2	2	8	8	1	1	4	4	15	15	110
Total		30	170	18	82	27	198	16	134	19	154	110	738	883

Source: PMU records as of October 2016

49. Small-scale poultry. The project has supported 250 WIGGs by providing a flock of 20 laying hens to each beneficiary-woman who now rear the birds as a backyard poultry². The activity has provided a net improvement in families' nutrition and income: the package has generated some USD 70 per woman of incremental annual income, in addition to the improved family nutrition. However, currently³ flock needs repair as birds have reached the maximum of their productive life and their productivity has dropped significantly (10-12 eggs per 20 layers). Birds' health seems to be duly taken care by the local veterinarians, however bird sheds need further inspection and biosecurity fix, where necessary. Stringent biosecurity measures and flock replacement mechanisms are key to ensure this income-generating activity is sustainable.

50. Small ruminants package. The project has supported 450 WIGGs by providing a package consists of three goats, two sheep and winter feed stock. Animals of the visited households feature fair productivity parameters (birth rates and live weight gain) and seem to receive the necessary control by the veterinarians, however the mission spotted that some women were not aware of the early symptoms of such dangerous diseases like *pleuropneumonia*. Better winter feed quality represents another dimension for improvement of animals' productivity. Interestingly, none of interviewed women planned to sell the animals until the flock reaches at least 20 heads⁴. The package therefore represents rather a valuable asset for these women, not an income-generator, at least in short-term. To improve the performance of this package, it is advisable to consult with the zoo-technicians on how to improve birth rate and weight gain so women start selling animals as early as possible. In addition, women need to be trained to assess animal live weight to prepare them deal with traders. Most importantly, local veterinarians should design and disseminate the flyers on early *pleuropneumonia* and other infectious diseases and parasites symptoms.

51. Honey beekeeping. Three apiculture WIGGs were set up and supported by the project, all in Baljuvon district. This activity was chosen by 13 women, each was provided with 10 beehives, simple production tools and training. Average productivity is of 5 kg of raw honey per beehive, which is quite low (reportedly due to the bad weather conditions this year). A good practice worthwhile disseminating consists in the fact that the project has assigned a skilled apiculturist to mentor the groups. This person provides advisory services to women in terms of bee health, productivity, aggregates orders and acts as a wholesaler. The mission recommends linking the PUUs and all WIGGs with a mature Association of Beekeepers, for example that in Issyk-Kul, Kyrgyzstan, to catalyze peer learning and

² The MTR mission already spotted the mismatch between the selected cross of layers (*Hy-Line*, a bird selected for cage-keeping) and the actual production model (free-range rearing). This results in lower productivity (currently about 50%) and poor feed conversion (bird have to eat more to maintain their productivity level).

³ After 24 months since distribution of the packages.

⁴ In case of Khovaling, this would represent a 7% increase of small ruminants' inventories (currently estimated at 31,000 heads).

lessons learned during the process of Association formation. Economy of scale is necessary to allow for the investment in honey processing equipment and gain market access.

52. **Sheep wool processing.** The project has facilitated the establishment of 15 WIGGs specialized in wool handcrafting. After 12 months of operation, the groups demonstrate good adoption of felt crafting technology thanks to a fair knowledge-sharing amongst the participating women. The groups are well-governed: records are well-kept and are accurate, women jointly estimate and set aside some funds to finance their needs in working capital (e.g. wool procurement). During the 2015/16 season, the average profit generated thanks to this packages is estimated at USD 60 per woman. To ensure the sustainability of the groups, there is a need to improve their demand assessment, finish product quality and market prospecting skills. The mission has also spotted that some groups need an upgrade of their working environment: sufficient heating and light are the prerequisites of quality product.

53. **Milk processing.** Ten WIGGs were established in Sh. Shohin (former Shurobad). Women have received small processing equipment and were trained to produce the traditional fermented milk *chakka*, sour creme, butter and *kurut*, the nomads' cheese. The mission recommends to provide training to these WIGGs on food safety.

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

Agreed action	Responsibility	Agreed date
<u>Poultry</u> : explore options of replacing the existing flock with local rustic hens.	PMU/IGA consultant	End Feb 2017
<u>Small ruminants</u> : disseminate flyers on early symptoms of dangerous infectious diseases and parasites.	PMU/IGA consultant	End Feb 2017
<u>Wool crafting</u> : equip WIGGs with solar panels for lightening / heating; reinforce WIGGs marketing skills: connect to mature wool processors in the region; handover buyers/prospects lists; setup customer feedback; review product petitioning; perfection quality; adjust pricing mechanism according to demand.	PMU/IGA consultant	End Feb 2017

D. LPDP implementation progress

55. **Project Management Performance (*Satisfactory*, 5).** All of the envisaged by the design elements of project management are in place. The PMU national and regional offices continue demonstrating outstanding performance. 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).

56. In accordance with conditions of the Financing Agreement, the *Project Steering Committee (PSC)* continues meeting on a regular basis. The Deputy Minister of Agriculture (on livestock) 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 and the representatives of communities and the private sector.

57. Overall, the Community Facilitators, national and international consultants and other project partners have performed in a satisfactorily manner.

58. All the previous missions' recommendations on streamlining management procedures have been taken into account.

59. **Monitoring and Evaluation is *Satisfactory* (5).** The PMU M&E team has efficiently implemented the IFAD MTR and subsequent implementation support mission recommendations. This

shows in a powerful platform for data collection, data management, and data extraction for management purposes. On the output level, the project uses the Planner allowing comparison between planned and actual financial and physical progress on the activity and output level. The project also maintains a detailed output dashboard that outlines the infrastructure and machinery and equipment benefiting each village. On the outcome level, the project periodically collects key survey data for management use; a succinct M&E plan that defines all types of surveys, contents of each questionnaire, and data collection parameters (sample, time of collection, responsibility, etc.). The PMU adopted an electronic data collection application and launched it in June 2016. The PMU completed the mid-term survey and shared with IFAD in May 2016. The mid term survey is of good quality.

60. The PMU maintains a geo-referenced register of benefiting villages, demonstration plots, veterinary clinics and women's groups. Some georeferenced pasture maps are also available for Muminobad; and IFAD will seek to use such maps to pilot remote sensing on pasture conditions. This will provide a basis for the PMU to decide whether it wishes to explore further the possibility to create internal capacity to adopt Open Foris (an open-source solutions for environmental monitoring, developed by FAO) to monitor pasture conditions through remote sensing.

61. **AWPB.** Coherence between AWPB & implementation is **Satisfactory (5)**, and the project is on track to achieve its annual targets. The AWPB was provided to IFAD on 31 October 2015, approved, and subsequently revised/approved in March 2016. The AWPB and Progress Reports are done with the Planner, and are overall accurate and comprehensive.

62. The status of agreed actions is presented below:

Agreed action	Responsibility	Agreed date	Status
Submit a staffing proposal to IFAD (in view of the KLSP closure and LPDP expansion)	PMU Director	End Dec 2015	Completed
Finalize the MIS, M&E information collection database tables, collection forms and collection protocols	M&E Consultant, Business Development Consultant	End Nov 2015	Completed
Explore the possibility of incorporating the Planner in the MIS	M&E Consultant, Business Development Consultant, IFAD Programme Officer	End Jan 2016	Cancelled
Avoid clustering of activities under generic descriptions.	Project Coordinator and Chief Accountant	Immediately	Completed

63. The following has been agreed:

Agreed action	Responsibility	Agreed date
Explore the possibility to create internal capacity to adopt Open Foris based on pilot on remote sensing in Muminobad.	PMU Director; IFAD (pilot remote sensing)	End March 2017

64. **Gender focus in implementation.** The project's gender focus continues to be satisfactory. The project continues to be committed to addressing gender issues and women's empowerment and sufficient human and financial resources have been allocated to these aspects of the project, including capacity building of community organisations on gender issues and dedicated activities for women. Since the project start, around 883 (out of planned 850) women from women headed households and women from poor households have been involved in income generation activities. The project M&E system adequately captures gender disaggregated data and all RIMS indicators are disaggregated. The results by date suggest the project is having a strong, positive impact on women's empowerment in the target communities, both in terms of participation in decision making and leadership roles, and in terms of increased assets and incomes. Women's participation in decision making of the PUUs has been stronger with the share of women amongst participants in quarterly general meetings reported to vary from a minimum to 20% to over 50%.

65. The project has undertaken gender assessment to ensure that all implementing partners have put in place a system of data collection that reports on gender indicators and monitors the extent to

which the LPDP is achieving its targets and objectives with respect to women. The PMU is monitoring social performance with use of indicators outlines in the PIM. As part of the project M&E activities, gender studies are being conducted to assess impact on gender relations and women's empowerment. The regular studies focus on the three dimensions of women's empowerment, namely access and control over income and assets, well-being and decision-making capacity.

66. The mission continues recognising that in general the project is doing well with regard to gender issues, however it believes that the very high capacity of the PMU, the effective CFs, and the strong beneficiary participation create an opportunity to do even more. Moreover, as the project is still at implementation stage, its broader impacts on women's empowerment and cultural norms regarding gender roles have not yet had time to fully take effect. Therefore, ***the mission recommends continuing undertaking the activities proposed during the MTR, especially in view of the already started second phase. Specifically, these are: 1) regular Gender Assessments, including the Women's Empowerment in Agriculture Index, and Youth Assessments in order to guide the project's engagement with women and youth in target communities over the remainder of the LPDP I and II; 2) preparation of a brief Gender Manual consolidating all of the gender specific indicators, targets, activities and targeting and empowerment mechanisms planned by the project; 3) organising workshops on Household Methodologies. (Satisfactory, 5).***

67. **Poverty focus in implementation.** The overall development objective of the Project is to contribute to the reduction of poverty in Khatlon Oblast. The project has a clear strategy for reaching out to poor rural women and men and is doing so successfully. There are already about 23 840 households counted in 203 participating PUUs, which is exceeding the estimated 22 400 households in the design. The PUUs are committed to ensure that support was provided to the poorest HHs in the village. They are working closely at the community to identify and support those poor households with funds from the project, and are also planning to eventually use their own funds to make additional support available to those poor households in the form of emergency grants, or small loans. Poorer households are also being granted exemptions or reductions in payment of membership fees in order to ensure that the cost of PUU membership is not too high for them – this is an initiative of the individual PUUs. The project has a range of mechanisms to enhance the poverty focus and the poorest WHHs are supported directly with chicken, small ruminant or seed packages as well as training, providing a means for them to obtain greater benefit from the project, and also increasing their social status. These packages focus on activities with which they are familiar and for which they can obtain advice, support and services from others in the community.

68. The VO Household Wealth Ranking Data adapted at the level of the PUUs (introduced in 2016) is making it easier for the PMU to monitor the average wealth ranking of HHs on PUU councils, in order to identify those where PUU councils become dominated by wealthier HH members and to monitor risk of elite capture, and also to identify those where poorer HH members have been elected and to learn lessons from these examples about how poorer HHs can be empowered. ***The wealth ranking exercise should be repeated towards the end of the project to assess initial project impact and identify if additional measures need to be taken within the LPDP-II to further strengthen poverty focus (Satisfactory, 5).***

69. **Effectiveness in targeting.** The project targeting strategy is being effectively implemented in practice based on clear indicators described in the PIM. This strategy is being implemented and well documented at the community level. In addition, the PMU maintains close monitoring of targeting approach by Community Facilitators, their progress reports and continues spot checking. As per recommendation of the MTR, monitoring of targeting performance is now integrated within the overall M&E system and is linked to the Household Wealth Ranking Data, as well as to Household Livestock Ownership Data at the village level.

