

**PROJECT INFORMATION DOCUMENT (PID)
ADDITIONAL FINANCING**

Report No.: PIDA24684

Project Name	Environmental Land Management and Rural Livelihoods - Additional Financing (P153709)
Parent Project Name	Environmental Land Management and Rural Livelihoods Project (P122694)
Region	EUROPE AND CENTRAL ASIA
Country	Tajikistan
Sector(s)	Agricultural extension and research (25%), Public administration-Agriculture, fishing and forestry (25%), General agriculture, fishing and forestry sector (20%), Irrigation and drainage (15%), Sub-national government administration (15%)
Theme(s)	Rural services and infrastructure (25%), Other rural development (25%), Rural policies and institutions (25%), Land administration and management (15%), Climate change (10%)
Lending Instrument	Investment Project Financing
Project ID	P153709
Parent Project ID	P122694
Borrower(s)	
Implementing Agency	Committee on Environmental Protection
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	28-May-2015
Date PID Approved/Disclosed	28-May-2015
Estimated Date of Appraisal Completion	30-Apr-2015
Estimated Date of Board Approval	07-Jul-2015
Appraisal Review Decision (from Decision Note)	The review did authorize the team to appraise and negotiate

I. Project Context

Country Context

Tajikistan's economy was adversely affected by the 2008-09 global economic crisis, but growth recovered quickly and averaged over 7 percent annually during 2010-13. Recovery was spurred by remittance inflows, which rebounded sharply and continued to grow, exceeding US\$4 billion in 2013. Remittances fueled private consumption and, to a much lesser extent, investment in sectors such as agriculture. Of the total growth in 2013, agriculture accounted for one fifth and two-thirds of employment. The share of aluminum and cotton in total export value declined from 80% in 2008 to 48% in 2013, which indicates some diversification including in agriculture. Poverty has declined

from 47% in 2009 to an estimated 36% in 2012, enabling the incomes of the bottom 40% of society to grow faster than the population at large. Although poverty has declined, low agricultural productivity and rudimentary safety nets still leave those below the poverty line vulnerable to shocks and stresses, including women who have experienced lowered rates of poverty reduction than men. Despite some of the progress in economic growth, Tajikistan's economic growth is again jeopardized by a downturn in the Russian economy and the high prospective loss of remittance income. Current forecasts suggest that remittance income could fall by US\$1 billion in 2015. Tajikistan's economic growth in 2015 is expected to slow as a result, falling below the estimated 6% GDP growth in 2014.

Sectoral and institutional Context

The agricultural sector accounts for 64% of employment, and is generally characterized by low productivity. Environmental degradation and unsustainable use of natural resources are important constraints, and the country's predominantly mountainous terrain makes it particularly vulnerable to natural disasters. Mono-cropping and improper land use practices, such as wasteful irrigation methods and inadequate drainage, continue to contribute to soil degradation and stagnating yields, especially in lowland areas. Pasture degradation, due in part to overgrazing and poor stocking practices, is an important threat. In upland areas, the conversion of steep slopes to cereal production has contributed to land degradation. Chronic energy shortages have also resulted in increased burning of organic matter and vegetation that would otherwise be available as fertilizer or ground/tree cover.

Climate variability and change are likely to pose additional and significant risks, and only reinforce the need to follow sound land resource management principles. In the Europe and Central Asia region, Tajikistan is ranked the poorest and the most vulnerable to the adverse impacts of climate change due to: a) dependence on natural resources, e.g., agriculture and hydropower; b) inadequacies of climate resilience of key economic sectors; and c) low adaptive capacity to respond to on-going and projected changes. Even under the most conservative scenarios, climate change is projected to lead to higher temperatures, more rapid glacier melt, increased incidence of flooding, and also more severe and prolonged droughts. These projected impacts put at risk ten years of progress in poverty reduction and shared prosperity and threaten the achievement of the country's development priorities (food and energy security in particular). For instance, based on the recent Turn Down the Heat III report (2014), a 30 percent yield drop is envisaged in Tajikistan with extreme temperature increases (4 to 5 degrees Celsius) over time. These climate change-related shocks to agricultural systems can result in dramatic development and poverty impacts: a 20 percent drop in yields triggered by a drought would push the poverty rate up by an estimated 13 percentage points. While the population is vulnerable as a whole, those pursuing subsistence agriculture and pastoralism will be particularly affected as they depend more directly on vulnerable land and water resources.

