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The World Bank

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Report No: PAD2624

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A PROPOSED ADDITIONAL

GRANT

IN THE AMOUNT OF SDR 0.7 million

(US\$ 0.9 million equivalent)

and

ADDITIONAL CREDIT

IN THE AMOUNT OF US\$ 0.9 million

TO

Republic of Tajikistan

FOR

THE

Social Safety Net Strengthening Project (P165831)

January 9, 2018

Social Protection & Jobs Global Practice
Europe And Central Asia Region

This document is being made publicly available prior to Board consideration. This does not imply a presumed outcome. This document may be updated following Board consideration and the updated document will be made publicly available in accordance with the Bank's policy on Access to Information.

CURRENCY EQUIVALENTS

(Exchange Rate Effective Oct 18, 2017)

Currency Unit = Tajikistan Somoni

TJS8.80 = US\$1

US\$0.71 = SDR 1

FISCAL YEAR

January 1 - December 31

Regional Vice President: Cyril E Muller

Country Director: Lilia Burunciuc

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Practice Manager: Cem Mete

Task Team Leader(s): Oleksiy A. Sluchynskyy

ABBREVIATIONS AND ACRONYMS

CPS	Country Partnership Strategy
DA	Disbursement Account
GoT	Government of Tajikistan
GRS	Grievance Redress Service
ICT	Information and Communication Technology
IFR	Interim Financial Report
MHSP	Ministry of Health and Social Protection of Population
NRSP	National Registry of Social Protection
PCG	Project Coordination Group
PDO	Project Development Objective
PMT	Proxy-Means Test
POM	Project Operational Manual
PPSD	Project Procurement Strategy Document
SASP	State Agency for Social Protection
SMSES	State Medical-Social Expertise Service
SOE	Statement of Expenditure
RSR	Rapid Social Response
TSA	Targeted Social Assistance



BASIC INFORMATION – PARENT (Social Safety Net Strengthening Project - P122039)

Country Tajikistan	Product Line IBRD/IDA	Team Leader(s) Oleksiy A. Sluchynskyy		
Project ID P122039	Financing Instrument Investment Project Financing	Resp CC GSP03 (9342)	Req CC ECCCA (1608)	Practice Area (Lead) Social Protection & Labor

Implementing Agency: Ministry of Health and Social Protection, State Agency for Social Protection (SASP)

Is this a regionally tagged project? No			
<input type="checkbox"/> Situations of Urgent Need or Capacity Constraints <input type="checkbox"/> Financial Intermediaries <input type="checkbox"/> Series of Projects	Bank/IFC Collaboration No		
Approval Date 16-Jun-2011	Closing Date 30-Mar-2018	Original Environmental Assessment Category Not Required (C)	Current EA Category Partial Assessment (B)

Development Objective(s)

The development objective of the Project is to improve the capacity of the Government of Tajikistan to plan, monitor, and manage social assistance for the poor through the development of a national registry of social protection and the provision of training, equipment and related items for improving said capacity.

Ratings (from Parent ISR)

	Implementation	Latest ISR
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	15-Apr-2014	23-Nov-2014	30-Jun-2015	29-Mar-2016	14-Dec-2016	21-Jul-2017
Progress towards achievement of PDO	MU	MS	MS	MS	MS	S
Overall Implementation Progress (IP)	MU	MS	S	S	S	S
Overall Safeguards Rating						
Overall Risk			M	M	M	M

BASIC INFORMATION – ADDITIONAL FINANCING (Social Safety Net Strengthening Project - P165831)

Project ID P165831	Project Name Social Safety Net Strengthening Project	Additional Financing Type Restructuring, Scale Up	Urgent Need or Capacity Constraints No
Financing instrument Investment Project Financing	Product line IBRD/IDA	Approval Date 30-Jan-2018	
Closing Date 31-Dec-2019	Bank/IFC Collaboration No		
Is this a regionally tagged project? No			

- Situations of Urgent Need or Capacity Constraints
- Financial Intermediaries
- Series of Projects

PROJECT FINANCING DATA – PARENT (Social Safety Net Strengthening Project - P122039)



Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed	
IBRD					%
IDA	3.20	2.97	0.00	<div style="width: 100%; height: 10px; background-color: green;"></div>	100 %
Grants	1.81	1.81	0.00	<div style="width: 100%; height: 10px; background-color: green;"></div>	100 %

PROJECT FINANCING DATA – ADDITIONAL FINANCING (Social Safety Net Strengthening Project - P165831)

FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	1.80
Total Financing	1.80
Financing Gap	0.00

DETAILS

International Development Association (IDA)	1.80
IDA Credit	0.90
IDA Grant	0.90

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any other Policy waiver(s)?

Yes No



INSTITUTIONAL DATA

Practice Area (Lead)

Social Protection & Labor

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Oleksiy A. Sluchynskyy	Team Leader (ADM Responsible)	Social protection	GSP03
Dilshod Karimova	Procurement Specialist (ADM Responsible)	Fiduciary function	GGOPC
Niso Bazidova	Financial Management Specialist	Fiduciary function	GGOEEh
Alisher Rajabov	Team Member	Poverty and social protection	GPV03
Ayshe Muratova	Team Member	Operations support	ECCTJ



Jasna Mestnik	Team Member	Disbursement support	WFALN
Kristine Schwebach	Social Safeguards Specialist	Safeguards	GSU03
Ngoc Dung Thi Tran	Team Member	Operations support	GSP03
Rustam Arstanov	Environmental Safeguards Specialist	Environmental safeguards	GEN03
Ruxandra Costache	Counsel	Legal support	LEGLE
Satoshi Ishihara	Social Safeguards Specialist	Social safeguards	GSU03
Svetlana K. Sharipova	Social Safeguards Specialist	Safeguards	GSU03
Yelena Vinogradova	Team Member	Social protection systems	GSP03
Extended Team			
Name	Title	Organization	Location



