The Poverty-Environment Initiative (PEI) is a joint global UNDP and UNEP programme launched in 2005 to address poverty, promote security and preserve the ecosystems that poor people rely on for their livelihoods. It emphasizes a need to place pro-poor economic growth and environmental sustainability at the heart of economic policies, planning systems and institutions. PEI assists 18 countries, including Tajikistan, in integrating poverty-environment linkages into national and sub-national development planning, from policy-making to budgeting, implementation and monitoring. Results shall bring lasting institutional change and catalyze key actors to increase investment in pro-poor environmental and natural resource management.

Apart from having disrupted development path caused by civil war right after getting an independence, Tajikistan has other challenges that require a lot of efforts for furthered development. The country is double landlocked and only 7% of the territory is arable land while 93% of the territory is mountainous. Lack of access to natural resources limits the economic potential and ability of the country to develop further. Moreover the economy of the country is very much reliant on external factors, such as labour migration (42% of GDP comprises of remittances), which makes the country even more vulnerable to external shocks and exacerbates poverty (the highest rate among CIS, 32%, 2014). The major relationship linking poverty and the environment in Tajikistan are manifested in the following three macro categories:

1. **State of natural resources**
   - The main issues with (a) land degradation and soil erosion, and (b) loss of biodiversity and ecosystems are being primarily affected by inadequate environmental management and lack of education and awareness of the impacts of environmental degradation. Land degradation caused by improper irrigation practic-es, desertification, deforestation and erosion hinder efforts to reduce poverty considering that 2/3 of the rural population relies on agriculture. It is estimated that 97% of Tajik farmland has been harmed by the Soviet heritage irrigation practices and salinization.

2. **Lack of knowledge and limited access to technology**
   - The energy, water and waste sectors are representative of the negative feedback that is affecting the country. The abundance of resources (and hence potential supply) is in stark contrast with reality. Energy and water losses are high, making so that lack of energy during winter period and water shortages are constantly affecting the population. These problems reinforce each other, as limited access to electricity often means reduced access to water, sanitation, irrigation, health, and other social services, whose provision requires adequate electric power supply;

3. **Impact of climate change**
   - The high vulnerability to natural disasters is making the link between the environment and poverty explicit. With more than half of the country's territory covered by high mountains above 3,000 meters, Tajikistan is particularly vulnerable to natural disasters, such as earthquakes, landslides, floods, avalanches and extreme climate conditions. Efforts to improve climate adaptation are paramount, not so much to improve longer-term trends, but to reduce short-term vulnerability of the population and the economy (e.g. agriculture) to extreme events that would have lasting negative impacts. In fact, a large portion of economically disadvantaged communities in Tajikistan derive their livelihoods from activities, such as agriculture, which are highly sensitive to climate change impacts. In this respect, it is estimated that damages caused by natural disasters amount to about 4.8% of GDP. The poorest part of the population is the most impacted by natural disasters, as it lives in areas highly exposed to hazards and lacks the financial and capacity means to enhance crisis prevention and recovery.
What PEI does to address poverty and environment issues?

• It raises an awareness of decision makers, broader public and ordinary people on existing linkage between poverty and environment;
• It integrates gender equality approach in poverty & environment (P-E) work by addressing both women and men's concerns;
• It enhances the capacity of national and sub-national level stakeholders on effective integration of P-E linkages into the national and sub-national development planning, budgeting and monitoring;
• It strengthens regional cooperation through exchange of experience and knowledge sharing.

Key results

Impact of land degradation in economic terms thus building an evidence base for P-E mainstreaming. The study concluded that the on-site cost of land degradation is estimated at USD 442 mn per year - 7.8% of GDP for 2010. If the value of the foregone production was evenly distributed among rural households, this would result in a benefit of USD 583 per household per year (based on an estimate of 757,608 rural households);

• The PEI introduced a new concept into the lending policies of the Micro Loan Foundations (MLFs) by including the environmental screening criteria. As a result, Micro-Loan Foundations adopted environmental policies and internal assessment documentation to check upon environmental screening criteria. The Micro-Loan Foundations, through provision of microloans, support such initiatives as: a) bee-keeping; b) production of biocom-post; c) stockbreeding; d) greenhouses; e) seasonal production of early vegetables; and f) processing fruits via solar dryers. To-date, through Poverty-Environment Initiatives, provision of microloans results in provision of permanent employment opportunities for 27 people (51% women) and seasonal jobs for 71 people (51% women);
• At the national level the P-E linkages were included in short-term Living Standards Improvement Strategy of Tajikistan for 2013-2015. Around 40% of recommendations have been fully integrated in a final strategic document;
• At the district level the P-E linkages were mainstreamed into a methodology of district development planning. Up to now, it has been applied to 41 district development plans countrywide;
• Agreement has been made with the Government on applying Strategic Environmental Assessment (SEA) for P-E mainstreaming into the next national strategies (National Development Strategy and mid-term Development Strategy);
• PEI enhanced the capacity of more than 250 governmental officials and local authorities on P-E mainstreaming into national and district levels planning documents.

Way forward

• Introduction of Public Environmental Expenditure Review of the water sector;
• Integration of gender equality approach in national and sub-national strategic planning;
• Introduction of System of Economic Environmental Accounts (SEEA): integration of environmental indicators in the System of National Accounts;
• Methodologies and tools on Green Economy and Economic Valuation of Ecosystem Services to support the P-E mainstreaming process to be introduced;
• Being a global initiative the PEI strengthens regional cooperation, knowledge sharing and exchange of expertise on P-E mainstreaming into sustainable development processes at the regional level considering country’s context.

THE PEI WORKS AT TWO LEVELS

At the policy level it brings decision makers together to look into strategic document planning frameworks and reflect environmental perspective in frameworks those strategies;

At the operational level it raises an awareness of people especially living in rural areas on how improper use of natural resources harms their living condition.