



# Tajikistan Water Supply and Sanitation Project (TajWSS)

## Water Trust Fund Evaluation

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**Report by:**

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With support from Aguaconsult on global lessons on sustainability and financing of water supply



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### **Acronyms**

BDS	Business Development Services
GoT	Government of Tajikistan
KMK	State Unitary Enterprise “Khojagii Manziliu Kommunalii” (for Housing Services)
MoF	Ministry of Finance
O&M	Operation and maintenance
RWSS	Rural Water Supply Sector
SDC	Swiss Agency for Development and Cooperation
TajWSS	Tajikistan Water Supply and Sanitation Programme, implemented by Oxfam with Swiss Development Corp funds
WTF	Water Trust Fund
WUC	Water User Committee

## 1.0 Executive Summary

Decentralization in Tajikistan is a commitment of the Government of Tajikistan (GoT), as a part of wider efforts to define responsibilities of local government and build their capacity to oversee management of common assets and services, including water infrastructure.

The Water Trust Fund (WTF), a unique model to support local authorities to sustain local ownership of rural water supply and create clear modes of decision-making, is being implemented as one of the components of the TajWSS programme implemented by Oxfam GB. The aims of the WTF are to establish a mechanism to promote increased investment and financial sustainability in the subsector and improve coordination between legitimate stakeholders. More broadly, it is important to note that the WTF is used for capital investment of new systems and rehabilitation of old systems, although does not cover recurrent costs (i.e. electricity or any operation & maintenance costs).

An internal evaluation, supported by Aguaconsult, an external consulting group working in rural water sector sustainability, was undertaken to assess the relevance, efficiency, effectiveness, and sustainability of the WTF and to provide recommendations on how the instrument could be revised, based on the Tajik context.

While the evaluation reviewed the WTF experiences to date, as the project has been underway in two pilot districts (Rudaki and Muminabad districts) for approximately 15 months, there has not yet been sufficient experience to determine whether the WTF concept has been a success or a failure. However, broadly it was found that there were positive outcomes in the areas of accountability and promoting local ownership, although it was viewed to have no immediate positive impact on bringing increased levels of funding to the rural water sector. There are also several areas where transparency at the local level could be improved.

Determining accountability for the rural water sector has been demonstrated at the national level through the WTF and wider TajWSS programme: A significant achievement occurred at the outset of the project when the Minister of Finance wrote to the Executive Office of the President agreeing to co-fund the programme from the state budget at a level of 15% from the Central Budget, and 10% from the District Budget for a total of 25% government contribution. It is a fundamental principle that governments have responsibility to provide public services to its citizens, therefore there being major challenges in following up to access this fund, the broad principle being established represents a departure from typical financing in the past in Tajikistan of RWS.

Significant progress in accessing this fund could come from KMK's improved relations with implementing agencies. Additionally, to sustain this co-ownership financing system requires intensive commitment and persistence from Hakumat officials which may be difficult to achieve on a wider scale.

At the local level specifically, the progress achieved in developing frameworks for defining gaps in the RWS and developing a process to evaluate and implement new projects under a single Board, was also found to be a significant achievement. Both districts felt this has increased accountability and ownership for rural water supply, which previously were felt to be "out of the hands" of Hakumat officials and led by other stakeholders, particularly NGOs.

A main problem cited by all informants was that there needs to be a better plan to attract more investment to the WTF. In both districts, the water supply projects that were already included as part of the wider TajWSS project (with the majority funding via SDC/Oxfam, but also from the Hakumats) have been the only funds to come through the WTF. Despite this, it has been positive first step that the WTF gives the space to look for creative solutions to address gaps in RWS, even if it does not immediately come up with solutions. However, this process needs to be quickly followed up with investment activity or it is likely that people will lose faith in the process. Both districts have put great faith in the private sector, and it is unlikely that these plans will materialize in the near future. It is therefore important that clear plans are supported, which could include coordinated investments plans indicating what funds are needed, or the objective of the WTF in securing investment should be removed. The RWS in general, globally is not an attractive opportunity for investors, who are expecting returns to their invested funds. However as detailed in accompanying research (see Appendix A) there are global examples where local financing can be leveraged for positive results.

In the future, the greatest challenge in further testing of the WTF model is in securing money for the “fund” element and until this transpires, the success of the model will not be fully determined. Access to local finance should also be investigated. This would include uncovering organizations that are doing micro/meso finance in Tajikistan, as well as looking into examples of potential for Business Development Services (BDS) in collaboration with organizations traditionally involved in this area (i.e. UNDP, WB). Investigation into these areas would help to give a clearer picture of opportunities of local financing in RWS. Also, the WTFs value in further supporting decentralization through building the capacity of the local authority must be done making stronger links to outside processes and stakeholders who look at fiscal decentralization more in depth.

## 2.0 Introduction

The TajWSS programme, which began in July 2010 and begins its 2<sup>nd</sup> phase in December 2013, seeks to improve the coverage and service delivery of water supply for rural communities through bringing about change in both policy and practice of water management and governance in Tajikistan. The changes brought about by the project look into offering new possibilities for enhancing sustainability of water supplies and systems.

A general principle underlying the programme is the "Institutional Principle", supporting the transfer of responsibility to the lowest appropriate level of government and facilitating greater involvement of civil society, the private sector, and other stakeholders in bringing about change. Therefore, decentralization of water supply is central to strategies that promote sustainability of water supply in Tajikistan, in particular, at the "Hakumat" level<sup>1</sup>. Decentralization in Tajikistan is a commitment of the Government of Tajikistan (GoT) and an ongoing process, as a part of wider efforts to define responsibilities of local government and build their capacity to oversee management of common assets and services, including water infrastructure.

This process has proven to be a challenging one for localities (or Hakumats) given the recent legacy of upheaval in Tajikistan, due to armed conflict, loss of trade with Soviet Union, and lowering living standards, leading to unemployment and lack of revenue as well as deterioration of basic services (Freizer, 2004): *"Localities have been left mainly on their own, to cope with the situation in a most basic way, seeking piecemeal solutions to structural problems. However as social, political, and economic conditions have begun to gradually improve, the question of how to formalize the competencies of institutions of local self-government has come to the fore"*.

The Water Trust Fund (WTF) model has been designed to support local authorities to sustain local ownership, create clear models for decision-making and put the local government in the "driving seat" of rural water supply. The aims of the WTF are to establish a mechanism which will promote increased investment and financial sustainability in the subsector and improve coordination between legitimate stakeholders.

### Objectives of the Evaluation

The purpose of this evaluation is to look at the WTF as a financing instrument in its initial stages of implementation. The main users of the evaluation will be TajWSS project and SDC – SCO, who will use it as a base for the improvement of the financing instruments used by TajWSS and RWSS projects.

The evaluation will specifically:

- Assess the relevance, efficiency, effectiveness, and sustainability of the WTF.
- Provide recommendations on how the instrument could be revised, based on Tajik contexts and good practice from similar countries.

As the TajWSS project first phase is nearing completion and plans are underway in design of the second phase, which will be implementing larger numbers of similar drinking water supply schemes<sup>2</sup>, and possibly others, the emphasis on the consultancy was on finding an optimal instrument, or other

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<sup>1</sup> Hakumat is City or regional government in Tajikistan.

<sup>2</sup> 2<sup>nd</sup> phase – to begin 1<sup>st</sup> December 2013

ways of working, that would deliver the objectives of those projects for which the WTF was designed.

### **Methodology, Limitations, Timetable and Review Team**

The evaluation period began at the end of October 2013, with a brief desk review of documents supplied by TajWSS staff, and supported by external consultants (Aguaconsult) who assisted in design of a questionnaire. The evaluator then spent five days in country in the period of November 17-23 (for details of Itinerary see Appendix B), undertaking data collection with key informants. A schedule of semi-structured interviews took place with stakeholders identified by the TajWSS team, which included central government counterparts in three ministries (Finance, KMK and Land Reclamation and Water Resources), SDC (donor to project), NGO, WTF Board members, and Water User Association members. These interviews largely took place during visits to the two pilot districts, but also through meetings with stakeholders in Dushanbe. The final write-up took place upon return to Oxford, UK where the evaluator was supported by Aguaconsult (in particular, covering areas of global lessons and investment models).

While the evaluation is of the WTF experiences to date, as the project has been underway in the pilot districts for approximately 15 months (since July-August 2012), there is not yet sufficient experience to evaluate impact or whether the WTF concept has been a success or a failure. Therefore the evaluation is focussed on what has worked and what has not worked in experiences to date, and what areas should be improved as the model is proposed to feature in the second phase of TajWSS.

The evaluator is Leslie Morris-Iveson, a water and environment sector professional with 12 years experience in countries throughout Asia, Africa and Latin America, currently working as Water Policy Advisor at Oxfam GB in Oxford.

Aguaconsult, the supporting partner, is a UK based consultancy and the team includes Harold Lockwood (Principal) with over 23 years sector experience and Ryan Schweitzer with 8 years experience.

### **1.1 The Water Trust Fund (WTF) Concept**

The Water Trust Fund is an integral part of the TajWSS project, as a model to ensure continuous and sustainable investment in the district rural water supply sector by channelling support for project implementation. The wider TajWSS project, supported by SDC, aims to ensure “rural communities in Tajikistan have sustainable access to drinking water and sanitation” and began in July 2009. The two main specific objectives include:

1. Improvement in the policy environment related to water supply and sanitation at central and local levels; and
2. Improved practices that lead to sustainable management of water supply services are endorsed by key stakeholders

It was originally envisaged that the models and practices tested in the two pilot districts would be used to inform approaches and help to reach scale.

Objectives of the WTF include:

- Encourage greater investment in the RWS subsector aimed at supporting the rural population, with a specific focus on the most vulnerable communities and families (*Note: Investment in the RWS subsector is taken to mean investment in new construction or rehabilitation of water infrastructure, and not investment in recurrent costs that sustain water delivery in the long run*)
- Serve as a cost-effective funding mechanism to secure financial resources from investors

- Provide a funding mechanism which increases transparency in decision-making and promotes decentralised governance through greater levels of fiscal decentralisation
- Support the practical implementation of the TajWSS project agenda, and the GoT's Programme on the 'Improvement of Providing the Population of the Republic of Tajikistan with Pure Drinking Water 2008 - 2020'
- Promote sustainability in the subsector by establishing an effective institutional framework and by implementing projects using the best-practices which were developed and adopted, by the TajWSS project over the past two years.

