

**Report of the
Analysis of Strategic View of the Swiss-funded Rural
Water Supply and Sanitation (TajWSS) – Stakeholder
Workshop, Dushanbe 4-5 July 2013**



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Field Trip Programme

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List of Stakeholder Workshop Participants

Abbreviations

AKDN	Aga Khan Development Network
AKF	Aga Khan Foundation
CBO	Community-Based Organisation
CSDF	Community Services Development Fund
DCC	Development Coordination Council
DRR	Disaster Risk Reduction
EBRD	European Bank for Reconstruction and Development
EU	European Union
GoT	Government of Tajikistan
IMCC	Inter-Ministerial Coordination Council
IP	Implementing Partner
ISW	International Secretariat for Water
IWRM	Integrated Water Resources Management
KMK	Khojagi Manzili va Komunali (state water supply agency)
MLRWR	Ministry of Land Reclamation and Water Resources
MSDSP	Mountain Societies Development Support Programme
NPD	National Policy Dialogue
NWRM	National Water Resources Management
SCO	Swiss Cooperation Office
TA	Technical Assistance
TajWSS	Tajikistan Water Supply and Sanitation
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
WB	World Bank
WASH	Water, Sanitation and Health
WUAs	Water User Associations

Executive Summary

Participants from Government of Tajikistan institutions, especially the Minister of Ministry of Land Reclamation and Water Resources (MLRWR) and his First Deputy, district authorities in project areas and representatives of water users as well as donor agencies appreciate SCO's regular efforts in organising events of national importance and facilitating dialogue and exchange of information and experiences among national and international stakeholders.

Significant amount of work has been undertaken by SCO and its IPs to facilitate **policy dialogue** at national and local levels. Stakeholders believe future interventions in the water sector should make use of existing policy dialogue platforms rather than creating parallel structures. The stakeholder workshop reiterated the need for **civil society** to be actively involved in future policy dialogue processes. Policy dialogue should be led and driven by the Government of Tajikistan rather than by donors, recommended the stakeholder workshop.

Currently **institutional arrangements** for TajWSS are optimal, dealing with policy and regulatory as well as with issues related to management and operation and maintenance of water supply. Water User Associations (WUAs) play a vital role operations and maintenance of the infrastructure, while at the highest level, the Inter-Ministerial Coordination Council (IMCC) effectively addresses issues of policy and regulatory. The role of Khojagi Manzili va Komunali (KMK) is somewhat ambiguous, especially as its responsibilities include both regulation and operation of water supply and needs to be addressed at national level.

There is a lack of viable mechanism between the IPs to **link rural and urban water supply** on one hand and water supply with irrigation and **Integrated Water Resources Management (IWRM)** on the other. Considering significant Swiss funding in rural and urban water supply as well as its planned National Water Resources Management (NWRM) project in Tajikistan and the importance of the ongoing national efforts in reforming the water sector, more efforts would be required to ensure close linkages between the different elements of Swiss support in the water sector.

The **Water Trust Fund** created by the project ensures decision-making by the local authorities and has attracted some national and local funding supplementing Swiss funding. **Water tariff**, set by relevant national authorities, are based on actual cost for maintenance and operation of the infrastructure and actively involves the users and relevant authorities. The workshop recommended that national tariff standards should be applied for different water supply systems, rather than creating confusions with different tariffs at different locations in the country.

With regards to **Sustainability** participants agreed to make an effort to implement existing livelihood projects parallel to water supply projects that would in long-term ensure its maintenance and sustainability when users will be able to pay for the services but also for possible expansion.

Background

In March 2013, the Swiss Cooperation Office (SCO) conducted **an External Evaluation Review** for the Swiss rural water supply and sanitation program in Tajikistan. The review concluded that the programme has a positive impact on the livelihood and health of the population, it is in line with the new proposed water sector reform and the Swiss Cooperation Strategy for Central Asia for 2012-2015, taking into account IWRM principles and a decentralized approach.

At the project level, the external review validated the achievements of the project objectives and outcomes. It also gave concepts for an enhanced strategic orientation for policy dialogue in the water sector.

The External Evaluation Review focused on **7 main issues**, which are well known to SDC/SCO and to the donor community. The key and all-encompassing issue is **sustainability**. It depends largely on resolving the questions on WASH (Water, Sanitation and Health), **Gender equality, Institutional arrangements, Tariffs, the Water Trust Fund and Integrated Water Resources Management (IWRM) principles**.

On 17 May 2013, the SCO together with key stakeholders (Government, Oxfam and UNDP) conducted a Planning Workshop for Tajikistan Water Supply and Sanitation Project Phase II.

The objectives of the Workshop were to evaluate the achievements of the phase I, to identify key elements for the phase II and to discuss the conclusions and recommendations of the External Evaluation Review with regard to the Rural Water Supply and Sanitation sector in general.

