

Outcomes Evaluation Report

UNDP Communities Program in Tajikistan



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Annexes

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LIST OF ACRONYMS AND ABBREVIATIONS

ABD	Area Based Development
ADB	Asian Development Bank
ADF	Association of Dhekan Farms
AKF	Aga Khan Foundation
AMFOT	Association of Micri Finance Organisations of Tajikistan
BAIC	Business Advisory and Information Centre
CBO	Community Based Organisation
CIDA	Canadian International Development Agency
CIG	Citizen Initiative Group
CP	UNDP Communities Programme
DDC	District Development Council
DDP	District Development Plan
DFID	United Kingdom Department for International Development
EU-TACIS	European Union - Technical Assistance to the Commonwealth of Independent States
FFS	Farmer Field School
GDP	Gross Domestic Product
GEF	Global Environment Fund
GTZ	German Agency for technical Cooperation
HDI	human Development Index
ICST	Institute of Civil Service Training at the Presidential Administration
ILO	International Labour Organisation
IOM	International Organisation for Migration
IT	Information technology
JCSS	Joint Country Support Strategy
JDC	Jamoat Development Committee
JRC	Jamoat Resource Centre
LDU	Land Degradation Unit
LPA	Local Producers association
MDG	Millennium Development Goals
MDO	Micro Credit Depositing Organisation
MEDT	Ministry of Economic Development and Trade
MF	Ministry of Finance
MIS	Management Information System
MLF	Micro Lending Fund
MLO	Micro Lending Organisation
NADF	National Association of Dhekan Farms
NAPS	National Association of Political Scientists of Tajikistan
NDS	National Development Strategy
NGO	Non-Governmental Organisation
PPP	Public Private Partnership
PRS	Poverty Reduction Strategy
REACT	Committee of Emergency Situations & Civil Defence
RAIC	Regional Advisory & Information Centre
SDC	Swiss Development Cooperation
SENAS	Support to the Establishment of National Agricultural Advisory Service
SSC	State Statistics Committee
SRC	Strategic Resource Centre under the Executive Office of the President
TACIS	Technical Aid to the Commonwealth of the Independent States
UI	Urban Institute
UNDAF	UN Development Assistance Framework
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USD	United States Dollar
WB	World Bank Group
WUA	Water User Associations
WUC	Water user Committees

Executive Summary

The UNDP CP interventions in terms of both program outcomes – local governance strengthening and rural economic development – were of high relevance for Tajikistan and assistance in these areas will remain in demand in the coming years. The ABD approach with such key elements as participatory development planning and management appears to be UNDP's CP core competence in the country. Despite a number of challenges the Program has been facing, it created potentials that the new CP should build upon, including the emerging links with national level institutions and processes.

At the overall Program management level, flexibility of approaches applied in different areas has been among CP strength but more structured conceptual orientations are needed. The program was rather donor driven and relied upon project-based management which made monitoring of outcomes and impact at the level of the program problematic and lead to high transaction costs. It is recommended that UNDP applies program approach to next CP phase (implying joint funding pool, integrated reporting system), develops sound monitoring and evaluation system, further strengthens capacities of its CP teams and continues promoting exchange of experience and critical reflection on Program's activities and outcomes.

Under the local governance component, the principal strengths of the Program include: self-organization of local communities around development issues, solid experience with the application of the methodology of district participatory planning, improved understanding and capacities of governance to formulate plans local development process and attract contributions of various actors, linking local level experiences in the field with national level institutions and policy dialogue. At the same time, CP of 2008-09 lacked clear strategies and proper monitoring of the impact of interventions on the local governance system.

It is recommended that new CP governance strategy should, firstly, focus on demand side of good governance and management, i.e. building abilities of civil societies and service users to self-organize, intervene with local government and put eligible claims. This would imply strengthening civic activism and associational capacities of issue-based civil society organizations; assisting JRCs in developing its resource and advocacy functions to provide demand-driven support to diverse community based organization and groups; enhancing abilities of mahalla and kishlak committees as the true form of local self-governance at the community level; strengthening networks of JRCs and establishing channels for information exchange on local development.

Secondly, the Program should pay attention to the supply side of good governance, i.e. improving capacities of local governments and service providers to respond to citizens demands, create spaces for constructive interaction with civil society and private actors and organize sustainable service supply and management. It should concentrate on developing existing governance structures and on transformations within the formal governance process, which can be achieved through: keeping the focus on *development planning and management* as the entry point for local governance reform and capacity building inputs; further improvement of the methodology of participatory district planning and linking it up with planning at the jamoat level; strengthening information collection and analysis of local governments and rationalization of data collection tools; support to the development of formal representative democracy (jamoat and district councils) and mechanisms that are applicable to local governance process beyond donor-funded projects; concentrating on innovative mechanisms of addressing development problem and service provision¹ in rural areas linked to new approaches and creative mix of resources.

Thirdly, CP can increase its national level leverage and impact by establishing links between the local development planning methodology and the Mid-term State Expenditure Program, securing more explicit linkages between improvement of local governance at the local level and the public administration reform processes at the national level, strengthening the role of local and national partners as "driving forces" and advocates of local governance reforms.

Under the rural economic development component, CP yielded important impacts locally but suffered from poor conceptualisation of its activities, in particular related to agricultural

¹ like public-private partnership (a government service or private business venture which is funded and operated through a partnership of government and private actors), co-production of services by public sector and communities; outsourcing (contracting out services to private sector), social enterprises (social mission driven organizations which trade in goods or services for a social purpose), etc.

interventions, and weak links along the micro- meso -macro line. Its major achievements at the local level include: establishment of micro-crediting organisations accountable for better access to loans in rural areas; support to agricultural infrastructure resulting into increased agricultural productivity and farmers' income; launching successful business advisory and information services in Zaravshan valley; support to skills training contributing to employment opportunities, especially among labour migrants; mobilization of communities into improvement and maintenance of rural infrastructure.

In order to consolidate these achievements, it is recommended that in the next program phase CP continues concentrating on securing sustainable access for rural population to agriculture development opportunities, micro credit, infrastructure and entrepreneurship skills. To advance entrepreneurship abilities, it should further upscale and strengthen BIACs, improve economic analysis of the different approaches to agro processing workshops and market analysis for the processed goods, as well as increase the effect of skills training workshops for women. For securing farmers' access to sustainable agriculture development opportunities, CP will have to develop a proper strategy for its agricultural interventions, including linking local level activities with meso and macro level (incl. contribution to improvement of agricultural sector policies, development and dissemination of innovative approaches and building essential support services) and establishing strategic relationships with other stakeholders. To further enhance access to micro-credit, support should still be provided to the regional MLF's for strengthening their performance, financial and information management, business planning, as well as the application of different micro-lending schemes and policies allowing them to preserve their social mission. For improving rural infrastructure, the CP should: continue ensuring high level of local contribution and engagement; proper ownership; focus on development and promotion of know-how and innovative partnership arrangements to establishment of infrastructure, its maintenance and management (incl. regulatory support where required); and further organizational capacities support to citizen associations participating in maintenance arrangements along with improvement of technical abilities of operating organisations.

In terms of women empowerment, being a cross-cutting theme, CP generated initial positive experiences. Yet, bringing gender into the focus remains a challenge addressing which requires more structured and sensitive approach. To contribute to gender balanced development the program should: mainstream gender throughout all activities (for which relevant understanding and skills among CP staff and partners is a prerequisite); support further experience exchange between women; strengthen women organizational capacities, networks, their grass roots base, links with government structures and vertical state programs aiming at reaching women; and ensure gender sensitive monitoring.

Introduction

This report is a result of the Outcome Evaluation of the UNDP Communities Program (CP) 2007-09 in Tajikistan. The evaluation was conducted in May 2009 by a team of two consultants – Mr. Ton de Klerk, a specialist in rural economic development and micro-finance, and Ms. Elena Krylova-Mueller, a specialist in local governance. The Terms of Reference and the program of the evaluation mission are attached in *Annex 1 and 2*, respectively.

CP is a multi-year initiative that builds on the accomplishments of previous work begun by UNDP in 1996. The program supports the implementation of Tajikistan's Poverty Reduction Strategy (PRS) and National Development Strategy (NDS). It is implemented in the framework of the UN Development Assistance Framework (UNDAF) and is meant to contribute to transforming livelihoods and redistribution of responsibilities at the local level.

UNDP CP pursues the two main outcomes that were the subject of this evaluation (more details on expected results for the outcomes see *Annex 3*):

- Rural communities, including the most marginalized, have greater access to rural finance, improved infrastructure and employment;
- Rural communities have greater governance.

In Tajikistan CP is the largest and most diverse UNDP program that operates in 40 districts² and 120 jamoats (sub-district level) throughout the country, except from the Gorno-Badakshan Autonomous Regions. The program was operationalised through a wide array of projects funded by UNDP own funds and various donors, including DFID, WB, TACIS, CIDA, ADB, ILO, SDC, IOM, GEF, Government of Germany (the list of projects is attached in *Annex 4*). The projects were delivered through five CP Area offices established in Sughd, Khatlon, Rasht and Zarafshan valleys.

The current report presents results of the CP outcome evaluation and is structured in the following way:

- *Chapter 1* briefly outlines the country context in which the program evolves;
- Chapter 2 explains the methodology of the evaluation;
- *Chapter 3* contains findings of the evaluation mission organized into sub-chapters corresponding to the two above-mentioned outcomes of CP organized along the expected results as formulated in the CP Program Document. Additionally, it reflects on findings related to overall program conceptual and managerial issues.
- *Chapter 4* provides conclusions and recommendations for each of the outcome and for the general program matters. These recommendations refer to strategic approaches and processes, while proposed directions for the content of the new program are elaborated by the consultants in the Concept Notes submitted to UNDP separately, following this report³.

² Administratively the Republic of Tajikistan is divided into two regions (oblasts) – Soghd and Khatlon, Gorno-Badakshan Autonomous regions, 13 districts of direct republican subordination and the capital city - Dushanbe. The two regions are further sub-divided into districts (raypon). At the local level the lowest constituencies are the jamoats (village clusters) and communities (kishlak and/or mahalla).

³ Finalization of the Concept of the new CP Program will require further consultations and interim decision making.

1 Brief Context Description

Tajikistan undergoes *multiple transformation processes*. Its transition from central rule to market economy and democracy is further complicated by a need to overcome legacy of the civil war of 1992-1997, which resulted into a displacement of a million people, took lives of some 50,000 and severely delayed development processes.

The country is landlocked and has rather difficult geographical conditions with predominantly mountainous terrain. It is highly prone to seasonal and natural disasters. Poverty in Tajikistan is wide spread and the state scores lowest in Human Development Index (HDI) among the countries of the former Soviet Union⁴.

Economic transition in Tajikistan is lacking behind other countries in the region. From 2000, introduction of strict fiscal discipline lead to steady economic growth⁵ and improvement in macroeconomic parameters. However, the recent growth in remittances (exceeding 30% of GDP) was insufficient to guarantee adequate levels of gross national savings, mainly spent for consumption. Domestic investment rates remained low, and foreign direct investments went primarily to large scale politically motivated projects.

The informal economy is estimated at 61% of GDP, half of which is unpaid taxes by registered firms. Estimates, which include the illegal economic activities such as narcotics trafficking, would likely be much higher.

Production in Tajikistan is mainly of non-manufacturing nature: primary agricultural goods (cotton, tobacco, hides and skins), services, and industries (aluminium). The Tajikistan export supply has not adapted well to the increasing demand in these markets for high quality food and manufacturing products. Due to its narrow base of the economy the state is vulnerable to macro-economic shocks.

Development of private sector is constrained by unfavorable business climate with main weaknesses being protection of investment, constraints linked to starting a business, trading across borders, dealing with tax authorities and accessing credit. Corruption is still rampant.

More than two third of the Tajik population lives in rural areas but only a meagre share of GDP comes from *agriculture*. Employment and income opportunities in rural areas are extremely scarce. According to the International IOM, some 600,000 migrant workers from Tajikistan work in the Russian Federation⁶. Kazakhstan is another country of labour migration for Tajik workers. Stability of these labour markets is a subject of changes in the policies of these countries towards labour migrants and the effects of the global economic crises.

Incomplete agrarian reform constrains growth in the agricultural sector. Despite de jure privatization, farmers do not have secure land use rights and local government exercises influence on cropping choices. Cotton farms owe USD90-300 million in debt to future companies, which is a major constrain for the sector that requires urgent resolution. Agricultural markets are underdeveloped and there is a large capital investment deficit.

Politically, the country is run from the center. A need for redistribution of responsibilities and strengthening local governance (decentralization or de-concentration) has been raised since years with no concrete steps undertaken. Local governance at district and jamoat level is represented by state administration with the heads of local executive (appointed from above) being at the same time the chairpersons of the local councils. The only meaningful form of self-governance is at the level of villages (mahaala and/or kishlak committees) but these self-government units lack resources and decision making powers, and in many localities are confused with the institute of the authority of elderly.

Vertical decision-making and budget allocation culture conflicts with the idea of strengthening responsibilities of local authorities for local development and the *provision of basic services* to their population – areas where improvements are badly needed. Access to health and education facilities, drinking water and sanitation, irrigation and transport infrastructure is very poor in rural areas.

⁴ Tajikistan ranks 122nd between South Africa and Sao Tome and Principe.

⁵ 7.0% per year within 2007-2008

⁶ Unofficial estimates are higher, at 1,5 million people

Current public administration reform did not yet deal with the local governance issues substantively. Despite existing individual regulatory adjustments initiatives (mainly pushed by international community) the very concept for local governance reform is still missing.

Development in Tajikistan is heavily dependant on international development and humanitarian assistance. Following the signing of the Millennium Declaration, in 2007 the government adopted MDG-based NDS for 2007-2015 and PRS for 2007-2009. In the support of the NDS, UNDP together with other UN agencies in Tajikistan, ADB, WB, DFID, Switzerland developed Joint Country Support Strategy for 2010-2012 which concentrates on developing regional cooperation for economic growth.

2 Evaluation Methodology

The evaluation team was commissioned to conduct an *outcome evaluation* in accordance with the UNDP Guidelines for Outcome Evaluation. The evaluation focused on assessing the program level outcomes (whether, why and how the outcome has been achieved) and looked at the overall contribution of UNDP CP to changes in the two domains – rural economic development and governance. It also reviewed the UNDP partnership strategies, arrangements and synergies in pursuing each of the two outcomes. Thus, the evaluation had a broad scope, going beyond assessing performance of individual projects.

This was an external evaluation conducted by a team of two consultants. It foreseen: a) desk work for reviewing main documents related to CP and projects implemented under the program, as well as other reports reflecting on the situation in the two development areas in Tajikistan, b) field visits and c) reflection with UNDP staff, partners and donors on the findings.

The evaluations heavily draw on participatory assessment tools, including

- semi-structured and unstructured interviews with key informants and stakeholders (program and projects staff, implementers, partners, beneficiaries, authorities, CP donors and organisations active in the same thematic areas), from those (in)directly involved into the programme and those who could provide information and judgement from the outsiders' perspective,
- focus group discussions,
- elements of observation.

The evaluation team paid field visits to the five area-offices of UNDP where it received detailed briefings on CP activities and had a chance to visit all 12 projects implemented under the program and to meet a mix of different stakeholders (see detailed program in *Annex 2*). Some meetings and interviews were conducted by the two consultants jointly and others separately, which allowed a much larger involvement of people into the evaluation process and deeper insights into progress achieved in the two areas - governance and rural economic development. The choice of places and interlocutors for the evaluators was made by the CP staff based on the principles of a good mix of various activities, partners, localities and type of people met (incl. a mix of men and women).

During the evaluation the team was accompanied by CP staff of Dushanbe and UNDP area offices staff in the field, which should not be seen as a factor limiting the independence of the evaluation. Rather, this provided a good opportunity to the evaluators to critically reflect and exchange ideas with the CP staff on various findings and issues of concern. Critical thinking and openness in sharing of ideas by the participants of the meetings was encouraged by both UNDP staff and the evaluators.

Timewise, the evaluation comprised of 12 days of field visits to five different regions all over the country, five days of meetings in Dushanbe and five days of resuming the findings, preparation of the debriefings and debriefings with the UNDP senior management, CP staff and CP Steering Committee.

One of the key methodological challenges and a major limitation faced by the evaluation was a lack of the overall monitoring system within CP at the outcome level. This constrained access of evaluators to consolidated information on program achievements and hindered the ability to apply some program level indicators (more on this see in the ch. 3.1-3.3). However, at request of the

team the CP staff provided all additional qualitative or quantitative information on the programme's outputs and compiled some extra data allowing cross-project analysis.

