



Technical Assistance

TAR: TAJ 33042

Technical Assistance to the
Republic of Tajikistan for Farm
Analysis and Awareness-Raising
for Debt Resolution (Financed by
the Poverty Reduction Cooperation
Fund)

October 2005

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 15 September 2005)

Currency Unit	–	somoni (TJS)
TJS1.00	=	\$0.3165
\$1.00	=	TJS3.16

ABBREVIATIONS

ADB	–	Asian Development Bank
DFID	–	Department for International Development
IC	–	Independent Commission
NBT	–	National Bank of Tajikistan
TA	–	technical assistance
tph	–	tons per hectare
USAID	--	United States Agency for International Development

TECHNICAL ASSISTANCE CLASSIFICATION

Targeting Classification	–	General intervention
Sectors	–	Agriculture and natural resources, finance, multisector
Subsectors	–	Agriculture sector development, finance sector development
Themes	–	Sustainable economic growth, inclusive social development
Subthemes	–	Developing rural areas, financial and economic governance, civil society participation

NOTE

In this report, "\$" refers to US dollars.

This report was prepared by B. Wilkinson (team leader) and L. Adriano, Agriculture, Environment, and Natural Resources Division, East and Central Asia Department.

I. INTRODUCTION

1. During the 2005 Country Programming Mission, the Government of Tajikistan requested the Asian Development Bank (ADB) to provide technical assistance (TA) to help the Government implement the Farm Debt Resolution Strategy¹ for cotton farms. The TA² was included in the country program for 2005, and the Department for International Development (DFID) will provide grant support.³ A fact-finding mission⁴ visited Tajikistan from 28 April to 10 May 2005 to hold discussions and to draw up and confirm with the Government the TA objectives, scope, costs, implementation, financing arrangements, and terms of reference. The mission met with key stakeholders, including the Government, creditors, and farmers, and drew on participatory fieldwork on farm debt, completed in March 2005, with creditors and farmers.⁵ The TA will support the Government's Independent Commission (IC) in pilot-testing debt resolution methodology for heavily indebted cotton farms, and in finalizing the methodology and farm debt database required by the commission to implement the action plan. The TA framework is in Appendix 1.

II. ISSUES

2. Tajikistan is predominantly agricultural. In 2004, agriculture contributed 22% of the country's gross domestic product (GDP), provided 20% of export revenues, and employed 52% of the labor force. Cereal and cotton are the primary crops, and cotton is the only significant agriculture export. Cotton production generates about 20% of the country's foreign exchange earnings, occupies more than three fourths of irrigated farmland, and supports around three fourths of farm households. Although the poverty line is not officially defined, statistics indicate that rural income poverty is widespread and severe, especially in cotton-growing areas.⁶

3. Seed cotton production declined by 56%, from a high of 1 million tons in 1980 to 557,000 tons in 2004. Average cotton yield has plummeted from 2.8 tons per hectare (tph) in 1990 to 1.9 tph in 2004. This is 0.6 tph short of the yield required to ensure normal profits and 1.3 tph short of worldwide average yields. Labor productivity has also fallen and is now less than 25% of the competitive level. Input use has been suboptimal because of untimely input delivery, rise in input costs, poor input quality, and lack of access to appropriate forms of credit. The combined result of the erosion in factor productivity is significant farm financial losses; generally, the larger the farm the greater the losses.

4. Other factors underpin the poor performance of cotton farms. The most important ones outside farmer control are the farm cotton production quota; interference of the *hukumats* (local government officials) in day-to-day farm decision making; lack of a system to mortgage agricultural land; lack of competition in the input, output, and credit markets; weak banking procedures and practices; and deteriorating irrigation and drainage facilities. The factors internal to the farms include inappropriate farm ownership and management structures, lack of farm management skills, and incompetent and corrupt farm management.

¹ Presidential Order 12.2 (4 March 2005).

² The TA first appeared in *ADB Business Opportunities* (internet edition) on May 19, 2005.

