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ANNEX

to the Commission Implementing Decision on the financing of the annual action plan in favour of Tajikistan for 2022

Action Document for Rural Drinking Water Supply and Sanitation Project

ANNUAL PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans of Article 23(2) of NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Rural Drinking Water Supply and Sanitation Project OPSYS number ACT-60632 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes – Part of the Regional TEI for Central Asia on Water, Energy and Climate Change
3. Zone benefiting from the action	The action shall be carried out in Central Asia, Republic of Tajikistan, Khatlon Province
4. Programming document	Multi-Annual Indicative Programme – EU Tajikistan 2021-2027
5. Link with relevant MIP(s) objectives/expected results	PA3 Natural resources management, efficiency and resilience - Water supply and sanitation - DAC code 140: Specific Objective 6. To improve water access, productivity, quality and governance; Expected Result 6.1 Improved and equitable access to safe and affordable drinking water in rural areas and sanitation in urban areas; Expected Result 6.3 Implemented water sector reform. It also contributes to Specific Objective 7. To improve preparedness and planning for disaster risk reduction, to mainstream climate adaptation and to strengthen environmental governance. Expected Result 7.2 Increased climate adaptation.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	PA 3 Natural resources management, efficiency and resilience; Sector: Water Supply & Sanitation (DAC code: 140)
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 6: Ensure availability and sustainable management of water and sanitation for all. Other significant SDGs (up to 9) and where appropriate, targets: SDG 13: Take urgent action to combat climate change and its impacts; SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; SDG 5: Achieve gender equality and empower all women and girls; SDG 3: Ensure healthy lives and promote well-being for all at all ages; SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture;

	SDG 1: End poverty in all its forms everywhere.			
8 a) DAC code(s)	14030 - Basic drinking water supply and basic sanitation			
8 b) Main Delivery Channel	Multilateral Organisation - 40000			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity Tags: transport people2people energy digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line: BGUE-B 2022-14.020130-C8-INTPA Total estimated cost: EUR 14 000 000 Total amount of EU budget contribution EUR 14 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing¹	Indirect management through: - A Multilateral Organisation, to be selected in accordance with the criteria set out in section 4.3.1.			

1.2. Summary of the Action

The EU will provide support to the Tajik Government to assist in the continued reform of the water sector with special focus on increasing equal access to safely managed drinking water supply and sanitation and hygiene services, in line with the SDG 6.1 and 6.2 and the promotion of the rights to water and sanitation. These sector reforms in particular aim at improving sector and service provider governance and performance; enhancing efficiency, inclusive access, climate resilience and financial sustainability, addressing the infrastructure gap through strategic planning, asset management and finance and improving the water sector monitoring.

The proposed Action is building on the achievements of past and ongoing EU assistance to the sector and the EU's strong and long-standing engagement. This assistance will be critical to support the first generation of reforms in the Water Supply and Sanitation (WSS) sector and create a necessary paradigm shift. The Action will build partially on the analytical work and recommendations of the Policy, Institutional and Regulatory Review of the WSS sector completed under by the World Bank (WB) - EU co-funded Central Asia Water and Energy Programme (CAWEP). Support to the reform process, financing of infrastructure works, and continued policy dialogue is not only crucial, but a logical continuation of the EU's previous engagement in the sector as a privileged and entrusted partner.

The Action *Rural Drinking Water Supply and Sanitation Project* is envisaged to be implemented during the period 2023-2027 and will focus on drinking water supply, sanitation and hygiene in rural areas of Khatlon province, paying special attention to upgrading Water, Sanitation and Hygiene (WASH) conditions in schools and hospitals. It will combine support at the institutional level for implementing and coordinating the WSS reform agenda with the local level aimed at delivering improved services to sufficient, safe, acceptable, physically accessible and affordable water and sanitation for personal and domestic use. The Action will finance rehabilitation and expansion of small/medium-scale WSS networks, with the potential to reach 100.000 people in the region. Attention to water and sanitation in schools and hospitals will ensure the project's coherence with Human Rights related EU targets and mainstreaming.

The Action will plug into the work done under the WB-financed *Rural Water Supply and Sanitation Project*, and the follow on *Tajikistan Water Supply and Sanitation Project (SOP1)*, currently under preparation, which was consciously designed with a modular approach in order to coagulate investments and to progressively cover the most densely-populated districts within the Khatlon region. This region in the south of Tajikistan is bordering Afghanistan and is characterised by the highest share of population relying on surface water for drinking, mainly from irrigation canals, by a higher density population and particularly poor sanitation standards. At the same time Khatlon is an area which is most likely to suffer from the arrival of the Afghan refugees if the security/humanitarian situation in Afghanistan deteriorates.

It is important to support the crucial, yet ambitious reform process owned and led by government, as rights-holders in order to support obligations to respect, protect and fulfil rights to water and sanitation and accelerate access and sustainability of WSS services. It is meant to ensure a robust governance framework, which would be based on

¹ Art. 27 NDICI

separation of responsibilities as a fundamental rule. In parallel, a restructuring of the water utilities, inherited from the Soviet era, will be required to improve the operational and financial performance, establishing clear performance-based accountability mechanisms. These reforms are precondition for attracting public and private investment in this sector and ensuring their sustainability.

The Action will be embedded in the regional Team Europe Initiative (TEI) on Water Energy and Climate Change (formed by the EU, Finland, France, Germany, Italy, Latvia, Romania, Slovakia, EIB and EBRD), contributing to the efficient and effective drinking WSS tentative indicators. The action complements the regional TEI activities in the same field, such as European Bank for Reconstruction and Development (EBRD)'s ongoing project on drinking water supply in Kulob, Tajikistan (in blending with the EU), and Agence Française de Développement (AFD) drinking water and water and sanitation projects in Uzbekistan (in blending with the EU).

