

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 15 to 31 October 2017 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 eight missions carried out during 2013-2017: a start-up, two 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. This mission was carried out in parallel with the supervision of the second phase of LPDP (LPDP-II) (IFAD Loan No. 2000001439/DSF Grant No. 2000001438/ASAP Grant 2000001437).
2. The mission had meetings and discussions with Mr. Sadi Karimzoda, the Director of the Project Management Unit (PMU) and his staff; Mr. Ahliddin Nuriddinzoda, the Head of Department on Foreign Investments/Projects of the Ministry of Finance (MOF) and his staff; Mr. Safarali Nazarov, the Head of the State Enterprise "Pasture Meliorative Trust" under the Ministry of Agriculture (MOA); Mr. Sherali Vazirov, the Head of the State Veterinary Inspection under the MOA; Mr. Mahmadnazar Kashkuloev, the Chairman of the Association of Veterinarians of Tajikistan; Ms. Zebo Bobokhonova, the Vice-Rector for International Relations and Mr. Mahmader Usmonov, the Vice-Rector for Scientific Work of the Tajik Agrarian University (TAU). The mission visited all ten districts of the LPDPI and LPDPPII, namely Baljovan, Khovaling, Muminobod, Sh. Shohin (former Shurobod) and Temurmali (LPDPI), and Dangara, Farkhor, Hamadoni, Kulob and Vose (LPDPPII) and held discussions with the local administrations, regional staff of LPDP and 33 Pasture User Unions (PUUs) and their groups (project beneficiaries). Altogether, the mission spent five days in the field. The field visits were undertaken by the mission in five groups as to cover as many beneficiary groups as possible. The visited PUUs were largely different from the ones included during the supervision of the last year. In addition, discussions were held with the representatives of donor organisations currently acting in Tajikistan, including the DFID, USAID, UNDP, EU, WB Project 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 30 October 2017 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 in particular to the PMU.

B. Overall assessment of LPDP implementation

5. The Livestock and Pasture Development Project is the second IFAD project in Tajikistan. LPDP became effective on 5 August 2011, and constitutes an investment of USD 15.8 million, of which the IFAD grant amounts to ca. USD 14.6 million (SDR 9,300,000) or 92% of total project cost; a contribution by the Government of about USD 407 000 (3% of total costs); and beneficiaries' contribution equivalent to approximately USD 775 000 or 5% of total project costs. There is a financing gap of about USD 3.4 million compared to the appraisal value (project design), which was expected to be filled by IFAD from the country's 2013-15-allocation cycle. However, this has not been materialized, instead of a second phase has been approved covering additional districts in the project region. The LPDP-II became effective in February 2016, with the first disbursement made in November 2016.
6. The development goal of the project is to contribute to the reduction of poverty in Khatlon Oblast. The development objective of the project is to increase the nutritional status and incomes of 22 400 poor households by enhancing livestock productivity in a sustainable manner. In collaboration with the Government of Tajikistan five districts have been identified for the project in the Khatlon region. These are

¹ Mission composition: Mr. Abdelhamid Abdouli, Senior Programme Management Specialist, Acting, CPM for Tajikistan; Ms. Anara Jumabayeva, Senior Economist, Mission Leader; Ms. Yoshiko Ishihara, Rural Sociologist; Mr. Brien Norton, Pasture Management Specialist; Mr. David Radcliffe, Portfolio Review Specialist; Mr. Nicolas Tremblay, Environmental and Climate Change Specialist; Mr. Mairambek Tairov, Institutional Development Specialist; Mr. Zholdosbek Dadybaev, Livestock and Veterinary Specialist; Mr. Mikael Kauttu, Programme Officer; Mr. Moez Makhoul, Financial Management Specialist; Mr. Anvar Mamkulov, Procurement Specialist. The mission was accompanied by Ms. Zainab Kenjaeva, IFAD Country Presence in Tajikistan.

(in alphabetic order) Baljuvon, Khovaling, Muminobad, Shurobad and Temurmali. 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 4.85 million, including USD 3.4 million of the above appraisal gap and USD 1.45 million because of the depreciation of SDR against USD), the following key revisions were made during the project (largely during the MTR): (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 107 PUUs and land lease agreements for at least 10 years by 96 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 364 priority subprojects with completion of 353 subprojects and 11 subprojects under implementation (suspended until the decision is made by IFAD on the project extension); (v) improvement of about 81 171 ha of pasture lands; (vi) 131 Community Interest Groups (CIGs) for fodder production and promotion of around 20 households per CIG were formed for a total of 2 675 member households, bringing a total of 750 ha into fodder production and produced 708 ton of fodder seeds and 6 896 dry fodder; (vii) supply of 80 Gissar rams to 20 CIGs and 430 heads to 45 PUUs 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 CIGs (883 women); and (ix) construction and equipping of 24 veterinary points (provision of drugs, tools and minor equipment).

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 1 000 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 was scheduled for completion in September 2017. Since December 2015, the project has been restricted to accessing its bank accounts in Tajprombank, due to illiquidity of the bank. As of 30 September 2017, the total blocked amount of the project by the bank was USD 598 119 for IFAD Designated Account (DA) and TJS 771 680 (USD 87 791) for beneficiaries' bank account. Mainly due to this reason, the Government has requested for extension of the project completion date by one year, i.e. to 30 September 2018. This would also allow to complete some of the activities that have been on hold because of the blocked access to financing. As of 30 September 2017, the total amount of actual expenditures is USD 13.575 million (USD 9.334 million on September 30, 2016), financed by IFAD grant

(USD 11.874 million), Government (USD 1.079 million) and beneficiaries (USD 0.622 million). It represents 87% of the total funds allocated for the project and 95% of the total commitments (signed contracts). It is estimated that project funds would be fully utilized before the new completion date of 30 September 2018. The overall financial performance of the project is rated as **Moderately Satisfactory (4)** (see further below in Section on Fiduciary aspects).

12. The project was largely in line with the 2016 Annual Workplan and Budget (AWPB), i.e. 95% of the planned target, and the execution rate for nine months of this year is about 75% against the 2017 AWPB. The forecast for execution rate for 2017 is 90-95%. In view of the very good progress in implementation of CLPMPs and confirmed visible outcomes on the ground the project's overall performance is rated as **Satisfactory (5)**.