³ \$800,000 will be provided under the Poverty Reduction Fund.

⁴ The mission included B. Wilkinson, team leader, and L. Adriano, poverty reduction specialist, Agriculture, Environment, and Natural Resources Division, East and Central Asia Department.

⁵ ADB. 2004. *Study on Socio Economic Issues of Indebted Cotton Farms of Irrigation Rehabilitation Project Areas*. Manila.

⁶ World Bank. 2005. *Republic of Tajikistan Poverty Assessment Update*, 30853-TJ. Washington DC. This study indicated that overall poverty decreased from 81% in 1999 to 64% in 2003. However, the Khatlon and Sughd regions, which produce 85% of the country's cotton and are home to 65% of the population, accounted for 76% of all poor households and 72% of all extremely poor households. Khatlon and Sughd recorded the highest per capita GDP growth rates in 2003 but also had the largest proportion of poor households.

5. Seasonal cotton lending practices have been unrelated to either farm profitability or true production costs, and represent an incomplete transition from the Soviet system. The formal cotton creditors are largely local investors who provide supplier credit in kind and are repaid in cotton. There is virtually no other source of farm credit in the country. Farmers have viewed cotton as their key production option, as it brought with it the only source of agricultural input supply or production resources. Lending continued even when profitability (and thus repayment) was questionable. Farmers borrowed even when it was clear that they could not repay. There are questions regarding the inputs and outputs pricing and delivery from creditors, and the inputs and credit use by farmers. The consequence is a large and increasing accumulation of bad debt in the sector, significantly constraining overall progress.

6. In 2004, ADB⁷ completed a comprehensive study of cotton farm debt. It documented \$240 million in estimated unpaid debt (principal and accumulated interest) as of January 2004. Of this amount, approximately \$180 million is due to formal creditors, rather than overdue payments for electricity, water, and salaries. About 108 of the large cotton farms account for 70% of the debt. The unpaid cotton debts are closely associated with low productivity and poor profitability. The TA workshop in 2004 spurred engagement of other funding agencies. The World Bank, the United States Agency for International Development (USAID), and the Department for International Development (DFID) studies deepened the ADB finding that for the agriculture sector, particularly cotton, to be more productive and profitable and reduce poverty, an integrated approach is required that includes reforms in policy, institutions, and structures at the farm level. While the National Bank of Tajikistan (NBT) and the Government had started addressing cotton debt default, the ad hoc nature of the process provided insufficient results. A unified approach was clearly demanded, one that required a four-way arrangement between farmers, creditors, the Government, and funding agencies.

7. The Government has responded to this significant challenge. On 4 March 2005, the President of Tajikistan approved the Cotton Farm Debt Resolution Strategy. It has a two-part approach to facilitating debt workouts between private lenders and private borrowers. One part focuses on short-term measures to ensure fair and equitable resolution of the debt on a farm-by-farm basis. The second part focuses on the medium-term policy, legal, and institutional measures to enable a properly functioning cotton market. These reforms include such complex areas as land reform and farm privatization. The strategy calls for the establishment of the IC to oversee implementation.

8. The IC was established in May 2005, including senior ministers, representatives of two nongovernment organizations (NGOs), and the World Bank and ADB resident representatives. Commissioners developed the terms of reference, action plan, and guiding principles during an ADB-led, multidonor-funded retreat. The first priority of the action plan is the startup of the debt analysis and workout strategy for each farm. The most crucial step now is to commence farm debt reviews on an initial subset of heavily indebted farms, as they hold more than two thirds of the farm debt and employ a large proportion of the impoverished cotton workforce. Based on the initial farm debt reviews, standardized farm debt review and restructuring protocols can be established for use on all other farms. A database can also be established, using data generated in the farm reviews and incorporating information from a variety of sources, to track progress and provide a starting point for the farm-by-farm reviews. The TA will provide technical support in these important initial tasks.

