

Document: EB 2021/134/R.38
Agenda: 19(b)(i)(a)
Date: 10 November 2021
Distribution: Public
Original: English

E



President's report

Proposed loan

Islamic Republic of Pakistan

Khyber Pakhtunkhwa Rural Economic Transformation Project

Project ID: 2000002333

Note to Executive Board representatives

Focal points:

Technical questions:

Nigel Brett
Regional Director
Asia and the Pacific Division
Tel.: +39 06 5459 2516
e-mail: n.brett@ifad.org

Hubert Boirard
Country Director
Tel.: +39 338 3202 446
e-mail: h.boirard@ifad.org

Dispatch of documentation:

Deirdre Mc Grenra
Chief
Institutional Governance and
Member Relations
Tel.: +39 06 5459 2374
e-mail: gb@ifad.org

Executive Board — 134th Session
Rome, 13-16 December 2021

For: Approval

Contents

Abbreviations and acronyms	ii
Map of the project area	iii
Financing summary	iv
I. Context	1
A. National context and rationale for IFAD involvement	1
B. Lessons learned	2
II. Project description	3
A. Objectives, geographical area of intervention and target groups	3
B. Components, outcomes and activities	3
C. Theory of change	4
D. Alignment, ownership and partnerships	4
E. Costs, benefits and financing	5
III. Risks	7
A. Risks and mitigation measures	7
B. Environment and social category	8
C. Climate risk classification	8
D. Debt sustainability	8
IV. Implementation	9
A. Organizational framework	9
B. Planning, monitoring and evaluation, learning, knowledge management and communication	10
C. Implementation plans	11
V. Legal instruments and authority	11
VI. Recommendation	11

Appendices

- I. Negotiated financing agreement (will be made available prior to the session)
- II. Logical framework
- III. Integrated project risk matrix

Project delivery team

Regional Director:	Nigel Brett
Country Director:	Hubert Boirard
Technical Lead:	Mylene Kherallah
PDT Member:	Tom Anyonge
Finance Officer:	Alaa' Abdel Karim
Climate and Environment Specialist:	Renée Ankarfjard
Legal Officer:	Mbali Mavundla

Abbreviations and acronyms

4Ps	public-private-producer partnerships
AGP	Auditor General of Pakistan
AWP/B	annual workplan and budget
COSOP	country strategic opportunities programme
FM	financial management
FSC	farm services centre
KP	Khyber Pakhtunkhwa Province
M&E	monitoring and evaluation
MoU	memorandum of understanding
P&DD	Planning and Development Department
PFO	professional farmers' organization
PMU	project management unit
PSC	project steering committee
SDG	Sustainable Development Goal

Map of the project area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
 Dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties.
 Map compiled by IFAD | 12-05-2020

Financing summary

Initiating institution:	IFAD
Borrower/recipient:	Islamic Republic of Pakistan
Executing agency:	Planning and Development Department of Khyber Pakhtunkhwa
Total project cost:	US\$185.82 million
Amount of IFAD loan:	SDR 59.48 million (equivalent to approximately US\$84.19 million)
Terms of IFAD loan:	Blend: Maturity period of 25 years, including a grace period of 5 years. There will be interest on the principle amount outstanding and a service charge, both of which will be fixed for the life cycle of the loan and payable semi-annually in the loan service payment currency, as determined by the Fund at the date of approval of the loan by the Fund's Executive Board.
Contribution of Government of Khyber Pakhtunkhwa:	US\$40.45 million
Contribution of beneficiaries:	US\$45.27 million
Financing gap:	US\$15.91 million
Amount of IFAD climate finance:	US\$13.55 million
Cooperating institution:	IFAD

Recommendation for approval

The Executive Board is invited to approve the recommendation contained in paragraph 53.

I. Context

A. National context and rationale for IFAD involvement

National context

1. Pakistan is a lower-middle-income country with a per capita income of US\$1,641 and an estimated GDP of US\$314 billion. The agriculture sector absorbs 42 per cent of the labour force, generates significant foreign exchange earnings and stimulates growth in other sectors. Pakistan has the ninth largest labour force in the world, with almost 4 million youth reaching working age every year. This large proportion of youth in the population, combined with the recent economic slowdown, will exacerbate the problem of underemployment and unemployment, especially in rural areas.
2. The country's economy has been severely hit by the COVID-19 pandemic and its GDP contracted by 0.39 per cent during 2020 and 1.9 per cent in 2019, compared with a pre-COVID-19 growth rate of more than 5.8 per cent in 2018 and 5.6 per cent in 2017. This is the second contraction in decades, and it reflects the effects of the COVID-19 containment measures that followed the monetary and fiscal tightening prior to the outbreak. While the situation improved in 2021, GDP growth was only 1.5 per cent, substantially lower than the target of 4.8 per cent. Economic growth is projected to remain low, averaging 1.3 per cent for fiscal year 2022.
3. The Khyber Pakhtunkhwa Province (KP) is the third largest in the country. The province has a poverty level of 49 per cent, compared with a national average of 39 per cent. Youth unemployment is mainly due to low levels of education and skills and exceptionally low participation of women in the job market.
4. The Government of Pakistan has endeavoured to increase the incomes of rural households, with a special focus on women and youth. These efforts are reflected in Pakistan Vision 2025; the country's twelfth Five-Year Plan, covering the period 2018–2023; and the Ehsaas¹ initiative, all of which are aimed at attaining the Sustainable Development Goals (SDGs).

Special aspects relating to IFAD's corporate mainstreaming priorities

5. In line with Eleventh Replenishment of IFAD's Resources (IFAD11) mainstreaming commitments, the project has been validated as:
 - Nutrition-sensitive;
 - Youth-sensitive.
6. The project will aim to create nutrition-sensitive value chains, ensuring the inclusion of women therein; carry out nutrition awareness training; and contribute to the food security policy, currently under development. One of the major outcomes of the project will be the increase in the employment of both male and female youth, whose unemployment rate in KP is higher than in the rest of Pakistan.

¹ A major national social safety net initiative, launched in 2018.

Rationale for IFAD involvement

7. The multidimensional poverty rate in KP is 49 per cent for a population of 35.35 million people (4.4 million households), 81 per cent of whom live in rural areas. Because of the high poverty level, and despite a real potential for economic development in agriculture, livestock, fishery, vegetable production, floriculture and agritourism, income levels among rural households remain extremely low, affecting youth, in particular. Money lenders have full control of the traditional ways of doing business and marketing rural products in these remote rural areas. Without external support that will enable the poorest farmers to organize and access profitable markets and formal finance or banking products and that will provide them with key technical and management skills, the rural population will continue to struggle to survive.
8. Because of the rural poverty and the extremely low household incomes, in almost all rural families in KP at least one young male must emigrate. These young people who leave their villages, or their country, have never had the opportunity to be trained, to acquire the necessary skills to have access to decent jobs or to create their own businesses in their own villages or areas.
9. The rural sector in KP could avail itself of many opportunities if properly supported. That is why the Government of Pakistan and the Government of KP have requested IFAD to support them in designing and implementing a provincial programme covering all districts that could generate a real and sustainable rural economic transformation, with the development of the province's economic agribusiness potential, but also with the necessary support to ensure the sustainable employability or self-employability of the poorest segment of this rural population.
10. The Government of Pakistan is consequently requesting IFAD to adapt and scale up its successful current experience of (i) the Economic Transformation Initiative in Gilgit-Baltistan by developing market-oriented professional farmers' organizations (PFOs) that will be sustainable and profitable; and (ii) the Southern Punjab Poverty Alleviation Project by supporting provincial employment and self-employment, with a special focus on the most vulnerable rural youth of the province.
11. Given IFAD's mandate, successful experiences and comparative advantage, the Government of KP and the Government of Pakistan have formally requested IFAD to support them in the economic transformation of the province for the benefit of the poorest.

B. Lessons learned

12. Some key lessons relevant to this project can be summarized as follows:
 - (i) PFOs should be promoted through a business model based on market studies and integrated into a business plan, with a clear break-even point, commercial profit objective and professional management team (i.e. not necessarily managed by the shareholder farmers) and a critical mass of at least 300 members.
 - (ii) Employment generation for the ultra-poor and the poor is possible with the right combination and sequencing of technical and managerial skills, enterprise development and start-up capital.
 - (iii) Gender integration: lessons from previous IFAD operations and other development partners indicate that an integrated and inclusive household approach implemented in a culturally acceptable manner is the necessary entry point for gender mainstreaming.
 - (iv) Results-based contracts for service providers and ad hoc but high-level technical assistance are essential to ensure that the final objective is achieved.

- (v) Partnerships with organizations that have previous significant experience and presence in the target areas help projects to intervene in a much more efficient way.
- (vi) An independent project management unit (PMU), staffed through competitive selection, is key to ensuring smooth implementation.
- (vii) A provincial approach enables greater efficiency in terms of policy dialogue, as the provinces have full authority for policy and regulations on many subjects, such as agriculture, climate change and farmers' organizations development.
- (viii) Security issues can be addressed through a flexible and phased provincial approach combined with multiple implementation modalities.