TAJIKISTAN

SOCIAL SAFETY NET STRENGTHENING PROJECT

TABLE OF CONTENTS

I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING	7
A. PROJECT IMPLEMENTATION STATUS.....	7
B. RATIONALE FOR ADDITIONAL FINANCING	8
II. DESCRIPTION OF ADDITIONAL FINANCING	10
III. KEY RISKS	13
IV. APPRAISAL SUMMARY	13
V. WORLD BANK GRIEVANCE REDRESS.....	18
VI. SUMMARY TABLE OF CHANGES	19
VII. DETAILED CHANGE(S).....	19
VIII. RESULTS FRAMEWORK AND MONITORING	26



I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

1. This Project Paper seeks approval of the Executive Directors to provide the Additional Financing (AF) in the amount of \$1.8 million through an IDA grant and an IDA credit for the Tajikistan's Social Safety Net Strengthening Project (P122039), including changes to the Financing Agreement that include: (i) revising the Project Development Objective (PDO), by expanding its scope; (ii) revising the results framework indicators correspondingly; and (iii) revising implementation activities as well as extending the project closing date by 24 months. The AF will be classified as category C, as no safeguard policies will be triggered.
2. This request has been prepared in response to a letter from the Government of Tajikistan (GoT) to IDA dated October 11, 2017 and agreements reached during the World Bank missions in Dushanbe between January and September 2017.

A. Project Implementation Status

3. The Government of Tajikistan has been working to reform its social assistance system. The on-going reform has focused on: (i) consolidating legacy social assistance schemes (old programs of energy subsidies and school allowances) and replacing them with a new poverty Targeted Social Assistance (TSA) program; (ii) strengthening a new targeting mechanism based on Proxy-Means Testing (PMT); (iii) improving administration of the system, including establishing a National Registry of Social Protection (NRSP) and putting it in use by electronically registering all the TSA beneficiaries; and (iv) building capacity at all levels of administration.
4. From a pilot covering two districts in 2011, the new TSA program was expanded to 10 districts in 2013. Subsequently, the Government approved expansion of the program to 15 more districts in mid-2014, and to another 15 districts in 2017. In February 2017, the TSA Law was passed, laying a solid foundation for the national TSA rollout planned in 2018.
5. The World Bank mobilized grants to support the reform effort of the Government: a USD 2.2 million Rapid Social Response (RSR) Recipient Executed Trust Fund Grant for Poverty-Targeting of Social Assistance, signed on July 15, 2011 (fully disbursed and closed), as well as a USD 3.2 million IDA Grant for the Social Safety Net Strengthening Project, signed on July 13, 2011 (active but fully disbursed).
6. To date, the project has registered the following achievements:
 - The TSA program is fully rolled out in 40 districts, or close to 60 percent of the country, covering over 400 thousand beneficiaries.
 - The new information system and NRSP have been developed and are operational. All operations of the TSA are fully automated and all records digitized. Correspondingly, the capacity of



Government to plan, monitor, and manage the social assistance has been considerably strengthened. This provides a strong foundation for the planned national roll-out.

- A comprehensive national household survey covering 50 districts and close to 3000 households was conducted to inform improvements in the PMT formula.
 - Strategy for national TSA roll-out has been developed and costed. A full allocation required for the national roll-out is in the state budget.
 - Two new regional Program Coordination Centers (formerly known as Data Processing Centers) have been established to facilitate the work of the program in remote areas, to streamline program related services, and to facilitate integration with other public benefits and services.
7. The key objective of establishing the regional centers is to strengthen the middle-level administration of the TSA program and all interventions that will be administratively linked to it in the future under SASP. The plan is to establish at least three more such centers under the additional financing. The selection of geographic locations is guided by maximizing the impact of this infrastructure investments, by targeting multiple but remote (and poorer) districts and/or districts with high population density. So, the clusters of districts will be formed under administrative umbrella of such new centers to receive adequate operational and service support.
 8. Importantly, the new program has earned a solid recognition among the donor and development agencies in Tajikistan. UNICEF is planning to conduct a pilot of disaster response mechanisms and test synergies with the TSA systems. The World Food Program has already piloted a mechanism, whereby it used information on households identified as needed by the TSA to provide additional services, such as food for work, to their members. Overall, there is an emerging recognition of a need to follow a unified approach to the definition of “vulnerability”; and the TSA provides a unique opportunity, as a program with a broad Government’s support, well tested targeting mechanisms, and anticipated nation-wide coverage.
 9. To accommodate plans for the additional financing and delays in the receipt of the official government request, the closing date of the parent project was extended most recently to March 30, 2018 through RVP approval.

B. Rationale for Additional Financing

10. The Bank has supported GoT to invest heavily in reforming the social assistance system by: (i) developing, evaluating and advocating a best practice solution in targeting and administration of the national assistance scheme for the country; (ii) mobilizing significant financial resources to support initial stages of the reform in the sector; and (iii) providing continuous and extensive technical assistance. As result of these efforts, not only did project performance improve from MU in 2014 to S in 2017, but more importantly Tajikistan now is a leading reformer in the region, having adopted a major systemic change in how social assistance is provided and in shifting away from old, inefficient, poorly-targeted, and fragmented programs.



