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President's report

Proposed loan and grant to Eritrea for the

Post-crisis Rural Recovery and Development Programme

Executive Board — Eighty-ninth Session
Rome, 12-14 December 2006

For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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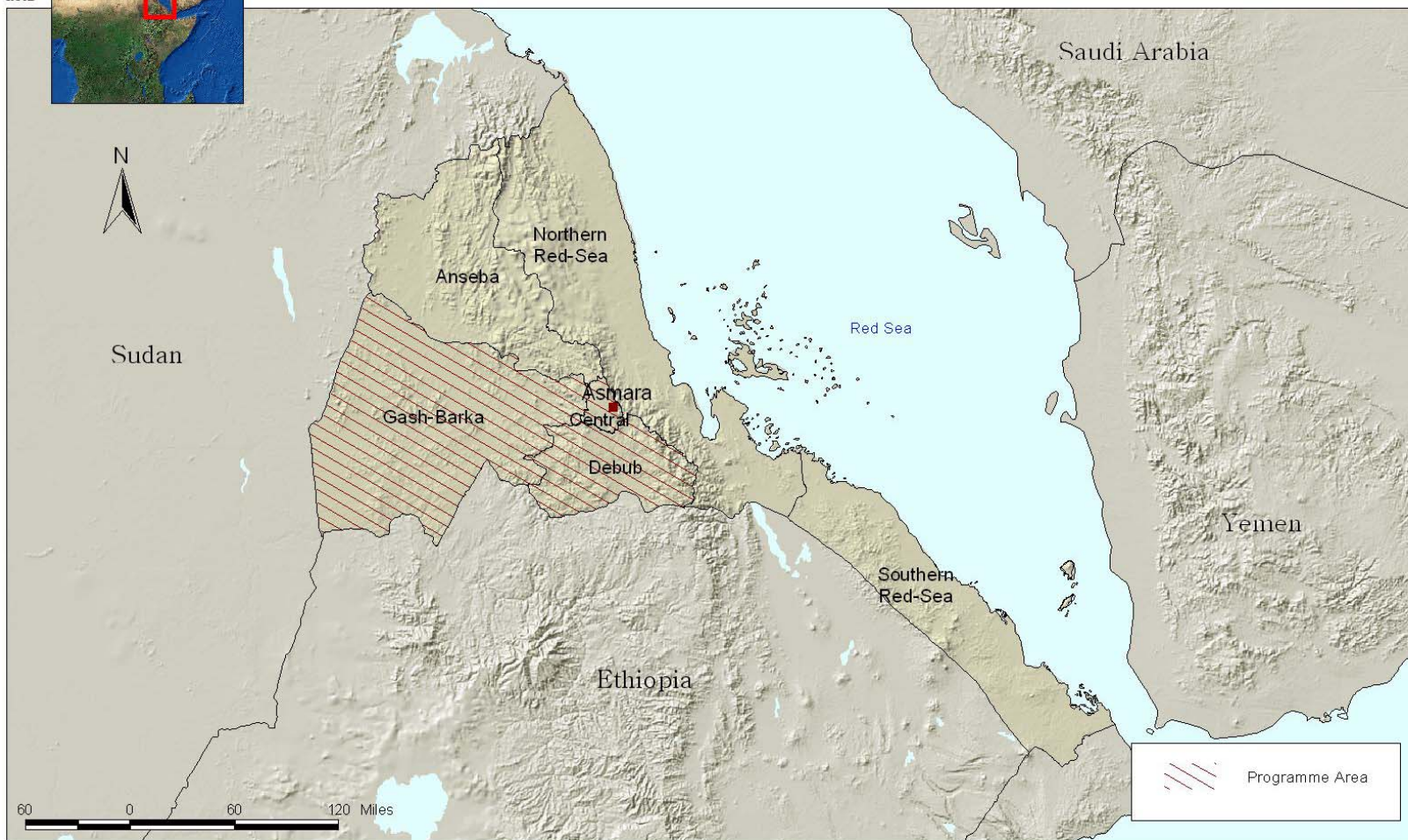
Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed loan and grant to Eritrea for the Post-crisis Rural Recovery and Development Programme, as contained in paragraph 35.