However, some issues remained open and needed additional evaluation and consultation with key stakeholders. Therefore, the SCO hired this international consultant to help prepare a strategic view for the Swiss-funded rural water supply and sanitation project. This workshop would be also important in view of other Swiss-funded rural and urban water supply and the upcoming National Water Resources Management (NWRM) Project in Tajikistan. Moreover, the exercise of stakeholder workshop would also look at these projects in view of the overall water sector reforms in Tajikistan and more specifically the link between these projects and Integrated Water Resources Management (IWRM).

Objectives of the Stakeholder Workshop

The **overall objectives** of the workshop are two-folded:

- i) To provide advice on how to effectively support the Government in the implementation of the water sector reform, and to validating the project components for the second phase.
- ii) To elaborate the **strategic view/roadmap** taking into account the upcoming NWRM project and a large portfolio of rural water supply and sanitation projects in Tajikistan funded by Switzerland.

Specifically, the Workshop will make suggestions on:

- **Validation of the approach and project components** in close coordination with government, Oxfam, UNDP, AKF, ISW.
- Options and recommendations for an effective **Policy Dialogue process** on rural water supply and sanitation, based on the review of the existing policy documentation and ongoing reforms' process at national and regional level (including water, agriculture, DRR). Clarify the role of Implementing Partners in the policy dialogue process.
- Recommendations for an effective **coordination mechanism** at policy level with the Inter Ministerial Coordination Council (IMCC), stakeholder network and other policy dialogue and regulatory platforms in the water sector.
- Identify vital **links with the broader sector reform** and integrated water resources management (IWRM) principles. The place of rural water supply and sanitation in the IWRM process.
- Recommendations on the institutional set up and **future role of "Khojagi Manzili va Komunali" (KMK)**.
- Recommendations on how technically, institutionally and financially to increase **access to sanitation**?
- Recommendations on how the **Water Trust Fund** should be linked with World Bank (WB) and European Bank for Reconstruction and Development (EBRD) approaches concerning municipal services development funds in order to finance both urban and rural water supply and sanitation. How to make this mechanism less dependent on donor funding and increase future sustainability of the Water Trust Fund?

Modus Operandi

I. Field Trip – Peer Review

Prior to the stakeholder's workshop in Dushanbe, SCO Dushanbe had organized a field trip for two days, 25-26 June 2013, to carry out a peer review on the issues suggested in the TORs for the workshop. The peer review was carried out in Muminabad of Khatlon Province, one of the two districts of the first phase of the TajWSS project is implemented. Stakeholders during the peer review included representatives of SCO office in Dushanbe, UNDP staff from Dushanbe and Khatlon, OXFAM staff from Dushanbe and Khatlon, ISW staff from Khujand, MSDSP representative from Khatlon as well as representatives of the MLRWR from Dushanbe and KMK from Khatlon. Other participants included District Chairman of Muminabad, representatives of Water User Associations and Jamoats from Shulolo and Dehlolo Jamoats and representatives of communities. (See Annex for full list of participants in the peer review!)

Activities of the peer review in the field included:

- Meeting with representatives of the WUAs in Dehlolo and Shulolo Jamoats of Muminabad District;
- Focus group meetings with representatives of communities, male and female in the two villages of Shulolo and Dehlolo;
- Meeting with Heads of Jamoats of Dehlolo and Shulolo;
- Meeting with members of the Water Trust Fund for Muminabad District set up by TajWSS Phase I;
- Meeting with the Chairman of Muminabad District and Heads of Sector Departments;
- The mission also visited some project sites in the target areas.



Community Meeting in Dehlolo Village

II. Stakeholder Meetings

Following the peer review in the field, the consultant visited key national and international agencies' representatives in Dushanbe to explore ongoing initiatives by other development partners and to assess MLRWR perception of the TajWSS project and its institutional and policy arrangement in particular.

First Deputy Minister of MLRWR, Head of EBRD in Tajikistan, senior representatives of UNDP, OXFAM, MSDSP/AKF, the water specialist at the EU and representatives of the World Bank were among people met in Dushanbe prior to the workshop.

Inter-Ministerial Coordination Council (IMCC) Meeting: Together with SCO senior staff and Director of Cooperation, the consultant also attended the quarterly IMCC meeting in Rudaki District on 2nd July 2013. The IMCC meets every three months to discuss policy and regulatory matters related to water supply and sanitation. IMCC meetings are usually held in the field with half-day deliberation of issues brought forward by the TajWSS supported Network and visits the field in the second half of the day.