11. The success of the new TSA program is indication of a strong commitment and capacity of the Government to act on ambitious plans of a national roll-out planned in 2018. To sustain the current success of the reform, however, additional investments are required. The State Agency of Social Protection (SASP), which is in charge of administering the new system, has been in existence for only three years. The Regional Centers under SASP were just established in early 2017 on a pilot basis. The plans are to establish greater number of such Centers across the country to facilitate work at the district level and communications between the center and the districts. The offices of district and Jamoat level staff in the remaining districts of the country, where the new TSA program is not yet operational, will need investment in infrastructure and extensive training. At the central level, the new NRSP and the information system need to be fully institutionalized by ensuring proper long-term maintenance arrangements and by developing synergies with other programs and operations, including the disability certification and benefits. Short of the additional funding to the current operation, the risk is that the achievements of the reform so far may be difficult to sustain.
12. It is also important to maintain public awareness about the TSA program and to strengthen the citizens' feedback mechanism for improvements to the program. The TSA should be recognizable by all groups of the population as a transparent and fair program with clear enrollment, eligibility decision, and grievance/appeal mechanisms. Furthermore, in addition to the computerized selection algorithm, the exclusion errors could be reduced by engaging local communities in decision-making over TSA eligibility in particular family situations.
13. The proposed AF is intended to provide financing to support expansion of coverage of the TSA program to a total of 68 districts, reaching a greater number of poor and vulnerable households, and to ensure the reform effort so far is sustainable. The TSA will be rolled out nationally, utilizing a new delivery model, whereby a network of the Regional Coordination Centers would be established to support administration of the TSA program at the lower administrative levels and optimize resource requirements. Some of the proposed additional areas of investments where refinements would be needed under the AF are discussed below under description of change to the project components.
14. This AF is closely aligned with the energy sector reform. In April 2017, the Government adopted the Power Sector Financial Recovery Program. The Program envisions, among other activities, a gradual increase in energy tariffs. The proposed schedule will result in almost doubling of the price of energy for the general public over a 5-year period. To mitigate potential financial impacts on vulnerable population groups, a compensatory mechanism will need to be designed. The TSA and the National Registry of Social Protection will form a policy and operational platform for such a new mechanism, whereby needy families would be identified following the TSA selection methods and electronically registered for a compensation scheme. This will foster efficiency and transparency in provision of such a compensation.
15. The proposed AF meets all the eligibility criteria under Bank Policy "Investment Project Financing": (i) the ISR ratings for implementation progress and development objectives over the most recent 12 months have been Moderately Satisfactory or better; and (ii) there has been full compliance with the legal covenants, including audit and financial management reporting requirements. Furthermore:



- Available data for the PDO level indicators indicates achievement of all targets;
- The proposed AF will not trigger any safeguard policies;
- Fiduciary ratings have been satisfactory or moderately satisfactory for the last 12 months;
- The proposed AF activities are consistent with the original project PDO and strategically aligned with the Country Partnership Strategy (CPS), which sets objectives of improving targeting and expanding coverage of the new poverty targeted assistance through the provision of additional financing to the current IDA operation (under the pillar for Social Inclusion).

II. DESCRIPTION OF ADDITIONAL FINANCING

16. Change in Project Development Objective (PDO). The original IDA grant's PDO is to improve the capacity of the Government of Tajikistan to plan, monitor, and manage social assistance for the poor through the development of a national registry of social protection and the provision of training, equipment and related items for improving said capacity. The proposed new PDO is as follows: *to achieve national geographic coverage of the Targeted Social Assistance program and ensure integrated delivery of services.*
17. Clarification of scope of technical assistance. The Project currently consists of the following three components: Component 1: Establishing the National Registry for Social Protection (NRSP) and Supporting Development of the Targeted Social Assistance Program; Component 2: Capacity Building for Launching and Initiating the Rollout of the Targeted Social Assistance Program; and Component 3: Project Management.
18. The three components will remain the same, with additional financing added to Component 3, and a new Component 4 will be added as follows:
19. **Component 4: Supporting national roll-out of the Targeted Social Assistance Program, including the National Registry of Social Protection.** Under this component, the proposed AF would extend activities that already constitute the core of the original project design and supplement them with some new but closely linked activities, specifically:
 - i) Establishing additional Regional Coordination Centers under SASP with a broad range of service functions for clients of the TSA program and other programs managed by SASP. The activities will include minor renovations, establishing connectivity and stable electricity supply, transportation and office infrastructure, etc.
 - ii) Upgrading work places for district and Jamoat level staff, ensuring connectivity and stable electricity supply, and office logistics.
 - iii) Conducting public awareness and information campaigns around TSA, including design of communication strategy and production of information materials.
 - iv) Introducing improvements in the mechanisms of TSA beneficiary selection and benefit delivery, specifically: establishing limits on duration of receipt of benefits, introducing stratification of the PMT scores, and establishing differentiation in TSA benefits levels, depending on family size and other conditions. It is also proposed that the TSA selection



threshold be dynamically set, depending on availability of funds and the program performance.

- v) Strengthening the new TSA grievance redressal mechanism¹.
- vi) Establishing mechanisms for participatory decision making by local communities for TSA eligibility.
- vii) Conducting gender analysis of the TSA program to inform potential required policy and administrative changes.
- viii) Conducting impact evaluation and beneficiary satisfaction survey of the TSA program to better inform policy design choices and further improvements in the TSA program.
- ix) Providing training to the regional, district, Jamoat and central level staff of SASP and other relevant branches of the Government in new procedures of the TSA program.