3 Findings

3.1 Governance

3.1.1 General assessment of the component and the approach

UNDP CP focus on access to governance in rural areas of Tajikistan is of **high relevance** in the context of the challenging tasks of transition from centralized rule to local self-governance and intensified attempts in Tajikistan to find more effective ways of attaining poverty reduction and MDG targets. It is at the local level the government is closest to its constituencies and the interaction between government and citizens is most powerful.

Yet, UNDP CP intention to broaden "access to governance by rural communities, including the most marginalized" has not been accompanied by a solid strategy. The CP Local Governance Strategy 2005-07 was implemented and thoroughly evaluated in 2007. Beyond 2007 the government component has not received any further *conceptual guidance* which is the main weakness of the governance component identified by the evaluation. This also resulted into a weak monitoring system of the government component that focused more on outputs than on outcomes. Confusion was further introduced by different interpretations of the component's outcomes used in the CP Program document 2007-2009, in Program Annex from 2008⁷ and the CP Operational Plans.

Following one of the key recommendations of the evaluation of 2007, UNDP CP has chosen to strengthen relations with district governments. Support to the *strategic development planning* process served as an entry point and the major framework for its interventions at this level. However, the process was limited to 15 districts out of total 40 where CP has been active in the recent years. In other districts, Jamoat Resource Centers (JRC) established by UNDP under different initiatives were used as the major delivery mechanism of CP activities in the field and the main beneficiary of capacity building inputs. Since 2000, UNDP has supported formation of 120 JRCs under various projects throughout the country.

Further, CP managed to upstream its *influence from district to the regional and national level* by supporting regional (oblast) government authorities in two areas (Soughd and Khatlon) in introduction of participatory planning and improvement of information systems. The program succeeded to enter *partnership arrangements* with a number of national level institutions, namely Ministry of Economic Development and Trade (MEDT), Ministry of Finance (MF), State Statistics Committee (SSC), the lower chamber of the Parliament, Center for Strategic Research under the President of Tajikistan (SCR), Institute of Civil Service Training under the Presidential Administration (ICST) and the National Association of Political Scientists of Tajikistan (NAPS).

The institutionalization of the methodology for participatory district planning was in the focus of support provided to the MEDT and MF. SCR was responsible for conducting of the citizen report cards survey (an alternative tool for monitoring access and quality of basic public services) and computerizing the tool in four districts. The Parliament was supposed to analyze the existing legislation related to local governance and make recommendations for amendments required. The ICST was engaged into the provision of trainings to district and jamoat authorities on different aspects of development planning and management. The national NGO "Center for Development" was additionally commissioned to provide training on organizational development to JRCs established by UNDP. The NAPS assistance in the implementation of the capacity building programs for district councils.

Although the efforts of different actors supported at the national level contribute to the general idea of improvement of local governance capacities in Tajikistan, inputs are rather dispersed and do not yet produce an impression of a well structured coherent and synergetic package. The ownership of the processes implemented under CP by some of these institutions is also not very high: they tend to view themselves as sub-contractors rather than partners in a UN-led development program.

⁷ The Annex on project "Improving Local Governance and Localizing MDGs" that currently serves a cornerstone of the CP governance intervention.

The evaluation observed that a number of important good governance features (including access to information, participatory and informed decision making, transparency and constructive interface between government, civil society and private sector) were modeled in the framework of participatory district planning. It is high time for UNDP CP to develop a clear vision and strategies with regards to how to secure a sustainable transfer of these good governance practices into the formal governance process and to support the government institutions in internalizing them. Development of linkages to formal jamoat authorities, the lowest level of government (a need that has been overlooked by CP) is another challenge that lies ahead and which has not been adequately addressed by CP.

One of the key strength of CP is its ability to *link “software” type of assistance* (modeling of good governance processes and development of governance skills) *with the provision of “hardware”* (concrete implementation of sub-projects benefiting people in communities, be it income generation, economic or social infrastructure). There is also increasing understanding among key CP donors of the importance of advancing good governance concerns at the local level along with delivering concrete projects and benefits to local communities.

Other *strengths* that are discussed in details later, include *rapport built with district authorities* where CP supported participatory planning process and emerging *links between micro, meso and macro levels*. Besides, strong *capacities of CP governance advisors* is another important asset of the program.

3.1.2 Civil society organization, leadership, civic awareness, advocacy and community contribution to local development

Activities overview

Activities implemented for increasing of organizational capacities of civil society, building civil awareness on development issues, enhancing leadership/ advocacy skills and mobilizing community contribution to local development (result 2.4 of the CP Project Document) included mainly the following:

- Establishment and/or organizational capacity building of JRCs;
- Training of trainers among JRC leaders and staff for further provision of training to community based organizations (CBOs) on organizational development;
- Establishment and/or organizational building support to issue-based organizations, like Water User Associations (WUA), Water User Committees (WUC), Citizen Initiative Groups (CIG), Associations of Dekhan Farmers (ADF) and Local Producer Associations (LPA);
- Organizational and technical capacity building of the National Association of Dekhan Farmers (NADF), including strengthening its links to local ADFs and abilities to participate in agricultural policy reform discussions.

Achievements, limitations and challenges

According to the perception of all JRC leaders interviewed, training and consultations provided to JRCs leaders by the NGO “Center for Development”, improved their *knowledge and skills of different organizational development aspects*. Such training was provided to 114 JRCs out of 120 established under CP. Majority of JRCs had a possibility to translate their knowledge into practical skills through participation in the implementation of concrete projects funded under CP (Annex 3).

One of the key **achievements** referred to by almost all interviewed was “*awakening of communities*” and their abilities to organize around resolving practical development problems. One of the indicators of communities’ organizational abilities is the amount of funds mobilized as a contribution to project addressing priority community problems. According to the CP team, on average community contribution (in kind or financial) amounts to some 20% of total project value (with 90% being claimed the highest level ever reached).

JRCs have been the main channel of operationalising communities’ access to governance within the CP, the engine of community work and the key project delivery mechanism in the field. Generally, capacities of JRCs differ considerably and their activism in communities is still heavily dependant on the charisma of their leadership and availability of funding for the implementation of concrete projects.

Through JRCs, communities were involved in needs analysis, priority setting and then in the implementation of selected sub-projects. Through this engagement people were introduced to *the principals of transparency and accountability* in the work of an organisation.

The table below presents some basic information on JRCs broken down by area offices.

Table 1 Information on JRCs broken down by area offices

Area Offices	Shartuz	Ayni	Kulyab	Soghd	Gharm	Total
Info on jamoats						
N of jamoats covered	18	24	18	15	38	113
Total population of those jamoats	347,161	299,481	233,363	250,729	295,266	1,426,000
Average population per jamoat	19287	12478	12965	16715	7770	13843
N of mahallas in those jamoats	209	265	252	141	451	1318
JRC structure						
Total N of JRC members	107	553	273	394	1036	2363
N of JRC members on average per JRC	5.9	23.0	15.2	26.3	27.3	19.5
Including women	28	183	57	101	221	590
Including jamoat council delegates	12	183	92	126	283	696
Total N of JRC Board members	54	78	67	117	461	777
Including women	23	26	21	23	102	195
Including jamoat employees	5	0	10	12	71	98
Including mahalla committees heads	9	65	19	71	253	535
N of paid staff in JRCs	87	73	81	44	127	412
Including jamoat employees	6	0	8	3	11	28
N of JRC Board members employed by jamoat/hukumat	12	2	9	8	20	51
Development planning						
N of jamoat development plans completed	3	24	4	0	0	7
N of jamoat development plans in process	9	0	14	0	21	44
N of rayon development plans completed	3	3	3	4	0	24
N of rayon development plans in process	9	0	14	5	21	59
N of JRCs members at DDC	4	7	18	8		37
Financial resources⁸						
N of JRCs under MLFs/MLOs	18	24	18	15	38	
Foundation capital of JRCs in MLFs/MLOs	USD 1'410'268.7	USD 100'182.5	USD 31'808'317	USD 490'082.2	USD 1'410'268.7	
JRCs' operational costs in 2008	USD 84'109.6	USD 124,800	USD 59'806.7	USD 79'532.2	USD 84'112.6	
Average operational costs per JRC in 2008	USD 1,646	USD 5,200	USD 3'322.5	USD 5'302.04	USD 2'213.54	
Contribution of CP in 2008	USD 121,212	USD 4,024,578	USD 78'294.4	USD 100'292.4	USD 1,200,228	
Contribution of communities in 2008	USD 623'170	USD 519,771	0	USD 19'739.7	USD 766,516	
Contribution of local authorities in 2008	USD 3,800	USD 45,767	0	0	USD 33,550	
Total resources mobilised in 2008	USD 100,264	USD 4,590,116	USD 267,767	USD 120'032.1	USD 2,000,294	
Average per jamoat	USD 33,550	USD 191,255	USD 14,876	USD 8'002.04	USD 52,639	

As the table indicates, *JRCs efficiency rate*⁹ seem to be higher in case of Zaravshan valley (Ayni) and Gharm. Those interviewed in those two regions tend to hold such factors as the strength of social ties within communities and linkages of JRC to the mahalla committees accountable for the success of JRCs. These two regions also score the highest representation of mahalla committees in JRCs Boards (33.1% and 24.4% of members, respectively). Mahalla committees are legitimate¹⁰ local self-government institutions at the community level and usually enjoy strong community

⁸ Information for this section was made available in different currencies

⁹ Operational costs of JRCs compared to funds implemented and additionally mobilised (locally or internationally)

¹⁰ Not registered yet as an organization, but it is an officially and publicly recognized traditional institution. Registration of mahalla committees under a special statute has been recently recommended to regional authorities by central government.

mobilization powers. Growth of the mahalla heads representation rate in JRCs was an explicit target of the program in Zaravshan valley (registered increase of 11.2% within 2006-08).

Interviewed community delegates feel that their interests and priorities are well met through the representation in JRCs, and that the JRCs are capable to transmit their concerns to local authorities. Yet, legitimacy of some JRCs established with the support of CP is overshadowed by weak representation - unequal number of votes from different mahallas represented in a JRC Board.

There is growing collaboration and a sense of joint purpose among JRCs and jamoats, although there are cases of tension and suspicious attitude towards each other as JRCs bring considerable shifts in local power dynamics.

A positive tendency is gradually emerging with the transfer of human capital from JRCs to local authorities, which can serve a proxy-indicator of *transformation of good governance skills and attitudes into formal government structures*. According to Table 1, in 2008, 12 members of JRCs Board were employed by jamoat and/or hukumat authorities (or 6.6% of total JRCs Board members), with the highest number registered in Gharm and Shartuz (20 and 12, respectively). Some claim that JRCs leadership capture local powers as the financial resources available to JRCs decrease, but detailed data analysis do not reveal a linear relation between the decline of funding and the transfer of leaders.

Through support to community-based groups and organisations, like CIGs, WUAs, WUCs, and ADFs the project has contributed to the *improvement of associational capacities of citizens around specific issues*. Generally, growth of civic activism was measured only in Zaravshan valley through the surveys conducted in 2006 and 2008. Yet, at the time of the evaluation the results of the 2008 survey were not available.

As a result of the implementation of the CIDA-funded project on enhancing agricultural governance, farmers, local producers and water users perceive that their *rights awareness* had grown and their technical and *organisational capacities* were strengthened. Also, extensive technical assistance was provided to the NADF that was the pillar of the rights awareness campaign, organisation of policy reform related round tables and proposals elaboration for regulatory changes.

By the opinion of some observers and trainers, JRCs' *systematic work with communities* is still among JRC's **weaknesses**, among other reasons due to the fact that many JRCs are being overwhelmed with trainings, sub-project delivery and reporting activities. Besides, widespread civic illiteracy, unawareness of rights, limited access to information seriously impacts civic activism and participation.

Another vulnerable point is the fact that community representatives' vision with regards to how to apply the principals of transparency and accountability exercised through the work of JRCs to *the formal governance process* at the jamoat level (outside the projects) is still very limited.

The *JRCs financial sustainability* seems to be a concern for many. Their relations with the MLF (that they jointly founded in 2007 and that have been covering their operational costs) are not secured under the current legislation and the overhead they receive for the implementation of internationally funded projects is an unreliable temporary source of income.

JRCs institutional perspectives are also not clear: there are many uncertainties with regards to their future roles vis-à-vis the jamoat authorities. Parallelisms exist with JRCs embarking into some traditional local self-governance functions, like democratic representation of jamoat constituencies, or local development planning and management¹¹. Independence of JRCs is also relative as the authorities (both at jamoat and district level) tend to exercise a certain level of influence on them. As seen from the Table 1, 12.6% of total JRC Board members are the employees of jamoat local governments and 6.7% of JRCs employees work at the same time in jamoat. The highest this symbiosis between JRCs and jamoat authorities is in Gharm.

It was observed that in many cases jamoat authorities develop a habit of shifting the role of addressing community needs to JRCs and, thus, disengage from responsibilities. On a long-run this may lead to "erosion" of *jamoats own accountability vis-à-vis the population*, thus, paying a lip

¹¹ More detailed analysis of JRCs position, weaknesses and strength vis-à-vis was a focus of the 2007 Assessment of Local Governance Strategy (Assessing the Local Governance Strategy, UNDP CP, Luigi de Martino, 2007)

service to local governance system. This accountability is already very weak as the citizens do not see a connection between taxes and fees collected by jamoat and local authorities' service provision obligations.

There is an expectation that *JRCs training network* can play a role of a springboard of skills development among local CBOs on organisational development issues, community work and awareness raising. A network of 21 local trainers from JRCs has been established but the quality of the network suffers from work load of trainers, weak communication and underdeveloped means of knowledge exchange.

Sustainability of supported CBOs, like CIGs, WUAs, WUCs, and ADFs is often not obvious. There is still a long way to go before they become fully functional forms of civil society organisation. It was observed that these groups are stronger where they were established by the constituencies themselves rather than under the umbrella of JRCs.

Although *linking of these organisation*, like in the case of the ADFs, *with the national level platforms* was a positive experience, to which extent the NADF is capable of maintaining the links with grass-roots ADFs and to represent their interests at the national fora beyond the project is still to be seen.

3.1.3 Participatory planning, budgeting and management

Activities overview

Among action undertaken for enhancing governments' abilities to plan, budget and manage local finances in a participatory manner and, thus, to contribute to poverty reduction (result 2.1 and 2.3 of the CP Project Document) were:

- Elaboration and introduction of the methodology of participatory planning, budgeting and monitoring development at district level;
- Training on participatory district planning for JRCs, DDCs and CBOs;
- Trainings for local officials at districts and jamoats level on planning, budgeting and monitoring and evaluation;
- Training of local council members for enhancing their role in local development;
- Support to development of DDCs;
- Local governance capacity mapping assessment.

Achievements, limitations and challenges

Provision of technical assistance to DDCs (nine existing prior to 2007 and five newly established) in 15 selected districts throughout the country with the elaboration of their DDPs was the main focus of CP efforts on participatory planning and budgeting. One of the key **achievements** was the approval of a DDP for Pinjekent by the district council. Other nine DDPs are in the process of formulation and five DDPs are being considered by the district councils.

Where more successful, DDCs exhibit *a model of inclusive and transparent decision-making*. They brought together local stakeholders, including government, civil society and private sector, together around common development challenges. DDC managed to play their role in *trust building between government, civil society and private sector*, as well as *inclusion of some groups that have limited access to decision-making*¹² that takes place through the council (the traditional mechanisms of representation). There are also indications that through DDP local authorities and citizens become better aware of the *budget allocation system and reforms needed* for full fledged application of bottom-up planning and budgeting.

From the point of view of district authorities and DDC members, the plan serves *a mechanism for coordination of contribution of different actors to local development*, including international assistance. It is still preliminary to assess to which extent this expectation becomes true although district authorities in some locations talk about their on-going negotiations with international community with regards to possibilities to contribute to the implementation of the plans.

Although information on the effectiveness of training inputs is missing, district level actors think that *training provided in the process of DDPs elaboration* (in total to 650 officials and representatives of

¹² e.g. oppositional or small political parties

other participating organisations) strengthened their abilities to embark into the planning process. Inclusion of district council members into training proved to be beneficial for their understanding of potential role of mid-term planning in local development process.

Engagement of regional authorities and national level actors into introduction of a standard participatory planning methodology in the country is a sheer necessity and a current comparative advantage of CP that differs it from other similar district planning initiatives. Thus, since 2008, CP has been working in close collaboration with the MEDT and recently with MoF. These institutions provide technical support to DDCs in formulating their plans. On a long run they are supposed to ensure that the methodology is accepted at the national level and is compatible with overall national system of planning and budgeting.

