

Program Design Options for Government of Tajikistan Consideration

World Bank Country Partnership Framework 2019-
2023

Tajikistan Risk Mitigation Regime



Presentation Outline

1. Risk Mitigation Regime Background
2. Summary of findings from Tajikistan Risk and Resilience Assessment
3. Government of Tajikistan Policy Priorities
4. Risks that the Risk Mitigation Regime Prioritizes
5. Potential Instruments and Geographic Focus
6. Questions for Government



IDA 18 Risk Mitigation Regimes

Purpose: Enhanced support to selected countries with increasing risk of FCV

Activities: Targeting causes or drivers of FCV & building state or societal institutions (e.g. lagging regions, exclusion, land conflict, weak financial governance, poor resource governance)

Financing: Eligible countries receive up to 1/3 of their regular national IDA18 allocations (**indicatively US\$ 87 M for Tajikistan**)

Duration & Phase out: Limited to three years but earlier phase out possible if country circumstances change

Requirements: In consultation with Government, WB prepares an Implementation Note for management endorsement/

- FCV risks and stresses (internal and external) (based on **Risk & Resilience Assessment**)
- Assessment of Government commitment & opportunities for WBG engagement
- Proposed activities to be financed and how they target FCV risks and/or build resilience
- Partnership and coordination arrangements (incl. with humanitarian, security or political actors)
- Monitoring arrangements to track identified risks and progress in government actions

Financing under the Risk Mitigation Regime CANNOT be used for ‘business-as-usual’ investments that are not linked to identified FCV risks, even if they may contribute to broader development goals