Eritrea

Post-Crisis Rural Recovery and Development Programme



Map of the programme area

Source: IFAD

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

Eritrea

Post-crisis Rural Recovery and Development Programme

Financing summary

Initiating institution:	IFAD
Borrower:	Eritrea
Executing agency:	Regional administrations of Debub and Gash Barka
Total programme cost:	US\$23.18 million
Amount of IFAD loan:	SDR 8.30 million (equivalent to approximately US\$12.24 million)
Amount of IFAD grant:	SDR 230,000 (equivalent to approximately US\$343,000)
Terms of IFAD loan:	40 years, including a grace period of 10 years, with a service charge of 0.75 per cent per annum
Cofinancier(s):	Global Environment Facility
Amount of cofinancing:	US\$7.28 million
Terms of cofinancing:	Grant
Contribution of borrower:	US\$1.04 million
Contribution of beneficiaries:	US\$2.28 million
Appraising institution:	IFAD
Cooperating institution:	IFAD/United Nations Office for Project Services ^a

^a See paragraph 6.

Proposed loan and grant to Eritrea for the Post-crisis Rural Recovery and Development Programme

I. The programme

A. Main development opportunity addressed by the programme

1. The regions of Debub and Gash Barka are home to about 250,000 households of which over 90 per cent are poor and food-insecure. These two regions border Ethiopia and were the hardest hit during the conflicts between Ethiopia and Eritrea. The drought of 2000/02 further deepened poverty in the area. Conflict, drought, population pressure, and unsuited agricultural practices have all caused severe environmental degradation, which has in turn reduced agricultural productivity. Conservation-based agriculture and improved natural resource management underpinned by better technical support services hold the key to overcoming poverty and food insecurity in the country.

B. Proposed financing

Terms and conditions

2. It is proposed that IFAD provide Eritrea with a loan in the amount of SDR 8.30 million (equivalent to approximately US\$12.24 million) on highly concessional terms and a grant in the amount of SDR 230,000 million (equivalent to approximately US\$343,000) to help finance the Post-crisis Rural Recovery and Development Programme. The loan will have a term of 40 years, including a grace period of 10 years, with a service charge of 0.75 per cent per annum.

Relationship to the IFAD performance-based allocation system (PBAS)

3. The allocation defined for Eritrea under the PBAS is US\$5.46 million over the three-year PBAS cycle; this programme is the only assistance to be provided within the current cycle. Although the proposed financing exceeds the PBAS allocation, the amount is in line with paragraph 21(b) of the IFAD Policy on Crisis Prevention and Recovery, pursuant to a reallocation of resources within the region according to the PBAS country scores.

Country debt burden and absorptive capacity of the State

4. The war of 1998 and the three-year drought of 2000/02 constrained economic growth in the period 1998-2002. Fiscal deficits have grown but the exact rate is not known as Eritrea does not publish its budget, and exports and foreign reserves have dwindled. Total external debt more than doubled between 2000 and 2003, reaching US\$635 million (71 per cent of gross national income), to be serviced from only US\$52 million in exports. Despite these difficulties, Eritrea – through prudent resource management and zero tolerance for corruption – has shown good absorptive capacity. Eritrea's total borrowing from IFAD amounts to US\$22.7 million for the fully disbursed and now closed Eastern Lowlands Wadi Development Project, and the ongoing Gash Barka Livestock and Agricultural Development Project, which showed a disbursement rate of 35 per cent in October 2006. Annually, the projects have disbursed on average about US\$775,000. The country has regularly serviced its loans and is expected to continue to do so.

Flow of funds

5. The financing will be channelled through a special account to be operated by the Ministry of National Development at the Bank of Eritrea or another bank satisfactory to IFAD. From this account, funds will be disbursed to designated programme accounts of implementing agencies based on the agreed annual workplans and budgets. Direct payment procedures will apply for contracts awarded under international and national competitive bidding.

Supervision arrangements

6. The IFAD financing will be supervised by IFAD, initially supported by the United Nations Office for Project Services (UNOPS) to cover fiduciary requirements.

Exceptions to IFAD General Conditions for Agricultural Development Financing and operational policies

7. No exceptions are foreseen. The procurement plan is to be finalized at loan negotiations.

Governance

8. A high standard of governance will be assured through competitive bidding for contracts and through transparent administrative and financial procedures. Formats for submitting financial statements, audits and progress reports will be agreed with IFAD and the cooperating institution before the first disbursement, and will be checked for compliance by supervision missions.

