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Enabling the rural poor
to overcome poverty

President's report

Proposed loan to the Lao People's Democratic Republic for the

Northern Region Sustainable Livelihoods through Livestock Development Project

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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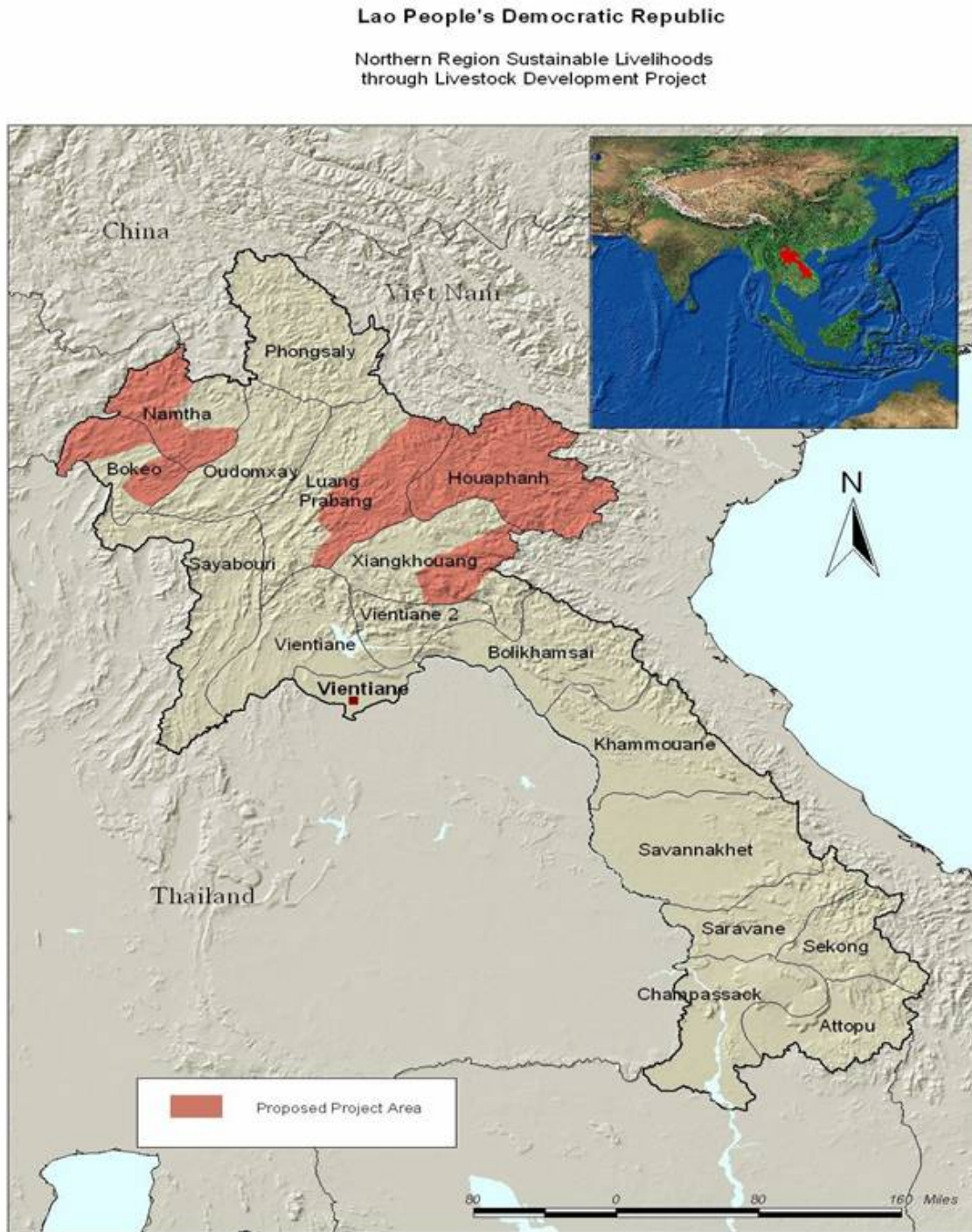
Abbreviations and acronyms

AsDB	Asian Development Bank
DAFEO	District Agriculture and Forestry Extension Office
DLF	Department of Livestock and Fisheries
NGPES	National Growth and Poverty Eradication Strategy
PAFO	Provincial Agriculture and Forestry Office
SDC	Swiss Agency for Development and Cooperation

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed loan to the Lao People's Democratic Republic for the Northern Region Sustainable Livelihoods through Livestock Development Project, as contained in paragraph 35.