RRA Framework



CONTEXTUAL/HISTORICAL FACTORS



FCV RISKS/TRIGGERS



SOURCES OF RESLIENCE



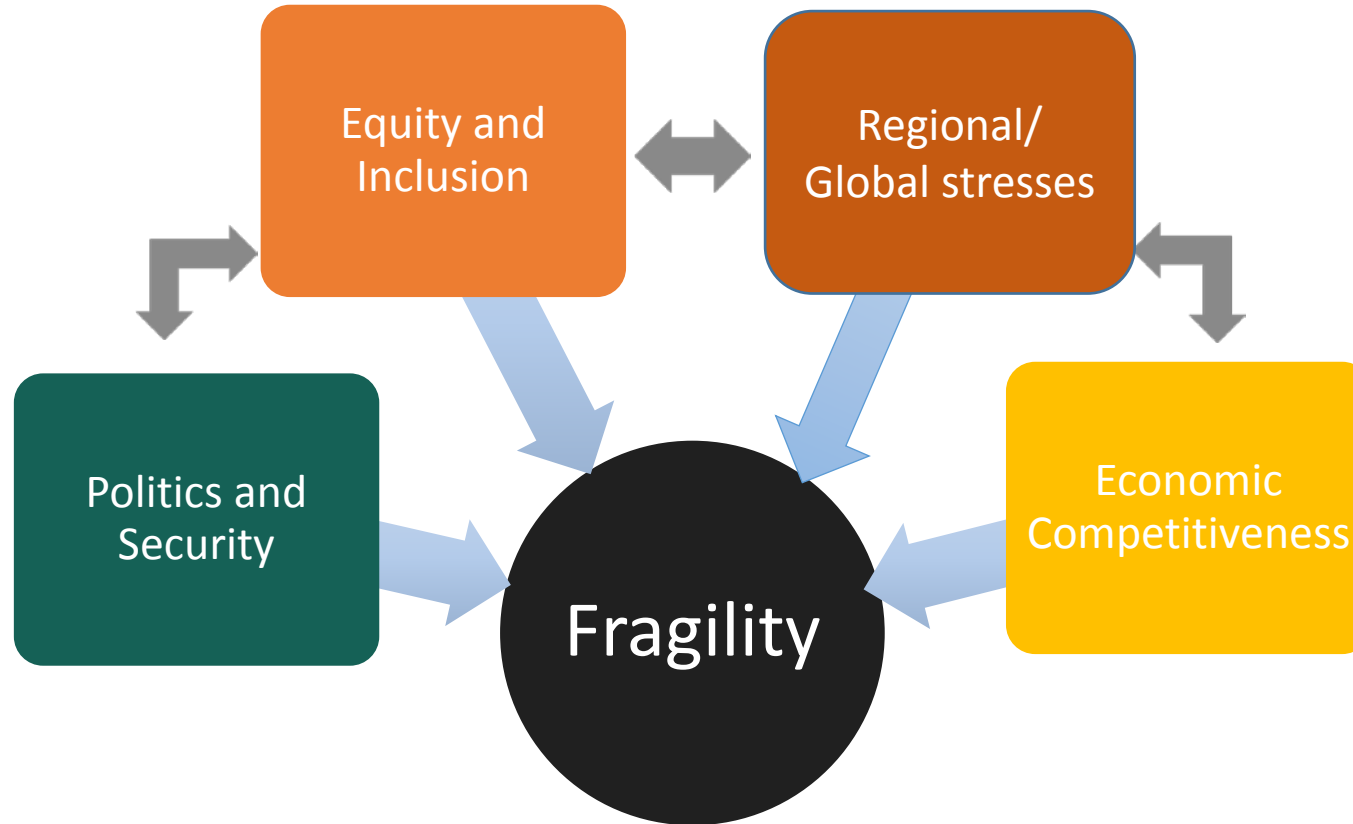
SECTORAL ANALYSIS



IMPLICATIONS FOR WBG
TAJIKISTAN STRATEGY AND
PORTFOLIO



RRA Framework



While individually each of these challenges might be surmountable, in conjunction they amplify each other and can pose serious risks to stability, poverty reduction and shared prosperity.

Summary of Risks Identified

ECONOMIC

- Remittance-dependency on a single country
- Small/fragile private and financial sectors
 - Tax administration

EQUITY/INCLUSION

- Large youth population with unequal access to economic and social opportunities
- Social impacts of migration on the family, women in particular
 - Agriculture and land ownership rights

