

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES¹

This appendix contains the concept papers for the following nonlending products:

- (i) Table A3.1: Rural Development Project
- (ii) Table A3.2: Power Rehabilitation, Phase II
- (iii) Table A3.3: Support for Cotton Sector Reforms
- (iv) Table A3.4: Local Government (Jamoat) Public Consultation Processes

¹ Concept papers for regional technical assistance projects can be found in the Regional Cooperation Strategy and Program for Central Asia Regional Economic Cooperation (CAREC) Member Countries (Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, People's Republic of China, Tajikistan, Uzbekistan) 2005-2007. Manila.

**Table A3.1: Rural Development Project
Concept Paper**

Date: July 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input checked="" type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input checked="" type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and Natural Resources Subsector: Agriculture sector development and rural development</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p> <input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Theme</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s):</p> <ol style="list-style-type: none"> 1. Rural development; 2. Natural resources conservation; and 3. Gender equity in empowerment and rights. 	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Agriculture, Environment and Natural Resources Division, East and Central Asia Department</p>								
<p>5. Responsible ADB officer: John Whittle, Principal Project Economist</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: The Government places a high priority on poverty reduction and it already has a policy and legislative base for rural and agricultural development in place. However, the organization and management systems of the command economy still play a dominant—though receding—role in agriculture and rural areas.</p>								

There is an increasing need to address the key constraints to rural development in a more holistic and coordinated manner to ensure more sustainable improvements in the livelihood of the rural population. The Government is increasing the responsibility of local governments and communities through its decentralization program. However, there is an absence of a coordinated *oblast/rayon* planning approach to coordinated development. Integration of activities is essential for effective implementation of policy, legislation, and regulations, and for achieving sustainable development through decentralization.

The project will support the CSP's goal of poverty reduction and focus on economic growth through a regional planning approach to coordinated development of investment activities.

b. Goal and purpose: **Goal:** To improve the scope and depth of economic opportunities in rural areas. **Purpose:** To plan and implement coordinated investment activities in accordance with the roles and functions of *oblasts* and *rayons*.

c. Components and outputs: The key components and outputs will be determined by both government (national, *oblast*, and *rayon*) and communities in a regional planning framework. It will be demand driven and possibly include rural infrastructure, livelihood programs, agricultural development support, and microfinance. The project will complement ongoing and proposed rural development activities.

A grant-financed TA will accompany the loan-funded investments to strengthen local government agencies in rural development.

d. Expected results and deliverables: To be determined at project preparatory TA.

e. Social or environmental issues or concerns: To be determined through the project preparatory TA.

f. Plans for disseminating results/deliverables: To be determined at project preparatory TA.

7. Proposed executing/implementing agency or agencies: To be determined at project preparatory TA

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: It is proposed to take a longer-term planning approach to ensure the maximum participation of both government agencies and potential beneficiaries, and other relevant stakeholders such as nongovernment organizations and other funding agencies likely to be involved in implementation.

9. Timetable for assistance design, processing, and implementation

a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2003

b. Expected date of submission for approval
 Lending: 2006
 Nonlending (project preparatory): 2005
 Nonlending (other than project preparatory): 2006

c. Period and duration of assistances
 Lending: 2005–2010
 Nonlending (project preparatory): 2005
 Nonlending (other than project preparatory): 2006–2007

10. Financing Plan

- a. For lending
- Ordinary capital resources: \$
 - Asian Development Fund: \$23.00 million
 - Other: \$5.75 million (government financing)

If cofinancing is required, indicate amount and sources, and amount sought: \$____, from _____.
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$ million)
ADB Financing	23.00

Government Financing	5.75
Other Financing	
Total Cost	28.75
Source: ADB estimates.	
<p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget: \$</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$600,000 PPTA; \$400,000 (attached advisory TA)</p> <p><input type="checkbox"/> Other:</p>	
<p>If cofinancing is required, indicate amount and sources, and amount sought: \$____, from _____.</p> <p>If known, provide cost estimates and financing arrangements.</p> <p>(e.g., total cost, ADB financing, other financing, and government financing):</p>	
Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	
Source:	

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = Regional Cooperation Strategy and Program, TA = technical assistance.