2. RATIONALE

2.1. Context

Despite two decades of poverty reduction and steady economic growth, Tajikistan, with a population of 9.5 million, remains the poorest country in the Europe and Central Asia (ECA) region². The officially reported real GDP growth averaged 6.9 percent per year during 2011–2020, benefiting from solid remittance inflows and externally financed public investments. However, despite the strong economic performance, Tajikistan still struggles to eliminate food insecurity and overcome domestic structural bottlenecks to create jobs. This primarily concerns an environment unconducive to private investment, inefficient governance of the state-owned enterprises (SOE), imprudent management of public finances, and weak institutional capacity³. While the overall poverty rate has been falling, the gap between urban and rural areas has been widening. In absolute terms, poverty in Tajikistan remains a largely rural phenomenon with about 2.2 million of rural population living below the national poverty line. The country is exposed to gender inequalities with the largest gender gap in Central Asia. The Gender Inequalities Index (GII) ranks Tajikistan 70 out of 162 countries in the 2019 index⁴. 93.3 percent of adult women have reached at least a secondary level of education compared to 95.7 percent of their male counterparts. Female participation in the labour market is 31.3 percent compared to 52.8 for men. Gender-based inequality is the main cause of poverty and women face unequal access to resources (access to land and financial assets).

COVID-19 caused a major economic slowdown in Tajikistan, disproportionately impacting the poor and women in particular. 27 percent of male employment have a vulnerable employment and it grows to 34 percent of female employment⁵. Reduced foreign earnings slashed household consumption and fiscal revenues. By late 2020, two-thirds of households reported reduced income and one in five were unable to buy food or essential supplies⁶. Migrant remittances fell drastically because of travel restrictions and the economic downturn in Russia. Women are considerably dependant on migrants' remittances and were more impacted. Lowered revenue protections triggered cuts in planned government expenditure in 2020 with the fiscal deficit increased to 3.1 percent of GDP. However, financing support from International Financial Institutions allowed a budget adjustment with the equivalent of 2.8 percent of GDP allocated to COVID-related expenditure. In response to the pandemic, the Government of Tajikistan developed action plans on Country Preparedness and Response⁷. The response plans included significant funding increases for healthcare, social assistance, private sector tax relief, and public sector wages and pensions, as well as postponing municipal power and water tariff increases.

Vulnerability of rural settlements to natural disasters and climate change further exacerbate poverty alleviation gains in the country. Exposure to floods and mudflows is high, with major impacts on rural livelihoods. Low socio-economic development, inadequate infrastructure, and a high dependency on climate-sensitive sectors (agriculture and hydropower) make Tajikistan extremely vulnerable to climate change. Climate change risks include increased incidence of floods and mudslides, increased variability and changed timing of reservoir inflows, increased water and energy demands because of climate warming (exacerbated by population and economic growth), and disruption to economic production and livelihoods, especially in rural areas. The recent heavy rainfalls of 2021 resulted in reported

² WB. [World Development Indicators](#)

³ WB (2021). [Tajikistan Macroeconomic and Poverty Outlook](#)

⁴ UNDP (2020), [Human Development Report 2020, Country brief](#): Tajikistan.

⁵ WB. [World Development Indicators](#).

⁶ IFC (2020). *COVID-19 Impact Assessment Survey*. Tajikistan and Kyrgyz Republic

⁷ Republic of Tajikistan (2020). [Tajikistan COVID-19 Country Preparedness and Response Plan](#). Dushanbe, Tajikistan.

damages in the central and south-western densely populated parts of Tajikistan⁸, affecting more than 1200 households across 12 districts of Khatlon region only⁹ with major impact on the WASH infrastructure.

Tajikistan shares a 1,357 km border with Afghanistan with eight border crossing points in the provinces of Kunduz, Takhar, and Badakhshan. The withdrawal of the NATO forces from Afghanistan in the summer of 2021 and associated developments have led to an arrival of refugees into Tajikistan, which would put additional pressure on already weak social systems and service provisions of host communities¹⁰.

2.2. Problem Analysis

Short problem analysis:

Improvement in service level has been spatially unequal across the urban and rural continuum. According to the Tajikistan Joint Monitoring Programme data¹¹, 95 percent of the urban population, and 76.64 percent of the rural population have access to basic water supply services. In rural Tajikistan access to piped water supply services remains extremely low at 55.5 percent, with only 48.77 percent of rural population qualifying their services as safely managed. The gap between the urban and rural areas has been narrowing since 2010, with the role of groundwater becoming more prominent as many communities continue investing in development of private wells. Some estimates suggest that while around 27 percent of population receive piped water supply services from the State Unit Enterprise “Khojagii Manziliyu Kommunalni (SUE KMK) (~13 percent), Dushanbe Vodokanal (~11 percent), Khujand Vodokanal (~2.5 percent) and other municipal water utilities, the rest of population relies on water from springs, rivers, canals and ditches, shallow wells, rain-water harvesting and unregulated water trucking services. However, no consolidated information exists on distribution of population by water use from different water sources at the national level.

The burden of deficient water supplies is especially impacting the poor. In rural areas, house connections are available to 34 percent of the poorest households compared to 80 percent of the poorest households in urban areas, which demonstrates that the gap in services is largely correlated with location rather than income of households. However, the gap between rich and poor in drinking water service provision is much less pronounced than is commonly seen in other low-income countries.

Recognising the importance of water to its development agenda, Tajikistan has embarked on a process of water sector transformation in the last decade. Tajikistan’s goals and macro strategies are laid out in the National Development Strategy for the period up to 2030, which is the main reference for the WSS sector, while additional laws, decrees, plans and strategies further set the context in which WSS services are provided. The National Water Sector Reform Programme (WSRP) for the period 2016–2025¹², inspired by the 2000 EU Water Framework Directive, stresses water as a valuable resource and calls for broad adoption of Integrated Water Resources Management (IWRM) on a river basin basis. It sets out the key national principles for water resources management including (i) separation of policy and operational functions, (ii) aligning water resources management to hydrological boundaries; and (iii) decentralisation of service functions. In 2019, with the support of the EU, Tajikistan developed a National Water Strategy (yet to be endorsed) with a 2030 horizon that sets ambitious targets including (i) ensuring complete coverage of population with safely managed and affordable water supply services; (ii) ensuring access of urban population to adequate sanitation and increasing access rate of rural population to adequate sanitation from 3 percent to 50 percent. Key reform achievements in 2019 and 2020 were new law on Drinking Water Supply & Wastewater and the adoption of a long-awaited revision to the National Water Code, operationally backed by the EU through the Landell Mills

⁸ WB (2021). [Assessment of contributing factors of the May 2021 disasters in Tajikistan](#)

⁹ UNICEF (2021). *Emergency WASH Assessment in response to the May 2021 disasters in Tajikistan*

¹⁰ While refugees from Afghanistan are likely to be housed in temporary reception areas in rural parts of Khatlon and GBAO regions, they are likely to move to peri-urban areas upon completion of the legal paperwork. To prepare for potential refugee arrivals a multi-sectorial needs assessment was conducted by the WB in October 2021. Given the fluid situation in Afghanistan, the Tajik authorities and UNHCR estimate that, in a potential worst-case scenario, as many as 23,000 persons may seek refuge in Tajikistan by the end of the year. Interagency discussions are ongoing with the concerned Government authorities to identify and discuss appropriate responses and prepare suitable refugee sites. While the Government may decide to host any new and sudden arrivals in refugee camps, the interagency response will continue to support host communities and their public services to ensure peaceful coexistence, and advocate that the refugees be hosted outside of camps.

