

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB826

Project Name	Tajikistan Municipal Infrastructure Development Project
Region	EUROPE AND CENTRAL ASIA
Sector	Solid waste management (30%);Sewerage (30%);Sub-national government administration (20%);Water supply (20%)
Project ID	P079027
Borrower(s)	THE GOVERNMENT OF TAJIKISTAN
Implementing Agency	
	Government of Tajikistan Tajikistan
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Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD
Safeguard Classification	<input type="checkbox"/> S ₁ <input type="checkbox"/> S ₂ <input type="checkbox"/> S ₃ <input type="checkbox"/> S _F <input checked="" type="checkbox"/> TBD (to be determined)
Date PID Prepared	April 7, 2004
Estimated Date of Appraisal Authorization	December 3, 2004
Estimated Date of Board Approval	March 17, 2005

1. Key development issues and rationale for Bank involvement

Tajikistan is the poorest country in Central Asia and among the poorest in the world, with a GDP per capita of about USD180 and close to 80% of the population living below the poverty line. The country suffered severe physical damage and heavy human losses during a civil war that broke out soon after independence and lasted from 1992 to 1997. Although primarily a rural country, about 30% of the country's population lives in urban centers, where infrastructure and service delivery conditions are deteriorating rapidly. According to the 1999 household survey, less than half of all households have access to piped water, and nearly a quarter rely on untreated water from rivers, lakes or ponds. Inadequate water treatment and cross-contamination from sewage are at the root of periodic outbreaks of typhoid fever. Availability and quality of other basic services such as storm water drainage or solid waste collection and disposal is similarly poor and as much as 80% of local urban road infrastructure is estimated to be in disrepair.

Although legislation creating the legal framework for local government and local-self government was adopted recently, the delineation of roles and responsibilities for delivery of local services between central and local government authorities remains unclear. Actual involvement of local governments in municipal service provision is still limited since the responsibility for operation of such municipal services continues to rest, for the time being, with to the Tajik Commune Service, a State Unitary Enterprise subordinated to the Central Government, in all cities and towns in Tajikistan with the exception of Dushanbe, the capital city, and Khujand, the largest city in Northern Tajikistan.

The proposed project is consistent with the 2003-2005 Country Assistance Strategy (CAS). The CAS emphasizes the need to keep the country's basic infrastructure, physical and social, functioning. It identifies the "provision of local social services and infrastructure through community involvement selectivity" as one of three selected objectives that most affect the lives of the poor. The other two objectives are interrelated, "to foster growth through private sector development", which requires reliable municipal service and infrastructure, and "to strengthen the institutions needed for a market economy". The project will support capacity building at both the central and local government level with a view to improving the ability of local governments to effectively manage and operate

municipal services, and respond to local demands for service delivery. Through the introduction of participatory planning for the identification of priority investments that could be financed under the credit, the project is promoting community-linked development, which is another high priority objective of the CAS.

The project is also in line with the Tajikistan's first Poverty Reduction Strategy Paper (PRSP, December 2002), which highlights the issue of deteriorating infrastructure and municipal services and underscores the importance of the link between economic growth, the state of infrastructure, and the availability, quality, and reliability of basic municipal services.

The project will be the second operation to support urban infrastructure in Tajikistan, after the Dushanbe Water Supply Project, currently under implementation. Bank support will build on the experience of this project, as well as that of other donor-supported initiatives. Bank support for the project will also help to leverage the knowledge and analytical tools to developing and sustaining participatory framework for service delivery.

Project preparation will closely be coordinated with USAID and other multi-lateral and bi-lateral donors, who are currently active in supporting local government reform and improving municipal infrastructure and services. USAID, in particular, is assisting the Government in further decentralization and clarifying the devolution of responsibilities to the different tiers of sub-national government. It is providing, to that effect, technical assistance to a working group, established by the Government for the purpose of preparing proposals for amendments to existing legislation local self-government and public administration.

2. Proposed objective(s)

The development objective of the project is to assist the Government of Tajikistan in enabling local governments to improve the access, quality and delivery of basic infrastructure and affordable municipal services. To this effect the project will assist the Tajik Commune Service and a selected number of secondary cities¹ (a) responding more effectively to local demands for service improvement by identifying and implementing required priority investments and (b) improving the capacity of utility operations at the municipal level.

3. Preliminary description

The proposed components of the project are:

(1) Infrastructure and Municipal Services Rehabilitation: This component will finance the rehabilitation and/or repair of infrastructure (urban roads, storm water drainage, etc.), local utility services (water supply, sewerage, waste water treatment, sanitation, etc.) and facilities supporting local economic development (municipal markets, etc.) which will be selected on the basis of both local demand and a demonstrated municipal commitment.

(2) Institutional Capacity Building: The component will provide technical assistance to the Government and participating municipalities to develop their capacity to manage infrastructure and utility service operations and identify to that effect: (a) priority investment projects through a participatory planning process; and (b) measures to improve management and performance monitoring systems.

(3) Project Management and Supervision: The component will support project implementation by financing: (a) incremental costs of the Project Implementation Unit (PIU), and (b) consulting services to provide technical expertise required for project management, especially in regard to preparation of feasibility studies, engineering designs, portfolio management, fiduciary aspects, safeguards policies and monitoring outcomes.

Project preparation will be based on a rapid assessment of infrastructure and municipal services, which will be conducted, with the support of local authorities in selected municipalities that are likely to qualify for participation in the project. The survey will assess the current state and rehabilitation needs of local roads, storm water drainage, water supply, sewerage, and waste water treatment systems, as well as of facilities supporting local economic

¹ Cities with population between 35,000 and 100,000.

development (markets, etc.). Further coordination is currently underway with the TLSS and the ongoing Poverty Assessment to obtain specific information about subjective poverty, access to utilities, income and assets of households in all cities with population more than 35,000².

Concurrently, an assessment will be made to review the institutional setting and the technical capacity of the Tajik Commune Services, municipalities and utilities in selected cities. The assessment will aim at clarifying the functions and relationships between the central and local government agencies responsible for infrastructure and service delivery. Special focus will be on the delineation of ownership, rights of use of utility assets, financial obligations, investment, operational and maintenance responsibilities.

The list of municipalities that could participate in the project will be shared with all other donors currently active in the area of municipal infrastructure rehabilitation in Tajikistan in order to ensure complementarities and avoid possible overlaps or conflicts.

4. Safeguard policies that might apply

The project will support the rehabilitation of existing municipal infrastructure such as water supply networks, roads, drainage pipes, etc. The proposed environmental rating is Category B. Project preparation will include the preparation of environmental impact assessment, and environmental framework. The preparation of downstream investments and sub-project will be based on meeting an agreed environmental framework. Capacity will be established within the project implementation unit for environmental screening of sub-projects.

5. Tentative financing

Source:	(\$m.)
BORROWER/RECIPIENT	1.5
INTERNATIONAL DEVELOPMENT ASSOCIATION	15
Total	16.5

6. Contact point

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² These are Quliab, 78,000; Kurgan-Tiube, 60,000; Ura-Tiube, 51,000; Kanibadam, 45,000; Kofarnikhan, 44,000; Tursun-Zade, 39,000 and Isfara, 37,000.