Members of the IMCC include MLRWR (Responsible for overall policy matters), Ministry of Health (responsible for water quality control), Anti Monopoly Agency (responsible for tariff setting), KMK (responsible for regulatory and operation and maintenance of water supply infrastructure), District Chairmen of the target districts, Muminabad and Rudaki, representatives of Water User Associations (WUAs) and representatives of SCO, among others. OXFAM and UNDP serve as Secretariat, while representatives of ISW, the Swiss-funded rural water supply in the North, participate as observers, taking best practices and lessons learned back to Sughd. The Minister of MLRWR chairs the IMCC meetings and in his absence the First Deputy Minister is charged with this task.

During the IMCC meeting, the Minister commended Switzerland for its significant investment in the water sector and stated that the IMCC is an exemplary policy and regulatory platform. The Minister also mentioned the important role the SCO plays in national policy dialogue on water and underlined, with thanks, Swiss Cooperation willingness to support the MLRWR in its effort to pilot the water sector reforms in the Syr Darya Basin in Tajikistan (Sughd Province).

In relation to drinking water supply and sanitation, the Minister requested SCO Director of Cooperation to support the ministry and KMK in review and revision of the State Water Programme (Strategy) for 2008-2020. Some of the shortcomings in the Programme include ambitious targets, beyond the financial capacities of the state and its development partners and unrealistic indicators as well as lack of a clear strategic vision. Moreover, the Minister reiterated further support in the water sector reform with focus on strengthening the National Water and Energy Council (NWEK) of the Republic of Tajikistan. The NWEK has been created by the Government of Tajikistan to address overall national policies

and strategies, chaired by the Prime Minister with 15 sector Ministers and Heads of Agencies as its members.

It is worth noting that the NWEK Secretariat was supported by UNDP through the EU-funded Farghana Regional Water Project until December 2012. However, responding to a request by the Council, the EU had agreed to extend its support for the Secretariat until end of July 2013. Initially, the EU-funded National Policy Dialogue (NPD) was supposed to provide this support but following a tripartite agreement (EU, UNECE, UNDP) UNECE agreed to support the NPD Secretariat, leaving UNDP for its support to the NWEK.



TajWSS Inter-Ministerial Coordination Council Meeting in Rudaki District centre

III. Stakeholder Workshop

The workshop was attended by senior SCO staff in Dushanbe, including the Director of Cooperation, representatives of KMK and MLRWR, representatives of the EU, UNDP, OXFAM, EBRD, AKF, MSDSP, ISW, Caritas and two representatives of WUAs from Muminabad. First Deputy Minister of MLRWR and the SCO Director of Cooperation formally opened the workshop by delivering keynotes on successes and challenges ahead. (List of participants and workshop itinerary are attached in the annex!)

The stakeholder workshop took place at the Mercure Hotel in Dushanbe on 4-5 July 2013. The first day of the workshop was used to elaborate and clarify the list of issues arising from previous missions; from the peer review in the field as well as arising during briefing sessions with SCO and its implementing partners, donors and government agencies. At the end of day one, participants chose 3 major issues for further elaboration in working groups on day two.

The following issues were discussed/brainstormed at the plenary sessions where government and non-government agencies expressed their opinion.

1. TajWSS - Institutional Arrangement at national and local levels
2. TajWSS – Policy, Legislative and Regulatory Framework
3. TajWSS – Water Tariff - local versus national standards
4. TajWSS – Water Trust Fund, its sustainability and its possible extension for other communal services
5. TajWSS – Linkages between rural and urban water supply, irrigation and IWRM in view of the overall water sector reforms
6. TajWSS - Government Leadership and Ownership in planning, implementation and Monitoring and Evaluation processes
7. TajWWS – Policy Dialogue: adopting unified approaches and aligning drinking water policy dialogue with IWRM and overall water sector reforms
8. TajWSS - Cross Cutting Issues: gender, environment, Governance and DRR

Participants chose the following topics as the most important issues that required further discussion in the working groups:

- **Policy Dialogue** – unified approaches for rural and urban water supply as well as for IWRM.
- **Linkages** - between rural and urban water supply and sanitation on one hand and between water supply and IWRM on the other.
- **Tariffs and Water Trust Fund** – applying standardised water tariffs by supporting relevant authorities to adopt national standards so as to avoid creating confusions with different tariff procedures in different areas and regions. Sustainability of **water trust fund** and opportunities to expand it into viable Municipal Development Fund with special attention to social services, in particular in view of a planned initiative by the World Bank on Communal Services Development Fund.



TajWSS Stakeholder Workshop 4-5 July 2013, Dushanbe

Conclusions and Recommendations of the Workshop

- 1. Policy Dialogue:** Considering significant investment by Switzerland in the water sector (rural and urban drinking water, irrigation and DRR/watershed management through IWRM), SCO has an excellent opportunity to influence policies and strategies in the sector.

