



# Project Information Document (PID)

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Concept Stage | Date Prepared/Updated: 11-Jan-2019 | Report No: PIDISDSC25286

**BASIC INFORMATION****A. Basic Project Data**

Country Tajikistan	Project ID P168052	Parent Project ID (if any)	Project Name Tajikistan Socio-Economic Resilience Strengthening Program (P168052)
Region EUROPE AND CENTRAL ASIA	Estimated Appraisal Date Mar 18, 2019	Estimated Board Date Jun 20, 2019	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency National Social Investment Fund of Tajikistan	

**Proposed Development Objective(s)**

The development objective is to improve socio-economic inclusion of targeted vulnerable communities, and young men and women.

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	37.00
<b>Total Financing</b>	37.00
<b>of which IBRD/IDA</b>	37.00
<b>Financing Gap</b>	0.00

**DETAILS****World Bank Group Financing**

International Development Association (IDA)	37.00
IDA Grant	37.00

Environmental and Social Risk Classification

Concept Review Decision



Substantial

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

## B. Introduction and Context

### Country Context

- 1. Despite 15 years of strong economic growth and progress in poverty reduction, Tajikistan has yet to fulfill its potential for sustainable and inclusive development.** According to official statistics, Tajikistan experienced an average annual growth rate of 7.7 percent between 2000 and 2015, and a corresponding decline in the poverty rate from 80 percent to 31 percent over the same period. Real GDP growth accelerated from 6.9 percent in 2016 to 7.1 percent in 2017, and was sustained at 7 percent during the first quarter of 2018.<sup>1</sup> The poverty rate continued to decline, falling to an estimated 29.5 percent in 2017.<sup>2</sup> Until 2013, this rate of economic growth was driven by high remittance inflows and strong regional economic performance, high international prices of cotton and aluminum (Tajikistan’s major exports), and generous official development assistance (ODA) inflows; since then, it has been sustained by substantial levels of public investment. Yet, the high rate of economic growth masks various structural economic challenges that have increased vulnerability to economic shocks, including: a persistent trade deficit, reliance on remittances, a small and fragile financial sector, and limited internal labor mobility and employment.
- 2. Tajikistan remains one of the poorest countries in Central Asia, with a large share of its population dependent on remittances and low-productivity sectors.** With a per capita income level of \$2,780 in 2015 (measured in 2011 PPP), it is poorer than most Central Asian and South Asian countries, with the exceptions of Afghanistan and Nepal. Poverty rates vary across Tajikistan’s regions. According to the official poverty estimates for 2015, Dushanbe has the lowest poverty rate in Tajikistan (20.4 percent) followed by Sughd (22.3 percent). In other regions, the share of the poor population is much higher—35.8 percent in Khatlon, 37.3 percent in the Districts of Republican Subordination (DRS), and 39.4 percent in the Gorno-Badakhshan Autonomous Oblast (GBO). Agriculture, which employs 45 percent of the labor force, remains the lowest-paid sector.<sup>3</sup>
- 3. Risks related to fragility, conflict, and violence (FCV) constrain Tajikistan’s development progress.** Most cross-national indicators of fragility and conflict place Tajikistan in a category of elevated risk.<sup>4</sup> For this reason,

<sup>1</sup> According to the Central Bank of Russia, remittances to Tajikistan totaled US\$2.5 billion in 2017, compared to US\$1.9 billion in 2016, a year-on year increase of 31.5 percent. “Tajikistan: Country Economic Update, Spring 2018.” World Bank, Washington, DC.

<sup>2</sup> “Tajikistan: Country Economic Update, Spring 2018.” World Bank, Washington, DC.

<sup>3</sup> Tajikistan: Country Economic Update, Spring 2018.” World Bank, Washington, DC

<sup>4</sup> Tajikistan is one of 56 countries that the OECD classifies as “fragile” or “extremely fragile” in its *States of Fragility 2018 Report*. The 2018 OECD State of Fragility Report includes a multidimensional (economic, environmental, political, security, and societal) fragility framework covering 58 fragile contexts, and identifies contexts that have improved or deteriorated relative to 2016. According to the 2018 report, “Tajikistan worsened in all five dimensions. However, deterioration was particularly apparent in the security, environmental and societal dimensions. The decline in the security dimension was the most obvious, with risks associated with terrorism and violent conflicts having increased.”



Tajikistan is one of four beneficiary countries under the IDA18 Risk Mitigation Regime (RMR). The RMR pilots development interventions as a prevention tool, scaling up financial support to proactively target FCV risks and reinforce sources of resilience. FCV risks such as those Tajikistan is facing are complex and interrelated, and thus require tailored, multisectoral responses. The *Risk and Resilience Assessment (RRA)*<sup>5</sup> diagnosis for Tajikistan clusters risks into four broad categories:

- *Cross-cutting political and governance challenges*, relating to the centralized system of governance with limited scope for citizen participation that: limits the effectiveness of service delivery, particularly in rural areas; results in inequities in public resource allocation; and hampers the accountability of the central and local governments to citizens for public resources.
  - *Economic risks*, including: (a) a high dependence on remittances from economic migrants, who work mainly in Russia; (b) governance challenges, including in the banking sector; (c) high unemployment and the predominance of low-quality jobs in the informal sector; and (d) the existence of constraints to private-sector development.
  - *Socio-economic exclusion of youth and women*. Youth (that is, the 14-to-30-year-olds) account for 35 percent of the population, making Tajikistan the country with the youngest population in Central Asia.<sup>6</sup> Each year, an estimated 130,000 youth come of working age, but find limited economic opportunities, with an estimated 41 percent of youth not being in employment, education or training (NEET).<sup>7</sup> There is also a high prevalence of female-headed households (23 percent) and abandoned wives, who are vulnerable to long-term poverty.
  - *Regional and cross-border challenges*, including: (a) the existence of regions within the country that are lagging in terms of human development and economic outcomes; (b) heightened vulnerability in certain regions, reflecting the legacy of conflict and/or proximity to zones of insecurity<sup>8</sup>; (c) the proximity to international, high-volume illicit drug trafficking routes; and (d) remaining, albeit abating, tensions with neighboring countries related to resource-sharing, particularly water.
4. **In recent years, violent extremism has been a growing concern in Tajikistan, as well as in the Kyrgyz Republic.** Central Asians feature among foreign fighters in several conflict zones and among perpetrators of terrorist attacks elsewhere.<sup>9</sup> It is estimated that the average age of ISIS recruits from Kyrgyzstan or Tajikistan is 22 to 28 years.<sup>10</sup> The region in Tajikistan that borders the Kyrgyz Republic (i.e. Sughd, and the DRS that surround part of the Batken and Osh region in the Kyrgyz Republic) provided the highest number of Tajik ISIS recruits between 2012 and 2015.<sup>11</sup> Recent Government figures indicate that 1,899 Tajik nationals were recruited into the Islamic

<sup>5</sup> *Tajikistan Risk and Resilience Assessment*, World Bank, Washington, DC, 2017.

<sup>6</sup> *Tajikistan Living Standard Panel Survey, Information Brief*, State Committee on Statistics with UNICEF (2012) and World Bank (2009) provides a situation analysis of children and women's rights in Tajikistan (re-analysis of TLSS 2003, 2007, 2009 data).

<sup>7</sup> *Jobs Diagnostic Tajikistan*, World Bank, Washington, DC, 2017.

<sup>8</sup> Not least along the 1,400-km border with Afghanistan.

<sup>9</sup> At least 1,000 Central Asians have joined jihadi groups in Syria and Iraq, where some have taken up prominent roles in the Islamic State (IS) and the Nusra Front. The perpetrators of the recent terrorist attacks in Istanbul, St. Petersburg, and Stockholm were of Central Asian origin.

<sup>10</sup> Dyner, Anna, Arkadiusz Legieć, and Kacper Rękawek. *Ready to Go?: ISIS and Its Presumed Expansion Into Central Asia*. Polski Instytut Spraw Międzynarodowych, 2015.

<sup>11</sup> Dodwell, Brian, Daniel Milton, and Don Ressler. *The Caliphates Global Workforce: An Inside Look at the Islamic States Foreign Fighter Paper Trail*. United States Military Academy Combating Terrorism Center West Point United States, 2016. Toktomushev, Kemel. "Promoting Social Cohesion and Conflict Mitigation: Understanding Conflict in the Cross-Border Areas of Kyrgyzstan and Tajikistan." (2017).



State, a considerably higher number than the earlier estimated 1,100.<sup>12</sup> In the past eight years, the Government of Tajikistan has brought back around 3,400 young Tajik nationals who were pursuing their Islamic education abroad, given concerns over their radicalization.<sup>13</sup> Empirical evidence suggests that there are multiple factors that drive radicalization and recruitment into violent extremist groups. These are highly context-specific with lack of economic opportunity, prevalence of poverty and grievances reportedly being factors of influence, but not sufficient conditions in themselves to induce radicalization and recruitment into violent extremist groups. Ideological radicalization and presence of VE recruiting networks, via family and community links, can act as a primary driver, making a minority of young men and women vulnerable to radicalization and VE.<sup>14</sup> Interventions that concurrently address several of the above-indicated factors are necessary in an effort to make vulnerable groups more resilient to VE.

5. **Natural disasters and climate change also represent a threat to Tajikistan’s economic and social development.**<sup>15</sup> The country has a variety of geological, climatological and topographic features that exacerbates the country’s vulnerability. Tajikistan’s steep mountainous terrain make it highly susceptible to many natural hazards, including earthquakes, floods, landslides, and avalanches. From 1992 to 2016, natural disasters affected 7 million people in Tajikistan – more than 80 percent of the total population – and caused economic losses worth \$1.8 billion. Under the Paris Climate Agreement, Tajikistan’s international climate change commitment (Nationally Determined Contribution, NDC) consists of a flexible target, not exceeding 80-90% of the 1990 level by 2030 as a contribution to reducing GHG emissions. The scope of commitments includes climate resilience and adaptation measures related to water resource management and the dissemination of knowledge and experience on climate change. Tajikistan is gradually moving from disaster response to risk mitigation and has taken steps to mainstream disaster risk mitigation into development planning including the adoption of the Sendai Framework for Disaster Risk Reduction in 2015. The GoT has also been upgrading infrastructure such as irrigation, road networks and energy infrastructure. Key Government agencies have adopted disaster risk in their sector strategies and plans. The Ministry of Education’s National Strategy for Development of Education 2020 includes disaster risk reduction measures. The Ministry of Energy and Water Resources will account for water-related risks in its forthcoming National Water Strategy 2030, as will the Ministry of Transport with its Strategy 2025. Further, the World Bank continues to support the GoT through the Central Asia Energy-Water Development and the investment program, “Strengthening Critical Infrastructure against Natural Hazards.”

