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| Document: | EB 2019/128/R.20 |
| Agenda: | 7(d)(i)(a) |
| Date: | 12 November 2019 |
| Distribution: | Public |
| Original: | English |

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Investing in rural people

President's report

Proposed Debt Sustainability Framework grant

Islamic Republic of Afghanistan

Arghandab Integrated Water Resources
Development Project

Project ID: 2000002332

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

Candra Samekto
Country Programme Manager
Tel.: +86 10 8532 8977
e-mail: c.samekto@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 — 128th Session
Rome, 10-12 December 2019

For: Approval

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Project delivery team

| | |
|-------------------------------------|-----------------------|
| Regional Director: | Nigel Brett |
| Country Programme Manager: | Candra Samekto |
| Project Technical Lead: | Mawira Chitima |
| Finance Officer: | Claudio Mainella |
| Climate and Environment Specialist: | Vidhisha Samarasekara |
| Legal Officer: | Paul Edouard Clos |

Abbreviations and acronyms

| | |
|--------|--|
| AsDB | Asian Development Bank |
| AIS | Arghandab irrigation system |
| AIWRDP | Arghandab Integrated Water Resources Development Project |
| AWP/B | annual workplan and budget |
| CLAP | Community Livestock and Agriculture Programme |
| DSF | Debt Sustainability Framework |
| CPMO | central programme management office |
| EIRR | economic internal rate of return |
| FAO | Food and Agriculture Organization of the United Nations |
| GDP | gross domestic product |
| PMU | project management unit |
| PPMS | project performance monitoring system |
| SDG | Sustainable Development Goal |
| SNaPP2 | Support to National Priority Programme 2 |
| UNDP | United Nations Development Programme |
| WUAs | water user associations |

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.
Map compiled by IFAD | 02-10-2019

Financing summary

| | |
|--|-------------------------------------|
| Initiating institution: | Asian Development Bank |
| Borrower/recipient: | Islamic Republic of Afghanistan |
| Executing agency: | Ministry of Finance |
| Total project cost: | US\$395.93 million |
| Amount of IFAD Debt Sustainability Framework grant: | US\$40 million |
| Cofinancier | Asian Development Bank |
| Amount of cofinancing: | US\$348.78 million |
| Terms of cofinancing: | Cash and in-kind contributions |
| Contribution of borrower/recipient: | US\$4.26 million (cash and in-kind) |
| Contribution of beneficiaries: | US\$2.89 million (in-kind) |
| Amount of IFAD climate finance: | US\$36.26 million |
| Cooperating institution: | Asian Development Bank |

Recommendation for approval

The Executive Board is invited to approve the recommendation contained in paragraph 76.

I. Context

A. National context and rationale for IFAD involvement

National context.

1. Afghanistan's economy experienced a severe economic slowdown from 2012, followed by an upturn of 1.3 per cent (2015) and 2.6 per cent (2017), before dropping again to 2.2 per cent growth in 2018. The persistent uncertainty of the political and security environment continues to undermine private sector confidence and affect economic activity. The long drought also impacted the volatile agriculture sector, resulting in a significant decrease of crop production across the nation. Since 2001 – despite improvements in life expectancy, incomes and literacy – the majority of the population continues to suffer from shortages of housing, clean water access, electricity, medical care and employment.
2. Predominantly agrarian, almost 80 per cent of Afghanistan's population is fully reliant on agriculture and livestock. The agriculture sector employs nearly 63 per cent of the labour force, contributes about one fourth of GDP and is ranked as the second largest sector after services. The key commodities are wheat, corn, barley, rice, cotton, fresh and dried fruits, nuts, karakul pelts, carpets, wool and mutton.
3. The Afghanistan National Peace and Development Framework 2017–2021 is a key document that aims for self-reliance and holistically encompasses development goals, key reforms and investment priorities. In addition, the National Comprehensive Agriculture Development Priority Programme 2016–2021 provides the strategic framework for agriculture sector development and reforms.

Special aspects relating to IFAD's corporate mainstreaming priorities

4. Poverty. Afghanistan is one of the poorest countries in the world, and 75 per cent of its population lives in rural areas. It is estimated that 45 per cent of the poor rely on agriculture for their livelihood. Sluggish growth of GDP and a decline in agricultural production have continuously pushed up poverty, with the national poverty rate rising from 38 per cent in 2011 to 55 per cent in 2017.¹ With 84 per cent of the poor living in rural areas, poverty remains predominantly a rural phenomenon.
5. Gender. Afghanistan's levels of gender inequality are among the highest in the world (Gender Inequality Index: 0.635), it being ranked 153rd out of 159 countries.² The country also has one of the world's lowest female labour participation rates, at 19.5 per cent.³ Gender has been one of the most politicized issues in Afghanistan. Women continue to face disadvantages in access to land, productive resources, social services and opportunities, political participation and financial services.
6. Youth. Afghanistan is young in demographic terms. The share of population younger than 15 is nearly 48 per cent, while those under 25 years of age are around 65 per cent. Major challenges for youth include the inability to secure employment, mainly due to a lack of access to education, training, skills development and resources.
7. Nutrition. Current levels of food insecurity and malnutrition in Afghanistan are alarming. In 2017, approximately 10.4 million people (more than 30 per cent of the total population) were reported as being food-insecure.⁴ Afghanistan has one of the

¹ Afghanistan Living Conditions Survey.

² United Nations Development Programme (UNDP), Human Development Indices and Indicators: 2018 Statistical Update.

³ UNDP, *Human Development Report* (2017).

⁴ United States Agency for International Development, *Afghanistan Food Security Conditions and Causes* (2017).

world's highest rates of stunting in children under five, at 41 per cent.⁵ Poor nutrition is more severe in provinces with high rates of insurgency-related violence.⁶

8. Climate change. Afghanistan is considered highly vulnerable to the effects of climate change.⁷ The extreme climate events projected are droughts, extreme rainfall/flows, flash floods, heat waves and dust storms.
9. In line with the mainstreaming commitments of the Eleventh Replenishment of IFAD's Resources, the Arghandab Integrated Water Resources Development Project (AIWRDP) has been classified as:
 - ☒ Climate-focused.
10. The project will address climate vulnerabilities through improving water resource availability and management.