¹¹ WHO/UNICEF Joint Monitoring Programme (JMP), link: <https://washdata.org/data/household#!tjk>

¹² Minister of Energy and Water Resources (2015) [Реформа водного сектора Таджикистана](#)

Technical Assistance (TA) project¹³. A focus on the needs of women and girls, as well as groups living in vulnerable situation (such as women headed households, persons living with disabilities, elderlies, most geographically isolated groups) should be integrated in the development of the legal, policy and plans developments in management of drinking water supply.

Following the adoption of the Drinking Water Supply and Wastewater Law, the Government also committed to development of the National Water Supply and Sanitation (NWSS) Programme for 2021-2030. Development of the programme is led by the Ministry for Energy and Water Resources (MEWR) and the SUE KMK with support of the WB-financed *Rural Water Supply and Sanitation Project*. The MEWR as the lead agency in coordination of the water sector reform established the Inter-Agency Working Group (IAWG) for the development of the program and has requested the WB to conduct a policy, institutional and regulatory review (PIR)¹⁴ of the sector. This review and analytical work was conducted by the EU co-funded project CAWEP. Through the consultative process IAWG agreed that the reform should consider different fit-for-purpose solutions aiming to reach the last mile and ensure a more efficiency service provision focusing on incentivising outcomes. Mutual agreement was achieved in terms of the urgent need to improve the overall governance framework for the WSS sector and on the guiding principles to be at the core of the upcoming sector's development programme's design: (i) Establishing a robust governance framework for the sector, which would be based on separation of responsibilities as a fundamental rule; (ii) introducing a strong performance-based monitoring to change a paradigm and ensure evidence-based regulation in the sector; (iii) ensuring financial sustainability of the sector; (iv) bridging the WSS infrastructure gap; and (v) addressing the rural access and WSS services challenge. The programme will include (i) a comprehensive baseline assessment of the WASH conditions in the country (at jamoat level); (ii) a roadmap of necessary reforms; and (iii) investment and financing plans for the sector going forward. The programme will also consider climate change impact on water resources and establish a framework for the informed decision making on the service provision models and incentives for the sector.

Currently, the combined effect of inefficient subsidies, low taxes in combination with the lower-than-cost-recovery tariffs, leads to inadequate finance of the sector and scarce interest of the private sector participation. Nevertheless, from an affordability perspective, there is a potential for raising tariffs, as the share of the monthly WSS expenditures for the poorest 40 percent of the population is around 1 percent if they are accompanied by significant improvements in the quality of services.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The PIR review's main findings and recommendations were summarised in a Policy Note¹⁵ shared with the government and the Executive Office of the President and further circulated among the interested donors. The document clearly highlight that despite the new legislative framework made available and the efforts to improve the WSS sector, further urgent steps are needed to translate the new legislation into action and to reform the overarching water governance institutions.

In 2013 the former Ministry of Land Reclamation and Water Resources was restructured into a new MEWR responsible for water sector policy and regulation. The State Entity "Main Department "TojikObidehot" (TOD) responsible for rural water supply to communities and pastures was transferred under the SUE KMK. Since then, the SUE KMK consolidates policy making, regulatory, sector planning and monitoring functions for the WSS sector, and at the same time, through approximately 125 branches at the district level, provides communal services at the municipal level, which includes water supply and wastewater services, but also cover solid waste management, roads maintenance, housing, landscaping activities, heating and other disparate services.

The initiated consolidation of power under the national utility did not yield expected results of improved sector planning and did not demonstrate visible results in increasing the coverage of population with safely managed water supply services and sanitation. Having the SUE KMK performing the policy development, planning and monitoring functions for the whole sector while being in parallel, a service provider creates major challenges, as there is an inherent conflict of interest between these two roles.

¹³ Project "Provision of TA to the Government of Tajikistan to build institutional capacity in IWRM and contribute to sustainable management and protection of water and land resources" - ACA/2016/374-783.

¹⁴ The PIR was conducted by the WB team in 2020 under the EU co-funded CAWEP, a Multi-Donor Trust Fund financed by the European Union, the Government of Switzerland (through SECO) and the Government of United Kingdom (through UKaid). More information available at: <https://www.worldbank.org/en/region/eca/brief/cawep>

¹⁵ "Tajikistan: Water Supply and Sanitation Sector Policy", CAWEP, December 2021

In January 2022, six development partners, representing together a volume of investments over the last 5 years in the WSS sector equal to EUR 220 million, promoted a letter sent to the head of government and to the Presidential Executive Cabinet", calling for urgent steps to be taken in the reform process and a relevant restructuring of SUE KMK, to improve the operational and financial performance of water utilities in the country, in parallel with establishing clear performance-based accountability mechanisms between the service providers and regional/local hukumats. In particular, the need for a clear separation of public policy functions from asset management and operational functions was firmly highlighted suggesting, if necessary, further changes at the by-laws level to accelerate the reform process.

The coordination and aggregation of developing partners around common development objectives, is hinged within the Development Coordination Council (DCC) Water and Climate Change Working Group, a forum of stakeholders co-led by the EU and the Swiss Agency for Cooperation and Development (SDC). Back in 2020, in the wake of the COVID outbreak, the DCC WG strived to coordinate WASH intervention, recognising that a) safe WSS are an essential part of preventing disease and protecting human health during infectious disease outbreaks, including the COVID-19 pandemic; b) interventions need equally to address short-term WASH progresses as well as longer term sustainable strategies for this key sector. The need for a national programme that combines major infrastructure investments with long-term policy reform, strategic development planning and capacity building of the water sector institutions and water utilities was recognised as a key lesson from earlier projects in Tajikistan that were more limited in their scope and ambition.