II. Project description

A. Objectives, geographical area of intervention and target groups

13. The **project development objective is** to improve the incomes of rural households sustainably through climate-resilient, high-value agriculture and off-farm/non-farm employment opportunities. This is in line with the three strategic objectives of the Pakistan country strategic opportunities programme (COSOP): (i) promoting rural poor households' economic transformation; (ii) policy and institutional strengthening for community-led development; and (iii) building resilience for sustainable nutrition and food security.
14. The project will cover all 35 districts of the province over a seven-year implementation period. Both the federal and provincial governments attach high priority to the socio-economic development of the province, particularly in the newly merged districts (former federally administered tribal areas) which are among the most underdeveloped regions of Pakistan and thus may require greater attention and priority under the project. Because of its unique agroclimatic conditions, KP has significant potential for high-value crops such as fruits, vegetables and flowers and for livestock and dairy farming. Currently, smallholder farmers employ a mixed farming system, and about half the cultivated area is rainfed.
15. The main target group for the project will be smallholders and landless households. A total of 785,000 households are expected to benefit directly from the project interventions, and there will be a special focus on women and youth in these households. The target groups will be pre-identified through the implementing partners. Village councils/community organizations, under the supervision of decentralized PMU teams, will validate and confirm the data of eligible households.

B. Components, outcomes and activities

16. The project will have three components: (i) agribusiness development (ii) skills development and employment promotion; and (iii) project management and policy and institutional support.
 - **Component 1.** This component will comprise four mutually reinforcing subcomponents: (i) development of PFOs; (ii) agricultural value chain development; (iii) farm services centres (FSCs); and (iv) institutional support. In addition to boosting the agriculture sector in the target area, this component will create the necessary potential and conducive institutional environment within a repositioned agribusiness approach to absorb a significant part of the target groups supported by component 2. Key policy areas supported under the component will include a review of the regulations pertaining to farmers' organizations, farmer markets, seeds/planting materials and produce quality compliance.

- **Component 2.** This component will have two mutually reinforcing subcomponents: (i) skills development, and (ii) employment promotion. The first subcomponent will ensure that all the skills necessary for smooth implementation of component 1 are available locally and are adapted to the needs of these new institutions or private initiatives. The second subcomponent will complement the activities carried out under component 1 for the development of new rural services and the promotion of rural employment by offering skilled youth and women the opportunity to develop their own private businesses and services. All technical and vocational training will be geared towards filling labour supply gaps and, where feasible, will be complemented by the provision of start-up capital to enable trainees to engage in sustainable self-employment.
- **Component 3.** This component includes the establishment of a provincial PMU in Peshawar and five regional offices (to cover all agroecological zones). The policy and institutional support aspect of this component will include the provision of technical assistance to the Government of KP for the development of a nutrition and food security policy and action plan, in collaboration with the World Food Programme (WFP) and the Food and Agriculture Organization of the United Nations (FAO), with a view to fostering ongoing change after project closure. In addition, the project will provide support to PFOs for the digitalization of business plan development and the scaling up of e-commerce and digital extension/advisory services.

C. Theory of change

17. The theory of change is based on three mutually reinforcing pathways: (i) agribusiness development pathway: the project is based on the fundamental premise that a market-driven approach is needed to help smallholder farmers sustainably increase their incomes and improve their livelihoods; (ii) skills for employment and entrepreneurship pathway: poorer households, especially those headed by women and young people, that lack access to land can be sustainably integrated into the job market through an already tested and successful combination of technical/managerial training and start-up capital; (iii) nutrition and food security pathway: food insecurity and nutritional deficits impact on the resilience of poor rural households; under component 1, the project will promote commodities/crops that have high nutritional value. Furthermore, recognizing that improved productivity and incomes do not automatically lead to better nutrition, the project will pursue a behaviour change approach by carrying out awareness/education campaigns, primarily through farmers' organizations.

D. Alignment, ownership and partnerships

18. The proposed project is well aligned with IFAD's Strategic Framework and the COSOP for Pakistan, in particular the COSOP's strategic objective 1 (promoting the economic transformation of poor rural households by pursuing expansion and scaling up of poverty graduation approaches already successfully tested in Pakistan). The project is also highly relevant to the IFAD11 business model and corporate priorities, especially gender, youth, climate change and nutrition. The project is designed to contribute to the attainment of the SDGs, in particular SDG 1 (no poverty), SDG 2 (zero hunger), SDG 5 (gender equality), SDG 8 (decent work and economic growth) and SDG 13 (climate action). Project outcomes will also contribute to balanced regional development, as outlined in Vision 2025, the country's twelfth Five-Year Plan, the poverty reduction strategy 2019, the National Food Security Policy, the Khyber Pakhtunkhwa Agriculture Policy, the Women Empowerment Policy 2017 and the Youth Policy 2016.
19. The project will seek synergies and promote complementarities with the Federal Government's Ehsaas initiative and with the National Poverty Graduation Programme, already under way in 10 of the 35 KP districts and with all other

donor- and government-funded programmes in the province. Special partnerships will be established with FAO and WFP to reinforce interventions, especially on climate resilience, advanced technologies and nutrition.

E. Costs, benefits and financing

Project costs

20. The project costs for the seven-year implementation period total US\$185.82 million, including an IFAD loan of US\$84.19 million, with a financing gap of approximately US\$15.91 million. Further financing is expected from the Government of KP in the amount of US\$40.45 million and from beneficiaries in the amount of US\$45.27 million.
21. The financing gap of US\$15.91 million 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) or by co-financing identified during implementation.
22. Project subcomponent 1.1: Professional farmers' organizations development and subcomponent 1.2: Public-private-producer partnerships are partially counted as climate finance. As per the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total amount of IFAD climate finance for this project is preliminarily calculated as US\$13.55 million.

Table 1
Project costs by component and financier
(Thousands of United States dollars)

Component	IFAD loan		Financing gap		Government of KP		Beneficiaries			Total
	Amount	%	Amount	%	Amount	%	Cash	In-kind	%	Amount
1. Agribusiness development	54 380	52.0	10 370	9.9	2 040	2.0	37 720	-	36.1	104 510
2. Skills development and employment promotion	19 180	29.0	3 120	4.7	36 360	54.9	7 560	-	11.4	66 220
3. Project management and policy and institutional support	10 630	70.4	2 420	16.1	2 040	13.5	-	-	-	15 090
Total	84 190	45.3	15 910	8.5	40 450	21.8	45 270	-	24.4	185 820

Table 2
Project costs by expenditure category and financier
(Thousands of United States dollars)

Expenditure category	IFAD loan		Financing gap		Government of KP		Beneficiaries			Total
	Amount	%	Amount	%	Amount	%	Cash	In-kind	%	Amount
Investment costs										
1. Vehicles	900	78.9	-	-	240	21.1	-	-	-	1 140
2. Equipment and materials	90	75.0	-	-	30	25.0	-	-	-	120
3. Technical assistance, training and studies	21 820	35.5	3 830	6.2	28 240	46	7 560	-	12.3	61 450
4. Grants to beneficiaries	51 810	47.3	9 670	8.9	10 260	9.3	37 710	-	34.5	109 470
5. Credit	-	-	-	-	-	-	-	-	-	-
Total investment costs	74 620	43.3	13 500	7.9	38 770	22.5	45 270	-	26.3	172 170
Recurrent costs										
1. Salaries and allowances	6 740	73.6	1 680	18.3	740	8.1	-	-	-	9 160
2. Operating costs	2 830	62	730	16.3	940	20.9	-	-	-	4 490
Total recurrent costs	9 570	70.1	2 410	17.7	1 670	12.2	-	-	-	13 650
Total	84 190	45.3	15 910	8.5	40 450	21.8	45 270	-	24.4	185 820

Table 3
Project costs by component and project year (PY)
 (Thousands of United States dollars)

<i>Component</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>Total</i>
1. Agribusiness development	24 300	29 300	23 600	13 000	13 100	600	610	104 510
2. Skills development and employment promotion	7 100	13 200	13 200	13 300	13 410	6 000	-	66 210
3. Project management and policy and institutional support	2 900	1 700	1 800	2 000	2 100	2 200	2 400	15 100
Total	34 300	44 200	38 600	28 300	28 610	8 800	3 010	185 820

Financing and cofinancing strategy and plan

23. Currently no international cofinancing is foreseen in the financing plan, but this option may be explored. Domestic cofinancing by beneficiaries will be in cash, while the Government's contribution will be in the form of tax exemptions.