One of the key **weaknesses** in the *applicability of the participatory planning and budgeting methodology* is the fact that in the view of district authorities its value is limited to mobilization of mainly extra-budgetary funds (local and international). The CP experience of participatory planning emerges across different types of districts - republican and oblast subordination: subsidized and donor districts. It shows that the existing budgetary system breeds disincentives for better revenues collection and reduces opportunities of district government to invest into development of their constituencies. Even in case of districts capable of generating surplus revenues (donor districts like Isfara) the amount of public funds that can be spent at the discretion of district authorities hardly reaches several percent of total district budget¹³. Moreover, the current practice of vertical planning in the country collides with the idea of planning from the bottom and casts doubts on further abilities of district authorities to contribute substantively to the plans implementation.

The practise of applying the district planning and budgeting methodology already reveals that there are limits to what can be achieved without *stronger anchoring it to the sectoral programs and reforms, the State Mid-Term Expenditure Framework, the on-going public administration reform* and overall discussion of decentralisation or deconcentration of responsibilities and fiscal powers.

Besides, attracting of external international funding for DDPs implementation remains a challenge. For better utilisation of DDPs for implementing development initiatives, the rather rigid delivery mechanisms and procedures used by many international actors is a barrier.

Sustainability of participatory planning concept is also hurdled by still *weak capacities available at the district level*. Despite intensive local capacity development efforts DDPs development process to a large extent is being lead by national level experts. The ability of DDCs and and/or district authorities to absorb fully the new methodology and capacity building inputs are still questionable. Besides, a DDC represents a bricolage structure: while establishment of DDC as NGOs serves a pragmatic purpose of attracting external funds for further DDC implementation, the very idea of framing government-private sector- civil society relations within the NGO sector on a long run does not seem to be sustainable.

Realising the benefits of participatory work, the district authorities in Isfara recently made a decision to establish an Advisory Council to the District Head that would be a sort of the forum for interaction between authorities, private sector and organised civil society on development issues. This can be seen as a move to upgrading the DDC idea but it leaves a question of further utilisation of the established DDC in Isfara open.

Many, with whom the evaluation mission had a chance to discuss the future of DDC, view this NGO more as a temporary solution which played its role in the interim period and soon will have to transfer into a more meaningful and sustainable forms of development planning and interface between different actors. It should be noted that the general spectrum from success to failure is rather wide across the sample of all DDCs ever established with the support of UNDP: only seven (or 35%) of all 26 DDCs are functional¹⁴. Unfortunately, there was no analysis made regarding aspects accountable for their success or failure.

Currently, DDCs fulfil a number of functions that on a long run should become traditional responsibilities of district authorities and its departments. These are those relating to strategic development planning; decision making on resources allocation; updating, maintaining and

¹³ In Isfara in 2008, according to district officials this amount was less than 2 mln somoni.

¹⁴ "Review and Assessment of DDCs in the Context of Approach to Local governance in Tajikistan" by L.Hough, PhD student, Yale University, August 2008.

analyzing district socio-economic database; coordination of development plans and investments with external actors. Furthermore, the question of the future of DDCs is also linked to the future of JRCs, as JRCs currently have a greater stake in the district development planning process than the jamoat authorities¹⁵.

Understandingly, the entrance point for introduction of the participatory planning methodology chosen by CP was at the district level as this is the lowest local government structure with its own budget¹⁶. It is clear for all stakeholders that in order to advance the idea of planning from the bottom-up the next step would be *to embrace closer the jamoat level into the planning process*.

Currently, the CP area offices report that thirty one jamoats have their jamoat development plans completed and 44 are in the course of plans elaboration (see Table 1). This process is not yet well connected to district level development planning. Neither has it been clear what place within the CP governance interventions is assigned to trainings of the jamoat authorities by the ICST. This training is provided based on capacity assessment and focuses on basic administration, planning, budgeting and community mobilisation issues. There is a growing need to strengthen this lowest level of local government and engage it in a more active and responsible fashion into development planning and management processes but such efforts need to be more conceptually and strategically positioned within CP.

Also, the representation and participation of private sector in the process of DDP formulation is not yet very strong in many localities, as the sector is still poorly organised. Strengthening organisational capacities of the private sector locally remains among challenging tasks.

3.1.4 Government's information systems

Activities overview

In order to improve government's information systems for planning, monitoring and evaluating public policy (result 2.2 of the CP Program Document) the following activities were foreseen in the same 15 districts where the planning methodology was introduced:

- Introduction of a statistic data entry tool;
- Introduction of additional information instruments;
- Equipping local and regional departments of economy, finance and statistics;
- Training data administrators and local government and civil society representatives.

Achievements, limitations and challenges

The key **achievement** in improving government's information systems for planning, monitoring and evaluation of public policy is *the introduction of district and regional authorities to new information collection and registration tools and the alignment of collected data with national level indicators* on attainment of MDGs, NDS and PRS targets. Partnership with the SSC proves to be of utterly importance for ensuring that the newly introduced data collection methods are well integrated into the overall system of statistics and reporting at all levels, and into other on-going initiatives on streamlining data collection and analysis supported by other actors, like WB.

This initiative helps to ensure *informed decision making and planning process*, as well as monitoring and evaluation of development inputs based on up-to-date and accurate data available at the district level. The linkages to upper planning frameworks and indicators, as much as investment into local government's data collection and analysis capacities differ CP from other on-going local development planning initiatives.

In the partnership with SSC capacity mapping assessment was conducted by CSR in order to assess abilities of 15 district and 2 regional government institutions (Khatlon and Soughd) to plan, budget, monitor and evaluate local development activities. Following the assessment 22 data administrators received training in planning, monitoring and evaluation and 51 district and regional

¹⁵Although, according to guidelines on planning, both the Jamoats and JRCs are to equally be represented in formulation process and are considered as compulsory members of the Initiative Groups.

¹⁶ Jamoat authorities do not have a separate budget but rather administer expenses, their expenses accounts are an integrative part of the district level budget.

departments of economy, finance and statistics in 15 pilot areas were equipped with IT means, office equipment and alternative power supply means (generators). In addition, 180 local government and civil society representatives were trained in computer operations.

Along with the main statistic data entry tool, a number of *other instruments were introduced*, like socio-economic baseline survey, PRA and citizen report cards. Conducting of the baseline survey in 15 districts was accompanied by training of 150 local government specialists and civil society representatives. It has served good basis for further discussion on local development priorities in the course of participatory planning. Also, the citizen report cards method was administered by the CSR in six out of 15 districts and was meant to serve as an alternative mechanism for monitoring availability and quality of basic services provided in the targeted districts.

These all are relatively new activities within CP and it is still preliminary to assess to which extent capacity building inputs translate into sustainable skills and practices. Yet, in achieving this outcome CP also faces a number of **challenges**.

The introduction of *multiple data collection and assessment tools* was somewhat confusing for local partners who still lack vision on if they would draw on these instruments in the future and which of these instruments should be maintained.

On a long run *the citizen report method* might be an attractive tool for monitoring changes based on citizens' perception but currently its utilisation by local authorities is very limited due to their inability to invest into service improvement under the centralised planning and decision making set up.

3.1.5 Women empowerment

Activities Overview

Women empowerment was not singled out by CP as a special result to be attained but rather a concept to be mainstreamed by area offices. Activities and focuses meant for women empowerment included:

- Introduction of women quotas into JRC elections;
- Establishing gender units at JRCs;
- Elaboration and implementation of a special strategy for improving women status in Kuhistony Mastchon district (Zaravshan valley) and its replication in remote jamoats of Ayni and Penjikent districts;
- Establishment of women network in Jamoat Kistakuz (Soughd);
- Establishment of Women's Center in Garm.

Achievements, limitations and challenges

The experience of area offices showed that mainstreaming gender issues requires *better conceptual guidance and capacity building among CP staff*. It is only recently when CP proposed a Gender Strategy and training opportunities to its staff. Meanwhile, sporadic initiatives for strengthening women participation in CP were undertaken by different offices and with a different level of success.

The mission was not in the position to witness with its own eyes the impact of the women empowerment strategy applied in Zaravshan valley and it is too preliminary to assess its targeted results (it was introduced in August 2008). However, the strategy seems to have been important for sharpening focus of the CP team on women. It was effective in terms of providing guidance on additional measures to be undertaken in order to strengthen women engagement (like special focus groups and jamoat/ district level round tables on women issues, formation of women groups, training of local authorities on gender and training of women on micro-loans related issues, and awareness raising campaigns). Without these special undertakings it would have been difficult to ensure that women interests do not slip from the agenda of local development stakeholders. The strategy might be accountable for the good gender balance practices emerging in the valley.

Among experiences that can be referred to as **good practices** emerged in Zaravshan valley, where strict *gender sensitive rules and targets were introduced into the work of project supported structures, including DDCs, JRCs, BAICs, and MLF¹⁷*:

- at least 40% women were to be present at general JRC meetings for the quorum to be achieved,
- at least one project planned by JRCs had benefit women directly,
- 50% of women as JRC members in Ayni and Pendjikent and 30% in Kuhistony Mastchon,
- at least one women at JRC management board.

Similar quotas were introduced in other regions. As a result of these efforts, in 2008 in Zaravshan valley 33% of *JRCs members and Boards were women* (Table 1). Currently, the lowest number of JRC women board members is registered in Khudjand (10.2%) and Gharm (22.1%) areas. The highest number was reported for Shartuz (42.5%), where among other aspects it is influenced by intensive labour migration among men. Another reason can be generally more advance civil society in the area thanks to intensive international inputs in the period of return of refugees and internally displaced people and the outbreaks of malaria throughout 1993-2000.

In some areas JRCs have established Gender Committees (Ayni, Gharm, Kulyab) but there was no strong case identified for relations between the existence of such committees and activism of women in these jamoats. Yet, where women are employed by JRCs an *outreach to women* seems to be better: women come to speak rather to a woman than to a man. The same tendency was

¹⁷ A special Strategy was developed for Kuhistoni Mastchoh district under Zaravshan Valley Initiative project following the outcomes of the project review by DFID that revealed very weak women participation in this particular district, where gender inequality has deep traditional cultural and social roots.

observed in reaching women with loans in jamoats where women are credit officers (for more information on women benefiting from micro-loans see next chapter).

The evaluation had witnessed a number of *projects benefiting specifically women*. These included vegetables and fruit processing workshops in Khatlon region, sewing courses in Khatlon and Soughd under TACIS-funded projects. Support provided to kindergartens in Ayni can be also example of such projects. Primary beneficiaries of drinking water projects are women and children whose traditional responsibility is to fetch water. Health care facilities sub-projects are as well highly appreciated primarily by women.

Facilitation to establishment and organisational capacity building of Women Network in Jamoat Kistakuz (Sugd), support to the Women's Center in Garm and women water and sanitation CIG in some jamoats in Kulyab area were the examples of increasing women organisational capacities. In Kistakuz, Garm and Ayni the women groups are registered NGOs that are able to attract funds of other donors for projects targeting women. Moreover, the Women Network in Kistakuz managed to develop strong relations to social programs and departments at the district level and to tap the budgetary resources for its activities.

Yet, the *information on beneficiaries* of sub-projects was not collected in a gender disaggregated manner which is clearly one of the CP **weaknesses** that hinders assessment of their effect on women.

Also, due to *a lack of clear outcomes regarding empowerment of women* through various initiatives undertaken by CP it is difficult to judge their impact on the development of activism and leadership among women. *Sustainability of supported women organisations* is still weak, especially in case of Women's Center in Gharm that does not enjoy wide constituency base and solid links to the grassroots.

Bringing *women into leadership positions* can be still attributed to the challenges faced by CP. There are only several cases of JRCs being headed by women.

3.2 Rural Finance, Infrastructure and Employment

3.2.1 General assessment of the component

In the period 2007-2009, eleven projects¹⁸ with economic development components were implemented by CP. In addition, UNDP continued its support of six regional Micro Lending Funds (MLF's) founded by the JRC's at the end of 2006, which became operational during the year 2007. The funding capital was received from UNDP and was previously managed by JRC's on their own under the revolving fund schemes. Following the introduction of the new Law on Microfinance, JRCs incorporated their revolving funds in the newly established MLFs. The evaluation assessed the impact of these nine projects and the micro lending activities. For analysis facilitation different activities were grouped under three main clusters (see also the tables in *Annex 5*):

- *Cluster 1: Increase of Agricultural production*, which comprises of provision of micro loans for agricultural activities, input supply (spare parts, agricultural machinery, other inputs) through newly established Agro Tool Workshops, agricultural extension services, rehabilitation of irrigation & drainage systems and construction of greenhouses. In the micro loan component, different projects channelled their funds to the MLFs, which further

¹⁸ - CIDA: Enhancing Agricultural Governance in Tajikistan (2007 -200), Shaartuz & Kulyab,
- GEF: Combating Land Degradation and Improving Sustainable Land Management (2007 – 2011), Shaartuz,
- UN Trust Fund: Community Development through Employment Creation and Improved Migration Management (2007 – 2009), Gharm,
- EC-TACIS: Enhancing Individual Incomes and Improving Living Standards in Khatlon (2006 – 2008), Shaartuz & Kulyab,
- UNDP: Providing Professional and Socio -Legal Skills and Knowledge for Unemployed and Labour Migrants (2008 - 2009), Dushanbe, Gharm & Kulyab,
- UNDP: Enhancing the Development of SME's and Improving Social Infrastructure in East Khatlon (2008), Kulyab,
- WB: Community Agriculture and Watershed Management Programme (2005 – 2008), Gharm,
- EC- TACIS: Addressing the Social Consequences of Transition in Ferghana Valley (2008 – 2009), Khujand,
- DFIF: Zarafshan Valley Initiative (2006 – 2009), Ayni,
- SDC: Good Water Governance,
- UNDP: Enhancing capacity of WUAs.

disbursed loans to the respective target groups. In other sub-projects, newly created or existing interest groups are meant to manage and sustain activities: ADFs are made responsible for management of the Agro Tool Banks, JRC's for the continuation of the Business Advisory and Information Centres (BAIC), WUAs for management and maintenance of the irrigation and drainage systems, and the greenhouses are set-up as private enterprises.

- *Cluster 2: Business Development and Employment creation* consists of disbursement of micro loans for small trade and small and medium enterprises (SME) by MLFs, provision of business development advice, skills training and establishment of agro processing workshops. Only the district-level BAIC in Zarafshan valley, registered as an NGO, fits under this cluster as other BAICs at jamoat level mainly provided consultations on agriculture-related issues (cluster 1). The skills trainings are provided through existing state funded non-commercial District Employment Centers (in Zarafshan valley) and under the Modular Centres of the Ministry of Labour and Social Protection (in other regions) still are to be taken over by the Ministry. The master-apprenticeships workshops will be continued by the master trainers on a commercial basis, while the agro processing workshops are set-up as private enterprises.
- *Cluster 3: Natural Resources Management* that comprises of two projects¹⁹: "Combating Land Degradation and Improving Sustainable Land Management" in Western Khatlon funded by GEF and "Communities Agriculture and Watershed Management Programme" in Gharm financed by WB. Besides investments into social and economic infrastructure, the projects include a broad range of activities related to land resource management and protection of land against degradation and erosion. Activities of the GEF-funded project are implemented by the Land Degradation Units (LDU) under the JRCs and include: communities' awareness building, reforestation, commercial plantations, development of tree nurseries and bio-drainage system, protection of river banks and ecosystems and introduction of new sustainable energy technologies. Among the activities of the WB funded project are those initiated by CIGs established at the village level with JRCs' facilitation: namely, hill slopes gardening, reforestation, improvement of summer pastures, setting up cattle drinking water points, protection of river banks and introduction of new sustainable energy technologies.

Among the **strengths** of the UNDP CP is its good *implementation capacity* that was crucial for launching the economic component: five area offices with good project implementation infrastructure, including developed network of JRCs, long presence in the field and close cooperation with government. In general UNDP *timely delivered* most of the sub-projects, although lengthy tender procedures sometimes caused delays.

From the general *relevance* perspective, all economic activities responded to the needs of the beneficiaries as much as to the overall country development priorities. Relevance of different sub-projects will be discussed in more detail in ch. 3.2.2-3.2.5

Transfer of 'ownership' was another positive feature of the economic component. User or interest groups were established and trained to take over responsibility for future maintenance and management of the sub-projects: WUA's for the irrigation and drainage systems, LDUs for land related projects, ADFs for Agro Tool Banks and CIGs for other small scale activities. Besides, through open tenders private entrepreneurs were selected for the set-up and future management of agro processing workshops and the greenhouses, owners were carefully selected for running the apprenticeship workshops. JRC's are involved in supervising the activities of LDUs, CIGs and BAICs. All these are measures contributing to future sustainability of the project activities²⁰. In the same token, the integration of the JRCs' revolving funds into the regional MLFs can be considered as a great success. Although, as it will be discussed later, proper follow-up is needed to further strengthen the capacity of the MLFs.