⁷ ADB. 2002. *Technical Assistance to the Republic of Tajikistan for Farm Debt Resolution and Policy Reforms*. Manila (TA 4052-TAJ, approved on 18 December 2002, for \$960,000).

9. The funding agency community has given overwhelming support to help the Government resolve the cotton farm debt, especially if it leads to much-needed policy and institutional reforms. Bilateral and multilateral organizations have agreed to work in concert to ensure synergy in their efforts. This will be particularly important as cotton yields must be increased and some land shifted to other uses to ensure sustainable land practices and long-term profitable farming. The ADB Farm Productivity Project⁸ and other planned funding agency activities will support the ongoing farm-by-farm analysis to be developed under this TA.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

10. The TA's impact is to ensure that farm debt is resolved under the Government's Farm Debt Resolution Strategy. The TA's outcome is to ensure that the governing body for implementation of the strategy, the IC, establishes fair, timely, and systematic mechanisms to resolve farm debt on each farm. The TA is expected to result in farm analyses and farmer awareness work being completed on a schedule agreed on among farmers, creditors, and the IC, and about 50% of indebted farms finalizing debt workout arrangements within 5 years of TA completion.

B. Methodology and Key Activities

11. The proposed TA will

- (i) perform a detailed analysis of debt circumstances and farmer awareness for up to 10 major farms, and facilitate debt workout;
- (ii) develop standard farm analysis and farmer awareness protocols for use by the IC on subsequent farms scheduled for farm debt resolution; and
- (iii) develop a database for ongoing farm debt monitoring.

12. The debt resolution process to date has demonstrated that information on actual debts and the capacity of farms to service debts is not sufficient to arrange debt workouts. Additional on-farm production, management, and account data are needed to determine debt-restructuring options for each farm. The farmers' understanding of their right to borrow and responsibility to repay loans is insufficient. To start farm-by-farm resolution, expert teams need to complete analysis and awareness raising on a first set of farms in cotton raions (districts).⁹ After the analysis and awareness raising on the initial farms is completed and results are shared with stakeholders, the teams will facilitate mediated solutions wherever possible, or refer the parties to arbitration if a solution cannot be found.

13. Key activities under the farm analysis and awareness segment will include the following:

- (i) Determine the most appropriate farms for review.
- (ii) Agree with the IC on the initial methodology and key concerns.
- (iii) Meet with creditors and farmers to explain the process and get concurrence on (a) debt and farm operational analysis and information access, and (b) farmers' awareness of their rights and responsibilities, particularly for women.
- (iv) Conduct both parts of the farm review.

⁸ In development, \$6.5 million grant and \$5.5 million loan, anticipated for mid-2006.

⁹ The farms to be analyzed will be determined at the start of the TA based on the action plan of the Independent Commission, the priority of the 108 most heavily indebted farms as per TA 4052-TAJ and subsequent information of the NBT.

- (v) Present the initial findings to creditors and farmers along with options for debt resolution. This may involve IC visits to the farms, and funds have been budgeted for this cost.
- (vi) Facilitate any mediation process to encourage the parties to resolve the debt. If not feasible, refer them to arbitration or court settlement.
- (vii) Document the entire process, including lessons learned.

14. While protocols for debt workout are standard internationally, circumstances specific to Tajikistan require testing and consideration of a range of options before protocols can be finalized. This process will take place in the farm-by-farm analysis and awareness raising under this TA. Based on the experiences of that process and drawing on recent work¹⁰ completed by other funding agencies, the TA team will complete a set of operating protocols to continue the farm-by-farm analysis and awareness raising on all subsequent farms. These protocols will be validated by key stakeholder groups and then confirmed by the IC as their standard. In this way, the process can continue consistently and enable rapid, fair, and final completion of debt workouts on other farms.