70. During spot checking in each communities visited by the mission, all the households who have received aid packages, including chickens, small ruminants and beehives, meet the eligibility criteria, these are mainly poor families headed by women. However, there are more households to be covered

- these are poor full families, which do not own any livestock. **The LPDP-II should consider supporting these families, as it would enable to direct more aid packages to communities to support the poor households.** This particular support solves problems with poverty at the community level with instant results and contributes significantly to poverty alleviation goal (*Satisfactory, 5*).

71. **Innovation and learning.** Detailed information on innovation and learning in the project is provided in Appendix 7. Learning and innovations delivered under the project provide the opportunity to enhance both the productivity and welfare at the community level. The project is delivering trainings and is planning to deliver more trainings at the community level, to PUUBs, PUUs' members, Women CIGs, service providers and veterinarians. In addition, the project has delivered district study tours, exchange visits between PUUs, and technical trainings to veterinarians.

72. The project innovations are mainly adaptations of existing approaches and technologies. In the communities, for example, the mission members have heard that concept of pasture rotation was something new for rural households (though it is not new for the agricultural specialists). The PMU is providing strong support to communities by delivering technical knowledge for designing and implementation of subprojects, for instance, that include pasture improvements/maintenance, establishment of demonstrations plots, and construction of pasture infrastructure. This approach is being successfully implemented at the community level. The use of remote sensing and GPS for monitoring of pasture conditions is also a significant innovation in Tajikistan. The project is using the new system and developing the approach that is extremely useful for implementation and monitoring.

73. Knowledge Management and Communication activities are implemented by the PMU and includes the following: PMU Project Website, interaction with Mass Media, TV, preparation of Information Bulletins, maintenance of Information Board displayed at PMU premises, publication of Stories of Beneficiaries, development of Brochures on the project implementation progress. The PMU Project Website was launched in early 2014 and is fully operational under the title www.pmu-lpd.tj. The website is one of the few websites dedicated to agriculture and rural development in Tajikistan, and therefore it has a high use among the local organizations, professional and experts.

74. The PMU has developed a **“Comprehensive strategy of trainings and links under implementation of the “Livestock and Pasture Development Project” (introductory visits, workshops and establishment of cooperation between PUUs, WIGG and Common Interest Groups)”**. This strategy is aimed at analysing the methods of training and cooperation of institutions, for selecting a number of priority areas and improved execution of activities relevant to the goals and objectives of the project (*Satisfactory, 5*).

75. **Climate and environment focus in implementation.** The project has been classified as Category B as the LPDP is less likely to cause any negative environmental impact. In fact, the project will have a significant positive impact thanks to improvement in pasture rehabilitation/maintenance, grassland productivity, livestock productivity and the overall policy and institutional arrangements responsible for NRM in Tajikistan particularly of pastures. In order to ensure that there is no negative impact from the livestock development activities of the project, environment monitoring indicators are made a key part of the reporting system in the M&E system and are being monitored on a regular basis.

76. In view of the above, the project is making a major contribution to addressing issues of land degradation in the project area, reducing soil erosion, improving biodiversity, and strengthening resilience to drought. In accordance with the Annual Work Plan, that includes capacity building activities on Conservation Agriculture (CA), additional training was delivered by the PMU to PUU members in 2016. In addition, this year trainings included usage of seeding machine. Also, the PMU has delivered and helped communities to preserve natural fodder seeds on more than 80 ha area of demonstration plots. Besides, the LPDP has established CA demonstration plots on 1.3 ha land, the initial results of which should be available by end 2016.

77. During the MTR it was proposed to providing incentives for PUUs to purchase CA equipment rather than conventional agricultural machinery by reducing the beneficiary contribution from 10% to 5%. It has been decided to consider this option for the LPDP-II based on the findings of the CA demonstration plots. **(Satisfactory, 5).**

78. The following actions have been agreed:

Agreed action	Responsibility	Agreed date
Enhance gender and youth assessments, followed by preparation of a Gender and Youth Manual	Project Coordinator	End March 2017
Continue strengthening female staffing of the project by requiring CFs to provide at least one female field officer, in a role which has direct contact with the communities, in each district, also for the LPDP-II.	PMU Director/ Project Coordinator	Continuous
Follow up on the recommendations of the International Consultant in Income Generating Activities in order to shift focus of project support towards developing profitable and sustainable enterprises.	PMU Director/ Project Coordinator	Continuous
Conduct workshops on Household Methodologies.	Project Coordinator/ District Officers	Continuous
Support HH wealth ranking data in the project MIS.	Project Coordinator/ M&E Consultant	Continuous
Continue implementing the learning strategy including exchange visits, networking, workshops, training sessions, and establishment of mentoring relationships between PUUs, CIGs and women's groups.	Project Coordinator/ M&E Consultant	Continuous
Identify a KM Focal Point, establish a KM and Communication plan and develop a pipeline of Knowledge Products to be developed over the coming years.	Project Coordinator	End Feb 2017 and continuous
Reduce beneficiary contribution for conservation agriculture equipment from 5% to 10% and provide additional training on this topic.	Project Coordinator/ PMU Director	End Feb 2017 under LPDP-II

E. Fiduciary aspects

79. **Financial management.** A Financial Management (FM) assessment was conducted to review the adequacy of the arrangements in place for the Project. The assessment also included an SOE review. The overall FM rating of the project is **Satisfactory (5).**

80. **Project cost.** Due to the appreciation of the USD against the SDR (the rate was 1.56989 at appraisal and the rate now is 1.40), the project available funds are likely to be reduced. On the basis of the disbursements done to date for a total amount of SDR 6,605 million, the difference in the amount received in USD by the project is USD 0.942 million (USD 9.427 million on the basis of actual exchange rate instead of USD 10.369 million on the basis of the exchange rate at appraisal).

81. **Organization and Staffing (Satisfactory, 5).** The finance management unit of PMU consists of one chief accountant, one assistant accountant and one procurement specialist. All of them have been hired since the project initiation and they had acquired sufficient experience with projects financed by other donors (WB, ADB, IsDB). **To reinforce the capacity of finance team, the mission recommends undertaking training on FM e-learning courses.**

82. **Budgeting (Satisfactory, 5).** The IFAD grant is viewed by the Government as part of the national budget. Before the end of each fiscal year, all the key staff participate in the preparation process of the Annual Work Plan Budget (AWPB) for the following year, including all its activities from the Grant and Government proceeds and submit it to the Project Steering Committee (PSC) for examination and approval, then submitted to IFAD for its no objection no later than 60 days before the beginning of the relevant Project year, and to the Parliament for its final approval.

83. The PMU submitted the AWPB for the fiscal year 2016 for IFAD's no objection on 31 October 2015. Then, the PMU submitted a revised version for IFAD's no objection on 18 March 2016 and IFAD

approved this AWPB on 19 March 2016. ***The mission recommends preparing and submitting the AWPB for the fiscal year 2017 for IFAD's no objection as soon as possible.***

84. **Funds flow and Disbursement Arrangements (*Moderately Satisfactory, 4*).** Disbursements from the project bank accounts are subject to a sufficient level of review, check and balance to ensure sufficient level of control. The PMU has three bank accounts opened, on December 2012, at Tajprombank; one designated account (DA) in USD to receive funds from IFAD Grant, one project account in TJS to pay eligible expenditure of the project on Grant proceeds and one bank account in TJS to receive beneficiaries contribution.

85. However, since December 2015, the project has been restricted to access to its bank accounts in Tajprombank, due to illiquidity of the bank. As of 30 September 2016, the total blocked amount of the project by this bank was USD 598,119 for IFAD DA and TJS 766,680 (USD 97,418) for beneficiaries' contribution. The PMU is negotiating with the Government (Deputy Prime Minister, Ministry of Finance, Ministry of Agriculture) to resolve this issue and to get the funds. ***The mission recommends that the Government of Tajikistan instruct the transfer of funds from Tajprombank accounts to the new ones.*** The mission reminds that the beneficiaries' contribution is related to the payment of Agrotekhservice supplier, who is waiting for the payment since 29 December 2015.

86. To ensure smooth project implementation, the PMU opened three other bank accounts at the Eskhata Bank, detailed as follows:

- One designated account in USD to receive funds from IFAD Grant (DA);
- One Project Account in TJS to receive funds from the grant designated account, to pay eligible expenditure of the project in local currency;
- One bank account in TJS to receive beneficiaries' contribution.

87. The PMU Director and the Chief Accountant are joint signatories for the three bank accounts. All payments on the Grant are made using bank transfers, no cash payments from the IFAD Grant proceeds are allowed. The PMU maintains the project accounts' bank reconciliation updated for all the bank accounts on a monthly basis. As of 30 September 2016, closing balance of the IFAD DA was USD 253,222, Grant Project Account was TJS 2,865, and beneficiaries' bank account was TJS 41,294.

88. ***Commitments.*** The total amount of commitments (signed contracts) as of September 30, 2016 is USD 10.889 million, out of which financed by IFAD Grant USD 9.855 million, by the Government USD 0.380 million and by beneficiaries USD 0.654 million. The commitments represent 70% of the total project cost (Appendix 5 of SM report, Table 1).

89. ***Actual expenditures.*** The total amount of actual expenditures as of September 30, 2016 is USD 9.334 million, out of which financed by IFAD Grant USD 8.576 million, by the Government USD 0.380 million and by beneficiaries USD 0.379 million. It represents 60% of the total funds allocated for the project and 86% of the total commitments (Appendix 5 of SM report, Table 1).

90. Less than one year from the completion date, the actual expenditures on IFAD Grant are rather low. From IFAD Grant, which totals about USD 14.600 million, the actual expenditures are USD 8.576 million and represent 59% of the grant amount (Appendix 5 of SM report, Table 3).

91. ***Actual expenditures on AWPB 2016.*** The total amount of the actual expenditures, including the beneficiaries' contribution, against 2016 AWPB as of September 30, 2016 is equal to USD 2.631 million, which represents 62% (Appendix 5 of SM report, Table 2) of the total planned amount (USD 4.252 million). According to the PMU, the forecasts of commitments for the last quarter 2016 would be USD 1.618 million, and those for payments would be USD 1.200 million. So, the total payments on AWPB 2016 would be USD 3.831 million and represents 90% the total planned amount.

92. **Internal Control System (*Satisfactory, 5*).** The internal control system within the PMU conforms to the Government system and has been deemed satisfactory by IFAD. Indeed, the PMU

guarantees the separation of the functions through several controls mechanisms. The payments from the project bank accounts are subject to a high level of controls. All payments are made using bank transfers, no cash payments from IFAD Grant proceeds are allowed.

93. **Project Implementation Manual (PIM).** The PMU submitted the PIM to IFAD for approval in 2012. The PIM was updated by the PMU for the last time in October 2016 and was subsequently approved by IFAD in the same month.

94. **Accounting (Satisfactory, 5).** The PMU uses IPSAS-cash as basis for accounting. The PMU is using 1-C accounting software for the financial monitoring. The financial management software is in line with IFAD requirements. The financial reporting of the project is automatically generated by the system, including the Designated Account reconciliation and withdrawal applications.