C. Target group and participation**Target group**

9. The programme will target poor and food-insecure households, which constitute over 80 per cent of the programme area's¹ population. Particular attention will be given to woman-headed households (estimated to make up over 30 per cent of total households); internally displaced persons and returnees (estimated at over 30,000 households); and 12,500 destitute households that cultivate plots of 1 hectare or smaller and have no livestock.

Targeting approach

10. The programme will build on local community tradition, which provides support for the vulnerable, particularly woman-headed households and elderly, destitute widows. The development of small livestock and irrigation under the programme is targeted at woman-headed households, resettled households and vulnerable households that cultivate less than 1 hectare and possess no livestock. Community organizations will assist in identifying poor households. The list of internally displaced persons and returnees by village will provide the basis for resettlement. The Government's leasing arrangement for allocating communal land in the highlands to communities and individual households will be used to advantage by the programme in order to increase the access of poor households to land.

Participation

11. The programme is community-driven and considerable resources have been provided to improve community capacity to plan, implement, monitor and evaluate development. The target group will participate fully in irrigation development and will be responsible for its operation, building on the experience gained through the Eastern Lowlands Wadi Development Project. The production of seeds and planting materials for forage development will be contracted to smallholders. The small livestock activities will be participatory: beneficiaries will procure and distribute livestock, and the initial recipients will subsequently pass on the animals produced to other poor families. Participatory technology development and dissemination will be pioneered by the programme and ensure the involvement of farmers in decision-making.

D. Development objectives**Key programme objectives**

12. The programme aims to promote conservation-based agriculture and natural resource management to raise agricultural productivity while safeguarding the environment. The programme will improve the income, food security and nutrition of 207,460 households. A technology development and dissemination system will

¹ See the appraisal report.

ensure technical support for over 200,000 hectares of dryland farming, 450 hectares of irrigation, 40,370 hectares of rangeland improvement, and the rehabilitation of 40,000 hectares of degraded watersheds. Livestock production will be enhanced through communal range improvement. Intensive livestock production support will cover 4,000 dairy cows, 78,000 dairy goats, and about 8,000 sheep. About 1,100 bee-raising packages will be distributed.

Policy and institutional objectives

13. A participatory system for generating and distributing technology will be developed and used to inform policy at the national level. A system will also be created for the coordination of agricultural and rural development under the country's decentralization policy and will provide the basis for a new national policy for agriculture and rural development. A participatory approach to natural resource management will be the starting point for developing a leasehold policy on land and water conservation in the highlands.

IFAD policy and strategy alignment

14. The programme will build on the Fund's past assistance to agricultural and rural rehabilitation and reconstruction in the transition from a crisis situation to a long-term development system founded on a programmatic approach. This will create synergy and expand the impact on poverty reduction and food insecurity in line with the IFAD Policy on Crisis Prevention and Recovery. The programme is consistent with the objective of the country strategic opportunities paper to eradicate poverty and food insecurity through (i) re-establishing independent livelihoods for crisis-affected rural households; (ii) sustainably increasing agricultural productivity; (iii) boosting rural incomes and reducing environmental degradation; and (iv) building institutional capacity for community-driven development initiatives. The programme is aligned with the Fund's strategic objectives of developing human and social assets, and developing productive assets and sustainable technology.²

E. Harmonization and alignment

Alignment with national priorities

15. The programme is to be implemented within the Government's donor-sponsored Integrated Rural Development Programme.³ It is also fully aligned with government practices to address widespread poverty, food insecurity and environmental degradation through conservation-based agricultural development that includes the integration of crop and livestock development, the dissemination of affordable technologies geared to the needs of the poor and the harnessing of water resources for irrigation.

Harmonization with development partners

16. The programme has been developed in full consultation with partners involved in agricultural and rural development. It complements the United Nations joint programme for supporting internally displaced persons and expellees. This joint programme is supported by a number of bilateral donors, including Italy, the Netherlands, Norway, and the United States Agency for International Development (USAID). The African Development Bank programme for rural infrastructure development will be complemented by the proposed programme, which is also consistent with the World Bank's support for technology development, seed production and irrigation improvement. The programme was designed to work closely with the support being provided by Australia for research on fodder development and the training of agricultural staff.

² The list of IFAD operational policy papers and learning notes taken into account in designing the programme is reflected in appendix I.

³ See the appraisal report.

F. Components and expenditure categories

Main components

17. The programme has three components: (i) capacity-building and institution-strengthening (42 per cent of base cost); (ii) agricultural development (35 per cent); and (iii) natural resource management (23 per cent).