#### Sectoral and Institutional Context

6. **The sectoral and institutional context for the Project emerges from three distinct risks:** the socio-economic exclusion of young men and women; regional and cross-border challenges that result in heightened fragility risks; and cross-cutting governance challenges that constrain the implementation of participatory and accountable local governance practices.

<sup>12</sup> Government of Tajikistan. State Committee of National Security, presentation to Parliamentary Session on “Prevention of youth involvement in terrorist organization and implementation of the Law in the Republic of Tajikistan”, November 7, 2018. <http://saidomardum.tj/ma-lisi-ol/peshgiriialbi-avonon-ba-tashkiloti-terrorist-vazifai-omeai-sha-rvand-niz-ast/>

<sup>13</sup> <https://eurasianet.org/s/tajikistan-former-students-of-islam-return-to-nothing> .

<sup>14</sup> The literature on VE also underlines the motivations deriving from a sense of common purpose and social belonging, weak religious literacy and lack of critical thinking skills. *Pathways For Peace: Inclusive Approaches to Preventing Violent Conflict*, United Nations and World Bank, Washington, DC, 2018.

<sup>15</sup>World Bank. 2017. “REDUCING MULTI-HAZARD RISKS ACROSS TAJIKISTAN: Protecting Communities Through Quality Infrastructure.”



7. **Socio-economic exclusion of young men and women:** There is a high prevalence of female-headed households: about 23 percent of the population live in households headed by women, with ensuing vulnerabilities for children and youth growing up in those households.<sup>16</sup> The high percentage of female-headed households is due, in part, to the emigration of young men. With limited economic and employment opportunities at home, as many as 1.5 million Tajik citizens, 90 percent of whom are young men, emigrate to find work opportunities abroad.<sup>17</sup> Most of these migrants are married with children and support households that have on average 7.5 persons.<sup>18</sup> Approximately one in three migrants' wives, over 300,000 young women, find themselves left alone and impoverished, entirely dependent on help from family, relatives and friends.<sup>19</sup> Seventy percent of abandoned wives have children and are left to provide for their households, despite limited access to finance, social protection, education, or possibilities for employment. Young women also face other challenges. The adolescent fertility rate in Tajikistan (births per 1,000 females aged 15-19) remains the second highest in Central Asia, at 38.3 as of 2014. Child marriage is relatively common, with 13.4 per cent of females aged 15-19 in 2010 married. Adolescent suicide, which is more prevalent among young women, has been identified as an issue of concern in Tajikistan.<sup>20</sup> Last, approximately one in six young Tajik men and one in 10 young women aged 20–24 were found to be too discouraged to look for work.<sup>21</sup> The share of youth who are not in education, employment or training (NEETs) amounts to 29 percent, but there is a large gender disparity: 49 percent of young Tajik women are NEETs, compared to 7 percent of young men.<sup>22</sup>
8. **Regional and cross-border challenges:** Two regions, namely Khatlon and GBAO, are especially exposed to fragility risks. Some of these risks stem from the legacy of the civil war and the 1,400 km border with Afghanistan. GBAO is the poorest, most sparsely populated (a population of 217,400), and most geographically remote province that suffered significantly during the civil war. Unlike other regions of Tajikistan, the Pamiri population that constitutes the majority of GBAO's residents (approximately 250,000) has a distinct ethnic and religious identity. In recent times, GBAO has witnessed the reoccurrence of clashes between local non-state actors and the central government over influence in the region.<sup>23</sup> Southern Khatlon also experienced heavy fighting during the Tajik civil war. These districts also share a border with the increasingly volatile Kunduz province in Afghanistan. With almost 3 million people, Khatlon Province is the most populous of the four administrative provinces of Tajikistan and contains over one-third of the country's total population.
9. GBAO and Khatlon, as well as the DRS, score the worst in access to basic services, such as a toilet inside the house, piped water, and sewage, with at least three-fourths of their populations being deprived along these indicators.<sup>24</sup> The second and third highest prevalence of stunting is observed in Khatlon (22.6 percent) and GBAO (22.4 percent), while the lowest is observed in Dushanbe (10.5 percent).

<sup>16</sup>A 2011 UNICEF report documents the psychological, social, educational, and health effects. *Impact of Labor Migration on Migrants' Children Remaining in Tajikistan*, UNICEF, Dushanbe, 2011.

<sup>17</sup>Hofmann, E. T. 2017. "Who Goes to Russia? Understanding Gendered Migration Patterns." *Eurasian Geography and Economics* 58 (1): 1–22.

<sup>18</sup> Most migrants have completed general secondary education, are unskilled and not employed in Tajikistan prior to migrating abroad. *Job Diagnostics Tajikistan, Series 1*, World Bank, Washington, DC, 2017.

<sup>19</sup> *Abandoned Wives of Tajik Labor Migrants*, IOM, 2009.

<sup>20</sup> Report of the desk review on marginalization of adolescents and youth in Tajikistan. UNICEF. 2015-16.

<sup>21</sup> *Job Diagnostics Tajikistan, Job Issue, Series No.1*. World Bank, Washington, DC, 2017.