Disbursement

24. The project will have segregated but integrated systems of funds flow, budgeting and accounting in order to have a clear, verifiable audit trail. This will be ensured by establishing designated accounts for the IFAD loan and for the government counterpart funds. The beneficiaries' contribution will be recorded and reported by the implementing partners (PFOs, FSCs and private partners under public-private-producer partnerships [4Ps] arrangements). The PMU will maintain updated information on the use of funds from all sources, including the beneficiaries' contributions, in its accounting system.
25. Withdrawal applications will be prepared by the PMU using the revolving fund modality, with submission of interim financial reports under the report-based mechanism.
26. The ratio of investments to recurrent costs is 93:7. The project duration is seven years. The main categories of expenditure under investment costs are (i) civil works/community infrastructure; (ii) vehicles, computers and equipment; (iii) technical assistance, training and studies; and (iv) grants and subsidies. The categories under recurrent costs are (i) salaries and allowances and (ii) operating costs.
27. To avoid procedural delays, the following steps are being proposed:
- (i) A robust and adequately staffed financial management (FM) section to handle processes efficiently;
 - (ii) A retroactive financing option for the following activities:
 - (a) Hiring of the project staff;
 - (b) Procurement of accounting software;
 - (c) Baseline studies/research;
 - (d) Prequalification of service providers and private sector partners for 4Ps arrangements.
 - (iii) FM support through a budget and finance officer at the regional coordination unit to enable the implementing partners to comply with requirements when submitting payment claims;
 - (iv) Provision of access to the IFAD Client Portal and training of FM and procurement staff in the PMU to use online processes (e.g. for submission of requests for no objection and withdrawal applications).

Summary of benefits and economic analysis

28. The net cash flows resulting from the project will provide incentives for beneficiaries in the form of improved incomes and profitability. For the Government of KP, there will be significant economic gains in terms of socio-economic development of rural households. The intervention will leverage private sector investments and will catalyse horizontal and vertical expansion of economic activities in the rural areas.
29. The estimated incremental increase in income resulting from agribusiness development will range from US\$200 to US\$1,000 per household, averaging US\$400 per household. Under the skills development and employment promotion component, the project support will enable beneficiaries to boost their monthly income by an average of US\$130 per month. The estimated incremental increase per year will be US\$300–US\$400.
30. The project is viable based on its overall financial internal rate of return of 22.3 per cent. The net present value of the proposed project over a 20-year period is US\$119.2 million. The discounted benefit-cost ratio is 1.56. The overall economic internal rate of return of the project is estimated at 26.7 per cent. The economic net present value of the project net benefit stream, discounted at 9.76 per cent, is US\$118.0 million, while the benefit-cost ratio is 1.34.

Exit strategy and sustainability

31. The project will create and exploit symbiotic relationships between supply and demand and will emphasize institutional and capacity development to ensure a safe exit and the sustainability of project outcomes. Several elements of the project will ensure sustainability and lead to a natural exit strategy (market study, business plan with a clear break-even point and profitability, actions to ensure the operational and financial sustainability of the institutions supported, market-based labour supply and demand and development of skills needed in the private sector for sustainable employment). The following are some key elements of the project's exit and sustainability strategy: (i) the long-term sustainability of PFOs will be ensured by helping them to formulate quality business plans and develop the capacity to reach their break-even point within three years; (ii) recent graduates will be offered internship opportunities to enable them to prepare to enter the job market; the Government is committed to replicating this model; and (iii) registered PFOs will acquire more bargaining power and a greater capacity for market penetration.

III. Risks

A. Risks and mitigation measures

32. The country's inherent fiduciary risk rating continues to be medium. Pakistan ranked 124th out of 175 countries on the Transparency International 2020 Corruption Perceptions Index.
33. KP has experienced security challenges that have restricted the movements of international staff for supervisory activities. Nevertheless, the situation has improved significantly in recent years, and travel restrictions are no longer a concern in 28 of the 35 districts in KP. The risks in the remaining seven districts are not permanent and can be addressed by ensuring that sufficient qualified national expertise is available for project supervision.
34. With regard to FM, the main risks relate to the following:

Flow of funds

- (i) **Risk:** Lack of clarity on how government financing for the annual development plan will be leveraged compromises project activities and increases the overall project delivery risk. **Mitigation measures:** The provincial government will be asked to sign a memorandum of understanding

(MoU) formally informing IFAD of how the government financing (excluding cash contributions for taxes and project management costs) will be identified, measured, recorded and reported under the project.

Internal control

- (ii) **Risk:** Implementing partners (PFOs, FSCs, private partners under 4Ps and service providers) are not subject to rigorous oversight, thus making it difficult to prevent, detect and rectify improprieties in the use of funds. **Mitigation measures:** Clear conditions for the release of funds will be included in the contracts/MoUs with these implementing partners. FM officials in regional coordination units will liaise with the implementing partners to ensure compliance with applicable requirements.

External audit

- (iii) **Risk:** Audit observations are not acted upon in a timely manner and the amounts flagged in audits become ineligible project expenses. **Mitigation measures:** The financing agreement will require that audit observations be resolved within six months of the release of the audit report.

Table 4

Risks and mitigation measures: Overall risk summary

<i>Risks</i>	<i>Inherent risk rating</i>	<i>Residual risk rating</i>
Country context	Substantial	Moderate
Sector strategies and policies	Substantial	Moderate
Environment and climate context	Substantial	Moderate
Project scope	Substantial	Moderate
Institutional capacity for implementation and sustainability	Substantial	Moderate
Financial management	Substantial	Moderate
Project procurement	Substantial	Moderate
Environment, social and climate impact	Moderate	Low
Stakeholders	Low	Low
Overall	Substantial	Moderate

B. Environment and social category

35. There are no specific issues with regard to environment and social category and the project is therefore classified as category B.

C. Climate risk classification

36. KP is considered one of Pakistan's most vulnerable provinces in terms of the negative impacts of climate change. Climate change concerns include the increased variability of monsoons, the impact of receding glaciers on river systems, decreased capacity of existing water reservoirs and extreme events, including floods and droughts. Potential climate change-induced impacts include severe water stress, food insecurity due to decreasing agricultural and livestock production, degradation of ecosystems and biodiversity loss. The climate risk classification is high.

D. Debt sustainability

37. In the first quarter of 2021, Pakistan's external debt increased to US\$116.3 billion, compared with US\$111 billion and US\$115.7 billion at the end of 2019 and 2020, respectively. In addition to COVID-19, the factors accounting for this increase include inability to create non-debt inflows, depreciation of the local currency and a drop in exports. External debt to GDP ratio was 43 per cent in 2020 compared with 38.1 per cent in 2019.

IV. Implementation

A. Organizational framework

Project management and coordination

38. The Economic Affairs Division of the Government of Pakistan will be the overall coordinating agency for the IFAD financing at the federal level. In KP, the Planning and Development Department (P&DD) will be the executing agency, and a project steering committee (PSC), headed by the additional chief secretary of the department, will provide policy guidance, oversight and coordination. A PMU will be established in Peshawar and divisional implementation units under P&DD will be set up in the divisional headquarters in the project area. The PMU, headed by a project director, will report to the PSC and will be responsible for planning, coordination, FM, procurement and monitoring and evaluation (M&E) of the project activities. Professional technical staff will be hired for the various components of the project. The project will be implemented in synergy with implementing partners and local service providers.

Financial management, procurement and governance

39. The PMU will have a well-structured FM team, headed by a qualified and experienced financial manager, and adequate support staff. One FM staff member will be stationed in each regional coordination unit to assist implementing partners in complying with applicable requirements and to provide oversight of project implementation. The project's core FM processes will be aligned with country systems as follows:

- **Annual workplan and budget (AWP/B).** The FM section will draw up the AWP/B in accordance with IFAD's guidelines and procedures. The AWP/B will be submitted to IFAD by the end of April for the next financial year beginning in July.
- **Flow of funds.** For the IFAD loan, an initial advance will be provided to the project account to meet expenditures for first six months of implementation. For the counterpart fund, the project will estimate annual requirements, include the required amount in the AWP/B and liaise with the provincial P&DD to ensure that the required amount is reflected in the provincial budget and released in a timely manner.
- **Accounting.** A full set of accounts will be maintained by the PMU as per IFAD requirements. The project will follow the International Public Sector Accounting Standards and use cash basis accounting. Appropriate accounting software will be used to capture all sources and uses of funds as per IFAD's requirements.
- **Internal controls.** Robust internal controls will be put in place to protect project funds against any financial impropriety. Access conditions will be established in contracts/MoUs with all implementing partners. The FM team will conduct a monthly analysis of budgeted versus actual expenditure, bank reconciliations and random inspections of implementing partners' fieldwork to prevent, detect and rectify compliance gaps in implementation.
- **Reporting.** Detailed financial statements will be submitted for each financial year within four months of the end of the financial year (i.e. by the end of October). In addition, interim financial reports will be submitted, indicating progress with respect to components/categories vis-à-vis the AWP/B; these interim financial reports will be submitted on a quarterly basis to justify funds used and as a condition for withdrawing further advances from the loan account.
- **Internal audit.** An internal audit function will be established, with internal audit staff reporting directly to the project director. The internal audit

function will, in addition to normal auditing, ensure compliance with the recommendations of the supervision missions, external auditors and government directives.

- **External audit.** Auditing of project accounts will be carried out by the Auditor General of Pakistan (AGP), the supreme audit institution of Pakistan. The PMU will submit the annual financial statements to the AGP within two months of the close of each financial year and will coordinate closely with relevant field audit offices of the AGP for timely auditing, reporting and resolution of audit observations. Reports of each audit will be submitted to IFAD along with the management letter within six months of the close of the financial year to which the audit relates (i.e. by 31 December).