13. The status of the actions agreed during the last supervision mission is presented below:

Agreed action	Responsibility	Agreed date	Status
Resolve the issue on transfer of remaining balance from the old to new bank accounts.	MOF/ PMU Director/ Chief Accountant	As soon as possible	In progress
Prepare and submit the AWPB for the fiscal year 2017 for IFAD's no objection.	PMU Director	End December 2016	Done
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	Done
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	In progress
Implementation of the remaining subprojects.	PMU Director/ Project Coordinator	End August 2017	In progress
Submit a revised Project Procurement Manual to IFAD for no objection.	Sr. Procurement Specialist	As soon as possible	Done
Submit an amended LTR (procurement) to IFAD for no objection.	Sr. Procurement Specialist	As soon as possible	Dropped
Regular monitoring of PUUs and project activities as per established procedures and schedule, including institutional aspects.	M&E Consultant	Continuous	Done
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	Done
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	Continuous	Done
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	Done

14. 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
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	Closing date
Implementation of the remaining subprojects (subject to extension)	PMU Director	New completion date
Initiation of the Project Completion Report	Project Coordinator	New completion date
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.	Project Coordinator/ Community Development Specialist/ District Officers	Continuous
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*)

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

16. 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.

17. For the reasons described above in the section B, 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 compared to a target of 100 PUUs. Within those 203 PUUs there are 23 841 households against the planned 22 400 households. These PUUs manage about 81 171 ha of pastureland and have been successful in meeting their duties set by the project.

Sub-Component 1.1: Development of Community Organizations

18. 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 PUUs under PMU direction through the District Officers. In each district a Pasture Users Association has been established to share experiences, organize capacity building activities and arrange for collective use of specialized large machinery such as road graders.

19. **Pasture land use rights.** Some PUUs are still lacking certificates or satisfactory use agreements for their communally used pasturelands. An additional entity supporting PUUs was created within the terms of the law On Pasture, namely, a regulating Committee for Pasture Use established under the local governments of the Project's targeted Districts by representatives of local authorities, *jamoats* and PUUs. It is not yet clear how the actions of this Committee will affect pastures users.

Sub-Component 1.2: Institutional Strengthening

20. **Training.** The project has continued training and capacity building in 2017 for PUU leaders and members. 96 PUUs received training or participated in study tours (14 tours) in 2017, benefiting 785 people. As a direct result of project mentoring, the satisfactory governance of PUUs increased in 2017, bringing the cumulative level of good PUU governance to 80% of all PUUs.

21. **Pasture Meliorative Trust:** The law "On Pasture", approved in March 2013, created a policy framework for the LPDP to establish community pasture organizations and apply management interventions to promote improvements in pasture and livestock production in project districts in Khatlon Oblast. In September 2017, a decree of the Minister for Agriculture approved a Charter for the Pasture Meliorative Trust (a state institution). The LPDP was a key player in drafting the Charter and working for its approval. The Trust aims to achieve sustainable pasture use in the context of increased pasture yield and livestock production, thereby raising the standard of living of rural population. It covers in more detail than the law "On Pasture" specific approaches to pasture use, development, monitoring and training. The Trust is committed to supporting local PUUs as well as *dekhan* farms.

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

Agreed action	Responsibility	Agreed date
Encourage Hukumat authorities to grant land-use certificates in all PUUs that don't have them, or confirm use agreements.	PMU Director	End Sep 2018
Maintain contact with PUUs to ensure that pasture rotation plans are properly implemented, and to strengthen use of GPS units.	PMU Kulyob	End Sep 2018

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.

Sub-Component 2.1: Strengthening private sector services

24. The LPDP aims to engage more than 4 000 PUUs 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. At large, all these targets have been realized.

25. **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.

26. 131 CIGs have been established for fodder production in the project targeted districts involving 2 675 poor households who were provided with 97 tons of fodder seeds and 343.5 tons of mineral fertilizers, and as a result almost 750 hectares are now under fodder cultivation. This allowed for production of 708 tons of fodder seeds and 6 896 tons of dry fodder so far. Learning from this experience, 18 entrepreneurs have planted high quality fodder seeds on additional area of 80 ha.

27. **Sheep breeding trials.** In 2015, the LPDP supplied 20 CIGs with 80 Hissar rams that were mated with 2 643 local ewes, involving a total of 223 HHs. The lamb offspring numbered 2 202, of which only 36 died, an extraordinarily low mortality rate of 1.6%. The Hissar crossbred lambs weighed 3.6 kg at birth and 27.3 kg at 6 months, which is a faster growth rate than for local sheep. Based on these demonstrations, 45 more PUUs procured 430 heads of Hissar rams within their grant allocations (as sub-projects).

28. **Entrepreneur enterprises:** 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:** Up to date, all planned 24 veterinary points have been built and equipped by the project. All 203 CLPMPs include Animal Health Plans which are fully followed. All planned trainings on animal health for livestock owners have been delivered since the project start and are to be continued by vets contracted. Five trainings on *Strengthening Private Veterinary Services* have been conducted by project's Livestock/Veterinary Specialist in February, 2017 for 80 vets in the project area.

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

Agreed action	Responsibility	Agreed date
Promote PUUs' investments for increased winter feed resources from fodder crops and hayfields.	PMU Kulyob	Continuous
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	Nov 2017 and April-May 2018
Monitor activities of veterinary points	PMU Kulyob	Continuous
Coordinate with other projects to use available resources for updating the vets knowledges and skills, for example, within FAO's Project on Strengthening State Veterinary Services in Tajikistan, which started in 2016	PMU	Continuous

Sub-Component 2.2: Improved pasture management

31. 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 81 171 ha of

pastures are managed by 203 PUUs. Official data from the Tajik Statistics Department show that in the 5 project Districts, in the 3 years from 2014 to 2016, total cattle numbers rose by 8% and milk yield by 12.8%. These numbers include villages that are not part of the project; Nevertheless, it is likely that the greater productivity of LPDP herds contributes significantly to the Districts' overall livestock performance. LPDP-I PUUs consistently reported to Mission visits that pasture rotation had resulted in more forage, heavier animals and higher milk yield. In exceptional cases cattle numbers and milk yield had doubled.