15. Key activities under the protocols development will include the following:

- (i) Based on the farm analysis of up to 10 farms and previous work done by other funding agencies and NBT, review lessons learned, and establish draft guidelines and internal checks for (a) debt and farm operational analysis, recommendations, and mediation; and (b) awareness by farmers of their rights and responsibilities.
- (ii) Review draft guidelines with sets of stakeholders, including creditors, farmers, court officials, NBT, and tax offices, and revise them.
- (iii) Review the draft guidelines with IC and finalize them.
- (iv) Develop operational procedures for guidelines for farm-by-farm analysis and raising farmers' awareness.

16. While KreditInvest, NBT, and the Ministry of Agriculture have databases, recent work (footnote 7) suggests that the data on individual farms in these databases do not match the on-farm records. To ensure that debt workouts are documented and the process of resolution tracked (particularly as farms are privatized and broken down into smaller units) a database must be established and maintained.

17. Key activities under the database establishment will involve the following:

- (i) Assess database needs, including levels of security and maintenance requirements for backup, updating, and staff training.
- (ii) Review databases and downloading options. Determine if they can be modified rather than establish a new system.
- (iii) Procure database hardware and software and establish the system.
- (iv) Download and input data from credible sources and cross-check them for accuracy.
- (v) Train staff in database management, security, updating, and reporting.
- (vi) Arrange for periodic technical support.

¹⁰ DFID-UGAgroFund. 2005. *Mechanisms of Cotton Farms' Debts Resolution in Tajikistan*. Preliminary Report. Tajikistan.

C. Cost and Financing

18. The total TA cost is estimated to be \$945,000 equivalent, including contingencies and expected contributions from the Government, comprising \$360,000 of foreign exchange cost and \$585,000 equivalent of local currency cost. ADB will provide \$800,000 equivalent to cover the entire foreign exchange cost and \$440,000 equivalent of local costs. The TA will be financed on a grant basis from the Poverty Reduction Cooperation Fund and administered by ADB. The Government will provide \$145,000 equivalent to cover in-kind counterpart costs and services, including provision of necessary data, counterpart staff, office facilities, and administrative support (equivalent to about 15% of the total TA cost). The cost estimates and financing plan is in Appendix 2.

D. Implementation Arrangements

19. The Office of the President will be the Executing Agency for the TA. In cooperation with the IC and relevant raion offices, it will provide office accommodation for the team to work with IC or other relevant Government officials, sufficient office furniture, electricity, cooling, heating, and two telephone lines; counterpart staff to work with the consultants and liaise with local financing institutions, local administrations, investors, farmers, and farm workers; workshop and meeting facilities, including arrangements for participation of government agencies and stakeholders; and logistical support in districts (facilitate accommodation, local staff, local transport, etc.). The Office of the President must cooperate closely with NBT's offices on resolving farm debt.

20. The TA will engage two international consultants for a total of 8 person-months as a farm management specialist (4 person-months) and a cotton production specialist (4 person-months). Ten domestic consultants (for 63 person-months) will be recruited: legal counsel (7 person-months), accountant (7 person-months), social scientist (8 person-months), farm management specialist (8 person-months), land management specialist (6 person-months), two bookkeeping and analysts (6 person-months each, total 12 person-months), database specialist (6 person-months), farmer awareness specialist (5 person-months), and cotton specialist (4 person-months). A firm will be recruited under quality-and cost-based selection (simplified technical proposal) in accordance with ADB's *Guidelines on the Use of Consulting Services*. Equipment (database computer and software, notebook computers, printers, facsimile machines, and photocopiers) and a vehicle will be procured by the Office of the President in accordance with ADB's *Guidelines for Procurement* and will remain with the IC on completion.

21. The consultants will submit, in Russian and English, (i) inception reports 2 weeks after their services start, (ii) interim progress reports at appropriate stages of TA implementation, (iii) draft final reports before the contract ends, and (iv) final reports 2 weeks after incorporating the ICs' and ADB's comments. The TA is expected to start in November 2005 and to be completed on or before October 2006. Outputs and outcomes will be disseminated widely by the IC, its donor and NGO members, and the NGO and donor community through workshops and media presentations.