Map of the project 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.

Lao People's Democratic Republic

Northern Region Sustainable Livelihoods through Livestock Development Project

Loan summary

Initiating institution:	Asian Development Bank
Borrower:	Lao People's Democratic Republic
Executing agency:	Ministry of Agriculture and Forestry
Total project cost:	US\$18.4 million
Amount of IFAD loan:	SDR 2.0 million (equivalent to approximately US\$3.0 million)
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):	Asian Development Bank (AsDB) Swiss Agency for Development and Cooperation (SDC)
Amount of cofinancing:	AsDB loan: US\$9.3 million AsDB grant: US\$0.7 million SDC: US\$3.5 million
Terms of cofinancing:	AsDB loan: 32 years maturity, 8 years grace period and interest rate of 1 per cent during the grace period and 1.5 per cent during the principal amortization SDC: grant
Contribution of borrower:	US\$1.1 million
Contribution of beneficiaries:	US\$0.8 million
Appraising institution:	AsDB
Cooperating institution:	AsDB

Proposed loan to the Lao People's Democratic Republic for the Northern Region Sustainable Livelihoods through Livestock Development Project

I. The project

A. Main development opportunity addressed by the project

1. The proposed project will contribute to improving the livelihoods of upland smallholders, mainly the poor and women, drawn from Lao *Theung* (midland Lao) and Lao *Sung* (upland Lao) communities in the five northern provinces of Bokeo, Houaphanh, Luang Namtha, Luang Prabang and Xieng Khouang. By project completion, the following is envisaged: (i) reduced poverty; (ii) improved incomes; (iii) improved prospects in the area for livestock production aimed at export and domestic markets; (iv) improved nutrition and food security; and (v) increased self-reliance of the upland communities, particularly women.

B. Proposed financing

Terms and conditions

2. It is proposed that IFAD provide a loan to the Lao People's Democratic Republic in the amount of SDR 2.0 million (equivalent to approximately US\$3.0 million) on highly concessional terms to help finance the Northern Region Sustainable Livelihoods through Livestock Development Project. The loan will have a term of 40 years, including a grace period of 10 years, and a service charge of 0.75 per cent per annum.

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

3. The allocation defined for the Lao People's Democratic Republic under the PBAS is US\$1.0 million per year, due to the small population. The strategic selection of cofinancing partners will enable IFAD to enhance the impact of its resources.

Country debt burden and absorptive capacity of the State

4. In 2004, annual growth reached 6 per cent, with annual inflation falling to about 11 per cent. The fiscal deficit was about 3.9 per cent, and the current account deficit was 8.5 per cent of GDP. Foreign direct investment was US\$184 million. Total debt service was 11.9 per cent of the value of exports of goods and services. The country continues to rely heavily on external support, which represents approximately 39 per cent of total public expenditure and 61 per cent of the capital budget.

Flow of funds

5. In the Ministry of Finance, there will be an imprest account for the Asian Development Bank (AsDB) loan and a special account for the IFAD loan. The accounts will have an advance amounting to an estimated six months of project expenditure (about US\$1.0 million) or a maximum of 10 per cent of the AsDB and IFAD loans, whichever is less. The funds are then channelled to the Provincial Agriculture and Forestry Office (PAFO) in Luang Prabang Province and thereafter to the five provincial implementation units of the Livestock Section of the PAFO in each province.

Supervision arrangements

6. As the cooperating institution, AsDB will administer the loan and supervise the project at no additional cost to IFAD. IFAD will contribute to supervision costs through the financing of a livestock expert to participate in supervision missions for the project duration.

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

7. Vehicles, equipment and contract services will be procured in accordance with AsDB procurement guidelines. The accounts will be audited annually by an independent auditor acceptable to AsDB.

Governance

8. AsDB reserves the right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to the project. To support these efforts, relevant provisions of the AsDB anticorruption policy are included in their loan regulations/grant regulations and the bidding documents for the project.