**Table A3.2 Power Rehabilitation, Phase II
Concept Paper**

Date: June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input checked="" type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Energy Subsector: Power</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p> <input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s):</p> <ol style="list-style-type: none"> 1. Fostering physical infrastructure development; 2. Promoting economic efficiency and enabling markets; and 3. Rural development. 	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Energy Division, East and Central Asia Department</p>								
<p>5. Responsible ADB officer: X. Humbert, Energy Specialist</p>								
<p>6. Description of assistances</p> <p>a. Background/linkage to country/regional strategy: The Government is making efforts to implement crucial power sector reforms that, if not implemented, will result in a continuing deterioration of existing infrastructure, and in a possible power outage affecting the entire country. ADB has already approved and is implementing the Power Rehabilitation Project Phase I and in line with this project, is now considering, at the request of the Government, the Power Rehabilitation Project Phase II. The Nurek 500 kilovolt (kV)/220 kV switchgear is facing important subsidence phenomena, threatening the reliability of the energy sector in Tajikistan. This switchgear is of crucial importance for the country as the Nurek hydropower plant represents more than 80% of the total installed generation of the country and it is a key component for the supply of electricity to the whole country as well as for exports of electricity to Uzbekistan. Kreditanstalt für Wiederaufbau (KfW) has taken the lead in the rehabilitation of</p>								

the Nurek switchgear, though ADB assistance will still be necessary. In addition, the supply of electricity in the Khuljab and Darvaz regions is becoming more and more unreliable as the two existing 110 kV transmission lines and power transformers are overloaded. The Government requested ADB's assistance for the construction of a new 220 kV transmission line between the existing Lolazor and the Obi Mazor substations. The construction of this new line will release the actual overload on the 220/110 kV power transformers of Lolazor substation. The development of the electricity supply in the Kuljab and Darvaz regions will contribute to the development of the mining sector and more particularly to the gold mining industry. The design of the project will take into account the progress made under the energy sector action plan developed and implemented under the Power Rehabilitation Project Phase I, with regard to tariff issues, the financial viability of the main power utility Barki Tajik, as well as the reforms of the energy sector. The design will complement the progress made.

b. Goal and purpose: The objective of the project is to contribute to the economic development of the country through the improvement of the availability, reliability, and quality of the electric supply in Tajikistan and will complement the ongoing projects supported by ADB. The construction of the new Lolazor–Obi Mazor transmission line will provide a better and more reliable supply of electricity, which is essential to economic growth, and will also increase sector efficiency by reducing technical losses, reducing load shedding, and enhancing the mining industry in the region. The ADB-led continuous policy dialog in the energy sector will be profitable for the country and, in line with the earlier action plan, will improve the conditions of the poor.

c. Components and outputs: The tentative scope includes: relocation of the 500/220 kV switchgear of Nurek by installation of new gas-insulated substation (GIS) and construction of 67 km of 220 kV transmission line between Lolazor and Obi Mazor; extension of Obi Mazor substation by one 220 kV busbar, two 220 kV line bays, and two 63 megavolt-ampere (MVA) 220/110 kV power transformers.

d. Expected results and deliverables: (i) improvement of the reliability of the generation of Nurek hydropower station and increase of electricity exports to Uzbekistan, (ii) increase of the reliability of the critical power supply in Kuljab and Darvaz regions, (iii) enhancement of the technical capability of Barki Tajik, and (iv) restructuring and institutional strengthening of Barki Tajik.

e. Social or environmental issues or concerns: Environmental and social impact to be determined at project preparatory fact-finding.

f. Plans for disseminating results/deliverables: To be determined at project preparatory fact-finding.