95. **Financial Reporting and Monitoring (Satisfactory, 5).** Financial reports are produced directly by the accounting software. The PMU prepares and submits to IFAD Interim Financial Reports (IFRs) semi-annually and annual financial statements. The PMU prepares also statements of commitments and expenditures by component, sub-components, category and by financier and monthly bank reconciliation statements for all the bank accounts.

96. **Internal Audit (Satisfactory, 5).** At the PMU level, there is no internal auditor. However, the project financial statements for the fiscal year 2013 and 2014 were subject to ex-post review by the Accounts Chamber of the Republic of Tajikistan, and the transactions for the fiscal year 2015 were subject to ex-post review by the Agency for State Financial Control and Anti Corruption of the Republic of Tajikistan.

97. **Fixed assets register (Satisfactory, 5).** The FM-unit records all assets in the 1-C software. This information allows to create a fixed asset listing with serial number, location, custodian, historical cost and to follow up the assets.

98. **Disbursement (Moderately Satisfactory, 4).** As of 30 September 2016, 71% (SDR 6.605 million), equivalent to USD 9.427 million of the total grant allocated for the project have been spent (Appendix 5 of Supervision Report, Table 5C). This indicates underachievement of spending targets. It appears from this table that the project has over disbursed on categories 1 "Civil works" and 2 "Equipment, Goods and vehicles". The Ministry of Finance submitted to IFAD, on 07 April 2016, a request for the reallocation of funds by category. According to this request, the budget allocated to category 1 and 2 should be increased, however the allocation for category 3 "Training, workshops, TA & studies" would be reduced from SDR 1.590 million to SDR 1.290 million.

99. From November 2015 to date 5 WAs for Replenishment and 5 WAs for Direct Payment (WA 14 to WA 23) have been processed under the IFAD Grant for a total amount of USD 3.748 million (SDR 2.680 million), yielding a disbursement rate of 71%. Two other WAs, one for replenishment (WA 24) and for direct payment (WA 25) for a total amount of USD 0.479 million have been sent to IFAD in October for payment and should be processed soon.

100. **Key staff for the project completion.** The project completion date is 30 September 2017 and the closing date is 31 March 2018. During these 6 months, the PMU will need to keep some key staff to prepare the financial statements, present them to the external auditor, pay the suppliers, prepare the project completion report, etc. This staff will continue to be paid during this period on category 7 "Operating expenses". However, according to Table 5C, Appendix 5 of Supervision Report, the available amount is unlikely to be sufficient to pay the staff salaries until the completion date. ***The mission recommends preparing a list of the key staff who would continue working on the project until the closing date (31 March 2018), to estimate the cost for this category and submit it to IFAD.***

101. **Counterpart Funds (Satisfactory, 5).** Contributions from the Government are provided as exemption from taxes and duties. The PMU submits a report on a monthly basis to the tax authorities of the VAT exemptions, which are being claimed. As the Government contribution exceeded the planned amount of the project and totalized as of 31 December 2015 USD 0.380 against a total

contribution for the project cost of USD 0.330 million, the PMU decided not recording the VAT exemption starting from 1 January 2016 as a contribution by the Government. The total VAT exemption which has not been recorded, for the period from January to September 2016 is about USD 0.300 million. ***The mission recommends to the PMU to continue recording the VAT exemption as a government contribution, even it has already exceeded the planned amount.***

102. **Compliance with Loan Covenants (Satisfactory, 5).** The project has complied with the Loan covenants. The details regarding the status of implementation and compliance with Project Financing Agreement covenants is presented in Appendix 6 of Supervision Report.

103. **Register of contracts.** The FM-unit records all the contracts in the 1-C software. This information allows creating a register of contracts according the IFAD template.

104. **SOE review.** The mission selected and reviewed 30 payment orders related to IFAD Grant, from WA 18; 21 and 23, for a total amount of USD 0.740 million (72% of the total amount of these 3 WAs) and found the supporting documents are adequate and easily retrievable (Appendix 5 of Supervision Report, Table 4).

105. **Audit (Satisfactory, 5).** The PMU hired a new external auditor, Baker Tilly, on the basis of terms of reference approved by IFAD on 11 February 2016. The project is rated as **satisfactory** in terms of quality and timeliness of audit report submission. The audit report for the fiscal year 2015 was unqualified. The management letter did not disclose any significant internal control issues.

106. **Action plan.** The agreed actions are noted below:

Agreed action	Responsibility	Agreed date
Training on FM e-learning courses	FM-unit	End March 2017
Prepare and submit the AWPB for the fiscal year 2017 for IFAD's no objection.	PMU Director	End December 2016
Facilitate the transfer of funds from Tajprombank accounts to the new ones.	MOF	Mid January 2017
Prepare a list of the key staff who will continue working on the project until the closing date (31 March 2018), estimate the cost for the category 7 and submit it to IFAD.	Chief Accountant/ PMU Director	Mid March 2017
Continue recording the VAT exemption as a government contribution.	Chief Accountant	As soon as possible

107. **Procurement.** Overall, the performance of procurement is considered Satisfactory (5).

108. **Background.** The PMU Procurement Unit implements the procurement activities. The PMU prepares annual procurement plans (PP), which are submitted to IFAD's approval as an integral part of AWPBs. Since October 2015 and until October 2016, the PMU had concluded a total of 41 contracts for a total amount of USD 2 688 159, including 17 contracts for procurement of goods amounting to USD 2 012 579, 12 contracts for procurement of civil works amounting to USD 506 400 and 12 contracts for providing consultancy services amounting to USD 169 180. It is expected that all the remaining contracts would be signed before the end of this year.

Key outcomes/issues and recommendations

109. There is an adequate procurement capacity. The PMU Procurement Unit comprises of the Senior Procurement Officer and the Procurement Consultant, who have been working since the beginning of the LPDP and have sufficient proficiency and knowledge in procurement procedures of the WB and IFAD, and participated in a number of workshops on procurement. Nevertheless, the mission recommends continuing improving the knowledge in various courses on procurement, including ITC ILO (Turin) in order to strengthen the procurement personnel capacity.

110. The previous mission noted that the procurement personnel were periodically involved in performing functions outside of their Terms of Reference (TORs, technical specification). The recommendation concerning involvement of subject matter experts or final beneficiaries in

development of such documents has been implemented. Procurement personnel provide assistance in verification of compliance of the documents with the established standards and template.

111. Procurement Plan (PP). The recommendations of the previous mission have been implemented. The used PP template meets the requirements. However, it is noted that the planned budgets are not indicated in some procurements, ID numbers of some packages have inconsistencies with the procurements held, also there are no columns with IFAD approval dates, procurement stages and bid opening dates though all IFAD's no-objections are in place. It is recommended to adjust the PP into conformity with the requirements and provide for IFAD's approval.

112. Project Procurement Manual (PPM). The recommendation to make changes and adapt the PPM to the present circumstances has been implemented. At present draft a revised PPM is being considered by the State Committee on Investment in accordance with the requirements, with a further submission to IFAD for no objection.

113. In order to improve the efficiency and assistance in the project activity, it remains pertinent to make additional amendments to the Letter to the Borrower in terms of revising thresholds and prior review requirements for subsequent IFAD's no objection.

114. The project continues to take into account the requirements of the national legislation on procurement in the course of activity. In doing so, it is advisable to implement procurement procedures without prejudice to the IFAD procedures (procurement stages, document templates, etc.).

Review of procurement procedures and contract implementation

115. The recommendation on creation of database of eligible companies to raise the interest of bidders has been implemented. In addition it is recommended to use the database more actively in the PMU operations that would help to save time in attracting bidders.

116. The performance of the document filing system is assessed to be satisfactory. The main documents are available and classified accordingly on the shelves, except for the IFAD approval letters and delivery-acceptance acts, which are stored in the PMU Financial Unit, and the electronic versions are kept in the Procurement Unit. The recommendations on introduction of database and systematization of electronic versions of key procurement documents have also been implemented. Further recommendations were provided on how to improve the record keeping system.

117. *Goods and Works*: The mission reviewed in detail the tender process and related documents for the main part of the conducted tenders. The findings are of the same nature. No violations were found. In particular it is noted that the used practice of drawing up short lists of suppliers prepared on the basis of advertisements of expression of interests could be eliminated. With reference to the procurement subject to prior review, it was noted again that the PMU continues sending all the evaluation reports to IFAD for approval. In order to save time, it was recommended to follow the procurement plan, i.e. to sending only the documents needed IFAD's prior review. There some instances in delaying of dissemination of ITQ from the date of publication of advertisement for expression of interest by 90-120 days. The measures necessary to address the issues have been discussed with the procurement personnel.

118. *Consulting services*: The mission reviewed in detail the tender process and relevant documents for the main part of conducted tenders. The findings are of the same nature. No violations were found. In particular, it was noted that some Terms of Reference do not include some necessary items according to the IFAD requirements (Client's contribution, Institutional organization, employment period). An incomplete SRFP version has been used in some selection processes. The measures necessary to address the issues have been discussed with the procurement personnel.

Agreed action	Responsibility	Agreed date
Improve the skills and knowledge of procurement personnel through various procurement training courses	PMU Director and Procurement Staff	Continuous
Adjust the Procurement Plan in line with the recommendations and agreed form and submit to IFAD for no objection (update Planner)	Procurement Staff	As soon as possible
Clearance of Procurement Manual by the State Committee on Investment with further submission to IFAD for no objection	Sr. Procurement Specialist	As soon as possible
Make further amendments to LTR in terms of procurement and submit to IFAD for no objection	Sr. Procurement Specialist	As soon as possible but not later than end Dec 2016
Implementation of the provided recommendations on using the suppliers database, file system, and application in the ongoing procurement for goods, works and services.	Procurement Staff	As soon as possible

F. Sustainability

119. Discussion of sustainability within the project is strong. The project PIM outlines main aspects of sustainability and exit strategy, which are based on financial profitability and effectiveness of the PUUs, project activities, as well as upstream and downstream policy, regulatory and institutional arrangements that would continue to work after the project end.

120. **Institution building** of the project is ensured by establishment and reinforcement of functional institutions, namely PUUs, that to be self-sustaining after the project ends. The most important aspect for the project, that aims at community based management of pastures and livestock, is that these communities are properly informed and prepared for the work at hand. The PUUs, which were established and trained under the project by date, continue demonstrating considerable capacity in mobilization of resources, preparation of community plans and subprojects, collection of beneficiary contributions, management of natural and physical assets, and maintenance of administrative records. The project is planning to deliver more capacity building activities to make sure that PUUs are equipped with sufficient knowledge and experience in order to carry on after the project end. Community ownership by poor rural people is a critical factor contributing to the sustainability of project benefits.

