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Enabling poor rural people  
to overcome poverty

## **President's report**

### **Proposed grant to the Islamic Republic of Afghanistan for the**

### **Community Livestock and Agriculture Project**

#### **Note to Executive Board representatives**

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**For: Approval**

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### Annex

Negotiated financing agreement

### Appendix

Logical framework

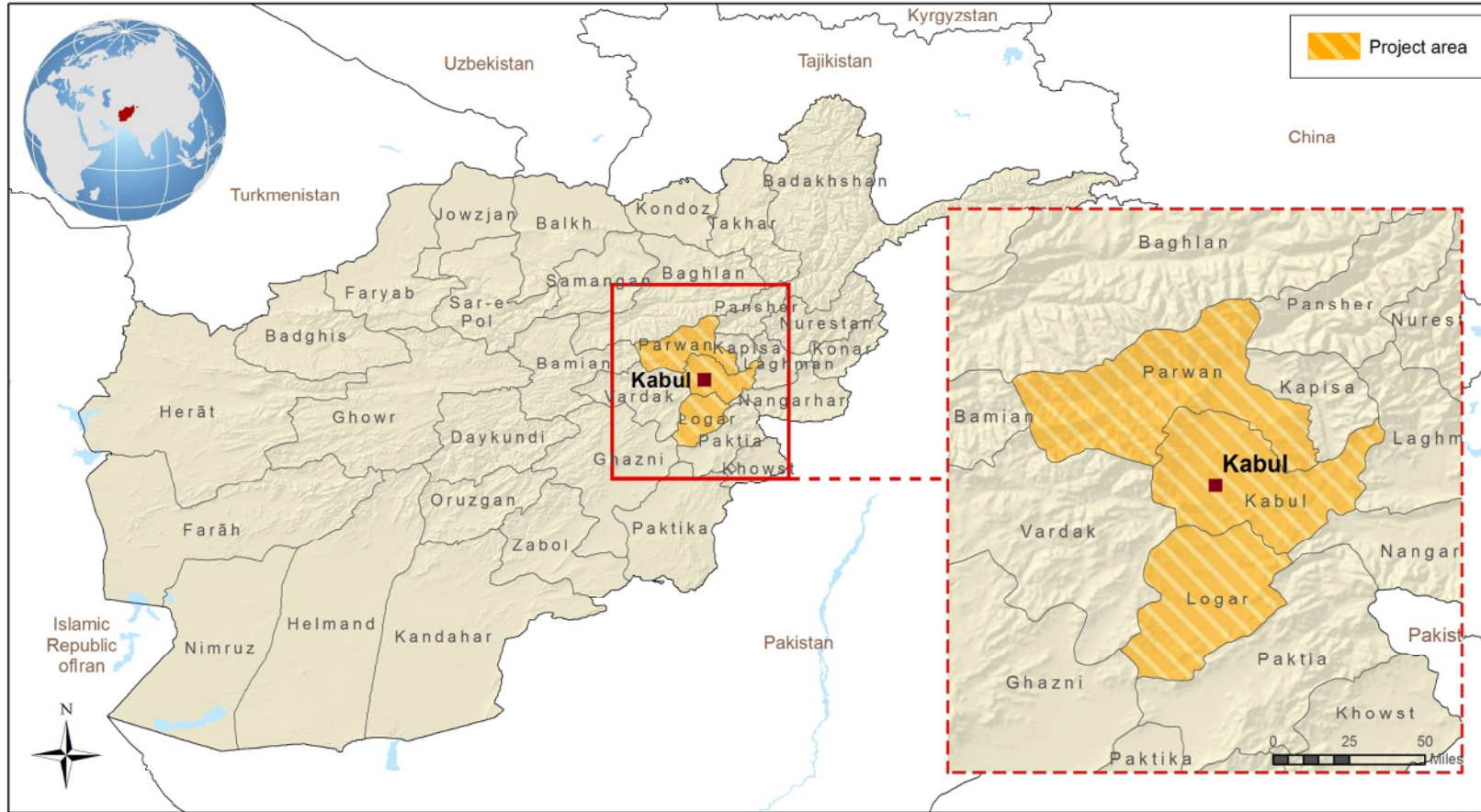
## **Abbreviations and acronyms**

CDC	community development council
ENRM	Environment and Natural Resource Management
FAO	Food and Agriculture Organization of the United Nations
FIRR	Financial Internal Rate of Return
ICARDA	International Center for Agricultural Research in the Dry Areas
M&E	monitoring and evaluation
MAIL	Ministry of Agriculture, Irrigation and Livestock
MRRD	Ministry of Rural Rehabilitation and Development
NPV	net present value
NSP	National Solidarity Programme
RMLSP	Rural Microfinance and Livestock Support Programme

# Afghanistan

## Community Livestock and Agriculture Project

President's report



07-11-2012



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.

Map compiled by IFAD

Map of the project area

# Islamic Republic of Afghanistan

## Community Livestock and Agriculture Project

### Financing summary

<b>Initiating institution:</b>	IFAD
<b>Recipient:</b>	Islamic Republic of Afghanistan
<b>Executing agency:</b>	Ministry of Agriculture, Irrigation and Livestock
<b>Total project cost:</b>	US\$65.51 million
<b>Amount of IFAD grant:</b>	SDR 37.65 million (equivalent to approximately US\$58 million)
<b>Cofinancier(s):</b>	Food and Agriculture Organization of the United Nations (FAO)
<b>Amount of cofinancing:</b>	FAO: US\$0.46 million
<b>Terms of cofinancing:</b>	In-kind contribution
<b>Contribution of recipient:</b>	US\$3.57 million
<b>Contribution of beneficiaries:</b>	US\$3.48 million
<b>Appraising institution:</b>	IFAD
<b>Cooperating institution:</b>	IFAD directly supervised
<b>Retroactive financing</b>	For eligible expenditures up to approximately US\$0.236 million incurred between 8 November 2012 and the date of entry into force of the financing agreement.

## Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed grant to the Islamic Republic of Afghanistan for the Community Livestock and Agriculture Project, as contained in paragraph 42.

## Proposed grant to the Islamic Republic of Afghanistan for the Community Livestock and Agriculture Project

### I. Strategic context and rationale

#### A. Country and rural development and poverty context

1. **Poverty context.** After almost three decades of conflict, Afghanistan has become one of the poorest countries in the world. The *Human Development Report* ranked Afghanistan 172<sup>nd</sup> out of 187 countries in 2011. Some 36 per cent of the population are estimated to live below the poverty line, and 70 per cent are considered food-insecure. With about 80 per cent of the overall population and 84 per cent of the poor population living in rural areas, poverty is predominantly a rural phenomenon. The gender dimension to poverty is stark, and the country has among the highest levels of gender inequality in the world.
2. **Economic and rural development context.** Although the Afghan economy has registered robust growth rates overall in recent years, these figures largely reflect booming construction and trade-related activities in urban areas. In fact, there has been little growth in rural Afghanistan, and most rural people still live on subsistence farming. The economy remains essentially rural: the formal agricultural sector contributes to about 35 per cent of GDP. Subsistence agricultural production is the main source of rural livelihoods. Livestock activities are an integral part of most farming systems in Afghanistan. Accordingly, crop and livestock development is critical for poverty reduction. However, these two sectors in Afghanistan have been severely constrained due to a number of factors.
3. **Political context and security situation.** Afghanistan has only recently emerged from almost 30 years of conflict. Political stability is still challenged by an ongoing campaign of insurgency by various groups, particularly in the south and east, and the Afghan government is struggling to extend its authority beyond the capital and forge national unity. The security situation in the country, always a major concern, has deteriorated over the past few years and is expected to worsen as a result of the planned withdrawal of the International Security Assistance Force in 2014.
4. **The Government's response.** The Government has responded to these development challenges by launching a number of national initiatives under the Livelihood and Social Protection Public Investment Programme, which have brought about significant improvements in a number of areas. However, the need for development support is still huge and delivery capacity, particularly at local level, extremely limited.