7. Proposed executing/implementing agency: Open Joint Stock Company Barki Tajik

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

The Government sent an official requesting ADB to finance the above. ADB has discussed the proposed project objective and scope with the Office of the President, the Office of the Prime Minister, the Ministry of Energy, and Barki Tajik.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP update: 2001
- b. Expected date of submission for approval
 - Lending: 2006 (standby), 2007 (firm)
 - Nonlending (project preparatory): 2005
 - Nonlending (other than project preparatory):
 - Activities financed by JFICT or JFPR:
- c. Period and duration of assistance
 - Lending: 2007–2011
 - Nonlending: TBD

10. Financing Plan

- a. For lending
 - Ordinary capital resources:

<input checked="" type="checkbox"/> Asian Development Fund: \$23 million	<input type="checkbox"/> Other:
If cofinancing is required, indicate amount and sources sought: €18 million from KfW. If known, provide cost estimates and financing arrangements.	
Source	Amount (\$ million)
ADB Financing	23.0
Government Financing	
Other Financing	
Total Cost	
Source: ADB estimates.	
b. For nonlending	
<input type="checkbox"/> No resources required, other than ADB staff	
<input type="checkbox"/> ADB's administrative budget:	
<input checked="" type="checkbox"/> Grant TA funds: \$500,000	
<input type="checkbox"/> Other:	
If cofinancing is required, indicate amount and sources sought: \$____, from _____. If known, provide cost estimates and financing arrangements.	
Source	Amount (\$)
ADB Financing	500,000
Government Financing	
Other Financing	
Total Cost	
Source: ADB estimates.	

ADB = Asian Development Bank, CSP = country strategy and program, GIS = gas insulated substation, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, KfW = Kreditanstalt für Wiederaufbau, RCSP = Regional Cooperation Strategy and Program, TA = technical assistance.

**Table A3.3: Support for Cotton Sector Reforms
Concept Paper**

Date: 25 June 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p> <input type="checkbox"/> Project loan</p> <p> <input type="checkbox"/> Program loan</p> <p> <input type="checkbox"/> Sector loan</p> <p> <input type="checkbox"/> Sector development program loan</p> <p> <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p> <input type="checkbox"/> Project preparatory</p> <p> <input type="checkbox"/> Other than project preparatory</p> <p> <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p> <input type="checkbox"/> Institutional development</p> <p> <input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture Sector Subsector: Cotton and Cotton Financing</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Core poverty intervention</p> <p> <input checked="" type="checkbox"/> Poverty intervention</p> <p> <input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Themes</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p>Subtheme(s):</p> <ol style="list-style-type: none"> 1. Developing rural areas; 2. Financial and economic governance; and 3. Private sector investment. 	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Agriculture, Environment and Natural Resources Division and Governance, Finance, and Trade Division, East and Central Asia Department</p>								
<p>5. Responsible ADB officers: to be determined</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Cotton is one of Tajikistan's two key exports, earning foreign exchange amounting to 15% of exports in 2003. It accounts for 22% of GDP and provides varying degrees of employment for 50% of the population. Consistent with the CSP, TA was approved in 2003 (TA 4052) to help the Government study the cotton debt problem and consider options for resolution. As of 1 January 2004, total farm debt was estimated at TJS727 million (\$240 million) of which external debt was estimated at TJS538 million (\$180 million).</p>								

These figures represent gross debt and need to be disaggregated into three categories: current liabilities, debt repayable in 3 years, and bad debt. This exercise has not been completed due to the lack of comprehensive information. A preliminary analysis based upon about 60% of the required data suggests that bad debt is in the range of \$50 million–60 million, but a precise figure awaits full information. The initial TA findings demonstrate that cotton debt is not caused by or limited to issues of cotton production and cotton farm management, nor is it a matter that can be resolved simply by settling the accumulated debt. Sustainable cotton production requires development of a sustainable and responsible mechanism for cotton financing, restructuring of cotton-producing farms in the context of land reform, and revision of the current system for input supply and marketing/pricing for cotton products. The cotton debt problem needs to be addressed in a holistic manner through a well-designed restructuring program to be supported by the external funding community as a whole. The Government has expressed its determination to resolve the cotton debt problem, and requested ADB to provide follow-on TA to facilitate start-up of a detailed restructuring program.

