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Investing in rural people

Report to the President

Proposed additional loan and additional Debt Sustainability Framework grant to the

Republic of Liberia

Tree Crops Extension Project II

Project ID: 2000001543

Note to Executive Board representatives

Approved on Monday 10 August 2020

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Contents

Abbreviations and acronyms	i
Financing summary	ii
I. Background and project description	1
A. Background	1
B. Original project description	1
II. Rationale for additional financing	1
A. Rationale	1
B. Description of geographical area and target groups	2
C. Components, outcomes and activities	2
D. Costs, benefits and financing	3
III. Risk management	6
A. Risks and mitigation measures	6
B. Environment and social category	6
C. Climate risk classification	7
A. Compliance with IFAD policies	7
B. Organizational framework	7
C. Monitoring and evaluation, learning, knowledge management and strategic communication	8
D. Proposed amendments to the financing agreement	9
IV. Legal instruments and authority	9
V. Recommendation	9

Appendix

- I. Updated logical framework incorporating the additional financing

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Abbreviations and acronyms

PBAS	Performance Based Allocation System
TCEP II	Tree Crops Extensions Project II
FMOs	Farm-to-Market Operators
WCA	West and Central Africa
PIU	Project Implementation Unit
SECAP	Social Environmental and Climate Assessment
M&E	Monitoring and Evaluation

Financing summary

Initiating institution:	IFAD
Borrower/recipient:	Republic of Liberia
Executing agency:	Ministry of Agriculture
Total project cost:	US\$47.6 million
Amount of original IFAD loan]:	US\$11.9 million
Amount of original IFAD Debt Sustainability Framework (DSF) grant	US\$11.9 million
Terms of original IFAD financing:	Highly concessional: 40 years, including a grace period of 10 years, with a service charge of 0.75 per cent per annum and DSF grant
Amount of additional IFAD loan:	US\$1.46 million
Terms of additional IFAD loan financing:	The Loan is granted on highly concessional terms, and shall be free of interest but shall bear a fixed service charge as determined by the Fund at the date of approval of the Loan, payable semi-annually in the Loan Service Payment Currency. The Loans shall have a maturity period of forty (40) years, including a grace period of ten (10) years starting from the date of approval of the Loan. The principal of the Loan will be repaid at four and half per cent (4.5%) of the total principal per annum for years eleven (11) to thirty (30), and one per cent (1%) of the total principal per annum for years thirty-first (31) to forty (40).
Amount of additional DSF grant	US\$0.54 million
Financing gap	US\$14.2 million
Contribution of borrower/recipient:	US\$2.5 million
Contribution of beneficiaries:	US\$1.8 million
Contribution of private sector:	US\$3.4 million
Cooperating institution:	IFAD

Recommendation for approval

According to the delegation of authority procedure approved by the Executive Board at its 126th session and detailed in document EB 2019/126/R.48/Rev.2 the President is invited to approve the recommendation contained in paragraph 48.

I. Background and project description

A. Background

1. The Tree Crops Extension Project II (TCEP-II) was approved by IFAD's Executive Board by the lapse-of-time procedure on 1 December 2018 (EB 2018/LOT/P.16). The Financing Agreement was ratified in country on 17 September 2019 and the first disbursement was effectuated on 11 February 2020. The original completion date of the project is 30 September 2025, which will not be changed with the additional financing.
2. The project was designed with a financing gap of US\$16.2 million, of which US\$9.2 million would finance the rehabilitation of rural roads in the project area and US\$7 million would finance climate-smart investments under the project.
3. Liberia's performance-based allocation for 2019-2021 (IFAD11) amounts to US\$34 million of which US\$32 million has been approved.¹ In a letter dated 26 February 2020, the Government of Liberia has requested that the remaining US\$2 million be allocated to partially fill the financing gap under TCEP-II with the specific aim to finance rural road rehabilitation and maintenance.