<sup>22</sup> *Tajstat, Labor Force Survey*, World Bank, 2016.

<sup>23</sup> "Rival for Authority in Tajikistan's Gorno-Badakhshan," *Crisis Group Europe and Central Asia Briefing No. 87*, 14 March 2018.

<sup>24</sup> *Glass Half Full: Poverty Diagnostic of Water Supply, Sanitation, and Hygiene Conditions in Tajikistan*. World Bank, Washington, DC, 2017.



10. An analysis of remote sensing and crowd-sourced data yields observations on the unique challenges that Khatlon and GBAO are facing (see Annex 1). Compared to Tajikistan as a whole, GBAO have very low levels of connectivity in terms of road density and market accessibility. Within Khatlon, while a few districts have high levels of connectivity (e.g. Khuroson, Bokhtar and and Kulob), most have low levels. As measured by nighttime lights data and irrigation coverage, GBAO has a relatively very low level of economic activity. Agriculture in GBAO is limited in by the terrain and the altitude. More than half of the land of each of GBAO's districts – except Darvaz – is barren and not vegetated. Within Khatlon, there is a high degree of heterogeneity in district-level economic activity. In a few districts within Khatlon, more than 50 percent of the land cover is considered cropland.<sup>25</sup> Agriculture contributes to about 80 percent of the region's GDP.
11. The lack of connectivity and low levels of economic activity exacerbate the exposure to natural hazards (air quality and flood, landslide and earthquake risks) and climate shocks (temperature and precipitation variation) facing GBAO and Khatlon. In 2015, a 7.2 magnitude earthquake that struck GBAO caused widespread damage to infrastructure, blocking transportation routes, displacing 652 people, and leaving 4,000 more in need of assistance. Emergency response to this event was significantly constrained by the remote location of the affected area and lack of alternative routes to it. In GBAO, the international M41 route is Tajikistan's only link to China, one of its main trading partners. M41 is frequently exposed to avalanches, mudflows, landslides, floods, and rock falls, making the transportation of goods generally unsafe and, at times, dangerous. In 2015, disasters destroyed numerous assets (for example, bridges) and interrupted services along the M41 route in the Murghab and Vanj districts of GBAO.<sup>26</sup>
12. **Cross-cutting governance challenges:** Subnational administrative units<sup>27</sup> are primarily responsible for delivering most of the country's public services but face a range of challenges in doing so.<sup>28</sup> Consequently, the Government has put in place a legal and regulatory framework that aims to strengthen the ability of local self-governing bodies (*jamoats*) and community organizations to address local socioeconomic needs. The 1994 Law on "Self-Government in Towns and Townships" and subsequent amendments (2009 and 2017) assign to *jamoats* a broad range of responsibilities including: budget authority, direct election of *jamoat councilors*, service delivery (i.e., improvement of local living conditions, environmental protection, local roads, maintenance of water resources and water supply networks, and waste disposal), and the ability to retain non-tax revenues earned through the provision of administrative services, as well as a percentage of local property taxes. Yet, there is a clear absence of formal processes through which citizens or civil society can participate in decision-making on local development priorities or resource allocation and hold subnational administrations to account for service delivery performance. The World Bank/United Nations 2018 *Pathways For Peace* report emphasizes the process through which goods and services are delivered as being more important than actual quality of delivery for citizens' perception of government legitimacy.<sup>29</sup>

<sup>25</sup> The task team conducted the analysis of the remote sensing and crowd source data for the purpose of project preparation. The analysis of cropland coverage draws on the following: World Bank. Forthcoming. Atlas of Tajikistan.

<sup>26</sup> World Bank. 2017. "Strengthening Critical Infrastructure Against Natural Hazards Project". Project Appraisal Document.

<sup>27</sup> District administrations (*hukumats*) are primarily responsible for delivering most of the country's public services, including education, health, culture, sports, road construction and maintenance, and transportation.

<sup>28</sup> "Improving Service Delivery through Governance Reforms: Is Decentralization the Answer for Tajikistan?" Internal draft, March 2013.

<sup>29</sup> *Pathways For Peace: Inclusive Approaches to Preventing Violent Conflict*. United Nations and World Bank, Washington, DC, 2018. Empirical evidence also supports this point. For example, cross-national survey data suggests that citizens' perceptions of government's legitimacy are driven more by the fairness through which goods and services are delivered rather than the quantity of goods and services. Levi, Margaret, Audrey Sacks, and Tom Tyler. "Conceptualizing legitimacy, measuring legitimating beliefs." *American Behavioral Scientist* 53.3 (2009): 354-375.