121. The project also continues building capacity at the level of local governments and facilitators, thus is establishing a network of service providers for PUUs that would be maintained after the project. **(Satisfactory, 5)**

122. **Empowerment.** The PUUs are a new form of institution in the project area and are wholly owned by their members. Participatory methods were used extensively in the mapping of the community's resources and the establishment of their development priorities and the PUUs appear to be run along transparent and democratic principles. Households – members of the PUUs regularly participate in general meetings in order to jointly discuss problems, find solutions and make decisions. Overall, the project is strongly driven by communities and beneficiaries are provided with significant control over their economic relations, natural assets and institutions. ***As was already mentioned in the MTR report, it is essential that the process of issuing land certificates continue in order for the project to achieve its potential impact on the empowerment of the target communities. (Satisfactory, 5).***

123. **Quality of beneficiary participation.** The project continues working effectively in this regard and participation of beneficiaries is strongly increasing. In the project area, almost all households own livestock, and share members of the PUUs in order to graze their livestock with the village herd, access lower cost vet services, or obtain other support such as chicken, small ruminant or seed packages, or access social assistance. PUUs conduct regular meetings and all members participate in general meetings. Beneficiary contributions have been mobilised effectively. The PUUs are clear about their priorities for use of community funds provided by the project and ensuring that the activities are sufficiently demand driven. Overall, the project is strongly driven by the communities,

with the main investments of project funds being entirely driven by the community development plans. **(Satisfactory, 5).**

124. Responsiveness of service providers. Services rendered under the project are generally of good quality, and delivered on time and on budget. Service providers include CFs, veterinarians, technicians/ engineers and their reports are comprehensive, informative and timely. The staff of national CFs are local, know the area and have been performing relatively well. Veterinarians provide timely care when their services are needed. Reports of international consultants, who have provided technical assistance to the project, are of good quality and generally technically sound, with appropriate recommendations and support for project implementation. **(Satisfactory, 5).**

125. Exit strategy (readiness and quality). The project exit strategy is clearly outlined in the PIM and is based around the profitability and effectiveness of the PUUs and other project activities, and on the policy, regulatory and institutional arrangements required for sustainability post-project. As discussed above, prospects for sustainability are strong. As was mentioned in the MTR report, a key element of the project's exit strategy would be establishing an umbrella organisation for PUUs at jamoat/district level or higher in order to support them post-project, including with legal advice, accounting support, and GIS/mapping support, and perhaps also marketing advice. The project has been promoting cooperation of PUUs at jamoat level, and there are signs that at least one jamoat level PUU would be established by the end of the project. Moreover, the PUUs have started mobilizing financial resources from outside of the project, which lays good grounds for their financial independence and sustainability in the future. **(Satisfactory, 5).**

126. Scaling up and replication. The project has significant potential for scaling up and the PMU is already putting together a scaling-up strategy for the future. It requires mobilization of resources, coordination with other stakeholders and development partners, including national public organizations, private agencies, existing donors. PUUs are being trained and encouraged to mobilize resources from outside of the project, which is extremely important for possible scaling up their operations at the community level. This activity is already showing good results, and PUUs were able to implement subprojects funded from other resources. Moreover, PUUs are efficiently use their own resources, for example, in 2016, by date, total income received by PUUs from usage of agricultural machinery was TJS 111 842 and total number of HHs benefitted from tractor services was 1325, including 186 women headed HHs. These funds are being used to implement other priority projects at the village level, including construction of bridges and watering points. There is a demand for assistance at the community level, and more women headed households, for instance, want to participate in income generating activities. PUUs should be advised that some of the community-mobilized resources could be directed for this purpose.

127. During the MTR, it was recommended that the PMU investigate options for the project to support PUUs to lease additional agricultural machinery. This recommendation was taken into account, and the PMU is working on this, as it requires further thorough analysis and assessment. **As recommended by the MTR, the project should continue including in the exchange visits programme non-participating communities for a greater outreach of rotational grazing. (Satisfactory, 5).**

128. The agreed actions are presented below:

Agreed action	Responsibility	Agreed date
Continuous implementation of the PUUs' sustainability programme outlined in the MTR report, including training in financial management, planning, business management, progressing use fees, reserve fund establishment, conflict resolution, leasing, etc. (see more details in Appendix 11)	Project Coordinator/ Community Development Specialist/ District Officers	Progress report by end of February 2017 and continuous

G. Other

129. **Impact.** As was already noted in the MTR report, the project is generating a wide range of improvements in income, nutrition and food security, quality of life, and control over physical and natural assets. This continues to be valid. Key benefits highlighted by the interviewed beneficiaries were: (i) better management of their resources; (ii) improved animal health and productivity; and (iii) improved coordination and collaboration in solving the problems of the community. Key achievements so far are - enhancing productivity of livestock by 15-20% and creation of 330 jobs in the targeted areas. The magnitude of such outcomes has been confirmed by the independent mid-term review assessment.

130. **Climate change impact.** As was mentioned previously, the central pillar of the project – improved pasture management – and it is already making a significant contribution to addressing issues of land degradation in the project area, reduction of soil erosion, improvement of biodiversity, and strengthening resilience to drought. The project is also considering introduction of additional climate change mitigation measures through capacity building and delivery of new technologies (GPS, e.g.), as well as climate change resistant crops. During 2016 more than 750 ha were cultivated under fodder crops to improve winter animal feed availability.

131. **Capturing outcomes and impact in reporting.** At this time, PUUs are being trained in and keep detailed production records. The PMU has provided basic and refresher training courses on subject of reporting and documentation. The PUUs maintain all other required administrative and monitoring records that capture progress in implementation of activities and subprojects. In addition, the Community Facilitators are documenting and reporting outcomes and impact, through their routine monitoring, on issues like improvement in yields, incomes, quality of life and institutional sustainability. **(Physical and financial assets & food security, 5; natural asset management and climate resilience, 5).**

H. Conclusion

132. The project is successfully implementing its activities with satisfactory assessment of all aspects. Despite the short period of effective implementation, the project is already generating an increase in the physical and financial assets owned by rural poor women and men, boosting their food security and increasing climate resilience. The mission is confident that the LPDP would be beyond its set targets. However, it is very important for the project management to keep the pace and pay a greater attention to sustainability and exit strategy issues.

133. To this end, the following activities should be carried out within the next few months: (i) Resolve the issue on transfer of remaining balance from the old to new bank accounts; (ii) Follow-up with Hukumat authorities on granting land-use certificates, or scheduling a pathway to certificates, in all PUUs that don't have them; (iii) Implementation of the remaining subprojects; (iv) Regular monitoring of PUUs and project activities as per established procedures and schedule, including institutional aspects; and (v) Continuous implementation of the PUUs' sustainability programme outlined in the MTR report, including training in financial management, planning, business management, progressing use fees, reserve fund establishment, conflict resolution, leasing, etc.

134. IFAD and the PMU endorsed 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	15-Nov-2016						
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	3	No. of Implementation Support/Follow-up missions	4				
Last Supervision	06-Nov-2016	Last Implementation Support/Follow-up mission	17-April-2016				

USD million Disb. rate %

Approval	11-May-2011			Total financing	14.23	
Agreement	21-Jul-2011	Effectiveness lag	2.9	IFAD Total	13.05	
Entry into force	05-Aug-2011	PAR value	Not at risk	IFAD loan		
First disbursement	11-Mar-2013			DSF grant	13.05	71
MTR	03-11-2015	Last amendment		IFAD grant		
Original completion	30-Sep-2017	Last audit	28 June-2016	Domestic Total	1.18	
Current completion	30-Sep-2017			Beneficiaries	0.78	60
Original closing	31-Mar-2018			Government (National)	0.41	115
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	5	5	1. Quality of project management	5	5
2. Acceptable disbursement rate	3	4	2. Performance of M&E	5	5
3. Counterpart funds	5	5	3. Coherence between AWPB & implementation	5	5
4. Compliance with financing covenants	5	5	4. Gender focus	5	5
5. Compliance with procurement	5	5	5. Poverty focus	5	5
6. Quality and timeliness of audits	5	5	6. Effectiveness of targeting approach	5	5
			7. Innovation and learning	5	5
			8. Climate and environment focus	5	5
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Institutional Development	5	5	1. Institution building (organizations, etc.)	5	5
2. Livestock and Pasture Development	5	5	2. Empowerment	5	5
3. Income Generation for Women	5	5	3. Quality of beneficiary participation	5	5
			4. Responsiveness of service providers	5	5
			5. Exit strategy (readiness and quality)	5	5
			6. Potential for scaling up and replication	5	5

B.5 Justification of ratings

The project is progressing very well and it has managed to undertake all the planned activities up to date. The project was largely in line with the 2015 Annual Workplan and Budget (AWPB), i.e. 90% of the planned target, and the execution rate for ten months of this year is almost 63% against the 2016 AWPB. The forecast for execution rate for 2016 is 90-95%.

It is estimated that project funds would be fully utilized before the completion date of 30 September 2017. In view of the good progress in implementation of CLPMPs and reported visible outcomes on the ground the project's overall performance is rated as satisfactory.

The PUUs, which were established and trained under the project by date, continue demonstrating considerable capacity in mobilization of resources, preparation of community plans and subprojects, collection of beneficiary contributions, management of natural and physical assets, and maintenance of administrative records. The prospects for sustainability continue to be strong.

Overall Assessment and Risk Profile

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

Rationale for implementation progress rating:

As was already noted in the MTR report, the project is generating a wide range of improvements in income, nutrition and food security, quality of life, and control over physical and natural assets. This continues to be valid. Key benefits highlighted by the interviewed beneficiaries were: (i) better management of their resources; (ii) improved animal health and productivity; and (iii) improved coordination and collaboration in solving the problems of the community. Key achievements so far are - enhancing productivity of livestock by 15-20% and creation of 330 jobs in the targeted areas. The magnitude of such outcomes has been confirmed by the independent mid-term review assessment.

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

The mission continues to be confident that the LPDP would be exceeding the targets set for the project thus meeting its development objectives

C. 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
Sustainability	No major risks

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
	Resolve the issue on transfer of remaining balance from the old to new bank accounts	ASAP	
	Follow-up with Hukumat authorities on granting land-use certificates, or scheduling a pathway to certificates, in all PUUs that don't have them	End August 2017	
	Continuous implementation of the PUUs' sustainability programme outlined in the MTR report, including training in financial management, planning, business management, progressing use fees, reserve fund establishment, conflict resolution, leasing, etc.	Progress report by end of February 2017 and continuous	

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

(Note: The duly completed RO-AWP&B Table, if used by the project, may be attached instead)

Period: October 2015 to October 2016				
Impact and Outcomes	Indicators (with global target if available)	Achievements (as per Mid-term survey)	RIMS Rating	
			(by Project)	(by supervision mission)
Impact level				
Overall Goal Poverty levels are reduced in the districts of Khatlon Region targeted by LPDP	75% of targeted HHs with <i>household asset ownership index</i> improved by 20%;	33%		
	75% of targeted HHs' wealth ranking improved by 20% or more	42%		
	20% increase of average targeted HH incomes (compared to baseline values) – disaggregated by district and gender of household head.	11%		
Project Purpose: The nutritional status and Income of the targeted 22 400 poor households (HHs) from the seven targeted districts of Baljuvon, Farkhor, Khovaling, Muminobad, Shurobad, Temurmalik and Vose is increased.	Prevalence of <i>child malnutrition</i> reduced by 30% in 80% targeted HHs (gender disaggregated):	80%		
	- height-for-age (<i>stunting</i>)	36%		
	- weight-for-height (<i>wasting</i>)	19%		
	- weight-for-age (<i>underweight</i>)	28%		
	75% of targeted HHs reporting incomes from livestock increased by 20%	38%		
	75% of targeted beneficiaries having positive perception about LPDP interventions	77.8%		
	Nb. of HHs benefitting of project's activities	23841		
Outcome level				
Component 1: Institutional Development: Targeted Public sector organisations (disaggregated by type, eg: PUUs, MoA, Locust Control Unit, Local Government, Jamoats...) are more effective and efficient at pro-poor development	Satisfactory levels of governance for 80% of PUUs facilitated by the project			
		70%		5
	Managerial capacity of targeted public organizations (disaggregated by type) is increased. – 70%	70%		5
	Pro-poor policy and legislation with regard to sustainable pasture management.			
		Rating 4		5
	Likelihood of sustainability of community groups formed/strengthened	Rating 4		5
Component 2: Livestock And Pasture Development	Livestock productivity data: Litres of milk produced per cattle / day	3.2		5