#### B. Rationale and alignment with government priorities and RB-COSOP

5. **Rationale for IFAD involvement.** Due to the rapidly changing country circumstances, which are mainly security-related, the nascent status of the Government and the nature of donor prioritization in a post-conflict environment, project pipeline and concept notes were not included in the country strategic opportunities programme (COSOP) (2008). However, with the increasing application

of a national development strategy, emergence of more effective service delivery, and the prospect of a likely decrease in development assistance as a consequence of the withdrawal of the International Security Assistance Force from Afghanistan in 2014, the COSOP midterm review (March 2011) identified strategic opportunities for supporting the Government of Afghanistan. These lie in addressing the challenges of poverty reduction and food insecurity in rural areas, focusing on the Government's priorities of agricultural development, promotion of sustainable livelihoods, income generation, and rural infrastructure development.

6. **IFAD contribution.** Based on its mandate, current experience and comparative advantage in Afghanistan, IFAD identified an opportunity to contribute to increasing food security and income generation opportunities among rural poor. It will help improve crop and livestock productivity and strengthen existing institutional capacity (both governmental and non-governmental) at the district and provincial levels. The proposed project is in line with the COSOP objectives and strategic priorities, and with the Government's national priorities as outlined in the Afghan Agriculture and Rural Development Strategy, the National Agricultural Development Framework, and the national priority programmes.
7. **Links with ongoing IFAD projects and activities of other international agencies.** The proposed project builds upon and scales up models and approaches that have been piloted in Afghanistan, and have proved successful. These include FAO's integrated dairy scheme model implemented through various projects, including the IFAD-funded Rural Microfinance and Livestock Support Programme (RMLSP); the village-based seed enterprise model of the International Center for Agricultural Research in the Dry Areas (ICARDA), and adapted models for improved backyard and semi-commercial poultry farming implemented through various projects, including the RMLSP.

## II. Project description

### A. Project area and target group

8. **Project area.** The project area comprises the central region's provinces of Kabul, Parwan and Logar. Within these provinces, three districts per province have been selected for project implementation. The criteria used for the selection of the project area included: (i) accessibility: the project area should be easily accessible; (ii) security: the project area should guarantee a level of security that allows regular and safe access; and (iii) contiguity: the project area should include geographically contiguous provinces to minimize administrative and logistical constraints. The selected provinces/districts possess a great deal underexploited agriculture and livestock potential, and there is considerable scope for development through appropriate interventions.
9. **Target group and beneficiaries.** The project will specifically target the following three groups: (a) small farmers and livestock keepers, including the landless and farmers who have lost their livestock and/or aspire to raise livestock or restock; (b) women and woman-headed households; (c) resettled and nomadic Kutchis. It is expected that approximately 169,500 resource-poor rural households (equivalent to some 1,017,000 individuals) across an estimated 367 rural community development councils (CDCs) within the nine districts will benefit from the project activities (cost/beneficiary ratio: US\$386:household or US\$64:person).

### B. Project development objective

10. The overall goal of the project is to contribute to reducing poverty in rural Afghanistan. More specifically, the project objective is to improve the food security of approximately 169,500 rural households in selected districts in the provinces of Kabul, Parwan and Logar by increasing crop and livestock productivity. This will be achieved by enhancing the productive assets, skills, services, technologies and income opportunities of the target group (e.g. by introducing appropriate livestock

and agriculture technology options, building local capacity and strengthening weaknesses in the value chain, including linkages with markets). The project also aims to reduce gender disparities by improving the social and economic status of women engaged in project activities.

11. **Expected outcomes.** Some of the key expected benefits are: (i) livestock and crop production and productivity (milk, poultry, wheat, food and forage legumes and vegetables) increased; (ii) beneficiaries' net income increased; and (iii) beneficiaries' state of health improved.

### C. Components/outcomes

12. **Project components.** The project is organized around three mutually reinforcing components:

- (1) **Community development, including productive infrastructure and institutional strengthening (US\$25.4 million or 39 per cent of total project cost; IFAD contribution: US\$21.4 million).** This component aims to strengthen the capacity of local communities and institutions by supporting the construction of small-scale infrastructure that will enhance agricultural productivity (thus resulting in positive socio-economic benefits) and assisting local institutions (community organizations and local government agencies) in addressing issues of ownership and sustainability. This component includes three subcomponents: 1.1 productive infrastructure (US\$23.1 million); 1.2 community development and institutional strengthening (US\$1.1 million); and 1.3 gender mainstreaming and capacity-building (US\$1.2 million).
- (2) **Livestock and agriculture development (US\$28.5 million or 43 per cent of total project cost; IFAD contribution: US\$25.2 million).** This component seeks to reduce poverty by enhancing food security with a strong emphasis on women-headed households and the vulnerable and marginalized within rural communities through introduction of appropriate livestock and agricultural practices and packages and, to a limited extent, support for value chain development and linkages to markets. These activities will be linked to the productive infrastructure and community development/institutional strengthening activities to the maximum possible extent, to ensure a holistic and integrated approach. This component includes four subcomponents: 2.1 dairy development (US\$10.5 million); 2.2 poultry development (US\$5 million); 2.3 improved food, fodder, and vegetable crops (US\$8 million); and 2.4 livestock development among the Kutchi (US\$5 million).
- (3) **Project management, policy support and young professional programme (US\$ 11.7 million or 18 per cent of total project cost; IFAD contribution: US\$11.4 million).** This component will provide project coordination and technical assistance to the project support team. Based on the successful experience of the RMLSP, the young professionals programme will be continued under this component with US\$0.42 million in financing. In addition, a policy support fund will be set up, financed through an endowment of US\$0.5 million. Finally, a special financing facility, financed with an endowment of US\$3.5 million, will be established to provide extra support to activities where needed and to expand promising/well-performing activities.

13. **Synergies and complementary effects between components/subcomponents.** By supporting both the construction of productive infrastructure and the delivery of agriculture and livestock packages, the project will address missing linkages between farm, livestock and poultry production areas and main roads; increase water conveyance efficiency; and promote higher cropping intensity and better yields. Infrastructure interventions will complement and consolidate the activities proposed under the other components/subcomponents. For instance, crop and land productivity will be increased through provision of water-related infrastructure (water courses, irrigation inlets/outlets). The improved



watercourses and irrigation-related infrastructure will improve water carrying efficiency and lead to increased farm production and higher incomes for farmers.