REGIONAL/GLOBAL

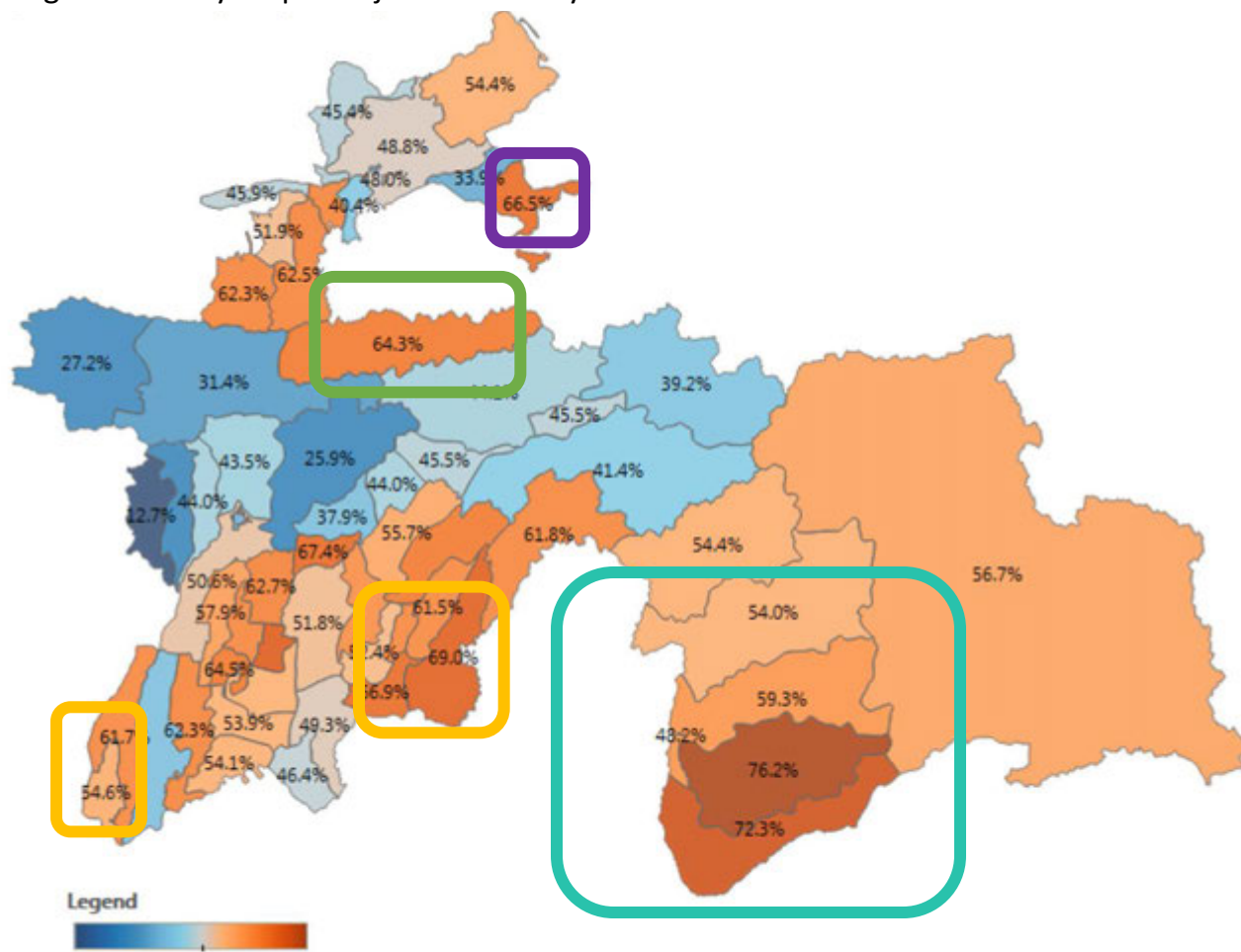
- Disparities in access to social and economic services, and efficacy of service delivery (rural/urban)
- Recruitment to violent extremism
 - Border tensions-
Water/riparian/energy issues
 - Climate and disaster risks

*Transparency, accountability, and efficacy of the public sector
("Governance") as a cross-cutting challenge*

Detail of Regional/Global Risk Analysis

Regional poverty disparities/access to services are significant in remote and cross border areas that have been impacted by conflict in the past

Figure: Poverty map of Tajikistan overlay with FCV risk



Gorno Badakshan: suffered significantly in civil war and has experienced recent violence (2012-14); vulnerable to disaster, natural resource shocks; borders China/ Afghanistan – high rates drug trafficking (Roshtkala, Ishkashim district)

Shurobod, Hamaadoni, Nosiri Hisrav and Shahritus districts in Khatlon: suffered significantly in civil war; borders Afghanistan - high rates of drug trafficking, exposure to VE networks

Sogd: Isfara, Kuhistoni Mastchoh: radicalization and highest recoded rates of recruitment to violent extremism, esp. in 2013-14

Districts of Republican Subordination Rasht, Tavildara (high rates of MPIs): hotspot for violent extremist movements and violent activities (civil war and more recent violence)

Higher rates of labor migration is recorded in the remote and the poorest districts of Khatlon, Sogd (Isfara, Asht, Kanibadam), DRR (Rasht, Rudaki)

Note: Poverty rates refer to the share of poor in the district.
Source: World Bank calculations based on TLSS2009 and Census 2010.