Project target group engagement and feedback and grievance redress²

40. A participatory approach is being embedded in the project design to foster ownership and support among key stakeholders. This approach includes (i) participatory development of the AWP/B; (ii) continuous mentoring in how to manage processes, with due regard to gender, climate change, nutrition and other cross-cutting themes; (iii) joint monitoring of progress; (iv) emphasis on gender balance among implementing partners' staff to ensure everyone benefits from the project interventions; and (v) random field inspections in the target areas to assess whether the beneficiaries' concerns are being properly considered in project interventions. In order to capture communities' feedback on implementation issues, the M&E team will maintain a log of field visits and document all key issues highlighted by the beneficiaries during such visits. IFAD supervision missions will examine the log to be sure that beneficiaries' perspective is being taken into account in project implementation. All contracts and MoUs with the implementing partners will contain references to IFAD's policies on anticorruption; preventing and responding to sexual harassment, sexual exploitation and abuse; and anti-money laundering and countering the financing of terrorism.

Grievance redress

41. In addition to the mechanisms mentioned above, beneficiaries and any other citizen can lodge complaints against any official with the assistant chief secretary of P&DD. The provincial government has enacted the KP Right to Information Act 2013, the KP Prevention of Conflict of Interest Act 2016 and the KP Whistleblower Protection and Vigilance Commission Act 2016. These laws empower citizens to come forward and file complaints when they suspect any impropriety in the use of authority or public funds.

B. Planning, monitoring and evaluation, learning, knowledge management and communications

42. A baseline survey will be conducted by a third party in project year 1 to provide benchmarks for measuring key results and outcome indicators.
43. The AWP/B will be the main instrument for project planning and implementation. It will follow the Government's annual planning cycle and will be approved by the PSC. The PMU will conduct regular quarterly and annual planning exercises and progress reviews to take stock of progress and plan for the subsequent quarter's and year's work. The PSC will meet twice a year to review progress and approve the plan.
44. **Monitoring and evaluation.** Project results will be measured at the output, outcome and results levels against indicators set out in the project's logical framework. An M&E plan will serve as the basis for annual M&E activities. Where applicable, indicators will be disaggregated by gender and age in order to assess the project's impact on women and youth. The PMU will also conduct periodic

² See Framework for Operational Feedback from Stakeholders (<https://webapps.ifad.org/members/eb/128/docs/EB-2019-128-R-13.pdf?attach=1>) and annexes for further details.

impact assessment studies for key interventions with internal resources and external assistance, if need be.

45. Knowledge management and learning will be integral elements of project implementation, particularly in the light of the Government's agenda for scaling up the project and the project's policy influence objectives. A knowledge management strategy will be prepared during the start-up phase of the project to clearly identify knowledge products and events and forums for collecting, compiling and sharing the knowledge generated through project interventions. Formal consultative sessions will be held regularly with relevant government functionaries and other stakeholders, including beneficiaries, to review progress, share lessons learned and increase project visibility.

Innovation and scaling up

46. The project will test the commercial viability of converting the existing FSCs into vehicles for providing farmers, through the PFOs, with knowledge, technological support and microfinance. The model will enable the FSCs to charge a reasonable fee for the services that they will deliver, which should ensure their self-sustainability after project closure.
47. The Technical Education and Vocational Training Authority of KP will be supported through technical assistance and funding to reach out to the poorest in remote areas who would otherwise not participate in any training under the usual modalities. In addition, the authority will enter into MoUs with banks to provide financing to youth and the unemployed as per government policies. If effective, the authority will then implement this new modality with its own funds.

C. Implementation plans

Implementation readiness and start-up plans

48. The Government is preparing its own project design report alongside the IFAD project design in order to ensure timely government approval at provincial and federal levels. Potential delays in the opening of project accounts will be addressed by launching the process as soon as the financing agreement is signed.

Supervision, midterm review and completion plans

49. The project will benefit from at least two IFAD missions per year, including a full supervision mission and implementation support missions as needed. A midterm review will be carried out no later than the midpoint of the project implementation period to evaluate the level of achievement of the development objectives and the project's expected impact on beneficiaries and to make any necessary corrections. The project completion report will be prepared towards the end of project year 7. The resources required for these exercises have been budgeted in the cost tables.

V. Legal instruments and authority

50. A project financing agreement between the Islamic Republic of Pakistan and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement will be made available prior to the session.
51. The Islamic Republic of Pakistan is empowered under its laws to receive financing from IFAD.
52. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

53. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on blend terms to the Islamic Republic of Pakistan in an amount of fifty-nine million four hundred and eighty thousand special drawing rights (SDR 59.48 million) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Hougbo
President

Negotiated financing agreement

(Will be made available prior to the session)

Logical framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	1 Persons receiving services promoted or supported by the project				surveys, service providers' records, MIS system, COI survey	baseline, mid term and completion, yearly	PMU	A baseline survey is conducted; Project approach and timelines are adhered to; An efficient M&E system is developed and implemented
	Males - Males		262 500	588 750				
	Females - Females		87 500	196 250				
	Young - Young people		175 000	392 000				
	Total number of persons receiving services - Number of people		350 000	785 000				
	1.a Corresponding number of households reached				surveys, service providers' records, MIS system, COI survey	baseline, mid term and completion, yearly	PMU	
	Women-headed households - Households		87 500	196 250				
	Non-women-headed households - Households		262 500	588 750				
	Households - Households		350 000	785 000				
	1.b Estimated corresponding total number of households members				surveys, service providers' records, MIS system, COI survey	baseline, mid term and completion, yearly	PMU	
Household members - Number of people		1 440 000	4 350 000					
Project Goal To contribute to poverty reduction, nutrition and food security of rural households in the Khyber Pakhtunkhwa Province					survey	baseline and completion	PMU	Security situation remains stable and allows implementation of project
	Beneficiary households reporting improved income from sales through PFOs							
	Households - Number		262 500	588 750				
Development Objective Income of rural households sustainably improved through climate-resilient, high-value agriculture and off-farm/non-farm employment opportunities	SF.2.1 Households satisfied with project-supported services				COI survey	baseline and completion	PMU	A baseline survey is conducted; Project approach and timelines are adhered to; an efficient M&E system is developed and implemented
	Household members - Number of people		1 740 000	3 480 000				
	Women-headed households - Households		78 500	157 000				
	Households (%) - Percentage (%)		40	80				
	Households (number) - Households		314 000	628 000				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				COI survey	baseline and completion	PMU	
	Household members - Number of people		1 650 000	3 850 000				
	Women-headed households - Households		15 000	30 000				
	Households (%) - Percentage (%)		38	89				
	Households (number) - Households		300 000	700 000				

2

	1.2.8 Women reporting minimum dietary diversity (MDDW)		COI survey, assessments	baseline, mid-term and completion	PMU	A baseline survey is conducted; Project approach and timelines are adhered to; an efficient M&E system is developed and implemented
	Women (%) - Percentage (%)	20	60			
	Women (number) - Females	10 000	220 000			
	Households (%) - Percentage (%)	10	28			
	Households (number) - Households	10 000	220 000			
	Household members - Number of people	800 000	1 760 000			
	Women-headed households - Households	2 500	55 000			
Outcome 1. Enhanced capacity of smallholder farmers for increased market access (Professional Farmer Organizations and Farm Service Centres)	2.2.2 Supported rural enterprises reporting an increase in profit		outcome survey, MIS system, service providers' records, COI survey	baseline, mid-term and completion	PMU	Baseline established, farmers are willing to participate in PFO and FSC
	Number of enterprises - Enterprises	200	550			
Output 1.1 Support provided to Professional Farmers Organizations, Farm Service Centres and 4Ps and their members	2.1.3 Rural producers' organizations supported		MIS system, service providers' records	baseline, yearly and completion	PMU	farmers are interested to participate, updated BISP data on poverty available and targeting guidelines developed
	Total size of POs - Organizations	112 000	220 000			
	Rural POs supported - Organizations	280	550			
	Males - Males	84 000	165 000			
	Females - Females	28 000	55 000			
	Young - Young people	56 000	110 000			
Output 1.2 Coaching of producers for increased capacity on business planning, production practices and market advice	1.1.4 Persons trained in production practices and/or technologies		MIS system, service providers' records	baseline, yearly and completion	PMU	Updated BISP data on poverty available and targeting guidelines developed, nothing is hindering the participation of any of the categories of persons
	Total number of persons trained by the project - Number of people	110	320 000			
	Men trained in crop - Males	82 500	240 000			
	Women trained in crop - Females	27 500	80 000			
	Young people trained in crop - Young people	50 000	160 000			
	Total persons trained in crop - Number of people	110 000	320 000			
Output 1.3 Producer-Public-Private-Partnerships (4Ps) established	Producers engaged in 4P collaborations		MIS system, service providers' records	baseline, yearly and completion	PMU	Availability of farmers willing and interested in entering into 4Ps
	Males - Number	3 500	14 000			
	Females - Number	1 500	6 000			
	total producers - Number of people	5 000	20 000			
	Young - Number	2 500	20 000			
	partnerships - Number	5	20			