IV. THE PRESIDENT'S DECISION

22. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$800,000 to the Government of Tajikistan to be financed on a grant basis by the Poverty Reduction Cooperation Fund for Farm Analysis and Awareness-Raising for Debt Resolution, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p>Impact Farm debt resolution successfully proceeding under the Government's Farm Debt Resolution Strategy</p>	<p>Farm analyses completed as per independent commission (IC) schedule by 2011</p> <p>Debt resolution complete on 50% of farms within 5 years</p>	<p>IC quarterly reports</p> <p>IC database</p>	<p>Assumption</p> <ul style="list-style-type: none"> • IC receives political and financial backing <p>Risk</p> <ul style="list-style-type: none"> • Breakdown of the resolution process if many farmers choose bankruptcy
<p>Outcome IC establishes fair, timely, and systematic mechanisms for debt resolution per farm</p>	<p>Documented methodology for farm-by-farm debt analysis, mediation and or alternatives, and farmer awareness</p> <p>Farms request analysis and awareness raising</p>	<p>IC guidelines to task teams</p> <p>TA files on farm requests Farm analysis reports from TA team to IC</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Donor and Government funding sufficient to support full operations • IC empowered to enable resolution per farm
<p>Outputs</p> <ol style="list-style-type: none"> 1. Detailed analysis of debt circumstances for up to 10 major farms, and appropriate movement to debt workout 2. Farm analysis and farmer awareness guidelines 3. Database for farm debt monitoring 	<p>Farm analysis reports Farmer awareness interview reports</p> <p>Farm analysis guidelines Farmer awareness test and checklist Database</p> <p>Operations handbook</p>	<p>Progress reports by consultants and executing agencies Supervision by review missions</p> <p>IC computer system</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Farmers and creditors on 10 farms agree to debt analysis and awareness process • Databases in other Government agencies are useful and accurate • IC action plan, terms of reference, structure complete and approved • Local governments cooperate with debt workout
<p>Activities with Milestones</p> <ol style="list-style-type: none"> 1.1 Determine the most appropriate farms for review 1.2 Agree on the initial methodology and key concerns 1.3 Meet with creditors and farmers to explain the process and get concurrence on (a) debt and farm operational analysis process and information access and (b) farmers' awareness of their rights and responsibilities 1.4 Conduct both segments of the farm review 1.5 Present initial findings to creditors and farmers along with options for debt resolution 1.6 Facilitate mediation to encourage the parties to resolve debt; if not feasible, refer them to arbitration 1.7 Document the entire process, including lessons learned 			<p>Inputs</p> <p>Poverty Reduction Cooperation Fund – \$800,000</p> <ul style="list-style-type: none"> • Consulting services 63 PM - \$548,000 • Equipment - \$32,000 • Vehicle - \$50,000 • Training - \$30,000 • Miscellaneous - \$28,000 • Contract Negotiations - \$7,000