20. Building on achievements of NRSP, this component will also help design and develop a new mechanism and database of electronic disability certification for the State Medical-Social Expertise Service (SMSES). There are around 144,000 registered disabled citizens of all ages in various categories and 34 offices of SMSES that support that function. The project would design a blueprint of the new mechanism of electronic registration of all disability cases, as a sub-module of NRSP, and invest in the capacity of SMSES.

21. The project will also support development of an integrated model of public service delivery by SASP. It will do it in two major ways:

- First, by integrating the full process of disability certification into the NRSP, it will help people with disabilities to access the social services provided by SASP, including ensuring access to the TSA cash benefits for eligible people with disabilities. The project will use these operational synergies to provide for better quality and availability of services to that particularly disadvantaged and vulnerable segment of population (poor families with disabled members).
- Second, using NRSP as a single electronic platform and a centralized registry of beneficiaries, the project will support the transition from paper to a centralized electronic registration of beneficiaries of at least three different programs of social benefits and services to enhance their management and monitoring. This will be a show case for the capacity and benefits of using the new NRSP for other programs.

22. Finally, subject to further decisions by the Government, the project will explore developing and implementing a compensation scheme to mitigate increasing costs of energy. The new scheme could build on the TSA selection mechanism and provide benefits to those registered in NRSP.

¹ The SASP launched a new TSA appeals mechanism in early 2017. So far, 147 appeals have been registered and formally reviewed, with positive benefit decisions granted under 34 cases. The process provides for electronic registration of all cases, so they can be easily followed up and monitored. However, the process is new and requires adequate awareness and training of staff.



23. The results framework has been revised correspondingly to reflect the proposed changes and the revised implementation schedule.
24. The table below presents a summary of the proposed changes and revised cost estimates by Project Component and sources of funding. Component 3 (Project Implementation Support) will receive an additional USD 0.2m to finance overall management and coordination of the Project, carrying out the fiduciary duties, including procurement, financial reporting, accounting, audit, and other reporting. The balance of the additional funds will be allocated to support activities under the new Component 4.

Table 1: Proposed Changes and Revised Cost Estimates by Component (in US\$ millions equivalent)

<i>Component</i>	<i>Original IDA</i>	<i>Proposed IDA AF</i>	<i>Total</i>
Component 1	2.3	-	2.3
Component 2	0.7	-	0.7
Component 3	0.2	0.3 ^(*)	0.5
Component 4	-	1.5	1.5
Total	3.2	1.8	5.0

^(*) Including retroactive financing of up to US\$75,000 for project preparation

25. To ensure smooth and uninterrupted implementation of all the planned activities related to the TSA national rollout, the project would require a retroactive financing in the amount of up to US\$75,000, to cover eligible expenditure committed during the period of October 2017 - January 2018. This retroactive financing will be provided from the Grant financing of this AF.
26. Extension of the closing date. In order to implement all the activities defined under this document, the closing date of the project will be extended until December 31, 2019. The same new closing date will apply to the Additional Financing.
27. Change in implementation arrangements. The implementation arrangements will change to the extent that SASP will assume the role of the primary implementing agency in charge of the project, as the agency responsible for the TSA administration and rollout. The Head of SASP will be designated as ex-officio Project Director. While the SASP has been a project implementation agency, all fiduciary responsibilities under the parent project have been reserved to MHSP. In fact, a Project Coordination Group (PCG) was established under MHSP by official order of the Minister in October, 2014 to support management, fiduciary, and monitoring functions of the project. The PCG has already been providing direct operational support to SASP and has been physically operating from the new premises of SASP. Under this AF, the SASP will take direct charge of managing fiduciary functions (see description of FM and procurement arrangements below). Correspondingly, the role of PCG, as a group of dedicated consultants, will now be further formalized (through an amended Project Operational Manual) to operate in SASP and under direct supervision of the Project Director, Head of SASP. In fact, formal establishing of the PCG within SASP will be an effectiveness condition of the project. The MHSP, following its institutional mandate, will perform general supervisory functions over SASP.



III. KEY RISKS

28. **Political and governance risks are Substantial.** Since the proposed project is being prepared at the request of the GoT, it is expected to benefit from the client's continued commitment and ownership. However, while the project has political support and commitment, accountability and transparency issues may affect the project. Tajikistan's anti-corruption framework, which includes the Law of the Republic of Tajikistan on Combating Corruption (2008), AntiCorruption Strategy in the Republic of Tajikistan 2013-2020 (2013), and the Code of Ethics for Civil Servants (2004), will help mitigate governance risks. To increase demand for accountability, the Country Partnership Strategy (CPS) aims to engage civil society in all aspects of the Bank's portfolio, enabling Civil Society Organizations (CSOs) to gain experience in preparing, implementing and monitoring government programs. The project will provide further mitigation through due diligence of the procurement process, and through the proposed citizen engagement mechanisms. Finally, the project will contribute to mitigating political risks by investments in mechanisms that reduce vulnerability and mitigate social tensions.
29. **Macroeconomic risks** are Substantial. Ongoing volatility in the macroeconomic environment due to declining labor remittances from Russia and slow economic growth forecasts for Tajikistan's partners are likely to exert growing fiscal pressures and increase constraints on the GoT's spending priorities, including those for further development and funding of social programs.
30. **Technical design risk** of the project has been downgraded from Low to Moderate due to expanded scope of activities, covering new programs and services, other than TSA. The rating will be reviewed and could be upgraded back to low as part of the next ISR cycle for this AF, as the list of programs for integration on NRSP platform is confirmed (see corresponding new intermediate indicator).
31. **Environmental risk** has been revised to Moderate due to anticipated activities of office renovations, which will need to be closely monitored to ensure they do not warrant any additional environmental assessment. The implementing agency will need to be aware of environmental and health and safety requirements for renovation works. It has been agreed that all activities that can be categorized as Category "A" or "B" as per OP 4.01 Environmental Assessment should be excluded from the project financing.
32. **Fiduciary risk** is High. See Financial Management and Procurement sections below for detailed discussion of the fiduciary arrangements and risks.
33. **Overall risk** is Substantial, given individual risks and country level political, governance, and macroeconomic risks.