The proposed Action is intended to join the efforts of the WB, which has a long standing presence in the sector and who has in established a long-term umbrella programme (*Tajikistan Water Supply and Sanitation Programme - TajWSSP*), under which a series of coordinated projects are financed for the implementation of the water and sanitation infrastructure investments and reform agenda. The first building block of this programme is constituted by the WB-financed Rural Water Supply and Sanitation Project¹⁶, which includes activities aimed at improvement of WSS infrastructure in Khatlon region. The TajWSSP has the ambition of shaping the water sector agenda, by setting a platform for review of the overarching governance framework in the sector and supporting initiation of a number of reforms at the national and local level.

The proposed Action will plug in and maximise synergies with the WB financed Rural Water Supply and Sanitation Program, which is intentionally built with a modular approach in order to coagulate investments and to progressively cover the entirety of Khatlon. The main added value of the EU Action will consist of supporting the reform agenda, which has reached a critical point and to continue to pursue a meaningful sector policy dialogue. At the same time, investments in infrastructure will address specifically municipalities and territories affected by perpetual underfinancing, striving to develop the conditions conducive to private and public investments.

Other relevant stakeholders will be Non-Governmental Organisations, Civil Society Organisations and professional associations and networks operating in the water and sanitation sector or promoting rights of women, persons living with disabilities and groups living in vulnerable situations. The Action will seek their consultation and participation at different stages.

The commitment of the EU's contribution to the Team Europe Initiative foreseen under this action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The **Overall Objective** (Impact) of this action is to improve sustainable access to drinking WSS services for all in selected areas in Tajikistan.

The **Specific Objectives** (Outcomes) of this action are:

S.O. 1: To improve financial, planning and operational efficiency of water and sanitation sector institutions at national and local level;

¹⁶ <https://projects.worldbank.org/en/projects-operations/project-detail/P162637>

S.O. 2: Target beneficiaries (all population without distinction of gender and age) access and use water and sanitation services made available through the intervention in the Khatlon province;

The **Outputs** are:

- 1.1** Improved operational, financial management and reporting capacities of WSS utilities in Khatlon region;
- 1.2** Enhanced capacity of Sector-wide Management Information System (MIS) in reporting on key KPIs for selected utilities;
- 1.3** Enhanced capacity and infrastructure for water quality testing for project schemes and across Khatlon region;
- 2.1** Increased availability of basic water supply and WASH services in remote villages of the Khatlon province,
- 2.2** Enhanced access to alternative solutions for decentralised water supply and WASH services in remote villages without access to the main infrastructures and pipelines.

3.2. Indicative Activities

Specific Objective 1 To improve financial, planning and operational efficiency of water and sanitation sector institutions at national and local level;

Specific for output 1.1

- 1.1.1 Institutional model for Water Supply Well (WSW) management established in Khatlon region and implemented in the target areas;
- 1.1.2 Water quality regulation capacity in Khatlon region improved;
- 1.1.3 Developing standard manuals and procedures, gender sensitive and targeting specific needs of groups in most vulnerable situations especially persons with disabilities, for setting water quality testing and regulatory standards for water trucking services with associated water storage facilities, water kiosks etc.;
- 1.1.4 Training programme for ensuring drinking water quality testing developed and implementation of the programme rolled out in Khatlon region;
- 1.1.5 Develop and implement participative and gender-sensitive intensive hygiene promotion programmes to increase communities' awareness of hygiene practices (including prevention of water source contamination), in particular, with school children and in complementarity with other Development Partners (e.g. UNICEF, SDC), and support of the civil society.

Specific for output 1.2

- 1.2.1 Establishing the sector-wide monitoring information system for sector investments planning and performance monitoring through the MIS linked with the Water Information System;
- 1.2.2 Assigning staff in the MEWR/other institutions trained on the use of the MIS;
- 1.2.3 Carrying out a comprehensive training programme for participating utilities;
- 1.2.4 Review of performance incentives mechanisms and introduction of regulatory accounting framework with the relevant regulatory authorities.

Specific for output 1.3

- 1.3.1 Capacity of the targeted utilities in the target area in financial management, billing and accounting strengthened and respecting UN Guiding Principles on Business and Human Rights;
- 1.3.2 Delivering comprehensive training plan for participating utilities;
- 1.3.3 Developing business plans for participating utilities in the target areas;
- 1.3.4 Implementation of the communications and social outreach activities, strengthening social accountability measures to improve customer understanding and responsiveness and raise awareness about human rights in the water and sanitation sector;
- 1.3.5 Support to integrated planning among all the institutions;
- 1.3.6 Development of asset management plans and performance improvement plans for the optimised water utilities.

Specific Objective 2, Target beneficiaries (all population without distinction of gender and age) access and use water and sanitation services made available through the intervention in the Khatlon province;

Specific for output 2.1

- 2.1.1 Rehabilitation and expansion of the water supply infrastructure in the small towns/rural settlements relying on Vakhsh Inter-District Water Supply System;
- 2.1.2 Modernisation of the pumping station, construction of the water treatment plant (sand filters);
- 2.1.3 Upgrade and make accessible WASH facilities at schools and rural healthcare centres.

Specific for output 2.2

- 2.2.1 Identify water sources and design a package of scalable decentralised WSS solutions to be able to provide improved (basic) WSS services respecting non-discrimination and equal access principles.
- 2.2.2 Distribution network expanded to include selected villages in Dusti and Jayhun districts
- 2.2.3 Decentralised WSS solutions are discussed, established and implemented at least in 5 selected villages of Khatlon region.

The commitment of the EU's contribution to the Team Europe Initiative foreseen under this action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

3.3. Mainstreaming

Environmental Protection & Climate Change

Mainstreaming environment and climate change concerns as part of the decision processes of the MEWR represents an important EU added value for the water sector in Tajikistan. The project will have climate change adaptation co-benefits. Adaptation co-benefits will be from: (i) expanding water supply and wastewater services to increase resilience against droughts; (ii) climate-resilience proofing of investments; (iii) strengthening WSS monitoring and information management. Climate resilience will be embedded in the selection of sub-projects, and in the technical design of investments.