32. **CLPMP development:** In 2016-2017 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. The LPDP-I experience of CLPMP development and implementation has been transferred to LPDP-II.

33. **Pasture rotation:** All 203 PUUs are now using pasture rotation for their grazing management and most report benefits in forage and livestock production. Specific details of the rotation – in terms of starting date in spring, length of grazing periods and intervals of rest from grazing – vary among PUUs. The overgrazed condition of some pastures suggested that the rotations were not always followed, but that may simply reflect the climate prevailing in 2017, in which there was no rain from early May up to the field visit in October. However, the rotation plans on some PUU offices indicated a grazing plan where rest periods were too short (4-5 weeks) to allow adequate recovery growth between grazing periods.

34. **Demonstration plots.** Over the past year 37 demonstration plots were fenced for a total of 47 ha, bringing the total demonstration-plot area for LPDPI to 167 ha. Dry weight (DW) of forage has been estimated from the average of 4 1m² clipped quadrats in each plot. Plant biomass (DW) has increased from an average of 2.4 tons DW/ha in 2016 to 3.4 tons in 2017. This difference could be due in part to different seasonal conditions, but it is also due to accumulated benefit of protection from grazing. In the first year of protection, spring growth increases root growth and root penetration into the soil profile. By the second year, plants can access a larger volume of soil and therefore obtain the use of more soil water during the growing season.

35. **Subproject investments:** Altogether 353 subprojects have been completed in LPDP-I. These include 191 for machinery, 111 for pasture improvement infrastructure, 45 animal breeding projects, 8 combine harvesters, 3 milk collection centres and 3 sub-projects for growing fodder crops. Infrastructure improvements include 82 water-point developments, 10 corral yards in remote pastures, 14 bridges and 22 access roads to pastures.

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

Agreed action	Responsibility	Agreed date
Monitor PUUs to continue implementing pasture rotation, to monitor pasture condition and to monitor livestock weights of local and improved breeds, for their own benefit.	PMU Kulyob	End Sep 2018
Monitor PUUs to effectively employ GPS units to assist pasture management. Provide follow-up training if necessary.	PMU Kulyob	End Sep 2018

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

37. The main objective of this component is to help enhance the nutritional status and increase the incomes of women from poor households, especially women-headed households in the project districts. Despite the fact that livestock is a key factor in the livelihoods of the small farming households in the project districts, there are many households who are too poor to own any livestock. Thus the project has provided different packages tailored for the most vulnerable members of the rural community - poor women and women-heads of households: (a) poultry packages; (b) bee-keeping packages; (c) small ruminant packages; and (d) livestock processing and marketing activities. While these were all given to individual members, each wool and dairy WIGG received packages of equipment. In total, 738 packages have been provided to 883 women. All WIGG members contributed 5% of the cost of the package in cash. The Project also provided technical training to the CIGs. All activities of the Component had been fully implemented by 2015, and the total allocation of USD 703,000 had been disbursed. The Component during the initial stage of implementation received intensive support from an international consultant (income generation specialist) and was closely coordinated and monitored by the IGA specialist of PMU, who was located in the Kulob office.

38. **Actions from the last mission.** Three sets of actions were agreed in the last supervision mission in October 2016. The table below indicates the recommendations and the actions taken:

Agreed action	Action taken
<u>Poultry</u> : explore options of replacing the existing flock with local rustic hens	Around 40% of households replaced the existing flock with local rustic hens
<u>Small ruminants</u> : disseminate flyers on early symptoms of dangerous infectious diseases and parasites	Completed
<u>Wool groups</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.	1) WIGGs rejected the solar panels and instead resolved the issue of access to electricity; 2) Under cooperation between PMU and UNIDO project in Tajikistan, the heads of WIGGs attended three trainings on design and quality improvements in Dushanbe and Kulob. The trainings were conducted by the UNIDO project; 3) PMU contacted a major supermarket in Dushanbe (Auchan) on sale of wool products, and was informed of a possibility of their purchasing during winter.

39. The PMU continues to monitor the performance of WIGGs on small ruminants, dairy and wool products. For the WIGGs of small ruminants, only selected members have been monitored (57 in total). Monitoring report of the small ruminant WIGGs suggests positive results: number of the heard increased with good birth rates and very low mortality; and each recipient has earned about 1,000 TJS of net profit from the activity in the first nine months of 2017. Interviewed beneficiaries reported no issues regarding their animals' access to fodder or pasture, as well as vaccination. However, the monitoring report of wool WIGGs indicates some challenges: five out of 15 such groups recorded no sales during the first half of 2017; and among those recorded sale the level of profit is generally low, ranging from TJS 500 to 2,025 per group. Regarding dairy WIGGs, the monitoring report indicates a net profit of TJS 5,000 to 10,000 per group (or about USD 85 per woman) for the first six months of 2017 from sale of *chaka* (sour milk), butter and *qurut* (dried cheese). It appears that those products were produced individually by members at home, but the members benefit from access to the project-provided refrigerators to keep the products and fresh milk before marketing at local markets. The refrigerator provides an opportunity to the WIGGs to buy milk from households outside the group membership for processing and sale at markets.

40. **Performance against the target.** The Component had met all output targets of the logical framework. It should be noted that if hands-on training by PMU staff are included, the number of trainings would be much higher².

41. **Further capacity building for wool WIGGs.** The current mission is of the view that the wool WIGGs need to continue to strengthen their marketing skills and improve product quality in order to operate as business groups on a sustainable basis. While groups are keen to produce new lines of products, explore new buyers and employ other interested poor women from the community, their current technical skills and market knowledge are not sufficient to elevate them to that level. Some of the wool WIGGs the mission visited seem to possess only rudimentary level of book keeping skills. The mission recommends the PMU to engage a marketing expert from the region specialising in wool products, who will expand and reinforce the groups' linkages with buyers, provide hands-on training on product developments, enable the members' access to resources on design and quality improvements, and organize study tours for them to learn from comparable best practices.

Agreed action	Responsibility	Agreed date
Engage a wool product marketing specialist (subject to approval of the new completion date)	Project Coordinator/ Business Development Specialist	End of January 2018

D. LPDP implementation progress

42. **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).