Expenditure categories

18. Investments constitute 74 per cent of the base cost, and are as follows: agricultural infrastructure development (44 per cent); equipment and goods (4 per cent); vehicles (6 per cent); technical assistance (1 per cent); training, studies and workshops (13 per cent); and civil works (6 per cent). Recurrent costs consist of salaries and allowances (12 per cent) and operating expenses (14 per cent). The loan will be disbursed over six years, and the grant over three years. Over 68 per cent of the programme funds will directly reach the beneficiaries – either in cash or in kind.

G. Management, implementation responsibilities and partnerships

Key implementing partners

19. The regional administrations of Debub and Gash Barka will be the lead implementing agencies. Each administration's Agricultural Division and Division of Land, Water and Environment will provide technical support for agricultural activities and natural resource management respectively. The programme coordination office within each regional administration will be responsible for coordination, with the Ministry of Agriculture providing policy support and technical backstopping for agricultural development. At the kebedi level, the kebedi councils – through the development committees and self-help groups – will be involved in direct execution of activities.

Implementation responsibilities

20. The Ministry of National Development will coordinate the programme at the national level and, in this capacity, will prepare the annual workplan and budget, coordinate procurement, produce consolidated accounts, coordinate monitoring and evaluation, carry out the mid-term review and prepare the programme completion report. A programme coordination committee, chaired by the Governor, will provide oversight at the regional level, while a national steering committee chaired by the Minister for National Development will provide oversight at the national level. The Governors of the two regions will assume overall responsibility for implementation at the regional level.

Role of technical assistance

21. The IFAD grant will be used to provide technical assistance for fodder development, promote community-driven development, and train local staff in these areas. It will also fund studies to produce recommendations for improved agricultural development policies. The Global Environment Facility (GEF) will provide technical assistance for land and water use planning and natural resource management.

Status of key implementation agreements

22. In addition to the financing agreements, memorandums of understanding between participating villages and the relevant regional administration will be signed on a case-by-case basis during implementation.

Key financing partners and amounts committed

23. The total programme cost is US\$23.18 million. Subject to the GEF secretariat's approval of the concept note, the GEF will provide US\$7.28 million (31.4 per cent of total programme costs) to finance the natural resource management component on a parallel basis. The Government will contribute US\$1.04 million (4.5 per cent of

total cost); and the beneficiaries will contribute US\$2.28 million (9.8 per cent) in cash or in kind.⁴

H. Benefits and economic and financial justification

Main categories of benefits generated

24. The programme will improve the incomes, food security and nutrition of 207,460 poor households – of which at least 82,984 will be woman-headed households – through enhancement of agricultural productivity and the rehabilitation of degraded rangelands and watersheds. Both community-based and public institutions will be strengthened. Strategies will be improved to ensure sustained development on a long-term basis.⁵

Economic and financial viability

25. By programme maturity (in programme year 11), incremental annual outputs have been estimated as reaching 33,087 tonnes (t) of grain, 300 t of fruit and vegetables, 260,000 t of fodder, 10,000 t of meat, 165 t of honey and 2,220 t of milk. Family incomes will increase to between US\$1,270 and US\$1,400. The economic rate of return has been estimated at 16.7 per cent and is robust in the face of delays or reduced benefits.⁶

I. Knowledge management, innovation and scaling up

Knowledge management arrangements

26. Key features of the programme include intensive monitoring and evaluation, and studies on policies and strategies for agriculture and natural resource management. The findings will be reviewed at village, regional and national workshops held annually to share experiences and inform programme implementation and national policies.

Development innovations that the programme will promote

27. Key innovations include a participatory technology generation and dissemination system; community-based planning, implementation, monitoring and evaluation; a cost-sharing arrangement that will minimize fiscal burden; implementation within existing institutions; and close coordination of efforts with government and development partners.

Scaling-up approach

28. The community-based development system, technology generation and dissemination system, and natural resource management system to be pioneered by the programme will be replicated nationally once they have been fully tested by the programme.

J. Main risks

Main risks and mitigation measures

29. The strained relations between Eritrea and Ethiopia constitute a major security risk, particularly in the narrow southern fringe still within the declared temporary security zone. Any new outbreak of hostilities could delay implementation. Programme implementation will therefore be flexible, inclusive of the general population, and community-driven. As environmental degradation is a major threat, the programme approach emphasizes natural resource conservation with special attention to rangeland rehabilitation and to halting environmental deterioration in the highlands. Risks arising from weak institutional capacity will be contained by the emphasis on capacity-building at both the public administration and community levels.

