



1. Project Data:		Date Posted : 08/22/2002	
PROJ ID: P044202		Appraisal	Actual
Project Name: Pilot Poverty Alleviation	Project Costs (US\$M)	12.7	12.7
Country: Tajikistan	Loan/Credit (US\$M)	12	12
Sector(s): Board: SP - Housing construction (31%), Micro-and SME finance (22%), General agriculture fishing and forestry sector (17%), Other social services (17%), General water sanitation and flood protection sec (13%)	Cofinancing (US\$M)		
L/C Number: C2946			
	Board Approval (FY)		97
Partners involved :	Closing Date	06/30/2000	06/30/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
Robert C. Varley	Soniya Carvalho	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
The objectives were:			
1. To increase, on a sustainable basis, the incomes of the poor .			
2. To improve the access of the poor to essential economic and social services, through developing local capacity to implement participatory approaches to poverty alleviation .			
b. Components			
The actual cost of the Pilot Poverty Alleviation Project (PPAP) was \$12.7 million comprising the following:-			
Scaling up of the Poverty Alleviation Program (44%) of which:			
Shelter and House Rehabilitation Program (Save the Children Federation - SCF USA) - 15%			
Shelter and House Rehabilitation Program (TASIF) - 7%			
Microcredit Program/ Group Guarantee Loans and Savings or CGLS (SCF USA) - 9%			
Program to Support Female-Headed Households (SCF UK) - 7%			
Agricultural Reform Program (Aga Khan Foundation- AKF) - 6%			
Creation of TASIF (56%) of which:			
Institutional Development of TASIF - 17%			
TASIF Microprojects - 32%			
Integrated Evaluation of PPAP - 2%			
Audit of PPAP - 2%			
Adjustments for SDR rates losses - 3%			
c. Comments on Project Cost, Financing and Dates			
The project was almost cancelled in 2000 but after resolution of differences between IDA and the Government, supervision intensity was increased and the project extended by 2 years to permit completion. SCF-USA declared force majeure for the Shelter and Housing Rehabilitation Program in December 1998, due to delays in implementation and lack of counterpart funds. This component was later taken over by TASIF with a reduction in the target number of houses.			
3. Achievement of Relevant Objectives:			
1. A positive impact on poverty may be expected from at least of 3 of the 5 components.			
2. Local capacity to implement participatory approaches to poverty alleviation, however modest, was developed from a very low base.			
Achievements of objectives by component were as follows : -			

1. **Shelter and Housing Rehabilitation Program** - this component was *unsatisfactory*. Although the target was reduced from 2,000 to 1,100 after TASIF took over, only 760 were eventually rehabilitated, although the total expended on the program was \$2.8 million compared to the appraisal allocation of \$3.2 million.
2. **Micro-Credit (CGLS)** - while a small component in the overall poverty alleviation strategy, the loan operation reached 8604 poor clients. Portfolio quality was maintained both before and after management was successfully transferred to a local NGO. Like many microfinance programs this one had high overhead costs and there was weak capacity of TASIF to monitor microcredit projects. The outcome was on balance *satisfactory* as the schemes were managed prudently.
3. **Poverty Support to Female -Headed Households** - 3700 female-headed households received agricultural assistance and 23 schools and 2 kindergartens supported with income generation projects. The outcome was *highly satisfactory*.
4. **Agricultural Reform** - the outcome was also *highly satisfactory* with 52 canals constructed and 2,000 hectares of land reclaimed for agricultural production with program funds of \$ 700,000. Agricultural yields for the area irrigated by the canals increased by 80-100%.
5. **TASIF- (a) Institutional Development of the Fund** - this was the largest component and while there were indications of a turnaround in the final year of the project, TASIF faced serious problems from financial mismanagement, irresponsibility of some staff, and high staff turnover. The ICR key performance indicators show that "Development of TASIF" was rated *unsatisfactory* as of completion in December 2001. **(b) Microprojects** - There were more microprojects than planned; rising from an SAR target of 70 benefiting 144,000 people, to achieving 184 impacting a population of 600,000, with costs increasing from \$2.5 million to \$3.9 million. An extensive, externally-funded evaluation in 1999, and a TASIF two-stage evaluation of 56 projects in 2000, concluded that the micro-projects met community needs and there was high level of community satisfaction. A further evaluation based on focus groups showed that 89% of the microprojects were still functioning after 6-9 months. However the ICR does not provide details of the outcomes, or even the numbers of the different microprojects that had been elaborated at appraisal (within the broad headings of social infrastructure, environmental projects and entrepreneurial activities). This component is rated *moderately satisfactory*.

4. Significant Outcomes/Impacts:

1. TASIF showed improved performance in the last year of the project, and although still a fragile institution, now has a relatively capable procurement unit. Its staff have substantial experience in community participation, the targeting of poor communities, monitoring and evaluation, and the design and supervision of micro -projects.
2. In a very difficult social, political and economic context, a high level of community participation was achieved in the implementation stage of TASIF's micro-projects (although in earlier stages, participation was highly variable.)

5. Significant Shortcomings (including non-compliance with safeguard policies):

1. There was no formal measurement or evaluation of poverty impact, even though the project was a poverty-targeted intervention.
2. TASIF had serious management and institutional problems, aggravated by lack of counterpart funding (which effectively halted midway through the project), corruption in the form of fraudulent disbursement applications and lack of strong and consistent Government support. It took a long time for Government to address these problems adequately.
3. At the most critical period in 2000, when the Bank and Government were at loggerheads over both financial management issues and the appointment of a new TASIF Executive Director, the Bank did not provide any supervision for over a year. There was a failure to resolve sufficiently quickly the extremely tense relationship between Bank and Borrower.
4. Women lacked access to information about the development of micro -projects and their participation, prior to implementation, was poor.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Moderately Satisfactory	While some of the objectives were achieved there were significant shortcomings. The most convincing achievements were those of the two highly respected international NGOs, and OED TASIF's performance did improve after 2001.
Institutional Dev .:	Modest	Modest	
Sustainability :	Likely	Unlikely	The ICR admits that sustainability is "very uncertain" but concludes "likely sustainability of social fund operation through continued IDA and/or other donor funding." This is not sufficient for an OED rating of sustainability

			and furthermore the ICR describes TASIF as being a "fragile institution" and one dependent on a "narrow financing base."
Bank Performance :	Unsatisfactory	Unsatisfactory	
Borrower Perf .:	Unsatisfactory	Unsatisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

1. PPAP confirmed that lessons learned in other countries were applicable in a Tajik context . Many communities, even if poor and disadvantaged, were able and willing to play a major role in the identification, preparation, execution and sustainability of micro-projects, and were also willing to contribute to costs through donated labor.
2. Even in remote regions an acceptable quality of work was produced by the small private contracting industry that emerged in response to competitive bidding procedures .
3. High-level and sustained borrower commitment and clarity about the roles and responsibilities of the SIF executive, its Board, the Government and IDA, are needed to overcome serious management implementation problems.
4. Service improvements with sector ministries must be coordinated to ensure the rationalization and utilization of resources.
5. Staff training is important at every level, and in particular it is necessary to invest in project implementation capacity by financing the training of staff in World Bank procedures .

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

Satisfactory. This ICR is well written and both frank and informative .