<p>2.1 Based on farm analysis of up to 10 farms, review lessons learned and establish draft guidelines and internal checks for (a) debt and farm operational analysis and (b) farmer's awareness of their rights and responsibilities</p> <p>2.2. Review draft guidelines with sets of stakeholders, including creditors, farmers, court officials, National Bank of Tajikistan, and tax offices, and revise them.</p> <p>2.3 Review draft guidelines with IC and finalize them</p> <p>2.4 Develop operational procedures for guidelines for farm-by-farm analysis and raise farmers' awareness</p> <p>3.1. Assess database needs, including levels of security and maintenance requirements in terms of backup, updating, staff training</p> <p>3.2. Review databases, along with downloading options; determine if they can be modified rather than establish a new system</p> <p>3.3 Procure database hardware and software and establish a system</p> <p>3.4 Download and input data as appropriate from other sources and cross-check for accuracy</p> <p>3.5 Train staff in database management, security, operations, updating, and reporting</p> <p>3.6 Arrange for periodic technical support</p>	<ul style="list-style-type: none"> • Contingencies - \$105,000 <p>Government - \$145,000</p> <ul style="list-style-type: none"> • Office - \$95,000 • Counterpart Staff - \$50,000
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COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Poverty Reduction Fund^a			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	160.0	0.0	160.0
ii. Domestic Consultants	0.0	252.0	252.0
b. International and Local Travel	36.0	80.0	116.0
c. Reports and Communications	0.0	20.0	20.0
2. Equipment	32.0	0.0	32.0
3. Vehicle	50.0	0.0	50.0
4. Training, Seminars, and Conferences			
a. Facilitators, Interpreters, Translators	0.0	10.0	10.0
b. Training Program	0.0	20.0	20.0
5. Miscellaneous Administration and Support Costs	20.0	8.0	28.0
6. Representative for Contract Negotiations	7.0	0.0	7.0
7. Contingencies	55.0	50.0	105.0
Subtotal (A)	360.0	440.0	800.0
B. Government Financing			
1. Office Accommodation and Transport	0.0	95.0	95.0
2. Remuneration and Per Diem of Counterpart Staff	0.0	50.0	50.0
3. Others	0.0	0.0	0.0
Subtotal (B)	0.0	145.0	145.0
Total	360.0	585.0	945.0

^a Administered by the Asian Development Bank (ADB).
Source: ADB estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Scope of Advisory Technical Assistance

1. The proposed technical assistance (TA) will do the following:
 - (i) Perform a detailed analysis of debt circumstances and farmer awareness for up to 10 major farms, and facilitate debt workout.
 - (ii) Develop standard farm analysis and farmer awareness protocols for use by the Independent Commission on subsequent farms scheduled for farm debt resolution.
 - (iii) Develop a database for ongoing farm debt monitoring.

2. A qualified firm of international and domestic consultants will be engaged by the Asian Development Bank (ADB), following ADB's *Guidelines on the Use of Consultants* and arrangements satisfactory to ADB for the engagement of domestic consultants, using quality- and cost-based selection. Equipment (database computer and software, notebook computers, printers, facsimile machines, and photocopiers) and a vehicle will be procured by the Independent Commission in accordance with ADB's *Guidelines for Procurement*, to remain with the Commission at TA completion.

Table A3: Consulting Services Inputs

Consultants	Person-Months
A. International	
1. Farm Management Specialist	4
2. Cotton Production Specialist	4
Subtotal (A)	8
B. Domestic	
1. Legal Counsel	7
2. Accountant	7
3. Social Scientist	8
4. Farm Management Specialist	8
5. Land Management Specialist	6
6. Bookkeeper/Analysts (two people, 6 person-months each)	12
7. Database Specialist	6
8. Farmer Awareness Specialist	5
9. Cotton Specialist	4
Subtotal (B)	63
Total	71

Source: ADB estimates.

3. The consultants will hold university degrees in relevant areas (economics, agriculture, business, law, sociology, or related fields relevant to their task list), with an MS degree preferred. The international consultants will have at least 10 years of experience in international development in the agriculture sector in areas relevant to their task list. Experience in Tajikistan would be an advantage. The domestic consultants will have at least 5 years of experience on cotton issues at the farm and/or firm level relevant to their task list. For both types of positions, prior or current experience on-farm in cotton production is a marked advantage. Both types of consultants will have strong skills in written and spoken English. Russian is required for the

domestic consultants and preferred for the international consultants, and Tajik will be a strong asset for domestic consultants.