b. Goal and purpose: The goal of the TA is to help Tajikistan to revitalize a dynamic cotton sector so that it continues to serve as a major engine for economic growth and poverty reduction. The purpose of the TA is to help the Government design a detailed restructuring program for reforms in the priority areas, based on the findings and recommendations of the ongoing TA and the consensus reached with the Government and other stakeholders during the TA study.

c. Components and outputs: The TA will provide support for reforms in the following areas: (i) cotton financing; (ii) appropriate financial restructuring and land reform on selected cotton-producing farms; (iii) establishment of competitive market for input supply and cotton products; (iv) capacity building for settlement of cotton debt; and (v) improvement of cotton pricing/exports. Details of the TA need to be developed in consultation with the Government and other stakeholders alongside the implementation of the current TA.

d. Expected results and deliverables: Detailed policy analysis and operational plan for reforms in the priority areas of cotton sector restructuring.

e. Social or environmental issues or concerns: The TA will provide detailed analysis of the short- and long-term socioeconomic impacts of the restructuring measures identified under the ongoing TA and facilitate a consensus-building process through participatory decision making with key stakeholders.

f. Plans for disseminating results/deliverables: Participatory consultation will be adopted to provide guidance for TA study and mechanism for dissemination of TA results.

7. Proposed executing/implementing agency or agencies: Office of President and National Bank of Tajikistan

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

This is a follow-on TA to expand and deepen the analysis conducted under the current TA. The Government and the whole funding community, concerned private sector stakeholders, and NGOs have been fully involved in the process.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2004 CSPU
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): May 2005
- c. Period and duration of assistance
 - Lending:
 - Nonlending: June 2005–December 2006

10. Financing Plan

- a. For lending
 - Ordinary capital resources:
 - Asian Development Fund:
 - Other:

If cofinancing is required, indicate amount and sources, and amount sought: \$____, from _____.
 If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source: (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
 - ADB's administrative budget:
 - Grant TA funds \$600,000, ADTA
 - Other:

If cofinancing is required, indicate amount and sources, and amount sought: \$____, from _____.
 If known, provide cost estimates and financing arrangements.

(e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	600,000
Government Financing	
Other Financing	
Total Cost	

Source: ADB estimates.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, GDP = gross domestic product, NGO = nongovernment organization, RCSP = Regional Cooperation Strategy and Program, TA = technical assistance.

**Table A3.4: Local Government (Jamoat) Public Consultation Processes
Concept Paper**

Date: 13 July 2004

<p>1. Type/modality of assistance</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input checked="" type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p>								
<p>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Law, Economic Management, and Public Policy Subsector: Subnational government administration</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p><input type="checkbox"/> Other</p> <p>c. Key thematic areas</p> <p>Theme</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input checked="" type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input checked="" type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td></td> </tr> </table> <p>Subtheme(s):</p> <ol style="list-style-type: none"> Civil society participation; Public governance; Anticorruption. 	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input checked="" type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input checked="" type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Regional cooperation								
<p>3. Coverage</p> <p><input checked="" type="checkbox"/> Country <input type="checkbox"/> Subregional <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>								
<p>4. Responsible division/department: Governance, Finance, and Trade Division, East and Central Asia Department</p>								
<p>5. Responsible ADB officer: Betty Wilkinson, Microfinance Specialist</p>								
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: The CSP acknowledges insufficient funds for full-scale funding of governance reforms, while acknowledging that there are significant governance issues, and in particular, weak local government. It specifically recognizes the importance of enhancing local government capacity in order to support rural development project activities such as the planned Rural Development loan. The country</p>								

governance assessment specifically suggests inputs to enhance local government ability to manage financing and engage in ongoing consultation on priorities and expenditure with civil society and citizens at large, particularly for women. The area of local government reform in Tajikistan has good funding agency coordination, with the latest agreements on collaboration and information sharing in May 2004. These agencies are currently undertaking a detailed geographic national mapping exercise to locate the most effective *jamoat*² areas, and rank order all *jamoats* by effectiveness of community-based organizations (CBOs), level of cooperation of *jamoat* leaders, level of funding agency coordination, and level of citizen engagement of both genders. The Government has demonstrated its commitment to decentralization by the recent passage of two local government laws in April 2004.