⁴ See the appraisal report for details on the expenditure accounts by financier.

⁵ Details are presented in the appraisal report.

⁶ Details are presented in the appraisal report.

Environmental classification

30. Pursuant to IFAD's environmental assessment procedures, the programme has been classified as a Category B operation in that it is not likely to have any significant negative environmental impact. A full-scale environmental assessment is therefore not required.

K. Sustainability

31. The programme will be implemented within the existing decentralized administration and will entail full community participation. Only limited incremental staff will be required, with the cost integrated into the Government's budget not later than programme year 5. Beneficiary households will assume responsibility for the operation and maintenance of productive assets and will contribute to creating demand-driven extension services. The experience of the Eastern Lowlands Wadi Development Project has shown that beneficiaries can effectively carry out these roles when properly organized and trained. The institutional arrangements will involve full beneficiary participation, including cost-sharing, and will be replicated nationally, thereby minimizing recurrent costs and ensuring sustainability.

II. Legal instruments and authority

32. A financing agreement between Eritrea and IFAD will constitute the legal instrument for extending the proposed financing to the borrower. A summary of the important supplementary assurances included in the negotiated agreement is attached as an annex.
33. Eritrea is empowered under its laws to borrow from IFAD.
34. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD.

III. Recommendation

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

RESOLVED: that the Fund shall make a loan to Eritrea in various currencies in an amount equivalent to eight million three hundred thousand special drawing rights (SDR 8,300,000) to mature on or prior to 15 October 2046 and to bear a service charge of three fourths of one per cent (0.75 per cent) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a grant to Eritrea in various currencies in an amount equivalent to two hundred and thirty thousand special drawing rights (SDR 230,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Lennart Båge
President

Summary of important supplementary assurances included in the negotiated financing agreement

(Negotiations concluded on 7 November 2006)

Gender focus

1. The Government will ensure that target group representation under the programme will include women at all levels.

Pest management practices

2. The Government will ensure that pesticides procured under the programme do not include any pesticides proscribed by the Food and Agriculture Organization of the United Nations or classified as extremely hazardous or highly hazardous by the World Health Organization.

Insurance of programme personnel

3. The Government will insure key programme personnel against health and accident risks to the extent consistent with the Government's procedures and regulations.

Procurement and use of programme vehicles

4. The Government will ensure that all vehicles procured under the programme are insured and used for programme implementation, and that the types of vehicles procured under the programme are appropriate for the needs of the programme.

Recruitment and training

5. The Government will strengthen the capacities of the participating *zoba* administrations by:
 - (a) establishing programme facilitation units in the Economic Development Departments of each *zoba* with staff satisfactory to IFAD to undertake community mobilization and training in close collaboration with the Agricultural Division; and
 - (b) strengthening the internal audit unit to provide internal audit services to the programme.

Farmers Advisory Service

6. The Government will ensure that the Ministry of Agriculture (MOA) operationalizes its proposed Farmers Advisory Service by (a) providing additional staff, specifically the front-line extension staff; (b) relocating a significant number of existing staff below the sub-*zoba* level; and (c) providing necessary staff training to facilitate the integration of crop and livestock extension services. The system will be reviewed not later than the first quarter of programme year 3 to evaluate its efficiency and sustainability. The results of the evaluation will be used to refine the policy and strategy for an extension system that will be adopted nationally.
7. The Government will ensure that the MOA establishes a participatory technology generation system in collaboration with the National Agricultural Research Institute and with the participation of farmer representatives.
8. The Government will ensure the creation of monitoring and evaluation units within the Development Planning Department of the Ministry of National Development and each of the *zoba* programme coordination offices with staff satisfactory to IFAD. The monitoring and evaluation system is to be operational not later than six months after the effective date. The system will be evaluated by IFAD by the end of programme year 1. The Government will ensure that the monitoring and evaluation systems for the programme integrate, inter alia, the framework under IFAD's Results and Impact Management System (RIMS), which IFAD will communicate to the Government.

