

**Tajikistan Pilot Program for Climate Resilience**  
**Phase 1 Mid-Term Multilateral Development Bank Mission**  
**March 4-11, 2010**

**Aide Memoire**  
**March 9, 2010<sup>1</sup>**

The World Bank Group, Asia Development Bank, and European Bank for Reconstruction and Development wish to thank the Government of Tajikistan for its support in the most recent mission to advance the preparation of the Pilot Program for Climate Resilience. The advice of Government representatives in preparatory activities to advance mission objectives in February is also sincerely appreciated. This Aide Memoire outlines the findings and recommendations of the mission.

**Background**

The Pilot Program for Climate Resilience (PPCR) for Tajikistan is one of 11 efforts financed by a multi-donor international trust fund managed by a Climate Investment Fund administrative unit (CIF Admin unit) based in Washington DC. All major Multilateral Development Banks in Tajikistan are interested in the program: the World Bank Group (WB<sup>2</sup>), Asia Development Bank (ADB) and European Bank for Reconstruction and Development (EBRD)<sup>3</sup>. Phase 1 is designed to take place over a 12 to 18 month period, and leads to the preparation of a Strategic Program for Climate Resilience (SPCR), which is a proposed series of investments in Phase 2 to demonstrate approaches for building greater climate resilience in development planning and programs. The budget for Phase 2 investments is expected to be at least \$20 to \$30 million and be implemented over a 3 to 5 year period. The PPCR will provide a framework of priority actions which may attract further funds from MDBs and donors. To assist in planning these investments and building linkages across program elements, Phase 1 can include relatively short term (i.e. 5 to 12 month) analytical studies or capacity building efforts, which the CIF unit may authorize, up to a total budget of \$1.5 million. The Government would request this assistance through a Phase 1 grant application.

Phase 1 began with a Joint Mission of MDBs in October 2009, where the general sector and cross-sector themes for the PPCR were established through extensive consultations with Government, Civil Society organizations (CSOs) and other development partners. This Phase 1 engagement has been supported by a team of international and local consultants<sup>4</sup> financed by the Department for International Development of the United Kingdom. The mission and follow-

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<sup>1</sup> While updated on May 17, 2010, except in reference to the timing and goals of the next mission (see footnote #8) there have been no substantive changes from the draft Aide Memoire shared with Government.

<sup>2</sup> Primarily the International Bank for Reconstruction and Development (IBRD) which works with Government. The International Finance Corporation (IFC) works with the private sector, similar to EBRD, and will coordinate activities accordingly.

<sup>3</sup> MDB leads are Ron Hoffer from the World Bank (also serving as overall MDB coordinator), Peter Hayes of ADB, and Craig Davies of EBRD. All MDB resident office managers were active in advising the mission.

<sup>4</sup> Contract managed by the UK-based consulting firm AEA, and led by Cinzia Losenno

on work was coordinated on the Government side by a focal point in the Executive Office of the President<sup>5</sup>. The Joint Mission report was reviewed by all applicable agencies of Government and endorsed by Deputy Prime Minister Alimardon on February 9, 2010.

### **March 2010 Mission Objectives and Activities**

The Joint Mission clearly identified the benefits for a Phase 1 grant, and the MDB and consulting team prepared some initial concepts and options. To refine the Phase 1 grant application, informal consultations took place in February<sup>6</sup>, and a mission of MDBs took place from March 4-11, 2010 to reach further consensus on grant activities. Discussions on sector and cross-sector themes were held in a one-day stakeholder workshop on May 5<sup>th</sup>, followed by smaller meetings with the donor community and Government PPCR focal point on May 6<sup>th</sup>. The workshop included a full discussion of PPCR processes and implementation approaches (included as Annex 1 in English and Russian) along with break-out sessions on the emerging 6 key themes. These discussions were extremely helpful with Government experts providing their perspective, and the donor community and CSO representatives providing their experiences on climate adaptation and related sector projects and policy initiatives. The MDB and consulting team reflected on these discussions and produced a full draft Phase 1 grant application for further dialogue with Government during the final days of the mission, setting the stage for final reviews and approvals on both the Government and MDB sides over the coming weeks. The proposal includes 6 recommended activities.

### **Focus of Proposed Phase 1 Grant Application**

A short description of the proposed objectives, budget (for national and international experts, travel and other requirements), recommended implementing MDB, and Government working-level counterpart follows<sup>7</sup>.

Institutional analysis & capacity needs for climate resilience. The objectives are to review government structures and national policies to identify where government capacity can be strengthened to enable successful integration of climate resilience in development programs. It will also examine modalities for inter-Ministerial cooperation and recommend a framework to engage CSOs, the donor community, and local institutions. It is expected to last 8 months, with a budget of \$150,000. The Government counterpart is proposed as the Executive Office of the President.

Tajikistan Climate Science and Impact Modeling Partnership. The objectives are to review current capabilities in Tajikistan for projecting future climate scenarios and consequent impacts on various sectors and resources. To carry out the review, an

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<sup>5</sup> Mr. Sulton Rahimov, Head of Department of Environment and Emergency Situation

<sup>6</sup> Carried out by the AEA consulting team with numerous stakeholders.

<sup>7</sup> There are small changes in the title and description of some activities in the actual grant application now being finalized.

international panel of experts from at least 2 countries will partner with HydroMet and other Tajik experts to assess possible modeling improvements or products needed to inform both PPCR Phase 2 investments and the future 3<sup>rd</sup> National Communication to the UNFCCC. It is expected to last 10 months, with a budget of \$375,000 under ADB leadership. The Government counterpart would be HydroMet.