The WTF would offer an option to donors who want an independent supervised mechanism for channelling support funds to the rural potable water sector in Tajikistan.

More broadly, it is important to note that the WTF is used for capital investment of new systems and rehabilitation of old systems, although does not cover recurrent costs, such as electricity or any operation & maintenance costs.

The WTF instrument being implemented in Tajikistan is unique to the sector, globally. Trust funds have been used in a number of developing countries as a type of investment fund which is dedicated to balance services levels in order to address social protection issues. In developed countries, a water trust fund serves as a grant for water/sewerage arrears and/or one off payments for household bills and costs. In other contexts water trust funds have been established for environmental protection measures - water users pay into which in turn pays for conservation and agriculture investments in the upper watershed in order to secure water quality and, in some cases, water quantity improvements.<sup>3</sup>

It is important to note that because the experience of the current project in Tajikistan is unique, and little evidence or literature exists currently on the use of trust funds for this particular purpose, therefore there are few lessons to take advantage of, and it is therefore important to review progress as it occurs.

### **Steps to form a Water Trust Fund**

(Extrapolated from the document: "Rural Water Trust Fund" Concept)

Basic activities to establish a WTF in district according to the document "Water Trust Fund Concept" can be summarised as followed (not necessarily in order):

1. Implementation of WTF board in district, with Head of Hakumat as Chair and including other quasi-/governmental stakeholders. Establish subcommittee and Executive.
2. Issue decree (or "official notice"/bye law) and begin operations by meetings, establish reporting and operational procedures.
3. Signing of a Water Trust Fund Legal Agreement governing the arrangements for the transfer of the funds to the selected projects.
4. Adopting criteria for applications to WTF, and project cycle of WTF
5. Establish bank account – access to Chair and Hakumat Accountant as signatories (It is crucial that second signatory is Representative of the investor)
6. Publicize WTF to communities. Take applications to WTF, support communities to adhere to parameters established by WTF. Shorting listing of applications
7. Preparation for implementation –baseline and pre-feasibility, work with WTF members to establish O&M procedures, tariffs, Water User Association formation

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<sup>3</sup> From "TajWSS mid-term review – June 2012" by the evaluator  
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8. Pre-Funding agreement – contracts between applicant and service provider, co-signed by WTF. Contracts awarded based on tendering.
9. Movement of funds to the Water Trust Fund according to contributions agreed (15% national government, 10% local government, 5% application, 70% donor) for selected projects.
10. Construction of water supply scheme and monitoring by WTF Board.
11. Project hand over to operator.
12. Continued M&E, engagement with community.
13. Continuous strategy for finding donor funds for further WTF projects.

Further to the above process, which are mainly concerned with the legal establishment and functioning of the WTF, a large effort has been placed on tracking down funds as agreed from different stakeholders (the process of collecting funds to fulfil step 9 above). Early in the TajWSS project, a significant achievement was reached when the GoT via the Ministry of Finance announced that the central government would agree to co-funding the programme from the state budget (announced in February 2011). Further to this announcement, a contribution schedule to the project was determined which included: 15% from the Central Budget, 10% District Budget for a total of 25% government contribution (a further 5% contribution would be met by the service provider) and 70% from the investor.

## **2.0 Evaluation - Major Findings**

### **2.1 Status of Implementation of WTF**

The progress achieved so far in the WTF model includes the following: frameworks have been developed including a concept note which outlines implementation modalities (see document “Rural Water Trust Fund”), sensitization at National level through presenting the model to the Inter-Ministerial Coordination Committee, as well as legal research commissioned on understanding legal aspects of creating a fund at Hakumat level which established what type of institutional agreement is more suitable to achieve the goals of the WTF. At national level, an agreement has also been made on a contribution structure to fund new water supply projects, from government and donor (see following section for more details).

The WTF has been rolled out in two pilot districts in July (Rudaki) and August (Muminabad) 2012 through a decision taken by the Head of Hakumat. Support has been given to the districts through personnel/technical support largely through the first phase of the TajWSS programme, which has included support to the district on start-up of the WTF. TajWSS staff have supported the Hakumat to form the Board and the Executive, understanding roles and criteria for projects in WTF, and staff have assisted in trouble-shooting of project implementation when funds coming through the different contributors were not forthcoming. The WTF model functions almost entirely at Hakumat level, therefore the experiences in the two districts were the areas where the evaluation was focussed.

According to the summary of the steps that need to be followed to form a water trust fund concept (section 2.1) most of the process related to WTF formation has been achieved in the districts, however steps 2 and 9 have been the most problematic – both steps are related to financial aspects of the WTF (which include garnering financial contributions via the tripartite structure, and

strategizing to secure more financing for the fund). Therefore, the greatest challenge in further testing of the WTF model is in securing money for the “fund” element and until this transpires, and until there is sufficient time, but also a direct strategy addressing this, the success of the model will not be fully determined.

## 2.2 Main Issues and Challenges

**Financing and Local Ownership – agreements for contribution to new infrastructure and channelling funds:** A significant achievement of the WTF occurred at the outset of the project when the Minister of Finance wrote to the Executive Office of the President agreeing to co-fund the programme from the state budget (announced in February 2011). It that the contribution to the project should be 15% from the Central Budget, 10% from the District Budget for a total of 25% government contribution (a further 5% contribution would be met by the service provider), while 70% of project financing would come from the investor (i.e. the donor).

The idea of the tripartite contributions (via central government, local government and investor) is significant in terms of ownership and represents a departure from typical financing in the past in Tajikistan of RWS, and as well represents global good practice for the sector. Most projects of this nature in the past in Tajikistan and elsewhere, globally were based on complete donor financing, with a marginal community contribution typically “in kind” (i.e. through labour, digging trench to pipeline for instance). Ownership amongst the government was typically fostered by NGOs through building their O&M capacities amongst relevant bodies, handing over projects to local government, and in larger projects, working on some aspects of institutional capacity-building on oversight of RWS.

It is a fundamental principle that governments need to take responsibility for providing essential services (which includes clean water) to its citizens, but many countries where MDGs are not on-track, such as Tajikistan<sup>4</sup>, more efforts are needed. The announcement of government co-financing is significant, as it indicates a level of responsibility which the GoT accepts, taking ownership of providing clean water to its citizens, as outlined in the GoT’s Programme on the ‘Improvement of Providing the Population of the Republic of Tajikistan with Pure Drinking Water 2008 - 2020’.

Despite these positive principles being established, at all levels (with the exception of Rudaki district) the government disbursement of funds has been problematic. The outcome at the time of evaluation was that the local government was able to meet their 10% contribution (i.e. they were able to pay 10% of the project costs). In Rudaki district this was met easily through the local budget which is funded through district revenue, while in Muminabad this commitment was met with difficulty due to lack of finance resources. The efforts of the Hakumat staff in Muminabad should be commended, as they faced great difficulties with a tight budget. This has been a significant achievement as the WTF has been key in ‘unlocking’ sources of financing, and garnering agreements

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<sup>4</sup> According to the WHO/UNICEF Joint Monitoring Programme (JMP)—54% of the rural population use an improved drinking water source. Of this total population 51% are connected to centralized systems. Anecdotally, there is belief that this figure is much less, considering low levels of functional sustainability of water supply in Tajikistan, as well as extensive water quality problems. It is estimated that 70% of rural water supply systems are not functioning (evaluator meeting with government staff during a previous visit in February 2011).

from different sources on percentage contributions. Please see below table for an overall approximate summary.

**Table A: Summary of financial contributions by project and source of funding in USD (status – Jan 14) – shaded shows contributions in arrears**

	National Government Contribution (15%)	District Government Contribution (10%)	Operator Contribution (5%)	Investor Contribution (70%) – Oxfam/SDC
<b>Rudaki District</b>				
Rohati village	Not met - 168,041.12	118,000.00 paid	Partially paid – 35,000 owing	866,329.87 paid
Balkhi village	Not met - 109,833.60	71,156.00 paid	Partially paid – 9,111 owing	573,661.60 paid
Barakhat village	Not met - 90,501.15	58,087.00 paid	Partially paid – 4,667 owing	459,993.70 paid
Darai Kalon village	Not met - 39,656.55	26,437.70 paid	Not met - 13,218.85	185,063.90 paid
Anguli village	Not met - 74,763.60	49,842.40 paid	Not met - 24,921.20	348,896.80 paid
<b>Muminabad District</b>				
Muminabad town pipeline	Met partially - 92 000 paid of 762,614.20 (cost of design)	381,307 paid	Not met by KMK	2,669,149.70 paid
Deholo village	Not met - 132,177	88, 121 (This amount was not considered as a contribution of Hukumat, because these 2 systems were pilot ones and it was decided to get only contribution from population)	Partially paid – 21,460 owing	881,186.00 paid
Shululu village	Not met - 31,900	21,200 (Same as above)	10,635 paid	212,696.00 paid

The KMK represents the largest contribution out of the government agencies, reflecting their different roles in the rural water sector – they are overall agency responsible for urban and rural water supply in Tajikistan. Therefore KMK is responsible for the 5% contribution as service provider in the case of Muminabad (for the urban water supply provider), and they are ultimately responsible for as the 15% contribution from the National government as line agency responsible for urban and rural water supply. The funds as line Ministry responsible, are originally sourced from the national budget, allocated via the Ministry of Finance.

The fact that no contributions to date have come through the KMK, is particularly concerning. In Muminabad, the KMK have communicated that they have full understanding that they are

responsible for their contribution as service provider and have the intention to provide funds eventually – it was explained that in district this has not been possible as tariffs had not been collected at the level to cover depreciation of urban water supply. However at national level, there appears to be little activity to recover funds to pay current outstanding contributions. This issue was also discussed with a representative of the Ministry of Finance, with positive indications. The MoF was aware that national funds should be allocated to the project, and had suggested better ways forward in the future.

There appear to be several reasons for why the contributions have not been met by government. One is lack of planning of the project around government budgeting timelines. A District Head stated that if contributions are easy to plan, than it would not be as difficult to locate funds. The other reason is clear lack of funds – there are many different development priorities and RWS is one area of many. Several government informants stated that funds are limited, demonstrating issues with competing demands for funds and overall inability of GoT to provide necessary financial and material resources to fund RWS. The MoF suggested several ways forward including the possibility of disbursing funds direct from MoF to the Hakumat, instead of through the Line Ministry (KMK).