Output 1.4 Households provided with nutrition education	1.1.8 Households provided with targeted support to improve their nutrition				MIS system, service providers' records	baseline, yearly and completion	PMU	Nothing (security / customary laws) is hindering the participation of anyone (especially women) to attend the trainings. Trainings are scheduled in a time and location suitable for all beneficiaries. Persons trained do apply what communicated in the trainings. Value chains are nutrition sensitive
	Total persons participating - Number of people		300 000	700 000				
	Males - Males		85 000	175 000				
	Females - Females		215 000	525 000				
	Households - Households		300 000	700 000				
	Household members benefitted - Number of people		1 650 000	3 850 000				
	Young - Young people		150 000	300 000				
Outcome 2. Improved capacity for obtaining jobs and engage in entrepreneurship	2.2.1 New jobs created				outcome surveys, MIS system, service providers' records, COI survey	baseline, mid-term and completion	PMU	Updated BISP data on poverty available and targeting guidelines available
	Job owner - men - Males		30 000	63 000				
	New jobs - Jobs		40 000	85 000				
	Job owner - women - Females		10 000	22 000				
	Job owner - young - Young people		20 000	45 000				
Output 2.1 Vocational, technical and entrepreneurial skills trainings provided	2.1.2 Persons trained in income-generating activities or business management				MIS system, service providers' records	baseline, yearly and completion	PMU	all categories are interested and nothing is hindering their participation in the trainings
	Males - Males		6 000	12 000				
	Females - Females		9 000	18 000				
	Young - Young people		15 000	30 000				
	Persons trained in IGAs or BM (total) - Number of people		30 000	60 000				
Output 2.2 Provision of start-up capital for establishing business and self-employment	Start up provided for self employment				MIS system, service providers' records	baseline, yearly and completion	PMU	Careful assessment of each households potential and endowments
	Males - Number		4 000	8 400				
	Females - Number		6 000	12 600				
	Young - Number		10 000	21 000				
	total number of persons - Number		20 000	42 000				
Output 2.3 Support to individuals entering the job market for the first employment	persons receiving support				MIS system, service providers' records	baseline, yearly and completion	PMU	Careful assessment of each households potential and endowments
	Males - Number		7 000	17 500				
	Females - Number		3 000	7 500				
	young - Number		10 000	25 000				
	total persons - Number		10 000	25 000				
Outcome 3. Capacity for policy dialogue/reform strengthened (Farmer Services Centre Act, cooperatives act, seed act amended)	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment				policy documents, COI survey	baseline, mid-term and completion	PMU	Willingness of policy makers and other key stakeholders to provide enabling environment
	Number - Number		2	5				
Output 3.1 Policy development and reform supported	Policy 1 Policy-relevant knowledge products completed				MIS system	baseline, yearly and completion	PMU	
	Number - Knowledge Products		2	5				
	Policy 2 Functioning multi-stakeholder platforms supported				MIS system	baseline, yearly and completion	PMU	
	Number - Platforms		0	1				

Integrated Project Risk Matrix

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	Substantial	Moderate
<i>Political Commitment</i>	<i>Moderate</i>	<i>Low</i>
<i>Governance</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Macroeconomic</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Fragility and Security</i>	<i>Substantial</i>	<i>Moderate</i>
Sector Strategies and Policies	Substantial	Moderate
<i>Policy alignment</i>	<i>Moderate</i>	<i>Low</i>
<i>Policy Development and Implementation</i>	<i>Substantial</i>	<i>Moderate</i>
Environment and Climate Context	Substantial	Moderate
<i>Project vulnerability to environmental conditions</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project vulnerability to climate change impacts</i>	<i>Moderate</i>	<i>Low</i>
Project Scope	Substantial	Moderate
<i>Project Relevance</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Technical Soundness</i>	<i>Moderate</i>	<i>Low</i>
Institutional Capacity for Implementation and Sustainability	Substantial	Moderate
<i>Implementation Arrangements</i>	<i>Moderate</i>	<i>Low</i>
<i>Monitoring and Evaluation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
Project Financial Management	Substantial	Moderate
<i>Project Organization and Staffing</i>	<i>Moderate</i>	<i>Low</i>
<i>Project Budgeting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>Moderate</i>	<i>Low</i>
<i>Project Internal Controls</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Accounting and Financial Reporting</i>	<i>High</i>	<i>Moderate</i>
<i>Project External Audit</i>	<i>Substantial</i>	<i>Moderate</i>
Project Procurement	Substantial	Moderate
<i>Legal and Regulatory Framework</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Accountability and Transparency</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Capability in Public Procurement</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Public Procurement Processes</i>	<i>Substantial</i>	<i>Moderate</i>
Environment, Social and Climate Impact	Moderate	Low
<i>Biodiversity Conservation</i>	<i>Moderate</i>	<i>Low</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Low</i>	<i>Low</i>
<i>Cultural Heritage</i>		<i>No risk envisaged - not applicable</i>
<i>Indigenous People</i>		<i>No risk envisaged - not applicable</i>
<i>Labour and Working Conditions</i>	<i>Moderate</i>	<i>Low</i>
<i>Community Health and Safety</i>	<i>Moderate</i>	<i>Low</i>
<i>Physical and Economic Resettlement</i>		<i>No risk envisaged - not applicable</i>
<i>Greenhouse Gas Emissions</i>	<i>Low</i>	<i>Low</i>

Risk Category / Subcategory	Inherent risk	Residual risk
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>High</i>	<i>Moderate</i>
Stakeholders	Low	Low
<i>Stakeholder Engagement/Coordination</i>	<i>Low</i>	<i>Low</i>
<i>Stakeholder Grievances</i>	<i>Low</i>	<i>Low</i>
Overall	Substantial	Moderate

Country Context	Substantial	Moderate
Political Commitment	Moderate	Low
<p>Risk:</p> <p>Pakistan was one of the first countries to endorse SDG in 2015 when the Parliament approved SDGs as the national development agenda. A major national social safety net programme called Benazir Income Support Programme (BISP) was initiated in 2008 which since its inception has been supported by successive governments. The budgetary allocations for BISP have been increasing consistently since the start of the programme despite fiscal constraints. The Government in 2018 introduced a comprehensive multidimensional poverty reduction strategy and launched a national poverty graduation Initiative called "Ehsaas". The Federal Government formulated a National Youth Development Framework (NYDF) in 2020 which focuses on social, economic and political empowerment of youth including skills development and youth entrepreneurship through soft loans. An IFAD finance National Poverty Graduation Programme had been included as integral part of Ehsaas. Under the strategy a new Ministry for Social Protection and Poverty Alleviation was created which is mandated to devise pro-poor policies and programmes and consolidate the existing policies and programmes.</p>	Moderate	Low
<p>Mitigations:</p> <p>To mitigate any risk, the IFAD country team will continue to support the government's efforts for agriculture, rural transformation and youth development. The partnership with the government resulted in the provision of 34% government contributions for scaling up and alignment with government poverty reduction, youth men and women skill development and employment, value chain and climate resilience agriculture development.</p>		
Governance	Substantial	Moderate
<p>Risk:</p> <p>After the 18th amendment to the constitution in 2008 almost all key sectors related to IFAD's mandate and its administrative and fiscal responsibility are now provincial subjects. However, challenges remain in the development of a strong system for the delivery of development priorities in an efficient, equitable and transparent manner and through participatory development approaches. There are striking differences in resource allocation and management, availability of services and local government systems, leading to disparities in the pace and level of development across provinces and districts.</p>	Substantial	Moderate

<p>Mitigations:</p> <p>The planning and development Department and Government line departments in Khyber Pakhtunkhwa are generally well placed in terms of human resources, technical and delivery capacity. However, financial constraints often result in sub-optimal performance. The project will assist the Government in addressing management and technical capacity gaps for improved and demand based service delivery with focus on shifting service delivery and support system to the community and the private sector. The project will particularly enhance capacity to respond to climate change and risk reduction and to respond to the changing demand for technologies for high value agriculture, value chain development and market demand based vocational skills development and employability of youth. The existence of a network of community organisations in the provinces, engagement of NGOs as service provider for social mobilisation and participatory development approach of the project will provide opportunities for inclusiveness, equity and transparency.</p>		
<p>Macroeconomic</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Risk:</p> <p>The country's macroeconomic situation has worsened since 2018, due to high fiscal and current account deficits and low levels of reserves. The medium-term growth outlook was forecasted to be impacted by COVID- 19. However, initial estimates for FY 2020/21 indicate a GDP growth of 3.94%. This surprising performance is attributed to smart lockdown policies, relief package for daily wage workers and low income HHs, support for the industrial, trade and agriculture sectors, cutting of policy rates etc. Some analysts estimate that since 2018, poverty is likely to have increased by about 10 million persons due to economic challenges and more recently owing to the COVID-19 pandemic</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>The project will mitigate the effects of the macroeconomic situation and the COVID 19 impact on the target population with a strong focus on poverty reduction through skill trainings and gainful employment opportunities for youth and value chain approaches and through identified opportunities for encouraging the participation of the private sector in the value chains.</p>		
<p>Fragility and Security</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Risk:</p> <p>Pakistan's security environment has improved since 2014 as a result of concerted counter terrorist and counter militant operations. The security situation in the province is generally stable but remains unpredictable with a few terrorist-related incidents recorded in the Newly Merged Districts (former FATA) of the province. Out of 35 districts of the province, about 4-5 newly merged districts along the border of Afghanistan remain unpredictable. Since 2014, a number of UN agencies including UNDP, UNICEF, WFP, FAO and UNHCR and WHO are present in Peshawar. International staff of UN agencies and diplomats are allowed to travel to the province subject to authorisation/NOC by the federal and provincial governments.</p> <p>Political Situation: Despite opposition attempts for a change in government, the position of the ruling party is expected to be stable. Recently the current PM took vote of confidence and has won the election of chairperson of the Senate. In view of the somewhat effective containment of the COVID 19 impact and the recent GDP growth, higher than expected, there is no immediate risk of any mass unrest.</p>	<p>Substantial</p>	<p>Moderate</p>