Awareness-Raising. The objective is enhance the understanding amongst Government and others regarding projected climate change impacts on Tajikistan, and approaches to enhance climate resilience of vulnerable sectors. This Phase 1 activity (comprising a few workshops and learning events in Dushanbe and elsewhere in the country) will also help design a larger capacity-building effort in Phase 2. It is expected to last 12 months, with a budget of \$100,000 under WB leadership. The Government counterpart will be identified through further discussions with the Executive Office of the President.

Enhancing the Climate Resilience of Tajikistan's Energy Sector. The objective of this proposed activity is to assess the climate vulnerability of the energy sector, with a particular focus on hydropower, and provide recommendations how investments in this sector could improve Tajikistan's energy security. It is expected to last 6 months, with a budget of \$300,000 under EBRD management. The Government counterpart would be the Ministry of Energy and Industry.

Analysis of Sustainable Land Management Approaches for Changing Climatic Conditions in Tajikistan. The objective is to inventory and review sustainable land management activities now underway in the country, as well as review associated land policy issues that can help identify investment projects and policy support programs that could be demonstrated under Phase 2. It is expected to last 5 months, with a budget of \$200,000 under WB management. The Government counterpart is the Ministry of Agriculture and State Organization for Forestry.

Analysis of River Basin Approach to Climate Resilience. The objective is to develop a methodology for enhancing climate resilience at the river basin level in vulnerable areas of Tajikistan. An analytical assessment will be conducted on the benefits and challenges of applying a cross-sector ecosystem-based approach to resilience in existing infrastructure and sector development projects, with a demonstration in national river basin segment. It is expected to last 10 months, with a budget of \$375,000 under ADB management. The Government counterpart is the Ministry of Water Resources and Amelioration.

## **Implementation Arrangements for Phase 1 Grant**

The PPCR program documents specify that funding would originate from the multi-donor Trust Fund (managed by the CIF Admin unit), and channeled through the relevant MDB who would then utilize their standard procurement procedures for goods and services. Considering that the range in Phase 1 analytical needs is broad, and timeframes for tasks are relatively short, it is

proposed that MDBs share responsibilities for administering the Phase 1 (noted above). The suggested allocation of MDB tasks reflects each MDB's particular interest and experience on the issue.

Implementation arrangements by MDB were described to the stakeholders and Government on mission (see Annex 1). In all cases, the MDB procedures allow for hiring of local specialists in addition to international experts. EBRD and ADB procedures applicable to Phase 1 do not include channeling of funds through the Government budget, but specialists may be hired through these MDB contracting arrangements and as needed, can be housed in Government entities. This is a practical and routine approach for implementation of both technical assistance and investments. These two MDBs do have well established procedures for engaging Government in key formal decisions regarding scopes of work.

The World Bank generally prefers that Phase 1 technical assistance is carried out through a recipient-executed grant, where funds are channeled through Government upon signing of legal documents. This can take several months longer than the Bank-executed approach utilized by ADB and EBRD. As the World Bank also routinely manages Bank-executed technical assistance, this option can also be explored with the CIF Admin unit management if desired by Government.

### **Next Steps on the Phase 1 Grant Application**

A revised draft application package reflecting discussions with Government on mission will be provided in English and Russian by the end of March. The MDBs look forward to receiving Government comments on this draft as soon as procedures allow; and if needed would revise the application in accordance with Government comments. As needed, a final revised version would be returned to Government for formal submission to the PPCR sub-committee (through the CIF Admin unit), hopefully by the end of April 2010. The MDB consulting team would be available to assist both the Government and MDBs on both substantive and administrative aspects of the process.

### **Next Steps towards Submission of the Strategic Program for Climate Resilience (SPCR)**

The MDB leads have been coordinating with project teams that may have relevance for Phase 2 demonstration of improved climate resilience. Results from this mission will be shared with these teams to refine such possibilities, recognizing that details in some areas will need to await results from Phase 1. The MDBs aim to submit a draft SPCR for Government consideration by early June 2010<sup>8</sup>. This schedule is contingent on the formal submission of the Phase 1 grant by Government, the approval of the grant by the PPCR sub-committee, and clear guidance of whether the envelope for grant of Phase 2 is in the initial \$20 million to \$30 million range, or

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<sup>8</sup> As the process for the preparation of the Phase 1 grant application took somewhat longer, this step (and the Joint Mission) will slip by several months.

could be higher. A Joint Mission may be scheduled for late June 2010 if sufficient progress is made on these points.

Possible areas for investment support include: (i) major rehabilitation of the basic system for acquiring and managing HydroMet data (taking into account proposals already in discussion with Government), (ii) building national capacity at all levels for understanding climate impacts and building resilience, (iii) developing investments to improve climate resilience of hydropower stations, (iv) strengthening national systems for climate science and impact modeling, (v) applying climate resilience approaches to improve resilience of multi-faceted river-basin investments, (vi) enhancing the climate resilience of agriculture landscapes such as rangelands and irrigated agriculture. Regarding implementation arrangements for Phase 2, this will again be through normal MDB procedures. Mechanisms for supporting cross-activity coordination and integration by Government can be explored if requested.

### **Concluding Remarks**

The MDBs wish to thank the Government for its advice and support to the mission. We look forward to representation of Tajikistan in the Partnership Forum planned for Manila during the week of March 16<sup>th</sup> and to the further next steps in this important effort.