14. **Implementation mechanisms.** Given the current capacity gaps within the Ministry of Agriculture, Irrigation, and Livestock (the lead implementing agency) at subnational level (provincial and district), the project components and activities will be implemented by a combination of government ministries and selected service providers. Three service providers have been pre-selected in concurrence with the recipient during the design missions as follows: FAO for the implementation of the dairy development subcomponent; ICARDA for the implementation of the improved food, fodder and vegetable crops subcomponent; and the Dutch Committee for Afghanistan for the implementation of the Kutchi development subcomponent). These institutions have been selected based on their their unique skills, expertise and mandate and their long-established presence and experience in Afghanistan. They will be formally contracted subject to prior endorsement by the recipient's National Special Procurement Committee. The lead project agency shall enter into implementation agreements with each provider and with the Ministry of Rural Rehabilitation and Development, setting forth the terms of the implementation of the relevant activities.

### **III. Project implementation**

#### **A. Approach**

15. **Project approach.** The project will adopt an integrated community-based development approach that complements ongoing community-level initiatives with support for increased productivity and capacity-building. Integrated, mutually reinforcing activities will be implemented at the community level with a view to enhancing crop and livestock productivity (by addressing agriculture-related infrastructure gaps and priorities; introducing or strengthening appropriate livestock and agriculture packages and services; and supporting weak areas in the value chain and linkages to markets), and building the capacity of local communities, organizations and institutions. A flexible, highly decentralized and participatory approach will be pursued for all community-level interventions, with communities playing a central role in identifying and prioritizing needs, implementing and monitoring activities, and building the framework for post-completion operation and maintenance.

#### **B. Organizational framework**

16. **Lead implementing agency.** The lead implementing agency will be the Ministry of Agriculture, Irrigation and Livestock (MAIL).
17. **Project implementation and management.** Project implementation and management will be assigned to a project support team (PST) located within the Planning and Programme Implementation Department of MAIL. The PST will be responsible for overall implementation coordination and provision of technical support for cross-cutting issues (e.g. gender, knowledge management, monitoring and evaluation (M&E), procurement, and fiscal oversight) and for day-to-day project management.
18. **Project coordination and oversight.** Project coordination and oversight will be undertaken by (i) a national steering committee for national-level coordination, policy development, legislative activities and overall oversight; and (ii) a provincial coordination committee for each province.

#### **C. Planning, monitoring and evaluation, and learning and knowledge management**

19. **Planning, monitoring and evaluation.** The project monitoring and evaluation system will collect data to measure performance and progress towards objectives,

and will serve as a learning tool by providing information for critical reflection on project strategies and operations. It will support decision-making at various levels and provide a basis for results-based management. In addition, the system will strengthen M&E capacity within MAIL. The project will have a comprehensive M&E framework based upon lessons learned from RMLSP. It will include data disaggregated by gender and social group, particularly in relation to training and access to services. The key elements will be: (i) output monitoring; (ii) participatory monitoring and evaluation; (iii) process monitoring; (iv) outcome monitoring; and (v) impact evaluation.

20. **Knowledge management.** In the first year of implementation, a project-level knowledge management strategy will be prepared in line with the IFAD Strategy for Knowledge Management. A project website will be developed also within the first year of implementation as a knowledge-sharing tool, and will be linked to the IFAD ENRAP network (for the Asia and the Pacific region). Key information from M&E surveys, reviews and exposure visits, lessons and best practices will be disseminated through knowledge products such as newsletters, publications, case studies and reports. Additionally, the project will conduct knowledge-sharing events at the community level and organize exchange visits to share learning through observation. At the local level, the service providers will liaise with the media to ensure that project activities, impact and learning are regularly covered. Provision will be made for key project personnel and service providers to undergo training in knowledge management practices and organization of knowledge-sharing events.

#### **D. Financial management, procurement and governance**

21. **Financial management.** Best practices to ensure transparent financial systems and accountability will be followed. The management and the finance officer of the service providers are accountable for maintaining proper documentation for project costs and procurement. External project audits will be performed annually to minimize the risk of corruption. In addition, MAIL will undertake an internal pre-audit function to boost the audit control systems. The flow of funds will be based on standardized arrangements applicable to all donor-funded projects in Afghanistan. The IFAD grant funds will be transferred to a designated grant account in United States dollars. This account will be maintained and operated by the Ministry of Finance (MoF), which will also operate sub-accounts held in the name of MAIL and MRRD. All service providers will open and operate specific bank accounts for IFAD funds, in United States dollars, to finance the activities under their respective responsibilities. They will follow internationally accepted standards and procedures, recording each item of expenditure incurred and ensuring proper audit of these accounts by the Auditor General or by a private auditing firm on an annual basis. Part of the funds drawn by MoF from the IFAD grant account will flow from the designated account directly to third parties for major payments.
22. **Procurement.** Procurement of goods, works and services financed by the grant will be carried out in accordance with the provisions of the Procurement Law of Afghanistan dated July 2008, to the extent that the provisions thereof are consistent with the IFAD Procurement Guidelines. The procurement methods (ranging from international competitive bidding to direct contracting) used for the various procurement categories will differ according to nature, amount and other criteria.
23. **Corruption.** Recognizing that dealing with the issue of corruption is critical to promoting stability and development in Afghanistan, the Government has put in place a number of important building blocks against corruption over the last five years in terms of overall policies and institutional development. While strengthened efforts are needed in enforcing these steps, some progress has been made in the area of public administration (e.g. the new Civil Service Law passed in 2005), and fiduciary standards have been significantly raised, as a result of a number of actions taken by the Ministry of Finance. For the first time, in 2006 the external auditor (the

Control and Audit Office) was able to audit the Government's accounts, and the report was transmitted by the Government to the upper and lower houses of parliament. Measures to mitigate the risks of corruption are described in section IV.E of this report (risk identification and mitigation).

## E. Supervision

24. **Supervision.** The project will be directly supervised by IFAD, which will field implementation support and supervision missions. At least one supervision or support mission will be organized each year, as well as follow-up missions if required, to assess overall progress and performance, gaps and constraints, with particular attention on fiduciary aspects and to identify implementation support requirements. Ideally, the missions should be organized at the same time as the project steering committee meetings, so as to allow IFAD to attend these meetings as an observer.

## IV. Project costs, financing, benefits

### A. Project costs

25. Overall, the proposed project will cost about US\$65.51 million over a six-year implementation period. The baseline cost is US\$62.87 million, and physical contingencies total approximately US\$2.64 million.

### B. Project financing

26. **Financing and cofinancing.** IFAD's contribution will amount to about US\$58 million (88.5 per cent of the total cost) in the form of a Debt Sustainability Framework grant. With a contribution of about US\$3.57 million, the Government will cofinance 5.5 per cent of the project costs in kind. The beneficiaries will provide about US\$3.48 million, or 5.3 per cent of the project costs mainly through in-kind contributions. FAO will contribute approximately US\$0.46 million to the dairy development subcomponent, in the form of staff time, allocation of vehicles, etc. The table below summarizes project financing by component and by financier.