Livestock production and productivity increased to the benefit of the assets and incomes of at least 22 400 poor and extremely poor rural households.	Kg weight at slaughtering: cattle sheep goat	257 37 25					
	Tons of fodder produced / ha / year	3.8					
	Agriculture sales data Litres of milk sold per cattle / year Kg. of HHs processed dairy product sold / year Yougurt Chakka Kurut Butter	335 180 0 46 0					
	Number of small farmers reporting increased herd size.	The data will be available in early 2017					
	75% of PUUs collecting regularly membership fees for O&M of the CLPDP	80%					
	Number of services provided disagg. by: (i) vaccinations of cattle; (ii) vaccinations of small ruminants: (iii) treatments; (iv) insemination of small ruminants	78667 168792 524 4482					
Component 3: Income Generation For Women The project is managed for development effectiveness and efficiency	70% of women engaged in IGA report having their income increased by 30% or more	38%		5			
	70% targeted women having positive perceptions about the project interventions	67%					
Component 4: Project Management Efficient, cost effective and gender sensitive use of project and complementary donor resources.	80% of targeted beneficiaries having positive perception about LPDP interventions	70%		5			
	80%of AWP&Bs timely submitted and of satisfactory quality	80%					
	80% of M&E reports submitted timely and of satisfactory quality	80%					
Output level							
Outputs by component	Indicator	(Physical) Targets					
		AWP&B (planned)	Actual (achieved)	%	Appraisal (Global)	Cumulative (so far)	%
Component 1. INSTITUTIONAL DEVELOPMENT							
200 village level Pasture User Union (PUUs) established and functional	200 (on the village level) PUUs established;	0	0	0%	200	203	101.5%
	30% of women in PUU Board	30%	32%	106%	30%	32%	106%
	Nb of sub-set organizations established (disaggregated by type)						
	PUU	0	0	0%	200	203	101.5%
	CIG	0	0	0%	150	151	100.7%
	WIGG	0	0	0%	110	110	100%

National Forum on LPDP pro-poor development	Nb of National Forum held	0	0	0	1	0	0
Regional workshops on LPDP pro-poor development	Regional w/shops held	0	0	0	1	0	0
LPDP contributions to improved pasture management including policy dialogue, legal support	Policy published, related legislation proposed/passed	0	0	0	1	0	0
Training and study tours for PUU members and local government staff , disaggregated by: (i) type of training, (ii) target group (iii) gender	Number of people benefitting of training or study tours	300	1208	403%	7500	9248	123,3%
	(women 30%)	30%	25,79%	86%	30%	25.7%	86%
	Number of trainings	30	81	270%	525	624	119%
Component 2. LIVESTOCK AND PASTURE DEVELOPMENT							
At least 3000 beneficiary HH trained in improved livestock husbandry practices (by CF)	Nb. of HHS trained in livestock production practices	0	0	0%	4000	4169	104%
	Nb. of trainings	0	0	0%	200	239	119%
2800 beneficiary HHs engaged in participatory fodder promotion and production demonstrations	Nb. of HHs engaged in fodder production process	2700	2675	99%	2700	2737	101,3%
	Incremental area under fodder production (ha)	770	749,7	97,36%	770	770	100%
20 groups (200 HHs) engaged in improved sheep breeding trials	2-year-old sheep weight is equal or above expected average for 70% of HHs benefitting of sheep breeding trials whose	0	0	0	70%	0	The dates will be complete in the next year (in the spring).
32 new veterinary clinics built and equipped	Nb. of New / existing Animal health clinics built / rehabilitated and equipped	22	22	100%	24	24	100%
Private sector veterinarians' capacities are strengthened to serve the population	Nb. Veterinarians trained	44	37	100%	48	37	100%
Business Development Services (BDS) provided including plans, legal advice, and linkage with finance and markets	BDS provided to 10 enterprises	6	5	83%	10	9	90%
210 Community Livestock and Pasture Development Plans (CLPDP) implemented	Number and type of infrastructure rehabilitated in time	50	31	62%	130	35	27%
	Number of "land use right agreements" (certificates/ lease agreements) signed by PUUs	25/0	28/0	112%/0%	100/200	51/203	51%/101,5%
108,500 ha of pasture rehabilitated (on average 500 ha/village)	Number of Ha of land under improved management practices disaggregated by type.	3000	3574,4	119%	80000	80574.4	100,7%
Pasture Reserve Fund Established	Pasture Reserve Fund established (clarify)	0	0	0	1	0	0
Component 3. INCOME GENERATION FOR WOMEN							
Training on IGA packages provided to 950 women	Number of IGA training provided to women participants	0	0	0%	850	883	104%
	Number of trained women on IGA packages provided to women beneficiaries, disaggregated by type of packages	0	0	0%	850	883	104%
120 Women Income Generating Groups (WIGGs) provided with IGA packages	Number of WIGG received IGA packages	0	0	0%	110	110	100%

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

Appendix 3A: MTR Mission

A. Overall assessment of project implementation

Agreed action	Responsibility	Agreed date	Status
Formal request from the MOF to IFAD on reallocation of Grant categories.	MOF/PMU Director	As soon as possible	Completed
Prioritise the hiring of an External Auditor in accordance with IFAD guideline.	Chief Accountant/ PMU Director	As soon as possible	Completed
Testing GPS use for monitoring of rotational grazing.	GIS/Mapping Consultant	Mid Nov 2015	Completed
Ensure the publication of General Procurement Notice (GPN) on the UNDB website.	Procurement Staff	As soon as possible but not later than end Nov 2015	Completed
Make amendments to the Project Procurement Manual with further submission to IFAD review.	Sr. Procurement Specialist	As soon as possible but not later than end Nov 2015	Completed
Make amendments to LTR in terms of procurement and submit to IFAD for no objection.	Sr. Procurement Specialist	As soon as possible but not later than end Nov 2015	Completed
Finalize the MIS, M&E information collection database tables, collection forms and collection protocols.	M&E Consultant	End Nov 2015	Completed
Testing application of Earth Collect (remote sensing) tool for monitoring of pasture conditions.	IFAD/GIS/Mapping Consultant	End Nov 2015	Partly completed
Submission of Mid-term Survey report to IFAD.	PMU Director	End Nov 2015	Completed
Animal head and weight inventory by all participating PUUs.	M&E Consultant/ District Officers	End Dec 2015	Completed and continuous
Provision of documentary evidences from PUU on fulfilment of their obligations for release of second tranche (for implementation of second priority subprojects), specifically: 1) Land certificate; 2) Protocol confirming application of rotational grazing; 3) implementation of Animal Health Plan; 4) collection of pasture use fee; 5) collection of beneficiary contribution; and 6) regular PUU meetings.	Project Coordinator/ District Officers	End Dec 2015	Completed and continuous
Submission of amended Pasture Law.	PP Consultant	End Feb 2016	Completed
Prepare M&E Guidelines for the project, including Community M&E Handbook.	M&E Consultant	End Feb 2016	Completed
Prepare a more complete learning strategy including exchange visits, networking, workshops, training sessions, and establishment of mentoring relationships between PUUs, CIGs and women's groups.	Project Coordinator/ Public Relations Consultant	End Feb 2016	Completed and in progress

B. Outputs and outcomes

Agreed action	Responsibility	Agreed date	Status
Complete training in Khovaling in CLPMPs, pasture & fodder-based management, animal health and breeding.	PMU Kulyob/CF	March 2016	Completed
Conduct other basic training for PUUs as needed.	PMU Kulyob/CF	February 2016	Completed
Conduct training for veterinarians serving LPDP target populations.	PMU Kulyob	November 2015	Completed
Follow-up with Shurobod Hukumat on granting Certificates to 28 PUUs.	PMU	Mid Dec 2015	In progress
Monitor progress of proposed Amendment to the law "On Pasture" as it moves through committee review and the legislative process.	PMU	End Dec 2015	Completed and ongoing
Resolve inaction by Pasture Ameliorative Trest regarding pasture monitoring, pasture rehabilitation, herd movements and stock route maintenance.	PMU	Continuous	In progress
Conduct local study tours to high-performing PUUs by Hukumat and Jamoat representatives with other PUUs.	PMU Kulyob/CF	End Dec 2015	Completed
Conduct local study tours between low-performing and high-performing PUUs to strengthen PUU awareness & capacity, with focus on PUU management and pasture rotation.	PMU Kulyob/CF	End March 2016	Completed
Conduct local study tours among Community Facilitators to learn from one another, share experiences and address mutual issues.	PMU Kulyob/CF	Continuous	Completed

Agreed action	Responsibility	Agreed date	Status
Provide support packages for entrepreneurs in production of fodder seed, seed cleaning and poultry feed enterprises.	PMU Kulyob	April 2016	Completed
Monitor lambs from the superior Gissar rams in the sheep breeding trials: weight at birth and weight gain at 6 months.	PMU Kulyob/CF	Jan-Feb and Jul-Aug 2016	Completed
Arrange for Manager of a dairy factory to talk to PUUB and women's groups on the requirements for selling surplus milk to dairy factories.	PMU Kulyob/CF	Immediately	Completed
Complete construction of planned veterinary clinics.	PMU Kulyob/CF	Mid 2016	Completed
Deliver veterinary equipment to existing clinics.	PMU Kulyob	March 2016	In progress

Agreed action	Responsibility	Agreed date	Status
Provide training in pasture rotation as needed.	PMU Kulyob/CF	Continuous	Completed
Document pasture rotations with a protocol describing the place and time of units in the grazing rotation with maps & photos, and record GPS coordinates of rotation units.	PMU Kulyob/CF	End 2015 & on-going	Completed and ongoing
Based on GPS coordinates of pasture rotation units, monitor pasture condition using satellite imagery analysis.	PMU/FAO	Continuous	Completed and ongoing
Monitor trend in pasture condition in permanent locations of the rotation using simple on-ground observations.	PMU Kulyob/CF	May-August 2016 & 2017	Completed and ongoing
Make a regular 6-month inventory of household livestock numbers & gender in age-class distributions, and also record recent mortality.	PMU Kulyob/CF	Begin Nov-Dec 2015	Completed and ongoing
Monitor body weights of animals in a sample of households in the same categories and time intervals as the livestock inventory.	PMU Kulyob/CF	Begin Nov-Dec 2015	Completed and ongoing
Assign a staff to be specifically responsible for livestock monitoring of numbers and live weights.	PMU Director	November 2015	Completed and ongoing
Complete the fencing of 1-ha pilot demonstration areas.	PMU Kulyob/CF	April 2016	Completed
In established 1-ha demonstration sites, take GPS recording, measure vegetation biomass and link to satellite image data.	PMU Kulyob/CF and FAO	May 2016	Completed and ongoing