43. 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

² For example, in 2016 PMU staff provided a half-day training to each wool WIGG on economic benefits of wool processing and usage of natural colors, covering such topics as determination production costs, demand assessment and marketing. Lists of potential buyers were also provided.

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.

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

45. **Monitoring and Evaluation is Satisfactory (5).** The project maintains a detailed output geo-referenced dashboard that outlines the infrastructure and machinery and equipment benefiting each village. The M&E unit's M&E plan is comprehensive, detailed, with clear targets and protocols, and has generated relevant information for management in a satisfactory manner. On the impact level, it was agreed with IFAD that in order to save project resources, the project use the contemplated IFAD impact evaluation (IIE) for the PCR process. However, the IIE has met with delay due to lacking permission to conduct interviews in the field. The mission recommends that the PMU wait for clarity in whether the IIE can go ahead until mid November. If at that point there is doubt that IIE will be finalised in time for PCR, the PMU should proceed and select a company for completion survey based on SSS in view of the unexpected urgency.

46. **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 2016, approved, and subsequently revised/approved in January 2017. The AWPB and Progress Reports are done with the Planner, and are overall accurate and comprehensive.

47. The following has been agreed:

Agreed action	Responsibility	Agreed date
If IIE is in delay, commence selection of company for completion survey	PMU Director	Mid November 2017

48. **Gender focus in implementation.** The project's gender focus continues to be satisfactory. As discussed earlier, Component 3 had fully achieved its target outputs. Other logframe output indicators that specifically addressed gender also show positive results: 32% of PUU board members are women (against the target of 30%); and 26% of the participants of trainings under Component 1 are women. Although the aggregated data of the latter was below the target (30%), some topics attracted higher levels of women. For example, over 41% of the participants of PUU exchange visits across districts were women; and women accounted for 35% of the total participants of conflict resolution training.

49. The project successfully addressed gender mainstreaming and supported women's involvement in pasture management. The PIM spelled out gender-related actions in the project, and the gender focal point in the PMU continued to monitor their implementation. Community mobilization exercises at the village level maintained gender focus, ensured women's participation in meetings and decision makings, and promoted their access to project opportunities. This resulted in women not only successfully being included in WIGs in Component 3, but also actively participating in other project activities. For CIGs, more than 30% of the members of fodder promotion and production groups are female headed households; and of the 20 Gissar sheep breeding groups the PMU monitors six are headed by women. One third (six out of 18) of the fodder seed production enterprises are managed by women. **(Satisfactory, 5).**

50. **Poverty focus in implementation.** The project has a clear strategy for reaching out to poor rural women and men, which was implemented successfully. All key stakeholders (districts, *jamoats* and villages) became fully aware that the poor households would be included in the project as beneficiaries thanks to active information dissemination and awareness raising efforts. Community facilitators conducted participatory wealth ranking in each village as part of the social mobilization process. This enabled the communities to have a clear idea and consensus about which households are eligible for different project supports. Selection of the fodder production and sheep breeding CIG members followed the pro-poor criteria as articulated in the PIM, and poor households, including female-headed ones, became members. Field observations and discussions suggest that the PUUs often exempt female headed households from paying membership fees, indicating that some PUUs maintain and encourage pro-poor focus and practices of mutual support. **(Satisfactory, 5).**

51. **Effectiveness of targeting.** The primary target groups of the project are: (i) smallholder livestock farmers; (ii) private veterinary service providers and small scale entrepreneurs with the potential to provide services to smallholder farmers; and (iii) women headed households and women belonging to poor households. Proposed targeting approach included: (a) geographical targeting for selection of the *Jamoats* and villages with the potential for livestock and pasture development; (b) household targeting for selection of households which meet the Project's poverty and gender criteria; and (c) gender targeting for selection of women for specific Project activities through fixing special quotas for their inclusion. The PIM elaborated

the targeting approach and provided clear steps and criteria. PMU reports, the past supervision mission reports (including MTR) and other documents suggest that the project implementation followed the targeting approach, and that the target groups did actually benefit from the project interventions.

52. 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)**.

53. **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 has delivered trainings at the community level, 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.

54. 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.rural.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. The PMU has developed and implemented "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 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)**.

55. **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 has already generated 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 were made a key part of the reporting system in the M&E system and are being monitored on a regular basis. **(Satisfactory, 5)**.

Agreed action	Responsibility	Agreed date
Follow up on the recommendations of the International Consultant in Income Generating Activities to ensure developing profitable and sustainable enterprises	PMU Director/ Project Coordinator	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

E. Fiduciary aspects

56. **Financial management.** Based on the FM supervision, and the issue of the restriction to access to project bank accounts in Tajprombank, since December 2015, the FM rating of the overall Project is **Moderately Satisfactory (4)**.

57. **Project cost.** The project cost is estimated in the Financing Agreement (FA) at USD 15.558 million, from which USD 14.600 million financed by IFAD Grant. However, 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 Grant proceeds in USD could be reduced by USD 1.45 million.** On the basis of the disbursements done to date for a total amount of SDR 9.116 million, the difference of the amount received in USD by the project is USD 1.419 million (USD 12.892 million on the basis of actual exchange rate instead of USD 14.311 million on the basis of the exchange rate at appraisal). The balance amount on Grant, not yet paid by IFAD is SDR 0.184 million (USD 0.258 million).

58. **Organization and Staffing (Satisfactory, 5).** The finance management staff of the PMU have been hired in 2012 and 2013 and had acquired acceptable experience in managing the project.

59. **Budgeting (Satisfactory, 5).** The PMU submitted the AWPB for the fiscal year 2017 on time for IFAD No Objection, and it is deemed acceptable for IFAD. The Government submitted to IFAD in September 2017 a request for the extension of the completion date. This request is under review by IFAD, and if accepted, the mission recommends preparing and submitting the AWPB for the fiscal year 2018, for IFAD No Objection.

60. **Funds flow and Disbursement Arrangements (Moderately Unsatisfactory, 3).** Disbursements from the project bank accounts are subject to a sufficient level of review, check and balance to ensure sufficient level of control exists. All payments on the Grant are made using bank transfers, no cash payments from IFAD Grant proceeds are allowed.