<p>Mitigations:</p> <p>Security: The situation will be continuously monitored and appropriate mitigation measures will be put in place if deterioration of security should emerge in any district. The project will follow a phased approach and will have a mixed implementation methodology including partnership/sub-contracts with local organizations as well as direct implementation by project personnel where acceptability of partners is an issue or securing clearance to operate remains a challenge.</p> <p>UNDSS advisory will be followed and government security operations will be used for districts with substantial risks. Additionally, the experience of IFAD indicates that the engagement of local service providers for social mobilisation, a participatory approach and strong involvement of community networks provide opportunities for offsetting security risks to some degree.</p> <p>Political: Significant improvements have been made. Despite the constraints due to COVID 19, the current government has successfully mobilised the diaspora to increase remittances, retired the highest ever foreign debts, improved the current account deficit, and achieved a higher GDP growth than expected and released pro-poor policies and programmes. Agreements between donors and the Pakistan/provincial governments are always owned and honoured by the successive governments. The current government increased the pledge to the IFAD Replenishment. Therefore, there is no risk to the project and its implementation in case of change in government at Federal and Provincial level.</p>		
Sector Strategies and Policies	Substantial	Moderate
Policy alignment	Moderate	Low
<p>Risk:</p> <p>The project is well aligned with the federal and provincial government policies and priorities and relevant SDGs. Project design and outcomes respond to the Government's poverty reduction strategy as announced in the National Poverty Graduation Initiative called "Ehsaas" in 2019 and the National Youth Development Framework (NYDF) of 2020. The project also responds to the provincial government priorities for high value agriculture development through value chain approach and youth and women development as articulated in relevant policies. There is, however, a notable risk of KP TEVTA not being able to design and deliver the courses that would address the existing and emerging supply gaps in the labour market. This could prevent the project achieving sustainable employment targets that justify the investments in the first place. Since a new government will take over after the election of 2023, there is also a risk of change in government priorities subsequently.</p>	Moderate	Low
<p>Mitigations:</p> <p>KP TEVTA shall be assisted to establish robust institutional arrangements to conduct labour market assessments periodically and keep its course offerings relevant to the demand of labour market. Also KP TEVTA shall be enabled to use modern approaches for skills testing and certification—in collaboration with NAVTEC, which is the highest regulatory body for technical and vocation education in Pakistan. The PSC shall include all key stakeholders to ensure the issues of labour market and employments are holistically discussed and followed up. IFAD's IFAD's past and on-going projects and programmes have supported and will support government priorities notably for poverty reduction and agriculture development. Generally, foreign funded project and commitments are not affected with the change in government.</p>		
Policy Development and Implementation	Substantial	Moderate

<p>Risk:</p> <p>Recognising its increased responsibilities after the 18th constitutional amendment, the provincial government formulated policies for youth, women empowerment, and agriculture. The agriculture policy is cognizant of the unique and diverse agro-climatic conditions of the province which provides great potential for the development of high value crops as well as the development of the livestock sector through the value chain approach and private sector involvement. Youth development policies, strategies and programmes gained focus during the last 10 years. However, a key challenge in Pakistan has been the execution of policies including concrete actions, associating reforms and strategies and regulatory frameworks etc.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>The project will provide support for effective implementation of the relevant parts of the policies including the associating strategies, frameworks and capacity building. The strategic interests of smallholder farmers and livestock holders, women, and youth will be addressed by promoting their visibility through recognizing the critical role that they play in the value chains and addressing their needs and priorities. Market demand-based and competency-based trainings and focus of employability will be introduced through capacity building for KP-TVETA. The project shall focus on generating new, simple, and replicable approaches for policy implementation—working collaboratively with all key stakeholders. This will ensure that the successful approaches become visible and generate a strong traction for a wider adoption and implementation by the provincial government.</p>		
Environment and Climate Context	Substantial	Moderate
<i>Project vulnerability to environmental conditions</i>	<i>Substantial</i>	<i>Moderate</i>
<p>Risk:</p> <p>Rural populations in the province are faced with inherent vulnerability to weather related environmental conditions such as increased variability of monsoons, impact of receding glaciers on the river systems, decreased capacity of existing water reservoirs, and extreme events including floods and droughts. The provincial government has a climate change policy and most climate-sensitive sectors have climate-compatible medium term plans and budget—which also include performance indicators and targets. Climate actions have been mainstreamed into policy landscape largely with assistance from donors. However, the relevant line departments i.e. agriculture, industry, livestock, etc. continue to lack technical capacity to implement provincial government's climate change agenda. Hence, there is material risk that the line departments and other parties i.e. PFOs, FSCs, Private Partners, and KP TEVTA etc. would not effectively mainstream climate aspects in implementing project activities.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>The project will facilitate the provincial government in implementing the concept of green development envisaged in the climate change policy. Some proposed mitigation actions include the appropriate screening for climate smart agriculture, food and fruit processing facilities and other subprojects to be proposed by the PFOs, the promotion of sustainable land and water management practices, and the capacity building of government staff and beneficiaries for risk reduction and for building resilience. Provisions shall be included in the contractual agreements with implementing partners to ensure compliance with climate action in project activities. A Climate Change Specialist shall be part of the core team at PMU to ensure oversight of project planning, execution, and reporting from climate change perspective. Detailed guidelines shall also be included in PIM to facilitate the process.</p>		
<i>Project vulnerability to climate change impacts</i>	<i>Moderate</i>	<i>Low</i>

Risk: The present and projected climatic patterns and trends for precipitation and temperature indicate that seasonal variations in temperature and precipitation will increase, resulting into more frequent and intensified extreme weather events. The climate change induced impacts include severe water stress; food insecurity due to decreasing agricultural and livestock production; the degradation of ecosystems and biodiversity loss. However, most of the proposed activities under the project are soft in nature and are not going to be substantially impacted by climate change.	Moderate	Low
Mitigations: The project will ensure that climate change resilience is made a central factor in the prioritization and selection of activities, in line with the provincial government's climate change policy. Support will be provided to equip the small holder farmers with knowledge, skills, crop choices and practices in different locations and agro-climatic condition to better cope with climate change induced challenges and with the introduction and promotion of climate smart agriculture technologies and services including efficient water use. The approval of interventions would be subject to an environmental screening process to ensure that the construction does not have any adverse social or environmental impact.		
Project Scope	Substantial	Moderate
Project Relevance	Substantial	Moderate
Risk: The main risk under component 1 are: weak capacities and business orientation of farmer, limited access to finance for better technologies for the production and the promotion of value added agri-processed products, weak services, absence of facilitation for public private producer partnerships (4Ps). Under component 2, the key risk is the outdated TVET curricula resulting in a strong disconnect between the demand from various sectors for specific types of skilled labour and no focus on employability. For the last three decades, the development of the province, particularly NMDs, has been a high priority of the government, to offset the fallout of conflict in Afghanistan and as well as to consolidate the recent peace and development gains and to achieve the objective of a balanced regional development of the Five Year Plan 2018-23.	Substantial	Moderate
Mitigations: The project scope, approach and proposed activities were identified in consultation with the federal and provincial governments and with reference to their development priorities and are highly relevant to IFAD 11's business model and corporate priorities. The project builds on evidence based lessons from IFAD (SPPAP and ETI-GB) and other donor-financed projects and programmes. In line with the priorities of the provincial government and IFAD, the transformation potential of agriculture for enhanced incomes and employment will be pursued by addressing the critical issues in the farm, off-farm and non-farm value chains, including through professional and market oriented farmer organizations, private sector engagement and access to financial services. Youth, men and women will be a priority target group. The project will provide an opportunity for realizing the dividends of the "youth bulge" in terms of addressing critical challenges related to human capital development. In view of the current state of agriculture regarding productive employment and TVET challenges and barriers to rural youth employment and business development, the project adopts a multi-dimensional, coordinated and integrated approach to address diverse supply and demand constraints and keeping in view the diverse regional level market demands for labour. The project will specifically focus on youth employability for employment and self employment/entrepreneurship in agriculture and other emerging sectors in the province, through a range of activities tailored to the needs and interests of different target youth groups. The institutional capacity gaps will be addressed through the reorientation of existing government Farm Services Centres and the strengthening of the agriculture extension and research services and TVET for the provision of demand based services.		
Technical Soundness	Moderate	Low