Participants of the workshop commended SCO in its role as active donor agency in policy dialogue, enhancing policy dialogue through several means. These include an initial policy dialogue concept paper and a national level policy dialogue workshop with key development partners and SCO staff in 2012. Its active role in and support to the process of Agrarian Reform was also mentioned as important.

While reconfirming the role of the government institutions to lead policy dialogue, SCO reported that it is keen to continue facilitating policy dialogue through its current and future interventions by addressing specific policy and regulatory matters as an integrated part of its project implementation, such as the IMCC in TajWSS.

During the stakeholder workshop of 4-5 July 2013 and the peer review exercise in the field (Muminabad) 25-26 June 2013, stakeholders appreciated Swiss engagement, not only in project implementation modalities but also in creating policy, regulatory and strategy platforms.

The stakeholder workshop reiterated the need for further support in policy dialogue and agreed with SCO strategy that future projects should further facilitate policy dialogue through existing platforms, thus avoid creating parallel structures. Enhanced coordination among Swiss-funded Implementing Partners and between them and existing platforms at national and regional levels would further contribute to enriching policy dialogue.

The workshop also reiterated the need for active role of the civil society in policy dialogue and policy development. Policy dialogue should not be donor-driven but should engage the civil society with government for more inclusive policies, where development partners should play a facilitating role.

- 2. Sector Policy/Strategy Development:** Sector policies are usually developed by the relevant sector ministries and agencies approved by the Government of Tajikistan (GoT). Following comprehensive Agrarian Reform processes 2009-2012, three sector ministries/agencies, namely agriculture, land and water, had agreed to develop up-to-date sector strategies that would facilitate the implementation of the reforms. Over the past 2-3 years, in consultation with the Development Coordination Council (DCC), the EU has provided extensive Technical Assistance (TA) to the MLRWR for this purpose. The TA supported the MLRWR in finalising the Water Sector Reform Strategy in May 2013 for approval by

the GoT. Following formal approval of the reform strategy (foreseen for later this year), the TA will further support the MLRWR in the development of a viable implementation strategy, including financial plans and requirements. The planned implementation strategy would then serve as the foundation for the sector strategy.

The SCO coordinates its projects with the ongoing initiatives on sector policy and strategy and would further facilitate the implementation of these policies and strategies in the field. Examples include the TajWSS policy and regulatory platform and ISW initiatives in water supply and the planned NWRM project in Syr Darya Basin of Tajikistan to take off later this year.

During the IMCC meeting on 2 July 2013 in Rudaki District, the Minister of Water Resources requested the SCO Director of Cooperation to support the ministry in reviewing the State Water Programme for 2008-2020, indicating that there are gaps between the programme (strategy) and implementation. More specifically, in view of the ongoing initiatives, the Minister stated that the State Programme needs to be aligned with the water sector reform processes.

The stakeholder workshop concluded that maximum use of existing platforms for sector strategy should be made so as to avoid creating parallel structures, while Swiss-funded implementing partners in the water sector would continue to analyse strengths and weaknesses of current sector strategies that would feed into ongoing sector reforms and further enhance the processes.

- 3. Institutional Arrangement in TajWSS:** The TajWSS project maximises the use of existing national and local institutions so as to avoid creating parallel structures as far as this is possible and feasible. At national level, TajWSS project has created the IMCC, where higher-level policy and regulatory matters are discussed and agreed upon by the sector stakeholders. The TajWSS Network at regional and local level analysis existing strengths and weaknesses in water supply sub-sector, identifies policy and regulatory weaknesses and makes concrete proposals and recommendations to the IMCC, thus feeding detailed analysis on policy and regulatory matters.

Prior to the stakeholder workshop, there were opinions that the IMCC may be duplicating national-level platforms. More specifically, the external review and ongoing internal discussions indicated that policy matters should be addressed through the existing NWEF and the ongoing NPD, rather than creating a water supply specific platform. However, during the individual briefing meetings with the consultant, the First Deputy Minister of MLRWR confirmed that the NWEF and NPD have been extensively engaged in the overall water sector reforms and more specifically on IWRM. Over the past two years, water supply has been discussed only twice, for instance. Therefore, the IMCC plays a crucial role

in addressing specific issues related to water supply and sanitation and should continue its work. Once the water sector reforms have been approved by the GoT and the implementation strategy has been endorsed, the IMCC should eventually merge into national platforms and become an active arm of the NWECC. The Minister of MLRWR further endorsed this proposal during the IMCC meeting on 2 July 2013 and agreed the IMCC plays a crucial role in addressing water supply and sanitation.