B. Original project description

4. The goal of TCEP II is to increase incomes and improve the livelihoods of poor rural smallholder cocoa farming households in Lofa County. The project's development objective is to improve the incomes and climate resilience of smallholder cocoa producers in Lofa County.
5. The project will benefit both producers and other players within the cocoa value chain such as input suppliers and farm-to-market operators (FMOs). It aims to benefit 10,000 cocoa smallholder producers using a self-targeting approach complemented by tools to ensure that beneficiaries meet project targeting criteria. These beneficiaries will include members of kuu groups (traditional community-based labour groups), youth and women. TCEP II will also target cooperatives strengthened through the IFAD-financed Smallholder Tree Crop Revitalization Support Project (STCRSP), which was completed in 2017, to ensure their sustainability, along with other cocoa producer groups and potential FMOs.

II. Rationale for additional financing

A. Rationale

6. The original project cost was US\$47.6 million, including a financing gap of US\$16.2 million, of which US\$9.2 million was intended for rural road rehabilitation and US\$7 million as investments to climate proof the infrastructure and livelihoods of the target population.
7. The project had a short lag between entry into force (EIF) and first disbursement, of less than five months. The first disbursement of US\$2 million, which corresponds to 8.4 per cent of the project's disbursable amount, was effected in February 2020. According to the project disbursement forecast, the project is expected to disburse

¹ The US\$32 million has been allocated to two projects: (i) the Smallholder Agriculture Transformation and Agribusiness Revitalization Project (STAR-P) was approved in September 2019 for an amount of US\$23 million; and (ii) Additional financing in an amount of US\$9 million has been allocated to the Tree Crop Extension Project (TCEP) in September 2019.

an amount of US\$3.5 million by the end of 2020 and it is expected that the full project amount will be disbursed by the completion date.

8. Liberia has not experienced any suspensions in the portfolio since 2000 and the current portfolio does not include any projects at risk/problem projects. Given the young age of the project, the implementation performance ratings are not available yet. The first supervision mission has been postponed from April to October 2020 due to the COVID-19 pandemic.
9. **Special aspects relating to IFAD's corporate mainstreaming priorities.** As per its original design, the project is aligned with IFAD's Policy on Gender Equality and Women's Empowerment by promoting economic empowerment that provides rural women with equal opportunities to participate in and benefit from profitable economic activities in the cocoa value chain; and resilience to climate change was mainstreamed throughout the country programme.

B. Description of geographical area and target groups

10. TCEP II targets Lofa County given the importance of cocoa farming in this County. The project will benefit around 10,000 cocoa smallholder producers and other stakeholders within the cocoa value chain such as input suppliers and farm-to-market operators. There will be no changes in the targeting due to the additional financing.

C. Components, outcomes and activities

11. The project's components will remain the same as per original financing:
12. **Component 1:** Revitalization of cocoa plantations. The expected outcome of component 1 will be increased quantity and quality of cocoa sold by smallholders. This component comprises five subcomponents: 1.1 – Basic rehabilitation and new cocoa plantations; 1.2 – Improving post-harvest handling and quality; 1.3 – Germplasm garden support; 1.4 – Alternative livelihood activities (crop diversification through intercropping on existing plantations for food and nutrition security, shade management and income generation, and on new plantations before newly planted cocoa trees mature); and 1.5 – Transformation of cocoa waste as an alternative income source.
13. **Component 2:** Rehabilitation and maintenance of roads. The expected outcome of component 2 will be improved and climate-proof access to markets. It contains two subcomponents: 2.1 – Road construction, rehabilitation and climate proofing; and 2.2 – Maintenance of roads.
14. **Component 3:** Service provision for value chain development. The outcome of component 3 will be improved value chain organization and performance. This will be achieved through a set of concurrent activities in subcomponents: 3.1 – Support to farmer organizations (including the establishment of business platforms for value chain players); 3.2 – Improved market linkages through the construction of humidity-controlled warehouses to store cocoa beans during the wet season when roads are not passable; 3.3 – Support to extension service development and outreach; 3.4 – Dry storage; and 3.5 – Implementation support to the Government's strategy on reducing emissions from deforestation and forest degradation, and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks.
15. **Component 4:** Project coordination, management, monitoring and evaluation (M&E), and policy. Using the country programme approach, TCEP II will adopt a similar strategy to that of TCEP I. This will ensure efficient and effective planning, implementation, M&E and knowledge management while considering environmental and climate change resilience. In addition, component 4 will involve policy engagement and will drive gender and social inclusion activities along with dialogue for establishing a functional road maintenance fund.