IV. APPRAISAL SUMMARY

34. The proposed changes are in line with the objectives of the original project. Specifically, the goal is to establish a complex and effective system of managing a unified social assistance in the country



and support the national rollout. Based on the assessments of the proposed changes, the team concluded that the changes will make the meeting the PDO and achieving all the project indicators more attainable both institutionally and technically.

A. Economic Analysis

35. Component 4 of the project will facilitate the national rollout and further development of the TSA program. This will result in more efficient uses of public resources to address issues of poverty, as the new TSA program will replace old legacy interventions. The evaluation conducted in 2012 indicated significant improvements in targeting: the new mechanism of TSA was approximately twice as accurate in directing social assistance to poor households as the legacy social assistance programs². It was also shown that despite the small transfer amounts, beneficiary households reported significantly higher satisfaction. A targeting evaluation study will be commissioned under this AF, to assess its efficiency and recommend further improvements.
36. Furthermore, the Government of Tajikistan spends significant resources on provision of social benefits and services. While the direct monetary assistance includes various cash transfers, a significant part of expenditures is in form of in-kind support, such as discounts for health, education, and communal services for those identified as needy or disabled. Therefore, public expenses on the TSA cash benefits constitutes only a small part of the fiscal costs of the public assistance system in Tajikistan. Given eligibility to several non-monetary benefits is automatically linked to eligibility for the TSA, improvements in TSA targeting and expansion of its coverage would contribute to improving efficiency of public funds allocation to social benefits more broadly.

B. Technical

37. The proposed activities are in line with the technical diagnostics conducted as part of preparation of the World Bank (2014) report³. The recommendations of this report are still valid. The report pointed to the need of investing in an operational platform that over time would be expected to serve multiple programs, possibly with different thresholds for eligibility. The report also recommended to relate the TSA family benefit to the number of children in the family, so, families with a greater number of children would receive a higher benefit. This would also reflect the need and national priority to invest in children's health and development⁴.
38. The report also recommended uses of TSA as a core instrument to mitigate the impact of the rising energy prices. Specifically, households identified as poor could receive a supplementary winterization benefit, while households that did not meet the TSA requirements but still scored on the PMT formula close to the cut-off point could also be considered for some winterization benefit.

² Among the beneficiaries of the legacy programs, 23% fell among the poorest 20%, whereas 48% of the beneficiaries of the pilot program fell within the poorest 20% (*Tajikistan: Evaluation of the Pilot of Poverty-Targeted Social Assistance in Yevon and Istaravshan Districts*. The World Bank, 12 June, 2012).

³ *Analysis of the Safety Nets in Tajikistan: Considerations for the Transition towards Greater Consolidation and Stronger Poverty-focus*. The World Bank. Washington DC. December 20, 2014.

⁴ Studies indicate that linking assistance benefits to the number of children usually is not a driver of higher fertility.



Further classification could be made based on family size, living conditions, or access to the electricity grid to differentiate the level of the winterization benefit.

39. The report strongly advocated establishing regional data processing centers, as operational hubs of SASP, to (partially) move data processing from the district offices to these few and highly specialized centers. This seemed more economic, compared to the fully decentralized mode of data processing and management. The regional offices would be in charge of managing all document flows, both paper and electronic, and be part of the corporate ICT network of SASP. The new business operations model would be implemented over time, in tandem with the rollout of TSA on a district-by-district basis. Such a consolidated approach enables scarce human and technical resources to be deployed in a more efficient and productive manner. Centralization of key processes also enables closer management and higher levels of quality control to be applied.
40. Finally, the report highlighted the need to sensitize the TSA operation to gender inequalities. In Tajikistan, women were found more vulnerable to economic and social upheavals than men, which should be considered as part of design of social programs. The proposal was to incorporate additional categorical criteria for widows, especially those living with young or disabled children and single elderly individuals (who often are women). In fact, the current design of TSA selection mechanism has already taken some of those considerations on board. However, to strengthen gender aspect of the program implementation, the project will commission a gender study that would inform various required policy and operational changes. Furthermore, the project will introduce two PDO level indicators to trace performance of the TSA program in regard to households that have distinct social and economic gender disadvantages (female headed households, elderly women living alone).
41. The project design also builds on preliminary analysis of the needed improvements in the TSA formula and administration, carried out during project preparation. It incorporates recommendations, in particular, of establishing a system of community involvement in disputes around TSA eligibility and strengthening the verification system.
42. Finally, the official status of disability provides citizens with special needs with access to specialized rehabilitation treatment and cash benefits. Thus, the activities of SSMSE in identifying and certifying disability is a key part of the system of social support to vulnerable groups of the population. The project would utilize the NRSP as the tool for electronic registration of people with disability, giving the SASP an opportunity to provide them with other services of the Agency, including rehabilitation programs, provision of the prostheses and orthopedic means, day-care centers, home base care, etc.
43. The Government expressed full commitment to the objectives of the reform and has substantively contributed to the dialogue on the proposed changes in the project design to improve efficiency of the overall delivery mechanisms.
44. Based on these diagnostics and assessments, the team concluded that further developments in the TSA formula is institutionally and technically feasible.