The peer review in the field and stakeholder workshop in Dushanbe offered an excellent opportunity for government agencies, development partners and implementing partners to elaborate on how best future institutions can be streamlined. The workshop concluded that the institutional landscape in the water sector is confusing – there are over 10 state agencies involved in the sector. With regards to water supply, roles and responsibilities between MLRWR and KMK and within these agencies need to be clearly defined so as to streamline the institutions. Representatives of KMK and MLRWR reconfirming that the water sector reforms would eventually streamline the institutional arrangement in water supply, among other water uses, stated that much of the confusion arises from lack of a clear institutional strategy at national level. Changing current institutional arrangements would require further support by development partners in legislative framework. The reform aims to separate roles and responsibilities between Policy, regulation, management and operation in the sector. With regards to legislative issues, the National Water Code of the Republic of Tajikistan, the Law on Drinking Water and the Law on Water User Associations require urgent review and revision that would in turn lead to more clarity in the sector.

EBRD, together with Switzerland, invests significant financial resources in urban drinking water. In view of their upcoming programmes on urban drinking water, solid waste and wastewater disposal (some 26 small to medium cities), reported on its plans to support and facilitate reform and restructuring processes of KMK. KMK has been recently assigned by the GoT as the lead agency in rural and urban water supply, charged with regulation and operation. EBRD support would help KMK in separating the two functions, regulation and operation, by creating local/regional companies tasked entirely with operation while the central KMK would continue its task in regulation.

While appreciating SCO efforts in creating joint platforms to discuss such important issues, EBRD Country Director stated the organisation has been looking into institutional issues and confusions and will be pleased to work closely with SCO and national stakeholders to address these gaps and weaknesses more systematically.

The EU representative reported that as part of the water sector reforms, its TA would start working on review and revision of the Water Code, the Law on Drinking Water and the Law on WUAs. The process is due starting in August with the aim to finalise the process by December 2013, after

which the MLRWR will submit revised versions to the GoT and Parliament for approval in early 2014.

- 4. Institutional Development and Capacity Building:** The TajWSS in the South (UNDP/OXFAM), Rural Water Supply in the North (ISW), Rasht Health and Habitat Improvement (including WSS and DRR/watershed management) Project (AKDN) are all actively engaged to build viable grassroots organizations, from Community-Based Organisations (CBOs) by AKDN to Water User Associations by OXFAM/UNDP and ISW and to TajWSS network that serves as a technical working group for IMCC. The TajWSS network at local and district levels works closely with WUAs, representing water users, and links higher-level policy discussions with grassroots. The IMCC, chaired by Minister of MLRWR, includes representatives from Anti Monopoly Agency (responsible for setting up tariffs), Ministry of Health (responsible for water quality control) as well as representative of KMK (responsible for overall water regulation and operation). Similarly, District Chairs from target districts (Rudaki and Muminabad) are active members of the IMCC. Subsequently, the IMCC links local (district) authorities to Central Government, influenced by the Network representing the interest of users, linking grassroots organisations to policy and decision making authorities at central level.

At the local level, TajWSS trains local operators and technicians ensuring newly build systems and assets are well operated and maintained. Members of WUAs are actively engaged in tariff collection but also advising communities to protect the assets and infrastructure.

The stakeholder workshop appreciated efforts by Swiss-funded projects in capacity building and institution development. Participants also recommended that future projects should work to further strengthen local and national agencies and institutions – from grassroots to national level – with the aim to empower these institutions with enhanced capacities and competence to eventually take charge of the sub-sectors in longer-term. Effective coordination among implementing partners would facilitate common and systematic approaches in capacity building and institution development. Building on best practices and lessons learned, systematic approaches would further enhance government ownership and leadership.

- 5. Operational Strategy – Coordination among different Swiss-funded projects:** The Swiss portfolio in the water sector is on the rise. Two rural water supply and sanitation projects in Khatlon and Sughd, one new health and habitat improvement project in Rasht, the ongoing and future urban water supply, together with EBRD, planned to cover some 26 small and medium cities and the planned NWRM project in Sughd and the Transboundary IWRM between Tajikistan and Kyrgyzstan are among initiatives planned for up to 2020 make Switzerland one of the biggest donors in the sector. SCO is fully aware of this challenge and makes every

effort to further facilitate coordination among its implementing partners, under the IWRM umbrella.

SCO has made significant efforts over the past 2-3 years to bring its implementing partners together and closer. Initiatives include organizing workshops with implementing partners together creating a platform for them to meet regularly and discuss important strategic and policy matters together but also to exchange valuable information and experiences with each other. Moreover, these workshops and events organized by SCO have brought implementing partners much closer to other development partners and more importantly to government institutions.