The project will not be subject to the EIA (Environmental Impact Assessment), but environment aspects are being addressed during design under the WB Environmental and Social Framework (ESF). The WB is currently working with the client on developing the Environment and Social instruments. For all investments under ESF, project and site-specific environmental and social management plan (ESMP) will be developed, based on the E&S screening.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that: The Project aims to narrow a critical gender gap in human endowments by providing access to drinking water supply and better sanitation and hygiene, freeing up time for productive and care activities. Water fetching places a huge and disproportional time and physical burden on women and girls¹⁷, percent taking over one hour a day, mostly on foot. Another area of focus of the project continues to be raising knowledge and acceptance of the importance of Menstrual Hygiene Management (MHM). Menstrual Health and Hygiene (MHH) is essential for the fulfilment of girls' and women's rights, particularly women and girls with disabilities, a key objective of the Sustainable Development Goals. Goal 6.2 acknowledges the right to MHH, with the explicit aim to pay special attention to the needs of women and girls. To achieve this goal, the need for safe and dignified menstruation requires deliberate interventions. In October 2021, with the support of the ongoing RWSSP, the Ministry of Education and Science adopted a package of extra-curricular activities with the focus on WASH and MHM for implementation across the country. By strengthening self-efficacy and creating an enabling environment, MHH programmes can help girls build the skills to overcome obstacles to their health, learning and development, and contribute to Tajikistan's goals for reproductive health. The project will support a set of activities to mainstream the gender agenda in the WASH sector and also contribute to provide equal access to WASH services for refugees, who are likely to be predominantly women and children and reduce potential Gender-based Violence Risk (GBV) risks to women associated with their time spent in queuing for water or in search for unsafe sanitation facilities. Several indicators could be considered to measure how gender gaps are narrowed in the following two areas: (i) the reduction of time for women and girls spent on water fetching; and (ii) the number of female students benefitting from separate, safe, and private WASH facilities and MHM education.

This will allow narrowing the gender gap in economic opportunities. The action contributes to the Gender Action Plan III (GAP III, 2021-2025)¹⁸, more specifically "Promoting economic and social rights and empowering girls and

¹⁷ The WASH Poverty Diagnostic shows that this is identified as a women's or girl's responsibility in the household.

¹⁸ JOIN(2020) 17 final - EU Gender Action Plan III – An Ambitious Agenda For Gender Equality And Women's Empowerment In EU External Action, https://ec.europa.eu/international-partnerships/system/files/join-2020-17-final_en.pdf

women” and “addressing the challenges and harnessing the opportunities offered by the green transition and the digital transformation”.

Human Rights and Disability

All activities under this Project are designed and will be implemented in accordance with principles of good governance and human rights, gender equality and the inclusion of socially or economically deprived groups wherever these issues are of particular relevance to the institutions to be assisted.

Tajikistan’s human rights record remains problematic, with continuing deterioration in certain areas. The CSOs work under pressure, the freedom of expression is constantly under threat and, among others, domestic violence remains one of the major issues. On the other hand, a recent certain opening in less sensitive areas of human rights, notably the penal reform and the promotion of women's rights, create (limited) room for much needed progress.

Having access to safe drinking water and sanitation is central to living a life in dignity and upholding human rights.

A human rights based approach to water and sanitation is essential, particularly for the most marginalised groups, often invisible in society: disabled children, children in remote villages, and the very poor. The right to water and sanitation will be extended to the entire population of the targeted municipalities by applying the human rights based approach and the realisation of human rights in the design, implementation, monitoring and evaluation of all actions.

When the country committed to the SDGs, it pledged to create a more equitable environment.

The proposed programme intends to pay a special attention to the efforts towards greater inclusive education in the country through a Call for Proposals for CSOs and TA to promote social dialogue and actions contributing to human rights, protection, promotion and fulfilment by empowering rights holders and building the capacities of the duty bearers.

The human rights-based approach and its key principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data) will be integrated throughout the action. Analyses and assessments will be conducted to incorporate specific work on Business and Human Rights and mainstream the human rights based approach and responsible business conduct. New policies and action plans will be transparent and communication campaigns will support transparency, access and participation for all. Particular focus will be given to inclusive policies targeting women and persons living in vulnerable situations, including those left behind due to labour migration, and persons with disabilities.

Conflict sensitivity, peace and resilience

The proposed Action will indirectly promote peace, stability, economic development and modernisation. Supporting the government’s capacity to embark on necessary governance reforms and unlocking the unexploited potential for a sustainable water resources management, climate resilience and green development will help Tajikistan mitigate the internal socio-economic risks as well as looming risks related to the climate change, create new opportunities, and enabling conditions for improving income status.

The project intends to work on improving the conditions of number of people living below the poverty line without access to water, which is one of the potential causes of social tensions. By contributing to address WASH aspects in the Khatlon area, where many host communities for Afghan refugees are located, will contribute to smooth the situation of potential competition for the limited resources and social tensions.

Synergies with human capital development (health and education)

Strong inter-sectoral linkages exists between this Action and the ongoing programmes in health, education and rural development, funded under the previous MIP. These are addressing the devastating sanitary situation in healthcare facilities and schools, particularly in rural areas; as well as the much needed renovation of irrigation systems, bearing in mind that agriculture takes by far the biggest share of the country’s water and much of this is lost through inefficiencies due to dilapidated infrastructure. Focus will now be given to the primordial need for clean drinking water supply. Synergies between health, education, irrigation and the drinking WSS sector will assure a greater level of coherence, increased focus and stronger standing of the EU in these areas in Tajikistan.