<p>Risk:</p> <p>The project is technically robust and is based on lessons learnt. Component 1 benefits from the Pakistan (ETI-GB), the Sri-Lanka (NADEP/SAP) and the Asian Pacific Farmer Programme (APFP Laos, Cambodia and Mongolia in particular). Lessons from Pakistan (SPPAP) are fed into the design of component 2. One of the potential risks that can be foreseen is that the innovative aspects of the project i.e. improving the agriculture sector productivity and competitiveness through the development of value chains and responding to climate change challenges and community-centric service delivery, are hindered due to skills and capacity gaps within the service providers and beneficiaries.</p>	Moderate	Low
<p>Mitigations:</p> <p>The project design has been kept simple in terms of number, type and range of activities as well as the implementation arrangements. The project will invest in capacity building of beneficiaries and extension services. The project will create an enabling environment for private sector involvement through farmers organisations, improving the quantity and quality of crops and livestock and developing better linkages with markets and value chain actors.</p>		
Institutional Capacity for Implementation and Sustainability	Substantial	Moderate
Implementation Arrangements	Moderate	Low
<p>Risk:</p> <p>Inherent institutional capacity risks are moderate in the province. The planning and development department and line departments are reasonable well placed in terms of management capacities and exposure to participatory development approaches. However, start up delays are common and technical capacity and the skills level of public service delivery institutions may pose a challenge for the implementation of the projects approaches and interventions.</p>	Moderate	Low
<p>Mitigations:</p> <p>As per IFAD experience, the project is well placed under the Planning and Development Department which has a long history of planning and implementation of multi-sectoral participatory development projects. A Project Steering Committee headed by the Additional Chief Secretary of P&D Department, will provide the policy level guidance, oversight, coordination and will take corrective actions where warranted. The project management staff will be recruited on a competitive basis from the public and private sector.</p> <p>To mitigate the risk of start up delays, assistance will be provided for the formulation of the PC-I, parallel to the finalization of the project design so that the PC-I is approved well in time. The IFAD country team will provide frequent implementation support in the initial stage of the project. Additionally, adequate resources have been provided for technical capacity building. Additionally, adequate resources have been provided for policy support and capacity building for Farm Services Centres, agriculture extension services and TVET for the provision of demand based services</p>		
Monitoring and Evaluation Arrangements	Substantial	Moderate
<p>Risk:</p> <p>Owing to skills and capacity constraints, the M&E systems may not be well-positioned to track performance in terms of outputs and instead focus on inputs, thereby contributing to the project delivery risk.</p>	Substantial	Moderate

<p>Mitigations:</p> <p>An M&E system will be developed to provide project management, the Government and IFAD with reliable and timely information on project execution performance and results and to ensure efficient and effective project implementation. The M&E system will aim at: (i) Monitoring project execution (ii) Monitoring outreach and (iii) measuring and evaluating project results and monitoring the critical assumptions identified in the log frame. A Key element of the M&E system will be poverty graduation tracking and participatory monitoring and evaluation. BISP PSC data will be used as a benchmark to track the progress of poverty graduation of beneficiaries.</p>		
Project Financial Management	Substantial	Moderate
Project Organization and Staffing	Moderate	Low
<p>Risk:</p> <p>-Hiring process is subject to political interference. This may result in competent HR not being selected and/or delays in recruitment. -Market for private enterprises that may want to become part of 4P arrangements is thin and there is risk of qualified partners not being available/selected.</p>	Moderate	Low
<p>Mitigations:</p> <p>i. Core staff of the PMU—Project Director, Finance Manager/FM Specialist, FM Specialist, M&E Specialist should be engaged within eight (8) weeks of the date of signing of the Financing Agreement. IFAD's representative should take part in the process of recruitment as an observer. ii. Well structured finance unit within the PMU that includes competent and qualified staff who are capable of carrying out project financial management as per the fund requirements. iii. Competent management—especially FM official should be hired in each PFO as one of the access condition for IFAD funds; iv. Post-qualification due diligence of staff should be mandatory for private partners to be engaged under P4R arrangements. All finance staff to undertake IFAD Online Finance Management practices and procedures course. In addition to that, finance staff should attend induction sessions on IFAD financial management requirements as conducted by IFAD Finance Officer.</p>		
Project Budgeting	Substantial	Moderate
<p>Risk:</p> <p>Component 2 (Economic Graduation and Employment) is the largest component of the project. It is envisaged to be funded by the government through ongoing projects. TEVTA is the major partner but it has very limited development budget which can be a constraint. Second, it is not clear at this stage how the ongoing schemes shall be identified and leveraged to achieve project outcomes. There is also issue of role clarity vis-à-vis line departments i.e. agriculture, industries, social welfare, local government etc. under this component which needs to be resolved upfront.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>i. PMU should get the approval of AWPB & Procurement Plan through the PSC (by 30 April each year). ii. AWPB/Procurement Plans should be prepared in consultation with implementing partners and these IPs should be supported by PMU/RPMUs to ensure proper estimation of funding requirements in the AWPB iii. Roles and responsibilities of line departments with reference to such contribution should be clearly stated in the notification/MOUs.</p>		
Project Funds Flow/Disbursement Arrangements	Moderate	Low

<p>Risk:</p> <p>Delays in the opening of account, ambiguities around the counterpart funding can result in implementation difficulties for the project. The government contribution shall comprise (a) "cash"—USD 9.1 million (23%) for payment of taxes and project management costs; and (b) USD 31.3 million (77%) that will be leveraged from ongoing development projects under the provincial Annual Development Plan. PFOs—which are implementing partners under component 1, need significant handholding to be able to manage FM function properly. In the absence of a competent FM function, the risk of funds not being used effectively is quite high. This could significantly impair prospect of project delivery.</p>	Moderate	Low
<p>Mitigations:</p> <p>i. Designated Accounts for the project will be opened within eight (8) weeks of the date of signing of the Financing Agreement;</p> <p>ii. Access conditions for release of funds to FOs/IPs shall be clearly established in MOUs/contractual agreements'. These conditions should be identified in the PIM as well.</p> <p>iii. Counterpart Fund requirements shall be clearly established. A formal MOU/Notification needs to be made by the provincial government for this purpose clarifying what will be the counterpart inputs/activities and how they would be measured and reported in project accounting system.</p> <p>iv. Checklists and timelines shall be established for release of payments against different types of claims and shall be strictly adhered to.</p>		
<p>Project Internal Controls</p>	Substantial	Moderate
<p>Risk:</p> <p>Instances of non-compliance with applicable internal controls have been reported by the Auditor General of Pakistan in recent audit reports and therefore specific controls—established under Accounting Policies and Procedures Manual need to be emphasized for compliance. Supervision missions should specifically examine whether the project is in full compliance with these internal control requirements. The M&E processes within P&DD are weak and provincial internal audit arrangements don't cover P&DD.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>i. Financial management procedures as part of the PIM need to be approved by the PSC and shared with IFAD within eight (8) weeks of the date of the signing of Financing Agreement;</p> <p>ii. No funds should be released to any PFO unless it meets all access conditions i.e. dedicated account or separate ledger for tractability of project funds in a PFO's account (as appropriate), deposit of its share, engagement of competent FM official, orientation training on accounting, record keeping, and financial reporting.</p> <p>iii. Post-qualification due-diligence should be carried out of all private partners selected through a competitive process for 4P arrangements before they are awarded contracts.</p> <p>iv. Specific internal controls such as monthly reconciliation of bank accounts, maintenance of Fixed Asset Register on prescribed format, monthly budget vs expenditure review etc. shall be mandatory.</p> <p>v. Internal Auditor shall review project transactions, processes, procedures, and performance at least semi-annually to provide assurance regarding the fiduciary controls, risk management and monitoring mechanisms in place.</p> <p>vi. FM manual needs to be finalized and the finance team exposed to related IFAD's requirements—including those relating to fraud risk awareness and mitigation; the FM officials at FOs.</p> <p>vii. A system of Quarterly Progress/Financial Monitoring shall be institutionalized covering all Implementing Partners.</p>		
<p>Project Accounting and Financial Reporting</p>	High	Moderate