¹⁹ The recently launched GEF funded project "Demonstrating new approaches to protected areas and biodiversity management in the Gissar Mountains as a model for strengthening the national Tajikistan protected areas system" was outside the scope of the evaluation.

²⁰ Although it is not always a sufficient condition, as we will see further on, as for example for the BAIC's.

Along with these strengths, CP economic component had a number of **weaknesses**. Firstly, its dependence on short-term project funding results into:

- weak conceptualisation of some sub-projects, such as the Farmer Field Schools and the jamat level, BAICs, which will be discussed in ch. 3.3;
- weak strategic orientation of the agricultural and business development activities that will be discussed later in this section;
- lack of proper follow-up abilities effecting the sub-projects' sustainability.

Secondly, weak impact and outcome level monitoring led to the following:

- output-based project reporting and lack of linking of outputs to economic outcomes;
- the results defined for the economic components of the CP being generic in nature²¹; specific and measurable outcome indicators²² not being defined or consequently measured²³.

Thirdly, many of the project activities have been defined as 'pilot' but without established preconditions for *monitoring and judging on the success of these pilots* (recording and monitoring of inputs\progress\results, cost-benefits analysis, documentation of lessons learned, or dissemination strategies for results and lessons learned).

Fourthly, lack of elaboration on the agricultural components in the CP Programme Document 2007–2009, and lack of defined results framework were responsible for weak strategic orientation of the agricultural activities.

In terms of *strategic orientation along the micro►meso►macro lines*, while most of the agricultural components of CP interventions have a positive impact on its direct and indirect beneficiaries at micro level, the programme interventions lacked strategic links to meso and macro level. *Strategies on the following went missing:*

- Development of innovative approaches that can be replicated in other national or sector programmes;
- Strengthening essential support services (extension, credit, input supply, marketing);
- Partnerships with government structures, NGO's or private sector in support of their reinforcing roles in agricultural / economic development;

3.2.2 Capacity of rural residents to become successful entrepreneurs, their employable skills and knowledge of enterprise creation and business projects

Activities Overview

For building entrepreneurship capacities of rural residents the following activities (cluster 2) were developed:

- Disbursement of micro-loans through the regional MLFs that mainly decided on the purpose of the loans (small trade, SME development or agriculture) on their own depending on demand. In some cases target groups were predefined by projects²⁴;
- Set up of two BAICs at district level in Zarafshan Valley (DFID-funded project)²⁵;
- Establishment of some 30 agro processing workshops and 20 agricultural cellar based storage facilities in Eastern and Western Khatlon (TACIS funded project);

²¹ Such as 'greater capacity to become successful entrepreneurs' or 'greater access to micro credit loans, especially for vulnerable households and women'

²² Satisfying the SMART criteria (Specific, Measurable, Achievable, Realistic and Timely)

²³ Such as "increase in business volume", "increase in income", 'increase in agricultural production/ irrigated land' (in case of irrigation & drainage systems), etc.

²⁴ Like in the case of 'Employment Creation' project in Gharm, funded by the UN Trust Fund and executed in cooperation with ILO, which targeted migrant families and in particular single-female headed households of migrants

²⁵ Other BAICs established at the jamoat level had supported more agricultural activities than entrepreneurship development and are discussed in section 3.2.3

- Set up of hands-on trainings (apprentices schemes) in Eastern and Western Khatlon and in Soughd. (TACIS funded project);
- Support to three Modular Centres in Dushanbe, Gharm and Kulyab under the Ministry of Labour and Social Protection (equipment, training of trainers, training of trainees), UNDP-funded project.

Achievements, limitations and challenges

In the course of the past phase, CP had a number of important **achievements**. In 2008, ca. 35% of the total amount of loans of USD 4,5 million disbursed by the six regional MLF's, i.e. USD 1,6 million, was used for *small trade and SME development*. MLFs did not clearly distinguish between the use of loans for small trade and for SME but it can be roughly estimated that ca. 10–15% of the total loan amount for small trade and SME was used for SME alone.

The district-based BAICs in Zarafshan valley established in July 2007 and registered as an NGO, has assisted 75 entrepreneurs with the preparation of business plans, for which it charged on average 30-40 Somoni (ca. USD10) per business plan. The BAIC also purchased 140 bee families, which are distributed on a lease basis (business incubator scheme). Within two years the beneficiaries pay back 50% of the honey production and each year return 50% of the bee family, after which they own the newly reproduced bee families. In addition, the BAIC provides internet services, computer services (typing / copying), training courses (computer and starting business) and consultation services. To expand its outreach, it was decided in consultation with the JRCs to visit regularly jaomats to provide "mobile consultations". Although the revenues from these individual consultations do not yet cover the costs of outreach, it is considered as a form of BAIC's service promotion. Overall, *the BAIC is successful* and attracts sufficient clients, while its operational costs are largely covered by own revenues. The mobile consultation services generated only 10 -15% of the total revenues, but ca. 35% of the revenues came from assistance for the development of business plans. It was expected that next year 40% of the earnings would be generated through the beekeeping activities. While other new income generating activities are being envisaged, through the revenues from the beekeeping activities sustainability of the BAIC would be assured. Currently, the BAIC is registered as an NGO, which should probably remain the case as a guarantee that the Centre continues fulfilling its social mission.

In Eastern and Western Khatlon two different types of agro processing workshops have been established. While in Eastern Khatlon mini-factories aim at productive and employment effect²⁶, in Western Khatlon focus is made on improved household technologies for processing and preservation of fruits and vegetables. The mini-factories can process larger quantities, thus, producing a significant economic impact on the market chain for the farmers/ producers supplying fruits and vegetables under condition that market-outlets for the end-products can be found. In Eastern Khatlon, provided equipment served the village women to preserve food for their own home consumption later in the year (food-security), while part of it was sold but mostly in the village or nearby markets.

Some 850 unemployed and migrants, 43% of whom were women, absorbed vocational training courses provided by the Modular Centres supported under the Ministry of Labour and Social Protection. In the Skills Training programme all trainees (both in the Modular Centres and in the hands-on training schemes) received official certificates that are recognised in Russia. They were reported to be of high value, especially for *migrants who were able to receive better qualified jobs*. In Zerafshan valley, CP works through existing non-commercial District Employment Centers of the Ministry, which are centrally funded and sustainable.

Along with the above-mentioned achievements the program faced some **challenges and limitation**. The BAIC's established at jaomat level in Khatlon and Soughd mainly provide consultation services related to the agricultural domain. Of the 2'500 consultations given by the five BAICs in Soughd region, 60% were by the agronomists and veterinarians, 17% by the lawyers (often on land reform and land rights issues), and 23% by the economists/ accountants. Since only a few consultations were related to development of business plans for the SME sector, these BAICs played more of the role of the agricultural extension services.

The staff of these BAICs visited by the evaluation team seems to lack dynamism and the entrepreneurial spirit required to gain trust of the SME sector. *None of the BAICs has a vision on*

²⁶ Currently, employ some 15-20 women

their future sustainability after the project completion and termination of subsidies for their operational costs or tried to develop business plans for further self-reliance. This is also linked to the problem of the deficit of qualified people in many rural areas.

It should be noted that, in order to increase an interest among the population to other consultative services beyond agricultural issues, some BAICs make public advertisements and provide free consultations in public places like markets, mosques, teahouses, etc. Yet, these measures do not seem to be sufficient to raise the demand for the BAICs services.

Each of the two different types of agro processing workshops established in Eastern and Western Khatlon has its own merits: one (a mini-factory) has potential for significant economic impact while the other ('household' workshops) has an important social impact due to a greater outreach to more vulnerable groups and a contribution to the food security at household level. Yet, *for neither of them economic analysis was available* that would allow *comparing their advantages and validating the program choice*. Also, although cost-benefit analyses have been prepared for different products for the mini-factories in Western Khatlon, *no market analyses have been conducted*. This might be problematic in the context of a need for mini-factories to compete in a highly competitive market in the (semi-)urban areas of Tajikistan.

The economic effect of the skills received by women trained in the sewing classes is also doubtful as a high percentage of trainees are young school girls. Also, it was mentioned that trainees didn't possess their own sewing machines, and where they did not have access to the equipment after completion of courses, their abilities to make use of newly acquired skills and generate income were limited. At the same time, the fact that classes are often overbooked indicates that young women, girls and their parents value the skills.

3.2.3 Farmers' access to sustainable agricultural infrastructure and agricultural support services, agricultural productivity and income

Activities overview

As mentioned earlier, no agricultural activities were defined by the project, although those activities introduced under CP contributed to farmers' access to sustainable agricultural infrastructure and agricultural support services, agricultural productivity and income. They included the following:

- Disbursement of micro loans through the regional MLFs for agricultural purposes;
- Establishment of 13 BAICs at jaomat level in Khatlon, and strengthening of five existing BAICs in Soughd²⁷;
- Establishing 17 demonstration plots/ Farmer Field Schools (FFS) in Khatlon; and setting up of similar plots in dehkan farms in Soughd.
- In Khatlon, establishing 13 registered ADFs, providing them with a grant to set-up an Agro Tool Bank. Similar activities in Soughd region.
- Building some 30 greenhouses in Khatlon, with composting, bucket dripping systems and roof catchment systems.
- Rehabilitation of irrigation and drainage infrastructure in Khatlon and establishment of WUAs.

Achievements, limitations and challenges

Implementing the above mentioned activities resulted into some important **achievements**. In 2008, 60% of the total loan amount of USD 4,5 million disbursed by the six regional MLFs, almost USD 2,8 million was used for agricultural purposes. The largest share was for animal husbandry (ca. USD 1.5 million), while a total amount of ca. USD 1,3 million was used for crop production.

A well functioning network of regional MLFs has been established that can also assure future credit supply for the agricultural sector (for further assessment see ch. 3.2.4).

It is reported that 1'920 persons are covered by the BAIC's advisory and counselling services related to advanced methods of agriculture and income generating activities in Khatlon. In Soughd, 2'500 consultations were provided in 2008 by the five BAICs.

²⁷ Although the two BAICs in Zarafshan Valley also provided agricultural consultative support they played a greater role in enhancing entrepreneurial activities and are discussed in section 3.2.2

The trainees of the FFS, interviewed by the evaluation team, confirmed that *the training met their needs* (i.e. a lack of knowledge of new crop varieties, fertilisers, pesticides, insecticides and its proper application (quantity, timing), etc).

Since the break-up of the former collective farms, the agricultural machinery is mostly in disarray. Inputs for crop production are often not delivered in time, of low quality or sold at high costs. Therefore the establishment of Agro Tool Banks for the supply of spare parts and agricultural inputs – while some of them were equipped with a new tractor - is highly appreciated by the dehkan farmers.

Arrangements have been made for the members of the newly established ADFs to pay a yearly membership fee to cover their operational costs. For rental of agricultural machinery, rental prices have been set based on comparable prices of commercial enterprises. Inputs are provided on credit, and will be repaid. Thus, there is a *vision for sustainability of the Agro Tool Banks*, although their (financial) management could not yet be assessed, since most of them have been established recently.

For the same reason, the operation and profitability of the greenhouses could not be assessed. In principle, the owners report that they get high prices for their products if they can sell them off-season. The investment costs for the greenhouses were partly granted to the new owners and partly are to be repaid to ADFs for being used for future investments in similar projects.

Rehabilitation of irrigation and drainage systems, repair of irrigation works, cleaning of canals, and better organisation of water distribution (through support to WUAs) had yielded the following results: *expansion of the irrigated area, higher production levels due to better water control, and hence higher perceived farmers' incomes*. Yet, the projects can not support these perceptions with figures due to a lack of systematic monitoring on this level. However, data received for two rehabilitated irrigation schemes in Western Khatlon give some positive indications: in one case the irrigated area was expanded from 250 ha. to 291 ha. with yield increase of 500 – 800 kg. cotton/ha., and in the other from 1'200 ha. to 1'350 ha with yield increase of 1'500 kg wheat / ha. and 1100 kg. rice/ ha.

The main **limitation** of the agricultural components' projects - the lack of strategic orientation, ambition to establish support services, appropriate methodologies and to influence policies - has already been discussed in chapter 3.2.1, Although in general the agricultural activities contributed to greater access to sustainable agricultural infrastructure, an increase of agricultural productivity and farmers' incomes at micro level, future access to sustainable agricultural support services (especially extension services) is not yet assured due to the *weak strategic positioning of some of the projects' components*.

In the domain of agricultural extension, the project activities were oriented towards establishment of a proper structure for extension services (BAICs), and secondly towards development of a new methodology, i.e. FFSs. The experience of project implementation shows that *most BAICs will not be able to become sustainable* beyond the project funding. The main reason being unwillingness of potential clients to pay for the consultations provided by the BAIC, especially those linked to advice and not concrete inputs (like vaccines, etc.). As opposed to the success of the district level BAIC in Ayni, the BAICs at jaomat level failed till now to attract clients, due to either limited demand at this level or lack of professional skills required for such services.

In Soughd region, the MLFs referred loan applicants to the BAICs to assist them in filling in the business plans before their submission. The loan officers appreciated this service, especially where they initially didn't feel confident about loan applications, while most loan applicants considered it just as an obligation and didn't see the added value in the service. However, even with this source of income the BAICs can not achieve sustainability (e.g. in case of one of BAICs providing such services in 2008 the revenues reached only 500 Somoni or ca. USD 125). Thus, the main challenges faced by BAICs that will be further addressed in the recommendations, include a need to upgrade the quality of their services to be able to attract clients willing to pay and to search for other sources of income.

Although the methodology developed by UNDP for FFSs is based on the general principles of the FFS²⁸, it differs on some important aspects which might affect the final outcome. *Some weaknesses include:*

- The choice of the experiments was based on surveys, not through direct involvement of the trainees. This initial phase of FFS is essential to induce future self-initiatives for experimentation.
- The training of trainers of FFS was of short duration (1 week); trainers might not have acquired all necessary understanding and skills to apply the FFS principles properly²⁹.
- Promoting internal group dynamics might need more attention in the approach to assure that in future the groups will continue independently.

3.2.4 Greater access to micro credit for rural households, particularly vulnerable households and women

Activities Overview

The following activities were envisaged for increasing access to micro-credits for rural households:

- Founding by the end of 2006, six regional MLFs by JRCs that transferred their revolving funds to the MLFs. At the moment 102 JRC's participate in these regional MLFs. In addition eight smaller MLFs / MLO's were founded by individual (sometimes two) JRC's, either those wishing to maintain their independence or those operating in very remote areas from the district center;
- Prior to the start of their operations, training senior staff of the regional MLFs in management skills and JRC staff by the Association of Micro Finance Organisations of Tajikistan (AMFOT);
- Covering of MLFs investment costs for the establishment of their offices, and operational costs for a period of 12 month;
- Strengthening the loan capital of the MLFs, channelling the budget lines for micro loans of the different projects directly to the MLFs;
- Monitoring the performance of the wholly independent MLFs and provision of advice.

Achievements, limitations and challenges

The Law on Micro Finance, which was adopted in 2004 obliged the JRC's to register as micro lending institutions, to order to be able to continue their loan operations. Reasons for UNDP to stimulate the establishment of regional MLFs instead of local institutions were: economies of scale, ability to attract professional staff, and ability to attract external funding from donors and investment funds. But the integration for JRCs mean for them a transfer their assets to MLFs, a loss of JRCs autonomy over the funds use and a loss of JRCs main source of income (the operational costs of the JRC's, including the salaries, were paid from the revenues of interests on the loans). This integration can be assessed as a great achievement as the majority of JRCs were convinced to establish MLFs. Another positive impact of this integration and key advantage of MLFs supported by UNDP is accessibility of MLF services within the JRCs service areas which often include isolated and hard to access areas.

Moreover, conditions were built-in in the new structures to guarantee a minimum loss of autonomy:

- each JRC became a founding member of a given MLF and is represented in its Board;
- a formula was developed to assure that the JRCs could still manage the loan capital they transferred to the MLF, whereby the size of the loan portfolio allocated for each JRC is based on the initial loan capital that the JRC brought in³⁰;

²⁸ Farmer Field Schools are usually described as "schools without walls", where learning takes place through observing and analysing practical experiments on the demonstration plots, and where farmers meet very regularly for the duration of one cropping season. Preferably the farmers themselves have identified what experiments will be carried out on the demonstration plots, based on needs and problems they identified themselves. Great emphasis in the methodology of the FFS is on strengthening the internal group dynamics to stimulate that the groups will continue farm experiments, also after the FFS ends.