D. Costs, benefits and financing

Project costs

16. **Total cost.** The total cost of the project (including taxes and contingencies) for a period of six years (2019-2025) remains the same that at original design, US\$47.6 million, including a financing gap of US\$16.2 million which will be reduced by US\$2 million with this additional financing proposal. The US\$2 million additional financing will be allocated under Component 2, Rehabilitation and maintenance of roads.

Table 1

Original and additional financing summary

(Thousands of United States dollars)

	<i>Original financing*</i>	<i>IFAD Additional financing</i>	<i>Total</i>
IFAD loan	11 913	1 460	13 373
IFAD grant	11 913	540	12 453
Financing gap	16 167		14 167
Private Sector	3 381		3 381
Beneficiaries	1 783		1 783
Borrower/recipient	2 487		2 487
Total	47 644	2 000	47 644

* See tables 2 in document [EB 2018/LOT/P.16](#) for detailed breakdown.

Table 2

Additional financing: project costs by component (and subcomponent) and financier

(Thousands of United States dollars)

<i>Component/ subcomponent</i>	<i>Additional IFAD loan</i>		<i>Additional IFAD grant</i>		<i>Financing gap</i>		<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>
1. Revitalization of cocoa plantations							
Subtotal A					1 628	100	1 628
2. Rehabilitation and maintenance of roads							
2.1 – Road construction, rehabilitation and climate proofing	938	12	347	4	6 681	84	7 966
2.2 – Maintenance of roads.	522	12	193	4	3 714	84	4 429
Subtotal B	1 460	12	540	4	10 395	84	12 395
3. Service provision for value chain development							
Subtotal C					2 144	100	2 144
4. Project coordination, management, M&E and policy							
Total	1 460	9	540	3	14 167	88	16 167

Table 3
Additional financing: project costs by expenditure category and financier
 (Thousands of United States dollars)

Expenditure category	Additional IFAD loan		Additional IFAD grant		Financing gap		Beneficiaries			Borrower/recipient			Total Amount	
	Amount	%	Amount	%	Amount	%	Cash	In kind	%	Cash	In-kind	%		
I. Investment costs														
1. Works	1 460	12	540	5	10 020	83								12 020
2. Goods, services and inputs					4 147	0								4 147
3. Consultancies														
II. Recurrent costs														
4. Salaries and allowances														
5. Operating costs														
Unallocated														
Total	1 460	9	540	3	14 167	88								16 167

Table 4
Project costs by component and project year (PY)
 (Thousands of United States dollars)

Component/subcomponent	PY1		PY2		PY3		PY4		PY5		PY6		Total Amount
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
1. Revitalization of cocoa plantations	2 332	4.9	3 396	7.1	3 413	7.2	2 731	5.7	1 787	3.8	737	1.5	14 396
2. Rehabilitation and maintenance of roads	1 871	3.9	7 117	14.9	6 538	13.7	3 153	6.6	1 937	4.1	1 646	3.5	22 262
3. Service provision for value chain development	96	0.2	369	0.8	448	0.9	520	1.1	558	1.2	583	1.2	2 574
4. Project coordination, monitoring and evaluation	975	2.0	789	1.7	1 056	2.2	913	1.9	1 359	2.9	3 318	7.0	8 410
Total	5 274	11	11 672	24	11 456	24	7 317	15	5 641	12	6 284	13	47 644

Financing and cofinancing strategy and plan

17. The remaining financing gap of US\$14.2 million, equivalent to 29.8 per cent of the total cost, will be filled by the Green Climate Fund and possibly through the OPEC Fund for International Development. If neither of these sources of cofinancing materialise, this financing gap may be sourced through subsequent performance-based allocation system cycles (under financing terms to be determined and subject to internal procedures and subsequent Executive Board approval).

Disbursement

18. Disbursement arrangements will remain unchanged as per the original agreement. The disbursement of IFAD funds will flow through a designated account in United States dollars for IFAD financing in the central bank of Liberia (IFAD funds will not be mingled with other funds), and it will be processed against duly certified withdrawal applications in accordance with IFAD disbursement procedures. The conditions for the first withdrawal have been met, and the first withdrawal application was processed. The threshold for Statement of Expenditures is US\$100,000.