Building on these developments, this TA proposes to document cases where local government is effectively engaged in effective citizen dialogue on budgets and spending priorities, to test these practices in new pilot areas, and to suggest options for incorporation into new ADB projects in Tajikistan.

b. Goal and purpose: The goal is to improve citizen involvement in local government finances. The purpose is to ensure more effective consultation and monitoring processes for locally controlled government funds, so their use can be prioritized according to the expressed needs of the local population.

c. Components and outputs: (i) identification of reform *jamoats*, based on current graphical mapping of *jamoats* that has been carried out by multiple external agencies, leading to a list of those where there is effective dialogue; (ii) documentation of successful reform examples, leading to a draft model and set of identified local leaders/citizens who can become advisors to new areas; (iii) adaptation and replication of the model in a new set of *jamoats*, based on the potential pilot areas' receptiveness and poverty levels, resulting in increased public acceptance of and support for the actual budgetary situation, and potentially more socially targeted expenditure for citizen-based priority areas; and (iv) sharing of learning from both original documented model and adaptive replication with CBOs, *jamoat* leaders and funding agencies, resulting in options for further reform and the potential for spontaneous replication.

d. Expected results and deliverables: (i) documented models of actual budget consultation processes in *jamoats*, and lists of competent leaders/citizens fostering this activity; (ii) new *jamoats* successfully undertaking this process, demonstrating increased citizen engagement in local budget processes; and (iii) implementation information enabling ongoing funded or unfunded replication of the consultation process by other funding agencies, CBOs, and *jamoats*, and incorporation of such processes into future ADB projects such as ADB's Rural Development Project.

e. Social or environmental issues or concerns: The risks of rejection of the concept by the *jamoats* or the local population will be reduced by the selection procedure based on geographic mapping being completed by the donor coordination group.

f. Plans for disseminating results/deliverables: Workshops; seminars; intergovernment visits; use of CBO, NGO, and funding agency networks; and ADB Web site.

7. Proposed executing/implementing agency or agencies: To be determined at TA fact finding.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

The Economic Advisor to the Office of the President has been consulted regarding the implementation of the recommendations of the country governance assessment. Broad consultation has been made on the concept with funding agencies and local NGOs, including over 20 organizations implementing local government reform activities throughout Tajikistan.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: CSP/U 2004
- b. Expected date of submission for approval
 - Lending:
 - Nonlending (project preparatory):
 - Nonlending (other than project preparatory): March 2005
- c. Period and duration of assistance
 - Lending:

² *Jamoat* refers to a cluster of villages under an elected government, the lowest level of official local government.

Nonlending: 2 years commencing June 2005

10. Financing Plan

a. For lending

- Ordinary capital resources: \$
 Asian Development Fund: \$
 Other:

If cofinancing is required, indicate amount and sources, and amount sought: \$____, from _____.

If known, provide cost estimates and financing arrangements.

Source	Amount (\$)
ADB Financing	
Government Financing	
Other Financing	
Total Cost	

Source: (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
 ADB's administrative budget:
 Grant TA funds \$200,000
 Other: cofinancing of \$250,000 will be sought from the Governance Cooperation Fund

If cofinancing is required, indicate amount and sources, and amount sought: \$____, from _____.

If known, provide cost estimates and financing arrangements.

(e.g., total cost, ADB financing, other financing, and government financing):

Source	Amount (\$)
ADB Financing	200,000
Government Financing	
Other Financing	250,000
Total Cost	450,000

Source: ADB estimates.

ADB = Asian Development Bank, CBOs = community-based organizations, CSP = country strategy and program, RCSP = subregional regional cooperation strategy and program, TA = technical assistance.