²⁹ In Shaartuz, it was observed that the trainees were lectured in a classroom

³⁰ Plus additional funds that they have received and the net revenues realised from interest payments, minus the losses of their loan portfolio.

- JRC's are remunerated for the services they provide to the MLFs which until now covers entirely all operational costs of the JRCs (assisting credit officers in assessment of loan applications, selection of borrowers, monitoring of repayments and collection of overdue payments; providing premises for 'cash-points' of the MLFs and equipment to the loan officers)³¹.

Thus, as a result of these built-in conditions *the JRCs could profit from the scaling up into MLFs* while preserving their say in the decision-making of the MLF, a certain degree of autonomy and their income, thus assuring certain level of their financial sustainability.

The loan application procedures of the MLFs are kept simple, requiring a minimum of paperwork for the borrowers. Guarantees in the form of personal warranties or other securities are not required. The loan-portfolio for each JRC is managed at the cash-points; new loans are disbursed immediately from cash received there from last loan repayments or interest payments. This results in a *quick turn-over of the loan capital*. New loans can often be disbursed within a few days after the loan approval.

The total gross loan portfolio of the six regional MLFs has grown in 2008 with ca. USD 1,1 million, a growth of 32% from USD 3,5 million to USD 4,6 million. However, the growth is almost entirely due to additional funding received through the different projects implemented by UNDP. Only the MLF in Ayni apparently realised a rather large net profit³² in 2008, contributing to an increase of its loan portfolio.

The average loan per borrower, a good proxy indicator for the *outreach to more vulnerable groups*, was USD 295. It ranged from USD 137 in Kulyab to USD 460 in Kurghan Tyube. The relatively high average loans for the MLFs in Kurghan Tyube and Gharm can indicate that the more vulnerable groups have less access to the services of these regional MLFs.

The share of women among the borrowers is on average 30% (ranging from 10% in Jirgital to 43% in Khujand). The low percentages in Jirgital and Gharm can be partly explained by local cultural and social factors related to positioning a woman, while the low percentage in Kurghan Tyube can indicate that women (especially single headed female households that belong to the most vulnerable groups) have less access to the micro loans.

The operational self-sufficiency rates, calculated by dividing the MLFs' operational costs by its revenues (from interest payments and other fees) range from 91,6 % to 108,8%. A rate of 100% (or the break-even point when costs equal revenues) is not yet reached by three out of the six MLFs. Yet, considering that these MLF at the end of 2008 were just 1,5 year old their general performance can be at this point assessed as good.

The repayment rate in 2008 to MLFs was on average 94,2%. Some MLFs have large portfolio at risk > 120 days³³, but these outstanding debts are almost entirely due to inherited debts from the former revolving funds of JRCs before they were integrated in the regional MLFs.

The tables below present information on main indicators of MLF work.

³¹ Recently, the legality of this arrangement was questioned by the financial auditors. It could be considered as a 'hidden' form of dividend payment, while the MLF's (non-profit organisations) are not allowed to pay out dividends to their founding members.

³² The amount of the net revenue shown in the table on gross loan portfolio doesn't match with the figures on operational expenses and financial revenue from the table on performance indicators, which show a net revenue of only USD 20,000.

³³ Portfolio at risk is the total amount of outstanding loans of which repayments are overdue, for more than 30 days, 60 days, respectively 120 days. Especially the last category is of concern, since they are often considered as debts that can not be collected anymore and thus should be written off.

Table 2: Growth of MLFs' loan portfolio (2008)

Regions	Kurgha Tyube	Kulyab	Khujand	Gharm	Jirgital	Penikent	Total
Initial amount of portfolio (USD) (1-1-'08)	551,640	428,863	435,439	575,761	489,723	1,061,524	3,497,950
Gross loan portfolio (USD) (31-12-'08)	686,110	511,756	518,899	750,643	563,179	1,581,265	4,611,852
Growth of gross loan portfolio (USD)	134,470	82,893	83,460	174,882	73,456	519,741	1,113,902
Additional external funding (USD)	139,143	90,213	79,590	178,473	67,524	352,461 ³⁴	857,406

Table 3: Data on composition of MLFs loan portfolio (2008)

Regions	Kurgha Tyube	Kulyab	Khujand	Gharm	Jirgital	Penikent	Total
Number of JRCs	18	14	12	20	14	24	102
No. of villages	135	203	52	200	116	221	927
Total number of borrowers	2,433	2,631	6,803	2,126	2,007	18,535	34,535
Percentage of women	27 %	35 %	43 %	23 %	10 %	42,3 %	30 %
Average loan	\$460	\$245	\$137	\$389	\$332	\$208	\$295
Amount of loans per activity							
Small trade	\$ 71,962	\$130,270	\$349,753	\$ 0.0	\$132,065	\$601,530	\$1,285,581
Livestock	\$118,046	\$159,228	\$116,369	\$240,062	\$150,938	\$704,130	\$1,488,773
Crops	\$472,593	\$163,643	\$ 56,418	\$ 35,259	\$ 22,548	\$160,091	\$ 910,553
SME	\$ 16,817	\$ 9,680	\$ 0.0	\$287,347	\$ 0.0	\$ 43,467	\$ 357,311
Other crops	\$ 349	\$ 42,763	\$ 0.0	\$109,490	\$213,519	\$ 0.0	\$ 366,277
Migration	\$ 0.0	\$0.0	\$ 0.0	\$ 70,148	\$ 36,000	\$ 0.0	\$ 106,148

Table 3: MLFs' performance Indicators

Regions	Kurgha Tyube	Kulyab	Khujand	Gharm	Jirgital	Penikent	Total
Operational Self-sufficiency	92.8%	95.8%	105.6%	91.6%	106.2%	108.8%	100,1%
Financial Self-sufficiency	Inflation rate is ca. 20%. Costs of lending from Investment Funds range from ca. 7% – 22%						
Yield on Gross Portfolio	28.0%	21,9%	26.4%	16.0%	14.6%	15,7%	19,3%
Operating Exp. / Gross Loan portfolio	30.1%	22,8%	25,0%	17.5%	13.7%	14.4%	20,6%
Cost per loan	\$139	\$56	\$34	\$68	\$45	\$30	\$62
Borrower per loan officers	51	83	120	96	100	155	101
portfolio at risk > 30 days	\$ 5,066	\$5,100	\$ 0.0	\$ 0.0	\$51,066	\$3,665	\$ 64,897
portfolio at risk > 60 days	\$ 5,344	\$1,200	\$ 1,920	\$ 7,045	\$ 0.0	\$2,173	\$ 17,683
portfolio at risk > 120 days	\$14,492	\$ 750	\$20,881	\$111,242	\$ 0.0	\$3,588	\$150,954
Repayment rate	96.4 %	98.6 %	95.6 %	84.2 %	90.9 %	99.4 %	94.2 %

³⁴ This is the amount received in 2008. Total extra funding will be \$ 600.000

Along with successes, in the work of MLF a number of **weaknesses** was observed. Although the MLF's have reached an *operational self-sufficiency rate* of 91,6% to 108,8%, they didn't reach yet a financial self-sufficiency rate of 100%. The financial self-sufficiency rate is calculated by adding to the operational costs an adjustment for the capital losses due to inflation³⁵ (in 2008: ca. 20%) and the costs for capital if the MLF borrows capital from external sources. The costs of loans from investment funds or commercial banks can be estimated at minimum 7% (from social investment funds) to ca. 22% for commercial loans. It means that a gap of 30–40% has still to be bridged to reach financial sustainability. Common practice is that micro-finance organisations should reach financial sustainability within 3–4 years after their establishment.

To reach financial sustainability further gains should be realised either by reducing the operational costs or by increasing the revenues. The yield on gross loan portfolio (net revenues divided by the average gross loan portfolio) is very low for MLF in Gharm, Jirgital and Penjikent (as shown in the table on performance indicators), which can be explained by the low interest rates they charge. On the other hand, the operational costs and the costs per loan are very high for the MLF of Kurghan Tyube.

Again, the growth of the gross loan portfolio in 2008 was almost entirely due to additional funding received through the different projects implemented by UNDP. Only the MLF in Gharm was able to attract external funding (USD 50'000) from an investment fund, independent from UNDP. Further assistance is needed to prepare MLFs to attract external funding independently.

It was found that many *gaps exist in the Management Information Systems (MIS)* of MLFs. Donors and investment funds in the micro finance sector look first at the performance indicators and the quality of financial MIS. Thus, to attract external funding financial management and MIS should be strengthened. Besides, lack of MLFs business plans can also constrain their access to external donors and investment funds.

The income from MLFs to JRCs (through the 'service contracts' for the services provided by JRCs) was above described as a positive achievement in securing coverage of JRCs' operational costs. Yet, *the legality of these service contracts* was recently questioned (see footnote 23), which might imply a need for their review. It might be requested that the remuneration reflects better the real services provided by the JRC for the MLF, resulting in a decrease of the financial compensation

There is another reason to reflect critically on the financial compensation currently paid out to JRCs by MLFs. As shown in the table below, the amounts paid out to JRCs add up to almost 40% of the total operational costs of MLFs (see Table 4).

Table 4: Share of JRCs' costs in total operational costs (USD)

Regions	Kurgha Tyube	Kulyab	Khujand	Gharm	Jirgital	Penjikent	Total
Total Operational Costs	\$207,017	\$117,139	\$129,737	\$129,737	\$77,402	\$229,193	\$893,727
JRC's Operational costs.	\$ 86,641	\$ 52,494	\$ 64,423	\$ 40,913	\$38,983	\$ 66,500	\$349,954
Share of JRC's costs	41.8%	44.8%	49.6%	31.0%	50.3%	29.0%	39.2%

As MLFs have still some way to go to achieve financial sustainability, (implying a need to increase revenues\interest rates and\or decrease costs), it seems obvious that *the financial compensation for JRCs represents a serious constraint for MLFs*.

An inherent risk of greater professionalism of micro finance organisations is *a danger to loose their social mission*, i.e. serving the more vulnerable groups of the population, MLFs of Kurghan Tyube seems to be most exposed to this risk, which is confirmed by the figures shown above regarding their average loan amount and the outreach to women / single headed female households.

³⁵ The value of the loan portfolios of the MLF's is expressed in USD. In the last year the value of the local currency (Somon) against the USD depreciated with more than 30%, which means that the value of the loan portfolio expressed in USD decreased also with more than 30%. However, since all money transfers are done in the local currency this doesn't have a real effect for the MLF's. Real losses occur due to internal inflation.

Representation of JRCs in the Boards of MLFs, where general loan policies are discussed, can safeguard that they keep track of the social mission of MLFs. On the other hand, the strong influence of the JRCs can also jeopardize the sound functioning of the MLFs. They might be too much oriented towards their own interests (JRCs' service contracts) or of their members (low interest loans). It requires from MLF management good balance of interests between professional requirements to assure sustainability and growth of MLFs and responding to the needs and wishes of JRCs.

The staff of MLFs still has *limited knowledge of different approaches and lending methodologies in micro finance*. The MLFs in Kurghan Tyube, Kulyab and Gharm issue predominantly individual loans, while MLFs in Penjikent and Khujand mostly issue group loans. There is no comparison made between advantages and disadvantages of the two approaches. It is proved that the group loan system is considered to be more appropriate for more vulnerable groups, especially women.

In Ayni a special loan facility was created for SME support, which is linking microcredit provision to agroprocessing – a positive example of a value chain development. Yet, proper assessments should be made of repayment capacity (economic viability of the businesses) to further advance this scheme.

The maximum amount of the micro loans disbursed by MLFs is mostly too small to serve borrowers in the SME sector. *Diversification of the loan products*, offering also larger loans for SME-clients should be considered³⁶.

A special note should be made on the **UNDP vision for the future of MLFs**. UNDP intended to transform in 2009 two regional MLFs into Micro Credit Depositing Organisations (MDO) based on the following rational:

- MDO's are allowed to provide a greater range of services, particularly depositing (savings) accounts and do money transfers. One of the underlying assumptions of UNDP is that remittances can be mobilised through depositing accounts of migrant (families), which can strengthen the capital basis of the micro finance organisations;
- Some donors that can be additional source of income for MLFs (e.g. ADB) only provide loans to micro finance organisations on the condition to transform (within three years, ADB) into commercial organisations, i.e. MLO's (Micro Lending Organisations) or MDO's;
- Commercial organisations, MDOs and MLOs, can expand their loan capital by attracting capital from the private sector (shareholders);
- Expectation that the transformation into an MDO/MLO could solve the current impasse regarding the legality of the payment for service costs to JRCs³⁷.

The evaluation verified these perceived advantages. All five out of the six regional MLFs visited during the mission were rather *concerned about this transformation into MDOs*. The MDOs, offering depositing services, are under much stricter control of the National Bank and professional requirements for the senior staff are high in comparison with the requirements for an MLF or an MLO, as well as the reporting and accounting standards. It was found that not all MLFs' senior staff meets the professional requirements, especially the requirement for the director and the accountant to have at least three years experience in a bank or micro finance organisation. MLFs' management prefer the two-step approach to forming the MDOs: first transform into the MLOs for which the professional requirements and reporting and accounting standards are similar to those of MLFs, and on a long run form the MDOs.

According to AMFOT, out of 18 MDOs existing in Tajikistan only a few have been successful in attracting saving deposits. AMFOT staff knew two MDOs that seemed more successful (in

³⁶ To avoid that this is at the cost of the available portfolio of smaller loans for the more vulnerable groups, the policy of the MLF-Ayni can be followed. Its policy made it a rule that in each JRC only once a year a larger loan can be disbursed for the SME sector, for example for agro processing.

³⁷ With the transfer of their funds to MLFs the JRCs have lost their property. If an MLF wants to transform into an MLO/MDO, it first has to register the new entity and subsequently can transfer its funds to the new MLO/MDO. But since all capital belongs to MLF, they are the only shareholder of the new entity. It means that dividend can be paid out to the MLF but not to its founding members, the JRCs. The MLF is not allowed to pass through this dividend to JRC since they are not allowed to pay out dividends. Thus the only option to remunerate JRC still remains through adjusted service contracts.

Dushanbe and Khujand), mainly due to rich prior experience of their directors in the banking sector. Development of saving products that could attract clients is difficult. MDOs have to compete with commercial banks that pay up to 24% interest on saving accounts.

Moreover, in 2008, IOM in Tajikistan conducted a research, entitled "Economic Dynamics of Migrant Remittances". The report is not yet issued but apparently its findings revealed the following: a) only a small percentage (less than 10%) of the remittances is used for productive investments or savings with most being spent for consumption, house construction/ repair, medical and school expenses etc.; b) most migrants use banks only for money transfers; c) less than 5% has a bank account with a bank in Tajikistan.

Furthermore, the GTZ project 'Support to Microfinance Services in Rural Areas of Tajikistan' supported 11 micro finance organisations. All of them have been able to attract funding from external donors/ social investment funds, irrespective whether they were registered as MLFs, MLOs or MDOs. A professional assessment company assessed their performance, on the basis of which donors were making decisions for provision of loans. The several social investment funds that recently became active in Tajikistan - such as Bovari va Hamkori , Oikocredit, Frontiers and Blue Orchard - look rather at the performance of the organisations and not their legal status when deciding on financial support.

Thus, *some of the major assumptions on which the choice to transform MLFs into MDOs is based, seem not very valid.* In further pursuing this line the position of MLFs themselves and their ownership of this decision should not be overlooked. It seems that at the moment, strengthening their capacities to prepare them for the future, seems of primary importance.

3.2.5 Greater ownership and access to sustainable rural infrastructure

Activities Overview

To the development of sustainable rural infrastructure CP contributed through the following activities:

- Construction of drinking water;
- Constructions of micro hydropower stations;
- Rehabilitation of education facilities;
- Rehabilitation/construction of health facilities;
- Rehabilitation of roads and bridges infrastructure.

Achievements, limitations and challenges

Infrastructure has been an important aspect of CP that received high community appreciation as it brought immediate benefits and visible results. *In quantitative terms* as a result of investments into urban infrastructure the following results were achieved by CP (based on information provided by CP staff):

- 289'627 people improved access to drinking water;
- 25'412 people improved access to power supply;
- 25'482 people benefit from better education facilities;
- 21'366 people benefit from better health facilities;
- 30'528 people benefit from improved roads and bridges infrastructure;
- 39'207 people benefit from natural disaster mitigation projects.