Rationale for IFAD involvement

11. In support of overall water resource development in the Arghandab sub-basin, the project will result in sustainable availability and efficient use of irrigation water, enhanced productivity levels, and improved market linkages – as a means to contribute to increasing jobs and economic growth, as well as improving food and nutrition security.
12. The IFAD Strategy for Engagement in Countries with Fragile Situations (EB 2016/119/R.4) states that in more challenging contexts, partnerships can help IFAD to stay engaged, and that partnerships with other international financial institutions should be prioritized. Considering that IFAD does not have a Country Office nor other resources available on the ground, the decision to partner with the Asian Development Bank (AsDB), adopting a complementary approach, will enable it to have a greater multiplier impact while working with communities on long-term development programmes.
13. While AsDB focuses its investment on hard infrastructure, the complementary IFAD financing (and experience) serves as a catalyst to promote a more integrated intervention, establishing the appropriate linkages between infrastructure development, community schemes and services, and longer-term and sustainable agricultural and natural resource management. In addition, IFAD will play a crucial role in assuring the involvement of smallholders and vulnerable groups, such as women and youth.

B. Lessons learned

14. Community participation. The Community Livestock and Agriculture Programme (CLAP) and the Support to National Priority Programme 2 (SNaPP2) demonstrate that community development committees and water user associations (WUAs) are a crucial entry point and strategy for participatory development, particularly in management and maintenance of irrigation infrastructure. The community development committees have proven to be cost-effective and pragmatic, especially in mitigating security risks and improving water resources management. Institutional strengthening at the grass-roots level (such as with WUAs) is foreseen to enhance the sustainability of the rehabilitated infrastructure, and leverages contributions by the community to asset management as an active partner, together with public sector entities.
15. Community contracting. The proposed approach of community contracting and matching grants, taken from IFAD's CLAP and SNaPP2, have been essential elements of AIWRDP.

⁵ Food and Agriculture Organization of the United Nations (FAO), IFAD, United Nations Children's Fund, World Food Programme and World Health Organization, *The State of Food Security and Nutrition in the World 2017. Building resilience for peace and food security* (Rome: FAO, 2017).

⁶ The Asia Foundation, *Afghanistan in 2016: A Survey of the Afghan People* (2016).

⁷ Rated as "extreme" in Verisk Maplecroft, *Climate Change Vulnerability Index* (London: 2015).

16. Project management. It has been learned from the ongoing portfolio that it is more efficient to implement the project through a dedicated project management unit (PMU) than through the regular channel of the ministries. Thus in AIWRDP key functions such as monitoring and evaluation, procurement, financial management and human resources will be defined under a dedicated PMU, to increase transparency, effectiveness and efficiency. The role of the Ministry of Finance as the executing agency and chair of the project steering committee will also strengthen project management and coordination functions.

II. Project description

A. Objectives, geographic area of intervention and target groups

17. Objectives. The project's goal is to increase employment opportunities for the target population and stimulate GDP growth, while its developmental objective is to improve management and use of water resources in the Arghandab River sub-basin. The project is fully aligned with the overall objective of the current Afghanistan country strategy note.
18. Project area. The geographic project target areas are the predefined irrigation command areas of the Arghandab irrigation system (AIS), with a total area of 115,000 ha, served by 120 community irrigation systems.
19. Beneficiaries and target groups. The project will primarily target 36,000 smallholder farmer households (approximately 324,000 people, with special attention given to women and youth) located in the Arghandab River sub-basin. The project will support the formation of farmer organizations and WUAs as community institutions.
20. Targeting strategy. The approach adopted by this project is to reach as many poor people as possible, as efficiently as possible. AIWRDP focuses on the province of Kandahar to reach the optimum poverty headcount. Afghanistan is the poorest country in the Asia and the Pacific region, with a 54.5 per cent poverty rate.⁸ A recent study⁹ shows that around 60 per cent of the rural population is living below the poverty line. In addition, AsDB feasibility studies confirm that 80 per cent of the population owns less than one hectare of irrigated land, being classified as smallholder farmers and IFAD target groups.
21. The majority of the targeted beneficiaries can be categorized as moderately poor and extremely poor households. The proposed project takes due consideration of all of IFAD's mainstreaming commitments, with particularly strong attention to gender-, youth- and climate-focused interventions.
22. IFAD has worked with the AsDB to establish a gender action plan aimed at ensuring that women have secure equal access to the development opportunities created under the project, in spite of severe cultural constraints. Women will also be trained to be local resource persons (paraprofessionals), particularly for greater outreach to women farmers and to promote their uptake of best practices and technologies. The project will also promote and encourage opportunities for youth, specifically through the creation of employment generation in on-farm and off-farm activities. Women farmers and youth will have equitable access to agricultural extension services, training opportunities, technology transfer and advisory services.

B. Components, outcomes and activities

23. The project will have the following components: (i) Dahla Dam capacity increased (not financed by IFAD resources); (ii) reliability of irrigation water supply increased; (iii) agricultural water productivity improved; and (iv) capacity in water resource management and use strengthened.
24. Component 1: Dahla Dam capacity increased. This component will focus on construction-related works to increase water storage capacity from 288 to 782 million

⁸ AsDB, *Basic Statistics 2019* (Manila: 2019).

⁹ UNDP, *2019 Global Multidimensional Poverty Index* (New York: 2019).

cubic metres. This infrastructure upgrade will improve the main source of water in the sub-basin and reduce flood risks to downstream areas.