3.4. Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Political and Governance: reforms requiring revoking of previous government decisions, which led to consolidation of power in the sector with the politically connected State Unitary Enterprise suggest substantial governance risks for the project. “Context suitability” of political measures.	Risk 1	H	H	Continued political and policy dialogue with the Tajik Government. Reform of the sector will be based on the results of the high-level policy, institutional and regulatory review currently conducted by the WB and supported by a solid group of development partners building ad a strong coalition of reform-minded stakeholders.
Macroeconomic: uncertain macroeconomic conditions and potential regional spillovers may be associated with a) impact of the sanctions on Russia and deterioration of Russian economy and Russian financial system, to which Tajikistan is strongly linked and dependent on them (a sizeable part of Tajikistan’s GDP is made of remittances of Tajik labour migrants from Russia); b) instability in Afghanistan and c) re-emerging risks of the COVID-19	Risk 2	H	H	Close monitoring of macro-economic and public finance management policies together with IMF, WB and other cooperating partners. The WB will set provisions for short-term mitigation of such risks through provision of targeted assistance to the Ministry of Finance and the MEWR in establishing capacity for undertaking the reform through a set of critical consulting services.
Technical Design of Project or Programme: low performance of the service providers/utilities in the targeted areas and limited institutional capacity of the SUE “KMK” to deliver water supply services to ensure sustainability of the proposed investments	Risk 3	M	M	This risk has been mitigated by the incorporation of lessons from global and national experiences. The project design also includes measures aimed at improving performance of the service providers/utilities. The MEWR and local khukumats will be closely engaged at the design and implementation stages of the project to ensure the most appropriate, technically-sound and cost-effective solutions are chosen.
Institutional Capacity for Implementation and Sustainability: Implementation capacity of the proposed Implementing Agencies is limited and will require substantial resources to augment their capacity for implementation of planned activities. Ineffective implementation capacity: insufficient human, institutional, and technical capacity to design	Risk 4	M	M	The risk of weak implementation capacity will be offset by the establishment of an inclusive Steering Committee, close supervision by the TTL ¹⁹ and task team based in Dushanbe and a robust TA component for, direct training and capacity building support to the implementing agency staff to manage implementation risks and improve the sustainability of project outcomes.
Fiduciary Risk: Risks associated with (non-exhaustive list) limited capacities of the financial management/accounting staff, limited procurement/technical expertise, weak contract management mechanism, weak internal controls, and lack of good governance practice at both at level of Implementing Agencies – the MIDP ²⁰ PMU (under	Risk 5	M	M	The PMU has required capacity implementing EU/WB-funded projects in the sector: it is adequately staffed, and has established appropriate controls and procedures. Their situation with the MEWR needs to be carefully assessed. A detailed assessment of fiduciary capacity of the proposed implementing entities will occur during final preparation. The fiduciary risk will be either confirmed or

¹⁹ Task Team Leader (TTL), is a Bank staffer who coordinates the activity of the project team

²⁰ Municipal Infrastructure Development Project (MIDP) Project Management Unit (PMU)

the subsidiary agreement with the SUE KMK) and MEWR, within the respective components.				updated based on the outcomes of the assessment.
Environmental Risk: The environmental risks and impacts are related to the physical investments under, comprising construction and rehabilitation of WSS infrastructure. It includes (non exhaustive): generation of dust, noise, and vibration due to the operation and movement of construction vehicles and machinery; improper disposal of construction waste; community and worker health and safety; etc.	Risk 6	L	L	These impacts are largely site-specific and detailed environmental impact assessments will be carried out in line with international standards and following the WB ESF.
Social Risk: (non exhaustive): involuntary resettlement impacts, including land acquisition for new water infrastructures; community health and safety risks are related to temporary road blockades, traffic management, waste disposal, Sexual Exploitation and Abuse/Sexual Harassment and associated disturbance to local communities and workers' camps management; etc.	Risk 7	L	L	Taking account of all the above issues/challenges/risks, the social risk is assessed as Substantial at this stage, and will be revisited during final preparation.
Regional stability: The withdrawal of the NATO forces from Afghanistan in the Summer of 2021 has created a potential for an arrival of large number of refugees into Tajikistan. There have also been administrative difficulties and limitations for Afghan refugees to access or transit the country so far. The porous border with Afghanistan remains a key risk factor in terms of movements of terrorist fighters, trafficking (in particular drugs and weapons) and the possible spill-over of conflict and violence. Renewal of the conflict in Afghanistan may produce repercussions on the wider region. Unresolved border disputes with neighbours continue to produce tensions, periodically leading violent conflicts. The country has limited capacity to secure its borders, which are not delimited / demarcated for several hundreds of km (in particular with Kyrgyzstan). Without the support by external forces (namely Russia and China) effective border	Risk 8	M	M	Given the fluid situation in Afghanistan, UNHCR estimates in a worst case scenario up to 23,000 refugees may seek refuge in the country if conditions worsen in the following months. Interagency discussions are ongoing with the concerned Government authorities to identify and prepare suitable refugee sites.

control would be impossible in certain areas.				
Project Stakeholders Risk: lack of Coordination among stakeholders at the central, regional, municipal levels and utilities level	Risk 9	L	L	The risk will be mitigated through existing platforms at the level of the MEWR, Ministry of Health and Social Protection and development partners. The Project will need to include mechanisms to ensure stakeholders in the sector are adequately consulted in discussion of the sensitive issues related to the possible reforms. A strong donors alliance is also in place, as demonstrated both by the initiative of the letter to the Government described in chapter 2.2 and in the more general framework of the DCC.
Financial fraud and corruption affect the effectiveness of Government and the rule of law	Risk 10	H	M	Ongoing and upcoming TA by development partners (incl. EU) to support PFM ²¹ reforms, including reduction of corruption, while prioritising and constraining expenditure, promoting transparency and accountability; Strengthening engagement in budget transparency and accountability through CfPs ²² ; WB will working with the implementing agencies on development of a Project Procurement Strategy for Development Ongoing and upcoming EU support through Rule of Law programmes to curb corruption;
Neglect of valuable work that can be done by civil society (capacity building awareness-raising, participation, and promotion of rights to water and sanitation).		M	M	The Action will encourage opportunities (where possible and relevant) to work and enhance the civil society organisations active in the water and sanitation sector and protection of the rights of the groups living in vulnerable situations.

Lessons Learnt:

The need for a national programme that combines major infrastructure investments with long-term policy reform, strategic development planning and capacity building of the water sector institutions and water utilities was considered as a key lesson from earlier projects in Tajikistan that were more limited in their scope and ambition.

In 2020, the PIR²³ Review of the sector carried out by the WB and the EU co-funded project CAWEP upon request of the Government of Tajikistan, highlighted that, although in the last ten years the use of improved water sources in the country has been increasing, the use of safely managed drinking water has not improved substantially. Major challenges remain with the accessibility, availability (reliability) and quality of WSS services. Improvement in service level has been spatially unequal across the urban and rural continuum. Rural households in Khatlon region heavily rely on unimproved surface water as a major source of supply, and are exposed to significantly higher nitrate concentrations, due to contamination by agricultural runoff, septic wastes, and animal farming. In the piped systems, the chlorine concentration for disinfection is usually insufficient to withstand the risk of contamination of drinking water.

²¹ Public Financing Management (PFM)

²² Country financing Parameters (CfPs) are expenditure eligibility parameters defined for each country according to its individual situation. They are part of efforts to tailor expenditure eligibility to specific country needs, rather than adopt a standard approach for all countries.