9. The Government will ensure that each of the programme parties maintains adequate accounts to record all transactions financed under the programme. The format of the accounts will be standardized and agreed between the Government and IFAD.
10. The Government will facilitate and provide assistance for the expeditious importation of genetic materials to be used under the programme.
11. The Government will provide IFAD with a proposal to integrate the project coordination unit of the Gash Barka Livestock and Agricultural Development Project into the Gash Barka programme coordination office not later than the end of programme year 1 and will carry out such proposal in programme year 2.
12. No later than 30 days after the effective date of the financing agreement, the Government is to have selected an international expert to act as forage development consultant, whose draft contract will have been reviewed by IFAD.

Additional events of suspension

13. (a) IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the loan account and/or the grant account upon the occurrence of any of the following events:
 - (i) the programme implementation manual, or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior consent of IFAD, and IFAD has determined that such waiver, suspension, termination, amendment or modification has had, or is likely to have, a material adverse effect on the programme; or
 - (ii) IFAD has given notice to the Government that credible allegations of corrupt or fraudulent practice in connection with the programme have come to the attention of IFAD and the Government has failed to investigate the matter fully and promptly to the satisfaction of IFAD, or thereafter, based on the conclusion of the aforesaid investigation and any other information available to it, IFAD in consultation with the Government determines that such practices have occurred and the Government has failed to take timely and appropriate action to remedy the matter to the satisfaction of IFAD.
- (b) IFAD shall suspend, in whole or in part, the right of the Government to request withdrawals from the loan account and/or grant account if the audit report(s) has/have not been satisfactorily completed within 12 months after the end of the fiscal year.

Conditions precedent to withdrawals

14. No withdrawals will be made in respect of expenditures under the programme until:
 - (a) the special account has been duly opened;
 - (b) the first draft annual workplan and budget and procurement plan have been approved by IFAD; and
 - (c) the programme accounts have been duly opened and signatories authorized and appointed by the Government.

Conditions precedent to effectiveness

15. The financing agreement will become effective subject to the fulfilment of the following conditions precedent:
 - (a) the national steering committee has been duly established;

- (b) the programme coordination offices in the Gash Barka and Debub *zobas* have been duly established and staffed;
- (c) the financing agreement has been duly signed, and the signature and performance thereof by the Government has been duly authorized and ratified by all relevant authorities; and
- (d) a favourable legal opinion issued by the Minister of Justice in form and substance acceptable to IFAD has been delivered by the Government to IFAD.

Key reference documents

Country reference documents

CARE, WFP and ERREC (2003). Eritrea Rural Livelihood Security Assessment. Report of the Findings, CARE, WFP, and ERREC, Asmara.

Economist Intelligence Unit (2006). Eritrea. Country Profile 2006, The Economist Intelligence Unit, London, UK

Eritrean Agency for the Environment (1995). National Environmental Management Plan for Eritrea, Eritrean Agency for the Environment, Asmara

Government of Eritrea (2003). Interim Poverty Reduction Strategy, Asmara.

Government of Eritrea (2004). Food Security Strategy, Asmara.

Ministry of Land, Water and Environment, Department of Environment (2000). National Biodiversity Strategy and Action Plan, MLWE, Asmara.

United Nations (2002). United Nations Development Assistance Framework (2002-2006). Eritrea, United Nations Mission in Eritrea, Asmara.

World Bank (2004). Eritrea. Country Assistance Evaluation, Operations Evaluation Department, Report No. 28778-ER, World Bank, Washington.

IFAD reference documents

IFAD (2006). State of Eritrea. Country Strategic Opportunities Paper (COSOP), Africa II Division, Programme Management Department, International Fund for Agricultural Development, Rome.

IFAD (2006). IFAD Policy on Crisis Prevention and Recovery, International Fund for Agricultural Development, Rome

IFAD (2006). Eritrea. Post-Crisis Rural Recovery and Development Programme: Appraisal Report and Key Files, International Fund for Agricultural Development, Rome.

IFAD (2005). Learning Notes for Investment:

- (i) Gender, International Fund for Agricultural Development, Rome.
- (ii) Community Development Funds, International Fund for Agricultural Development, Rome
- (iii) Project Targeting, International Fund for Agricultural Development, Rome.
- (iv) Monitoring and Evaluation, International Fund for Agricultural Development, Rome

IFAD (2005). Eritrea. Gash Barka Livestock and Agricultural Development Project: Mid-Term Review Report, International Fund for Agricultural Development, Rome.