25. Component 2: Reliability of irrigation water supply increased. The reliable supply of irrigation water will be increased through irrigation infrastructure improvement, including by upgrading canals and structures, and introducing monitoring and control systems on the AIS and community-managed systems.
 - (i) Modernization of the AIS infrastructure. The project will implement modernization of 120 preselected irrigation schemes in the Arghandab sub-basin.
 - (ii) Improvement of community irrigation services. The project will provide support for village communities, including women and youth, for improvement of community irrigation infrastructure through community contracting.
26. Component 3: Agricultural water productivity improved. This component comprises the demonstration of innovative on-farm agricultural practices and investment options, including support for agricultural extension services, conducting on-farm demonstrations, providing training and advisory services to farmers, and a matching grant scheme to facilitate investment in technologies to improve water productivity. The capacity of farmers will be strengthened to improve farm management and adopt climate-smart irrigation and agricultural technologies and practices, to improve production and sustainability.
27. Component 4: Capacity in water resource management and use strengthened. Key activities under this component: (i) water governance; (ii) strategic water resource management training; and (iii) the National Hydrological Modelling Platform. The project will support the development of policy, legislation and regulatory options for water entitlements and allocation systems, so as to allow improved management of water resources and multi-purpose dams, as well as the development of regulations and business structures to charge fees for water delivery services.

C. Theory of change

28. The situation today is such that the farm incomes of smallholder farmers are low, primarily due to unreliable irrigation water, disincentives for farming investment, low productivity and an inability of agricultural value chains to generate employment and thus impact on households' food security and poverty status. The related core problem to be addressed is the inefficient management of water resources, poor irrigation infrastructure, low uptake of improved technology and farming practices (agriculture and livestock), and fragmented value chains – with the majority of farmers not linked to markets. Some of the contributing “causes” are the lack of resilience to climate change, lack of knowledge and capacity, and undeveloped infrastructure.
29. The proposed project design is strongly evidence-based, and provides a “best possible” approach to meeting the challenges faced by farmers under the present regime of water deficit and limited capacity for effective irrigation management. It is envisaged that the project will create the necessary conditions for production, while the off-farm activities will impact on-farm actions, as they address the needs for better access to finance and better communication from market to farm, and will encourage diversification of farming systems. Structural impacts will enhance farmers' bargaining power and their ability to benefit from scale in marketing, adding value and building partnerships between farmer groups and the private sector. The project will also contribute to improving food and nutrition security in the target areas.

D. Alignment, ownership, and partnerships

30. Alignment with the Sustainable Development Goals (SDGs). The project aims to assist the Government to make progress on the SDGs that fall within IFAD's comparative advantages. In particular, it will tackle SDG 1 (no poverty), SDG 2 (zero

hunger), SDG 5 (gender equality), SDG 6 (clean water and sanitation), SDG 8 (decent work and economic growth), SDG 13 (climate action) and – in part – SDG 17 (partnerships).

31. Alignment with national policy. The project is guided by the government policy for productive water resources, as outlined in the Strategic Policy Framework for the Water Sector. It is also in line with the National Water and Natural Resources Development Programme, which targets: improved access to irrigation for 300,000 ha; establishing and strengthening sub-basin agencies, sub-basin councils, river basin agencies, river basin councils and WUAs; and restoring 28,000 ha of rangeland through community-based management.
32. Alignment with IFAD policy. The project rationale is anchored in IFAD's mandate of investing in rural people and enabling inclusive and sustainable transformation of rural areas. The project is also responsive to the three strategic objectives outlined in IFAD's Strategic Framework 2016-2025, and to the specific objectives as identified in the current Afghanistan country strategy note.
33. Harmonization and partnerships. The project will synergize its efforts with different entities managing the overall Arghandab Integrated Water Resources Investment Programme, including the AsDB, the World Bank and the private sector. In the context of this particular project, partnerships will be explored with: (i) the private sector, for leveraging investment through matching grants; (ii) research and private sector agribusinesses; (iii) relevant organizations, including the Arghandab Sub-Basin Agency; and (iv) project implementation agencies.

E. Costs, benefits and financing

34. The following IFAD-financed project subcomponents are partially counted as climate finance: 2.2 improvement of community irrigation services; 3.1 demonstration of innovative agricultural on-farm practices and investment options; and 4.1 water governance. In line with the Multilateral Development Bank Methodologies for Tracking Climate Adaptation and Mitigation Finance, the total amount of IFAD climate finance for this project is calculated on a preliminary basis as US\$36.26 million.

Project costs

35. The total cost of the project is estimated at US\$395.93 million, including physical and price contingencies. The total base costs are estimated at US\$338.87 million, with physical and price contingencies accounting for US\$28.67 million and US\$12.17 million respectively. An amount of US\$16.22 million is allocated for security purposes.

Table 1

Project costs by component and financier

(Thousands of United States dollars)

| Component/output | DSF grant | | AsDB grant | | Government | | Beneficiaries | | Total |
|---|---------------|-----------|----------------|-----------|--------------|----------|---------------|----------|----------------|
| | Amount | % | Amount | % | Amount | % | In kind | % | Amount |
| 1. Dahla Dam capacity increased | - | - | 219 615 | 100 | - | - | - | - | 219 615 |
| 2. Reliability of irrigation water supply increased | 25 535 | 54 | 21 181 | 45 | - | - | 336 | 1 | 47 052 |
| 3. Agricultural water productivity improved | 7 528 | 15 | 39 517 | 80 | - | - | 2 500 | 5 | 49 275 |
| 4. Capacity in water resource management and use strengthened | 1 357 | 25 | 4 155 | 75 | - | - | - | - | 5 512 |
| 5. Project management | - | - | 13 395 | 78 | 3 755 | 22 | - | - | 17 150 |
| Contingencies and charges | 5 850 | 10 | 50 917 | 89 | 505 | 1 | 54 | - | 57 326 |
| Total | 40 000 | 10 | 348 780 | 88 | 4 260 | 1 | 2 890 | 1 | 395 930 |

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

| <i>Expenditure category</i> | <i>DSF grant</i> | | <i>AsDB grant</i> | | <i>Government</i> | | <i>Beneficiaries</i> | | <i>Total</i> |
|---------------------------------|------------------|-----------|-------------------|-----------|-------------------|----------|----------------------|----------|----------------|
| | <i>Amount</i> | <i>%</i> | <i>Amount</i> | <i>%</i> | <i>Amount</i> | <i>%</i> | <i>Amount</i> | <i>%</i> | <i>Amount</i> |
| 1. Equipment/material | 4 200 | 53 | 3 800 | 47 | - | - | - | - | 8 000 |
| 2. Works | 28 900 | 11 | 222 700 | 88 | - | - | 2 840 | 1 | 254 440 |
| 3. Consultancies | 1 400 | 5 | 26 500 | 95 | - | - | - | - | 27 900 |
| 4. Training and workshops | - | - | 3 600 | 100 | - | - | - | - | 3 600 |
| 5. Operating costs and salaries | - | - | 41 300 | 92 | 3 700 | 8 | - | - | 45 000 |
| Unallocated | 5 500 | 10 | 50 880 | 89 | 560 | 1 | 50 | - | 56 990 |
| Total | 40 000 | 10 | 348 780 | 88 | 4 260 | 1 | 2 890 | 1 | 395 930 |