**Project financing by component and by financier**  
(Thousands of United States dollars)

	Govt		IFAD		FAO		Beneficiaries		Total		For. exch.	Local exch.
	Amnt	%	Amnt	%	Amnt	%	Amnt	%	Amnt	%		
<b>Component 1</b>												
1.1 Productive Infrastructure	1 647	7.1	19 084	82.9	--	--	2 303	10.0	23 034	35.2	1 189	21 845
1.2 Community Development	16	1.4	1 110	98.6	--	--	--	--	1 126	1.7	58	1 068
1.3 Gender Mainstreaming	30	2.5	1 182	97.5	--	--	--	--	1 213	1.9	63	21 845
<b>Component 2</b>												
2.1 Dairy Development	1 364	13.0	8 521	81.2	456	4.3	152	1.4	10 492	16.0	1 145	9 347
2.2 Poultry Development	75	1.5	4 900	98.0	--	--	26	0.5	5 000	7.6	259	4 742
2.3 Food, Forage, Vegetable	142	1.8	6 826	85.7	--	--	1 000	12.6	7 967	12.2	905	7 062
2.4 Kutchi Development	0	0.0	4 999	100	--	--	--	--	4 999	7.6	516	4 483
<b>Component 3</b>												
Project Management	302	2.6	11 379	97.4	--	--	--	--	11 681	17.8	150	11 531
<b>Total project cost</b>	<b>3 575</b>	<b>5.5</b>	<b>58 001</b>	<b>88.5</b>	<b>456</b>	<b>0.7</b>	<b>3 481</b>	<b>5.3</b>	<b>65 513</b>	<b>100.0</b>	<b>4 286</b>	<b>61 227</b>

27. **Complementarity with activities under the National Solidarity Programme.** Certain project activities will complement initiatives under implementation by the National Solidarity Programme (NSP) (a programme worth US\$750 million, which is being implemented by the MRRD and funded through various sources, including the World Bank-administered Afghanistan Reconstruction Trust Fund and the Japanese Social Development Fund).
28. **Retroactive financing.** As an exception to section 4.08(a)(ii) of the General Conditions, expenditures of up to US\$150,000 equivalent for category III;

US\$74,000 for category IV; and US\$12,000 for category V of the allocation table (paragraph 1, schedule 2 of the financing agreement) incurred after 8 November 2012 but before the date of entry into force of the financing agreement may be considered eligible expenditures for the purposes of the financing agreement, if otherwise eligible, notwithstanding the fact that they have been incurred before the start of the project implementation period.

## C. Summary benefit and economic analysis

29. **Economic and financial analyses.** Economic and financial analyses have been carried out to assess the economic and financial viability of the project, examine the impact of project interventions on income, and assess whether there are sufficient financial incentives for the beneficiaries to participate in the project activities. The table below summarizes the findings, including a sensitivity analysis for three scenarios (10 per cent increase in costs; 10 per cent decrease in benefits; and 10 per cent increase in costs with 10 per cent decrease in benefits).

### Economic and financial analysis

<i>Components</i>	<i>Financial</i>			<i>Economic</i>		
	<i>NPV</i>	<i>B:C</i>	<i>FIRR</i>	<i>NPV</i>	<i>B:C</i>	<i>EIRR</i>
1.1 Productive infrastructure	1 468	1.12	18%	629	1.06	17%
2.1 Dairy development	3 076	1.25	23%	2 567	1.25	23%
2.2 Poultry development	4 987	1.53	33%	1 485	1.14	19%
2.3. Improved food, fodder, and vegetable crops**	14 431	1.61	36%	14 957	1.83	40%
2.4 Kutchi development	1 861	1.38	30%	1 337	1.31	40%
<b>Overall</b>	<b>18 811</b>	<b>1.25</b>	<b>23.2%</b>	<b>14 602</b>	<b>1.22</b>	<b>22.2%</b>
Cost increased by 10%	11 253	1.14	19.6%	8 023	1.11	19%
Benefits decreased by 10%	9 372	1.12	19.2%	6 563	1.10	18%
Cost/Benefit +10%/-10%	1 814	1.02	15.8%	(16)	1.00	15%

(\*) Excluding irrigation.

(\*\*) Including irrigation.

30. The results of the analyses suggest that a household benefiting from project activities could increase its annual income substantially.

## D. Sustainability

31. **Sustainability.** Project design includes several key elements to ensure post-project sustainability and a natural exit strategy: (i) use of existing structures and arrangements; (ii) support to existing institutions; and (iii) gradual and well-planned handover and transfer of responsibilities. The last two years of the project will be a consolidation phase, focusing on a well-benchmarked and pragmatic transition plan. Service providers will hand over responsibility for continuing the work of the project based upon a considerably strengthened Departments of Agriculture, Irrigation and Livestock (DAILs) and more effective beneficiary groups, cooperatives and unions, etc. In addition, a participatory design process will allow the project to respond directly to community concerns. These efforts to promote project ownership on the part of the beneficiaries will provide the foundation and necessary commitment for post-project sustainability.

## E. Risk identification and mitigation

32. **Risks and mitigation measures.** The main risks include: (a) the unsettled and extremely volatile security situation in the country. To mitigate this risk, target districts have been selected within the three provinces that are less likely to be affected by threats of insecurity. In addition, experience of other programmes in the area indicates that working closely with local partners and the strong involvement of community networks can also mitigate security risks to a significant extent. However, should the situation deteriorate, third-party monitoring may be undertaken. In the extreme event that the security situation in any of the selected districts deteriorates to the point of making the target communities completely

inaccessible, it has been agreed, as a contingency plan/exit strategy, that the Government – in consultation with IFAD – would consider the option of shifting the project activities to other pre-selected districts, without prejudice to any other remedies available to the Fund; and (b) corruption: given the limited scope and scale of the community-level projects under the project and the existing transparency mechanisms set up by the NSP, the CDCs and other institutions, the risks related to corruption are considered limited. To further reduce this risk with regard to infrastructure development, the project will only finance small-scale infrastructure schemes. All the project activities will remain modest in scope and scale and make few additional demands on the existing skills of the communities involved. Several subcomponents of the agriculture and livestock component will be implemented by service providers selected or pre-selected on the basis of their good reputation, among other criteria.

## **V. Corporate considerations**

### **A. Compliance with IFAD policies**

33. **Compliance with IFAD policies.** The project is in line with the IFAD Strategic Framework 2011-2015. It is also aligned with both the IFAD Climate Change Strategy and the Environment and Natural Resource Management Policy. The Environment and Climate Division has classified this project as category B and has recommended continuous monitoring of land/water management and climate change-related aspects during project implementation. The project complies with the IFAD Policy on Targeting and the IFAD Policy on Gender Equality and Women's Empowerment. The design is aligned with the IFAD Results and Impact Management System (RIMS).
34. **Gender Strategy.** In line with the new IFAD gender policy, a gender strategy has been developed for the project. The strategy aims at reducing gender disparities by improving the social and economic status of the women engaged in project activities. A two-pronged approach will be followed: the project will support specific activities targeted at women, and will also promote gender mainstreaming across all project activities. A specific subcomponent on gender mainstreaming and capacity-building (subcomponent 1.3) is included in the project.