C. Financial Management

45. The latest Financial Management review of the parent project (P122039) was conducted in September 2017 and its performance was rated as Satisfactory. In line with the revision in the implementation arrangements, the financial management function of the project will be handled by SASP. SASP has no previous experience in implementation of donors funded projects. Thus, to provide fiduciary support, the contract of the current FM consultant hired under the original project will be extended. That consultant will be part of the PCG team of the project, will provide support to the Chief Accountant of SASP on daily basis and will be reporting to the Project Director. The SASP Director and Chief Accountant will have the final signing authority. The Chief Accountant of SASP will be fully responsible for FM arrangements under the project.
46. The project accounting will be maintained on the cash basis. SASP will continue operating the current accounting software for the project accounting and reporting. The project will have a clear formal set of appropriate accounting procedures and internal controls including authorization and segregation of duties. The FM part of Project Operational Manual (POM) for the project will be updated and clearly describe financial reporting, accounting and internal control policies and procedures, budgeting and planning mechanisms. The revised POM will be required as a legal covenant (to be submitted within 30 days after Effectiveness Date).
47. A segregated Designated Account will be used by the SASP for the purposes of this FA. The AF will retain a single disbursement category. The following disbursement Methods are allowed under the Financing: (i) reimbursement; (ii) advance; (iii) direct payment; and (iv) special commitment. Details on the ceiling of the DA will be provided in the Disbursement and Financial Information Letter. Withdrawal applications for the replenishments of the DA will be sent to the World Bank at least on a quarterly basis
48. The project will submit quarterly un-audited interim financial reports (IFRs) that will be generated by the accounting system based on formats agreed with the World Bank. The reports, to include Statement of Sources and Uses of Funds, Uses of Funds by Project activities (Components & Expenditure Categories) and Statement of DA, will be submitted to the World Bank within 45 days of the end of each quarter, with the first reports under the proposed Project being submitted after the end of the first full quarter following initial disbursement.

The annual audited project financial statements will be submitted to the Bank within six months of the end of each fiscal year of the Client. The audit of the project will be conducted: (i) on an annual basis; (ii) by independent auditors and on terms of reference acceptable to the World Bank; and (iii) according to the International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants (IFAC). The cost of the audit will be financed from project funds. Each such audit of the Project will include the project financial statements, SOEs and DA Statement. The SASP will publish the audit reports in a manner satisfactory to the Bank. In accordance with the World Bank's Access to Information Policy audited project financial statements shall be made publicly available. Upon receipt of the audited financial management statements, the Bank would also make them publicly available.

49. The financial management risk at the stage of project preparation was assessed as Substantial.



D. Procurement

50. Procurement under the proposed AF will be governed by the World Bank's Procurement Regulations for IPF Borrowers (July 2016) (Procurement Regulations), and is open to all eligible firms and individuals as defined in the Procurement Regulations.
51. In accordance with the Procurement Regulations, a short form of a Project Procurement Strategy Document (PPSD) is being prepared by the Borrower with the support of the Bank's team with the purpose of identifying the most appropriate procurement approach for the project. Procurement activities and packages envisaged under the project are of standard nature and of low value. The PPSD, including procurement plan, has been discussed with the Bank's team and finalized.
52. The procurement arrangements have changed for the AF with the SASP becoming a new implementation agency responsible for the project procurement activities. While the SASP has been involved in implementation of the parent project as a technical agency, its current capacity to implement the AF shall be strengthened.
53. SASP procurement capacity. SASP does not have prior experience in handling procurement with the donor funded projects and has limited experience of procurement under national legislation. The overall procurement risk under the project is currently assessed as High. Key issues and risks concerning procurement for implementation of the project include: (i) Tender Committee members and staff involved in project procurement may not be familiar with international procurement procedures; (ii) Procurement delays due to relatively slow decision making/approval process; (iii) Limited technical expertise to provide quality preparation, review and comments on commercial sections of the procurement packages especially on IT related ones; (iv) Limited contract management skills to ensure efficient and timely contract implementation; and (v) Overall high public procurement risk environment. Additional details along with the proposed mitigation measures will be contained in the PPSD.
54. Given the above risks, the following measures are proposed to strengthen the SASP capacity and ensure effective project implementation:
 - Training of respective staff in procurement and hiring of procurement consultant, as part of PCG, to support SASP staff;
 - Advance procurement planning and monitoring of activities against the procurement plan;
 - Involvement of SASP technical staff in preparation of Technical Specifications/Terms of Reference;
 - Establishing a contract management system;
 - Training on contract management;
 - Public disclosure and transparency provisions of the Procurement Regulations; and
 - Due diligence on winning bidders.



E. Social and Environmental (including Safeguards)

55. The Project will be classified as category C, as no policies will be triggered. The change to category C from current category B is a correction of an earlier error, as the original project category was C and no policies have been triggered throughout life of the project. The planned office renovations will be minor. Assessment of the potential climate and disaster risks indicated minimal risks, mostly generic to the country. Potential impact of a hazard such as earthquakes will be mitigated through establishing a back-up facility for the data center. Furthermore, activities funded under the project will enhance resilience capacity of the public delivery systems.
56. Efforts to improve the processes and impact of the TSA have included enhancements to citizen engagement, specifically: the TSA grievance redressal mechanism will be strengthened; communities will be engaged in participatory decision-making processes around TSA eligibility; and a TSA beneficiary satisfactory survey will better inform policy design choices and further improvements in the TSA program. Moreover, a citizen engagement indicator is included in the results framework.