Summary of benefits and economic analysis

19. The economic and financial analysis remains unchanged as compared with the original project design. Hence, TCEP-II will benefit 10,000 smallholder cocoa farmers and 5,000 other beneficiaries through improved roads and value chain services. Considering the average household size of 4.3 in the project area, this totals 64,200 household members. An additional 5,000 people will benefit from

better roads, stronger cooperatives and market linkages, the availability of improved planting material and better input-supply systems.

20. Component 1 is expected to lead to an increase in cocoa production, marketing and exports as a result of: (i) the revitalization of abandoned plantations; (ii) replanting of new trees; (iii) higher yields for smallholder farmers; (iv) higher farm-gate prices; and (v) higher-quality cocoa as a result of improved post-harvest handling and marketing.
21. Benefits from component 2 (rehabilitation and maintenance of roads) will include greater access to markets, reduced time and cost of reaching local markets, and limited post-harvest losses due to poor transportation conditions. Component 3 (service provision for value chain development) will enhance the delivery of quality services to cocoa farmers and guarantee sustainability through improved extension services and greater access to inputs and markets.
22. The economic results of the project are positive and significant, with an economic internal rate of return of 17 per cent and a net present value of additional benefits totalling US\$15.2 million over 20 years against a social discount rate of 10 per cent. The sensitivity analysis indicates that the results are robust to a reduction in the rate of adoption, but sensitive to an overall reduction in benefits, increased costs and delays in implementation.

Exit strategy and sustainability

23. The project seeks to ensure the sustainability of its activities by: (i) rehabilitating abandoned cocoa plantations and replanting of new trees; (ii) rehabilitating and constructing roads that are climate proof; (iii) supporting forest conservation, sustainable management of forests, and enhancement of forest carbon stocks; (iv) integrating climate change resilience and institutional capacity building; (v) using long-term capacity-building strategy for cooperatives combined with more systematic institutional capacity building and institutional auditing; and (vi) supporting smallholder farmers capacity building.

III. Risk management

A. Risks and mitigation measures

24. **Start-up delays.** The risks identified at design did not materialize and the project is being implemented as planned.
25. **Price volatility.** The vulnerability cocoa price variations risk has not changed. To mitigate the risk of price variations, the project will support investments in other food crops for food security, climate resilience and smooth cash flow.
26. **Weak governance and institutional capacities.** The risks related to weak governance and institutional capacities have not changed. The mitigation measures that are in place for TCEP II are: (i) competitive recruitment of staff, (ii) harmonization of staffing with the country programme staffing arrangements, use of IFAD procurement guidelines and strengthening of training and control systems related to financial management. Furthermore, to mitigate the risk of institutional capacity, TCEP II includes key innovations like the integration of climate change resilience and institutional capacity building into the approach, as well as systematic institutional capacity building and institutional auditing.

B. Environment and social category

27. Through the Social Environmental and Climate Assessment Procedures (SECAP) developed for the original design, the below environmental and social impacts/risks were identified. Several measures for mitigating the risks have been put in place that are still relevant for the additional financing. This project is confirmed as a SECAP category B project – posing limited socio-environmental risks.

28. **Climate and environment risk.** Liberia is increasingly exposed to climate change, as well as soil and water contamination from pesticides, and risks related to the monoculture of cocoa. The mitigation measures that will be put in place are: (i) mainstreaming of climate change resilience throughout the country programme; (ii) promotion of climate smart practices; (iii) climate proofing of roads; (iv) promotion of climate resilient cocoa varieties.
29. **Land tenure.** In order to mitigate the risks related to land tenure, the project will: (i) consult extensively with community leaders and village elders to minimize land tenure related conflicts; and (ii) engage with Government Departments responsible for land tenure policy to promote solutions to securing land access on longer-term basis or ownership transfer to those who want to farm.

C. Climate risk classification

30. In line with the SECAP guidelines on Climate Risk Assessment, the project has been classified as a moderate-risk category.

IV. Implementation

A. Compliance with IFAD policies

31. No adjustments have been made to the original project design. As with any project, management will continuously assess whether strategic adaptive changes are necessary based on supervision mission findings.