### **B. Alignment and harmonization**

35. **Alignment with national priorities.** The project is in line with the Afghanistan Agriculture and Rural Development Strategy, and supports the National Agriculture Development Framework, and the national priority programmes (NPPs), particularly, NPP2 (National Comprehensive Agriculture Production and Market Development), and partially NPP1 (National Water and Natural Resource Development) and NPP4 (Strengthening Local Institutions).
36. **Use of national systems.** The project will be managed by a project support team within the Planning and Programme Implementation Department of MAIL to ensure coordination and flow of information with other national programmes and initiatives.

### **C. Innovations and scaling up**

37. **Innovation and scaling-up.** Given the Afghan context, this project is not specifically designed to be innovative, but rather to replicate and scale up models and approaches that have been previously tested and piloted in Afghanistan, and have proved successful. These include: the integrated dairy scheme model implemented by FAO through various projects, including the IFAD-funded RMLSP; the village-based seed enterprise model of ICARDA; and an adapted version of various models for improved backyard and semi-commercial poultry farming. The following elements can be considered innovative in the Afghan context: (i) the idea of supporting both productive activities (livestock, poultry, seeds) and infrastructure through CDCs; (ii) the approach to poultry development, which differs from the

poultry models previously implemented in Afghanistan; and (iii) the attempt to pursue a multi-ministerial approach to project implementation (MAIL and MRRD).

#### **D. Policy engagement**

38. A fund amounting to US\$500,000 (Policy Support Fund) will be allocated to the development, follow-up or completion of draft policies, strategies and legislation required by MAIL to nurture an environment conducive to the implementation of IFAD-related activities in the country. This demand-driven mechanism will, in turn, be influenced by findings and recommendations of projects such as RMLSP and the proposed project. The fund will provide an entry point for IFAD to engage in policy dialogue.

#### **VI. Legal instruments and authority**

39. A project financing agreement between the Islamic Republic of Afghanistan and IFAD will constitute the legal instrument for extending the proposed financing to the recipient. A copy of the negotiated financing agreement is annexed hereto.
40. The Islamic Republic of Afghanistan is empowered under its laws to receive financing from IFAD.
41. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Lending Policies and Criteria.

#### **VII. Recommendation**

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

RESOLVED: that the Fund shall provide a grant to the Islamic Republic of Afghanistan in an amount equivalent to thirty-seven million six hundred and fifty thousand special drawing rights (SDR 37,650,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Kanayo F. Nwanze  
President

## **Negotiated financing agreement: "Community Livestock and Agriculture Project (CLAP)"**

(Negotiations concluded on 7 November 2012)

Grant Number: DSF-[ ]-[ ]

Project Title: Community Livestock and Agriculture Project (CLAP) (the "Project")

The International Fund for Agricultural Development (the "Fund" or "IFAD")

and

The Islamic Republic of Afghanistan (the "Recipient")

(each a "Party" and both of them collectively the "Parties")

hereby agree as follows:

### **WHEREAS**

The Recipient has requested a grant from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement,

**NOW THEREFORE**, the Parties hereby agree as follows:

### **Section A**

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2), and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009 as may be amended from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement, except for the provisions identified in Section E paragraph 4 below. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.

3. The Fund shall provide a grant to the Recipient (the "Grant"), which the Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement.

### **Section B**

1. The amount of the Grant is thirty-seven million six hundred and fifty thousand Special Drawing Rights (SDR 37 650 000).

2. The first day of the applicable Fiscal Year shall be 21 December.

3. The Recipient shall open and maintain a Designated Grant Account denominated in USD in a bank acceptable to the Fund for the purposes of receiving Grant financing for the Project. The Designated Grant Account shall be operated by the Ministry of Finance.

4. The Recipient shall provide in-kind counterpart financing for the Project in the amount of USD 3.57 million. The beneficiaries shall contribute to the Project up to the amount of USD 3.48 million in the form of cash, in kind and/or through labour.

### **Section C**

1. The Lead Project Agency shall be the Ministry of Agriculture, Irrigation and Livestock (MAIL).

2. The following is designated as an additional Project Party: Ministry of Rural Rehabilitation and Development (MRRD).

3. The Project Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement.

### **Section D**

The Grant shall be administered and the Project directly supervised by the Fund.

### **Section E**

1. The following is designated as an additional ground for suspension of this Agreement: The Project Implementation Manual (PIM) or any provision thereof has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Recipient, has determined that such waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the Project, and the Recipient has not taken any measures to remedy the situation.

2. The following are designated as additional general conditions precedent to withdrawal:

- (a) The National Project Director shall have been appointed;
- (b) The Project Support Team (PST) within the Planning and Programme Implementation Department of the MAIL shall have been established and adequately staffed;
- (c) The Project Steering Committee and the Provincial Coordination Committees shall have been duly established;
- (d) The Designated Grant Account shall have been opened; and
- (e) The PIM shall have been adopted by the Lead Project Agency, substantially in the form approved by the Fund.



3. The following are designated as additional specific conditions precedent to withdrawal:

- (a) No withdrawal shall be made in respect of activities to be implemented by the MRRD under sub-component 1.1 (Productive Infrastructure) of the Community Development, including Productive Infrastructures and Institutional Strengthening Component, until the Memorandum of Understanding referred to in Schedule 1, Section II, paragraph 6 between the Lead Project Agency and the MRRD has been duly executed;
- (b) No withdrawal shall be made in respect of activities to be implemented by the Service Providers referred to under Schedule 1, Section II, paragraph 4, letters (a) through (d) until a contract for services or related agreement, acceptable to the Fund, has been signed between the Lead Project Agency and such Service Provider and the Fund has endorsed the respective AWPB for each such Service Provider as approved by the PSC; and
- (c) No withdrawal shall be made in respect of expenditures under Categories VI and VII of the Allocation Table (paragraph 1, Schedule 2 hereto) until each proposal for expenditure has been approved by the Fund.

4. The following provisions of the General Conditions shall not apply to this Agreement:

As an exception to Section 4.08(a)(ii) of the General Conditions, expenditures of up to the equivalent of USD 150 000 for Category III, USD 74 000 for Category IV, and USD 12 000 for Category V of the Allocation Table (paragraph 1, Schedule 2 hereto) incurred after 8 November 2012 but before the date of entry into force of this Agreement may be considered Eligible Expenditures for the purposes of this Agreement, if otherwise eligible, notwithstanding the fact that they have been incurred before the start of the Project Implementation Period.

5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Fund:

President  
International Fund for Agricultural  
Development  
Via Paolo di Dono, 44  
00142 Rome, Italy

For the Recipient:

Minister for Finance of the  
Islamic Republic of Afghanistan  
Ministry of Finance  
Pashtonistan Watt,  
Kabul, Afghanistan

This Agreement has been prepared in the English language in six (6) original copies, three (3) for the Fund and three (3) for the Recipient.