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

| <i>Component/output</i> | <i>PY1</i> | <i>PY2</i> | <i>PY3</i> | <i>PY4</i> | <i>PY5</i> | <i>PY6</i> | <i>PY7</i> | <i>Total</i> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> |
| 1. Dahla Dam capacity increased | 21 961 | 32 942 | 48 316 | 50 511 | 32 942 | 21 961 | 10 982 | 219 615 |
| 2. Reliability of irrigation water supply increased | 4 791 | 7 187 | 10 541 | 10 159 | 7 187 | 4 791 | 2 396 | 47 052 |
| 3. Agricultural water productivity improved | 5 580 | 7 369 | 9 275 | 11 313 | 7 369 | 5 580 | 2 789 | 49 275 |
| 4. Capacity in water resource management and use strengthened | 551 | 827 | 1 212 | 1 269 | 827 | 551 | 275 | 5 512 |
| 5. Project management | 1 715 | 2 573 | 3 773 | 3 945 | 2 573 | 1 715 | 856 | 17 150 |
| Contingencies and charges | 5 706 | 8 558 | 12 552 | 13 123 | 8 558 | 5 706 | 2 852 | 57 326 |
| Total | 40 304 | 59 456 | 85 669 | 90 590 | 59 456 | 40 304 | 20 150 | 395 930 |

Project financing and cofinancing strategy and plan

36. IFAD and the AsDB will finance the project on a complementary activities basis, building on each other's respective comparative advantages. An IFAD Debt Sustainability Framework (DSF) grant will provide financing of US\$40 million, while AsDB will contribute a grant in the amount of US\$348.78 million. The Government's and beneficiaries' contributions are accounted as US\$4.26 million and US\$2.89 million respectively.
37. IFAD grant financing specifically contributes to the above component 2 (IFAD financing of US\$25.53 million), component 3 (IFAD financing of US\$7.53 million) and component 4 (IFAD financing of US\$1.36 million), while the remaining US\$5.58 million is allocated for physical and price contingencies.

Disbursement

38. AsDB will administer the IFAD grant funds. AsDB and IFAD funds will be disbursed in accordance with AsDB's Loan Disbursement Handbook. The borrower/recipient will submit a withdrawal application to AsDB, which will be processed and then sent to IFAD for disbursement directly to the borrower/recipient. AsDB and IFAD will finance separate expenditure items.
39. Flow of funds. United States dollar advance accounts will be established, one for each implementing agency (including in the Ministry of Energy and Water, the Ministry of Agriculture, Irrigation and Livestock, and the Ministry of Rural Rehabilitation and Development), which are to be used exclusively for the AsDB's and IFAD's share of eligible expenditures respectively. The advance accounts will be managed, replenished, and liquidated in accordance with the AsDB's Loan Disbursement Handbook, and detailed arrangements agreed to by the borrower/recipient and the AsDB.
40. Disbursement procedures. The Ministry of Energy and Water, the Ministry of Agriculture, Irrigation and Livestock, and the Ministry of Rural Rehabilitation and

Development will establish the advance accounts in their names, and will be accountable and responsible for proper use of advances to the accounts. The request for initial and additional advances to the accounts should be accompanied by an estimate-of-expenditure sheet setting out the estimated expenditures to be financed for the forthcoming six months.

Summary of benefits and economic analysis

41. The cost/benefit analysis covers all facilities from upstream to downstream investments as a package. Hence, direct investment components as well as parallel financing components (hydropower and urban water supply) were included in the economic analysis.
42. Beneficiaries from this project include: 11,697 farmers for irrigation and agriculture development and the Kandahar city population of 1.29 million up to year 2033; an additional population of 0.20 million for the 48 Arghandab Valley rural communities along the route of the transmission main for urban and industrial water supply, up to 2035; and up to 447,029 households in Afghanistan's south-east power system and the north-east power system, excluding areas north of Kabul, in alleviating load shedding.
43. Economic indicators. The overall AIWRDP economic analysis – including raising the Dahla Dam, irrigation and agriculture development, improving water supply for Kandahar city and Arghandab villages, and Dahla Dam hydroelectric power development – shows that, with a hurdle rate of 9 per cent, the project is economically viable with an economic internal rate of return (EIRR) of 15.7 per cent in constant 2018 prices.
44. Sensitivity analysis. An increase of 10 per cent in capital cost for all components reduces the EIRR to 14.5 per cent. A scenario of a one-year delay in benefits for all components – due to construction interruptions arising from resettlement, security, contractual issues or disputes, or unforeseen conditions encountered on the ground – reduces the EIRR to 14.7 per cent. These impacts, taken together, do not reduce the EIRR to below the threshold rate of 9 per cent, thus indicating the robust nature of the investment.

Exit strategy and sustainability

45. All project activities will be undertaken in a manner that leads to sustainable outcomes, to be institutionalized within the government and community system. The annual costs for operations and maintenance of the dam and irrigation will be funded through special-purpose management entities established for water delivery services and revenue collection. The revenue model will be facilitated by changes to the Water Law, allowing charges for water delivery services.
46. The operations and maintenance of the community irrigation system will be managed by the WUAs strengthened under the project. The farmer-owned company and the resource centres will have had their capacity sufficiently developed to offer services to farmers in the post-project period.