C. Target group and participation

Target group

9. The project will impact positively on the incomes of at least 17,000 ethnic households and women in 408 villages. The principal constraints faced by the ethnic groups in the project area relate to (i) falling productivity from upland agriculture; (ii) lack of adequate land and forests for food production and gathering; and (iii) lack of access to appropriate technologies and marketing opportunities for improved livestock production and trade.

Targeting approach

10. The targeting approach consists of geographical targeting of poor and the poorest districts as identified in the National Growth and Poverty Eradication Strategy (NGPES) and self-targeting mechanisms to benefit the poor and the poorest wherever possible.

Participation

11. Project measures to ensure target group participation include (i) mobilizing and organizing ethnic smallholders into village-based production and village revolving fund groups; (ii) facilitating improved access to resources for better management and marketing of livestock products; (iii) developing audiovisual extension materials in ethnic languages for radio broadcasts in project areas; and (iv) providing capacity-building for extension workers so that they can develop the social, gender and cultural skills needed to work with diverse cultural communities.

D. Development objectives

Key project objectives

12. The overall project goal is to contribute to the improved sustainability of livelihoods of upland smallholders in five selected provinces of northern Lao People's Democratic Republic. The specific objective will be to enhance village livestock systems through improved livestock productivity and profitability under integrated upland farming systems.

Policy and institutional objectives

13. The project is expected to have an influence on the following key policy and institutional areas: (i) stabilization of shifting cultivation in the upland areas based on the principle of ensuring sustainable livelihoods for the local population and for people resettled from these areas; and (ii) gradual decentralization to the provincial, district and village levels of authority, functions, resources and accountability for the planning, financing and implementation of initiatives.

IFAD policy and strategy alignment

14. The geographical focus on the uplands in poor and the poorest districts, the target group and the targeting strategy, the introduction of sustainable alternatives to shifting cultivation in the uplands, the promotion of market access and agricultural development, and gender mainstreaming are all very much in line with the strategic thrusts of the regional strategy and the country strategic opportunities paper.

E. Harmonization and alignment

Alignment with national priorities

15. The project area comprises 18 of the 47 poorest districts singled out for priority action in the NGPES.¹ Furthermore, its focus on livestock is in line with the Government's policy for poverty reduction in the context of the NGPES.

Harmonization with development partners

16. The project builds on the experiences of the Laos Extension for Agriculture Project (LEAP) funded by the Swiss Agency for Development and Cooperation (SDC); the Livestock Farmer Support Project, funded by the European Union; and the Forages and Livestock Systems Project, funded by the Australian Agency for International Development. The project will be implemented in partnership with SDC, which has extensive experience in designing and implementing sustainable pro-poor livelihood projects in the country, particularly those relating to livestock. The project is strengthened by ongoing AsDB technical assistance to build capacity for smallholder livestock systems, implemented by the International Center for Tropical Agriculture. It will also draw on the ongoing AsDB-supported regional technical assistance for the control of transboundary animal diseases in the Greater Mekong Subregion.

F. Components and expenditure categories

Main components

17. The project has three main components: (i) enhanced village livestock systems (with subcomponents of productivity initiatives, market linkages and enterprise development, and participatory extension network); (ii) capacity-building for community-driven development; and (iii) implementation management.

Expenditure categories

18. There are 13 expenditure categories: (i) civil works (14 per cent of base costs); (ii) vehicles and equipment (6 per cent); (iii) extension materials (3 per cent); (iv) consultant services (16 per cent); (v) contract services (6 per cent); (vi) revolving funds (17 per cent); (vii) surveys and studies (0 per cent); (viii) farmer training (4 per cent); (ix) agency training (3 per cent); (x) supervision (16 per cent); (xi) organization and management of vehicles and equipment (3 per cent); (xii) marketing and poultry (11 per cent); and (xiii) recurrent costs (1 per cent). IFAD will cofinance up to US\$3.0 million – US\$1.01 million will be for revolving funds and US\$1.83 million for marketing and poultry categories.

G. Management, implementation responsibilities and partnerships

Key implementing partners

19. These will include, at the national level, the Ministry of Agriculture and Forestry, the Department of Livestock and Fisheries (DLF), the National Agriculture and Forestry Extension Service, and the National Agriculture and Forestry Research Institute. At the regional level, partners include the PAFO in Luang Prabang Province and the Livestock Section of the PAFO in each province.