C. LPDP implementation progress

Agreed action	Responsibility	Agreed date	Status
Formally nominate WIG Specialist as gender focal point and prepare a consolidated Gender Section in the PIM including all of the gender specific indicators, targets, activities and targeting and empowerment mechanisms planned by the project	PMU Director/ Project Coordinator	As soon as possible but not later than end Feb 2016	Completed
Strengthen female staffing of the project by requiring CFs to provide at least one female field officer, in a role which has direct contact with the communities, in each district.	PMU Director/ Project Coordinator	Immediately	Completed
Follow up on the recommendations of the International Consultant in Income Generating Activities in order to shift focus of project support towards developing profitable and sustainable enterprises.	PMU Director/ Project Coordinator	Immediately	Completed
Organise a workshop on Household Methodologies with relevant partners and stakeholders and consider whether they could be usefully incorporated in the project.	Project Coordinator/ District Officers	End Feb 2016	In progress
Link HH wealth ranking data to the project MIS in order to enable closer monitoring of the wealth categories of the beneficiaries, and begin monitoring average wealth ranking of HHs represented on PUU Councils	Project Coordinator/ M&E Consultant	End Dec 2015	In progress
Prepare a more complete learning strategy including exchange visits, networking, workshops, training sessions, and establishment of mentoring relationships between PUUs, CIGs and women's groups.	Project Coordinator/ M&E Consultant	End Feb 2016	Completed
Identify a KM Focal Point, establish a KM and Communication plan and develop a pipeline of Knowledge Products to be developed over the coming years.	Project Coordinator	End Feb 2016	In progress
Review experience of FAO conservation agriculture demonstrations in the project area and if successful reduce beneficiary contribution for conservation agriculture equipment from 5% to 10% and provide additional training on this topic.	Project Coordinator/ PMU Director	End Feb 2016	Completed and to be applied in LPDP-II

D. Fiduciary aspects

Agreed action	Responsibility	Agreed date	Status
Prioritise the hiring of an External Auditor in accordance with IFAD guideline	Chief Accountant/ PMU Director	As soon as possible	Completed
Audit report including management letter for 12 months to be submitted to IFAD.	Chief Accountant/ PMU Director	Continuous/As soon as possible but not later than 30 June 2016	Completed
Procurement team should have access to 1C accounting software and maintain the data entries for signed contracts. Data should be then validated by Chief Accountant	Sr. Procurement Specialist/Chief Accountant/PMU Director	As soon as possible	Completed and ongoing
Internal audit function to be created	PMU Director	As soon as possible	Cancelled due to lack of funds
To follow the expenditure related to Budget software and include it in the Assets Register.	Chief Accountant	On-Going	Completed
Training on FM e-learning courses	Finance Team	March 2016	Completed

Agreed action	Responsibility	Agreed date	Status
Improve the skills and knowledge of procurement personnel through various procurement training courses	PMU Director and Procurement Staff	As soon as possible	Completed
Adjust the Procurement Plan for 2015 in line with the IFAD requirements and agreed form, and submit to IFAD review (update Planner)	Procurement Staff	As soon as possible	Completed
Make amendments to the Project Procurement Manual with further submission to IFAD review	Sr. Procurement Officer	As soon as possible but not later than end of Nov 2015	Partially done. Changes were made in PPM and under consideration of the State Committee on Investment, following which would be submitted to IFAD for no objection
Make amendments to LTR in terms of procurement and submit to IFAD for no objection	Sr. Procurement Officer	As soon as possible but not later than end Nov 2015	Done. There is a need to increase the threshold and IFAD's review on some procurement methods.
Ensure the publication of General Procurement Notice (GPN) on the UNDB website	Procurement Staff	As soon as possible but not later than end Nov 2015	Completed
Create the appropriate companies log database	Sr. Procurement Officer	As soon as possible	Completed

E. Sustainability

Agreed action	Responsibility	Agreed date	Status
Identify a set of indicators for PUU institutional development to monitor on a regular basis in order to identify issues needing attention.	Project Coordinator/ District Officers	End Jan 2016	Completed
Put stronger attention on the requirement for PUUs to establish a reserve fund for repairs and replacement of machinery and other assets.	Project Coordinator/ District Officers	Immediately	Completed
Increase focus on PUU business skills and provide training leading to the preparation of clear PUU business plans, not just development priorities.	Project Coordinator/ District Officers	End Jan 2016	Completed
Ensure that all PUUs receive adequate training in conflict resolution	District Officers/CFs	End Feb 2016	Completed
Consider encouraging PUUs to include a progressive element in setting user fees	Project Coordinator/ District Officers/CFs	End Feb 2016	Completed
Produce guidelines for the PUUs themselves in how they could most effectively use their funds to reduce poverty in their own villages.	Project Coordinator/ District Officers/CFs	End March 2016	Completed
Explore opportunities to establish pilot agro-leasing subprojects	Project Coordinator	End Feb 2016	In progress

Agreed action	Responsibility	Agreed date	Status
Establish improved record keeping practices in PUUs in order to monitor outcomes and impacts of project activities on an ongoing basis	M&E Consultant	End March 2016	Completed

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

Action Area	Action Agreed	Whom	Date	Progress
Project Implementation	Prepare and submit the AWPB for the fiscal year 2017 for IFAD's no objection.	PMU Director	End December 2016	
	Prepare a list of the key staff who will continue working on the project until the closing date (31 March 2018), estimate the cost for the category 7 and submit it to IFAD.	Chief Accountant/ PMU Director	Mid March 2017	
	Regular monitoring of PUUs and project activities as per established procedures and schedule, including institutional aspects.	M&E Consultant	Continuous	
Outputs	Follow-up with Hukumat authorities on granting land-use certificates, or scheduling a pathway to certificates, in all PUUs that don't have them.	PMU Director	End August 2017	
	Implementation of the remaining subprojects.	PMU Director/ Project Coordinator	End August 2017	
Sustainability	Continuous implementation of the PUUs' sustainability programme outlined in the MTR report, including training in financial management, planning, business management, progressing use fees, reserve fund establishment, conflict resolution, leasing, etc. (see more details in Appendix 11 of the Supervision Report).	Project Coordinator/ Community Development Specialist/ District Officers	Progress report by end of February 2017 and continuous	
Fiduciary Aspects	Resolve the issue on transfer of remaining balance from the old to new bank accounts.	MOF/ PMU Director/ Chief Accountant	As soon as possible	
Other	Continue implementation of the knowledge management program including exchange visits, networking, workshops, training sessions, and establishment of mentoring relationships between PUUs, CIGs and women's groups.	Project Coordinator/ Public Relations Consultant	Continuous	

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

			Period ending:		30.cenr		Cumulative			Sum of actuals of previous years	
Results			Unit	AWP&B	Actual	% of AWPB	Appraisal	Actual	% of Appraisal		
Total Outreach		People receiving project services	Number	24 546	59 723	243%	145 600	180 777	124%	121 054	
		People receiving project services	Male	12 576	30 458	242%	74 256	92 196	124%	61 738	
		People receiving project services	Female	11 970	29 265	244%	71 344	88 581	124%	59 316	
		Households receiving project services	Number	6 544	7 896	121%	22 400	23 841	106%	15 945	
		Groups receiving project services	Number	200	230	115%	260	261	100%	31	
		Communities receiving project services	Number	70	76	109%	200	203	102%	127	
Component	Sub Component										
Component Name	Sub Component Name										
1. Institutional Development	1.1. Development of Community Organizations	People trained in community management topics	Number	300	1 208	403%	7 500	9 248	123%	8 040	
		People trained in community management topics	Male	200	839	420%	4 500	6 845	152%	2 836	
		People trained in community management topics	Female	100	361	361%	3 000	2 385	80%	1 240	
	1.2 Institutional Strengthening	Community groups with women in leadership position	Number	0	0	0%	110	110	100%	110	
		Community groups formed/strengthened	Number	0	0	0%	200	203	102%	203	
		People in community groups formed/strengthened	Female	0	0	0%	480	466	97%	466	
		People in community groups formed/strengthened	Male	0	0	0%	1 120	1 178	105%	1 178	
		People in community groups formed/strengthened	Number	0	0	0%	1 600	1 644	103%	1 644	
		Village/Community plans formulated	Number	0	0	0%	200	203	102%	203	
		Crop/ livestock production groups formed/ strengthened	Number	0	0	0%	150	151	101%	151	
		People in crop/ livestock production groups formed/ strengthened	Number	0	0	0%	3 700	3 783	102%	3 783	
		People in crop/ livestock production groups formed/ strengthened	Female	0	0	0%	850	883	104%	883	
		People trained in crop production and technologies	Female	0	0	0%	810	1 167	144%	1 167	
		People trained in livestock production and technologies	Number	0	0	0%	4 000	4 169	104%	4 169	
		People trained in livestock production and technologies	Male	0	0	0%	2 800	2 919	104%	2 919	
		People trained in livestock production and technologies	Female	0	0	0%	1 200	1 250	104%	1 250	
		Households receiving animals from restocking/redistribution	Number	0	0	0%	220	223	101%	223	
		24 new veterinary clinics built and equipped	Other social infrastructure constructed/rehabilitated		22	22	100%	24	24	100%	2
			People trained in business and entrepreneurship skills	Number	30	30	100%	80	82	103%	52
			People trained in business and entrepreneurship skills	Male	20	22	110%	43	58	135%	36
			People trained in business and entrepreneurship skills	Female	10	8	80%	37	24	65%	16
			Enterprises accessing financial services facilitated by the project	Number	3	2	67%	5	4	80%	2
			Enterprises accessing non-financial services facilitated by the project	Number	3	3	100%	5	5	100%	2
			Land under improved management practices	Ha	770	750	97%	770	750	97%	Every year average per 75
			2.2 Improved Pasture Management	Village/Community plans formulated	Number	0	0	0%	200	203	102%
	Livestock water points constructed/rehabilitated			Number	20	30	150%	50	54	108%	24
	Land under improved management practices			Ha	3 000	3 574	119%	80 000	80 574	101%	77 000
3. Income Generation for Women	3.1 Income Generating Activities		People trained in post-production, processing and marketing	Number	0	0	0%	170	170	100%	170
			People trained in livestock production and technologies	Number	0	0	0%	700	713	102%	713
		Households receiving animals from restocking/redistribution	Number	0	0	0%	700	713	102%	713	
		Marketing groups with women in leadership position	Number	0	0	0%	25	25	100%	25	
		People in marketing groups formed/strengthened	Number	0	0	100%	150	170	113%	170	
		People trained in income generating activities	Number	0	0	100%	850	883	104%	883	

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

Table 5A: Financial performance by financier

Financier	Appraisal (USD '000)	Disbursement (USD '000)	Balance	Per cent disbursement
IFAD Grant	14 600	8 576	6 025	59%
Government	330	380	-50	115%
Beneficiaries	629	379	250	60%
Total	15 558	9 334	6 224	60%

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

Components	IFAD Grant			Government			Beneficiaries			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1. Institutional Development	1 111	933	84%	0	0		0	0		1 111	933	84%
2. Livestock and Pasture Development	11 049	5 726	52%	238	289	121%	601	352	59%	11 889	6 367	54%
3. Income Generation for Women	704	689	98%	33	33	100%	27	26	96%	764	748	98%
4. Project Management	1 736	1 228	71%	59	59	100%	0	0		1 795	1 287	72%
Total	14 600	8 576	59%	330	380	115%	629	379	60%	15 558	9 334	60%

Table 5C: IFAD loan disbursements (SDR, as at 31 October 2015)