61. 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 2017, the total blocked amount of the project by the bank was USD 598,119 for IFAD DA and TJS 771,680 (USD 87,791) for beneficiaries' bank account. The PMU is negotiating with the MOF and the MOA to resolve this issue and to get the funds.

62. The MOF has committed, by letter on June 20, 2017, to perform the payment of 10 contracts for a total amount of TJS 5,253,325 (about USD 596,969), out of the expense of project's advance funds in the "Tajprombank", and to cover the costs of the remaining project activities from the remains of unused funds of the IFAD Grant. However, until now the payment and the implementation of 10 contracts, already signed, are pending, because there is no any reimbursement from "Tajprombank". **The mission recommends the Government to cover its official commitment, to allow the implementation of the remaining activities of the project.**

63. Furthermore, due to the restriction to access to beneficiaries' bank account, the PMU paid the balance of community contribution for a total amount of USD 107,992.78 due to "Agrotekhservice", from IFAD Grant proceeds. IFAD considers this expenditure as **ineligible for financing by IFAD Grant**, despite there is IFAD no objection. **IFAD recommends: (i) to transfer this amount to the designated account by the Government; or (ii) to cover IFAD contribution by the Government for a total amount of USD 107,992.78.**

64. **Commitments.** The total amount of commitments (signed contracts) as of September 30, 2017 is USD 14.313 million (USD 10.889 million on September 30, 2016 last supervision), financed by IFAD Grant (USD 12.522 million), Government (USD 1.079 million) and beneficiaries (USD 0.712 million). The commitments represent 92% of the total project cost.

65. **Actual expenditures** The total amount of actual expenditures as of September 30, 2017 is USD 13.575 million (USD 9.334 million on September 30, 2016), financed by IFAD Grant (USD 11.874 million), Government (USD 1.079 million) and beneficiaries (USD 0.622 million). It represents 87% of the total funds allocated for the project and 95% of the total commitments.

66. **Actual expenditures on AWPB 2017.** The total amount of the actual expenditures, including the beneficiaries' contributions, against 2017 AWPB as of September 30, 2017 is equal to USD 2.464 million which represents 75% of the total planned amount (USD 2.846 million).

67. The mission reminds that only works, goods and services received before the completion date fixed to 30 September 2017 will be eligible for financing by IFAD Grant, unless IFAD agrees with the project extension of the completion date.

68. **Internal Control System (Satisfactory, 5).** The internal control system in place within the PMU guarantees the separation of the functions through several controls mechanisms.

69. **Project Implementation Manual (PIM).** The PMU prepared and submitted a PIM to IFAD for approval, in 2012. The PIM was updated by the PMU for the last time in 2016 and was accepted and approved by IFAD on 23 February 2016.

70. **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.

71. **Financial Reporting and Monitoring (Satisfactory, 5).** The PMU submits quarterly financial reports. These reports are automatically generated by the accounting software, including the DA reconciliation and withdrawal applications. The PMU prepares also statements of commitments and

expenditures by component, sub-components, and category and by financier and monthly bank reconciliation statements for all the bank accounts.

72. **Internal Audit (Satisfactory, 5).** At the PMU level, there is no internal auditor. However, the project financial statements for the fiscal year 2016 was subject to ex-post review by the Accounting 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 Fight with Corruption of the Republic of Tajikistan. Both entities did not send the report to the PMU. **IFAD recommends that the reports should be shared with the PMU and IFAD.**

73. **Fixed assets register.** 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.

74. **Disbursement (Moderately Satisfactory, 4).** As of 30 September 2017, 98% (SDR 9.116 million), equivalent to USD 12.892 million of the total grant allocated for the project have been spent (FM Appendix. Table 5C). It appears from this table that the project has over disbursed on categories 1 "Civil works"; 2 "Equipment, Goods and vehicles" and 7 "Operating expenses". Considering the contracts signed and not yet paid on category 1 for a total amount of USD 0.444 million (SDR 0.317 million), the total payments on this category would be SDR 0.524 million against an allocated budget of SDR 0.130 million.

75. Considering that the Government submitted the request for extension of the completion date, the disbursement is rated moderately satisfactory.

76. On 07 April 2016, the MOF submitted to IFAD a request for the reallocation of funds by category. This request is still pending.

77. From October 2016 to date 7 WAs and 2 WA for Direct Payments (WA 24 to WA 32) have been processed under the IFAD Grant for a total amount of USD 3.464 million (SDR 2.511 million), yielding a disbursement rate of 98%.

78. **Counterpart Funds (Satisfactory, 5).** Contributions from the government are provided in taxes and duties exemption. As government contribution exceeded the planned amount of the project, the PMU decided to do not include the VAT exemption in the AWPB. *The mission recommends continuing recording the VAT exemption as government contribution in AWPB; even it has exceeded the planned amount.*

79. **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.

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

81. **SOE review.** The mission selected and reviewed 26 payment orders related to IFAD grant, from WA 24 and 31 (except DP n° 25), for a total amount of USD 0.952 million (38%) of the total amount of these WAs) and found the supporting documents are adequate and easily retrievable. The main findings are as follows (FM Appendix. Table 4): single-source selection with no prior IFAD No Objection for extension of contracts signed with "Gazpromneft LLC" for fuel.

82. **Audit.** External Audit report was timely submitted to IFAD. The FY 2016 external audit was conducted by Baker Tilly, and was unqualified. The management letter did not disclose any significant internal control issues. The project is rated as **Satisfactory (5)** in terms of quality and timeliness of Audit report submission.

83. Considering that the grant closing date is 31 March 2018, the mission recommends that the audit report for the fiscal year 2017 covers the period *from 01 January 2017 to 31 March 2018*. However, if IFAD accepts the extension of the grant completion date to 30 September 2018, so the audit report for the fiscal year 2018 will cover the period *from 01 January 2018 to 31 March 2019*. The audit TORs should be modified accordingly.