Implementation responsibilities

20. The Ministry of Agriculture and Forestry will be the executing agency; DLF will be the overall implementing agency and will coordinate the activities of the National Agricultural and Forestry Extension Service, the National Agriculture and Forestry Research Institute and the provincial and district institutions involved in implementation. A project steering committee will meet twice a year to approve and review the project's annual workplans and implementation progress. A regional office will provide day-to-day management and coordination with the provinces to ensure that project workplans are in line with District Agriculture and Forestry

¹ Districts where the number of poor households exceeds 50 per cent.

Extension Office (DAFEO) and PAFO workplans, budgets and progress and financial reports. At the provincial level, provincial coordination committees – convened by the provincial governors and drawing membership from relevant provincial departments and mass organizations – will meet quarterly to review and approve the annual workplans and budgets of the provincial implementation units (PIUs). Each PIU will coordinate the collation of annual DAFEO workplans into annual PAFO workplans. Financial management will be effected from within the Administrative Division of DLF appointed to a National Coordination Office in Vientiane.

Role of technical assistance

21. Technical assistance will be provided for training DAFEO staff in all districts established during the first year of the project. The Swiss Agency for Development and Cooperation (SDC) will provide grant funding for subject-matter specialists, capacity-building of extension workers, and consultancy contracts for organization, mobilization and training of village communities.

Status of key implementation agreements

22. An agreement has been signed between AsDB and SDC for the grant that SDC will provide to the project. AsDB has negotiated the loan agreement with the Government.

Key financing partners and amounts committed

23. The total project cost is US\$18.4 million. Sources of financing are: IFAD (a loan of US\$3.0 million on highly concessional terms); AsDB (a loan of US\$9.3 million and a grant of US\$0.7 million); SDC (a grant of US\$3.5 million); the Government (US\$1.1 million); and beneficiaries (an estimated US\$0.8 million).

H. Benefits and economic and financial justification

Main categories of benefits generated

24. The project has an estimated economic internal rate of return of 17 per cent. The majority of the beneficiaries will be the poor and women, drawn mainly from Lao *Theung* and Lao *Sung* communities. Women in these communities will benefit from improved returns to labour, access to knowledge, financing services and improved marketing channels. Other benefits include (i) sustainable livelihood systems; (ii) improved nutrition; (iii) inclusive social development; (iv) improved gender equity; (v) impacts on participating institutions in terms of effective coordination, improved communication, guidance and technical support; and (vi) reinforcement of the role of DLF as the lead agency responsible for planning and reviewing progress of livestock sector objectives.

Economic and financial viability

25. The project's economic internal rate of return is estimated at 15.9 per cent, which is significantly higher than the cost of capital. Sensitivity analysis shows that these results are robust to changes in the key variables of delayed benefits, increased costs and reduced adoption rates of proposed technologies.

I. Knowledge management, innovation and scaling up

Knowledge management arrangements

26. A baseline survey – including both qualitative and quantitative research and using IFAD's result and impact management system – will be undertaken upon entry of each village into the project. IFAD will use baseline results from the first year of implementation to monitor performance, sharing learning with AsDB.

Development innovations that the project will promote

27. Project innovations include enhancing the outreach of the Government's extension service through capacity-building at the village and household level, and providing the resources needed to introduce participatory, poverty-focused, gender-sensitive approaches to small livestock development in the project area.

Scaling-up approach

28. Strengthened partnerships with the AsDB and SDC provide opportunities for greater influence on pro-poor policies and institutions, which will be essential particularly for improving the poor's access to connectivity with markets. For emerging market opportunities to be fully exploited, upland livestock systems must become more productive and efficient, and regional trade and transport policies and their impact on the smallholder need to be addressed.

J. Main risks**Main risks and mitigation measures**

29. Highly pathogenic avian influenza is not expected to be a risk in hilly and thinly populated areas of the project. Improved management of smallholder poultry is expected to improve biosecurity and reduce any risks of avian influenza.

Environmental classification

30. Pursuant to IFAD's environmental assessment procedures, the project has been classified as a Category B project in that it is not likely to have any significant negative environmental impact. Potential positive impacts include stabilization of shifting cultivation due to improved livestock productivity and resulting stability of income; and improved hygiene and environmental health through waste management, disease control and controlled animal movements.