B. Organizational framework Management and coordination

32. The project implementation approach and organizational framework remains the same as outlined in the original project design.
33. Similar to TCEP I, the Ministry of Agriculture is the Lead Project Agency of TCEP II. The same national steering committee orients the project strategy, oversees planning, reviews progress and ensures linkages among stakeholders. Under the supervision of the Project Management Unit within the ministry, which was established to coordinate donor-funded projects, the implementation, management and M&E of TCEP II has been delegated responsibility of the project implementation unit (PIU).
34. Staffing requirements for TCEP II are harmonized with those of TCEP I using the country programme approach. A county-level PIU has been established in Lofa County with adequate human and physical resources to coordinate the mobilization of kuu groups, farmer field schools and other farmer groups, and facilitate the participation of community members and FMOs. Memoranda of agreement will be signed with private-sector entities and cooperatives in order to ensure access to markets and services. The Central Agricultural Research Institute (CARI) will be responsible for increasing the supply of improved planting material.
35. A project steering committee has been established to drive the project's strategy, oversee planning, measure progress and assess impact. It also facilitates linkages with related projects, government services and value chain stakeholders. The Monrovia-based project management unit is the secretariat of the project steering committee, with administration and overall management responsibilities. The country-level PIU at the Ministry of Agriculture office in Voinjama facilitates local linkages, provide technical and monitoring support, and liaises with TCEP I counterparts in Nimba County.
36. The Monrovia-based PIU coordinates activities in Lofa County with those in Nimba County so that both can access similar services and jointly acquire seeds, equipment and other inputs, creating economies of scale through bulk buying or staggering buying arrangements in order to avoid over-burdening suppliers.

37. TCEP II is aligned with the Government's main development plan, the Pro-Poor Agenda for Prosperity and Development, in which the Government recognizes the agricultural sector's potential for job creation and sustainable livelihoods, particularly through value chain development.

Financial management, procurement and governance

38. The financial management requirements of the original design have not changed. The inherent risk was assessed as high. As a result, the project will largely follow the same stand-alone financial management arrangements established for ongoing IFAD projects, which will reduce the risk to medium.
39. The financial management arrangements include:
- (a) the appointment of a qualified financial controller and accountant;
 - (b) the tracking of all programme transactions using customized accounting software in line with the International Public Sector Accounting Standards cash basis of accounting;
 - (c) a designated account in United States dollars for IFAD financing in the central bank of Liberia (IFAD funds will not be mingled with other funds);
 - (d) the disbursement of IFAD financing against duly certified withdrawal applications in accordance with IFAD disbursement procedures; and
 - (e) periodic financial reports prepared by the PIU in formats agreed upon with IFAD.
40. In addition, consolidated financial statements will be audited annually by an independent auditor in accordance with the International Standards on Auditing and IFAD audit requirements. The audit report, together with a management letter, will be submitted to IFAD within six months of the end of each fiscal year. Daily financial operations will be detailed in the relevant section of the programme implementation manual.
41. IFAD applies a zero-tolerance policy towards fraudulent, corrupt, collusive or coercive actions in all projects financed through its loans and grants.

C. Monitoring and evaluation, learning, knowledge management and strategic communication

42. **Monitoring and Evaluation.** TCEP II Monitoring and Evaluation (M&E) is being undertaken by qualified personnel. The targets included in the logical framework will guide the direction and pace of the project implementation.

The preparation of the annual workplan and budget (AWPB) will be a participatory exercise involving the county-level PIU along with colleagues from the central PIU in Monrovia, the decentralized local government, other stakeholders and implementing partners. The central PIU will play a key role in consolidating the AWPB and will ensure that project indicators are properly integrated with clear targets.

43. **Knowledge management and communication.** TCEP II will establish a knowledge management plan jointly with TCEP, which determines the types of knowledge management products to be developed based on the intended audience. The knowledge management focus of TCEP II will be on learning lessons and accumulating best practices through the collection, sharing and dissemination of information on targeted cocoa value chains, organizational development and cocoa commercialization.

These knowledge services will be tailored to the needs of beneficiaries. The content will be aimed at women and youth, and all services will target these users. To this end, the project's learning and knowledge management strategy will capture and disseminate knowledge at various levels focused on: (i) generating trust and

fostering linkages between partners; (ii) managing and sharing information, knowledge and experiences; (iii) improving the private sector's effectiveness and efficiency in adding value and innovating; (iv) conducting analyses that can provide an evidence base for policy dialogue; and (v) creating conditions for replication, scaling up and sustainability.