Despite these mixed results with government financing, it is a promising start, having some achievements through the district financing but also some hindrances and setbacks such as financing through KMK. What has been clear, is that the level of local ownership has been greatly dependent on personal commitment and the management of the district, which has included often great efforts by the Head to overcome challenges faced. In Muminabad for example, the Hakumat Head has been repeatedly going to Ministries (two visits to Ministry of Finance) to track down central government contributions to water supply projects. This commitment, while difficult to reflect in plans, is necessary for the success of the WTF. A successful prerequisite is to give support to the Head of Hakumat – it should not be taken for granted that there is an additional responsibility for looking into financing issues, and takes up a lot of time. Some chairs may be hesitant at this responsibility and support via Oxfam TajWSS staff has been very useful to the two pilot districts.

It is for this reason that the idea of public-private partnerships (PPP) is seen as a promising area, by both district Chairs. There has been a law adopted in the previous year on PPP, and a clear interest to attract the private sector into financing. These plans should be cautioned – there is little attractiveness for private sector to financing rural water supply, as there are few returns on investment. Obstacles to leveraging private sector finance include uncertain risk, atypical loan conditions (longer loan cycles), and a general unfamiliarity with the landscape by private financial institutions.

**Local Level Financing/Access to Private Financial Markets:** There are five general funding sources for financing of water and sanitation interventions at the local level. These include: intra-governmental transfers, sector projects/programme funds, “off-budget” funds (i.e. from donors directly to NGOs), local government budgets (taxes), and service provider budgets (tariffs). However, considerable experience in the sector suggests that commercial financing through private financial institutions (PFI) can be used to leverage donor and government funds to reach more users and also improve the financial sustainability of services.

A recent study in El Salvador, Guatemala, Honduras, and Nicaragua concluded that the difficulties in maintaining water service infrastructure in these countries was not due to an overall lack of capital

but rather a misallocation of available resources and the lack of private sources of capital<sup>5</sup>. Although it is likely that there are differences in the availability of capital between Latin America and Africa or Asia, in most developing countries private financial markets tend to be limited and often there are significant challenges to encouraging local level financing.

Organizations or institutions trying to access finance (local government units, public or private utilities, or in limited cases associations of community based organizations) tend to have a low capacity to prepare business plans necessary for commercial banks. Compared to traditional loan applicants these organizations often have poor financial and operational capacity and little or no experience in the loan procurement process. For example a recent study from Tajikistan found “a lack of knowledge and capacity of the local communities, and service providers, to develop and provide adequate proposals, base-line data, feasibility documents, and technical designs could impact on the efficiency of the WTF model” (pg 16- “WTF Concept Note”). Table B summarizes the general differences between traditional clients of private financial institutions and WASH service providers.

**Table B: Summary of differences between traditional private finance clients and WASH service providers**

Category	Traditional/Ideal PFI clients	Utilities/ service providers (public or private)
Loan Cycles	7-10 years	15-20 year
Lending basis	Cash flow based	Collateral based
Capacity to Prepare Application	Strong	Lower capacity to prepare detailed business plan
Creditworthiness	Clear	Often unclear
Other	Limited political issues	Considerable political risk (perceived or actual)

**Local ownership of RWS:** The WTF has been successful in attracting interest amongst local authorities, and thus strategizing around rural water supply. The Deputy Hakumat in Muminabad claimed that previously there was “no proper control, monitoring, or involvement of authorities” over water supply projects, however through the WTF, there has been more involvement at all stages of project planning and implementation. This appears to have had a knock-on effect of catalysing the local authority to direct attention to the status of RWS, and look into levels of coverage in the district and what levels of investment is needed to fill the gap.

Evidence of the Hakumat taking ownership of the WTF include the following:

- the Hakumat in Muminabad has written to other NGOs present in the district (Caritas, Christian Aid) to inform them of the WTF and request their involvement – Caritas is participating in network meetings and contributing ideas although not yet contributed funds to the WTF
- the WTF board in Muminabad has been able to alter the criteria put forward by the WTF concept note to suit local circumstances
- In both districts there is an interest to explore whether the WTF could be broadened to encompass other development activities, not just water. In Muminabad, a women’s dairy collective was mentioned as a project needing investment and having potential to be a part of a fund similar to the WTF

Despite there being clear ownership at the local level, ownership of the process by the Line Ministry, at national level in support of district level activity, appears to be poor at present – largely evident by refusal to pay their contribution. It has been discussed that engagement in district plans needs

<sup>5</sup> This information is from a draft report of the study on Water Service Financing for Central America by Absolute Options and funded by Catholic Relief Services. .

to be undertaken at all levels - there should be better national reporting on activities of the WTF, which includes updates on the WTF and which projects are underway. As well, it would appear that KMK were not involved in the design phase of the WTF, and they now see little incentive for their involvement. More attention could be given to understand how process, participation and incentives could be addressed in developing a link with KMK to the WTF.

**Lack of investment in RWS:** A main problem cited by all informants was that there needs to be a better plan to attract more investment to the WTF. In both districts, the water supply projects that were already included as part of the wider TajWSS project (with the majority funding via SDC/Oxfam, but also from the Hakumats) have been the only funds to come through the WTF.

Despite this, it has been positive first step that the WTF gives the space to look for creative solutions to address gaps in RWS, and how these gaps will be financed, even if it does not immediately come up with solutions. The previous approach for the local government was passive, the Hakumat would be informed by NGOs on their programme plans, and they would not take any role in implementation. The WTF has reversed this and has put the local government in the driving seat. The overarching questions of identifying what gaps exist, and what are the possible sources of financing to close this gap, is useful. However, this process needs to be quickly followed up with investment activity or it is likely that people will lose faith in the process. Both districts have put great faith in the private sector, and it is unlikely that these plans will materialize in the near future. It is therefore important that clear plans are supported, which could include coordinated investments plans indicating what funds are needed, or the objective of the WTF in securing investment should be removed.

As mentioned above, the RWS in general, globally is not an attractive opportunity for investors, who are expecting returns to their invested funds. However as discussed in section 2 – there are global examples where local financing can be leveraged for positive results.

Access to local finance should be investigated in Tajikistan. This would include uncovering organizations that are doing micro/meso finance in Tajikistan, as well as looking into examples of potential for Business Development Services (BDS) in collaboration with organizations traditionally involved in this area (i.e. UNDP, WB)<sup>6</sup>. It is unlikely that private financial institutions in Tajikistan are operating commercially, and it is unlikely that there are private organizations providing BDS services on a profitable basis, but there is a possibility that there are private BDS service providers working under projects (usually donor or central government funded). Investigation into these areas would help to give a clearer picture of opportunities of local financing in RWS.

There are still many challenges in leveraging commercial or private investment. Tajikistan's banking system needs to meet several criteria, including having a level playing field; and the freedom to operate independently, before transitioning to commercial based lending (Tajikistan DDC presentation, 2012). Private sector-led growth is also at risk of stalling, due to numerous institutional, logistical, and regulatory challenges that limit their potential. Major reforms need to take place in order to foster private sector investment, including simplifying procedures for investors, strengthening investor protection, improving public-private dialogue, and governance; and creating conditions, at national, regional, and local levels, for inclusive rural growth through value chain support (ibid).

**Transparency:** It has been reiterated by several interviewees that implicit in the concept of a trust fund is to build confidence, and establishment of the WTF in itself, has been a positive step in this process. The idea of there being a publicized fund which communities can apply for, according to open criteria, with a board with multiple actors (including civil society, private sector, etc) who would approve the application – is a new concept. In Muminabad, the Hakumat has said there is more trust that funds are being used rationally and in a targeted way as a result of this process. The board chair felt that the WTF was important to bring trust – through a more open and clear process of selecting and overseeing the implementation of projects through bringing together different stakeholders. For these reasons, objectives related to transparency are furthered.

However, more detail needs to be provided on how exactly the WTF is publicized and how the WTF will engage “in extensive awareness activities” as stated in the WTF concept. When questioned at district level, details of publicizing the fund were found to be somewhat vague. Accountability mechanisms can be undermined, with the level of decision making being put in the hands of the Hakumat, where there are no elected officials – therefore the role of civil society in the Board and Executive needs emphasising. The process of making decisions available to the public (for instance, reporting in local papers) and also allowing for an “open house” element for some meetings with a feedback mechanism from members of the public, is essential due the lack of elected officials in the Hakumat. In addition, the criteria of potential projects to the WTF are an essential element of increasing “transparency in decision making”. There also need to be limits built in with regard to the tenure of individuals on the Board, and that rotating posts avoid the consolidation of power.

It is also therefore important that pre-selection and screening criteria are developed in a participatory process and that funding decisions are made with the appropriate input from citizens. In Muminabad, at the first meeting, all applicants to the WTF saw the process of selecting projects according on criteria, and agreed on the prioritisation process. It was found to be a positive idea to target projects that meet criteria, and it was transparent for all villages to see and understand which projects have the most need.

The WTF also gives an opportunity to lessen corruption, if the procedures outlined in the Concept Note are followed. Procedures for undertaking infrastructure can be very lengthy and laborious, needing a series of signatures for approval. If the WTF processes are clear, with financial records open to the public and audited, this would be a positive step towards circumventing this issue.

### 3.0 Evaluation of WTF according to Criteria/Objectives

The following section is an evaluation of the WTF based on the evaluation criteria (effectiveness, efficiency and sustainability) as well as the objectives of the WTF (transparency, supporting decentralization, and investment).

Very broadly, there are very strong indications that the WTF has furthered the areas of transparency, decentralization and sustainability, however the WTF has not directly been able to encourage investment in the RWS subsector. The following section gives further details of this:

WTF Objective	Experiences
Encourage investment in the RWS subsector	Not met – unlikely unless project re-designed

Cost-effective funding mechanism to secure financial resources from investors	Not met – however, worth building on this objective due to importance for “buy-in” by Local Government
Increases transparency in decision-making and promotes decentralised governance	Positive – strong indications
Support the practical implementation of the TajWSS project agenda, and the GoT’s Drinking Water Strategy 2008 - 2020’	Unclear contribution
Promote sustainability in the subsector, by using best-practices through TajWSS project	Positive – however need to strengthen this link

### 3.1 Effectiveness

The WTF is effective as a tool for strategizing. The process has allowed the Hakumat to look at RWS sector in the district as a whole, rather than on a project by project basis. It has allowed stakeholders to take stock of “gaps”, and what resources are necessary to fill the gap, and therefore look into overarching issues of financing water supply. It puts the appropriate actor (i.e. the Hakumat, supported by an NGO, in this case, Oxfam) in the role of responsible “problem solver”. Making this role clear will likely lead to greater effectiveness district RWS strategy as a whole.