ISLAMIC REPUBLIC OF AFGHANISTAN

\_\_\_\_\_  
[insert NAME of the Authorised Representative]  
[insert his title]

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
Kanayo F. Nwanze  
President

Date: \_\_\_\_\_

## Schedule 1

### *Project Description and Implementation Arrangements*

#### **I. Project Description**

1. *Target Population.* The Project targets in particular: (i) Small farmers and livestock-keepers, including the landless and those who lost their livestock and aspire to keep livestock or restock; (ii) Women and female-headed households; (iii) Resettled and nomadic Kutchis in nine districts in the Central Region's Provinces of Kabul, Parwan and Logar (the "Project Area").

2. *Goal and Objectives.* The overall goal of the Project is to contribute to poverty reduction in rural Afghanistan. The objectives of the Project are to improve food security of some 169,500 rural households in the Project Area by increasing agriculture and livestock productivity and reducing gender disparities by increasing the social and economic status of women engaged in these activities.

3. *Components.* The Project shall consist of the following three mutually reinforcing Components:

- (a) **Community Development, including Productive Infrastructures and Institutional Strengthening:** This component aims at strengthening the capacity of local communities by supporting the construction of small-scale infrastructure aimed at enhancing agricultural productivity, as well as the capacity of community organisations and local government agencies to address issues of ownership and sustainability. The component includes three sub-components: (1.1) Productive Infrastructure, (1.2) Institutional Strengthening, and (1.3) Gender Mainstreaming and Capacity Building.
- (b) **Livestock and Agriculture Development:** This component aims at reducing poverty by enhancing food security. Strong emphasis will be placed on women-headed households and the most vulnerable and marginalised individuals within the rural communities by introducing appropriate livestock and agricultural practices and packages, and, to a limited extent, supporting value-chain development and linkages to markets. This component includes four sub-components: (2.1) Dairy Development, (2.2) Poultry Development, (2.3) Improved Food, Fodder, and Vegetable Crops, and (2.4) Livestock Development among the Kutchi.
- (c) **Project Management, Policy Support, and Young Professionals Programme:** This component aims at enhancing Project coordination and providing technical support to the Project Support Team (PST). The Project shall also finance a Young Professionals Programme as well as the Policy Support Fund and a Special Financing Facility.

## II. Implementation Arrangements

4. *Implementation.* The Lead Project Agency shall be directly responsible for implementation of activities related to irrigation and agriculture schemes under sub-component 1.1 (Productive Infrastructure) of the Community Development, including Productive Infrastructures and Institutional Strengthening Component. It shall also coordinate implementation of other Project activities to be implemented by means, *inter alia*, of the Project Support Team and the following Service Providers, some of which have been identified as potential service providers by the Fund, in consultation with the Lead Project Agency, during Project design based on their unique skills, expertise and mandate and/or because of their long experience in the country:

Project Support Team (PST): This Team, to be headed by a National Project Director supported by other staff acceptable to the Fund, shall be responsible for overall implementation coordination and technical support for Project cross-cutting issues, for policy advocacy, liaison with other development Programmes, as well as for day-to-day management of the Project, including the preparation of annual work plans and budgets (AWPBs), and consolidation of financial statements and progress reports.

- (a) Food and Agriculture Organisation of the United Nations (FAO): FAO shall be responsible for implementation of the Dairy Development, sub-component 2.1 of the Livestock and Agriculture Development Component.
- (b) International Centre for Agricultural Research in Dry Area (ICARDA): ICARDA shall be entrusted with implementation of sub-component 2.3 (Improved Food, Fodder, and Vegetable Crops) of the Livestock and Agriculture Development Component.
- (c) Dutch Committee for Afghanistan (DCA): The DCA shall be responsible for implementation of the Livestock Development among the Kutchi sub-component (2.4) of the Livestock and Agriculture Development Component.
- (d) The Service Provider to be contracted by the Lead Project Agency: Such Service Provider shall be responsible for implementation of the Poultry Development sub-component (2.2) of the Livestock and Agriculture Development Component.

5. *Subsidiary Agreements.* The Lead Project Agency shall enter into an agreement/contract for services with each Service Provider for the implementation of the sub-component assigned thereto. Each agreement/contract for services with Service Providers shall clearly specify the scope of the work to be undertaken, expected deliverables, estimated budget for specific activities, as well as clearly defined performance evaluation criteria. These agreements shall be monitored closely by the PST and renewed annually based on satisfactory performance. Each agreement with a Service Provider shall: (i) specify that the Service Provider shall maintain a register of assets (e.g. goods and equipment) acquired with the proceeds of the Grant and that at completion of the Project implementation, such assets will be transferred to the Recipient; and (ii) be submitted to the Fund for its prior approval. Each agreement with a Service Provider may not be modified without the prior consent of the Fund.

6. *Memorandum of Understanding (MOU).* The Lead Project Agency shall enter into a memorandum of understanding with the MRRD setting forth the terms of the implementation of the Water Supply, Drainage, Sanitation and other Infrastructure Schemes of sub-component 1.1 (Productive Infrastructure) of the Community

Development, including Productive Infrastructures and Institutional Strengthening Component assigned thereto. The MOU shall clearly specify the scope of the work to be undertaken, expected deliverables, estimated budget for specific activities, as well as clearly defined performance evaluation criteria. The MOU shall be monitored closely by the PST and shall: (i) specify that the MRRD shall maintain a register of assets (e.g. goods and equipment) acquired with the proceeds of the Grant; and (ii) be submitted to the Fund for its prior approval. The MOU may not be modified without the prior consent of the Fund.

7. *Project Coordination and Oversight.* Project coordination and oversight shall be secured as follows:

- (a) A Project Steering Committee (PSC), which shall include senior-level representatives of the Project Parties and the Ministry of Finance, shall be responsible for national-level steering and coordination, policy direction and guidance, legislative activities, approval of AWPBs, progress review and overall oversight.
- (b) Provincial Coordination Committees, chaired by the respective Provincial representative of the Department of Agriculture, Irrigation and Livestock and comprising technical and field staff of the Project Parties shall ensure operational level coordination for integrated planning and implementation.

8. *Project Implementation Manual (PIM).*

8.1. *Preparation.* The PST shall finalise a draft Project Implementation Manual which shall include, *inter alia*: (i) The Terms of Reference of the Project staff; (ii) the role and responsibility of each actor (PST, PSC, MRRD, Service Providers); (iii) a multi-year Project Annual Work Plan and Budget; (iv) detailed operating procedures, including financial management, procurement processes and flow of funds; and (v) a Monitoring and Evaluation Plan.

8.2. *Approval.* The PST shall submit the draft PIM to the Fund for its comments and approval no later than thirty (30) days after the entry into force of this Agreement. The PIM shall be modified only with the prior consent of the Fund.

8.3. *Adoption.* The Lead Project Agency shall adopt the PIM, substantially in the form approved by the Fund, within thirty (30) days of Fund approval, and shall promptly provide copies thereof to the Fund, the MRRD and all Service Providers. The Recipient shall cause the Project to be carried out in accordance with the PIM. In case of any discrepancies between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

9. *Mid-Term Review.* The Lead Project Agency and the Fund shall jointly carry out a review of the Project implementation no later than the third anniversary of the date of Entry into Force of this Agreement (the "Mid-Term Review") based on terms of reference prepared by the Lead Project Agency and approved by the Fund. Among other things, the Mid-Term Review shall consider the achievement of Project objectives and the constraints thereon, and recommend such reorientation as may be required to achieve such objectives and remove such constraints. The Recipient shall ensure that the agreed recommendations resulting from the Mid-Term Review are implemented within the specified time therefor and to the satisfaction of the Fund. Such recommendations may result in modifications to this Agreement or cancellation of the Financing.