D. Proposed amendments to the financing agreement

44. Subject to the approval of the additional financing by the President delegated by the Executive Board, the TCEP II financing agreement will be amended to take into account the additional US\$2 million of IFAD funds and the new financing terms (73 per cent highly concessional loan and 27 per cent DSF grant)). No new expenditure category will be created. This financing partially fills the gap of the financing plan originally approved and will not involve changes to the project, objectives, target area or target group.

V. Legal instruments and authority

45. An amendment to the current financing agreement between the Republic of Liberia and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient
46. The Republic of Liberia is empowered under its laws to receive financing from IFAD.
47. I am satisfied that the proposed additional financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

48. According to the delegation of authority procedure approved by the Executive Board at its 126th session and detailed in document EB 2019/126/R.48/Rev.2, the President is invited to approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Republic of Liberia in an amount of one million four hundred sixty thousand United States dollars (US\$ 1 460 000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a Debt Sustainability Framework grant to the Republic of Liberia in an amount of five hundred forty thousand United States dollars (US\$ 540 000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Donal Brown

Associate Vice-President, Programme Management Department

Updated logical framework incorporating the additional financing

Narrative Summary	Key Performance Indicators				Means of Verification			Assumptions
	Name (core indicator [CI])	Baseline (Y0)	Mid-Term (Y3)	End Target (Y6)	Source	Frequency	Responsibility	
Outreach								
	Number of persons receiving services promoted or supported by the project ² [CI 1]			64,200	Monitoring report	Quarterly	County-PIU	No major crisis such as Ebola epidemic or external shocks such as hyperinflation, stability within MoA and MFPD
	Corresponding number of Households reached [CI 1.a] ³			15,000	Monitoring report	Quarterly	County-PIU	
	Estimated corresponding total number of household members ⁴ [CI 1.b]			4.28	Monitoring report	Quarterly	County-PIU	
Goal:								
Increase income and improve the livelihoods of poor rural households farming cocoa on a smallholder basis in Lofa country	% of population below the international poverty line in the North Central region ⁵	72%	67%	62%	Midterm Review Study or Secondary data (LISGIS)	PY3, PY6	IFAD-PIU	<ul style="list-style-type: none"> Institutions are strengthened Government policy supports land acquisition, feeder roads, and private sector inclusion
	Household Food security level ⁶	11.3% moderate and severe food insecurity ⁷ :	TBD	TBD	Baseline/ Completion Survey or secondary data i.e. CFSNS, WFP VAM	PY3, PY6	IFAD-PIU	
Project Development Objective:								
Improve incomes and climate change	# of smallholder farmers who increased	0	5,500	10,000	Baseline/Completion survey	PY1, PY3, PY6	IFAD-PIU (LISGIS)	Commitment of all stakeholders

²Disaggregated by sex

³Disaggregated by Lead (head of household, small enterprise or group)

⁴Disaggregated by sex

⁵ Household Income and Expenditure Survey, LISGIS 2016

⁶The food insecure people are those that spend more than 60% of their resources on food and have poor or borderline food consumption on combined with those that spend 40-60% of their resources on food and have poor food consumption. The moderately food insecure are the sum of those that have acceptable FCS but spend a very high share (>60%) of their income on food plus those that have borderline consumption and spend 40-60% of their income on food plus those with poor FC but a lower share of expenditure on food (<40%).

⁷World Food Program, VAM Report, 2015

Narrative Summary	Key Performance Indicators				Means of Verification			Assumptions
	Name (core indicator [CI])	Baseline (Y0)	Mid-Term (Y3)	End Target (Y6)	Source	Frequency	Responsibility	
resilience of smallholder cocoa producers in Lofa County	the quantity of cocoa sold[CI 1.2.4]							(government, donors, private sector) to participate in poverty reduction efforts
	# of smallholder farmers who increased their resilience ⁸ to climate change	0	<ul style="list-style-type: none"> • 550 • 550 	<ul style="list-style-type: none"> • 4,000* • 4,000** 	Baseline/Completion survey	PY1, PY3, PY6	IFAD-PIU (LISGIS)	
	Average gross sales of cocoa per farm	69US\$	361 US\$	998US\$	Baseline/Completion survey, monitoring data	PY1, PY3, PY6	LISGIS, Coop reports, PSP	
	Farm gates prices as % of ICCO reference price for grade 1	56%	76%	86%	Monitoring reports	Quarterly	County-PIU	
	% of farmers engaged in alternative livelihood activities (plantain, potatoes, groundnut)		75%	100%	Monitoring reports	Quarterly	County-PIU	