In the timeframe that the evaluation covered, the introduction of the WTF has not yet increased levels of financing, however there are some arguments that it has increased bureaucracy. It was highlighted that each partner in the process brings their own organisational procedures which must be followed, and each partners’ procedures are not compatible with one another. In the case of the two pilot districts, this included Oxfam/SDC procedures and Hakumat procedures. Results have taken longer, and examples include that for each decision, a Board meeting had to be called, following a signature of the Board – contractors need to sign with Oxfam as well as the Head of the WTF, payments to the contractor are dependent on contributions being disbursed in a timely manner.

There are inevitable bottlenecks that have affected the contractors ability to deliver the system on the ground in a timely and effective manner. For instance, the payments to the contractor, needed for next phases of work, have been delayed (and in some cases, not paid at all) due to lack of contribution from local, national government or from the Service Provider. It is more effective for the contractor to work with one intermediary, therefore communications can be less effective. Another issue has been the difficulty to predict other costs, such as VAT. Again, the Hakumat needs to drive the process, which can be much more laborious and structured than what they are accustomed to, for instance, getting contract, arranging documentation and getting certification from all of the committees. A staff of TajWSS mentioned that Oxfam has had to push the Hakumat as they sometimes “do not see it as their process”. This is a clear hindrance.

However, these issues are procedural (although frustrating), and it is the opinion of the evaluator that the overall gains made in encouraging local ownership, and therefore sustainability, are worth such time-consuming setbacks. Procedures of WTF need to be adopted by all members at the outset, as a means to reduce bureaucracy. This is an area that needs more effort, needs time to sensitize the Board and Chair of the WTF.

### 3.2 Transparency

The issue of transparency, detailed in section 3.2 is significant. Building transparency further would include greater efforts in ensuring process is clear and publicized and ensuring everyone in the

district knows that there is a fund they are eligible to apply to, and they know the criteria, and that the criteria are fair. Efforts to publicize the WTF could be improved. In Muminabad, the WTF was not yet announced throughout the district. Greater efforts could also be made to investigate what specific procedures have been designed to ensure transparency beyond assuming that decision making processes that are delegated to lower levels “inherently ensure transparency”.

Criteria for project selection is also a key element of transparency. Ensuring that pre-selection and screening criteria are developed in a participatory process would further this process. More could also be done to ensure better reporting of the Board’s decisions and financial accounting of banking (which should be audited) to citizens. In Muminabad, only the Executive can have access to bank accounts at present, along with the accountant. There are no clear steps to audit or provide financial reports on bank account activity at meetings.

Public open house processes, with feedback from citizens, could help to mitigate against the lack of elected officials at the Hakumat level. An awareness campaign is needed at sub-Hakumat level to ensure procedures on WTF are known.

### **3.3 Efficiency**

Financial efficiency, through streamlined procedures, and through channelling funds for different projects through a single fund, has not been achieved. It is important to note in this case that it is difficult to demonstrate the added value of the WTF concept without a more detailed explanation of fiscal decentralisation in Tajikistan and how local financial planning and budgeting takes place. There appear to be few other initiatives which address these areas, and the World Bank Communal Services Development Fund is at the initial stages of planning. There is also a lack of data on revenues of local government across Tajikistan. For instance, taxes constitute the main revenue, however the situation varies greatly from district to district – it is said to constitute as high as 90% of local government revenue in some districts, however in the case in Muminabad district, whose local budget is subsidised at the level of 77% by the central government, shows there are major inconsistencies. A full discussion of fiscal decentralisation in Tajikistan would require more space than this evaluation can capture, and clearly a more dedicated study of fiscal decentralization in practice would benefit the TajWSS project.

At present, there are not sufficient experiences to evaluate this area as there have only been SDC/Oxfam funds channelled. However initial experiences, of securing funds from government to projects, have been inefficient and have impacted timelines of planned water supply projects through significant delay. Although as stated above, it is the opinion of the evaluator that the setbacks in efficiency, can be offset by the positive gains achieved in local ownership when it comes to the contribution structure.

There appears to be a lack of understanding of the benefits that projects would be channelled through the same fund, would mean. Whether the benefits would be administrative efficiency, or somehow lead to increased investment is open to interpretation. It appears that the benefits from the perspective of the Hakumat chair is that there is a fund in which to channel all development projects, which could be prioritised according to broad criteria.

In terms of channelling funds through the WTF, with little experience to report from, there has been mixed success. In Muminabad, the funds were transferred through the Oblast and then to the Hakumat budget, but not direct to the WTF bank account. The process that the Chair of Hakumat has had to follow, while useful to understand channels between levels of government, should not have to be repeated by other districts. These experiences need to be learned from and clear routes in the future agreed upon and clear to all.

### **3.4 Support Decentralization**

The ability of Hakumats to undertake self-governance requires a strong commitment to decentralization, which is essential to the functioning of the WTF. It is an implicit principle of the project that a clear commitment to supporting Tajik institutions at the local level (i.e. the Hakumat) in self-governance would also have the potential of ensuring more sustainable and economic development.

As for the wider TajWSS project, the hierarchal governance system in Tajikistan has proven to be inadequate to meet new challenges, and while there is a commitment to reform, advancement has been slow. Certainly the WTF has allowed for greater responsibility to the Hakumat to take decisions and has made the Hakumat active in a process where there were not before (i.e. passive recipients of aid projects), and research has been commissioned to recommend which legal agreements are suitable for establishing such a fund. The WTF has also opened up many challenges that Hakumats face in practice – and this can be seen as an opportunity to address these common challenges which cannot be addressed unless there are opportunity to highlight such cases in the first place. These include challenges in leadership, tasks and competencies, and resources.

It is important to recognise that the WTF most directly address fiscal decentralization at the Hakumat level (ceding fiscal impact to non-central government entities, but is also relevant to administrative decentralization (how much autonomy the Hakumat possess). When looking at fiscal decentralization, however, it must be recognised the relative inability of Hakumats to collect resources, and that resource deficits and lack of financial resources in general are a reality at other levels of government. There has been a great difference between the two pilot districts. Rudaki is one of the few districts in Tajikistan who are able to self-fund their local budget from local resources. However, Muminabad, is a more common case, and their budget is 77% subsidised from national budget. In both districts, however there are problems in the ability of the Hakumat to collect contributions from citizens, enterprises and other organizations.

Due to the inherent dependency of the Hakumat on central resources, as well as on donor funds, for new infrastructure, the process of fiscal decentralization and the ability of WTF or other financial instruments to affect this process, is constrained.

It would be useful for the WTF to make links to outside processes, which look at decentralization more in depth, in order to relate to wider experiences and initiatives. Integrating experiences with the World Bank, which coordinates efforts on fiscal decentralization, specifically plans to develop a Communal Services Development Fund, would be essential. Wider initiatives should look at capacity building of local institutions, and establishing wider resource allocation systems for local development. As mentioned earlier, there is a need to understand fiscal decentralisation more fully. What is clear, is that in both pilot districts, Hakumats need to respond to and finance a range of

competing development priorities, and there must be some sort of local level planning and budgeting process that coordinates across sectors. The District Development plan should be more actively connected to financing strategies and the WTF, being sector-specific, should eventually be more locally-led in terms development priorities addressed.

### **3.5 Increased investment and scale**

In the original concept of the WTF, it was believed that building capacity of district (and increasing political will) would attract more donors, acting as a “carrot” to investors because the district has better capacity. It was believed that investors would see some value added for donors to invest in existing systems. In these early stages, there has not been sufficient time to show evidence of success and no real indications of promising future activity in this area – although there are positive signs of intent of addressing this area by the Hakumat. For instance, the Chair of Muminabad is planning to publicize the WTF in the district at a seminar for local private sector and the Chair of Rudaki District sees great promise in this area.

An issue that has come up repeatedly in the course of the evaluation amongst different stakeholder groups was the need to understand local (i.e. district) potential of financing RWS, and the need to attract the private sector to this sphere as an investor. One Deputy Head of District stated that future contributions from the district would need to be based on a strategy of attracting private sector enterprise to form a stronger tax base on which to fund their contributions. However the idea to solicit donations from private sector sponsors to allow the WTF to gradually become a self sustaining fund (i.e. a revolving fund), independent of donor or government contributions, also appears to be unlikely. With an underexploited economic diversification potential (being reliant almost entirely on cotton export), and potentially half of Tajikistan’s GDP based on remittances<sup>7</sup> this is clearly an issue which the WTF cannot address alone. More research into the potential of Business Development Services (BDS) needs to be done – a full explanation of work in this area done to date is outlined in Appendix A. BDS are professional support services for water operators, public or private and encompass a range of topics including technical and financial auditing, planning, budgeting, proposal writing, asset management, etc. These services are often provided third parties (e.g. NGOs, private consultants) however it is possible for national or regional government, or even community based organizations, to be involved in aspects of BDS.

As discussed previously, there is very little fiscal autonomy at the Hakumat level. The difficulty of finding even a 10% contribution to the WTF from the local budget demonstrates this. The local budget is largely subsidised centrally as a poorer “remote, mountainous” district (central government subsidy constitutes 77% of the Muminabad budget, while 22% is sourced locally from taxes etc.), and a contribution was only sourced through finding surplus funds/skimming off of other budget lines. Muminabad is representative of many other districts in Tajikistan, who have very little financial autonomy, and their basic expenses are financed from city and district budgets.