III. Risks

A. Risks and mitigation measures

47. Risks and measures for their mitigation are included in the risk assessment and risk management plan that is attached to the project administration manual and design report. The risks identified are internalized in the design, with mitigation, and will be monitored during implementation so that additional mitigation measures may be taken if necessary. The AsDB has applied their fragile and conflict-affected situation approach to design.
48. Risks associated with the technical issues related to the design and construction of the hard infrastructure – such as dam safety, lack of security for contractors and field staff, and conflict over land ownership/water rights – will be mitigated through

appropriate expertise being available, a comprehensive communication strategy, deployment of risk management toolkits and community engagement.

Table 4
Risks and mitigation measures

| <i>Risks</i> | <i>Risk rating</i> | <i>Mitigation measures</i> |
|--------------------------------|--------------------|--|
| Political/governance | High | Engage with external service providers, local institutions, the private sector and other international financial institutions; effectively manage the complaint system, audit and maintain transparency. |
| Macroeconomic | Medium | Improved technologies, practices and quality improvement will tend to offset inflation; train communities to adapt to market dynamics. |
| Sector strategies and policies | Medium | Project intervention and knowledge management will inform policy for an evidence-based dialogue and capacity-building. |
| Institutional capacity | Low | The project involves three ministries that will be supported in development of the necessary capacity to implement the operation, with assistance from external consultants. |
| Fiduciary | | |
| Financial management | High | Project implementation will be arranged through a dedicated PMU, rather than the regular channel of the ministries. Thus key functions – including financial management and procurement – will be supported with certified professional specialists. Include international/national experts who are able to work and report independently as safeguards. |
| Procurement | High | |
| Environment and climate | Medium | Promotion of environment/climate-smart technologies. |
| Social | High | Equitable and transparent targeting mechanisms; extensive involvement and consultation with local communities. |
| Overall | Medium | |

B. Environment and social category

49. AIWRDP is classified as category “A”, due to the anticipated irreversible, diverse or unprecedented impacts, mostly from raising the existing dam’s height. Mitigation measures are in place to minimize these impacts. The environmental impact assessment and initial environmental examination prepared include public consultation, anticipated environmental impacts, required mitigation, monitoring measures, and roles and responsibilities. Environmental management plans were prepared, consisting of plans for mitigation, monitoring, reporting and stakeholder communication.
50. A draft land acquisition and resettlement framework has been prepared, with initial estimates of land acquisition and resettlement impacts, specifying an entitlement matrix for compensation, including options for livelihood rehabilitation. It also outlines processes and methodologies to be followed during project implementation.
51. Considering that the AsDB will administer the project, AsDB safeguard policies, procedures and accountability mechanisms would apply. Any complaints/grievances linked to the project received by the Fund will be directed to the AsDB.

C. Climate risk classification

52. Climate change risk in Afghanistan is considered high. The climate risk vulnerability assessment conducted prior to project design indicates significant warming across all regions and a decrease in precipitation, particularly spring rainfall.¹⁰ Climate change predictions indicate increasing frequency of drought, extreme weather events and a rise in temperature by 4° C to 6° C over the next 50 years.¹¹ Climate adaptation plans have been developed and adopted within project design.
53. The project focuses on the climate resilience of farming practices in order to increase its sustainability. Climate change resilience and adaptation measures include the adoption of new technologies for on-farm water management, the efficient use of water and the promotion of climate-smart agricultural practices.

¹⁰ Stockholm Environment Institute, *Socio-Economic Impacts of Climate Change in Afghanistan* (Oxford: 2008).

¹¹ Arghandab Integrated Water Resources Investment Programme, *TRTA/ADB Hydrology Study Report* (2018).

D. Debt sustainability

54. Afghanistan's GDP growth for 2017 reached 2.7 per cent, driven mostly by the services sector, which expanded by 2.5 per cent in the context of improving confidence and investment.¹² Economic growth is constrained by violence and unfavourable weather conditions, and is expected to slow down in 2019 due to the political uncertainty surrounding the presidential elections held in September 2019.
55. In spite of Afghanistan's low debt levels, the most recent International Monetary Fund/International Development Association DSF report indicates that the country's external debt sustainability continues to be at high risk of debt distress. Any change in the structure of donor financing from grants to concessional lending would lead to unsustainable debt levels, and would require the implementation of structural reforms to enhance revenue collection and fiscal oversight. Therefore, it is recommended that the country's financing needs be met with donor grants and highly concessional external borrowing (a minimum 60 per cent grant element).

IV. Implementation

A. Organizational framework

Project management and coordination

56. The Ministry of Finance will be the lead project agency, while the Ministry of Energy and Water, the Ministry of Agriculture, Irrigation and Livestock and the Ministry of Rural Rehabilitation and Development will be the implementing agencies, supported by a central programme management office (CPMO) for each. Project implementation units reporting to the CPMOs will be established in Kandahar. A project steering committee, chaired by the Ministry of Finance, will be established to provide a formal coordinating structure.
 - (i) The Ministry of Energy and Water will be responsible for overseeing implementation of the Dahla Dam capacity increase, its operations plan and capacity development, modernization of the AIS and strengthening of capacity in water resource management. This ministry will also be responsible for implementing all environmental and social safeguards, resettlement and establishment of the overall project performance monitoring system (PPMS).
 - (ii) The Ministry of Agriculture, Irrigation and Livestock will be responsible for implementation of agricultural water productivity improvement.
 - (iii) The Ministry of Rural Rehabilitation and Development will be responsible for implementation of road realignment works, and support to community development councils for improvement of community irrigation services.

Financial management, procurement and governance

57. Financial management. The implementing agencies have significant experience in implementation of projects financed by the AsDB and IFAD. The existing financial management arrangements in place with projects funded by them are appropriate for AIWRDP.
58. Separate books and records will be maintained by funding source for each implementing agency, for all expenditures incurred on the project. Project accounts will be kept following International Public Sector Accounting Standards for cash-based accounting. The executing agency will prepare a set of detailed project financial statements to be audited by an independent auditor acceptable to the AsDB. Compliance with financial reporting and auditing requirements will be monitored by supervision missions, and followed up regularly with all concerned, including with the external auditor.

¹² International Monetary Fund, *World Economic Outlook, October 2018*.