²³ The PIR was conducted by the WB team in 2020 under the EU co-funded CAWEP. More information available at: <https://www.worldbank.org/en/region/eca/brief/cawep>

Based on the analysis of the sector and a public consultations with the members of the Inter-Agency Working Group established by the MEWR, the PIR identified critical measures required to create a “paradigm shift” in the sector. Some guiding principles were agreed to be at the core of the upcoming sector’s development programme’s design:

- i. Establishing a robust governance framework for the sector, which would be based on separation of responsibilities as a fundamental rule;
- ii. Introducing a strong performance-based monitoring to change a paradigm and ensure evidence-based regulation in the sector;
- iii. Ensuring financial sustainability of the sector;
- iv. Bridging the WSS Infrastructure Gap;
- v. Addressing the rural access and WSS services challenge;

The identified key principles of the WSS sector reform, agreed with all the members of the Inter-Agency Working Group, will lay a basis for the NWSS Programme.

The proposed Action will decrease pressure on Afghan refugees’ host communities by providing complementary assistance on WASH, particularly in a COVID-19 context. In this sense the project intends to continue and build on and draw on the lessons learned from EU global response to COVID-19, which evidenced how it has been instrumental in helping the country cope with the pandemic – quickly and meaningfully.

The modular approach proves effective in attracting additional financial resources, as demonstrated by the synergies with the projects developed by Asian Development Bank in the same geographical area.

3.5. The Intervention Logic

The underlying intervention logic for this action is that:

IF new water intakes/wells, pumping stations and transmission lines are realised, scalable WSS solution are made available and WASH facilities at schools and healthcare centres are upgraded and made accessible, and **IF** WSS utilities in Khatlon are restructured and optimised, water quality labs strengthened, monitoring information system established, comprehensive training for the utilities delivered and Operation & Management capacity developed **AND** the regional stability in the sensitive plane of Khatlon will be preserved **AND** the service providers/utilities in the targeted areas will provide the necessary capacity to deliver water supply services to ensure sustainability of the proposed investments, **THEN** increased availability of basic water supply, alternative and accessible solutions for decentralised water supply and WASH services in remote villages will be provided, and infrastructures for quality testing will be enhanced, financial management and reporting capacities of the WSS utility services in Khatlon region will be improved.

IF increased availability of basic water supply and alternative and accessible WASH solutions are provided, if WSS utility services in Khatlon are enhanced **AND** the MEWR and local hukumat administration will be closely engaged at the design and implementation stages of the project to ensure the most appropriate, technically-sound and cost-effective solutions **THEN** the water and sanitation services will be made available and sector institutions capacities will be improved and at national and local level. This is **BECAUSE** key elements necessary for creating conducive environment for practical and functional reform set development will be made available.

IF the water and sanitation services and institutional, financial and managerial capacity will be improved and strengthened **AND** Government remains committed to the water sector reform in reaching SDG targets and it remains accountable and transparent, **THEN** access to sustainable water and sanitation for all in selected areas of Tajikistan will be granted. This is **BECAUSE** the necessary expertise and practice on the supply-side interventions, as well as evidence-based solutions along with lessons learnt what works and what does not, combined with policy level interventions to develop an enabling environment and regulatory oversight for improved service provision, will have created a positive synergistic effect for implementing the ambitious agenda for water and sanitation infrastructure investments and reforms.

The details of the project are currently being finalised, in the context of the WB led umbrella programme “Tajikistan Water Supply and Sanitation Programme - TajWSSP”. The programme foresees a series of coordinated projects, among which this Action is included, financed for the implementation of the water and sanitation infrastructure investments and reform agenda. Therefore, when examining the Logical Framework Matrix (section 3.6), two elements need to be taken into account: a) baseline and targets relating to the outcome and output indicators will be quantified and provided once the design of the project is completed and before the signature of the contract; b) Impact targets will be quantified and provided once the design of all modular projects will be fully fledged out.

3.6. Logical Framework Matrix

At action level, the indicative logframe should have a maximum of **10 expected results** (Impact/Outcome(s)/Output(s)).

It constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results	Indicators (@):	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To improve sustainable access to drinking WSS services for all in selected areas in Tajikistan	<p>1) GEF 1.30 - SDG 6.1.1 Proportion of population using safely managed drinking water services</p> <p>2) GEF 1.31 - SDG 6.2.1 Proportion of population using safely managed sanitation services (overall, in rural areas)</p> <p>3) Gender Inequality Index (GII)</p>	<p>1) 55% ; (2020)</p> <p>2) 59% ; (2020)</p> <p>3) 0.383 ; (2019)</p>	<p>1)</p> <p>2)</p> <p>3)</p>	<p>1) UN Statistical Division (Link)</p> <p>2) UN Statistical Division (Link)</p> <p>3) UN Human Development Report (Link)</p>	Not applicable
Outcome 1	1 Improved financial, planning and operational efficiency of water and sanitation sector institutions at national and local level	<p>1.1 Number of tests on water quality and water extraction at national and local level</p> <p>1.2 Number of WSS utilities in Khatlon region restructured and adopting improved operational and financial management and reporting systems and practices (respecting UN Guiding Principles on Business and Human Rights)</p>	<p>1.1 TBD</p> <p>1.2 TBD</p>	<p>1.1 TBD</p> <p>1.2 TBD</p>	<p>1.1 Project reports; MEWR statistics</p> <p>1.2 Project reports; MEWR statistics</p>	MEWR and local hukumat administration will be smoothly run a policy dialogue and closely engage in the the design and implementation stages of the project
Outcome 2	2 Increased access and use by target beneficiaries to water and sanitation services made available by the intervention in the Khatlon province	<p>2.1 GEF 2.38 Number of people with access to improved drinking water source and/or sanitation facility with EU support</p>	<p>2.1 TBD</p>	<p>2.1 TBD</p>	<p>2.1 Project reports; National Statistics</p>	Service providers/utilities in the targeted areas will ensure the necessary