Although one of the key objectives of the WTF was to channel funds and increase investment to the sector, there is little evidence that there are viable plans for this to occur. There needs to be increased efforts to support Hakumat to understand potential of private sector partnerships in Tajikistan. The idea of local private sector investment in capital costs may not be feasible given the

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<sup>7</sup> <http://www.eurasianet.org/node/67310>

landscape of private financial institutions operating in Tajikistan, especially in rural areas where the economy likely doesn't have enough money in circulation to ensure profitability for the water service providers and thus profitability for the micro/mesofinance institutions. Some initial research on microfinance in Tajikistan has been done, and it would be beneficial to investigate what financial institutions exist in the pilot districts. A starting point can be found on the following source: <http://www.mixmarket.org/mfi/country/Tajikistan>

As highlighted in the external SDC evaluation, the WTF is highly dependent on outside funding (international and local investors which would potentially be local private sector enterprise) and therefore there are questions over its sustainability (see SDC external evaluation: Koning, 2013). It is important to point out that out of the three general globally accepted sources of RWS financing (taxes, tariffs, transfers), in all likelihood the reality in Tajikistan is such that a large proportion of financing will need to come from ODA or transfers. Income from taxes at Hakumat level is also low - The Tax Code (2004) specifies the local tax revenues: property tax, transport tax, state duties, and retail taxes. However, all other taxes are national and are shared between central and local budgets (UNDP, 2011). The budgeting process is centralized, with the Ministry of Finance playing a key role. The gap between expenses and generated revenues has to be covered by the annual review of national tax distribution between central and local budgets, and subsidies play a large role in this redistribution. Given the above, it is even more pertinent to understand the potential of BDS in Tajikistan, or to develop an overarching strategy to approach donors.

### **3.6 Sustainability**

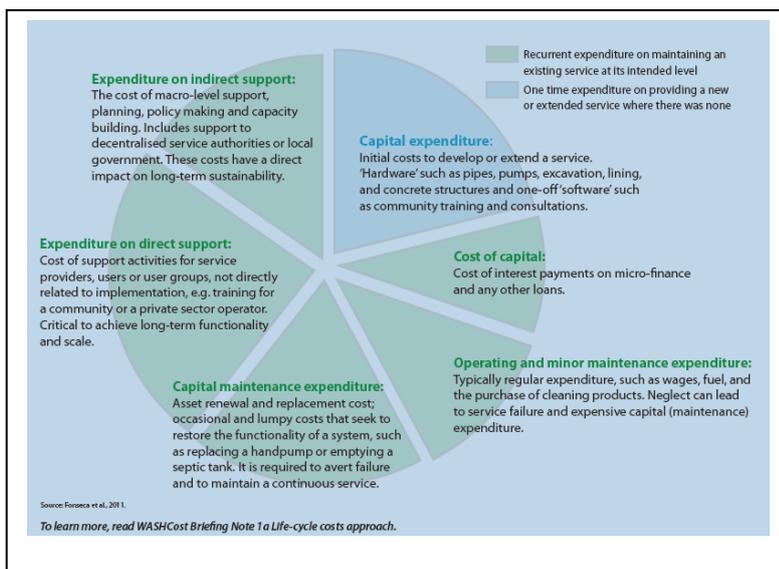
There are different levels of sustainability addressed by the WTF - sustainability of water supply services vs. sustainability of the WTF itself as a financial instrument.

In terms of as a financial instrument, the WTF may not be sustainable after the project, if there are no further funds to draw upon, beyond the 2<sup>nd</sup> phase of TajWSS. Both districts did not think that the WTF had yet placed a stress on local resources. The only inputs required were time and funds in terms of some administration activities. However, there is still the expectation that if other donors channel funds through the WTF than a percentage contribution can be used to pay for certain roles led by civil society representatives, including Secretary role.

Both districts felt that while activities were additional to what they had been previously been doing, they are the responsibility of the district and will lead to improved conditions for citizens. There is some concern that Oxfam has been supporting on some administration, as well as specialist support to start up of WTF. Despite this, both district Chairmen said that they plan to continue with the WTF in the future, and had plans to develop its role to support development projects in other sectors. However their main interest in the WTF seemed to be as a vehicle for finding financing for projects.

In terms of water supply services, one of the benefits of the WTF has been embedding beneficiary demand through the application process. The villages need to prepare the application and understand whether their project meets criteria for prioritisation. As described by the Chairman of Rudaki district "the demand must come from the beneficiary" and the process helps to build demand amongst communities, who are largely responsible for sustaining water supply systems once constructed.

A major oversight of the WTF has been to neglect recurrent costs associated with operation and maintenance and eventual replacement of water supply infrastructure, against affordability of cost recovery tariffs. An understanding still needs to be generated on how cost recovering tariffs are likely to exceed the affordability of users, and that long term subsidies are needed to cover operational costs. Global research has shown the relative insignificance of capital investment, in relation to recurrent costs (e.g. fuel, small repairs). Please see diagram, right for illustrative purposes (Source: IRC WASHCost Briefing Note)



Once constructed, all responsibility for O&M lies in the hands of the community or the water user committee (WUC). Given that there can be enormous costs associated with the running of water systems it would be useful to have a clear strategy on training WUCs on administrative aspects of water supply, for instance disaster proofing and contingency planning, as well as getting a better understanding on the finances of the WUC – whether they operate at profit, or deficit and how they manage shortfalls. This could be done through the Federation of water users, when questioned one Head of WUC, they knew they were a member of the Federation, but had not received any communication or support from them.

**Table 3: Summary of positive and negatives of WTF in practice**

Positive	Negative
Innovative approach to sustainability at fundamental level through bringing ownership of domestic water supply in hands of government (as an essential service) and promotes local buy-in	Bureaucratic procedures, still questions of streamlining but is an ongoing process (however on flip-side, has potential to avoid corruption if effected correctly)
Puts leadership of RWS in hands of Hakumat, supports decentralization	Can be personality driven, Head of WTF must have extreme commitment to chase down payments
Brings different stakeholders together and Board represents different stakeholders	Makes process of construction potentially more complicated, need to plan ahead according to likelihoods of payments from different contributors being made
Innovative contribution structure is a “risk” but worth gains made in local ownership	For success, need inputs from Project staff to sensitize stakeholders, can impact scale
Prioritization of projects most in need according to criteria	Financing – has yet to attract different donors, and much hope pinned on private sector
Enhances accountability at all levels of governance (e.g. Ministry of Finance asking KMK about their contribution)	Hakumat capacity to sustain WTF, as responsibilities are additional, and require time and effort (and to date, intensive support through TajWSS staff) is questionable.
Board and secretariat does not stress existing structures	

## 4.0 Recommendations

As mentioned previously, there has not yet been sufficient time or experiences to indicate the subject success or failure of the WTF. However there are very strong indications on how the WTF will operate based on some of its principals embedded in its objectives. Broadly, there are poor indications that it will function effectively as a tool to attract diversified financing from different sources, however its value in promoting local ownership and supporting decentralization through building the capacity of the local authority, however this must be done making stronger links to outside processes which look at fiscal decentralization more in depth. The ability of the WTF in ‘unlocking’ sources of financing from different government levels is a very important aim of such innovation. This process of garnering political will, and bringing together interested stakeholders at all levels, could be a valuable lesson globally.

There are several improvements that could further refine the WTF into a tool that promotes sustainability better. Understanding coverage better through mapping or inventorisation of what infrastructure is already present in each Hamukat and its status (a kind of simple asset inventory) would help to target WTF activity and further understanding recurrent costs through working with WUC’s would also address long term sustainability.

<b>General</b>	
	Re-focus objectives to reflect areas which WTF can realistically have progress. This would include decentralization of decision making, and addressing transparency but reducing its objective as a financial mechanism.
	The experience of the tripartite contribution structure, though time consuming in following up, is valuable in promoting transparency and local ownership. This should be promoted beyond TajWSS.
	Use of the word “fund” is misleading, as there is no money in the bank account at present and more needs to be done to understand financial flows. Considering changing name from “water trust fund” if implemented in new districts. Additionally the use of words “investors” in the objectives should be reconsidered as the likelihood at present is to target development partners and donors, rather than private sector investors.
	Improved relations with KMK is essential in WTF plans, look into possibilities to build trust at national level
<b>Scale – possibility of replicating in other districts</b>	
	In new TajWSS districts, look at a pared-down version of the WTF, what can be done with minimal support and what are the key principles that should be replicated. Create recommendations based on principles of what has worked and is beneficial to RWS in the district – this could include: <ul style="list-style-type: none"> <li>- Promoting ownership: Hakumat takes ownership</li> <li>- Board structure</li> <li>- Contributions structure from different sources (particularly national and Hakumat)</li> <li>- Publicizing criteria and the fund and the principal that all communities have a chance to access funds</li> <li>- Engaging government at all levels</li> <li>- Developing a clear understanding of state of RWS in district</li> </ul>
	Revise/simplify the key document, which is a communication tool, for all districts who may be “starting up” similar funds
<b>Financial Related</b>	
	Use term “joint development project” and bring contribution down to 10%, which is in line with other government JDPs
	Look in potential to disburse central government funds direct to district. Look at how funds could come direct from MoF (avoiding line ministry) to Hakumat
	Should continue to look into ways to attract the government contribution of 15%, but should not

	cover the government contribution if it is not forthcoming. It is up to Head of Hakumat if they scale down 15% of the project if the money from the government is not forthcoming, as further funds won't be available from donor.
	Access to local finance should be investigated. This would include uncovering organizations that are doing micro/meso finance in Tajikistan, as well as looking into potential of Business Development Services in Tajikistan. At present there are few opportunities for commercial banks to work in this area: There is a need for a clear understanding amongst all stakeholders of the potential for private sector financing of RWS in Tajikistan, so that it is clear whether the option is feasible or not.
	Planning ahead, understanding government budgeting process, timeline etc. and phasing donor support to strengthen and build confidence in government planning and budgeting systems would assist in a more streamlined process
	Engage in a wider discussion of fiscal decentralisation in Tajikistan with other agencies looking into similar issues and look into a more dedicated study of fiscal decentralization in practice to benefit the TajWSS project.
<b>Functioning of WTF at District</b>	
	It is unrealistic for the district to go through all steps in document e.g. development of applications – Oxfam could “institutionalize” knowledge on experiences to date in a simple document on lessons learned for working with contractors, phasing implementation based on problematic contributions etc.
	Oxfam and other NGOs need to engage with Line Ministries and their timelines and budget cycles at national level when they are planning their investment. NGOs should also ensure their partners (e.g. Hakumat) as well as Oxfam to report their projects to Ministry of Finance to include in their reports to the national government.
	Look into ways to streamline procedures, supporting decentralization process to make processes less bureaucratic. This could include, multiple signing authorities and broadening authority to bank account. This process should also look into ways to minimise impact on contractors. For instance, payment traches (and therefore blocks of work) could be designed according to secured contributions. It should be agreed with contractor that water system design and construction should be phased, with a last phase of work being the most contingent on funds from e.g. central government if predicted to be difficult.
	Plan in flexibility to project management, technical design - so that if government contribution not met, can scale down project (i.e. project does not collapse if there is no contribution)
	To support better auditing process, need to be clearer on overseeing board's management of funds. Production of reports at Board meeting needs to be done systematically, and clear auditing process. In future stages, to reduce risk of misuse of funds, supervision by externals
	Support a more long term process of capacity building the WUA – this should be done through established procedures with agencies doing similar work (i.e. should be a streamlined process across Tajikistan). WUAs are responsible for the O&M, running of water system after construction and hand over. The WTF does not affect this process, however sustainability would be further supported through supporting WUC as they are responsible for life cycle costs associated with operation & maintenance of water supply.
	The issue of transparency, covered under section 3.2 is significant. This would include greater efforts in ensuring process is clear and publicized etc. and building in opportunity for public open house meetings and a feedback mechanism to the process for community members