A number of *important quantitative improvements* were also registered by CP. Thus, in all regions where infrastructure projects were implemented local partners are introduced to *transparent tender procedures* - skills that they are able to use outside CP processes. Furthermore, in Zaravshan valley efforts were invested into *capacity building of local contractors/bidders*, which is also viewed as a contribution to private sector development locally. If in 2006 CP tenders attracted three bidders at the most, in 2008 it reached on average eight bidders per tender³⁸.

³⁸ ZVI Annual Project Report, March 2008-March 2009

Mobilization of community contribution for infrastructural projects was another remarkable feature of CP. According to the CP staff on average community contribution comprises 20% of total project costs (with 90% being the highest case registered within in CP in Zerafshan). This includes mobilisation of labour migrants' remittances.

The idea of *attracting remittances* was more explicitly pursued and closer monitored in Zaravshan valley jointly with IOM. There migrants contribution to small scale projects within the last three years increased from 40% to 70% along with the growth of project costs from USD 1'000 to USD 5'000³⁹. Success of this initiative among other aspects is also associated with capacity building workshops conducted for 209 community representatives, including women, in mobilisation of remittances, as well as links established with the Tajik diaspora in Russia.

Community participation was strongly fostered not only in the process of identification and implementation of infrastructure projects but also in *further maintenance*, especially in case of water systems and alternative power supply stations. Organized citizen groups (CIGs, WUAs, WUCs and ADFs) in many areas participate in service maintenance. Most advanced work in this regards was done in Soughd region where all assets have very clear ownership and links between the owners of infrastructure and user groups are well structured and formalised.

Moreover, new approach being applied in Soughd region has *an important effect on governance in the sector of rural drinking water* (policy level project supported by SDC). In the framework of this project policy level discussion evolves around new mechanisms of ownership, management arrangements of local government and community involvement in rural water supply. Such new arrangements are badly needed following the collapse of former providers – collective farms.

Another example of good practice emerging in Soughd region is *capacity building of infrastructure operators* who are provided basic training and technical means to secure effective service maintenance. This technical assistance proves to be critical for sustainable service provision.

Resolution of infrastructural problems in bordering jamoats in Fergana valley contributes to mitigating cross-border conflicts many of which rise around water issues. Through involvement of participatory committees on both sides of the border (Tajik and Kyrgyz) and establishing relations between boarder district authorities potential was created for constructive conflict resolution in the future. This initiative also is a positive example of synergies between UNDP programs in the two countries.

Although involvement of community groups and CBOs into service co-production is a general trend across the country, promoted not only by CP but also by other internationally funded projects, those groups are often weak, have deficient technical means, lack sound maintenance plans and formal relations with main service providers. These shortcomings affect their abilities to negotiate better conditions, demand proper supply and sustain the service on a long run.

Another emerging area of CP expertise is implementation of *disaster mitigation projects*, mainly advanced in Zaravshan valley. In Zaravshan valley this intervention was more systematic with inputs into concrete infrastructure being accompanied by defining of disaster vulnerability level of communities jointly with local authorities, inclusion of disaster mitigation as a special chapter into elaborated DDPs and participation in regional REACT coordination meetings.

Generally, *education and awareness building activities along with infrastructural investments*, especially in drinking water and sanitation domain prove to be effective strategy for impacting the quality of life of community residents⁴⁰. Health workers met during the evaluation confirm this finding, although monitoring of drinking water projects on health has not been done systematically within the program (except Soughd region).

Neither systematic was *monitoring of impact of infrastructure on productivity growth and increasing economic possibilities* for rural residents. Community residents firmly state they had a positive affect but this information collected rather on anecdotal basis.

Lack of *ability to ensure follow up on completed infrastructure* that still needs support with maintenance arrangements is another weakness of CP. Those interviewed during evaluation tend

³⁹ ZVI Lessons Learned, January 2009

⁴⁰ There was a case in Soughd, where the infection wards block rehabilitated by CP is now underutilized as a result of successful sanitation awareness building campaign among the residents.

to relate this weakness to project-based management within CP as much as to little attention paid in some projects to maintenance capacity building issues.

3.3 General Program Issues

The evaluation concluded that CP interventions are *highly relevant* to the country context and the existing development frameworks, including NDS, PRS and MDG targets. It is obvious that a UNDP niche is emerging in rural development and local governance through use of the ABD⁴¹ approach with main features being participatory and integrated planning and management of development processes at the local level. Other comparative advantage of UNDP in general and increasingly in Tajikistan is its *ability to link interventions at the micro and meso level with policy dialogue and macro level reforms*, which needs to be built upon in the future. Besides, UNDP CP has developed *a long-standing presence in the field*⁴² and *credible reputation* among local authorities throughout the country.

Through its activities in five regions CP has managed to avoid blue print approach and develop diverse context specific intervention patterns. However, the other side of this diversity is the *lack of more structured conceptual orientations* at the level of overall program, along with the *absence of the outcome level monitoring system* in the rural economic component of CP and consolidated information analysis across the program. The situation is further exacerbated by high turn over of staff that also affects the institutional memory of the organization.

The fact that the CP operations have been mainly driven by donors' sectoral and geographic priorities lead to *the application of project rather than program based management*, characterized by multiplicity of poorly connected sectors of involvement and instruments and high transaction costs. Linked to this is the issue of *high level of sub-contractors involvement* that on a long run can undermine CP accountability. This danger is higher in the situation of poor links between their interventions, between sub-contractors and the area offices, weak sub-contractors monitoring system and lack of unified reporting standards applied to project partners at the national level.

On this background, a unique window of opportunity is currently opening for shaping up the next phase of CP with some key CP *donors' orientation towards strategic partnership* with UNDP and their willingness to consider application of a program approach, reinforced by the intention of UNDP management and the CP team to take the program on a qualitatively new level.

4 Conclusions and Recommendations

4.1 Governance

The UNDP CP local *governance interactions are of high relevance*, they yielded an array of important potentials that need to be capitalized upon and taken further in the next CP phase. These *principal potentials* comprise of: self-organization of local communities around development issues, solid experience with the application of the methodology of district participatory planning, improved understanding and capacities of governance to formulate plans local development process and attract contributions of various actors, linking local level experiences in the field with national level institutions and policy dialogue.

However, CP of 2008-09 *lacked clear conceptual orientation and proper monitoring of the impact* of interventions on the local governance system – a weakness that needs to be urgently addressed.

Areas where further consolidation of CP success is required include:

- Building social capital and peoples associational capacities at the local level;
- Enhancing capacities of local government institutions to internalize introduced good governance and development management skills and practices;

⁴¹ Area Based Development is a comprehensive (programmatic) approach to development of a region vs. a project approach that can be multi-sectoral, but is not designed as comprehensive.

⁴² CP was launched in 1996. The last area office was opened in Ayni in 2006, but activities in the Zarafshan valley were set up earlier and managed by UNDP area office in Khujand.

- Strengthening links to national level policy making and reform processes;

In this context the following general recommendations can be made:

Conceptualization of the governance component

- Ensure that in the next phase of CP *the governance component is clearly conceptualized* with interventions being better linked and structured. This conceptualization will have to be done a highly participatory way with the involvement of all key stakeholders and CP governance advisors, as well as coordination with the major upcoming interventions of other international organizations and donors in local governance domain (in particular USAID, CIDA, AKF, UI, etc.).
- The new governance strategy should equally focus *on demand side of good governance* and management (building abilities of civil societies and service users to self-organize, intervene with local government and put eligible claims) *and on the supply side* (improving capacities of local governments and service providers to respond to citizens demands, create spaces for constructive interaction with civil society and private actors and organize sustainable service supply and management).
- The strategy should provide clear orientation with regards to the principles of good governance and management and *concentrate on developing existing governance structures and on transformations within the formal governance process*. Creation of new structures in parallel to the existing ones should be avoided. The strategy would need to suggest a transformation vision for DDCs and JRCs.

Social capital and peoples associational capacities

- Concentrate on *strengthening civic activism and building associational capacities around practical issues* (issue-based civil society organizations), their internal governance, networking and advocacy abilities. The experience in other countries shows that issue-based organisations represent a powerful channel for enhancing social capital locally and are most stable organisational forms of civil society.
- Assist *JRCs in developing visions for their future roles* (these visions can differ by regions and even by jamoats) and strengthen building their capacities in attaining these roles by providing them with demand driven and differentiated capacity building support. Consider focusing JRC activities more in the direction of working with communities, their rights awareness and civic literacy, self-organization, representation and mobilization of internal resources (true resource and advocacy functions). JRC can serve a resource center and a platform for diverse CBOs and community interest groups. To be appreciated in this function they will have to provide demand driven services to these groups, which will require closer exposure to communities and stronger linkages to their self-governance structures (mahalla and/or kishlak committees).
- Support *capacity building of mahalla and kishlak committees* as the true form of local self-governance at the community level, including their development as democratic, transparent and accountable organizations and their representation capacities in jamoat councils (a form of local representative democracy that is supposed to be the pillar of local self-governance at the jamoat level).
- *Strengthen networks of JRCs* with the idea of increasing their efficiency, access to knowledge and technical expertise, as well as effective dissemination of information and know-how to communities.
- Explore opportunities to make a better use of information exchange and dissemination channels between JRCs and communities (internet, printed materials, radio, info boards, through community leaders and women).

Capacities of local government institutions to internalize introduced good governance and development management skills and practices

- Keep *development planning and management as the entry point* for local governance reform and capacity building inputs. Elaborate further the methodology of participatory district planning to ensure its integrative nature (incl. environment, natural resource

management, gender, conflict, etc.). Establish linkages between district development planning and participatory planning at the level of jamoat.

- Further *strengthen abilities of local authorities for information collection and analysis*. Build links between DDC planning and data collection/analysis at the jamoat authorities level. Rationalize data collection effort/tools and ensure well targeted capacity building.
- Along with *strengthening forms of formal representative democracy* (jamoat and district councils), introduce and support *diverse sustainable mechanisms of direct democracy* and direct interaction between government, civil society and private sector in the process of development planning and management (like community meetings with local authorities, advisory councils, public hearings, round tables and other consultative fora, collective petitions, etc.). Thus, focus on mechanisms that are applicable to formal governance process beyond donor-funded projects.
- Support implementation of development plans but by *concentrating on innovative mechanisms of addressing development problem and service provision*⁴³ in rural areas with the idea to enhance new approaches, creative mix of resources, development and dissemination of locally appropriate know-how. The use of public-private partnership in provision of local services can be one example of such innovations. Introduction of such mechanisms may require development of standard packages, a need for regulatory adjustments and policy advocacy that should be pursued at the national level.

Links to national level policy making and reform processes

- *Link the planning methodology with the Mid-term State Expenditure Program* by identifying sectors, ministries and program areas which can be used as entry points for practicing performance based planning of public policy and programs and budgeting from below.
- Link advocacy for changes in local governance sector with the *support to public administration reform processes at the national level* (traditional tools of technical assistance can be used, like functional analysis, conceptualization of reforms, provision of advisory support and technical expertise, policy dialogue fora, support to drafting legislation and regulations, etc.). Prior to establishing partnership at the national level careful consideration should be made of existing functions of different national level institutions, on-going initiatives and coordination mechanisms.
- Carefully *identify “driving forces” and advocates of local governance reforms among local government partners* and support their constructive interaction with upper level authorities for informed policy dialogue and advocacy from below.
- Clearly define (jointly with the existing national level CP partners) *strategic roles that these institutions should/can play in advancing local governance reforms* and local governance capacity building. Put focus on the development of their abilities in those roles. Increase their responsibilities towards contributing to policy related dialogue and informed decision-making, thus, increasing their ownership of processes and activities and giving them a feeling of true partnership. In all advocacy and policy dialogue initiatives to the maximum extent ensure that it is not UNDP advocating and negotiating but rather national actors are in the driving forces of the processes.

Gender

CP has some initial experience with empowerment of women but genuine empowerment requires more structured and sensitive approach. Bringing gender into the focus of all CP activities remains one of the key challenges of the next phase. To contribute to gender balanced development the program can:

- *Mainstream gender* through out all activities of CP and ensure that the principal of mainstreaming is well understood by all CP staff members and partners;

⁴³ like public-private partnership (a government service or private business venture which is funded and operated through a partnership of government and private sector actors), co-production of services by public sector and communities; outsourcing (contracting out services to private sector), social enterprises (social mission driven organizations which trade in goods or services for a social purpose), etc.

- Support further experience *exchange between women*, strengthen women networks and their grass roots base, and facilitate their *linking up with government structures and vertical state programs* aiming at reaching women;
- Ensure *gender sensitive monitoring* of outputs, outcomes and impact throughout all CP activities.

4.2 Rural Finance, Employment and Infrastructure

The economic component of CP is assessed as highly relevant for the needs of beneficiaries and country's overall development priorities. Yet, it suffered from poor *conceptualisation of its activities and of agricultural interventions' orientation*, especially weak links along micro/meso/macro lines, and a lack of monitoring of economic impact.

In terms of *enhancing entrepreneurship*, the idea of developing BAIC activities proves to be more sustainable at the district level, while at the jamoat level it failed to secure its future. It is still premature to judge the impact of the agro processing workshops in different approaches used in Eastern and Western Khatlon (mini-factories vs. improved household technologies). A lack of proper analysis of their comparative advantages is one of the shortcomings. The skills training seem to contribute to generating employment opportunities, especially for labour migrants.

The *agricultural component* had a positive impact for the direct beneficiaries, sustainable agricultural infrastructure at micro-level, increase of agricultural productivity and the farmers' incomes, but it contributed little to results at meso or macro level, especially to assure greater access to sustainable agricultural support services, except for the domain of micro credit. The BAICs provided useful consultation services in the agricultural domain, but they did not manage to generate demand for their services in the future. The FFSs respond to felt needs of the trainees, but the methodology needs strengthening in order to achieve the result to create 'self-learning' farmer groups continuing independently with farmer-field experiments. The Agro Tool Workshops respond to a great need of dehqan farms, lack of running agricultural machinery and reliable input supply but it is still early to assess the management of the workshops on their future sustainability.

In terms of access to micro credit, the successful integration of the JRC's revolving funds in six regional MLF's can be considered as a great achievement. Within 1,5 year after their establishment they have managed to reach (fully or to a large extent) operational sustainability. They still have some way to go to reach also financial sustainability, covering for the capital losses due to inflation⁴⁴ and the eventual costs for lending of additional capital.

In supporting *rural infrastructure*, CP managed to mobilize substantive community participation in planning, implementation and further maintenance of rehabilitated/constructed infrastructure, and started advocating at the national level for the application of more viable maintenance for rural drinking water. In some localities it managed to improve abilities of private sector to participate in bidding for construction projects and to strengthen technical capacities of infrastructure operators – good practice to be drawn upon in the future. Monitoring of the impact of infrastructure on peoples livelihoods and follow up on completed infrastructure with the aim of securing sustainable maintenance are the areas where CP was weaker.

A number of **recommendations** can be made based on lessons learned on the rural economic development front for improving current project achievements and for developing of the next program phase.

Enhancing entrepreneurship

- It is recommended that if in future CP continues working with BAICs it chooses district as a more appropriate entry point for building viable business advice and development structures. Special attention should be paid to the recruitment of well qualified staff, respected and with entrepreneurial spirit (consultation with district or regional business associations can be helpful in this regard).

⁴⁴ The value of the loan portfolios of the MLF's is expressed in USD. In the last year the value of the local currency (Somon) against the USD depreciated with more than 30%, which means that the value of the loan portfolio expressed in USD decreased also with more than 30%. However, since all money transfers are done in the local currency this doesn't have a real effect for the MLF's. Real losses occur due to internal inflation.

- Conduct a proper *economic analysis of the different approaches for the Agro Processing Workshops*, comparing the volumes of agricultural products that can be processed, the additional incomes of the employees / beneficiaries, and their different social impact.
- More attention should be paid to a *market analysis for the processed goods*. Little is known at the moment of the market prospects and marketing strategies for the already established workshops.
- *Evaluate the results of the skills training workshops for women*, especially the selection of the trainees and their incomes after the training from the acquired skills, before continuing this activity.