13. **An important source of resilience in communities in Tajikistan is the strength of local institutions, including community organizations such as *mahalla* committees.** While historically informal in nature, recent legislation (the 2008 “Law on Public Self-Initiative Bodies”) allows *mahallas* to register as social institutions, open bank accounts, organize community events, and stamp or issue certificates of temporary or permanent residency. *Mahalla* committees are also sanctioned to work directly with both non-governmental and government bodies, as well as international organizations. In a survey of nearly 1,400 households from four regions of the country that USAID’s Tajikistan Local Governance Project carried out in 2013<sup>30</sup>, most respondents (86 percent) indicated the existence of a *mahalla* committee in the locality in which they reside. This survey revealed that *mahalla* leaders had the highest level of citizen accountability of any public organization. *Jamoat* councils and *mahalla* committees together constitute a local institutional basis through which to support transparent, inclusive local development investments and initiatives. Due to economic migration patterns, women have greater opportunity to participate in *mahalla* committees. However, there are limited avenues for youth participation in local decision-making. Ensuring that young men and women benefit from community initiatives is particularly important given Tajikistan’s high levels of youth unemployment and inactivity.
14. **Despite these challenges, there are avenues for strengthening resilience at the individual, community and local government levels that can mitigate fragility risks.** At the individual level, these include the provision of psycho-social support,<sup>31</sup> soft skills (including critical thinking skills),<sup>32</sup> and support for youth self-employment and livelihood groups.<sup>33</sup> At the community level, proposed interventions include the provision of locally-identified infrastructure, and the empowerment of youth to lead development initiatives. At the local government level, interventions will include strengthening the capacity of *jamoat* administrations and community-level institutions, including *mahalla* committees, to engage with citizens, and to deliver services efficiently, fairly and in response to community’s needs.

#### Relationship to CPF

15. **The proposed Project is part of the IDA18 RMR, included in the upcoming World Bank CPF for the Republic of Tajikistan for FY19-23. The RMR allocation of US\$87 million will finance policy reforms and preventive interventions aimed at addressing FCV risks that have hitherto constrained development progress in Tajikistan.** The RRA informed the design of the RMR-financed investments as described in the RMR Implementation Note in the CPF. The RRA identified the following possible areas for new RMR programming: (i) an employment and social inclusion initiative targeting youth and returning migrants; (ii) local development platforms to decentralize service delivery and financing, reinforce decentralization efforts, and target high risk/lagging regions; (iii)

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<sup>30</sup> Individuals were asked for whom they believe *mahalla* officials work—the state or the community. Three fourths of respondents said that *mahalla* officials work for the community, 17 percent said they work for both the community and the state, while only 5 percent said they work for the state exclusively. *Tajikistan Local Governance Project Impact Evaluation Baseline Report*, USAID, Washington, DC, September 2013.

<sup>31</sup> Evidence from randomized control trials suggests that psycho-social support can lead to higher earnings for beneficiaries. See Blattman, C., Fiala, N., & Martinez, S. “Generating skilled self-employment in developing countries: Experimental evidence from Uganda.” *The Quarterly Journal of Economics*, 129(2), 697–752, 2013.

<sup>32</sup> Programs that emphasize social, emotional and “soft” skills may be powerful tools to reduce violence, as recent behavioral programs have shown positive results. Blattman and Ralston, 2015.

<sup>33</sup> In fragile states, capital injections (i.e. cash and capital goods) stimulate employment and raise long-term earning potential. Blattman and Ralston, 2015.



agriculture and food security, including to set up a contingency fund and ensure a more structured approach to agricultural risk management; and (iv) regional inclusion and cross-border development programming.

16. **The RMR program, referred to as the Resilience Strengthening Program (RSP), supports CPF Pillar I: Investing in people and strengthening social cohesion, and Pillar 3: Fostering investments and exports by taking advantage of emerging commercial opportunities, and has three constituent components:** (i) the proposed *Socio-Economic Resilience Strengthening Project (RSP-SERSP)*; (ii) the *Rural Electricity Resilience Strengthening Project (RSP-RE)*; and (iii) the *Rural Economy Development Project (RSP-REDP)*. Specifically, the three components aim to: (i) provide the identified groups with community-based youth services, initiatives and self-employment opportunities, and support local governments to engage communities in inclusive, participatory decision making processes over climate-resilient basic infrastructure investments that are responsive to local needs (RSP-SERSP); (ii) provide vulnerable communities in rural, mountainous areas unconnected to, or cut off from, the power grid with access to electricity (RSP-RE); and (iii) support complementary activities to ease the transition to employment and entrepreneurship (RSP-REDP).
  
17. **The RSP, including the proposed Project, is in line with Government of Tajikistan’s (GoT) socio-economic development strategies that prioritize reforms and investments aimed at addressing risks identified under the RRA**, including the National Development Strategy for 2030 (NDS 2030), the Medium-Term Development Strategy for 2020 (MTDS 2020), and the Youth Development Strategy for 2020 (YDS 2020). The GoT recently enacted its *National Strategy of the Republic of Tajikistan on Preventing Extremism and Terrorism for 2016–2020*, with 2017 having been declared the “Year of Youth.” Under this umbrella, the Government prioritized: (i) the promotion of balanced regional development (including support to local development and fiscal and administrative decentralization); (ii) measures to reduce unemployment among youth and women, promote entrepreneurship among women and youth, and diversify markets for labor migration; (iii) reforms to tax administration and tax policy with a view to reducing the tax burden on small and medium enterprises (SMEs); and (iv) the improvement of regional connectivity and communications infrastructure.

### C. Proposed Development Objective(s)

The development objective is to improve socio-economic inclusion of targeted vulnerable communities, and young men and women.

#### Key Results (From PCN)

18. The Project Development Objective will be measured through indicators such as:
  - a. Percentage of sampled community respondents (male/female) reporting improved access to transport/drinking water/electricity/ or irrigation;
  - b. Percentage of sampled community respondents (male/female) reporting improved responsiveness and fairness of *mahalla* committees or *jamoats*;
  - c. Increase in the percentage of time young men and women spend in civic activities, training, self-employment or livelihood groups;



- d. Percentage of vulnerable youth (male/female) who continue their livelihood activities after a 12-month period.<sup>34</sup>
- e. Percentage of vulnerable female-headed households (including abandoned wives) who continue their livelihood activity after a 12-month period.