## Appendix A

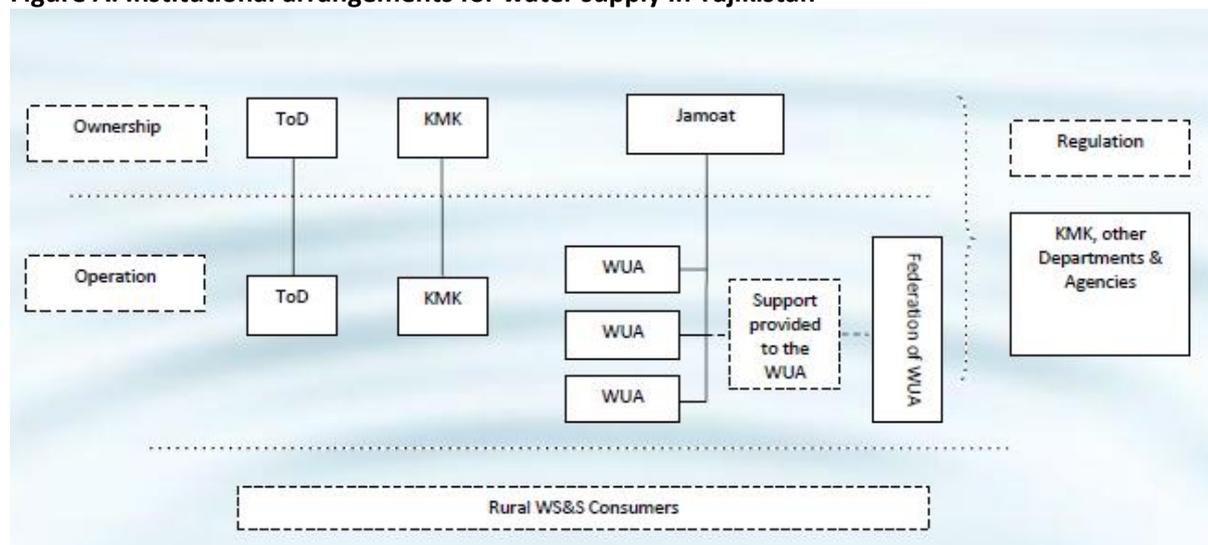
### 1.0 Relevant Global Lessons in Sustainability Applied (this section from a shortened report by Aguacconsult, to be provided separately)

#### 1.1 Decentralisation and Sector Reform

Broadly speaking trends towards more democratically elected government and market economies have driven decentralisation policies. In general, services with greater chargeability and lower externality are easier to decentralize (i.e. the ability to easily measure use and assign benefits of a particular service). Therefore in general success in the decentralisation of water services has been clearer than for sanitation services.

In general terms the objective of decentralisation is to bring greater involvement of and accountability to, the recipients of public services. In the case of Tajikistan, as with many countries where functions were previously held by a monopolistic state entity, decentralisation has occurred alongside structural reforms in the water sector. Figure A below shows the current institutional arrangements under decentralization.

**Figure A: Institutional arrangements for water supply in Tajikistan**



Understanding sector reform is crucial to understanding the processes of decentralisation. Lessons learned from the decentralisation experiences in other low-income can be utilised to understand the situation in Tajikistan and develop strategies for Oxfam and other development partners. In broad terms experiences with decentralisation and reform processes in low-income countries have been decidedly mixed over the last ten to 20 years. Whilst some countries have indeed achieved good progress in the transition of authority and structures to lower levels (e.g. Uganda, South Africa), many more have struggled. Decentralisation on paper has been hampered in practice by poor definition and differentiation of functions, a continued resistance on the part of central government ministries to relinquish control (over resources) and, most commonly, very low technical, management and financial capacity at the local level.

The availability and use of resources at the local level is dependent on the degree of decentralisation and the access to finance. WaterAid has identified three general parameters for measuring this:

- 1) level of decentralisation, 2) adequacy of resources, and 3) local government control and accountability of water supply and sanitation expenditures (Mehta and Mehta, 2008).

This type of instrument could be utilized to analyse the extent to which decentralisation has taken place in Tajikistan, to identify strategies for improving decentralisation and the objectives of decentralisation. The table below shows a tables comparing Tajikistan to a number of other countries on the basis of various development and decentralisation indicators.

Below is a list of the key issues relating to decentralisation which have emerged from the Triple S Programmes and from broader experiences in the WASH sector:

1. **Ensure that capacity of local government is enhanced along with autonomy (i.e. indirect support):** If the capacity of local government is insufficient to fulfil its functions (administrative, regulatory, monitoring, financial, etc.), service delivery within its jurisdiction often deteriorates. In addition, when capacity building of decentralized government units is haphazard and ad hoc (i.e. uncoordinated and overlapping training activities, often limited in scope) and does not address human resource needs and institutional capacity, then decentralisation can have the unintended consequences of hindering the effectiveness of local governments.

Therefore it is necessary to ensure that this indirect support is adequate and meets the needs of local government, typically through deconcentrated offices of line ministries, often at the provincial or departmental level. The most common model is for central government to provide support directly, often through deconcentrated offices. But there are also interesting examples of central government contracting out the support function to private sector organisations, training institutions or NGOs; and service authorities banding together to share knowledge and pool resources to jointly contract expertise. The range of support arrangements found in the 13-country study conducted by Triple-S can be found in Table 2.

A study commissioned by WaterAid on local financing of water and sanitation projects concluded that capacity building efforts also need to include components that improve the ability of local government and support agencies to collect, analyze, and utilize WASH related data. This includes the development of information systems (e.g. databases, data sharing platforms) which are critical for planning and implementation (Mehta and Mehta, 2008).

2. **Ensure structured direct support to service providers in the operation, maintenance, and administration of systems:** This can be achieved through a number of different arrangements. Table 1 below provides a list of examples of different support arrangements for three different countries. The estimated direct support costs, in USD per person per year, are provided for Ghana, India, and Mozambique.

**Table 1: Three examples of direct support arrangements taken from WASHCost Programme.**

Country	Formal mandate for direct support	Main Responsibility	Number of staff involved in providing support	Activities included in direct support costs	Estimated Direct Support Costs (\$/per/yr)
Ghana	District Assemblies (DA) Central gov'n't (CWSA)	DAs: support communities, CWSA: facilitate & backstop the DAs	30-50 National Level 10-15 per Region 5 per District	Salaries. Monitoring and evaluation. Admin expenses.	0.78
India	State gov'n't	Contracting or organising with state level training institutions/orgs Outsourcing to NGOs.	Communication and capacity development unit at a state level with	Salaries. Information, education, and communication activities. Water quality monitoring,	0.32

8 Triple-S (Sustainable Services at Scale) is a six-year, multi-country learning initiative to improve water supply to the rural poor. More information can be found at <http://www.waterservicesthatlast.org/>

		Supporting donor initiatives. Monitoring	maximum staff of 10.	Demand management initiatives.	
<b>Mozambique</b>	District gov't	Contracting community organization(s). Contract management. Monitoring.	30-50 National Level 5-15 per region 1-2 per District	Provincial and district level: Salaries. Operational expenses. Training and contracting of local organisations.	0.0003 (san) 0.0012 (water) 0.0015 (total)

- 3. Consider the Life Cycle Costs of Service Delivery:** It is important to understand the true costs of the services provided. This means identifying the capital costs, both hardware and software. It also includes the recurrent costs such as: operation and minor maintenance, the expenditures on direct support to service providers, and indirect support to service authorities (often local government) and support agencies. It is also necessary to include the asset renewal and replacement costs which are significant and often overlooked in financial planning. Finally it is necessary to include the cost of securing the financing to cover these costs. More information on the costs for water, sanitation, and hygiene services is available at [www.washcost.info](http://www.washcost.info). A new 'app' or calculator is currently being developed based on the Life Cycle Cost Approach, the beta version is currently on the web (see <http://washcost.org/>).
- 4. Funding source:** Typically aid dependent countries that have carried out limited decentralisation rely heavily on sector projects and off-budget (i.e. NGO or donors directly funding implementing organisations) funding. Inter-government transfers (IGT) are often limited—in a study by WaterAid, they represented only 20% on average, while sector projects and off-budget funds were 80%. The same study found that countries with higher levels of decentralisation had IGTs up to 80% and collected an additional 15% through service provider tariffs and 5% from sector funds (Mehta and Mehta, 2008).

In addition to increasing IGT, governments often need to improve the design of these transfers. Typically countries with low levels of decentralisation move from conditional grants<sup>9</sup> to block grants<sup>10</sup>, and finally to capital development funds. The key point is that as funding moves away from sector projects or off-budget funds, the local priorities for water and sanitation solutions are determining the type and degree of investments that are made. The results are demand responsive investments which have a high probability of being sustainable. However, there is a crucial assumption being made: that there is sufficient capital available for IGTs to the local level. These funds typically come from national budgets and are influenced by the macroeconomic situation of the country. In general countries with a GDP per capita below a few thousand US dollars per person per year may not have sufficient capital to keep services operational in rural areas-whether water, sanitation, electricity, solid waste management, or other public services. There are countries such as Ethiopia and Uganda that have relative higher levels of IGTs funding rural water supplies, and their GDP per capita are significantly lower than Tajikistan's, however it is possible that these reflect a political prioritization of water over other public services.