K. Sustainability

31. The project will develop human capital, in terms of production knowledge, management practices and extension approaches, at the level of institutions such as DAFEO and PAFO. Project management structures are designed to work within existing institutional structures of national and provincial administrations to ensure sustainability of target group outreach through support services after project completion.

II. Legal instruments and authority

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

III. Recommendation

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

RESOLVED: that the Fund shall make a loan to the Lao People's Democratic Republic in various currencies in an amount equivalent to two million special drawing rights (SDR 2,000,000) to mature on or prior to 1 September 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.

Lennart Båge
President

Summary of important supplementary assurances included in the negotiated loan agreement

(Negotiations concluded on 8 December 2006)

Gender concerns

1. The Government will ensure that due consideration is given to gender issues in project implementation, both with respect to project beneficiaries and to recruitment of project staff. To such end, the Government will:
 - (a) Promote women's participation in village-based training programmes such that approximately 50 per cent of all trainees are women;
 - (b) Encourage women's participation in village revolving fund groups at a level of at least 50 per cent of all the group members;
 - (c) Ensure that at least 90 per cent of all poultry workers at the village level are women.

Recurrent costs support

2. The Government will provide adequate human and financial resources to support the recurrent costs of project operations both during and after the project implementation period.

Ethnic groups

3. The Government will ensure that the ethnic groups' development plan prepared for the project is implemented. In particular, the Government will ensure that (a) participatory approaches are fully utilized to enable full participation of ethnic groups in decision-making; and (b) capacity-building, such as literacy and numeracy training, will be widely provided to ethnic groups.

Coordination with other development activities

4. (a) The Government will make effective arrangements to coordinate with other development agencies (both bilateral and multilateral) operating in the project area and nationally to ensure that (i) uniform policies are adopted for the same sector or activity, such as extension methodology, staff incentives, beneficiary contribution in labour and local materials to the construction costs of irrigation facilities, drinking water supply schemes, and village access roads and responsibility for their operation and maintenance; (ii) project activities financed by different agencies in the same province or district are carefully phased to avoid constraints on the available human and financial resources; and (iii) the policy of poverty reduction through people's participation, human resources development and rural development, and decentralized development planning and financing continues.
 - (b) The Government will take a proactive and lead role in managing and coordinating the activities financed by development agencies in the project area, take particular care to supervise and coordinate the implementation thereof and take prompt actions to resolve any emerging constraints.

Support to decentralization

5. The Government will ensure that necessary support is provided throughout the project implementation period to all project parties to enable decentralization to be implemented effectively and to serve efficiently the needs of the rural poor.

Environmental concerns

6. As part of maintaining sound environmental practices, the Government will ensure, among other things, that (a) the facilities to be constructed, upgraded or renovated and the equipment to be provided under the project are designed, constructed, operated and maintained in compliance with applicable environmental laws and regulations of the Government, the cooperating institution's environment policy and the initial environmental examination prepared for the project; (b) all mitigation measures detailed in the environment monitoring plan are implemented and monitored to a satisfactory standard; and (c) implementation of the environment monitoring plan is reported to IFAD as part of the quarterly project reports.

Monitoring and impact assessment

7. Monitoring of the project will be based on a set of indicators. In general, project monitoring will follow the requirements of IFAD's Results and Impact Management System (RIMS), IFAD's *Guide for Project M&E: Managing for Impact in Rural Development* and any other relevant documentation of IFAD. Gender-disaggregated data will be presented where applicable. Among others, the regional office will include the following elements in its monitoring and impact assessment of the project:
 - (a) a suitable impact monitoring format and software to monitor progress in achieving project outputs and objectives;
 - (b) key performance and impact indicators identified for the project objectives and outputs; and
 - (c) if required, additional short and focused participatory studies to generate recommendations for immediate action.

Insurance

8. The Government and the project executing agency will insure key project personnel against health and accident risks to the extent consistent with its customary practice in respect of its national civil service.