#### D. Concept Description

19. The project will contribute to the Risk Mitigation Regime's higher-level objectives of strengthening resilience, defined as a person's, community's and/or country's capacity to adjust or respond to, and recover from, difficulties, adverse impacts, and/or exogenous shocks, reducing perceptions of exclusion, and preventing fragility risks. It will target the Khatlon and GBAO regions, which have the highest levels of absolute and relative poverty measures, respectively, and which face fragility risks due to the proximity to unstable parts of Afghanistan, large youth populations, disparities in service delivery outcomes, and legacies of violent conflict. Within these regions, the Project will target up to 10 districts identified on the basis of the following criteria: (i) multi-dimensional poverty, including lack of access to services and infrastructure; (ii) high levels of social vulnerability (i.e. high number of youth who are unemployed and NEETs among the 16 to 30 year old cohort, high number of returning migrants, incidence of women-headed households and incidence of reported recruitment of individuals into VE groups); as well as (iii) exposure to natural hazards and climate shocks.<sup>35</sup> Project activities under components 1 and 2 will overlap in most identified districts, with the final list of districts to be confirmed by the respective Governors of Khatlon and GBAO.
20. The proposed Project is intended to initiate a World Bank engagement in the areas of participatory local development and youth socio-economic inclusion and resilience in areas of the country affected by fragility risks and cross border challenges. Due to the challenges of incubating bottom-up approaches in Tajikistan, the Project will initially be implemented in a limited number of districts within Khatlon and GBAO. It will provide a proof of concept of well-tested activities, with the aim of incrementally building a more ambitious program over time.<sup>36</sup>
21. The Project adds value to the RMR program described earlier by providing community-based youth services and initiatives and livelihood opportunities for disenfranchised young men and women, including returning migrants with no savings and who are banned from migrating to Russia for employment. The proposed local development initiatives component will build on and expand a model for local government capacity building support and demand-driven basic infrastructure and service delivery that is inclusive of all community members in project decision-making and supports local government efforts in responding to local needs. The approach will align with the model that is being designed and implemented in target areas of the CASA-1000 Community Support Project (CSP), which aims to build capacity for community-driven development so that communities are empowered and mobilized, genuinely engage all community members in decision-making over the use of subgrants allocated locally, and remain engaged throughout the project cycle.<sup>37</sup> The Project will also attempt to maximize geographic overlap with the RMR-RE so that communities benefiting from access to electricity will be able to also access

<sup>34</sup> In addition, intermediate indicators such as perceptions of inclusion and psychology-based measures of resilience at the individual level (i.e. measures of grit) are being considered.

<sup>35</sup> By the time of appraisal, the task team will finalize the targeting criteria.

<sup>36</sup> More complex activities requiring a broader range of partners and technical approaches, such as de-mining, security sector reforms (e.g. community policing), or access to justice activities, are beyond the scope of the proposed Project. Such activities could be pursued in parallel through support from development partners, or subsequently incorporated as the dialogue with the GOT deepens on FCV risks.

<sup>37</sup> Project Appraisal Document, CASA-1000 Community Support Project, unpublished working draft.



basic infrastructure investments that were not technically or economically viable in the absence of electricity access.

## Project Components

22. **Component 1: Inclusive Local Development Initiatives.** The proposed component will provide subgrants to finance local-level climate-resilient socio-economic infrastructure, including youth-led initiatives, that address priorities identified through a participatory village needs assessment and decision-making process as part of a project cycle to be defined in the Project Operations Manual (POM). In line with the 1994 “Law on Self-Government in Towns and Townships” (and the 2009 and 2017 amendments), and the 2008 “Law on Public Self-Initiative Bodies,” the component will also build the capacity of *jamoat* administrations and community-level institutions, including *mahalla* committees, to engage with citizens, and to deliver services efficiently, fairly and in response to citizens’ needs, including those of youth and women. Finally, the component will build the capacity of community and local government institutions to identify, plan for, and take actions needed to mitigate the risks of natural disasters on local development investments, and to operate and maintain (O&M) local infrastructure assets, thereby ensuring the sustainability of investments. The component will consist of the following activities:
23. **Sub-component 1a: Subgrants for local development initiatives** would support investments in basic infrastructure and services in villages in targeted districts based on a participatory needs assessment at the village level and inform *Jamoat* and District Development Plans, and leverage opportunities created by the complementary investments in electricity access made under the RSP-EE project. Investments will include youth-led development initiatives, and energy efficiency measures:
- i. **Infrastructure investments** will focus on the domains for which *jamoat* administrations are responsible, namely local roads improvement and maintenance, maintenance of water resources and water supply networks, waste disposal, and other investments that improve local living conditions, including those related to social infrastructure. The types of works may involve new construction, improvement/upgrading, rehabilitation, demolition, retrofitting, or maintenance of small scale infrastructure. Eligible sub-projects may include, but are not limited to, rehabilitation of village-level water supply and sanitation systems,<sup>38</sup> rehabilitation of on-farm irrigation systems, rehabilitation of schools and local health clinics, expansion or construction of kindergartens on existing premises, and rehabilitation of tertiary roads. Where possible, energy efficiency measures will be financed to strengthen community resilience in the face of seasonal energy shortages. This will include: (i) insulated doors and windows of public facilities, and (ii) energy efficient water pumps for public buildings (e.g. schools, kindergartens, health units, community centers). The Project will not finance productive infrastructure, such as small-scale storage and processing facilities for horticultural products, as these will be financed under the RSP-REDP. A negative list of investments will be included in the Operations Manual. The Project will encourage contractors to employ local youth in the infrastructure sub-projects.
  - ii. **Youth-led development initiatives** will provide subgrants to support investments proposed by and that directly benefit youth, such as the rehabilitation of youth inclusive spaces and sports and cultural facilities, as well as the purchasing of equipment (i.e., computers and printers) for youth inclusive spaces. The planning and