- 5. Predictability of funds:** Local governments relying on IGT and sector funds to develop and achieve strategic goals for development of infrastructure and services count on the central government to deliver as promised. Therefore it is crucial that these funds utilize transparent formulae and procurement processes, are transferred as planned and on-time, and are equal to the amount awarded or budgeted. The frequency of transfers can be an issue, and it isn't

<sup>9</sup> This is form of leveraging funds whereby a clause is included in the grant that require the grantee to generate additional funds or identify and secure funding from other sources to receive the conditional grant funds. The specifics may vary from country to country, but in general these are more restricted than block grants.

<sup>10</sup> A sum of money granted by the national or regional government with limited provisions on how the money is spent.

uncommon for local governments to receive 'lumpy' disbursements in large sums spread out over a 'feast or famine' scheme which can interrupt functions. A study of 15 countries in African and Asia showed that timeliness of disbursements was not the problem (only 2 of the 15 scored poorly in this category), but that, in all countries, the value delivered was lower than the promised amount (Mehta and Mehta, 2005).

6. **Fiscal independence:** Ideally local governments will work towards improving fiscal independence (i.e. generating more revenue locally through taxes or tariffs). This is difficult to do, especially in rural areas of low income countries, and therefore these countries are often highly reliant on IGTs which tends to increase the upwards accountability of local government to central government.

It is possible to generate revenue through tariffs. To increase the willingness of consumers to pay and improve the collection rates requires concerted efforts to improve governance, transparency and downward accountability (of service provider and/or local governments to consumers) and most important-good service to the consumer. Participation, dialogue and feedback are crucial components in this effort.

It was stated in project documents that under the current constitution of Tajikistan there is no clearly defined and transparent policy for the structuring of tariffs or the provision of targeted social assistance related to payment for drinking water. Tariffs are kept artificially low because it is assumed that since 45% of population lives below the poverty line, they cannot afford to cover a larger portion of the costs. However the ability of poorer consumers to pay for services has been demonstrated (Annis and Razafinjato, 2011). Currently many of the approved tariffs in Tajikistan are well below cost recovery and it is unclear how the difference will be made up.

7. **Target the poor:** In many situations decentralisation reinforces local vested interests, existing patterns of patronage, and concentrates power with local elites. Therefore unless there is an ideological commitment to the poor and systematic democratic accountability there is a significant risk that decentralisation will exacerbate uneven development at the local level. (Crook, 2004).
8. **Effectively involve stakeholders including civil society and the private sector:** Good governance requires active and effective involvement of government, civil society, and the private sector. Manifestations of such engagement include public-private partnerships.
9. **Encourage Public-Private Partnerships:** An alternative to community management is to delegate operations and/or maintenance to a private sector entity through formal contracts or performance agreements. These arrangements have been successful in countries (e.g. Burkina Faso, Madagascar), which like Tajikistan have civil law systems with statutes and codes that regulate public service contracts. To encourage PPPs governments must clarify and strengthen policy and legislation defining asset ownership, legal mandates, and responsibilities under delegated contracts. Civil society can play an important role of improving the technical and managerial capacities of new private operators. Donors should provide financial and technical support to government initiatives promoting PPPs. Donors can also help to identify appropriate accountability mechanisms are developed to ensure that service levels are acceptable.
10. **Enhance vertical and horizontal linkages:** Vertical linkages between levels of government in terms of communication and flows of resources should be strengthened, both top-down and bottom-up. Horizontal linkages and peer learning should be encouraged between local

authorities in different parts of the country. National associations of local authorities can help to achieve these linkages.

11. **Improve accountability:** Granting authority without ensuring accountability can lead to corruption and decreased efficiency of service provision. Under a decentralised framework the accountability mechanisms need to be analysed (see next Section). In general, upward accountability of local governments to the central government is strong and efforts are needed to improve downward accountability of local government to their constituents. It has been found that democratic decentralisation alone does not necessarily result in accountability (i.e. accountability through the ballot). An enabling framework that includes laws governing transparency and other related efforts are needed (Mehta and Mehta, 2008). Currently in Tajikistan the issues of transparency and accountability are not properly addressed with sufficient detail. A recent report showed that the obligation for owners and operators to sign agreements exists; however, specific terms and conditions have not been established and the contents of these agreements remain subject to interpretation (Korner, 2012). The following discusses accountability in more detail.

**Business Development Services:** In response to these challenges to accessing (and leveraging) private finance, international donors, development banks (e.g. World Bank), and national governments have created programs to build the capacity of local governments, utilities, and private operators. One way to achieve this is through the provision of “business development services.” Business Development Services (BDS) are professional support services for water operators, public or private and encompass a range of topics including technical and financial auditing, planning, budgeting, proposal writing, asset management, etc. These services are often provided third parties (e.g. NGOs, private consultants) however it is possible for national or regional government, or even community based organizations, to be involved in aspects of BDS. In many countries the demand and exposure to formal BDS is weak and the supply is fragmented and dominated by donor contracts (Smets, 2013).

The Water and Sanitation Programme (WSP) has been very active in promoting BDS. In Cambodia WSP has designed and developed support and training packages and also supported the creation of water utility associations to improve economies of scale and increase demand for BDS services. In Kenya WSP has been active in the characterization and development of BDS. Their work has shown the need for BDS to help water enterprises develop tools for long-term tariff setting, staff development and strategic planning. They have also found that community management organizations usually do not have accurate understanding of risk or the ability to identify risk mitigation and management strategies. In Kenya BDS has been successful in mobilizing the community for technical and financial input and business planning, assisting in procurement and supervision of contracts, and commissioning long term support services and warranties. BDS has also included using neighbouring community organizations or CBO associations to arbitrate disputes within communities.

From the experiences with BDS in Africa, Southeast Asia, and Central America it is clear that BDS and local level financing are linked. Experiences from Cambodia show that the triggers for take-up of business development services included access to finance (Smets, 2012). Donor funding often targets the systems with the lowest functionality managed by service providers with the lowest capacity. This creates a funding gap in which the better performing service providers fall-whom may have a higher potential for private finance. However, it is necessary to match the demand for financial services with the appropriate package of financial services (e.g. type of financing, scale, conditions, timeframe).

Advances in microfinance, often defined as a few thousand dollars or less, have been significant. Direct lending to community based organizations (e.g. savings and loans groups) and in limited cases directly to households has led to improvements in access to water and sanitation infrastructure. This lending is typically on the order of magnitude of 30-250 USD with a repayment period of less than three years at standard market rates (20-25%) (Tremolet, 2012). Microfinance examples include those listed in Table 4.

**Table 2 Examples of microfinance to households and community based organizations (source of information Tremolet, 2012).**

Country	Source of Funds	Details
Vietnam- Sanitation Revolving Fund	3 million USD (WB, Denmark, Finland)	Small scale loans (less than 150 USD) to households or service providers who join a savings and loan group (12-20 HH/group). Loans cover 65% of the costs of sanitation infrastructure.
Kenya-Water Tank Loans	K-Rep Bank and the Kenyan Woman's Finance Trust	50% reduction in cost of tanks from the manufacturers. HH can take a loan of up to 1,200 USD and make repayments over 3-12 months.
Tanzania	Centre for Community Initiatives (CCI) Government of TZ	Grassroots savings and loan (S&L) schemes are created and managed by women's groups in poor urban communities (20-100 members). After 2-3 months if a sufficient capital is raised they are able to access small loans for household sanitation that are taken from revolving funds established by the government and bilateral development agencies. The S&L schemes join together into a federation at the city level

There are a number of small and medium scale water service providers that fall into the gap or "missing middle" of finance (Tremolet, 2012), requiring more finance than what is traditionally offered by microfinance institutions yet who are unable to access traditional commercial markets (due to issues previously mentioned). These service providers, which often require a level of financing of between 2,000 to 100,000 USD that is considered "mesofinance" by Tremolet (2012). Table 5 provides a brief overview of a few examples of mesofinance in the WASH sector.

**Table 3 Examples of mesofinance to small and medium size water service providers (source of information Tremolet, 2012).**

Country	Source of Funds	Details
Uganda- Public private partnerships for sanitation	GTZ	Loans to sanitation entrepreneurs combined with a 2 year social marketing pilot project to create demand for sanitation projects (modular toilets), subsidies to manufactures and increased demand allowed HH to access toilets at 15% lower than retail value.
Tanzania-Revolution Fund	WaterAID TZ	WaterAID lent \$7,500 (no interest) to manufacturers who constructed sanitation equipment and loaned it to community based organizations that repay over a number of years.
Kenya-leasing scheme	MoW Kenya	Government leases water tankers to small scale water providers to provide water to areas on the periphery of Nairobi. Government provides filling points, and hence service providers can provide water at a reduced price, covering lease fees and allowing for profit.
Kenya-Output based grants	K-Rep World Bank	WSP together with a commercial bank, K-Rep Bank Ltd, in 2007 started a pilot project (1.1 million USD) which combines mesofinance loans of between 2,000-100,00 USD (average 50,000 USD). 80% is provided by K-Rep with the service provider covering the remaining 20%. An output-based subsidy is provided for up to 40% of the value from the WSP. Technical assistance and other BDS are provided to the service provider.

## Appendix B

### TERMS OF REFERENCE Evaluation of the Water Trust Fund Instrument

#### Background

Since 1998 the Swiss agency for Cooperation (SDC) has been supporting the rural water supply sector in Central Asia.

In June 2008 the SDC Management board (OPZ) took a decision to enter in to a first phase (2009-2013) for a new Tajikistan Rural Water Supply and Sanitation (TajWSS) project.

In August/September 2008 an intervention strategy mission visited Tajikistan, to support the Swiss Cooperation Office (SCO) in Dushanbe in the planning of this project.

The tender document published on December 2008 included 4 main components:

1. Policy development
2. Tajik Network on Sustainable Rural Water and Sanitation
3. District and Jamoat Capacity
4. District Water Fund

Regarding the fourth component the tender document specified: *“in a number of target districts (1-3) the project will establish district water funds, most probably as sub elements of community development funds (CDF). IFAD will establish such a CDF in Khatlon which is one of the target area of the new project”.*

The concept of a Rural “Water Trust Fund” (WTF) was developed with the main stakeholders during the second year of the project. The concept and technical guidelines were signed off by SDC in June 2012. One of the main futures of the concept is the share of the contribution among the partners: 70% from TajWSS project, 15% from the National budget, 10% from the district Hukumat budget, and 5% from the future Operator of the water schemes.

Two WTFs were established in the pilot districts, Rudaki (November 2012 and Muminabad (December 2012).