84. The proposed actions are noted below:

Agreed action	Responsibility	Agreed date
To cover its official commitment, by performing the payment of 10 contracts, for a total amount of USD 596,968.73, to allow the implementation of the remaining activities of the project.	Ministry of Finance	30 November 2017
To cover the ineligible expenditure for an amount of USD 107,992.78	Ministry of Finance	30 November 2017

Agreed action	Responsibility	Agreed date
Share the reports of the AC and the ASFCFC of the Republic of Tajikistan with the PMU and IFAD	PMU / AC/ ASFCFC	Continuous
Continue recording the VAT exemption as government contribution in the AWPB, even it has exceeded the planned amount	PMU	Continuous
The audit report for FY 17 or FY 18 will cover 15 months	PMU / Auditor	FY 17 or FY 18

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

86. The actions agreed with the last mission (October 2016) have been largely performed. Procurement activities are implemented by PMU Procurement Unit, which prepares annual procurement plans and submits to IFAD's approval as an integral part of AWPBs. Since October 2016 and until October 2017, the PMU has concluded a total of 16 contracts to a total sum of USD 1 734 031, including 4 contracts for procurement of goods amounting to USD 1 106 141, 12 contracts for procurement of civil works totalling to USD 627 890. The consulting services were not procured during the stated period due to cancellation of some procurements or changes in the plan of actions. It is expected that all the remaining contracts will be concluded before the new completion date of the project.

87. There is an adequate procurement potential. Procurement Unit comprises of the Senior Procurement Officer and the Procurement Consultant, who have sufficient proficiency and knowledge in procurement procedures of the WB and IFAD, as well as Assistant Procurement Officer.

88. The used Procurement Plan meets the requirements. There are no package ID numbers in some procurements, still differ from the procurements held. The Project Procurement Manual is used in the project activity. The recommendations have been implemented. The recommendations on amendments to the Letter to Recipient (LTR) (the procurement thresholds and preliminary review) are in progress.

89. The document filing system and registration system are organized satisfactory; the main documents are available and classified accordingly on the shelves, except for the report of acceptance of goods and works. The database of eligible companies is available. The recommendations were provided on improving the documentation system and active use of database to save time in procurement.

90. **Goods and Works:** The mission reviewed in detail the procedure for the conduct of tender process and related documents for the main part of the tenders held. The findings for all reviewed purchases 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 of goods prepared on the basis of advertisements of expression of interests could be excluded due to lack of necessity. Application of the IFAD's prior review procedures, instead post review as specified in PP. There are small differences in information between the tender documentation and contract, as well as the bid document and advertisement issue date. The measures necessary to address the issues have been discussed with the procurement staff.

Agreed action	Responsibility	Agreed date
Introduce additional changes to LTR in terms of procurement and submit to IFAD review	Sr. Procurement Specialist	asap
Implementation of the provided recommendations on using the suppliers database, file system and other recommendations in the ongoing procurements	Procurement Staff	asap

F. Sustainability

91. 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.

92. **Institutional building:** The project has continued training and capacity building in 2017 for PUU leaders and members. The satisfactory governance of PUUs increased in 2017, bringing the cumulative level of good PUU governance to 80% of all PUUs. The PUUs are now fully 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 (**Satisfactory, 5**).

93. **Empowerment.** The project succeeded in institutionalizing participatory pasture management through the creation of PUUs. Under the project support the whole village communities, as members of PUUs, learned to map their pasture lands, understand priorities for their sustainable use, and took collective actions to maximise the benefits from the common resources. PUUs have a governance structure that allows for transparent and democratic decision-making procedures, and operate under the principle of inclusiveness, giving voices and opportunities to less fortunate members of the community, such as poor households and female-headed families. It must be noted that establishment of PUUs made it possible for the communities to obtain land certificates to gain use rights for pasture lands (**Satisfactory, 5**)

94. **Quality of beneficiary participation.** The project paid significant attention to maintaining the quality of community mobilization and informed participation of the beneficiaries. Qualified service providers were selected to lead the process of community mobilization, guided by the high standard PIM, which elaborated actions to be taken, criteria and other details of project implementation. The project succeeded in building awareness that the project is for the PUUs and their members. PUUs, CIGs and WIGGs when formed were fully made aware of benefits from the project but also of their responsibilities, including making contributions, participation in training, O&M of machinery and infrastructure and reporting. (**Satisfactory, 5**).

95. **Responsiveness of service providers.** Services provided under the project were generally of good quality, and delivered on time and within the budget. Service providers included NGOs in charge of community mobilization, veterinarians, and technicians/engineers. Their reports are satisfactory - comprehensive, informative and timely. 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**).

96. **Exit Strategy** outlined in the PIM focuses on 'developing sustainable livelihood arrangements for smallholder farmers, investing in capacity development of the private sector and emphasizing the importance of an effective policy and regulatory framework for pasture resources in Tajikistan'. Key elements are: (i) adoption of a private sector-led approach to veterinary and extension services; (ii) private sector's provision of ancillary services for enhancing livestock production on a self-sustained basis; (iii) putting in place policy, regulatory and institutional arrangements that can demonstrate that the sustainable rehabilitation and management of the pastures is in the long-term interest of all stakeholders; (iv) making PUUs a sustainable mechanism for managing the pasture resources; and (v) sustainable operations of women's income generation activities on the basis of value chain approach.

97. The mission noted that adoption of a private sector-led approach to veterinary services has been successfully addressed with 24 veterinary points already constructed with trained veterinarians. Similarly the project supported CIGs and business enterprises started and expanded fodder and fodder seeds production on commercial or self-sustaining basis. The project actively supported amendments to 'Law on Pasture' which will institutionalize and scale up the PUU model under the LPDP. PUUs established with the project support are well functioning as a strong mechanism to manage the pasture resources on a sustainable manner. Of the income generation for women, members of poultry, bee-keeping, small ruminants and milk groups appear to have developed skills to manage the activities as businesses with a high likelihood of sustainability. However, most wool WIGGs appear still weak in marketing and business development, and pay little attention to quality and designs. Unless they become capable of producing items that are competitive and attractive, both quality- and price-wise, and respond flexibly to the market demands, their products may not be able to find buyers on a sustainable basis. The mission recommends the PMU to continue to provide support to the groups as mentioned in Section C. (**Satisfactory, 5**).