Sources of Resilience

OPPORTUNITY COSTS OF CONFLICT

Memory of civil war and interest in stability

COMMUNITY RESILIENCE AND LOCAL INSTITUTIONS

Opportunities for improved service delivery at local level via participation in the decision-making structures; efforts toward gradual decentralization

MIGRATION

Influx of economic benefits; skills; changing gender roles

HYDROPOWER AND MINERAL WEALTH

Potentially transformational as source of growth but also governance risks

SHARED HISTORY/CULTURE WITH NEIGHBORS

Potential for cross border development cooperation



In-Depth Follow-Up on Youth Development Needs and Social Inclusion

- Objectives:

- Identify the reasons for social exclusion among youth and its implications on youth development and community resilience;
- Provide evidence-based research on the drivers of youth radicalization in Tajikistan, with specific reference to the youth, gender, and local dimensions;
- Define a development approach for prevention of radicalization that can inform the Risk Mitigation Regime, identifying possible development interventions to support sustainable youth inclusion and development and risk prevention;
- Following the extended field visits in Tajikistan, the World Bank team developed the sampling frame, locations, target audience for the quantitative survey to be launched shortly (once permits are received).



GOTJ policy priorities showing overall commitment to address the identified risks

sources: NDS 2030, MTDS 2020, National Strategy of the Republic of Tajikistan on Preventing Extremism and Terrorism for 2016-2020, PFM reform and other sectoral strategies

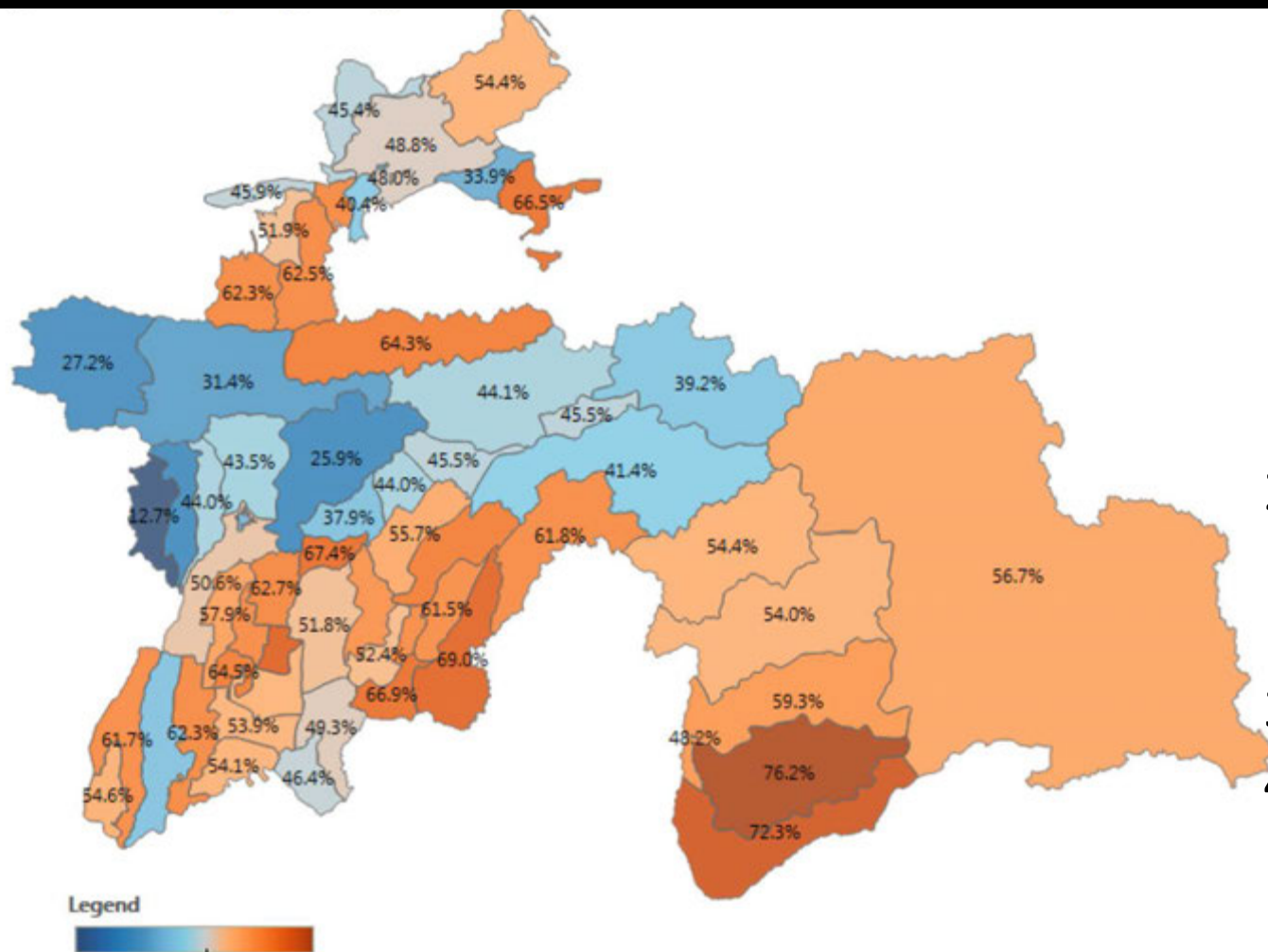
- Promoting balanced regional development, including support to local development through fiscal and administrative decentralization; strengthening local capacity, revenues and economic bases; implementing local development plans; and improving the quality of municipal and communal services;
- Implementing measures to expand economic opportunities for youth and women; promoting self-employment and entrepreneurship among women and youth; diversifying markets for labor migration;
- Reforming tax administration and tax policy; reducing the tax burden on small and medium-sized enterprises;
- Improving regional connectivity and communications infrastructure