The objectives of the WTF are:

- Encourage investment in the rural WS&S subsector aimed at supporting the rural population, with a specific focus on the most vulnerable communities and families;
- Serve as a cost-effective funding mechanism to secure financial resources from investors;
- Provide a funding mechanism which increases transparency in decision-making and promotes decentralised governance;
- Support the practical implementation of the TajWSS project agenda, and the GoT's Programme on the 'Improvement of Providing the Population of the Republic of Tajikistan with Pure Drinking Water 2008 - 2020';
- Promote sustainability in the subsector by establishing an effective institutional framework and by implementing projects using the best-practices which were developed and adopted, by the TajWSS project over the past 2 years.

#### Purpose

The evaluation is intended to contribute to an improvement of the financing instruments used by the TajWSS project to maximise its impact.

Given the Fact that Oxfam will be implementing larger numbers of similar drinking water supply schemes under TajWSS 2, and possibly others, the emphasis on the consultancy will be to find an optimal instrument (or other ways of working) that will deliver the objectives of those projects which the WTF was designed for. The consultant will engage with all project stakeholders as a means to discovering what their insights are on the existing WTF, what they suggest as future alternatives and how they see complementarily with other initiatives existing or underway in Tajikistan. The consultant will not only evaluate the objectives of the WTF's themselves, but also the objectives assigned to them, whether the objectives fit the purpose of the project or need adjusting.

### **Objectives of the assignment**

The review is carried out to evaluate the WTF financing instrument after one year from its establishment. The main users of the evaluation will be TajWSS project and SDC – SCO, who will use it as a base for the improvement of the financing instruments used by TajWSS and RWSS projects.

The evaluation will:

- Assess the relevance, efficiency, effectiveness, impact and sustainability of the WTF.
- Provide recommendations on how the instrument could be revised, based on Tajik contexts and good practises from similar countries.

### **Scope of services, task and expected deliverables**

The assignment will consist in the following tasks.

1. Assessment of the relevance, efficiency, effectiveness, impact and sustainability of the WTF in delivering its objectives. The assessment will focus on the concept of the WTF, on the activities carried out in the last year, on the participation, contributions, and involvement of the main stakeholders (MoF, District Authorities, KMK, Oxfam, Jamoats, Operators and SDC).
2. Development of recommendations on how the instrument could be improved based on Tajik context and good practises from similar countries (See Annex 1 for the consultancy report contents page).

The desk review will look at TajWSS related documents on the Trust Fund, primarily. However it is expected that the review will also take into consideration the tariff research as the outcomes could greatly affect sustainability of the Water Trust Fund implementation at district level. Additionally, external factors such as status of decentralization, and buy-in to the approach from other relevant stakeholders (i.e. donors, NGOs) will also be taken into consideration.

The scope of the work will be forward-looking in that the desk research will not only look at Tajikistan related information, but also cases in similar contexts with specific suggestions on improved mechanisms for financial disbursement and pooled funding.

The assignment is expected to be carried out in 1 phase. The total duration of the assignment is 27 working days, however 5 extra days are proposed to support the principal consultant through extra support. The work plan will be the following:

- 10 days of desk research on WTF related documents (concept, report, and minutes of meetings) and similar instrument from other countries.
- One week will be spent in Tajikistan, meeting the main stakeholders (SDC, Oxfam, District Authorities, KMK, WUAs, and Jamoats). The field work will end with a debriefing workshop to illustrate and validate the preliminary findings with the main stakeholders.
- 9 days of desk work to draft the final report including recommendations.

The expected deliverable is the final report of the evaluation. The report should clearly identify shortcomings of the existing WTF arrangements and describe proposals for how its function can be improved.

A secondary external consultant team (Ryan Schweitzer, Aguaconsult who will be supported by Harold Lockwood, principal of Aguaconsult) is being proposed to bring in expert global external expertise in financing mechanisms and for an independent view/validation of the principal's consultant findings.

The specific activities and outputs of the Ryan Schweitzer is to support on the following

- Review of literature, which includes TajWSS specific documents (as provided by Leslie Morris-Iveson) but also other relevant sources of information, available for discussion on email or telephone as requested to discuss findings – in particular review of WTF Concept document and provide expert comments
- Develop narrative on following: Outline the factors for successful financial and administrative mechanisms of decentralized water supply and bring in national context of Tajikistan (no more than 12 pages)
- With Leslie Morris-Iveson development of pre-trip questionnaire
- Review of draft report and comments provided
- All of the above will be provided to Leslie Morris-Iveson as they are complete as but also in a final report

### **Coordination/Responsibility**

Davide Costa, TajWSS Project manager will be responsible to manage the consultancy service

The secondary external consultant will report directly to the principal consultant (Leslie Morris-Iveson)

Full logistic support on the field (including translations) will be provided by the project team

As well as the support of Leslie Morris Iveson as lead consultant, one or two days of an additional resource person may be included in order to gain examples of emerging best practice internationally, understanding alternative model strengths and weaknesses to Water Trust Funds, etc.

### **Timing**

The consultancy will take place between 4<sup>th</sup> and 29<sup>th</sup> November, with the field visits taking place between 17<sup>th</sup> – 24<sup>th</sup> November.

### **Preliminary list of documents**

- TajWSS, Information for tenderers, Pre-qualification, SDC, 04.12.2008
- TajWSS Project Document, Oxfam GB, October 2009
- Legal conclusions on the establishment of the on the establishment of Trust Fund for Water Supply at the District Level
- TajWSS Rural "Water Trust Fund", Concept Paper, Oxfam GB, June 2012
- TajWSS Drinking Water Tariff Research, Marie Korner for Oxfam GB, December 2012
- ToR for Board of Trustees of the Water Trust Fund
- ToR Executive office of the Water Trust Fund
- Decrees on establishment of Water Trust Fund by Head of districts (Tajik)
- Charter of district Water Trust Funds (Tajik)
- List of members of district Water Trust Fund
- Minutes of the Board meetings
- Water Trust Fund selection criteria for proposals

## Appendix C: Timeline and itinerary and list of people met

### Day 1: Monday, November 18

Time	Activity	Responsible
12.30 – 13.30	Lunch	
13.30 -14.30	Meeting with Ruslan Sadykov, National Programme Officer for Infrastructure <b>Swiss Development and Cooperation office</b>	
	<b>Trip to Kulyab</b>	

### Day 2: Tuesday, November 19

Time	Activity	Responsible
	<b>Trip to Muminabad District</b>	
	Meeting with Pirmad Zaripov, District chairman, Muminabad District <b>Water Trust Fund of Muminabad district</b>	
	Meeting with Rajabali Bahromov, Secretary of Board of Trustees <b>Board of Trustees of Water Trust Fund</b>	
	Meeting with Dzhumahon Karimov, Head of Muminabad centre drinking water utility <b>Board of Trustees of Water Trust Fund</b>	
	Meeting with Amrokhon Ibrohimov, Head of WUA of Dehlolo village <b>Drinking water users association of Dehlolo village</b>	
12.00 – 13.00	Lunch	
	<b>Trip to Dushanbe</b>	

### Day 3: Wednesday, November 20

Time	Activity	Responsible
8.30 – 9.00	<b>Trip to Rudaki District</b>	
	Meeting with Saidmurod Tagoev, District chairman, Rudaki District / Fayzullo Ismatov Deputy District chairman, Rudaki District <b>Water Trust Fund of Rudaki district</b>	
10.30 – 12.00	Meeting with Nasriddin Juldoshev, <b>Secretary of Board of Trustees Board of Trustees of Water Trust Fund</b>	
	Meeting with Abduljalil Mahmadhanov, Head of WUA of Balkhi village <b>Drinking water users association of Balkhi village</b>	
12:30 – 13:30	Lunch	
	Meeting with Muso Gafurov, Deputy General Director of State Unitary Enterprise Housing and Communal Services <b>State Unitary Enterprise Housing and Communal Services (SUE KMK)</b>	

**Day 4: Thursday, November 21**

Time	Activity	Responsible
	Meeting with Sulton Rahimov, First Deputy of the Minister of Land Reclamation and Water Resources <b>Ministry of Land Reclamation and Water Resources</b>	
	<b>Ministry of Finance</b>	
12.00 – 13.00	Lunch	
	Meeting with Mahfirat Abdullaeva, Project officer. <b>International Secretariat for Water</b>	

**Day 5: Friday, November 22**

Time	Activity	Responsible
	Desk Research	
12.00 – 13.00	Lunch	
14:00-15:00	<b>Stakeholders Workshop</b>	
15:00-16:00	Meeting with UNDP	

**List of People Met:**

Time	Activity
Ruslan Sadykov	National Programme Officer for Infrastructure Swiss Development and Cooperation office
Pirmad Zaripov	District chairman, Muminabad District Water Trust Fund of Muminabad district
Rajabali Bahromov	Secretary of Board of Trustees Board of Trustees of Water Trust Fund
Dzhumahon Karimov	Head of Muminabad centre drinking water utility
Amrokhon Ibrohimov	Head of WUA of Dehlolo village, Drinking water users association of Dehlolo village
Saidmurod Tagoev	District chairman, Rudaki District
Fayzullo Ismatov	Deputy District chairman, Rudaki District
Mahfirat Abdullaeva	Project officer, International Secretariat for Water
Oliver Normand	Project manager, International Secretariat for Water
Alimurod Tagoimurodov	Director of State Unitary Enterprise Housing and Communal Services (SUE KMK)
Sulton Rahimov	First Deputy of the Minister of Land Reclamation and Water Resources
Alamhon Naimi	Deputy head of State budget department – Head of state investment policy department
Ghazi Kelani	Former Country Director, Oxfam Tajikistan Country Office
Bojan Kolundzija	Current Country Director, Oxfam Tajikistan Country Office

## Appendix D: References

Freizer, Sabine. January, 2004. "Tajikistan: Local self-governance: a potential bridge between government and civil society?". Centre for Civil Society at London School of Economics, London.

The IRC. November 2011. "IRC WASHCost Briefing Note 1a"

Koning, Peter. 2013. "External Evaluation of SDC projects in Tajikistan".

Tajikistan Development Coordination Council (DCC). December 2012. "Tajikistan: 2012 Development Forum". Presentation at DCC.

UNDP. 2011. "Tajikistan: Local Governance and Decentralization Project Assessment"

Relevant documents produced under the TajWSS project were also referred in this evaluation, mainly including:

- 'Rural' Water Trust Fund Concept Note
- Legal conclusion on establishment of trust fund for water supply at the district level