59. Procurement. The AsDB Procurement Policy and regulations will apply. The Project will develop an 18-month procurement plan indicating a threshold, review procedures and contract packages that are acceptable to the AsDB.
60. All advance contracting and retroactive financing will be undertaken in conformity with the AsDB Procurement Policy and regulations. The issuance of invitations to bid under advance contracting and retroactive financing will be subject to AsDB approval.
61. Governance. Ensuring good governance is the borrower/recipient's primary responsibility. AsDB reserves the right to investigate any violations of its anticorruption policy, directly or through its agents. All contracts will include provisions specifying the right of the AsDB to audit and examine the records and accounts of the executing agency and of all project service providers.

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

62. The two principal instruments for planning and monitoring are the project design and monitoring framework and the annual workplan and budget (AWP/B).
63. Planning. Draft AWP/Bs will be prepared by all implementing agencies and then be compiled at national level. The proposed overall AWP/B will be submitted to the AsDB and the national project steering committee for approval.
64. Monitoring and evaluation. Each implementing agency will develop a PPMS, and update it and report to the AsDB every six months. The PPMS should include all aspects and information related to the project scope, as stated in the design and monitoring framework, as well as the agreed additional key indicators.
65. Compliance with the financing agreement covenants will be monitored through periodic missions, annual progress reports, random checks of documents, and review of the project's annual audited financial statements. In addition, each CPMO is required to submit semi-annual environmental monitoring reports and annual safeguards monitoring reports, and disclose relevant information to affected persons promptly upon submission. Meanwhile, monitoring and reporting of the implementation of safeguard requirements specified in the resettlement plans will be undertaken semi-annually.
66. Knowledge management. Knowledge management will contribute in documenting and disseminating best practices from project implementation. Lessons learned will be analysed and captured as knowledge products to inform policymaking and create opportunities for scaling up and replicability. Participatory irrigation management, community contracting and inclusive agricultural value chain development are some of the focus areas for knowledge management.
67. Strategic communication. AIWRDP is not simply a technical intervention for dam upgrading and irrigation rehabilitation, but rather a project aimed at socio-economic transformation. Within six months of grant effectiveness, the project will develop a plan for stakeholder communication, consultation and participation that succinctly outlines the stakeholder outreach and engagement approach for implementation.

Innovation and scaling up

68. AIWRDP provides opportunities to promote some approaches that are innovative in the country:
 - (i) Community participation in management and maintenance of irrigation infrastructure to promote stronger ownership and improve its sustainability;
 - (ii) Demonstration of innovative on-farm agricultural practices, extension support and matching grant scheme, to facilitate investment in technologies to improve on-farm water productivity; and
 - (iii) Facilitation of the necessary water policy reform, as well as promotion of cost recovery for water delivery services.

69. Project successes will also be disseminated, promoted and replicated beyond the project area. In addition, the water policy reform will provide a clear regulatory framework to be implemented across the country.

C. Implementation plans

Implementation readiness and start-up plans

70. AIWRDP start-up is expected to be undertaken in the first quarter of 2020. To facilitate a swift start, the project design documents include: (i) a project administration manual; (ii) a list of active procurement packages; (iii) draft terms of reference for key consultants; and (iv) a draft matching grant manual that includes the process for sub-project selection, appraisal and approval.

Supervision, midterm review and completion plans

71. The project will be administered and supervised by the AsDB. It will conduct semi-annual and midterm review missions to assess the performance and progress of the project, and review compliance with the grant agreement and project agreement covenants.
72. IFAD will ensure the participation of a senior consultant in key missions, including the start-up and midterm review missions, and if necessary special technical support during supervision missions.

V. Legal instruments and authority

73. A project financing agreement between the Islamic Republic of Afghanistan and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement is attached as appendix I.
74. The Islamic Republic of Afghanistan is empowered under its laws to receive financing from IFAD.
75. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

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

RESOLVED: that the Fund shall provide a Debt Sustainability Framework grant to the Islamic Republic of Afghanistan in an amount of forty million United States dollars (US\$40,000,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Hounbo
President

Negotiated financing agreement: "Arghandab Integrated Water Resources Development Project"

(Negotiations concluded on 22 October 2019)

DSF Grant No: _____

Project name: Arghandab Integrated Water Resources Development Project (the "Project")

The Islamic Republic of Afghanistan (the "Recipient")

and

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

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

WHEREAS, the Recipient has requested a grant from IFAD in the amount of forty million United States dollars (USD 40 000 000) for the purpose of financing the Project described in Schedule 1 to this Agreement;

WHEREAS, the Project shall be co-financed by the Asian Development Bank ("ADB"). The ADB and IFAD have entered into a cofinancing agreement dated [tbc_____] (the "Cofinancing Agreement") to coordinate the administration of the Project;

WHEREAS, the Recipient and the ADB have entered into a Grant Agreement ("ADB Grant Agreement") in the amount of three hundred forty-eight million seven hundred eighty thousand United States dollars (USD 348 780 000) net of the IFAD financing;

WHEREAS, the Project shall be carried out by the Ministry of Finance (MOF) and implemented by the Ministry of Energy and Water (MEW), the Ministry of Agriculture, Irrigation and Livestock (MAIL) and the Ministry of Rural Rehabilitation and Development (MRRD);

WHEREAS, the Fund has agreed to provide financing for the Project.

NOW THEREFORE, the Parties hereby agree as follows:

Section A

1. The following documents collectively form this Agreement: this document, the Programme 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, amended as of December 2018, and as may be amended hereafter 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 that refer to Loan financing which shall not apply to this Agreement and 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, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide a Grant (the "Financing") to the Recipient, 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 forty million United States dollars (USD 40 000 000).
2. The first day of the applicable Fiscal Year shall be 21st December.
3. The Recipient shall open and maintain three Designated Accounts denominated in USD to receive grant financing for the Project: one for each of MAIL, MRRD, and MEW. The Designated Accounts shall be opened in a bank acceptable to the Fund and operated by the Ministry of Finance.
4. The Recipient shall provide cash and in-kind counterpart financing for the overall project in the amount of USD 4.26 Million.
5. Beneficiaries shall contribute to the IFAD funded project activities in the amount of ten percent (10%, estimated at USD 2.89 million) of community work contracting in form in-kind contributions under this Agreement.