Additional events of suspension

9. (a) IFAD may suspend, in whole or in part, the right of the Government to request withdrawals from the loan account upon the occurrence of any of the following events:
 - (i) on or after the effective date, the AsDB financing agreement and/or the SDC agreement has(ve) failed to enter into full force and effect by the date or dates specified therein and substitute funds are not available to the Government on terms and conditions acceptable to IFAD;
 - (ii) the right of the Government to withdraw the proceeds of the AsDB loan, and/or the AsDB grant, and/or the SDC grant has been suspended, cancelled or terminated, in whole or in part, or the credit has become due and payable prior to the agreed maturity thereof; or any event has occurred which, with notice of the passage of time, could result in any of the foregoing;
 - (iii) IFAD has given notice to the Government that credible allegations of corrupt or fraudulent practices in connection with the project have come to the attention of IFAD, and the Government has failed to investigate the matter fully and promptly; or, thereafter, based on the conclusions 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;

- (iv) IFAD has determined that the material benefits of the project are not reaching the target group, or are benefiting persons outside the target group;
 - (v) in consultation with the Government, a repeal, invalidation, suspension, amendment or other change to any national law may result in detriment of any of the terms and conditions of the loan agreement.
- (b) IFAD will suspend, in whole or in part, the right of the Government to request withdrawals from the loan account if the audit report required by the loan agreement has not been satisfactorily completed within 12 months after the financial reporting period set forth in the loan agreement.

Conditions precedent to withdrawal

10. No withdrawals will be made in respect of expenditures related to village revolving funds until:
- (a) The Ministry of Agriculture and Forestry has prepared guidelines for implementation of the village revolving fund acceptable to IFAD and criteria satisfactory to IFAD for the selection of villages and borrowers;
 - (b) the regional office has engaged Lao Women's Union units at the provincial and district level that will provide training and support to the village revolving fund group of a participating village in all matters concerning the management of a village revolving fund; and
 - (c) the village revolving fund groups have collected deposits from their members such that the ratio of group savings to funds made available by IFAD will be at least 20:80. This ratio will be maintained throughout the operation of the village revolving fund.

Conditions of effectiveness

11. The following are specified as conditions precedent to the effectiveness of the loan agreement:
- (a) The Ministry of Agriculture and Forestry has designated the head of the regional office as the national project director;
 - (b) the project steering committee has been duly established and fully staffed;
 - (c) the regional office has been duly established;
 - (d) the Government has duly opened the special account and the project account;
 - (e) all conditions precedent to effectiveness of the AsDB financing agreement and of the SDC agreement have been fulfilled, and a copy of the signed AsDB financing agreement and of the SDC agreement have been delivered to IFAD; and the signature and performance thereof by the Government have been duly authorized or ratified by all necessary corporate, administrative and governmental action;
 - (f) the loan agreement has been duly signed, and the signature and performance thereof by the Government have been duly authorized and ratified by all necessary administrative and governmental action; and
 - (g) a favourable legal opinion, issued by the Ministry of Justice of the Government in form and substance acceptable to IFAD, has been delivered by the Government to IFAD.

Key reference documents

AsDB reference documents

AsDB 2006. Report and Recommendations to the President for a Proposed Loan and Asian Development Fund Grant to the Lao People's Democratic Republic: Northern Region Sustainable Livelihoods through Livestock Development Project. Manila.

AsDB. 2002. Participatory Poverty Assessment (PPA). Lao PDR.

AsDB. 2002. Review of the Livestock Sector of Lao PDR. Manila

AsDB.2004. Technical Assistance to the Lao People's Democratic Republic for Capacity Building for Smallholder Livestock Systems. Manila.

AsDB. 1998. Policy on Indigenous Peoples.

AsDB. 1995. Policy on Involuntary Resettlement

AsDB. 2002. Environment Policy of the Asian Development Bank

AsDB. 1998. Anticorruption Policy.

Country reference documents

Government of Lao PDR. June 2004. National Growth and Poverty Eradication Strategy. Vientiane.

Government of Lao PDR, DLF. 2002. Vision for Livestock Development in Lao PDR to the Year 2020. Vientiane.