The stakeholder workshop also appreciated these efforts by SCO and concluded that further support would be highly appreciated in facilitation of more effective coordination between the different Swiss-funded projects and initiatives. One way to further strengthen coordination among implementing partners and between them and other development partners as well as relevant government agencies would be the development of a systematic coordination mechanism among implementing partners, notably the AKDN, OXFAM, UNDP, ISW and partners that would be selected for the NWRM and Transboundary project later in 2013. These partners would agree among themselves on the shape and frame of the coordination mechanism. Such a platform would facilitate exchange of experiences and information but would also help the implementing partners agree on how to address issues of institutional arrangement, policy dialogue, tariff setting, water quality and how to link individual projects to IWRM, among others.

6. Linkages rural-urban water supply and water supply and IWRM:

Already during the feasibility studies and project design processes for Rasht and NWRM in Sughd, SCO has clearly identified linkages between different water projects as an important component. Linking water supply with irrigation and moreover with IWRM as part of the overall water sector reforms have been identified as key elements for Rasht and Sughd and will be further strengthened in the coming 4-5 years. The next phase of rural water supply (Khatlon and Sughd) would entail similar components as integrated part of their future implementation strategy.

While SCO will continue its facilitation role through organising seminars and workshops as it has been the trend over the past 2-3 years, implementing partners at the stakeholder workshop agreed to earnestly look into further strengthening of coordination among themselves. Participants agree that such a mechanism would also help implementing partners to identify and address policy and regulatory as well as legislative matters jointly at regional and national levels. Participants also agreed that such a coordination mechanism would help bring together views and perspectives of the local authorities but far more of the users through their representatives, the WUAs.

The stakeholder workshop also concluded that significant efforts have been made in this view and that these linkages will be further strengthened that would create a conducive environment for efficient implementation of the water sector reforms. Other development partners, including the WB, EBRD and EU and government agencies appreciated SCO efforts during the workshop for initiating platforms and events, such as the 4-5 July stakeholder workshop.

The workshop further concluded that in close cooperation between government agencies, development partners and implementing agencies, future projects will further enhance these linkages through more systematic approaches, approaches that are inclusive and can also reflect the actual need of the communities.

7. **Water Trust Fund:** The Water Trust Fund has been established with two main objectives: 1) encourage local and national financial resources contribution to Swiss-funded intervention; and 2) encourage active participation of local authorities in decision-making processes. The Fund has been approved at the national level by the Ministry of Finance and has thus a strong legal basis and support.

With regards to financing of individual sub-projects, central and local governments make 30% contribution, supplementing available funds from the TajWSS project. Local funds come from the district budget, while central funds come from KMK through the Ministry of Finance. According to reports by OXFAM/UNDP, the process works well in Rudaki District but has proven to be more challenging in Mumimabad. Regardless of actual contributions, the project has introduced a joint donor/Government financing mechanism for social projects for the first time and both local and national authorities expressed their sincere appreciation during the IMCC meeting on 2 July 2013. The Fund is chaired by District Chairs and its members include District Heads of relevant Agencies, including KMK, Health, Environment, Emergency Situation Committee, District Construction Agency and MLRWR.

Sub-projects in TajWSS are proposed by villagers and facilitated by the implementing partners to the Trust Fund at district level. Members of the Fund evaluate proposals at their regular meetings and jointly approve sub-projects based on an agreed set of criteria. Following formal approval, sub-projects are then financed, whereby international standards, introduced by the TajWSS project are applied for procurement. District Construction Agency authorities approve standard construction procedures.

In individual meetings with EBRD and WB as well as during the stakeholder workshop debates, it was revealed that the WB planned Community Services Development Fund (CSDF) is far from being finalised and might require another year or two. Towards the end of the mission by

this consultant, the second WB mission was visiting Tajikistan for further discussions with national authorities on the form and shape of the planned CSDF. Considering the time this initiative would require, EBRD, as part of its future plans in urban water supply, examines options similar to TajWSS approach for rural water supply.

Therefore, despite deliberations on the sustainability of such funds, especially its donor-driven nature, participants agreed that the TajWSS project should continue using the Fund approach in Phase II as well until a nationally approved standard mechanism is in place.

Representatives of the WB and EBRD agreed to assess the viability of the TajWSS Trust Fund, take best practices and lessons learned when designing new mechanisms.

- 8. Water Tariff:** Water tariffs are approved by the State Anti Monopoly Agency, considering the costs and complexity of the system, costs involved in operating and maintaining the system, including WUA staff, technicians and operators. There is significant difference in tariffs between pumping stations, gravity water supply, springs and use of drinking water and irrigation from the same sources. The Anti Monopoly Agency has set up a whole range of criteria for tariff setting, ensuring operation and maintenance is fully covered while adding some percentage to be maintained by the WUAs for possible expansion of the system and/or any sudden break down.

Reports by different implementing partners, however, indicate that different tariffs are used in different regions. Compared to TajWSS tariff norms, for instance, the rural water supply project in Sughd charges water users relatively higher, while in Rasht charges are far lower and in other places no charges are applied at all.