Category	Initial Allocation (1)	Disbursement (2)	Balance (1) - (2)	% disbursement (2)/(1)
Authorized Allocation Designated Account		791	-791	100%
1. Civil Works	130	207	-77	159%
2. Equipment, Goods and vehicles	320	328	-8	103%
3. Training, workshops, TA & studies	1 590	1 262	328	79%
4. Pasture improvement grants	5 605	3 027	2 578	54%
5. Income Generating Activity (IGA) Grants	635	410	225	65%
6. Pasture reserve fund	130	125	5	96%
7. Operating expenses	510	455	55	89%
Unallocated	380	0	380	0%
Total	9 300	6 605	2 695	71%

Attachment 5.1: Grant Expenditures review (in TJS)

Item	WA N°	Date of invoice	Date of payment	Suppliers	Description of expenditures	Total amount of contract	Total amount of invoice	Amount paid from DA	1	2	3	4	5	6	7	Findings and comments
1. Civil Works < \$50,000																
1	18	30/11/2015	09/12/2015	OJSC Idorai istehsoli Sokhtmoni	Construction of veterinary clinic in Vagel	323 148	96 944	96 944	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial contract 161,574 TJS
2	18	02/11/2015	13/11/2015	Somon Rarz	Construction of veterinary clinic in Dektur	406 885	97 652	97 652	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Initial contract 162,754 TJS
2. Equipment, Goods and vehicles <\$50,000																
3	23	15/06/2016	29/07/2016	Integriti LLC	Tablets	4,480 \$	35 168	35 168	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Training, workshops, TA & studies < \$200,000																
4	18	29/10/2015	11/12/2015	Welthungerhilfe Tajikistan	Community facilitator payment	280,570 \$	18,509 \$	18,509 \$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5	18	31/10/2015	10/11/2015	Several consultants	Salary of national consultants for October 2015	8,760 \$	45 442	45 442	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6	18	06/11/2015	25/11/2015	Bugat Esgii LLC	Conducting of training on woolprocessing	14,920 \$	50 477	50 477	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

7	18	11/11/2015	23/12/2015	Caritas Switzerland	Community facilitator in Muminabad	109,506 \$	252 284	252 284	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Contract signed 01/07/14 for 10 months. An amendment was signed, on May 1, 2015 to extend the term of the contract and period of provision of consulting services till July 30, 2015 on no-cost basis. There was no penalty clause in the contract in case of delays performance, however there is an interest rate of 0.01% for each day delay of payments to contractors
8	18	19/10/2015	23/12/2015	Mountain Societies Development Support	Community facilitator in Shuraabad	173,288 \$	212 574	212 574	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Contract signed 27/12/13 for 12 months. An amendment was signed, on Feb 27, 2015 to extend the term and to increase the contract amount from \$111,000 to \$173,288.
9	18	23/12/2015	31/12/2015	PCO Oriyon	Community facilitator in Temurmalik	56,870 \$	89 065	89 065	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10	21	28/02/2016	04/03/2016	Several consultants	Salary of national consultants February 2016		65 622	65 622	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
11	21	10/05/2016	17/05/2016	Al Mar Consulting	Community facilitator in Muminabad	63,340 \$	168 707	168 707	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
12	21	19/05/2016	24/05/2016	Baker Tilly	Audit of the project	16,930 \$	66 609	66 609	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
13	23	26/01/2016	28/07/2016	Agroservice LLC	Mid-term review report	24,474 \$	96 060	96 060	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

4. Pasture improvement grants < \$200,000

14	18	04/12/2015	10/12/2015	Integriti LLC	Equipment and computers for members of PUU	83,545 \$	567 538	539 161	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
15	18	30/11/2015	31/12/2015	Farahnoz LLC	Construction of water lines in Kushkiyai	211 753	63 526	60 350	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
16	21	04/01/2016	17/05/2016	Loihai Roh	Design of bridges for cattle	95 000	64 125	60 919	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
17	21	10/05/2016	20/05/2016	OAO Avtorem	Threshers	102,600 \$	807 339	726 605	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
18	21	23/05/2016	23/05/2016	Sfar 66 LLC	Fodder seeds and mineral fertilizers	76,297 \$	568 768	540 329	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
19	23	29/07/2016	29/07/2016	Lola 2010 LLC	Front loader	204,250 \$	40 850	40,850 \$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
20	23	16/06/2016	21/06/2016	Mehrobod LLC	Construction of watering points	666 918	133 384	126 715	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
21	23	14/07/2016	14/07/2016	Ittihod LLC	Extension equipment for tractors	143,840 \$	188 285	169 457	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
22	23	04/07/2016	27/07/2016	OAO Avtorem	Threshers	27,250 \$	213 913	192 521	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
23	23	27/07/2016	29/07/2016	OJSC Idorai istehsoli Sokhtmoni	Construction of bridges	598 520	260 014	247 014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
24	23	01/08/2016	04/08/2016	OOO Komhyp	Cattle weighing machine	54,000 \$	424 440	381 996	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

5. Income Generating Activity (IGA) Grants <\$200,000

25	18	21/10/2015	13/11/2015	Dehkan fam Nazar	Small ruminants	311 850	295 437	280 665	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
26	18	07/12/2015	31/12/2015	Hilol 99	Wool processing equipment	83,838 \$	234 086	222 381	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
27	18	10/12/2015	31/12/2015	Hilol 99	Wool processing equipment	19,500 \$	136 116	129 310	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

6. Pasture reserve fund <\$200,000

									<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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7. Operating expenses < \$50,000

28	18	30/10/2015	04/11/2015	M&E specialist	Salary of M & E for October 2015		25 040	25 040	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
29	18	03/11/2015	10/11/2015	Gazpromneft LLC	Vehicles operation and maintenance		12 000	12 000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Single-source selection
30	18	24/12/2015	10/12/2015	Ismoilov I.N	Vehicles operation and maintenance		12 940	12 940	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Single-source selection

Check that the payments are :

- 1 eligibility of the payment
- 2 really done
- 3 purchase contract / order
- 4 authorization of the payment
- 5 net of taxes
- 6 least cost
- 7 on the basis of correct calculation

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	New Designated Account at Eshkhat Bank
Section B.3	Opening of the Project Account	Grant Covenant	Complied with	New bank account for beneficiaries contribution at Eshkhat Bank
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	Complied with	AWPB for 2016 was submitted on 31 October 2015, then it was revised and submitted on 18 March 2016 and approved by IFAD 19 March 2016
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	
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	Complied with	

Appendix 7: Knowledge management: Learning and Innovation

Learning

The PMU has elaborated a learning strategy including exchange visits, networking, workshops, training sessions, and establishment of mentoring relationships between PUUs, CIGs and women's groups. The learning programme is now being implemented.

The project should continue publishing and disseminating (online/hard copy) of its numerous guidelines, brochures, and technical documents.

Innovation: Describe any interesting innovation noted during supervision

Lessons learned:

(i) Strong leadership of PUU and choice of its Chair are essential for the success of the project implementation at the community level and the project sustainability. PUU Boards are typically dominated by households from the mid-range of the wealth ranking with higher education, but having individuals capable of handling the bureaucracy of the project and respected within the community, typically teachers, doctors, vets and other public figures, has been key to their success and this is recognized by the community members who elected them.

(ii) The initial basic capacity building of PUUs should include Business Management from the beginning to enable them to plan their finances and activities. It is critical that PUUs have the skills to plan their own budgets, to mobilize resources, to raise funds for their needs and to maintain records.

(iii) Value addition in local processing should be used to refine the opportunities for income generation from livestock especially given that, for example, a large amount of the milk and wool is currently wasted because of poor breed selection, lack of market and insufficient processing and marketing opportunities. With reference to the Khatlon Livelihood Support Project (KLSP), the project will ensure that the lessons that emerge from its experience are integrated with the LPDP.

(iv) Incidence of diseases should be diminished through more comprehensive vaccination, shepherds trained in better animal husbandry and health care practices and the supervision and monitoring of the flocks/herds sent away has to improve, which because of its costs can only be done when it is a collective action of a community to reduce the overhead costs.

(v) Pasture rotation can yield higher levels of meat and milk production and growth in herd numbers. Poverty alleviation arises from income generated through sale of milk products and animals that are surplus to home consumption. In order to achieve these benefits the rotation has to comprise short grazing periods, avoid re-grazing of pasture areas in one year, and shuffle calendar grazing dates from year to year for individual pasture areas.

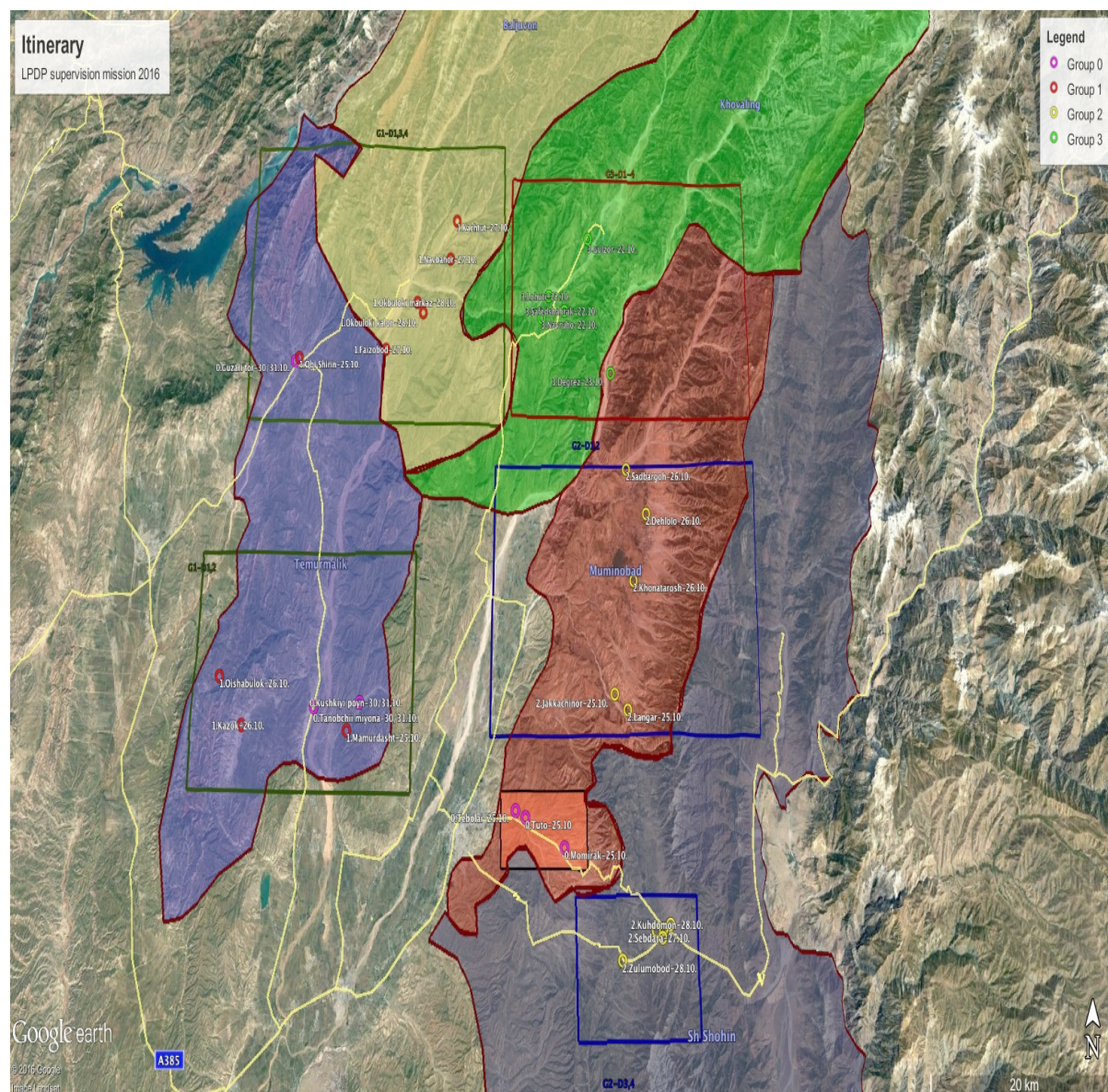
Appendix 8: Audit Log

The project is rated as satisfactory in terms of quality and timeliness of Audit report submission. The audit report for FY 2015 was conducted using International Standards of Auditing (ISA) and project used IFAD external auditors TORs upon CFS no objection. The 2015 audit report was unqualified. The management letter did not disclose any material issues. The auditor has assessed the IC systems as good i.e. all expected controls available; no significant issues arising; evidence shows control is working; and evidence is retained and documented.