Farmers' access to sustainable agriculture development opportunities

- Develop a proper *strategy for the agricultural component activities*, defining the links of the projects at micro level to meso and macro level, the strategic relationships with other stakeholders (government, NGO's, private sector), while taking into consideration the 'niches' where UNDP can have an added value.
- UNDP should focus on project *interventions that contribute to improvement of agricultural sector policies*, through the development and dissemination of innovative approaches, and strengthening of essential support services.
- While *searching for 'niches'* CP should look for sector-support in domains where other large donors are not yet active, support services where there is a lack of well-functioning structures, or for fields where it can contribute through development of innovative approaches.
- A proper analysis should be made of the (potential) role of the different stakeholders - government, NGO's, private sector - and *strategic partnerships* should be developed with those stakeholders that can play an essential role for further development of the rural economic development activities.
- If UNDP chooses to continue with the *extension services'* activities (demand for which is high), the SENAS-project (Support to the Establishment of a National Agricultural Advisory Service) of the EU, within the Ministry of Agriculture provides a useful model. In the absence of a well functioning state structure for agricultural extension, the project has chosen to work with NGO-structures in Kurgha Tyube and Khujand. Regional Advisory & Information Centres (RAIC) are set up that provide trainings of extension workers at district or jaomat level. Recycle trainings are assured by RAICs. The RAICs should become sustainable by the training fees and services provided for other organisations. The extension workers at district & jaomat level have to generate their own revenues.
- For sustainability of the extension services at district and jaomat level, probably lessons can be learned from projects of Mission East and Oxfam that established Agro shops. Extension workers sell agricultural inputs, providing an income, and combine it with agricultural advice.
- The experiment with *linking the BAIC's with MLF's*, providing assistance to loan applicants to prepare their business plans should be carefully reviewed. In order not to become just another administrative obligation it should be assured that only those clients are referred that really need advice. The consultations should be of good quality and have an added value for the client, besides filling in of the required forms. It should be kept in mind that these services will generate relatively small revenues for the BAICs. They can provide additional revenues for those BAICs which are viable.
- As mentioned before *the methodology of FFSs needs to be further developed*, to exceed the 'demonstration plot' methodology. Training of trainers, participation of trainees in the decisions regarding the experiments on the demonstration plots, and the group-dynamics processes need more attention.

Access to micro credit

- Provide *further support to the regional MLF's* to strengthen their performance, their financial management, and their accounting and management information systems (MIS). Involve external expertise to assist MLFs to make their management systems match the

requirements of external funding agencies and investment funds, hence enabling them to get access to these external funds.

- The target *to transform two MLFs into MDOs before the end of the year should be postponed*. First a thorough analysis of the advantages\ underlying assumptions and disadvantages of such transformation should be conducted. If the legal status of a commercial micro finance organisation appears to be advantageous, a step-by-step approach (MLF ► MLO ► MDO) should be favoured.
- MLFs should be *assisted in preparing their business plans* where their actual cost structure and revenues should be properly analysed. Reduction of costs and/ or increase of revenues (interest rates) seems necessary to reach financial sustainability and thus enable future growth. The actual service contracts with JRCs should also be reconsidered, not only because continuation of the present arrangements might not be acceptable for the National Bank but also because their costs are too heavy for MLFs
- MLFs should develop their *knowledge on different micro lending approaches and lending methodologies*. Differentiation of lending methodologies, group loans for more vulnerable groups, and lending products such as larger individual loans for the SME sector, should be considered.
- Some of MLFs should pay attention that they *keep track of their social mission*, i.e. serving the more vulnerable groups. Access for women, especially the more vulnerable among them, can also be improved by some MLFs.

Access and ownership to sustainable rural infrastructure

- While investing into infrastructure projects (that are not very costly but are among priorities of local development plans) ensure that *community and local government contribution remains high* and that local government authorities are to the maximum extent involved throughout the process. In this way they can further improve the skills on which they can draw outside CP (transparent tender, community mobilisation, negotiating accountable maintenance arrangements).
- Ensure *proper ownership* of all infrastructure objects and formalize maintenance and management arrangements. Following the positive experience emerging in Sougd with establishing of management schemes for rural drinking water, focus on development and promotion of know-how and innovative partnership arrangements to establishment of infrastructure, its maintenance and management (public-private partnership - PPP, community involvements, etc.). Where necessary (like in the case of rural drinking water) accompany it by regulatory support. Ensure regional and national level dialogue on regulatory changes required for securing more efficient and effective maintenance and management of infrastructure in rural areas. Systematically disseminate good practices and innovative approaches.
- Continue *strengthening organizational capacities of citizen associations* participating in maintenance arrangements along with technical abilities of operating organisations.

4.3 General Program Issues

ABD with such key elements as participatory development planning and management appears to be UNDP's *CP core competence*. Emerging *links with national level institutions* is an important tendency that needs further strengthening.

CP has experience of operating in diverse contexts. Its *flexibility of approaches* has been among its strength but *more structured conceptual orientations* are needed. The program was rather donor driven and relied upon project-based management which made *monitoring of outcomes and impact* at the level of the program problematic and lead to *high transaction costs*.

In this context the following recommendations can be made:

- *Bridge to a program approach* under the new CP with joint funding pool, integrated monitoring and reporting system. This will require development of a solid program package which should be conceptually sound but remain dynamic so that changes can be introduced as the programme evolves (flexibility might be also important for fundraising purposes). It will also imply much stronger national ownership and more strategic partnership

arrangements with donor community. The program may also foresee different scenarios of funds availability as it will at the initial stage also serve a fundraising instrument for UNDP. Since some CP project will be still on going in 2010 their plans should be reviewed and to the extent possible adjusted to the new program orientation.

- The concept for the next CP should build on *comparative advantages of UNDP* in general (ability to facilitate policy dialogue, operationalisation of MDGs, etc.) and previous UNDP CP experience in Tajikistan in particular (ABD approach with integrated participatory development planning and management). It should foresee strong micro-meso-macro links and more strategic and policy dialogue oriented partnership at the national level. It is recommended to elaborate the new program in a highly participatory manner in consultation with major stakeholders and partners at local and national level, who should assume more responsible stand within the program.
- New program will require *good monitoring and evaluation system* at all levels – efficiency, effectiveness and impact. Achievable but challenging outcomes at the program level should be defined jointly with the partners, who should share responsibility for their attainment.
- UNDP should invest into *well-targeted capacity development for its CP teams*. The major areas of support may include: bridging from project-based to program management, monitoring and evaluation systems including outcomes and impact level monitoring; thematic concepts related issues like local governance, transforming livelihoods or gender empowerment. It is not recommended to strengthen the team by bringing extra international staff, but rather foresee trainings, on-job advice and coaching. In this token the concept of backstopping by external advisors on key program areas might be appropriate. The idea of longer-term exposure of national staff members to the work of other area offices should be also considered.
- More systematic *exchange of experience and critical reflection* among advisors and analysts will be required, especially at the initial phase of the new program. It should become a tool for joint decision making, experience exchange and learning, and harvesting lessons learned across the program.

UNDP Tajikistan

Background

According to the evaluation plan of the UNDP County Office in Tajikistan (hereinafter referred to as UNDP), an outcome evaluation is to be conducted in 2009 for the following two Outcomes within Country Programme Action Plan 2005-2009, which have been implemented by Communities Programme:

- ✓ Rural communities, including the most marginalized, have greater access to rural finance, improved infrastructure & employment;
- ✓ Rural communities, including the most marginalized, have greater governance;

These two outcomes make strategic contributions to UNDAF outcome for increased employment and income generation, with a special emphasis on women and the disadvantaged and expand choices of the poor. The Communities Programme Prodoc was developed to make a sound contribution to achievement of the above mentioned outcomes in 2009 through defined outputs at national and local level interventions. There were two programme documents with the periods of from 2004 to 2007 and the second one from 2007 to 2009.

The Communities Programme is a multi-year initiative that builds on the accomplishments of previous work begun by UNDP in 1996. The programme supports the implementation of Tajikistan's Poverty Reduction Strategy, National Development Strategy and the United Nations Development Assistance Framework outcomes to address economic initiatives and local governance at the community level. The programme has 5 Area offices in Soughd, Khatlon, and the Rasht and Zarafshan Valleys.

The Programme strategy is to support the efforts of the Government of Tajikistan to improve participatory processes by enhancing opportunities for community participation in local development planning and the management and implementation of local development projects. The project enhances accountability at the local level, increase access to rural finance, and improves infrastructure and the delivery of basic services.

The Communities Programme is the largest and most diverse UNDP programme operating in Tajikistan. Through a strong network of local and international partners, the Communities Programme works in 40 districts and 120 jamoats (sub-district level) throughout the country and addresses three thematic areas of the UNDAF, with a heavier focus on Transforming Livelihoods and Redistributing Responsibilities.

The Communities Programme employs a comprehensive approach to local development. Operating under the belief that lasting change cannot occur without addressing the interrelated challenges facing marginalized communities; the Communities Programme helps address issues ranging from those, which affect governance, to local economies, to preparation for natural disasters. The Communities Programme focuses its efforts at both national and local level through its partnership with the authorities and the civil society.

The Communities Programme works at the source of the problem and facilitating opportunities for entrepreneurship, improved business and agricultural practices, and skills-building in heavily poverty-stricken areas. By addressing the critical barriers to income generation – poor access to finance and inadequate business, agricultural, and employable skills – the programme creates opportunities for the poor to build better lives. Synergies are employed within the interventions of Communities Programme, whereas other programmes of UNDP such as Disaster Risk Mitigation Programme, Tajikistan Mine Action Cell are closely engaged. Further complementarities are being explored within other programmes of UNDP Tajikistan to enhance the impact of UNDP operations on its target beneficiaries.

Objectives of the Evaluation

According to the UNDP Evaluation Policy and UNDP Tajikistan Evaluation Plan, 2 outcomes evaluation are to be conducted for the CP Outcome 2 and CP Outcome 3 as stated in the Country Program Action Plan (CPAP) 2005-2009. The outcome evaluation is twofold and is composed of the following stages:

1. Evaluate performance of the programme and its relevance to the country's context as well as areas covered;
 2. Analyze, identify and outline programme's key strategic directions based on experience and lessons learnt from previous and ongoing interventions;
- ***Evaluate performance of the programme and its relevant to the country's context, more specifically:***
 - Evaluate the progress towards achievement of the poverty reduction and good governance outcomes as identified in the Country Programme Action Plan, including achievement of the Communities Programme interventions during 2005-2009;
 - Review effectiveness of the overall programme interventions, its main achievements, compliance with expanding country's needs in terms of poverty reduction and overall impact in building national capacity to implement pro poor economic policies and facilitating economic growth and employment generation;
 - Review and assess the Programme's partnership with the government, civil society and private sector, international organizations in Programme implementation;
 - Review and assess the efficiency of implementation and management arrangements of the Programme;

- Develop recommendations on introducing appropriate changes into CPAP or Communities Programme ProDoc;
- Review sustainability of the achievements undertaken by the Programme;
- Identify gaps/weaknesses in the current Programme design and provide recommendations as to their improvement;
- **Analyze, identify and outline programme's key strategic directions based on experience and lessons learnt from previous and ongoing interventions. More specifically:**
 - Identify the best practices and replicable approaches from previous and ongoing interventions;
 - Analyze the approaches which could be potentially replicated in other areas, but require some conceptual and/or methodological revisions;
 - Determine interventions presently not covered by the programme, but which could enhance programme's relevance to its target beneficiaries;
 - Based on analysis of lessons learnt and experience of the programme, develop and present a comprehensive concept note outlining programme's future type and scope of development interventions, including management and implementation arrangements;

Expected outputs

The Evaluation Team is expected to produce an **Outcome Evaluation Report** that highlights the findings, recommendations and lessons learnt, give a rating of performance and prepare the **Comprehensive and Forward Looking Concept Note** for fundraising for Communities Programme. This report should follow the Outcome Evaluation Report Template and include all sections recommended therein (see attached template).

Scope of the Evaluation

Outcome analysis

- Are the stated outcome, indicator and target appropriate for the development situation in Tajikistan and UNDP's program of assistance in this field?
- What is the current status and prospects for achieving the outcome with the indicated inputs and within the indicated timeframe?
- What are the main factors (positive and negative) within and beyond UNDP's interventions that are affecting or that will affect the achievement of the outcome? How have or will these factors limit or facilitate progress towards the outcome?
- Are UNDP's proposed contributions to the achievement of the outcome appropriate, sufficient, effective and sustainable?

Output analysis

- What are the key outputs that have been or that will most likely be produced by UNDP to contribute to the outcome?
- Are the UNDP outputs relevant to the outcome?
- What is the quantity, quality and timeliness of outputs? What factors impeded or facilitated the achieving of such outputs?
- Are the monitoring and evaluation indicators appropriate to link these outputs to the outcome, or is there a need to improve these indicators?
- Has sufficient progress been made with regard to UNDP outputs?

Output-outcome link

- Whether UNDP's outputs or other interventions can be credibly linked to the achievement of the outcome (including the key outputs, projects, and soft assistance);
- What are the key contributions that UNDP has made/is making to the outcome?
- With the current planned interventions in partnership with other actors and stakeholders, will UNDP be able to achieve the outcome within the set timeframe and inputs – or whether additional resources are required and new or changed interventions are needed?
- Assess UNDP's ability to develop national capacity in a sustainable manner (through exposure to best practices in other countries, holistic and participatory approach).
- Has UNDP been able to respond to changing circumstances and requirements in capacity development?
- What is the prospect of the sustainability of UNDP interventions related to the outcome?

Resources, partnerships, and management analysis

- Is UNDP's resource mobilization strategy in this field appropriate and likely to be effective in achieving this outcome?
- Were partners, stakeholders and/or beneficiaries of UNDP assistance involved in the design of UNDP interventions in the outcomes area? If yes, what were the nature and extent of their participation? If not, why not?
- Are UNDP's management structures and working methods appropriate and likely to be effective in achieving this outcome?
- Overall, assess the scope, relevance, efficiency and sustainability of UNDP's resources mobilization, partnership and management arrangements in achieving this outcome.

Recommendations

- Based on the above analysis, how should UNDP adjust its programming, partnership arrangements, resource mobilization strategies, working methods and/or management structures to ensure that the proposed outcomes is fully achieved by the end of the next CPAP period under Communities Programme ProDoc;.
- What corrective actions are recommended for the new, ongoing or future UNDP work in the CPAP outcomes, which will be implemented by Communities Programme?
- Provide preliminary recommendations on how the UNDP Communities Programme can most effectively continue to support the Government in line with current country's priorities on poverty reduction and governance.

Products expected from the evaluation

The key products expected from this outcome evaluation are a comprehensive analytical report and a concept for fundraising for Communities Programme, which include, but are not limited to, the following components:

- Executive summary;
- Introduction;
- Description of the evaluation methodology;
- Analysis of the situation with regard to outcome, outputs, resources, partnerships, management and working methods;
- Key findings;
- Conclusions and recommendations for the future program implementation (with reference to the draft project proposal for the second phase of the programme),
- The methodology for effective fundraising.

(See UNDP Guidelines for outcome evaluators for more detailed information.)

Audience

The evaluation is intended mainly for UNDP CO Tajikistan, the Communities Programme related staff and the main partners and stakeholders.

Methodology

Overall guidance on outcome evaluation methodologies is provided in the UNDP Handbook on Monitoring and Evaluation for Results and the UNDP Guidelines for Outcome Evaluators.

Based on these guiding documents, and in consultation with UNDP Tajikistan, the evaluators should develop a suitable methodology for this outcome evaluation.

During the outcome evaluation, the evaluators are expected to apply the following approaches for data collection and analysis:

- Desk review of relevant documents
- Discussions with UNDP Tajikistan senior management and programme staff;
- Interviews of main partners and stakeholders;
- Field visits to the Area Offices – implementers of the projects of CP;
- Consultation meetings and interviews:
 - Interviews with relevant project staff;
 - Interviews with partners and stakeholders of Communities Programme;
 - In-person interviews and focal groups with Programme Manager, local authorities and a sampling of communities and stakeholders;

Following the country visit, the evaluators will prepare a report and a comprehensive concept note based on findings and recommendations, including the detailed outline of the next phase of the programme.

Evaluation Team

The Evaluation Team will consist of two consultants: one independent international consultant on Economic Development or Poverty Reduction sector and one international consultant on Democratic Governance. Under the overall supervision of UNDP Tajikistan, the Evaluation Team will conduct a participatory outcome evaluation. One

additional national officer or Programme Manager from the Communities Programme will be assigned to assist the Evaluation Team during the evaluation.

Requirements

Qualification requirements for the international consultants:

- Higher education (a degree) in economics, business administration or any other social sciences related to the pro poor economic growth and poverty reduction;
- Extensive experience in conducting evaluations, strong working knowledge of UNDP, the civil society sector and working with state public authorities in the field of pro poor economic growth and poverty reduction.
- Extensive knowledge of result-based management evaluation, UNDP policies, procedures, as well as participatory monitoring and evaluation methodologies and approaches ;
- Experience in applying SMART indicators and reconstructing or validating baseline scenarios;
- Minimum 7-10 years professional expertise in international development co-operation, in poverty reduction area, in programme evaluation, impact assessment and strategic recommendations for continued support/development of programming/strategies including strong reporting skills;
- Good professional knowledge of the CA region;
- Extensive experience in working with the donors;
- Demonstrated analytical, communication and report writing skills;
- Excellent interviewing, public speaking at high levels;
- Teamwork capacity to work with the target group representatives;
- Fluency in written and spoken English, knowledge of Tajik and Russian is an advantage.