IFAD reference documents

Learning Note (LNs HSA 1)

Learning Note on Productive Assets & Technology

Learning Note on Financial Assets & Markets

Learning Note on Rural Finance

Learning Note on Environment and Natural Resources Management

Logical framework

Design Summary	Performance Targets/Indicators	Data Sources/ Reporting Mechanisms	Assumptions
Impact Sustainable livelihoods of upland farmers from livestock development in five selected provinces	5 years after project completion: <ul style="list-style-type: none"> Poor households in target districts reduced by at least 12 per cent Household incomes from livestock production increased by 20 per cent 	<ul style="list-style-type: none"> Project completion report and project performance audit report National livestock census Annual trade statistics 	<ul style="list-style-type: none"> Animal diseases are controllable
Outcome Enhanced village livestock systems	After project completion: <ul style="list-style-type: none"> Increased number of households raising larger livestock: 30–35 per cent (cattle); 40–45 per cent (buffalo) Mortality of livestock declines by 10 per cent Increase in the number of cattle owned by target group households with data disaggregated by gender of the head of the household Percentage of male and female children under 5 years malnourished (weight for age), chronically malnourished (height for age), and wasted (weight for height) compared to the level found at baseline survey Percentage of target group households with improved food security (months per year) with data disaggregated by gender of the head of the household 	<ul style="list-style-type: none"> NGPES monitoring surveys and Lao Expenditure and Consumption Survey Project-generated monitoring reports KAP surveys conducted in project BME activities Baseline survey and subsequent impact surveys prior to the midterm review and project completion review 	<ul style="list-style-type: none"> Smallholders have better access to livestock markets Forage nurseries and demonstration plots are operating commercially
Outputs: 1. Village livestock systems improved <ul style="list-style-type: none"> On-farm livestock production technologies are improved 	After project completion in 5 selected provinces <ul style="list-style-type: none"> Livestock forage technologies are adopted by 30 per cent of smallholders in target villages Larger numbers of poor households adopt better management practices for smallholder poultry and piggery, as well as goat rearing Farmers in 200 villages have adopted trained livestock handling (animal crushes, fences, etc.) 75 per cent livestock disease outbreak in the five selected provinces have been properly responded to Lessons from community-based livestock development training have been adopted by 20 per cent of participants	<ul style="list-style-type: none"> Project-generated monitoring reports Various reports generated by PAFOs and DAFEOs Attendance at workshops Project monitoring reports and village recording mechanisms Revolving fund disbursements Village credit and savings groups records Baseline survey and subsequent impact surveys prior to the midterm review and project completion review 	<ul style="list-style-type: none"> Farmers are fully involved in encountering disease epidemics Meeting, training, and extension services are provided in local language and at village level Appointed community support service contractors have the necessary skills to carry out their duties
<ul style="list-style-type: none"> Market efficiency and livestock enterprises are developed 	<ul style="list-style-type: none"> Livestock-related infrastructure such as water supply for livestock, track/feeder road, have been established by farmers in target villages Livestock entrepreneurs from districts have been trained in improving livestock business Livestock trading farms developed and utilized effectively by traders and farmers 	<ul style="list-style-type: none"> Project-generated monitoring reports 	<ul style="list-style-type: none"> Community support contracts are negotiated with suitably qualified institutions
<ul style="list-style-type: none"> Participatory implementation and extension networks are strengthened 	<ul style="list-style-type: none"> Staff of PAFOs and DAFEOs have been trained for livestock extension services 	<ul style="list-style-type: none"> Project monitoring reports and village recording mechanisms Training records Quarterly progress reports 	Assumptions <ul style="list-style-type: none"> Extension workers are appointed in a timely manner 50 per cent of the extension workers are women, with skill in local language and culture
2. Capacity building for community-driven development	<ul style="list-style-type: none"> In about 408 villages, community-based groups (including poor and women) formed and trained to undertake investment and infrastructure development using project funds, i.e. village revolving funds and infrastructure funds provided under output a of the Project Business plans prepared and funds disbursed 	<ul style="list-style-type: none"> Reports generated by service provider organization Project progress reports Village group reports AsDB supervision mission reports 	Assumption <ul style="list-style-type: none"> Mass organizations with outreach and individuals with appropriate skills to provide the type of capacity building
3. Implementation management and support	<ul style="list-style-type: none"> Project steering committees established, regular meetings Provincial coordination committees established, regular meetings 	<ul style="list-style-type: none"> Program reports AsDB supervision mission reports 	Assumption Delays in the establishment of the project implementation structure are not foreseen and these are embedded within existing government policies and administration set-up