Financial Year	Audit Observations as per Audit Report		Audit Observations Settled		Audit Observations Outstanding	
	Numbers	Value (TJS)	Numbers	Value (TJS)	Numbers	Value (TJS)
2013	NA					
2014	NA					
2015	NA					
Total:	0	-	0	-	0	-

Appendix 9: Mission Schedule and Persons met

20 October	Mission arrives in the country
21 October	Meetings with the LPDP PMU staff
22-23 October	Field visit to Khovaling and Muminobad districts (Group 3)
23 October	Return to Dushanbe
23 October	Meeting of the IFAD Mission Team
24 October	Meetings with the representatives of the Ministry of Agriculture of Tajikistan; Ministry of Economic Development and Trade; World Bank Country Office in Tajikistan
24 October	Meeting with the LPDP PMU staff
25-28 October	Field visit to Muminobad, Baljuvon, Khovaling, Shurobad and Temurmali districts (groups 0, 1 and 2)
26 October	Meetings with the representatives of Ministry of Finance of Tajikistan and State Committee on Investments and State Property Management (group 0)
29 October	Team meeting to discuss initial mission findings Meeting with LPDP PMU to discuss initial mission findings
30-31 October	Field visit to Temurmali district (group 0)
31 October	Workshop with the project parties to discuss key findings and recommendations
31 October	Drafting Aide Memoire
1 November	Meetings with the representatives of the UN FAO Country Office in Tajikistan; the UN World Food Programme Country Office in Tajikistan; Delegation of the European Union in Tajikistan
1 November	Discuss and agree draft Aide Memoire with LPDP PMU. Distribute Aide Memoire
2 November	Wrap-up meeting with the Director of the Project Management Unit (PMU) and his staff
3-6 November	Discussions on the brief plan of actions for next 6 month for the LPDP I and brief plan of initial actions for the LPDP II with the PMU staff



Appendix 10: Summary of Implementation Support Provided by IFAD

So far, IFAD has undertaken four support implementation missions (in addition to two supervision and MTR 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 Management Plan. For the last 12 months and during the current mission, the following key support activities were: (i) improved template of Community Livestock and Pasture Management Plan; (ii) based on the current experience, discussion of approaches for rotational grazing and pasture conditions and their M&E; (iii) updated application of remote sensing tools; (iv) improved M&E approaches together with electronic tools for MIS, including Planner; (v) improved Project Procurement Manual; (vi) joint preparation of 2017 AWPB; (vii) recommendations for PUUs' institutional development (see further in Appendix 11). Detailed discussions were held on the above topics with the related staff to provide on-the job training, concluded by the brainstorming seminar with the PMU on the mission's findings and implementation support activities as well as the proposed follow-up actions. The mission's implementation support documents were left with the PMU, and they are also available in a Dropbox specifically opened for LPDP and mission members.

Appendix 11: Recommendations for PUUs' Institutional Development

1. PUU cooperation to find synergies

Recommendation: the project should facilitate PUU cooperation with each other and Jamoats in order to i) identify common interests; and ii) coordinate their efforts. This could comprise for instance pooling resources for machinery that a single PUU cannot afford.

Rationale: Cooperation will allow PUUs to address interests that transgress PUU boundaries and/or exceed available resources of a single PUU.

Example: One village in Baljuvon District is planning to collaborate with two other PUUs to pool their residue from LPDP grants and contribute PUU income if necessary to purchase a combine harvester that would be kept in the Jamoat and rented out to the collaborating PUUs, and perhaps to other PUUs at a higher rental fee. This practice has been supported by the PMU and CFs. Where LPDP grant funds are involved, it may require an amendment to the CLPMP, which should be facilitated by the PMU and CFs.

Another equipment need expressed by several PUUs is for a baler to collect and bale grass cut with a grass-cutting machine or the cereal straw left behind a combine harvester. This is an expensive piece of machinery whose purchase and use could be shared among several PUUs, once they have agreements and mechanisms in place to facilitate the practice. Training may be required.

Also to consider: The proposed cooperation could be developed into a union between PUUs and Jamoats, without change of legal status of village PUUs. Such union would allow: (i) more effective exchange of experience and knowledge between village PUUs; (ii) find better solutions for problems in the community which are pertinent to all villages on Jamoat level; (iii) unite efforts of PUUs for solving village problems in case if efforts of one PUUs is not sufficient; and more. In addition these measures will ensure further functional sustainability for PUUs.

2. Budget planning, financial analysis and dissemination of financial data

Recommendation: PUUs should conduct proper budget planning⁵, and financial analysis and dissemination of key financial data to PUU members. The PUU accountant and PUU chairman⁶ should be trained in such topics. Dissemination should occur by maintaining a quarterly updated sheet on the PUU building's outer wall as outlined in the attached Annex, prepared by the accountant and approved by the PUU Chairman.

Rationale: It is critical that PUUs plan their financial saving targets, and have the skills to do so for several years ahead to allow for financing of priority projects, funds for which cannot be raised in the course of one year only. In the same time, publicly broadcasting financial results on PUU wall is important to increase member credence in the efficient functioning of the PUU and increase its legitimacy; as well as prevent misuse of funds. It will also raise PUU member interest in the PUU affairs, and their willingness to participate in savings projects that will span the course of several years.

Example: No PUUs met by mission had an explicit financial expenses forecast based on which fees were collected to meet expenses for the ongoing year (apart from covering the pasture lease). Having said that, PUUs prepare for unforeseen events: of the PUUs⁷ laudably kept a TJS 2,000 reserve fund for emergencies (machinery repair, etc.). Majority of the PUUs met did not have a plan to raise funds for the pasture certificate, even though a multiyear plan is required to make such a costly investment (in most cases exceeding TJS 10,000).

3. Poverty reduction

Recommendation: Continue promoting the PUU policy to provide relief from membership/grazing fees to poor households.

⁵ E.g. to include saving targets for several years to allow for financing of priority projects funds for which cannot be raised in the course of one year (e.g. certificates).

⁶ Possibly also include other PUU Board Members and Oversight/ Evaluation Committee members as needed.

⁷ Okbuloki Markaz in Baljuvon.

Rationale: This is an effective way to support very poor. Such assistance to poor households, along with their higher income from LPDP interventions, will increase the speed at which they emerge from poverty and become full contributors to the community's economy.

To consider: It should be highlighted that the project is providing a great support to Women CIGs and it contributes significantly to poverty alleviation goal. In accordance with the project design and development objectives, five women in each village received aid packages. They have received (a) poultry packages; (b) bee-keeping packages; (c) small ruminant packages; (d) livestock processing and marketing activities; and (e) seeds. In average, by end of the second year, there was increase in productivity and number of live animals doubled. In each village visited, there were more potential beneficiaries of aid package, who wish to participate in the program. It is important that PUUs continue this work, as this type of assistance instantly solves problems with poverty. The target group may include not only Women headed HHs, but also other poor families that do not have livestock, and who are members of the PUUs. There are two ways to continue this activity. Taking into account relatively low cost of this type of aid packages: i) the project may allocate additional funds to this component from the current budget; (ii) PUUs are currently making additional earnings from tractor lease. 30% of this income goes to pay salary to tractor driver and 10% to accountant. PUUs, therefore, can use 5-10 % of this income to support women.

4. Exchange visit to Kyrgyzstan

Recommendation: Organize an exchange visit for PMU staff/consultants to Kyrgyzstan. Objectives of the visit would be: (i) getting acquainted with the Kyrgyz experience; (ii) exchange of good practices, experiences in modalities and methodology of work with farmers / beneficiaries; (iii) reinforcement of cooperation between countries in the Central Asian region.

Rationale: There's a similarity in design of projects in Kyrgyzstan and Tajikistan.

5. Training on Participatory Approach and Community Empowerment

Recommendation: Provide training on Participatory Approach and Community Empowerment to members of PUU, focusing on farmers rights, their increased role in PUU's life, in everyday function of PUU, and increase of control of PUU's work by its members.

Rationale: The training will allow better participation by PUU members in discussion and decision-making process, as well as understanding their rights, roles and responsibilities.

6. Some (wealthy) PUU members refuse to pay pasture and membership fees

Recommendation: Devise procedures in consultation with PUUs to capture the grazing fees of wealthy households who take advantage of PUU programs such as Pasture Rotation but make no financial contribution to the PUU. Leverage may be applied in the form of denial of access to PUU equipment, such as tractors, trailers and grass cutters.

Rationale: Free riding by wealthy PUU members erodes morale among paying members. It also hampers the PUUs ability to convince members to contribute beyond the minimum towards significant yet necessary investments, such as pasture certificates. On the upside, the percentage contributing members increases from year to year. Curiously, often it is the households with larger livestock holdings that are reluctant to make their obligatory payments: while their contributions often would exceed that of the other members, they are also get the biggest benefits from the PUU.

7. Most PUUs have failed to obtain pasture certificate

Recommendation. The mission observed that none of the PUU's visited in Temurmaliq or Baljuvon had obtained certificate for land. All PUU's had applied for certificate in 2015, but in most cases the bottleneck was collecting the funds for redeeming the certificate (typically above TJS 10,000). No PUU interviewed had a plan how and when they'd pay for the certificate, and how they would save up the funds. The project should support the PUUs in devising plans how to raise and save funds for obtaining the certificate (see also point on financial planning at section 2).

Rationale: The certificate is important for guaranteeing access to pastures. PUU's don't have sufficient incentives to invest in pasture infrastructure lest they are guaranteed access to the land for a long period.

Example of key financial data to be kept public at PUU outer wall, and updated quarterly

Budget and realisation 2016

By 30 September 2016

Income/ Expenses statement

Income		
Narrative	Plan 31.12.2016	Actual 30.9.2016
Membership fee	2,000	1,500
Pasture fee	4,000	2,500
Machinery	8,000	5,500
Total	14,000	9,500
Expenses		
Narrative	Plan 31.12.2016	Actual 30.9.2016
Pasture lease	5,000	5,000
Salaries	3,000	2,000
Total	8,000	7,000
Revenue		
Narrative	Plan 31.12.2016	Actual 30.9.2016
Revenue (income- expenses)	6,000	2,500

Cash statement

	Plan 31.12.2016	Actual 30.9.2016
Cash at end year 2015	2000	
Revenue	6,000	2,500
Cash available	8,000	4,500