Risk: In several cases, IFAD projects not using appropriate accounting software ran into financial reporting difficulties. The FM system also does not act as an effective decision support system for the project. Project must procure an accounting software the fully comply with IFAD's accounting and financial reporting requirements.	High	Moderate
Mitigations: i. An appropriate Accounting Software i.e. TOMPRO needs to be procured, installed and the finance team trained in its use. Financial reports should be auto-generated from the procured accounting software. ii. Integration of the PFOs/FSCs/Private Partners under 4Ps arrangements, expenditures in the PMU accounting software. Relevant procedures to be identified in the PIM. iii. PMU shall submit to IFAD: Quarterly Interim Financial Reports within 45-day of period end, annual unaudited financial statements within 4-month of year end and annual audited Financial Statements within 6-month of year end. iv. FM staff should be orientated to comply with IFAD's requirements in their work—including those relating to IFAD's Anti-corruption policy.		
Project External Audit	Substantial	Moderate
Risk: Delays in submission of audit reports, weak-follow up with audit office resulting in backlog of audit findings, non-resolution of audit findings causing the amounts involved in those audit findings to convert into ineligible expenditure	Substantial	Moderate
Mitigations: i. PMU needs to engage with Director General Audit (KP), through P&DD for timely completion of audit. Scanned copies of the final audit report are encouraged to be sent as soon the report is ready to ensure on-time submission and to avoid delays resulting from mail services. Then the hard copy can follow to IFAD ICO in Islamabad. ii. Audit observations should be settled within six (6) months after the Audit Report has been shared with the P&DD to avoid backlog of unresolved audit findings. iii. Follow up meetings with the Auditors should be requested to settle any unsettled audit findings from previous years.		
Project Procurement	Substantial	Moderate
Legal and Regulatory Framework	Substantial	Moderate
Risk: The legal and regulatory framework exists in the form of Public Procurement Rules of the Public Procurement Regulatory Authority of Pakistan and the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules of Khyber Pakhtunkhwa Public Procurement Authority (KP-PPRA) for ensuring compliance to its various provisions and rules. The KP-PPRA only exercises regulatory functions, and procurement entities/projects are responsible to undertake the procurement. Inadequate capacities often lead to non compliance of rules and delays in procurement.	Substantial	Moderate
Mitigations: As per IFAD general conditions for financing, the procurement of goods, works and services shall be carried out in accordance with the provisions of the KP-PPRA procurement regulations, to the extent that such are consistent with the IFAD Procurement Handbook and Guidelines 2019. The PIM will contain clear indication of rules, regulations, policies and procedures to be adopted in order to ensure compliance with IFAD's Project Procurement Guidelines.		
Accountability and Transparency	Substantial	Moderate

Risk: Risks related to Accountability and Transparency include: slow procurement processing and decision making with potential implementation delays; unclear defined roles in the contract management system with potential time and cost overrun and poor-quality deliverables.	Substantial	Moderate
Mitigations: IFAD will ensure the compliance of procurement principles as per IFAD's procurement handbook and guidelines through implementation support, monitoring and prior review thresholds. The IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations shall apply to the project procurement processes. Accountability for following the expedited approval processes and assigning staff with responsibility of managing each contract will be maintained and ensured through oversight by the IFAD country team in close coordination with the borrower's oversight agencies.		
Capability in Public Procurement	Substantial	Moderate
Risk: Generally there are limited capacities in administration, and the management of contracts leading to mis-procurement and delays	Substantial	Moderate
Mitigations: Qualified and experienced procurement staff, including a Procurement Specialist and a Contract Monitoring Officer, will be recruited to carry out procurement activities. The staff will be provided focused training and assistance by the IFAD country office for capacity building.		
Public Procurement Processes	Substantial	Moderate
Risk: There is a risk that delays in the the initiation and the completion of procurement processes, due to inefficient planning, bidding, contract award and contract management, may result in negative implications for project implementation performance and cost overruns.	Substantial	Moderate
Mitigations: The prevailing government rules and acts for public procurement generally conform to the IFIs', including IFAD's, procurement guidelines. The expedition of all stages of the procurement process for timely completion, compliance and oversight of procurement process, will be ensured and hands-on implementation support will be provided through implementation support missions by IFAD.		
Environment, Social and Climate Impact	Moderate	Low
Biodiversity Conservation	Moderate	Low
Risk: There is a moderate risk of, or threat to the loss of biodiversity, availability of diversified nutritious food, ecosystems and ecosystem services, or the unsustainable use/production of natural resources.	Moderate	Low
Mitigations: The project is unlikely to have any adverse impact on biodiversity in the project area. The project will invest in eco friendly infrastructure and support the introduction of climate smart and sustainable technologies for agriculture and livestock. Communities will be consulted and sensitised on the need to conserve biodiversity and will be engaged in all such efforts.		
Resource Efficiency and Pollution Prevention	Low	Low

Risk: There is a low risk of causing pollution to air, water, and land, and of inefficient use of natural resources that may threaten people, ecosystem services and the environment.	Low	Low
Mitigations: To mitigate any risk, the project plans to invest in various measures that will promote resource efficiency. These include efficient water use technologies for agriculture production, sustainable livestock production systems and climate and social risks mitigation actions.		
Cultural Heritage		No risk envisaged - not applicable
no cultural heritage sites in the project area		
Indigenous People		No risk envisaged - not applicable
no presence of indigenous people		
Labour and Working Conditions	Moderate	Low
Risk: The risk that the project may cause exploitative labour practices like in-kind community contributions of labour left to the chronically, extreme and vulnerable poor (BISP Poverty Score Card Category 0-16) at the expense of their wage earning opportunities	Moderate	Low
Mitigations: The risk will be mitigated, as practiced in other IFAD financed project, through exempting the chronically, extreme and vulnerable poor (BISP Poverty Score Card Category 0-16) from any cash or in kind contributions.		
Community Health and Safety	Moderate	Low
Risk: There are no envisaged risks of significant negative impacts on community health and safety. In fact, the project expects to have several positive impacts through climate smart and sustainable agriculture technologies, including the promotion of IPM and reduced use of pesticides. The project interventions are also expected to result in greater availability of high nutrition value foods in households and communities, which are a key driver of health. Exposure to spread of COVID 19 in group meetings and training may pose a minor risk.	Moderate	Low
Mitigations: For COVID 19, mitigation measures will include awareness creation and sensitisation for social distancing, wearing of masks etc.		
Physical and Economic Resettlement		No risk envisaged - not applicable
n/a		
Greenhouse Gas Emissions	Low	Low

Risk: The risk of any significant increase of greenhouse gas (GHG) emissions and thereby of contributing to anthropogenic climate change is minimal.	Low	Low
Mitigations: No specific mitigation measures are required.		
Vulnerability of target populations and ecosystems to climate variability and hazards	High	Moderate
Risk: Pakistan is one of the most vulnerable countries in the world as a huge portion of its population depends on the on farm and off farm sectors. The effects of climate change are being felt in rural areas in and across ecosystems with adverse impacts on natural resources and the livelihoods that they support. This exposure to vulnerability is predicted to be exacerbated with impending impact of climate change. Declining water availability and soil degradation is impacting agriculture at a time when demand for agricultural products continues to rapidly rise due to population growth and improving diets. The poor are likely to be hit hard by climate change, and their capacity to respond to climate change is lowest.	High	Moderate
Mitigations: To reduce exposure to the inherent risks, the project will promote production technologies that reduce exposure to increased variability as well as investments in water resources management. Awareness raising and building resilience, particularly among the poor, will be a key capacity building intervention.		
Stakeholders	Low	Low
Stakeholder Engagement/Coordination	Low	Low
Risk: Stakeholder engagement and coordination risks are low as the project will use the successfully tried and tested institutional arrangements for stakeholder consultation and coordination among and between implementation agencies and stakeholders. The province has long history of implementation of donor funded participatory integrated development projects	Low	Low
Mitigations: The project design and its institutional arrangements are based on extensive discussions with government and on lessons learnt. Key stakeholders include the government planning and development and line departments, NGOs/Rural Support Programmes, existing community organisations/groups and private sector engaged in agriculture value chains. The Project Steering Committee will facilitate the provincial level coordination and mechanisms have been put in place at operational/field level for inter departmental, NGOs/RSPs, private sector and community level coordination.		
Risk: There is a minimum risk related to the selection of the target group and the participation of poor, smallholder farmers, women and youth in the project activities.	Low	Low

<p>Mitigations:</p> <p>The selection of the target group and households, particularly the extreme, chronically and vulnerable poor, will be guided by the BISP Poverty Scorecard. A national Poverty Score Card based on Proxy Mean Testing was developed for the identification of poor households eligible for unconditional cash transfer. IFAD introduced this accurate and reliable targeting tool in the country which has a hallmark for targeting strategies for poverty reduction and smallholder agriculture development and is being adopted across the country by government and donors.</p>		
<p>Stakeholder Grievances</p>	<i>Low</i>	<i>Low</i>
<p>Risk:</p> <p>The risk is low as the participatory development approach warrants that beneficiaries, target groups and stakeholders can lodge grievances and have corrective measures taken by the project.</p>	Low	Low
<p>Mitigations:</p> <p>The tried and tested participatory development model prevailing in the province and beneficiary feedback mechanisms through regular community organisations conferences and participatory M&E are affective tools for grievance redressal and corrective measure by the project. Additionally, most parts of the province has a traditional alternative dispute resolution system called Jirga for individual and community level grievance redressal and dispute resolution. However, environmental and social policies related complaints can be registered in writing by post or by email with PMU and Regional Project Management office who will examine and resolve the issue to the satisfaction of complainant within two weeks. Any project level grievance is not foreseen as it is being developed with the involvement of the KP government and project interventions will be implemented through community participation. However, in case of any issue during implementation, PMU and Project Steering Committee will be the right fora for its resolution. The complaint will have to be registered with PMU who will collect the required information, listen to the concerned parties and dispose of the complaint per merit within three weeks or refer it to PSC who will review it in detail and decided it within four weeks. Complaints can also be registered with IFAD by email (SECAPcomplaints@ifad.org) for a fair and timely resolution through an independent process</p>		