V. WORLD BANK GRIEVANCE REDRESS

57. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org



VI. SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Change in Implementing Agency	✓	
Change in Project's Development Objectives	✓	
Change in Results Framework	✓	
Change in Components and Cost	✓	
Change in Loan Closing Date(s)	✓	
Change in Safeguard Policies Triggered	✓	
Change of EA category	✓	
Change in Procurement	✓	
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Legal Covenants		✓
Change in APA Reliance		✓
Other Change(s)		✓

VII. DETAILED CHANGE(S)

IMPLEMENTING AGENCY

Implementing Agency Name	Type	Action
Ministry of Health and Social Protection	Line Ministry/Ministerial Department	Marked for Deletion
State Agency for Social Protection (SASP)	Line Ministry/Ministerial Department	No Change



PROJECT DEVELOPMENT OBJECTIVE

Current PDO

The development objective of the Project is to improve the capacity of the Government of Tajikistan to plan, monitor, and manage social assistance for the poor through the development of a national registry of social protection and the provision of training, equipment and related items for improving said capacity.

Proposed New PDO

To achieve national geographic coverage of the Targeted Social Assistance Program and to ensure integrated delivery of services.

RESULTS FRAMEWORK

Project Development Objective Indicators

Coverage of the Targeted Social Assistance (TSA) Program: Number of districts Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	2.00	40.00	68.00	Revised
Date	30-Jun-2011	30-Jun-2017	31-Dec-2019	
Beneficiaries of social safety net programs Unit of Measure: Number Indicator Type: Core				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	426,000.00	1,000,000.00	Revised
Date	30-Jun-2011	30-Jun-2017	31-Dec-2019	
Beneficiaries of Safety Nets programs - Female (number) Unit of Measure: Number Indicator Type: Custom Breakdown				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	232,000.00	500,000.00	Revised
Date	30-Jun-2011	30-Jun-2017	31-Dec-2019	



Beneficiaries of Safety Nets programs - Unconditional cash transfers (number)				
Unit of Measure: Number				
Indicator Type: Custom Breakdown				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	426,000.00	1,000,000.00	Revised
Date	30-Jun-2011	30-Jun-2017	31-Dec-2019	
TSA Beneficiaries who are elderly women living alone				
Unit of Measure: Number				
Indicator Type: Custom Breakdown				
	Baseline	Actual (Current)	End Target	Action
Value	850.00	850.00	1,500.00	New
Date	31-Oct-2017	31-Oct-2017	31-Dec-2019	
TSA Beneficiaries who are women, heads of households				
Unit of Measure: Number				
Indicator Type: Custom Breakdown				
	Baseline	Actual (Current)	End Target	Action
Value	39,000.00	39,000.00	65,000.00	New
Date	31-Oct-2017	31-Oct-2017	31-Dec-2019	
Number of Jamoats where training and awareness has been provided on mechanisms of the new TSA program				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	437.00	460.00	Revised
Date	30-Jun-2011	30-Jun-2017	31-Dec-2019	
Number of certified disabled individuals registered in NRSP				
Unit of Measure: Number				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	145,000.00	New
Date	31-Oct-2017	31-Oct-2017	31-Dec-2019	
Number of certified disabled individuals registered in NRSP who have also been provided with TSA benefits				



Unit of Measure: Number Indicator Type: Custom Breakdown				
	Baseline	Actual (Current)	End Target	Action
Value	8,000.00	8,000.00	20,000.00	New
Date	31-Oct-2017	31-Oct-2017	31-Dec-2019	

Intermediate Indicators

Number of fully established and functioning Regional Program Coordination Centers Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	2.00	5.00	Revised
Date	30-Jun-2011	30-Jun-2017	31-Dec-2019	

Staff of MHSPP, SASP, and SMSES, including at regional and district levels, provided with training Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	735.00	950.00	Revised
Date	30-Jun-2011	30-Jun-2017	31-Dec-2019	

Number of non-TSA programs that use NRSP to register and monitor beneficiaries Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	3.00	New
Date	31-Oct-2017	31-Oct-2017	31-Dec-2019	

Certification of disability fully automated and operates on basis of NRSP Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	No	No	Yes	New



Date	31-Oct-2017	31-Oct-2017	31-Dec-2019	
TSA beneficiaries who are satisfied that the TSA program interventions respond to their needs				
Unit of Measure: Percentage				
Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	0.00	75.00	New
Date	31-Oct-2017	31-Oct-2017	31-Dec-2019	

COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Component 2: Capacity building for Launching and Initiating the Rollout of the Targeted Social Assistance Program	0.70		Component 2: Capacity building for Launching and Initiating the Rollout of the Targeted Social Assistance Program	0.70
Component 3: Project Management	0.20	Revised	Component 3: Project Management	0.50
Component 1: Establishing the National Registry for Social Protection and Supporting Development of the Targeted Social Assistance Program	2.30		Component 1: Establishing the National Registry for Social Protection and Supporting Development of the Targeted Social Assistance Program	2.30
	0.00	New	Component 4: Supporting national roll-out of the Targeted Social Assistance Program, including the National Registry of Social Protection	1.50



TOTAL	3.20		5.00
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LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-H7260	Effective	31-Dec-2015	30-Mar-2018	31-Dec-2019	30-Apr-2020

Expected Disbursements (in US\$, millions)

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual	0.16	0.00	0.00	1.14	1.50	0.10	0.40	1.40	0.30
Cumulative	0.16	0.16	0.16	1.30	2.80	2.90	3.30	4.70	5.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Substantial	● Substantial
Macroeconomic	● Substantial	● Substantial
Sector Strategies and Policies	● Low	● Low
Technical Design of Project or Program	● Low	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate
Fiduciary	● Moderate	● High
Environment and Social	● Low	● Moderate
Stakeholders	● Moderate	● Moderate
Other		
Overall	● Moderate	● Substantial