G. Timeline and schedule (tentative)

The mission will commence in April 2009. The duration of the assignment is 4 weeks, with extra time for writing of the report.

Activity	Timeframe	Place	Responsible
Desk review, Evaluation design, methodology and detailed work plan, and access to relevant reports	Two days (06-07 April)	On-line	UNDP and International consultant
Initial briefing	One day (08 April)	Upon arrival to Tajikistan	UNDP, International consultants
Consultations, meetings as well as for phone/in-person interviews related to the outcome evaluation including relevant partners	3 weeks (08-29 April)	Area Offices, Dushanbe	UNDP, International consultants
Preparation of draft evaluation report and forward looking recommendations in PPT format	Two days (30 April – 04 May)	Dushanbe	International consultants
Debriefing and presentation for UNDP and main stakeholders. Discussions with partners.	One day (05 May)	Dushanbe	International consultants
Finalization of evaluation report incorporating additions and comments provided by projects staff and UNDP CO	Two weeks (06–20 May)	Home country	International consultants
Submission of the final evaluation report to and concept paper outlining future programming UNDP Tajikistan.	One week (21-29 May)	On-line	International consultants

H. Document for study by the evaluators

UNDP Corporate Policy Documents:

1. Handbook on Monitoring and Evaluation for results
2. UNDP Guidelines for Outcome Evaluators
3. UNDP Result-Based Management: Technical Note

UN/UNDP Tajikistan Country Office Documents:

1. Development Assistance Framework (UNDAF) for Tajikistan 2005-2009;
2. Country Program Document for Tajikistan 2005 – 2009
3. Country Program Action Plan for Tajikistan for 2005 – 2009
4. Joint Country Support Strategy 2009-2012
5. Millennium Development Goals Report
6. Shadow economy report
7. Poverty Reduction Strategy Paper
8. National Development Strategy
9. Communities Programme Document 2004-2007, 2007-2009
10. Annual Work Plans and Annual Progress Reports for the period
11. External Evaluation of the Local Governance by Luigi de Martino, 2007
12. Other documents and materials related to the outcome to be evaluated (from the government, donors, etc.)

Annex 2 Outcome Evaluation Itinerary
Communities Programme, UNDP Tajikistan
May 2009, Tajikistan

May 4, 2009	Arrival to Dushanbe
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Monday 4 May	<i>Dushanbe</i>
10:00 – 11:00	Discussion of evaluation process, programme, and activities of CP
11:00 – 12:00	Joint Meeting with UNDP Senior Management
13:00 – 17:00	Desk review and preparations for the mission to Shahrituz

May 5-6, 2009 Shahrituz AO

Tuesday, 5 May	<i>Dushanbe – Shahrituz</i>
08:00 - 10:30	Departure to Shahrituz AO
10:30 – 12:00	General presentation of activities implemented by Shahrituz AO in Western Khatlon
12:00 – 13:00	Lunch
13:00-14:00	Visit Rehabilitation of Irrigation system and Commercial Plantation in Jamoat Jura Nazarov. GEF Funded Project
14:00 – 15:00	Departure to Jilikul district, Jamoat Nuri Vakhsh
16:00 – 18:00	Visit Field Farmer School Trainings, meeting with LDU members and micro-loan based dekhkan farmers, bio-drainage system.
18:00	Drive to Shahrituz Area Office

Wednesday, 6 May 2009	<i>Shahrituz - Kulyab</i>
08:30 – 11:30	Visit to agro processing workshop, greenhouses and tool bank in Komsomol jamoat, N. Khusrav district. Meeting with Jamoat Resource Center, Association of Dekhkan Farms and jamoat staff.
12:00 – 13:00	Lunch
13:00 – 14:00	Visit Association of Dehkan Farmers (ADF) Sayod and meeting with ADF members.
14:00	Departure to Kulob AO
15:30	On the way to Kulob rend a visit to MLF Vakhsh MicroFin (Kurgan-tube)
17:00	Arrival to Kulob AO

May 7-8, 2009 – Kulob AO

Thursday, 7 May	<i>Kulyab</i>
8:00 – 9:00	Meeting with staff and Presentation of UNDP Kulyab AO
9:00 – 10:00	Travel to Farkhor
10:00 – 13:30	Meeting with beneficiaries of:
	1) Agro-processing workshop in ADF Surkhob
	2) Beneficiaries of hand-on-skills workshops in JRC Galaba
	3) Rehabilitation of water supply systems of Jamoat Galaba
	4) Greenhouses with supplementary components in Jamoat Farkhor
	Meeting with Association of Dehkan Farms (ADF) Gulshan Farkhor district beneficiaries of CIDA funded project
	1) meeting with members of ADF Gulshan of Farkhor district
	2) meeting WUA of ADF Gulshan
13:30 – 14:30	Lunch
14:30 – 15:30	Travel to Kulob
16:00 – 16:45	Meeting with MLF Imdodi Khutal
16:45 – 17:30	Meeting with Modular Centre
17:30	Checking e-mails, Dinner, rest

Friday, 8 May	<i>Kulyab – Shurobad - Kulyab</i>
8:30-12:00	Travel to Shurobod district
12:00-12:30	Meeting with beneficiaries of Hydro power station in Safedob village of Jamoat dashti Jum of Shurobod district
12:30 – 13:30	Lunch
13:30- 15:30	Meeting with project beneficiaries:
	1) Support of agro-processing workshop in Yol Jamoat of Shurobod district
	2) Meeting with beneficiaries of greenhouses in Jamoat Dashti Jum Shurobod district
15:30	Departure to and overnight in Dushanbe

May 12–14, 2009 Gharm AO

Tuesday, 12 May	<i>Dushanbe - Gharm</i>
08:00 - 12:00	Departure and arrival to Gharm AO
12:00 – 13:00	Lunch
13:00- 14:00	Meeting with UNDP Gharm AO staff. Presentation of activities implemented by UNDP Gharm AO
14:00– 14:30	Visit to Micro-hydro power plant funded by DGRELEX
14:40 – 15:40	Meeting with Regional Director of MLF “Faizi Surkhob”, Mr. Ghazalsho Sherov and micro-loan recipients
16:00 - 17:00	Meeting with Chairman of JRC Navobod, Mr. Nabijon Muqimov. Visit to sub-project on “Rehabilitation of road” and “Provision of medical facility for health post” under the ILO project
17:00	Check of e-mails, Dinner and Overnight in Gharm

Wednesday, 13 May	<i>Gharm - Tajikabad</i>
08:00 – 10:00	Drive to Tajikabad district
10:00-12:00	Meeting with Chairman of JRC Shirinchashma, Mr. Sulaymon Mahmudov. Project site visits: <ul style="list-style-type: none"> - planting of productive grasses in pasture; - establishment of garden on the slope; - construction of drinking troughs for cattle drinking; - construction of drinking water supply system
12:00-13:00	Lunch
13:00–13:30	Drive to Pildon Jamoat
13:30-16:00	Meeting with Chairman of JRC Pildon, Mr. Nusrat Rahmatulloev. Project site visits: <ul style="list-style-type: none"> - micro-hydro power plant; - construction of bio-gas; - forestry, and terracing project;
16:00-16:30	Drive to district's center
16:30-17:30	Meeting with local authorities of Jergital district
17:30-18:00	Visit to Agro-ecological Information Center established within WB project
18:00-19:00	Dinner and overnights in Jergital district

May 14	<i>Jirgatal – Gharm - Dushanbe</i>
08:00-11:00	Departure to Gharm
11:00 – 12:00	Meeting with Chairwoman of JRC Gharm at Women's Centre, Mrs. Matluba Rajabalieva
12:00-13:00	Lunch
13:00	Departure to Dushanbe
18:00	Dinner and overnight in Dushanbe

May 15-16, 2009 Ayni AO

May 15, 2009	<i>Dushanbe – Ayni</i>
08:00 – 13:00	Departure and arrival to Ayni AO
13:00-14:00	Lunch
14:00 – 15:00	Meeting with Ayni AO staff
15:00-16:00 Meeting with Ayni District Development Council (LG Evaluator)	15:00-16:00 Meeting with Business Advisory Center “Komron” (Economic Growth Evaluator)
16:00 – 17:00 Meeting with Ayni Jamoat Resource Centre	16:00 – 17:00 Meeting with Staff of MLF Jamoat Cash Point
17:00 – 18:00	Checking e-mails, etc.
19:00	Dinner and overnight in Ayni district

May 16	<i>Ayni</i>
08:00 - 09:30	Presentation by Micro Loan Fund “Rushdi Vodii Zarafshon” (in Ayni)
09:30 – 10:15	Departure and arrival to Urmetan Jamoat, Ayni district
10:15 – 11:00 Meeting with JRC Urmetan members (LG Evaluator)	10:15 – 11:00 Meeting with MLF beneficiaries and project site visit (Economic Growth Evaluator)
11:00 – 11:30	Project site visit: construction of drinking water supply project
11:30 – 12:15	Departure and arrival to Ayni
12:15 – 13:15	Lunch
13:15 – 15:15	Departure and Arrival to Shamtuch Jamoat
15:15 – 15:30	Brief meeting with Jamoat and JRC Shamtuch (at the project site)
15:30 – 16:00	Project site visit in Veshab village (Rehabilitated transformer and river bank reinforcement)
16:00-17:00	Project site visit in Dargh village (Drinking water supply system)

17:00	Departure to Ayni District
20:00	Dinner and overnight in Ayni District
May 17-19, 2009 Khujand AO	
Sunday, 17 May	<i>Ayni - Khujand</i>
08:00	Departure to Khujand City
13:00	Arrival to Khujand City
13:00 – 14:00	Lunch
14:00 – 15:00	Checking e-mails, preparations, etc.
15:00 – 18:00	Sightseeing
19:00	Dinner and overnight in Khujand
Monday, 18 May	<i>Khujand</i>
09:00- 12:00	Meeting with Khujand AO staff (presentation of activities and discussions)
12:00 – 13:00	Lunch
13:00-17:00	Visiting Jamoat Kistakuz <ul style="list-style-type: none"> ➤ Meeting with JRC and Jamoat administration; ➤ Seeing Business Advisory Center; ➤ Visiting supported social infrastructure sub-projects; ➤ Visiting established workshops; ➤ Meeting with members of Women's Network (NGO);
Tuesday, 19 May	<i>Khujand - Isfara</i>
8:00-9:30	Trip to Isfara district
9:30-10:00	Meeting with Head of Isfara district
10:00-12:00	Meeting with DDC (presentation and discussion of DDC activities in the district)
12:00-13:00	Lunch
13:00-14:30	Visiting Jamoat Vorukh Introduction with outcomes of the Conflict prevention/mitigation activities and links with new ongoing EnvSec project;
14:30-15:30	Visiting Jamoat Chorku <ul style="list-style-type: none"> ➤ Meeting with JRC Chorku and Jamoat administration; ➤ Activities on improving agriculture sector (extension agents; demo plots; Association of Dehkan Farms); ➤ Visiting social infrastructure sub-projects with migrants co-funding;
15:30-17:00	Trip to Khujand (airport)
18:00	Flight back to Dushanbe
19:00	Arrival to Dushanbe, hotel check in, dinner and overnight in Dushanbe
May 21 - 27, 2009 Dushanbe	
Thursday 21 May	Meetings with (local governance): <ul style="list-style-type: none"> - MDG Project and discussion of project activities with regards to district planning and budgeting (project team/ MEDT, Goskomstat, Center for Strategic Research, ISCT) - Center for Development NGO - Urban Institute - DFID - SDC Meetings with (economic development): <ul style="list-style-type: none"> - AMFOT - GTZ / Project 'Support to Microfinance in Rural Areas) - National Bank - DFID - SDC
Friday 22 May	Meetings with: <ul style="list-style-type: none"> - IOM - USAID - EU - TACIS
May 23-25	<i>Dushanbe</i>
	Preparation of Draft Evaluation Report
Tuesday, 26 May	Debriefing and presentation of draft report to UNDP and stakeholders
Wednesday, 27 May	Presentation of key findings at the CP Steering Committee Meeting
Thursday 28 May	Departure from Dushanbe

Annex 3 UNDP CP Outcomes and Results Framework

Outcome 1: Improved livelihoods of vulnerable rural residents, including both income and access to basic services

Results

- 1.1 The capacity of rural residents to become successful entrepreneurs is increased, including their employable skills and knowledge of enterprise creation and business projects
- 1.2 Rural households, particularly vulnerable households and women, have greater access to micro credit
- 1.3 Rural residents have greater ownership and improved access to sustainable rural infrastructure

Outcome 2: Enhanced local governance through local government's and communities abilities to plan, budget and implement basic services in a participatory manner

Results

- 2.1 Local and regional governments are better able to plan, budget and manage finances in a participatory manner
- 2.2 Local and regional governments have improved information systems for planning, monitoring and evaluating public policy
- 2.3 Citizen and civil society are better able to advocate for social issues, engage authorities and contribute resources to local development projects

**Annex 4 List of UNDP Communities Programme Projects implemented in 2007-09
(including those on going)⁴⁵**

<i>Projects (donor)</i>	<i>Value, USD</i>
Zaravshan Valley Initiative (DFID)	2'466'216
Enhancing Individual Incomes (TACIS)	365'495
Enhancing Agriculture Governance (CIDA)	209'130
Community Development Through Employment Creation and Improved Migration Management (ILO)	369'794
Capacity Building & Localizing MDGs (UNDP)	1'366'800
Capacity Building of JRCs (UNDP)	100'000
Vocational Training Project	75'890
Addressing the Social consequences of transition in the Ferghana Valley -Tajikistan (EU TACIS KHJ) ⁴⁶	867'642
Rural Women Empowerment in CA (ADB)	126'558
Capacity Development on Energy Sector	200'000
Good Water Governance (SDC)	96'210
Env&Security Cross Border in Ferghana Valley (Government of Germany) ⁴⁷	149'779
Combating Land Degradation and Improving Sustainable Land Management (GEF)	1'175'000
Community Agriculture and Watershed Management Project in the Rasht Valley (WB)	1'769'343
Social Inclusion and income generation in Sughd region of Tajikistan (TACIS Khujand) ⁴⁸	459'545 Euro

⁴⁵ The list includes some projects that were launched shortly before the new CP (2006), as well as those that were still on going at the moment of evaluation

⁴⁶ Ongoing project with the implementation period of February 2008-December 2009

⁴⁷ Ongoing project with the implementation period of January-December 2009

⁴⁸ Implemented in period July 2006-December 2007

Annex 5 Activities Clusters of the CP Economic Component

Cluster 1: Increase of Agricultural Production

Activity	Partners responsible for future management	Region	Funding Agency
• Micro loans	MLF's	All regions	All, except CIDA.
• Input Supply / Agro Tool Banks	Associations of Dhekan Farms (ADF's)	East & West Khatlon	CIDA EC - TACIS
• Agricultural Extension - Farmer Field Schools (FFS) - Business Advisory & Information Centres (BAIC's)	- ADF's / JRC's - JRC's	East & West Khatlon / Soughd	GEF EC - TACIS
• Rehab. of Irrigation & Drainage systems	Water User Associations (WUA's)	East & West Khatlon	GEF EC - TACIS
• Greenhouses	Private sector (tenders)	East & West Khatlon / Soughd	EC - TACIS

Cluster 2: Business Development & Employment Creation

Activity	Partners responsible for future management	Region	Funding Agency
Micro Loans	MLF's	All regions	All, except CIDA and GEF
Business Advisory Centres (BAIC's)	NGO – district level	Zarafshan Valley	DFID
Agro Processing Workshops	Private sector (tenders)	East & West Khatlon	EC - TACIS
Skills Training - Modular Centres - Hands-on Training /Apprenticeships	- Min. of Labour & Social Security - Private sector (tenders) / JRC's	Dushanbe, Gharm, Kulyab East & West Khatlon / Soughd	UNDP EC - TACIS

Cluster 3: Natural Resources Management

Activity	Partners responsible for future management	Region	Funding Agency
Micro loans	MLF's	West Khatlon & Gharm	GEF & World Bank / UNDP
Sustainable land management / combat of land degradation	Land Degradation Units (LDU's) / JRC's	West Khatlon	GEF
Watershed management	Communities Initiative Groups (CIG's) / JRC's	Gharm	World Bank