<sup>38</sup> The proposed project will seek to collaborate closely with the Rural Water Supply and Sanitation Project (P162637) that is currently under discussion with government, to align technical approaches to design, and operations and maintenance.



implementation cycle around these subgrants will establish youth engagement opportunities that increase the interaction between young men and women *mahalla* committees and *jamoat* administrations.

24. **Component 1b: Community (and youth) mobilization and capacity building** will provide training and capacity building support—leveraging the use of digital technologies as appropriate—to mahalla and *jamoat* committee members in the areas of local development planning, citizen engagement (including social audits) and grievance redress, financial management, and procurement. The subcomponent will finance an annual cycle of activities including participatory needs assessment, participatory planning and prioritization/selection of village investments, participatory management, oversight and monitoring, and participatory O&M. Capacity building activities may also include providing awareness-raising on options for the management of natural disaster risks and the impacts of climate change, and on the prevalence/identification of land mines in border areas. In line with the youth engagement model that is being developed under the CASA-1000 CSP, the subcomponent will support youth mobilization and training events, and training for young men and women to take on specific project implementation roles (e.g. in engineering, monitoring and oversight).
25. **Operations, maintenance and sustainability.** Component 1 will be designed and implemented with measures to ensure that subgrant-financed investments deliver sustainable benefits to communities and local governments. Subproject designs and implementation arrangements will build on existing local institutions (e.g. water users associations) and apply appropriate technical designs that are disaster resilient. Communities and *jamoat* administrations will receive capacity building support to prepare appropriately designed and funded operations and maintenance (O&M) plans as a precondition for subproject approval. The O&M plans will clearly describe: (i) the activities and measures envisaged for O&M of the subproject, (ii) roles and responsibilities for carrying out each measure, (iii) the frequency of the activities, and (iv) the proposed mechanism for covering O&M costs.
26. **Component 2: Youth Inclusion and Livelihoods.** This component will offer two sets of inter-related activities for disadvantaged and inactive young men and women aged 16 to 30 years old, to increase their overall resilience to risks of exclusion, inactivity, and disaffection through bottom-up, community-based approaches. It will finance trainings (i.e. consulting services), tools and equipment (i.e. goods) and small rehabilitation of existing buildings (i.e. works).<sup>39</sup> Activities will encourage a shift in mindsets through psychology-based training, for which there is growing positive evidence. Self-employment and livelihood groups will be supported as a pathway towards inclusion. The activities under the Youth Inclusion and Livelihoods component build upon evidence from impact evaluations as well as lessons from previous operations successfully supported by the World Bank in fostering youth inclusion and micro-entrepreneurship in ECA, the Middle East and North Africa, and other countries. Global experience suggests that programs that emphasize social, emotional and “soft” skills including “critical thinking” skills can reduce violence and radicalization.<sup>40</sup> Evidence from randomized control trials found that training focusing on developing proactive and ‘entrepreneurial’ mindsets leads to better outcomes compared to traditional business training<sup>41</sup> and psycho-social support can lead to higher earnings for beneficiaries. In fragile

<sup>39</sup> A mapping of local and international service providers is underway. There are a number of local NGOs that have solid experience with implementing youth inclusive services and livelihoods support. See Annex 3 for a preliminary mapping.

<sup>40</sup> Liht, J., & Savage, S. (2013). Preventing Violent Extremism through Value Complexity: Being Muslim Being British. *Journal of Strategic Security*, 6(4), 44–66. <https://doi.org/http://dx.doi.org/10.5038/1944-0472.6.4.3>; Savage, S., Khan, A., & Liht, J. (2014). Preventing Violent Extremism in Kenya through Value Complexity: Assessment of Being Kenyan Being Muslim. *Journal of Strategic Security*, 7(3), 1–26. <https://doi.org/10.5038/1944-0472.7.3.1>

<sup>41</sup> Francisco Campos, Michael Frese, Markus Goldstein, Leonardo Iacovone, Hillary C. Johnson, David McKenzie, Mona Mensmann, *Teaching Personal Initiative Beats Traditional Training in Boosting Small Business in West Africa*, *Science* 22 Sep 2017 : 1287-1290.



states, capital injections (i.e. cash and capital goods) can stimulate employment and raise long-term earning potential.<sup>42</sup> The component will include:

27. **Sub-component 2a: Youth Inclusive Services** will finance a training package to give youth access to experiential learning, such as the development of soft skills (i.e. teamwork, communication, critical thinking, decision making, conflict resolution, and problem solving); psycho-social support, language skills; and digital literacy and skills. Overall, these extra-curricular activities aim to increase the time young men and women spend in interactive activities, gaining new skills complementary to those learned through formal school curricula, engaging in civic activities and leisure. In addition, service providers will offer trainings to secondary school teachers, parents, and staff of local public facilities, such as Centers for Additional Education or youth spaces (i.e., physical facilities with dedicated space for extra-curricular activities and trainings for youth), on violence prevention, including gender-based violence. These trainings are meant to raise awareness among teachers, parents and community leaders about preventive approaches to reducing risks related to radicalization and gender-based violence. This component may also finance the refurbishment of youth spaces, as needed, to fill potential gaps in refurbishment not funded under component 1.