COMPLIANCE

Change in Safeguard Policies Triggered

Yes



Safeguard Policies Triggered	Current	Proposed
Environmental Assessment OP/BP 4.01	No	No
Natural Habitats OP/BP 4.04	No	No
Forests OP/BP 4.36	No	No
Pest Management OP 4.09	No	No
Physical Cultural Resources OP/BP 4.11	No	No
Indigenous Peoples OP/BP 4.10	No	No
Involuntary Resettlement OP/BP 4.12	No	No
Safety of Dams OP/BP 4.37	No	No
Projects on International Waterways OP/BP 7.50	No	No
Projects in Disputed Areas OP/BP 7.60	No	No

Environmental Assessment (EA) Category

Change of EA Category	Original EA Category
Yes	Not Required (C)
Current EA Category	Proposed EA Category
Partial Assessment (B)	Not Required (C)

LEGAL COVENANTS – Social Safety Net Strengthening Project (P165831)

Sections and Description
Project Coordination Group (PCG) established and maintained within the State Agency for Social Protection (SASP), with composition, resources and terms of reference satisfactory to the Bank (Effectiveness Condition)
Revised POM produced, including FM, Procurement, and Safeguards issues, no later than 30 days after Effectiveness Date (Dated Covenant)



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY : Tajikistan
Targeted Social Assistance Rollout (P165831)

Project Development Objectives

Achieve national geographic coverage of the Targeted Social Assistance program and ensure integrated delivery of services.

Project Development Objective Indicators

Action	Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Revised	Name: Coverage of the Targeted Social Assistance (TSA) Program: Number of districts		Number	2.00	68.00	Annual	SASP	SASP
Description: Updated to reflect national coverage								
Revised	Name: Beneficiaries of social safety net programs	✓	Number	0.00	1,000,000.00	Annual	SASP	SASP



Revised	Beneficiaries of Safety Nets programs - Female (number)		Number	0.00	500,000.00	Annual	SASP	SASP
Revised	Beneficiaries of Safety Nets programs - Unconditional cash transfers (number)		Number	0.00	1,000,000.00	Annual	SASP	SASP
New	TSA Beneficiaries who are elderly women living alone		Number	850.00	1,500.00	Annual	SASP	SASP
New	TSA Beneficiaries who are women, heads of households		Number	39,000.00	65,000.00	Annual	SASP	SASP
<p>Description: This indicator measures the number of individual beneficiaries covered by safety nets programs supported by the Bank. Safety nets programs intend to provide social assistance (kind or cash) to poor and vulnerable individuals or families, including those to help cope with consequences of economic or other shock.</p>								
No Change	Name: Use of the registry for planning and budgeting		Text	No	Yes	Annual	SASP	SASP



Description: SASP uses the NRSP to assess TSA budget needs, including regional monitoring.

Revised	Name: Number of Jamoats where training and awareness has been provided on mechanisms of the new TSA program		Number	0.00	460.00	Annual	SASP	SASP
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Description: Changed from cumulative to total number of Jamoats (and condominium associations in towns) where training has been or will be provided at least once. The target value reflects national coverage

New	Name: Number of certified disabled individuals registered in NRSP		Number	0.00	145,000.00	Annual	SASP	SASP
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New	Number of certified disabled individuals registered in NRSP who have also been provided with TSA benefits		Number	8,000.00	20,000.00	Annual	SASP	SASP
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Description: This indicator measures the degree of integration in provision of social benefits and services, whereby individuals identified as potentially eligible to several benefits can be automatically considered for such benefits. Specifically, families of individuals certified as disabled will automatically be considered for the TSA.



Intermediate Results Indicators

Action	Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Revised	Name: Number of fully established and functioning Regional Program Coordination Centers		Number	0.00	5.00	Annual	SASP	SASP
Description: Updated to reflect national coverage								
No Change	Name: Legal and operational materials in support of the rollout of the TSA and MIS		Text	None	A full set of administrative rules and regulations and the draft social assistance law	Annual	MNSSP	MNSSP
Description: Targets have been achieved. The new TSA Law was promulgated in the Assembly and signed by the President on 24 February 2017.								
No Change	Name: Policy and Operational Units within the MHSP and SASP are staffed		Text	No	SASP is fully set up, including all	Annual	MNSSP	MNSSP



	and functioning				required staff to operate the TSA			
Description: Targets have been achieved								
Revised	Name: Staff of MHSP, SASP, and SMSES, including at regional and district levels, provided with training		Number	0.00	950.00	Annual	SASP	SASP
Description: Updated to reflect national coverage. The cumulative number of staff at central, regional, district, and Jamoat levels, including staff of SMSES.								
New	Name: Number of non-TSA programs that use NRSP to register and monitor beneficiaries		Number	0.00	3.00	Annual	SASP	SASP
Description: This indicator measures the degree of integration in managing social benefits and services, whereby several programs use a unified information system to capture and track information on its beneficiaries.								
New	Name: Certification of disability fully automated and operates on basis of NRSP		Text	No	Yes	Annual	SASP	SASP
Description:								



New	Name: TSA beneficiaries who are satisfied that the TSA program interventions respond to their needs		Percentage	0.00	75.00	Mid-term beneficiary survey	SASP	SASP
Description: The information will be collected as part of a mid-term beneficiary survey. This information will be used to further fine-tune policies and mechanisms of the TSA program.								