IFAD (2003). Eritrea. Eastern Lowlands Wadi Development Project: Completion Evaluation, Office of Evaluation, International Fund for Agricultural Development, Rome.

IFAD (2002). Regional Strategy Paper for Rural Poverty Reduction in Eastern and Southern Africa (2002-2006), International Fund for Agricultural Development, Rome.

Logical framework

Narrative Summary	Performance Indicators	Means of Verification	Assumptions/Risks
<p>Goal Improvement in income, food security and the general livelihood of 207 500 poor households of which 80 000 will be woman-headed households.</p>	<ul style="list-style-type: none"> Percentage reduction in the poor rural households living below the poverty line and are food insecure. Increase in asset (land and livestock) holding by poor households disaggregated by gender. Reduction in the prevalence of malnutrition for children under 5. 	<ul style="list-style-type: none"> Gender disaggregated national/ regional income and poverty study. Programme baseline, mid-term, and completion studies. 	<ul style="list-style-type: none"> Border conflict is resolved. Internal political stability. Enabling macro-economic policy in place.
<p>Objective Raising agriculture and livestock productivity while conserving the natural resource base.</p>	<ul style="list-style-type: none"> Increase in the output of agriculture and livestock per unit of land area. No. of hectares of catchment/watershed rehabilitated and area of rangeland improved. No. of households engaged in intensive livestock. 	<ul style="list-style-type: none"> Programme progress, monitoring, mid-term review, and completion reports. Village review workshops reports and recommendations. 	<ul style="list-style-type: none"> Technology and extension delivery systems improved. Improved genetic fodder/pasture materials introduced and incorporated in the farming system. Political stability.
Programme Outputs			
<p>Output 1: Capacity Building and Institution Strengthening (i) Capacity of communities and producer organizations developed to plan execute and monitor their own development. (ii) Government institutions strengthened for technology generation and dissemination. (iii) District administration develop capacity for development.</p>	<ul style="list-style-type: none"> No. of village communities and producer organizations trained and able to plan, execute and monitor agriculture and natural resource management; A participatory extension/research system developed and implemented nationally. No. of technologies generated and adopted. Percentage increase in crop and livestock yield. IFAD and other development partners assisted government to establish monitoring and evaluation system. 	<ul style="list-style-type: none"> Programme progress, monitoring, mid-term, and completion reports. Village evaluation meeting reports. Village extension group reports. MOA, MLWE, MND and NARI annual reports. Annual programme implementation workshop reports. Supervision reports. 	<ul style="list-style-type: none"> Policy of decentralised governance and administration is maintained. Additional budget available for community development efforts. Power of village council to raise revenues from local taxes, retained and strengthened. Internal political stability is maintained.
<p>Output 2: Livestock and Agricultural Development Promotion of sustainable livestock and agricultural development through better resource management, improved but affordable technologies, low cost irrigation development.</p>	<ul style="list-style-type: none"> No. of livestock watering points developed. No. of farmers involved in forage production programme. No. of rangeland reseeded; and area coverage. No. of Users Associations formed and operational. No. of smallholder farmers practicing improved livestock management. Increase in the volume and value meat, mild and honey marketed by producers. Area of small-scale irrigation rehabilitated or developed and beneficiaries by gender. Crop production weight (tons) by crop small-scale/spate irrigation/rainfed; and incremental yields by crop. No. of households food secured. 	<ul style="list-style-type: none"> Programme progress, supervision, monitoring and evaluation, mid-term review, and completion reports. Policy dialogue workshop reports. Participatory user monitoring and evaluation reports. MOA, NARI, District Administration annual reports. 	<ul style="list-style-type: none"> No government restriction of importation of new genetic materials. Good collaboration between MOA/NARI. No border conflict. Internal political stability is maintained. No prolonged droughts.
<p>Output 3: Natural Resource Management Encompassing agricultural land, rangeland, catchment and watershed protection.</p>	<ul style="list-style-type: none"> Policies, strategy and guidelines reviewed, processed for approval and published. No. of <i>Kebabi</i> and <i>Sub-zoba</i> level land-use plans developed and executed. Total area covered by conservation practices. 	<ul style="list-style-type: none"> MLWE annual reports. Programme progress, mid-term review, completion, and supervision reports. Annual policy review workshop reports. 	<ul style="list-style-type: none"> Close working relationship established between MOA/MLWE. Government committed to a sustainable long-term environmental development.