Component 1 – Revitalization of cocoa plantations

Outcome 1: Increased quantity and quality of cocoa sold by smallholders	# of productive trees per farmer (yielding >25 pods of cocoa per tree)	0	550	1,100	Baseline/Completion survey	PY1, PY3, PY6	IFAD-PIU (LISGIS)	Land tenure system in project counties does not pose any limitations to project activities Targeted communities are involved and responsive to interventions made
	Percentage of grade 1 cocoa sold		47%	90%	Reports of PSP and cooperatives	Annually	CAC, DAO	
Outputs:	Ha of cocoa rehabilitated or replanted	2,000 ha ⁹	4,134	7,500 ha	Reports from DAO, PSP and Cooperatives	Quarterly	CAC, DAO	

⁸ A household will be considered as more resilient to climate change if it is at least: a) using climate resilient practices (adequate shade, diversification, pest and disease control) and cocoa germplasm promoted by the TCEP II; and b) is engaged in a zero deforestation agreement which is monitored. It is estimated that at least 50% of the farmers would reach this level in year 6.

*These farmers will meet all the criteria listed in the above footnote.

**Besides being engaged in a zero-deforestation agreement, these farmers will satisfy at least two of the criteria on the use of climate resilience practices.

⁹Former STCRSP farmers.

Narrative Summary	Key Performance Indicators				Means of Verification			Assumptions
	Name (core indicator [CI])	Baseline (Y0)	Mid-Term (Y3)	End Target (Y6)	Source	Frequency	Responsibility	
Plantation revitalized and climate resilient practices and processing introduced								
	# of groups (FFS) trained in production practices and/or technologies[CI 1.1.4]	0	220 FFS	400 FFS	FFS officer	Quarterly	County-PIU	
Component 2 – Rehabilitation and maintenance of roads								
Outcome 2: Improved and climate proofed access to markets	Km of roads passable all year (including climate-proofing) round after three years	133.1 ¹⁰ km	413 km	513 km	Reports of CRE	PY1, PY3, PY6	County-PIU, CRE	Targeted communities are involved and responsive to interventions made
	# of kilometres of roads constructed, rehabilitated or upgraded, [CI 2.1.6]	0	280km	380km				
	# Number of Road Management Plans (RMP) developed ¹¹	0	7	7				
	Outputs: Rehabilitation and maintenance of roads	# of Road Management Committees established and functioning ¹²	0	1	1	Reports from DAO, PSP and Cooperatives	Quarterly	
Component 3 – Service provision for value chain development								
Outcome 3:	Tonnes of cocoa sold by farmers through their cooperatives and/or PSP	1,000	2,775 tonnes	9,800 tonnes	Reports from Coops and PSP	Quarterly	CAC, DAO	Responsive and interested private sector

¹⁰STCRSP achievement.

¹¹Levelling/grading, heaping with maroon and compacting, Opening waterways / construction of culverts, patching potholes, sweeping, slashing, clearing excess vegetation.

¹²Based on an average road extension of 7 km (from STCRSP: 133 km for 19 roads) and given that each road will be provided with a RMC, a total of 56 RMCs will be established.

Narrative Summary	Key Performance Indicators				Means of Verification			Assumptions
	Name (core indicator [CI])	Baseline (Y0)	Mid-Term (Y3)	End Target (Y6)	Source	Frequency	Responsibility	
Improved service provision to cocoa smallholder	Average increase of business potential (improving service delivery to farmers) for supported cooperatives	2.95 (current average business potential of coops in Lofa)	3.8 for 80% and 4.5 for 20% of selected coops	4.5 for 70% and 5 for 30% of selected coops	Reports of PSP and cooperatives	Annually	CAC, DAO	partners in the cocoa sector
Outputs: Sustainable cooperatives for marketing of cocoa and provision of inputs	# of rural producers accessing production inputs and/or technological packages [CI 1.1.3]	0	5,500	10,000	Reports from Coops and PSP	Quarterly	CAC, DAO	