What are the risks the RMR is trying to solve?

1. Constraints to jobs and livelihoods opportunities, with a focus on at-risk groups:
 - Youth that are not working or in school;
 - Female-headed households;
 - Returned economic migrants.
2. Challenges in “last mile” service delivery in rural areas that prevent the development of rural economies and human capital. These include:
 - a. Transport/Tertiary roads/connectivity
 - b. Electricity access and quality
 - c. Clean drinking water
 - d. Tertiary irrigation canals

Khatlon and GBAO Regions



Note: Poverty rates refer to the share of poor in the district.
Source: World Bank calculations based on TLSS2009 and Census 2010.

1. Geographic-related opportunities...
 - Proximity to large markets in China, Afghanistan and Uzbekistan
 - Potential of value chain development in agriculture/horticulture, tourism
2. ...and risks
 - Proximity to instability to the south
3. High levels of poverty
4. RMR resources are limited → Proof of concept that can be scaled up nationally

Potential Instruments

1. Comprehensive support for self-employment, micro-entrepreneurship development and livelihoods
 - a. Entrepreneurial mindset training, business skills development, mentoring and coaching for young people and women
 - b. Start up/expansion grants and matching grants, also for self-employed youth/women and micro-entrepreneurs in the informal sector
 - c. community-based savings groups
 - d. Securing tax free or minimal contribution for start ups
2. Local infrastructure investments for:
 - a. Basic service delivery: e.g. drinking water, irrigation, local roads, rehabilitation of kindergartens/schools and health facilities
 - b. Productive purposes: e.g. storage and warehouse facilities
 - c. Social activities: youth clubs and sports facilities

Potential Instruments

4. Professional systems that leverage cutting-edge technologies for planning, delivery, and maintenance of local infrastructure and services
 - a. Spatial local development plans;
 - b. Community participation in planning and prioritization, service delivery oversight and feedback;
 - c. Remote sensing to identify operations and maintenance needs;
 - d. Use of designs and materials that resist effects of climate change, earthquakes.
5. Support to SME Development
6. Investments in cross-border markets and trade

Sources of financing

1. IDA 18 allocation of US\$87 million
2. Grant support from the World Bank's Japan Social Development Fund, State and Peacebuilding Fund, and other trust funds
3. Co-financing from development partners
4. MFD...

Questions for Government of Tajikistan

1. Are these the right risks to focus on?
2. What instruments are of interest?
3. What should be the geographic focus?
4. What institutions are appropriate implementing agencies?