98. **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, from the beginning of project implementation by to date, the income received by PUUs from agricultural machinery rental services totals to about TJS 1 149 860, and total number of HHs benefitted from tractor services was 16 302. These funds are being used to implement other priority projects at the village level, including construction of bridges and watering points.

99. 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.	Project Coordinator/ Community Development Specialist/ District Officers	Continuous

G. Other

100. **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 1 000 jobs in the targeted areas. The magnitude of such outcomes has been confirmed by the independent mid-term review assessment. In addition to MTR main findings on impact, the ongoing IOE impact assessment will feed into the forthcoming PCR, planned to place in October 2018.

101. **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. Thanks to the project about 830 ha are cultivated under fodder crops to improve winter animal feed availability. **(Physical and financial assets & food security, 5; natural asset management and climate resilience, 5).**

H. Conclusion

102. The project is successfully implementing its activities with satisfactory assessment of all aspects. 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, for the successful completion of the project it is very important for the project management to undertake the following activities as soon as possible: (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.

103. 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	5-Nov-2017						
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	4	No. of Implementation Support/Follow-up missions	4				
Last Supervision	31-Oct-2017	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	98
MTR	03-11-2015	Last amendment		IFAD grant		
Original completion	30-Sep-2017	Last audit	30 June-2017	Domestic Total	1.18	
Current completion	30-Sep-2017			Beneficiaries	0.78	99
Original closing	31-Mar-2018			Government (National)	0.41	327
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	4	1. Quality of project management	5	5
2. Acceptable disbursement rate	4	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 successfully implementing its activities with satisfactory assessment of all aspects. The project has basically utilized all its resources. The project was scheduled for completion in September 2017. Since December 2015, the project has

been restricted to accessing its bank accounts in Tajprombank, due to illiquidity of the bank. As of 30 September 2017, the total blocked amount of the project by the bank was USD 598 119 for IFAD Designated Account (DA) and TJS 771 680 (USD 87 791) for beneficiaries' bank account. Mainly due to this reason, the Government has requested for extension of the project completion date by one year, i.e. to 30 September 2018. This would also allow completing some of the activities that have been on hold because of the blocked access to financing. Nevertheless, in view of the good progress in implementation of CLMPs 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:

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. 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 1 000 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.6 **Risks** Short description of major risks for each section and their impact on achievement of development objectives and sustainability

Fiduciary aspects	No major risks
Project implementation progress	No major risks
Outputs and outcomes	No major risks
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	Closing 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.	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 2016 to October 2017				
Impact and Outcomes	Indicators (with global target if available)	Achievements (as per M&E data)	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%		
	Managerial capacity of targeted public organizations (disaggregated by type) is increased. – 70%	70%		
	Pro-poor policy and legislation with regard to sustainable pasture management.			
		Rating: 4		
	Likelihood of sustainability of community groups formed/strengthened			
		Rating: 4		
Component 2: Livestock And Pasture Development	Livestock productivity data: Litres of milk produced per cattle / day	3.2		

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 dates will be complete in early in the next year.					
	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	32018 59678 2435 2643					
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%					
	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%					
	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 CIG 0 WIGG 0	0 0 0	0% 0% 0%	200 150 110	203 151 110	101.5% 100.7% 100%
National Forum on LPDP pro-poor development	Nb of National Forum held	0	0	0	1	1	0
Regional workshops on LPDP pro-poor development	Regional w/shops held	0	0	0	1	1	0
LPDP contributions to improved pasture management including policy dialogue, legal support	Policy published, related legislation proposed/passed	0	1	0	1	1	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	1400	1468	105%	7500	10716	143%
	(women 30%)	30%	30%	100%	30%	28%	93%
	Number of trainings	96	96	100%	525	734	139%
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%
2700 beneficiary HHs engaged in participatory fodder promotion and production demonstrations	Nb. of HHs engaged in fodder production process	2700	2943	101.3%%	2700	2943	101,3%
	Incremental area under fodder production (ha)	770	824	107%	770	824	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 (lambs at birth – weight increase 52%) (6 month old lambs – weight increase 13.75 %) 100% of HHs benefitting of sheep breeding trials whose	70%	82%	117%	82%	117%	(lambs at birth – weight increase 52%) (6 month old lambs – weight increase 13.75 %)
24 new veterinary clinics built and equipped	Nb. of New / existing Animal health clinics built / rehabilitated and equipped	0	0	100%	24	24	100%
Private sector veterinarians' capacities are strengthened to serve the population	Nb. Veterinarians trained	11	80	100%	48	80	100%
Business Development Services (BDS) provided including plans, legal advice, and linkage with finance and markets	BDS provided to 10 enterprises	1	1	100%	10	10	100%
210 Community Livestock and Pasture Development Plans (CLPDP) implemented	Number and type of infrastructure rehabilitated in time	60	56	93.3%	130	125	96.2%
	Number of "land use right agreements" (<i>certificates/ lease agreements</i>) signed by PUUs	100/0	23/0	23%/0%	100/200	107/203	107%/101,5%
80000 ha of pasture rehabilitated (on average 400 ha/village)	Number of Ha of land under improved management practices disaggregated by type.	1900	1900	100%	80000	83071	101%
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 850 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%
110 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: 2016 Supervision Mission

Agreed action	Responsibility	Agreed date	Status
Resolve the issue on transfer of remaining balance from the old to new bank accounts.	MOF/ PMU Director/ Chief Accountant	As soon as possible	In progress
Prepare and submit the AWPB for the fiscal year 2017 for IFAD's no objection.	PMU Director	End December 2016	Done
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	Done
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	In progress
Implementation of the remaining subprojects.	PMU Director/ Project Coordinator	End August 2017	In progress
Submit a revised Project Procurement Manual to IFAD for no objection.	Sr. Procurement Specialist	As soon as possible	Done
Submit an amended LTR (procurement) to IFAD for no objection.	Sr. Procurement Specialist	As soon as possible	Dropped
Regular monitoring of PUUs and project activities as per established procedures and schedule, including institutional aspects.	M&E Consultant	Continuous	Done
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	Done
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	Continuous	Done
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	Done