		(disaggregated by sex, age and disability, where possible) 2.2 Number of people benefitting from access to upgraded WASH facilities through social institutions (disaggregated by sex, age and disability, where possible)	2.2 TBD	2.2 TBD	2.2 Project reports; National Statistics	human resources, in number and quality, to deliver water supply services and ensure sustainability of the proposed investments
Output 1 relating to Outcome 1	1.1 Improved operational, financial management and reporting capacities of WSS utilities in Khatlon region	1.1.1 Number of WSS utilities adopting improved operational and financial management and reporting system and practices 1.1.2 Number of villages covered by WASH Operations and Maintenance plans, being developed through a participative process	1.1.1 TBD 1.1.2 TBD	1.1.1 TBD 1.1.2 TBD	1.1.1 Project reports; National Statistics 1.1.2 Project reports; National Statistics	The regional stability will be preserved particularly in the sensitive plane of Khatlon close to the Afghan border, where the Action intervenes
Output 2 relating to Outcome 1	1.2 Enhanced capacity of Sector-wide MIS in reporting on Key Performance Indicators for selected utilities	1.2.1 Number of utilities operating with billing and accounting system, functionally connected to a sector-wide MIS 1.2.2 Number of utilities receiving trainings on financial management, billing, accounting and respecting UN Guiding Principles on Business and Human Rights	1.2.1 TBD 1.2.2 TBD	1.2.1 TBD 1.2.2 TBD	1.2.1 Project reports; National Statistics 1.2.2 Project reports; National Statistics	
Output 3 relating to Outcome 1	1.3 Enhanced capacity and infrastructure for water quality testing for project schemes and across Khatlon region	1.3.1 Number of water quality labs in Khatlon equipped for regular testing and functionally operational	1.3.1 TBD	1.3.1 TBD	1.3.1 Project reports; National Statistics	

Output 1 relating to Outcome 2	2.1 Increased availability of basic water supply and WASH services in remote villages of the Khatlon province	2.1.1 Number of households (hhs) with new/improved piped connections established in the project area	2.1.1 TBD	2.1.1 TBD	2.1.1 Project reports; National Statistics	
		2.1.2 Number of WASH facilities upgraded in rural schools and healthcare centres (gender-informed, inclusive and accessible)	2.1.2 TBD	2.1.2 TBD	2.1.2 Project reports; National Statistics	
Output 2 relating to Outcome 2	2.2 Enhanced access to alternative solutions for decentralised water supply and WASH services in remote villages without access to the main infrastructures and pipelines	2.2.1 Number of remote villages provided with decentralised water supply and WASH services (gender-informed, inclusive and accessible)	2.2.1 TBD	2.2.1 TBD	2.2.1 Project reports; National Statistics	
		2.2.2 Number of schools and healthcare centres rehabilitated or constructed, in remote villages without access to the main infrastructures and pipeline (gender-informed, inclusive and accessible)	2.2.2 TBD	2.2.2 TBD	2.2.2 Project reports; National Statistics	

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Tajikistan.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is **60 months** from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²⁴.

4.3.1. Indirect Management with a pillar assessed entity

This action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: i) to have already had fruitful collaboration in the implementation of past interventions in support to irrigation management. ii) Being already implementing similar interventions in other river basins in Tajikistan; iii) to ensure alignment with the MEWR operational modality and automatic consistency with the overall water management plan of the Government of Tajikistan.

The implementation by this entity entails

- To improve financial, planning and operational efficiency of water and sanitation sector institutions at national and local level [S.O.1].
- Target beneficiaries (all population without distinction of gender and age) access and use water and sanitation services made available through the intervention in the Khatlon province; [S.O.2].

4.4. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities: indirect management – cf. section 4.3	13 750 000
Specific Objective 1: <i>To improve financial, planning and operational efficiency of water and sanitation sector institutions at national and local level;</i>	1 000 000
Specific Objective 2- <i>Target beneficiaries (all population without distinction of gender and age) access and use water and sanitation</i>	12 750 000

²⁴ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

<i>services made available through the intervention in the Khatlon province;</i>	
Evaluation – cf. section 5.2 Audit – cf. section 5.3	250 000
Contingencies	N.A.
Total	14 000 000

4.5. Organisational Set-up and Responsibilities

Organisational set-up and responsibilities will be negotiated and agreed upon with an International Organisation, and will be relevant to their proposal. The European Union Delegations will be closely involved in the discussion and will participate in any Steering Committee, if formed, in order to ensure the appropriate steer and leverage. In-depth discussions will be carried out on the governance of the individual instruments as part also of the appraisal process, including with partner governments.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the Action.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports taking into account gender equality and human rights dimension (examples: the right-holders/groups living in vulnerable situations have the capacities to benefit the rights to safe drinking water and sanitation and capacity building of duty-bearers). Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The details of the project are currently being finalised, in the context of the WB led umbrella programme "Tajikistan Water Supply and Sanitation Programme - TajWSSP". The programme foresees a series of coordinated projects, among which this Action is included, financed for the implementation of the water and sanitation infrastructure investments and reform agenda. Therefore, when examining the Logical Framework Matrix (section 3.6), two elements need to be taken into account: a) baseline and targets relating to the outcome and output indicators will be quantified and provided once the design of the project is completed and before the signature of the contract; b) Impact targets will be quantified and provided once the design of all modular projects will be fully fledged out.

5.2. Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this programme includes combination of support to the reform of the governance framework and infrastructural interventions.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination²⁵. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract. An additional assessment regarding the respect of human rights and gender equality can be commissioned, for which specific expertise will be allocated. The implementation of the five working principles of the human rights-based approach (participation, non-discrimination, respect to all rights, transparency and accountability) will be assessed and evaluated.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

APPENDIX 1 REPORTING IN OPSYS

An Intervention²⁶ (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

²⁵ See best [practice of evaluation dissemination](#)

²⁶ [ARES \(2021\)4204912](#) - For the purpose of consistency between terms in OPSYS, the relevant Commission services have harmonised 5 key terms, including 'action' and 'Intervention' where an 'action' is the content (or part of the content) of a Commission Financing Decision and 'Intervention' is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the Commission of its operations on the ground. See more on the [concept of intervention](#).

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention is defined in the related Action Document and it is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left side column one of the three possible options for the level of definition of the Primary Intervention(s) identified in this action.

In the case of 'Group of actions' level, add references to the present action and other action concerning the same Primary Intervention.

In the case of 'Contract level', add the reference to the corresponding budgetary items in point 4.4, Indicative Budget.

Option 1: Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Option 2: Group of actions level		
<input type="checkbox"/>	Group of actions	N/A
Option 3: Contract level		
<input type="checkbox"/>	Single Contract 1	N/A