Representatives of the MLRWR as well as KMK expressed some concern on different tariff approaches by international agencies and strongly recommended facilitating and support to the relevant government agencies to develop national standards and norms that would apply across the country.

Participants at the stakeholder workshop indicating full support to the recommendation by national authorities and agreed to work closely with relevant national authorities to establish national norms and standards, considering complexity and costs involved in the systems.

Participants also agreed that water tariffs should consider charges beyond the full recovery of the operation and maintenance costs and include additional charges that would ensure expansion and modernisation of the system if and when required. Communities would also welcome this approach, especially where new systems and infrastructure have been built.

- 9. Project Sustainability:** Key to sustainability is self-reliance and self-financing of socio-economic interventions in longer-term. However, experiences in both developing and developed countries shows that social services cannot be sustained without strengthening communities' economic conditions, enabling them to pay for services.

The TajWSS in the South, Rural Water Supply in the North and water supply initiatives in Rasht have all applied tariff mechanisms that would ensure sustained operation and maintenance of the infrastructure. Setting up viable grassroots organisations, such as WUAs with viable technical and managerial capacities, further enhances operation and maintenance of the systems. However, these mechanisms and institutions require long-term support to be maintained and sustained. Yet, sustainability of water supply and sanitation can be best guaranteed if communities have the financial resources to regularly pay for the services.

Therefore, participants of the stakeholder workshop agreed to carefully assess viable options for future interventions in water and sanitation projects that would further enhance the sustainability of newly built systems and infrastructure. Options might include increased tariff, introducing economic development components in future projects as well as implementing future livelihoods and income generation projects parallel to social services projects in the same areas.

- 10. Cross Cutting Issues:** Even though participants had proposed to debate cross cutting issues at the stakeholder workshop, such as environment, gender and Disaster Risk Reduction (DRR), it was beyond the scope of this workshop to address these issues at length. Therefore, the workshop concentrated on water-related DRR and watershed management approaches that would help protecting water sources and avoiding depletion of the source in longer-term. Moreover, participants expressed concern about current sanitation practices and its impact on communities' health in rural areas and agreed to address sanitation as a integrated part of future interventions.

Following extensive debate, participants agreed that current projects concentrate more on the demand and supply side of water supply and have not paid sufficient attention to protecting and sustaining water sources. Continued natural hazards and disasters regularly damage water sources but also infrastructure. Springs, water pipes and village-based infrastructure are regularly affected, as a result.

Therefore, future projects should include a special component on water-related DRR and watershed management. Continued depletion of sources and poor agricultural practices coupled with continued loss of forestry and overgrazing cause significant reduction in the sources of water. Watershed management approaches would help improve the environment enhance protection of natural resources and enhance availability of water sources.

Local authorities during the peer review and participants of the stakeholder workshop also recommended including wastewater treatment in the future projects so as to avoid wastewater becoming a sanitary problem.

The recent OXFAM/UNDP Project Document incorporates sanitation in the phase II of the TajWSS project, taking into consideration the recommendation by the external review in March 2013. Local authorities, during the meetings, appreciated sanitation as integrated part of the next phase stating serious health concern resulting from current state of sanitation.

Annexes:

Field visit to Muminabad 25-26 June 2013

June 25th	
Time	Activity
07:30 – 10:30	Transfer from Dushanbe to Sholulo village
10:30 – 11:00	Meeting with Water User Association / Jamoat Authorities
11:00 – 12:30	Meeting with Beneficiaries (women and men separated)
12:30 - 13:00	Transfer to Kulyab
13:00 – 14:00	Lunch in Kulyab
14:00 - 15:00	Transfer to Dehlolo village
15:00 - 15:30	Meeting with Water User Association / Jamoat Authorities
15:30 - 17:30	Meeting with Beneficiaries (women and men separated)
17:30 - 18:30	Transfer to Kulyab
19:30	Dinner
	Overnig in ATAC Guesthouse
July 26th	
Time	Activity
08:30 - 09:30	Transfer to Muminabad
09:30 - 10:00	Meeting with Federation of WUAs
10:30 - 11:00	Meeting with the Head of Muminabd District
11:00 - 12:30	Presentation of the project and meeting with WTF Board Members
12:30 - 14:00	Lunch in Muminabad
14:00 - 15:30	Joint meeting with community
15:30 - 19:30	Transfer from Muminabad to Dushanbe

**Joint Field Trip to Muminabad - Peer Review TajWSS and
preparation for Strategic Vision Swiss funded RWSS program in
Tajikistan**