**Sub-component 2b: Youth Livelihoods** will finance trainings and provide in kind tools and equipment for youth to start their basic economic activities. To identify eligible youth, the Project will rely on a community-based process in which the contracted service providers will help to identify eligible vulnerable youth, i.e. inactive and discouraged vulnerable youth, including returning migrants with re-entry bans and vulnerable young women, including abandoned wives with children. Service providers offering trainings and support services to youth will then verify the youth's eligibility to receive in kind tools and equipment. The trainings will be offered at community level in the SERSP youth inclusive spaces. This sub-component will not finance matching grants for entrepreneurship as most young beneficiaries in the pre-identified vulnerable categories will not be able to provide matching contributions due to lack of savings or cash, particularly in Khatlon region. By providing tools and equipment, the project will ensure that vulnerable youth not only receive access to training but also actual livelihood opportunities. By ensuring coverage of excluded youth, this sub-component complements the private sector development activities supported by the RSP-REDP which is targeting entrepreneurs who have higher amounts of capital.

28. Sub-component 2b aims to increase basic livelihoods opportunities for disadvantaged young women and men who would not otherwise qualify for more capital-intensive entrepreneurship support. Specifically, the subcomponent will include the following:
  - i. **Livelihoods development training** will provide tailored outreach and boot camp training (i.e. basic, short-duration training) for vulnerable young men and women, as well as tailored livelihood support services (i.e. mindset training, local market analysis, basic accounting, support for business plan preparation, follow up mentoring, and training on how to include climate change mitigation in livelihoods activities);

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<sup>42</sup> Blattman, C. and Ralston, L., *Generating Employment in Poor and Fragile states: Evidence from Labor Market and Entrepreneurship Programs* 2015; Blattman, C., Fiala, N., & Martinez, S. "Generating skilled self-employment in developing countries: Experimental evidence from Uganda." *The Quarterly Journal of Economics*, 129(2), 697–752, 2013.



ii. **In kind tools and equipment** will be provided for promising youth to facilitate their access to small in-kind capital. Following successful completion of the livelihoods trainings, participants with viable proposals will be offered tools and/or equipment.

29. **Component 3: Project Management and Capacity Building** will finance the incremental costs, including contracting staff, technical assistance, and training, of the implementing agency for overall project coordination, management and supervision of implementation, procurement, financial management, including project audits, monitoring evaluation and the management information system (MIS), and climate change mitigation and adaptation training. This component will fund a dedicated project management team (which will include experts in community driven development, youth inclusion and livelihoods, citizen engagement and social accountability, civil engineering, project management, communication, procurement, financial management, and monitoring and evaluation), that will prepare annual workplans and budgets, and ensure the design and implementation of the Project Operations Manual (POM), including terms of reference (ToR) for all staff and consultants, and training manuals.

30. The proposed Project will also support the implementation capacity of the National Social Investment Fund of Tajikistan (NSIFT) and that of Regional Governors’ offices with respect to their strategic planning, donor coordination, and results monitoring functions. This component will also ensure the regular coordination with a number of national stakeholders, namely, the Ministry of Finance (MoF), Ministry of Economic Development and Trade, and the regional administrations of Khatlon and GBAO, as well as with the implementation structures of the RMR-RE and RMR-REDP projects. The component will finance a Beneficiary Feedback Mechanism (BFM), which will provide a formal channel for feedback from communities on any matter concerning the Project, and specifically collect, process and address safeguards complaints.<sup>43</sup>

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Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	TBD
Projects in Disputed Areas OP 7.60	No

<sup>43</sup> The Beneficiary Feedback Mechanism will build on the system deployed under the CASA-1000 Community Support Project.



### Summary of Screening of Environmental and Social Risks and Impacts

The social risk is rated Substantial. The project is expected to result in positive impacts for communities and, in particular, youth in the fragile and conflict-ridden regions. A variety of risks are evident, some are external and others internal to the project. Key social risks relate to 'exclusion' which may happen due to geographical setting, socio economic setting, gender differentials. Once factors that aid/ constrain 'inclusion' are identified, mitigatory measures could be drawn. On securing lands, while project would make use of the existing buildings or unused public lands, as a backup measure, a RPF will need to be developed. The environmental risk is currently rated Substantial based on the large number of activities to be financed in remote and fragile areas where local capacity for mitigating environmental risks is low. During preparation and implementation, planned activities and the capacity to deliver them while fully mitigating the risks will be carefully reviewed and the risk rating re-assessed as necessary.

**Note** To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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**Note to Task Teams:** End of system generated content, document is editable from here. *Please delete this note when finalizing the document.*