4. The consultants will undertake the following main tasks.
 1. **Farm Management Specialists and Team Leaders** (international, 4 person-months; domestic, 8 person-months)
5. The farm management specialists will, separately and jointly, do the following:
 - (i) Lead the consulting teams and ensure full cooperation with the Independent Commission and relevant government officials at all levels.
 - (ii) Define farm management issues to be reviewed and include in methodology.
 - (iii) Hold preliminary consultations with creditors, farm owners and managers, and other key stakeholders. Explain the problem, how the team can assist, and lay out the methodology and the requirements from all parties. Confirm acceptance for all steps before the review process starts.
 - (iv) Lead the farm review and assessment.
 - (v) Lead the team to collate the results and provide a range of alternative solutions. Discuss these first internally, then with the Independent Commission monitoring group, and finally with the farmers, managers, workers and with the creditors. Encourage selection of a mutually agreeable solution between debtors and creditors that allows optimal continued operation of the farm. If a solution cannot be found, refer them to third-party arbitration or court options.
 - (vi) Following the review, provide feedback to the review process for the team, the Independent Commission, and ADB, and lead in developing guidelines and operational procedures for farm-by-farm analysis.
 - (vii) Review and comment on information appropriate to be included and monitored and updated in the database, with timing of regular upgrades.
 2. **Cotton Production Specialist** (international, 4 person-months; domestic, 4 person-months)
6. The cotton production specialists will, separately and jointly, do the following:
 - (i) Define cotton production issues and key concerns to be reviewed, and include them in the initial methodology, particularly input quality, timing, and suitability; crop rotations and land management; level of technology; pest management; harvest and post-harvest; processing and grading.
 - (ii) Participate in the farm review and assessment process.
 - (iii) Discuss the proposed range of solutions to the debt overhang with relevant groups.
 - (iv) Following review, provide feedback to the review process, and relevant input to cotton production and marketing guidelines and operational procedures for farm-by-farm analysis.
 - (v) Review and comment on information appropriate to be included and monitored and updated in the database.

3. **Social Scientist** (domestic, 8 person-months)

7. The social scientist will undertake the following tasks:
- (i) Conduct rapid participatory assessments of the socioeconomic status of the labor force, farmers and management and their households (disaggregated by gender and age) in the heavily indebted farms.
 - (ii) Conduct participatory dialogues with farmers and workers, with special focus on women, determining the level of awareness of farm debt, farm ownership rights and responsibilities, and status of privatization of their farms, concerns and needs, and expectations.
 - (iii) Develop with the labor force and management measures that will protect the rights and welfare of the work force and farmers.
 - (iv) Together with the farmer awareness specialists, develop and recommend operating procedures to ensure awareness and active participation of the work force and farmers in farms during the debt workout and settlement options, any restructuring process, and future farm operations.
 - (v) Develop the database requirements and the monitoring indicators that will adequately reflect the welfare and socioeconomic conditions of the work force and farmers and their households (disaggregated by gender) now and during the workout.

4. **Legal Counsel** (domestic, 7 person-months)

8. The legal counsel will perform the following tasks:
- (i) As part of the process of preparation, review current relevant legislation regarding (a) land rights, (b) lending and repayment obligations, including necessary documentation, (c) bankruptcy, (d) farm privatization and registration procedures, (e) quotas and other controls on farm production, (f) rules on sales of cotton, and any other legislation related to the issue of cotton farm debt resolution. Train the review teams on key issues.
 - (ii) Liaise with other donor groups to determine what they have been doing to resolve farm debt.
 - (iii) Participate in the farm review and assessment. Review and comment on needs and options for changes in the legal circumstances, in terms of institutional structure and all legal obligations (tax, debt, workers, and any others) on each farm.
 - (iv) Discuss the legal aspects of the proposed range of solutions to the debt overhang with relevant groups, focusing on realistic consideration of what can be done legally to ensure more sustainable, implementable, and enforceable agreements for all parties.
 - (v) Following review, provide feedback and relevant input to legal guidelines and operational procedures for farm-by-farm analysis.
 - (vi) Review and comment on information appropriate to be included and monitored and updated in the database.