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

Action Area	Action Agreed	Whom	Date
Project Implementation	Initiation of Project Completion Report	Project Coordinator	New completion date
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	Closing date
	Implementation of the remaining subprojects (subject to extension)	PMU Director/ Project Coordinator	New completion date
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.	Project Coordinator/ Community Development Specialist/ District Officers	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
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Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

(Note: old template is used because the project will be completed soon)

			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%	203
			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	12 892	1 708	88%
Government	330	1 079	-749	327%
Beneficiaries	629	622	6	99%
Total	15 558	14 594	965	94%

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	1 027	92%	0	0		0	0		1 111	1 027	92%
2. Livestock and Pasture Development	11 049	8 718	79%	238	987	414%	601	596	99%	11 889	10 301	87%
3. Income Generation for Women	704	688	98%	33	33	100%	27	27	98%	764	748	98%
4. Project Management	1 736	1 441	83%	59	59	100%	0	0		1 795	1 500	84%
Total	14 600	11 874	81%	330	1 079	327%	629	622	99%	15 558	13 575	87%

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		724	-724	100%
1. Civil Works	130	207	-77	159%
2. Equipment, Goods and vehicles	320	385	-65	120%
3. Training, workshops, TA & studies	1 590	1 409	181	89%
4. Pasture improvement grants	5 605	5 261	344	94%
5. Income Generating Activity (IGA) Grants	635	410	225	65%
6. Pasture reserve fund	130	125	5	96%
7. Operating expenses	510	595	-85	117%
Unallocated	380	0	380	0%
Total	9 300	9 116	184	98%

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 Eshkata Bank
Section B.3	Opening of the Project Account	Grant Covenant	Complied with	New bank account for beneficiaries contribution at Eshkata 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	
Section B.8	Availability of Grant Proceeds and Counterpart Funds	Continuous	Partially complied with	The Government did not reimburse the blocked amount at "Tajprombank" for an amount of USD 598,119. Also, there is an ineligible expenditure for an amount of USD 107,993 that must be reimbursed by the Government.
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	Complied with	
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 Project has maintained a robust and comprehensive MIS/M&E system with clear indicators and well-defined targets and milestones. Coherence between AWPB, logframe and RIMs indicators, and geo-referencing of data are particular advantages. The system facilitated on-time progress tracking, and has served as an effective single reference point to observe and evaluate the progress.

The Project organized various trainings and exchange visits for the beneficiaries. Such trainings addressed both organizational and managerial aspects of the Project supported groups (PUUs, CIGs, WIGGs) and technical aspects with a view to sustaining the Project results both from the institutional and livelihood points of view.

The IFAD supervision mission teams included experts from Kyrgyzstan who have experience in working for similar IFAD projects in the country. This helped to promote cross learning of good practices and problem solutions across the two countries.

The Project has a dedicated web page (<http://www.pmu-lpd.tj/>). The bilingual site is actively updated by the PMU, and posts key documents, frequent news articles, bidding results and other information on the Project. This serves as a useful vehicle to promote transparency and the wider audience's awareness and recognition of the Project.

Innovation: Describe any interesting innovation noted during supervision

Lessons learned:

- (i) The approach of giving PUUs freedom to identify priorities for investment brings a disproportionately large portion of that investment to be in the form of machinery and infrastructure. In order for the sub-projects' investments to be more balanced between the "hard" (machinery, infrastructure) and the "soft" (agro-forestry, water harvesting, erosion control, etc.), active promotion of the latter is needed.
 - (ii) The involvement of private veterinarians in service delivery at village level through contractual arrangements is effective and should be disseminated as a model for other types of services whereby the stakeholders' responsibilities and rights are clearly defined. However, attention needs to be paid to involving the village society, particularly its representative body (PUU), for the monitoring of the activities.
 - (iii) While the Project-built clinics equipped with instruments and medicine provided obvious benefits to the villagers, a flexible arrangement in which each village independently decides a suitable form of support may be preferable in order to optimise the investment according to the specific contexts. In addition to building a clinic, other forms of veterinary services include payment for the veterinarian's transportation cost for his/her visits, and establishment of a common fund to purchase vaccines.
 - (iv) Successful experience in improving the breed of sheep flock by using pure breed Gissar rams can be replicated for goat flocks, using pedigreed billy-goats.
 - (v) Without an intensive hand-holding support to improve the group members' capacity to address regulatory requirements on product safety standards and quality, as well as to establish a sustainable partnership with buyers, WIGGs' processing of dairy products for the market, as a business, poses a major challenge. On the other hand, the Project support for refrigerators enabled women to actively engage in milk collection and sales at local markets, which brought continuous cash income flows to the members and also benefited other women in the village who had previously lacked an easily accessible outlet to sell surplus milk.
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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 2016 was conducted using International Standards of Auditing (ISA) and project used IFAD external auditors TORs upon CFS no objection. The 2016 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					
2016	NA					
Total:	0	-	0	-	0	-

Appendix 9: Mission Schedule and Persons met

15-16 October	Mission members arrive in Dushanbe
16 October	Meetings with the LPDP PMU staff
17 October	Meeting of the IFAD Mission Team
18-22 October	Field visit to Muminobad, Baljuvon, Khovaling, Shurobad and Temurmali districts (LPDPI) and Dangara, Farkhor, Hamadoni, Kulob and Vose districts (LPDPII)
19 October	Meeting with the representatives of the Ministry of Finance of Tajikistan
21-22 October	Return to Dushanbe
23 October	Meeting of the IFAD Mission Team
23-24 October	Meetings with the representatives of the State Enterprise "Pasture Meliorative Trust" under the Ministry of Agriculture, State Veterinary Inspection under the Ministry of Agriculture, Association of Veterinarians of Tajikistan, Tajik Agrarian University
24 October	Meeting with the LPDP PMU staff
25 October	Meetings with the representatives of the Delegation of the European Union in Tajikistan, DFID, USAID, UNDP, WB Project
26-27 October	Meetings with the LPDP PMU staff to discuss initial mission findings
28-29 October	Drafting Aide Memoires
30 October	Workshop with the project parties to discuss key findings and recommendations
30 October	Meetings with the representatives of the UN FAO Country Office in Tajikistan Wrap-up meeting with the Director of the Project Management Unit (PMU) and his staff
30-31 October	Mission members departure

Map of Visited Communities (see next page)