## Schedule 2

### Allocation Table

1. *Allocation of Grant Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Grant and the allocation of the amounts of the Grant to each Category and the percentages of expenditures for items to be financed in each Category:

Category	Grant Amount Allocated in SDR	% of Eligible Expenditures to be financed
I. Civil works, Community Infrastructures	12 750 000	100% net of taxes, Government, beneficiaries and co-financiers contributions
II. Vehicles, Motorcycles, Equipment and Materials	2 640 000	100% net of taxes, Government, beneficiaries and co-financiers contributions
III. Technical Assistance, Training and Studies	7 600 000	100% net of taxes, Government, beneficiaries and co-financiers contributions
IV. Salaries and Allowances	6 620 000	100% net of taxes, Government, beneficiaries and co-financiers contributions
V. Incremental Operating Costs	1 430 000	100% net of taxes, Government, beneficiaries and co-financiers contributions
VI. Policy Support Fund	320 000	100% net of taxes, Government, beneficiaries and co-financiers contributions
VII. Special Financing Facility	2 270 000	100% net of taxes, Government, beneficiaries and co-financiers contributions
Unallocated	4 020 000	
<b>TOTAL</b>	<b>37 650 000</b>	

(b) The terms used in the Table above include, among other things, the following:

- Civil works, community infrastructures include: irrigation/agriculture, water supply and sanitation schemes;
- Vehicles, Motorcycles, Equipment and Materials include: expandable and non-expandable equipment;
- Technical assistance training and studies include: training to Project staff and to communities (technical and vocational).

(c) As an exception to Section 4.08(a)(ii) of the General Conditions, expenditures of up to the equivalent of USD 150 000 for Category III, USD 74 000 for Category IV, and USD 12 000 for Category V of the Allocation Table (paragraph 1, Schedule 2 hereto) incurred after 8 November 2012 but before the date of entry into force of this Agreement may be considered Eligible Expenditures for the purposes of this Agreement, if otherwise eligible, notwithstanding the fact that they have been incurred before the start of the Project Implementation Period.

### Schedule 3

#### *Special Covenants*

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Recipient to request withdrawals from the Grant Account if the Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. *Gender.* The Recipient shall ensure that gender concerns shall be mainstreamed in all Project activities throughout the Project Implementation Period. The Recipient shall also ensure that the Project activities specifically designed to benefit women and women-headed households are duly and diligently implemented.
2. *Monitoring.* The Lead Project Agency shall monitor the Project and, in partnership with each Service Provider, generate data and information on Project activities, output and outcomes in a manner satisfactory to the Fund. The Lead Project Agency shall also collect information on Project impact, including on nutrition status and households' assets, using the Fund's standard methodology (Results and Impact Monitoring System).
3. *Resource Protection.* The Recipient shall take all reasonable measures to ensure that existing laws are enforced to safeguard water, forest and wildlife resources in the Project Area. The Recipient shall take all measures to ensure sustainability of the Project without any detriment to the environment and shall promote natural resources' sustainability.
4. *Operation and Maintenance.* The Recipient shall ensure that adequate human and financial resources shall be provided to support the operation and maintenance of Project-financed investments and the recurrent costs of the Project operations both during and after the Project Implementation Period, at least for the useful life of such investments.
5. *Authorisation.* The Recipient shall provide any Project Party with such delegations of authority or other authorisations as may be required under its national procedures to implement the Project in accordance with this Agreement.
6. *Use of Project Vehicles and Other Equipment.* The Recipient shall ensure that all vehicles and other equipment transferred to or procured under the Project are dedicated solely to Project use.
7. *Financial Statements of Service Providers.* The agreement/contract of services of each Service Provider shall specify that the Service Providers will make available to the Recipient, through the PST, the statements of sources and uses of funds related to Project activities under their respective responsibility in respect of each Fiscal Year within two (2) months of the end of each Fiscal Year. The PST shall attach these statements of sources and uses of funds to its own financial statements for subsequent submission to the Fund.
8. *Audit of Service Providers.* The Recipient shall ensure that each agreement/contract of services of each Service Provider referred to in Schedule 1, Section II, paragraph 4 letters (b) through (d) shall specify that the Service Providers will appoint an external independent auditor to audit their financial statements relating to the Project. These audit reports shall be submitted to the Recipient, through the PST, within five (5) months after the end of each Fiscal Year for subsequent submission to the Fund.

# Logical framework

Results hierarchy	Indicators	Means of verification	Assumptions
<p><b>Goal:</b> To contribute to reduce poverty in rural Afghanistan</p>	<ul style="list-style-type: none"> <li>- 10% decrease in population below the poverty line</li> <li>- 5% decrease in child malnutrition (under 5 yrs old, chronic, acute-underweight)</li> </ul>	<ul style="list-style-type: none"> <li>- Impact surveys (including RIMS anchor indicators) at baseline and completion.</li> <li>- Impact Evaluation Report</li> </ul>	<ul style="list-style-type: none"> <li>- Price of food does not increase relative to earnings.</li> <li>- No major natural disasters or major conflict situation.</li> </ul>
<p><b>Development objective:</b> To improve food security of 169,500 rural households in selected districts in the provinces of Kabul, Parwan, and Logar by increasing agriculture and livestock productivity</p>	<ul style="list-style-type: none"> <li>- 129% increase in milk/cow among hh targeted by the project</li> <li>- 200% increase in annual milk production/hh</li> <li>- 1.16 m eggs produced by beneficiary hh in Yr 6</li> <li>- Yield/ha (kg) of certified seeds (1<sup>st</sup> and 2<sup>nd</sup> planting): wheat (3.4, 2.55); lentil (0.5, 0.38); chickpea (1.0; 0.73); mungbean (0.9, 0.7); potato (19.1, 14.34); tomato (38.3, 28.69); onion (31.9, 23.91); beans (0.7, 0.48)</li> <li>- 169,500 households with increased agriculture/livestock productivity</li> </ul>	<ul style="list-style-type: none"> <li>- RIMS plus survey and rolling baseline</li> <li>- Annual Outcome Survey.</li> <li>- Impact Evaluation Report</li> <li>- Knowledge Products</li> <li>- Newspaper items</li> <li>- Radio programmes</li> <li>- Study reports</li> </ul>	<ul style="list-style-type: none"> <li>- No security problems in the rural areas for conducting surveys and studies.</li> <li>- The vulnerable and poor HHs gain relatively more in terms of food and nutritional security, assets building and income</li> <li>- Project implementation structure has ¼ female staff members</li> </ul>
<p><b>Outcome 1 (Community Development)</b> Capacity of local communities and local institutions enhanced, cultivable land increased, agriculture production/productivity increased, health condition improved and water-borne diseases decreased</p>	<ul style="list-style-type: none"> <li>- 10% increase in agriculture productivity (yield/ha)</li> <li>- 115,000 households benefiting from productive infrastructures</li> </ul>		<ul style="list-style-type: none"> <li>- Smooth implementation procedures and smart fund flow</li> </ul>
<p><b>Output 1.1 (Productive Infrastructures)</b> Crop yield increased, income opportunities increased, health conditions improved (thanks to the construction of small-scale productive infrastructures)</p>	<ul style="list-style-type: none"> <li>- 8% reduction in water-borne diseases</li> <li>- 1.3% increase in No. of hh having access to drinking water and sanitation facilities</li> <li>- 10% increase in agriculture productivity (yield/ha)</li> </ul>	<ul style="list-style-type: none"> <li>- RIMS and reports of civil work conducted</li> <li>- Completion report of contractors (civic work)</li> <li>- Reports of SPs in charge of other sub/components</li> <li>- CDC's records, minutes, etc.</li> <li>- Work schedules</li> <li>- Monitoring data/reports of Provincial M&amp;ED</li> </ul>	<ul style="list-style-type: none"> <li>- Community Participatory Monitoring (CPM) system functional including women</li> <li>- Performance supervisory system of NSP operational in place</li> <li>- ANDS -overarching framework for women's rural development and their involvement in the agricultural sector – acknowledged</li> </ul>
<p><b>Output 1.2 (Community Development and Institutional Strengthening)</b> Capacity of beneficiary communities/community organizations and local government agencies strengthened</p>	<ul style="list-style-type: none"> <li>- At least 80% of beneficiaries expressing satisfaction on the quality of services provided by local government agencies staff (measured through questionnaires)</li> <li>- At least 80% of organization members expressing satisfaction on the quality of management of community organizations (measured through questionnaires)</li> </ul>		<ul style="list-style-type: none"> <li>- Lessons learnt taken into account; i.e. - women's role in agriculture undervalued; - rural women require learning opportunities to enter the higher levels of the value chains</li> </ul>