5. Accountant (domestic, 7 person-months)

9. The accountant will do the following:

- (i) As part of the initial assessment, review farm records as a rapid appraisal.
- (ii) At the end of the advance review period by the bookkeeper/analysts, identify farm accounts and profitability results, gaps, information to be determined, and formal/informal issues. Discuss before review starts.
- (iii) During the farm review, assess and document issues relevant to farm financing and accounting. Recommend ways to train people on the farm to improve farm record keeping.
- (iv) Provide feedback to the review process, and lead the development of guidelines and operational procedures for farm-by-farm analysis.
- (v) Review and comment on information appropriate to be included and monitored and updated in the database.
- (vi) Report on tax issues that are detrimental to farm and sector profitability, and suggest alternatives.

6. Land Tenure and Management Specialist (domestic, 6 person-months)

10. The land tenure and management specialist will do the following:

- (i) Working closely with the legal specialist, consider issues associated with landholdings and tenure on the farms.
- (ii) Define land management issues to be reviewed and include them in the initial farm review methodology.
- (iii) Following review, provide input to guidelines and operational procedures for farm-by-farm analysis under sustainable land management and potential restructuring circumstances.
- (iv) Review and comment on information appropriate to be included and monitored and updated in the database.

7. Bookkeeper/Analysts (domestic, two people, 6 person-months each)

11. The bookkeeper/analysts will do the following:

- (i) Working with the accountant, establish a minimum set of information necessary to effectively analyze and provide options for debt workouts. Using this list, work backward to the level, type, and historic time period of records needed. Establish the farm review methodology and the need for official and unofficial information.
- (ii) As an advance team, go to the farms to be reviewed and work closely with the farm managers, staff, and farmers to access and, where necessary, to reconstruct records of farm operations, accounts, profitability, use of inputs, and sale of outputs. Interview staff, management, and workers to determine what is

going on in farm operations. Provide for official and unofficial transactions of all kinds.

- (iii) Working with the accountant during and after each farm review, provide information and support to the process, suggesting bookkeeping improvements of systematic and training types, and improvements to the farm review methodology, process documentation, and guidelines and operational procedures generally.

8. Database Specialist (domestic, 6 person-months)

12. The database specialist will perform the following tasks:

- (i) Assess database needs, including levels of security and maintenance requirements in terms of backup, updating, and staff training.
- (ii) Review existing databases, including the National Bank of Tajikistan database, along with downloading options. Determine if any of these can be modified for use rather than establish a new system. If the NBT database is to be separately maintained, suggest methods for ensuring consistency between the two databases for long-term accuracy and relevance.
- (iii) Procure database hardware and software and establish or modify system.
- (iv) Download/input data from other sources and cross-check for accuracy.
- (v) Train relevant staff on database management, security, operations, updating, and reporting. Arrange for periodic technical support.

9. Farmer Awareness Specialist (domestic, 5 person-months)

13. A farm awareness specialist will be engaged to perform the following tasks:

- (i) Assess the nature and level of awareness of the farmers/workers about their and their families' legal rights, obligations, and responsibilities in relation to debt.
- (ii) Design and conduct a training, education, and awareness program for farmers, farm workers, and their families to facilitate their informed and full engagement in farm debt resolution and enable them to participate in the analysis and design of developing policies, legal, and institutional measures relating to sustainable cotton and agriculture sector development.
- (iii) Develop and recommend to the Independent Commission the training and education awareness program (including resources and implementation arrangements) that can be implemented large scale in the cotton growing areas.

14. The consultants will submit, in Russian and English, (i) inception reports 2 weeks after their services start, (ii) interim progress reports at appropriate stages of TA implementation, (iii) draft final reports before the conclusion of the contract, and (iv) final reports 2 weeks after incorporating the EAs' and ADB's comments. The TA is expected to commence in November 2005 and will be completed on or before October 2006. Outputs and outcomes will be disseminated widely by the Independent Commission, its donor and nongovernment organization (NGO) members, and the wider interested NGO and donor community by workshops and media presentations.