25/26 June 2013

List of participants

Event: Field trip to Muminabad
Date/Time: 25-26 June 2013

#	Name	Agency
International Agencies		
1	Mr. Davide Costa	Oxfam GB int,
2	Mr. Alisher Alimov	Oxfam GB Int,
3	Mr. Komil Gulomnabiev	MSDSP/AKF-PG manager Khatlon
4	Mr. Shukhrat Igamberdyev	UNDP
5	Mr. Rustam Faiziev	UNDP
6	Mr. Jalol Sharipov	Caritas
7	Ms. Rahbar Homidova	ISW
8	Mr. Dhruva Mani Paudel	ISW
9	Mr. Ruslan Sadykov	Swiss Cooperation Office
10	Mr. Nassim Jawad	Consultant to Swiss Cooperation Office
National Agencies		
11	Mr. Islomov Khurshed	Ministry of Water Resources
12	Mr. Suifiev	Ministry of Health and San Epidemiological Station

Programme Workshop on Tajikistan Water Supply and Sanitation Project (TajWSS) phase II and Strategic Vision of the Swiss funded Rural Water Supply and Sanitation program

Day/Time	Subject	Facilitator/Speaker
<u>Day 1:</u>		
8:30-9:00	Participants Registration	
9:00-9:10	Opening Remarks	Mr. Peter Mikula, SCO Country Director
9:10-9:20	Opening Remarks	Mr. Sulton Rahimov, First Deputy Minister, MLRWR
9:20-9:30	Objectives of the workshop	Nassim Jawad
9:30-10:30	TajWSS – Institutional Arrangements	Plenary discussion
10:30-10:45	Coffee Break	
10:45-11:15	TajWSS – Legislative Framework	Plenary discussion
11:15-12:30	TajWSS - Tariffs	Plenary discussion
12:30-13:30	Lunch Break	
13:30-14:00	TajWSS - Water Trust Fund	Plenary discussion
14:00-14:30	TajWSS – Linkages rural and urban water, IWRM, water sector reform	Plenary discussion
14:30-15:30	Policy Dialogue	Plenary discussion
15:30-15:45	Coffee break	
15:45-16:00	Government Leadership and Ownership	Plenary discussion
16:00-16:30	Cross-cutting issues (water and gender, environment, DRR) integrated approach	Plenary discussion
16:30-17:00	Conclusions of Day 1	Nassim Jawad
<u>Day 2:</u>		
9:00-12:30	Working Groups (including coffee break)	Facilitation Nassim Jawad
12:30-13:30	Lunch break	
13:30-14:30	Presentation of working groups	
14:30-15:00	Coffee break	
15:00-15:30	Presentation of conclusions and recommendations and validation	Nassim Jawad
15:30-15:45	Concluding Remarks/notes	SCO/MLRWR

**Workshop “Tajikistan Water Supply and Sanitation Project (TajWSS) phase II, and
Strategic Vision of the Swiss funded Rural Water Supply and Sanitation program in
Tajikistan”**

List of participants

Date/Time: 4-5 July 2013, 09:00 – 17:00 hrs
Venue: MERCURY Hotel Hall,
Conducting Agency: Swiss Cooperation Office in Tajikistan

#	Name	Agency
International Agencies		
1	Mr. Christian HELL	European Commission
2	Yodgor Faizov	AKDN/AKF
3	Mr. Sirus Khujamov	AKDN/AKF
4	Mr. Ulf Hindstrom	EBRD
5	Mr. Marc Gloekler	CARITAS
6	Mr. Whillem	CARITAS
7	Mr. Peter Mikula	Swiss Cooperation Office
8	Ms. Regina Gujan	Swiss Cooperation Office
9	Mr. Ruslan Sadykov	Swiss Cooperation Office
10	Mr. Sukhrob Khoshmukhamedov	UNDP
11	Mr. Khurshed Kholov	UNDP
12	Mr. Shukhrat Igamberdyev	UNDP
13	Mr. Nassim Jawad	Swiss Cooperation Office (consultant)
14	Mr. Sascha Djumena	Acting Country Manager World Bank,
15	Mr. Faridun Sanginov	World Bank, NPO,
18	Mr. Olivier Normand	ISW
20	Mr. Dhruva Mani Paudel	ISW
21	Mr. Ghazi Kelani	Oxfam GB
21	Mr. Jonathan Puddifoot	Oxfam Regional Programme Manager
22	Ms. Madina Aliberdieva	Oxfam GB
23	Mr. Davide Costa	Oxfam, TajWSS Program manager
24	Ms. Asel Chengysheva	ADB
National Agencies		
25	Mr. Sulton Rahimov	Deputy Minister of Water Resources
26	Mr. Abdukhakim Sattorov	Ministry of Water Resources
27	Mr. Gul Sharifov	KMK/Tojikobdekhhot
28	Mr. Khotam Ubaidulloev	KMK
29	Mr. Amrokhon Ibrogimov	WUA (Muminabad)
30	Mr. Alimardonov	WUA (Muminabad)