Since 2007, the Government with the assistance of development partners has taken a number of actions to reduce its intervention in agricultural production, giving farmers and resource user groups increased scope to take independent decisions and respond more effectively to opportunities, as well as shocks and stresses. Until recently a Government approved action plan to reform the agricultural sector served as a platform for developing and implementing agrarian reforms to ensure freedom to farm accelerate efforts to ensure proper land titling, improve irrigation and drainage infrastructure and institutions, improve farmers' access to finance and collateral and increase

returns to farmers and cotton sector recovery. Under irrigation, maximizing the role of Water User Associations in water management remains a key feature, as does changing the basis of irrigation water management from administrative boundaries to river basin and hydrological units. In a separate Government initiative, a Pasture Law has been approved and contains provisions for the establishment of Pasture User Associations. With donor assistance, there has been significant progress in land reform with over 115,000 land use rights certificates issued to individual and family farms, covering about 30% of the country's arable land. Similarly, the Law on Dekhan Farm and the Land Code are currently being revised and updated to prepare for marketable transaction of land rights.

Direct investment support to farmers through a systematic small grants program as implemented in the Environmental Land Management and Rural Livelihoods Project, provided via a community driven participatory approach with facilitation and training, can build entrepreneurial capacity and resilience. Farmers can assume responsibility for sustaining their livelihoods, and engage others in rural production in financially and environmentally sustainable ways. Fostering innovation in extension can support further widespread adoption of sustainable land management practices linked with improved rural livelihoods. By demonstrating, strategic communication and learning tools, such as participatory videos that showcase star farmers and facilitate a rural library of digital videos providing localized agricultural solutions, the project expects to amplify its reach to farmers and land users.

II. Proposed Development Objectives

A. Current Project Development Objectives – Parent

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

III. Project Description

Component Name

Knowledge Management and Institutional Support

Comments (optional)

Component Name

Project Management and Coordination

Comments (optional)

Component Name

Rural Production and Land Resource Management Investments

Comments (optional)

IV. Financing (in USD Million)

Total Project Cost:	4.06	Total Bank Financing:	1.80
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			0.00
IDA Grant			1.80
Strategic Climate Fund Grant			2.00
LOCAL BENEFICIARIES			0.26
Total			4.06

V. Implementation

The implementation arrangements will remain the same as the original, parent project. The project follows the concept of community-driven development with community-based organizations taking responsibility for the choice, design and management of rural investments and resource management plans. Experienced, locally based NGOs will facilitate community mobilization, participatory planning, and rural investment planning and implementation. Similarly, facilitation support will be contracted for the preparation of pasture and on-farm water management plans, which will be operated at larger scales of operation than the rural production investments. The contracted NGOs will coordinate with local government and supporting organizations to provide these services as needed.

Given the project's emphasis on environmental land management and climate change resilience, the Committee for Environmental Protection (CEP) with its mandate for natural resource management and climate change policy, as well as environmental awareness raising and environmental monitoring, will serve as the project's implementing agency. An Implementation Group (IG) established within the CEP, comprising existing CEP staff and contracted technical assistance, will have responsibility for project management and coordination functions. The IG will prepare overall project work plans and budgets, update operational manuals, facilitate inter-ministerial coordination, and carry out project administration (e.g., financial management, procurement, specialist recruitment, monitoring, evaluation and reporting). The IG will report through the CEP to the respective Deputy Prime Minister.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	
Natural Habitats OP/BP 4.04	x	
Forests OP/BP 4.36		x
Pest Management OP 4.09	x	
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12		x
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50	x	
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

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