Section C

1. The Lead Project Agency shall be the MOF of the Islamic Republic of Afghanistan.
2. Additional Project Parties are described in Schedule 1 Part II.
3. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.
4. The Project Completion Date shall be the seventh anniversary of the date of entry into force of this Agreement.
5. Procurement of goods, works and services financed by the Fund shall be carried out in accordance with the provisions of ADB's Procurement Guidelines dated April 2015, as amended from time to time.

Section D

The Financing shall be administered and the Project supervised by the ADB as the Cooperating Institution.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:

- (a) The ADB Grant Agreement has been suspended, cancelled or terminated; or
 - (b) The right of the Recipient to withdraw the proceeds of the ADB Grant Agreement has been suspended, cancelled or terminated, in whole or in part; or any event has occurred which, with notice of the passage of time, could result in any of the foregoing.
2. The following are designated as additional conditions precedent to withdrawal:
- (a) The IFAD no objection to the Project Administration Manual (PAM) dated 6 August 2019 and agreed between the Recipient and ADB, as amended from time to time, shall have been obtained.
 - (b) The right of the Recipient to withdraw the proceeds of the ADB Grant has not been suspended, cancelled or terminated, in whole or in part; or any event has occurred which, with notice of the passage of time, could not result in any of the foregoing.
4. The following provisions of the General Conditions shall not apply to this Agreement:
- (a) Section 7.05 (Procurement); the procurement of goods, works and services to be financed out of the proceeds of the financing shall be subject to and governed by ADB's Procurement Guidelines (2015, as amended from time to time);
 - (b) Section 7.06 (Fraud and Corruption): The Recipient and the Project parties shall: (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation. The Recipient shall ensure that anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project;
 - (c) Sections 8.02 (Monitoring of Project Implementation) and 8.03 (Progress Report and Mid-Term Reviews): The Project Monitoring, Reporting, Mid-Term Review and Completion Report will be carried out pursuant to the ADB's procedures and PAM prepared by ADB and the Recipient; and
 - (d) Section 9.03 (Audit of Accounts): Project Accounts, financial statements and statements of expenditure shall be audited by independent auditors acceptable to the Fund and the ADB, in accordance with auditing standards acceptable to the ADB.

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

For the Recipient:

[click and type title of the representative]
[click and type the name and address of the ministry]

For the Fund:

[click and type Title]
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

This Agreement, [dated _____], has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Recipient and shall enter into force on the date of countersignature.

ISLAMIC REPUBLIC OF AFGHANISTAN

Authorised Representative name
Authorised Representative title

Date: _____

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

Gilbert F. Houngbo
President

Date: _____

Schedule 1

Programme Description and Implementation Arrangements

I. Project Description

1. Target Population. The Project shall benefit poor smallholder farmers from the Arghandab basin in Kandahar Province.
2. Project area. The Project implementation will cover the Arghandab basin in Kandahar province, in the Islamic Republic of Afghanistan (the "Project Area").
3. Goal. The Project's goal is to increase employment opportunities for the target population and stimulate Gross Domestic Product growth.
4. Objectives. The expected objectives of the Project are to improve management and use of water resources in the Arghandab River Basin in the Kandahar Province.
5. Components. The Project shall consist of the following four components: (1) Dahla Dam capacity increased, (2) Reliability of irrigation water supply increased, (3) Agricultural water productivity improved, and (4) Capacity in water resource management and use strengthened. The financing provided by IFAD will be used to support component 2: Reliability of irrigation water supply increased - key activity 2b. improvement of community irrigation services; component 3: agricultural water productivity improved - key activity 3a. demonstration of innovative agricultural on-farm practices and investment options; and component 4: capacity in water resource management and use strengthened – key activity 4a. water governance.

II. Implementation Arrangements

6. Lead Project Agency. The Lead Project Agency with overall responsibility for execution, coordination and supervision of the Project shall be the Ministry of Finance (MOF). The Lead Project Agency shall ensure timely submission of annual audit reports which cover activities of MEW, MAIL, and MRRD.
7. Project Oversight Committee. A Project Oversight Committee shall be established at, and chaired by a senior official of, MOF and include representatives from MEW, MAIL, MRRD and security agencies.
8. Implementing Agencies. The MEW shall be the implementing agency for: (i) the Dahla dam raise and its initial operation under component 1, (ii) implementation of works in the Arghandab Irrigation System under component 2, and (iii) implementation of component 4 for strengthening capacity in water resources management and use. The MRRD shall implement: (i) the Kandahar road realignment above the new full reservoir level under component 1; and (ii) works in the community irrigation systems, including canals that pass through Kandahar City. The MAIL will implement component 3 for investments to improve water productivity.
9. Project Administration Manual (PAM). The Project will be administered by the ADB pursuant to the implementation arrangements set out in the PAM prepared by the ADB and the Recipient, as amended from time to time.

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 to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

| Category | Grant Amount Allocated (expressed in USD) | Percentage of the Project |
|----------------------------|--|------------------------------------|
| 1. Equipment and Materials | 4 200 000 | 100% of total expenditures claimed |
| 2. Works | 28 900 000 | 100% of total expenditures claimed |
| 3. Consultancies | 1 400 000 | 100% of total expenditures claimed |
| Unallocated | 5 500 000 | |
| TOTAL | 40 000 000 | |

(b) The terms used in the Table above include Eligible Expenditures for the following:

Equipment and Materials: including onfarm demonstrations conducted by MAIL.

Works: relate to community contracting and include canal and bridge rehabilitation conducted by MRRD and onfarm matching grants managed by MAIL.

Consultancies: include financing for water governance consultants managed by MEW.

2. Disbursement arrangements. Except as IFAD may otherwise agree, the Grant proceeds shall be disbursed in accordance with ADB's Loan Disbursement Handbook.

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. **Implementation Arrangements.** The Recipient shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Recipient and the ADB. In the event of any discrepancy between the PAM and this Grant Agreement, the provisions of this Grant Agreement shall prevail.

2. **Security.** The Recipient shall ensure that adequate security measures are implemented at all times to guarantee the smooth and uninterrupted implementation of the Project.