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<p><b>Output 1.3 (Gender Mainstreaming)</b> Role/Involvement of women in productive activities and productive potential increased</p>	<ul style="list-style-type: none"> <li>- % increase of women who have control of productive assets</li> <li>- % increase in net income among women</li> <li>- At least 25% of female professional staff (among MAIL/DAIL and SPs)</li> </ul>	<ul style="list-style-type: none"> <li>- Staff records</li> <li>- RIMS reports</li> <li>- Specific gender impact surveys</li> <li>- Case studies</li> <li>- Progress and Annual reports of SPs, DAIL/MAIL</li> </ul>	
<p><b>Outcome 2 (Livestock and Agriculture Development)</b> Increased agriculture and livestock productivity</p>	<ul style="list-style-type: none"> <li>- 200% increase in average hh income from dairy [Expected n. of beneficiary hh: 3,000]</li> <li>- 400% increase in net income of poultry keeping hh [Expected n. of beneficiary hh: 25,000]</li> <li>- At least 100% increase in net income of adopters [Expected n. of beneficiary hh: 81,055]</li> <li>- 25% increase in net income of livestock keepers [Expected n. of beneficiary hh: 20,000]</li> </ul>		<ul style="list-style-type: none"> <li>- Attractive market for milk does not imply selling all milk; sufficient milk kept for home consumption</li> <li>- Dairy team able to build upon existing infrastructures such as (private) VFUs (health, A.I.),</li> <li>- Close interactions and synergies with other components/sub-components of CLAP, overall coordination via CDCs (esp. female CDCs) and adherence to Project Gender Strategy</li> </ul>
<p><b>Output 2.1 (Dairy Development)</b> Milk production and productivity increased; dairy milk processing and marketing improved</p>	<ul style="list-style-type: none"> <li>- Increase in average number of cattle per family [Target: from 1.254 to 1.75]</li> <li>- 1.5l/day increase in milk consumption at hh level</li> <li>- 200% increase in average hh income from dairy</li> </ul>	<ul style="list-style-type: none"> <li>- RIMS I and II data, and Annual Report</li> <li>- Records and reports of collection centres and processing plant; Progress reports of local service providers; Monitoring reports</li> <li>- Outcome monitoring reports</li> </ul>	<ul style="list-style-type: none"> <li>- High Input High Output dairy approach does not undermine food production neither deteriorates sustainable agriculture practices</li> <li>- Security situation will not get worse</li> <li>- No abnormal droughts or water shortage</li> </ul>
<p><b>Output 2.2 (Poultry Development)</b> Traditional fowl systems strengthened; small-scale commercially viable poultry systems developed</p>	<ul style="list-style-type: none"> <li>- Increase in egg production for traditional birds [Target: 12 per annum]</li> <li>- Decrease in mortality rate [Target: from 3% to 1.5%]</li> <li>- 400% increase in net income of poultry keeping hh</li> </ul>	<ul style="list-style-type: none"> <li>- Output focus groups discussions esp. among women groups,</li> <li>- Project Progress Reports, Final Project Report</li> <li>- Baseline data &amp; follow-up surveys; Study and Surveys reports</li> </ul>	<ul style="list-style-type: none"> <li>- Optimal coordination with relevant stakeholders</li> <li>- Cooperation with other actors active in the poultry sub sector in particular those working with women</li> </ul>
<p><b>Output 2.3 (Improved Food, Fodder, and Vegetable Crops)</b> New drought resistant and high yielding improved varieties of wheat, food and forage legumes, and vegetables developed and adopted</p>	<ul style="list-style-type: none"> <li>- 80,000 farmers adopting new seeds and related best</li> <li>- 30-60% increase of food, fodder, and vegetable production over existing rates</li> <li>- At least 100% increase in net income of adopters</li> </ul>	<ul style="list-style-type: none"> <li>- MAIL records and Reports from MAIL M&amp;E</li> <li>- Relevant Reports of Directorate of Tribal Affairs</li> <li>- CDC statistics,</li> <li>- Relevant Reports Human Health Department / specific survey data</li> </ul>	<ul style="list-style-type: none"> <li>- Policy for poultry sub-sector will be finalised</li> <li>- Poultry board will be established</li> <li>- No abnormal droughts or water shortage</li> <li>- Optimal coordination with relevant stakeholders</li> </ul>
<p><b>Output 2.4 (Livestock Development among the Kutchi)</b> Livelihoods among Kutchi enhanced</p>	<ul style="list-style-type: none"> <li>- 10% reduction in prevailing mortality rates for shoats and cattle</li> <li>- 0.05l increase in daily milk production</li> <li>- 25% increase in net income of livestock keepers</li> </ul>	<ul style="list-style-type: none"> <li>- Flock and Hen card data (traditional system)</li> <li>- Batch cards (commercial units; all in, all out)</li> <li>- Case studies &amp; stories</li> <li>- Items in newspapers, radio, T.V.</li> </ul>	<ul style="list-style-type: none"> <li>- No abnormal droughts or water shortage</li> <li>- Optimal coordination with relevant stakeholders</li> <li>- Cooperation with WISP, WOCAT realistic</li> </ul>