3. **Gender.** The Recipient shall ensure that: (a) ADB's Gender Action Plan (GAP) is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; and (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB.

4. **Indigenous Peoples.** The Recipient shall ensure that the Project does not have any impact on indigenous peoples within the meaning of the ADB's Safeguard Policy Statement (SPS). In the event that the Project does have any such impact, the Recipient shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Recipient and with the SPS.

5. **Environment and Social Safeguards.** The Recipient shall ensure that: (a) all Project activities are implemented in strict conformity with the Recipient's relevant laws/regulations and the requirements of ADB's Safeguard Policy Statement dated 2015, as amended from time to time (SPS); (b) all Project activities give special consideration to the participation and practices of ethnic minority populations in compliance with SPS, as appropriate; (c) proposals for civil works include confirmation that no involuntary land acquisition or resettlement is required under the Project. In the event of unforeseen land acquisition or involuntary resettlement under the Project, the Recipient shall immediately inform the ADB and the Fund and prepare the necessary planning documents in compliance with SPS; (d) women and men shall be paid equal remuneration for work of equal value under the Project; (e) recourse to child labour is not made under the Project; (f) the measures included in ADB's GAP prepared for the Project are undertaken, and the resources needed for their implementation are made available, in a timely manner; and (g) all necessary and appropriate measures are duly taken to implement ADB's GAP to ensure that women can participate and benefit equitably under the Project.

6. **Good Governance and Anticorruption.** The Recipient shall: (a) comply with the ADB's Anticorruption Policy (1998, as may be amended from time to time) and acknowledge that the ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for the satisfactory completion of such investigation. The Recipient shall ensure that anticorruption provisions acceptable to the ADB are included in all bidding documents and contracts, including provisions specifying the right of the ADB to audit

and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.

7. Sexual Harassment, Sexual Exploitation and Abuse. The Recipient and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse (2018), as may be amended from time to time.

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 | | | | | | | |
| | Females - Number | | 6000 | 10800 | | | | |
| | Males - Number | | 14000 | 25200 | | | | |
| | Young - Number | | | | | | | |
| | Not Young - Number | | | | | | | |
| | Total number of persons receiving services - Number of people | | 20000 | 36000 | | | | |
| | 1.a Corresponding number of households reached | | | | | | | |
| | Women-headed households - Number | | | | | | | |
| | Non-women-headed households - Number | | | | | | | |
| | Households - Number | | 20000 | 36000 | | | | |
| 1.b Estimated corresponding total number of households members | | | | | | | | |
| Household members - Number of people | | 180000 | 331200 | | | | | |
| Project Goal | Reduction in poverty levels in project area | | | | Mid-Term Evaluation, impact survey | baseline, mid-term and completion | MAIL/ MRRD/ MEW/ MoF | Security conditions do not affect negatively project implementation or subsequent operations |
| Improved water management and rural economic growth | less poor Households - Percentage (%) | | 10 | 20 | | | | |
| Development Objective | Overall Irrigation delivery efficiency increased | | | | Monitoring Reports of DAIL of Kandahar | | MAIL/ MRRD/ MEW/ MoF | Security conditions do not affect negatively project implementation or subsequent operations |
| Improved management and use of water resources in the Arghandab River basin contributes to improved food security and poverty reduction | delivery - Percentage (%) | 25 | | 36 | | | | |
| | Irrigated grape yield increased | | | | Monitoring Reports of DAIL of Kandahar | | MAIL/ MRRD/ MEW/ MoF | |
| | yield increase - Weight (t) | 2 | | 4 | | | | |
| | 1.2.4 Households reporting an increase in production | | | | Outcome surveys | | MAIL/ MRRD/ MEW/ MoF | |
| | Households - Percentage (%) | | | 70 | | | | |
| | Households - Number | | | | outcome surveys | | MAIL/ MRRD/ MEW/ MoF | |
| | 1.2.8 Women reporting improved quality of their diets | | | | | | | |
| | Women reporting improved quality of their diets - Number | | | | | | | |
| | Percentage - Percentage (%) | | | 60 | | | | |
| Outcome | length of Kandahar-Bamian route highway realigned to be above 1.154 metres above sea level | | | | MRRD PMO reports | quarterly | | |
| 1. Dahla Dam capacity increased | Length of roads - Length (km) | | | 9.6 | | | | |
| Outcome | Community irrigation systems modernized | | | | Completion certificats and MAIL CPMO | quarterly | MAIL/ MRRD/ MEW/ MoF | Security conditions do not affect negatively project implementation or subsequent operations |
| 2. Reliability of irrigation water supply increased | irrigation systems - Number | 0 | | 120 | | | | |
| | Water being delivered in timely manner to 95% of farmers | | | | O&M agreements signed by community reports | annual | MAIL/ MRRD/ MEW/ MoF | Climate changes, severe droughts and/or increased sediment inflows do not reduce the live |
| | frequency - Percentage (%) | 25 | | 90 | | | | |
| Output | 1.1.2 Farmland under water-related infrastructure constructed/rehabilitated | | | | | quarterly | MAIL | Security conditions do not affect negatively project implementation or subsequent operations |
| same | Hectares of land - Area (ha) | 0 | | 115000 | | | | |
| Outcome | 3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices | | | | MAIL CPMO reports | quarterly | | No political resistance; Trained staff not being transferred, adequate and efficient organizational structure, availability of staff incentives |
| 3. Agricultural water productivity improved | Household members - Number of people | | | | | | | |
| | Households - Number | 0 | | 300 | | | | |
| Output | same | | | | | | | No political resistance; Trained staff not being transferred, adequate and efficient organizational structure, availability of staff incentives |
| Outcome | Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment | | | | Gazette of new regulations | | | No political resistance; Trained staff not being transferred, adequate and efficient organizational structure, availability of staff incentives |
| 4. Capacity in water resource management and use strengthened | Number - Number | | | 1 | | | | |
| | Government staff complete M.Sc. in integrated water resources management | | | | List of graduates from Kabul Polytechnic University | | | |
| | Males - Number | | | 70 | | | | |
| | Females - Number | | | 30 | | | | |