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Investing in rural people

President's memorandum

Proposed ASAP grant to the Lao People's
Democratic Republic for the Southern Laos
Food and Nutrition Security and Market
Linkages Programme

Note to Executive Board representatives

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Abbreviations and acronyms

ASAP	Adaptation for Smallholder Agriculture Programme
AWP/B	annual workplan and budget
FNML	Southern Laos Food and Nutrition Security and Market Linkages Programme
GIS	geographic information system
HH	household(s)
LAIP	local adaptation investment plan
M&E	monitoring and evaluation
MAF	Ministry of Agriculture and Forestry
NAFRI	National Agriculture and Forestry Research Institute
PRCO	programme regional coordination office
RB-COSOP	results-based country strategic opportunities programme
SACCC	Smallholder Adaptation to Climate Change Component
WOCAT	World Overview of Conservation Approaches and Technologies

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed financing under the Adaptation for Smallholder Agriculture Programme to the Lao People's Democratic Republic for a new component of the Southern Laos Food and Nutrition Security and Market Linkages Programme, as contained in paragraph 38.

Proposed ASAP grant to the Lao People's Democratic Republic for the Southern Laos Food and Nutrition Security and Market Linkages Programme

I. Strategic context and rationale

A. Country and rural development and poverty context

1. The Smallholder Adaptation to Climate Change Component (SACCC) is a new component within the Southern Laos Food and Nutrition Security and Market Linkages Programme (FNML), to be financed by a grant of US\$5 million (equivalent to SDR 3.55 million) from the Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund. The component proposal is consistent with the objectives of IFAD's results-based country strategic opportunities programme (RB-COSOP), which focuses on: community-based management of land and natural resources; sustainable, adaptive and integrated farming systems; and access to markets – and which is, itself, aligned with the Lao People's Democratic Republic National Social Economic Development Plan, the Government's Agriculture Development Strategy 2011-2020, the National Adaptation to Climate Change Programme of Action (2009) and the Strategy on Climate Change of the Lao People's Democratic Republic (2010). Despite Government endorsement of these strategies, climate change planning and implementation are still at an embryonic stage in the country, while rural development planning remains relatively fragmented across the various natural resource management sectors.
2. While agriculture remains the primary source of employment in rural areas, overall sector productivity is low, as indicated by a per capita income in the farming sector of less than half the national average. Most of the 650,000 farming households are engaged in subsistence and low-productivity activities that suffer from: limited access to inputs, finance and other support services and markets; lack of appropriate technologies and suitable crop selection; limited organization among farmers; and farmers' risk-aversion strategies. Moreover, although the country moved from a rice-deficit situation in 1996 to surplus production in 2006, it is estimated that only about one third of the rural population is food-secure. Their vulnerability to the impact of climate change further undermines their food and nutrition security and their potential to produce marketable surpluses – the latter being the primary thrust of the FNML, of which SACCC is a component.
3. The Lao People's Democratic Republic is one of the most vulnerable countries to climate change in the South-East Asia region. This is due mainly to its high dependence on climate-sensitive natural resources and its low adaptive capacity. The key vulnerabilities are caused by flooding and drought, with agriculture being the most vulnerable sector. Rising temperatures will increase the incidence and range of pests, and when combined with decreased rainfall and increased demand, higher temperatures will also present new challenges related to water storage and irrigation mechanisms. Climatic variability, in particular what appears to be an increase in the frequency and severity of drought in some parts of the country, is already limiting the availability of water for household production. While a wealth of

adaptive technologies for climate change amelioration exist in the country, they are not properly documented or disseminated, and there is currently no effective platform/channel for this. Government technical and coordination capacities at provincial and district levels are also insufficient for building strong climate change adaptive capacity among smallholder farmers. The FNML takes climate-change-related issues into consideration, but its financing is insufficient for addressing the range of shocks and stresses experienced by communities and households.

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

4. Climate change is already negatively impacting smallholder agricultural production and productivity, necessitating urgent and effective measures for building adaptive capacities, methods and technologies. Poor, often ethnic group households are the most vulnerable to climate change impact, lacking the resources, services and systems that will enable them to cope and adapt. To respond to these challenges, the Government has developed a long-term vision for addressing negative climate change impact, detailed in the Strategy on Climate Change. To this end, capacity must be strengthened at individual, household, community, local institution and government ministry levels to ensure that effective action is taken to reduce vulnerability to climate shocks.
5. The focus of the SACCC will be to build the adaptive capacity of communities and institutions to better contend with climate change risks. The component's approach involves building knowledge and methodologies to improve participatory planning and facilitate adaptive change. It will achieve this through strategic cofinancing of the cost of establishing climate resilient livelihoods at household and community levels. The SACCC, in combination with other FNML components, seeks to reduce climate change vulnerability and raise the resilience of highly vulnerable communities and households by strengthening the natural, physical, social, human and financial capital of their communities. In this regard, it is anticipated that a resilient household will exhibit the following characteristics: (i) diversified livelihood and income streams; (ii) improved natural resource and risk management, based on better access to knowledge about adapting to climate change; (iii) membership in social networks, particularly farmer/community groups; (iv) protection from some climatic risk as a result of community infrastructure; and (v) direct engagement in village-level planning.

II. Component description

A. Project area and target group

6. Component area. The SACCC targets five FNML districts located at the south-eastern tip of the country, along the Vietnamese border: Phouvong and Xansay (Attapeu Province); Dakcheung (Xekong Province); and Ta'Oy and Samuay (Salavanh Province). With the exception of Phouvong, all target districts are upland ones.
7. Target population and expected benefits. The main target group will be within the population of the 175 FNML target villages. These villages will be ranked for climate change vulnerability based on, inter alia: (i) *kum ban*¹ poverty data as specified in Government Decree #285/PM, specifically those related to poverty incidence and access to roads and water; (ii) vulnerability to climate change; (iii) commitment of the leadership; (iv) the village natural resource base (agriculture and forest land, water access, infrastructure, etc.); and (v) level of ongoing support projects. The SACCC will not work with villages scheduled to be resettled and will prioritize the most vulnerable villages and households. Women

¹ The Government has established a new organizational level, halfway between the village and district levels. It is referred to as *kum ban pattana*, which means "village development cluster".

constitute a specific target within the main target group (particularly woman-headed households where these exist) so as to ensure their equal and priority access to component services and benefits. In order to ensure gender equality and social inclusion dimensions, women will enjoy separate representation where they are unable to secure effective representation in committees at the village level. Ethnic peoples represent the majority of the population in all FNML districts.

B. Component development objective

8. This component supports the goal of the FNML, i.e. to contribute to the reduction of extreme poverty and hunger (Millennium Development Goal 1) in the Lao People's Democratic Republic, and to the development objective of ensuring sustainable food and nutrition security and income of households in the target area. The anticipated main development outcome is that at least 4,200 direct beneficiary households (HHs) (70 per cent of target HHs) have been moved down the climate change vulnerability scale by at least one step.

C. Components/outcomes

9. The component has two desired outcomes: (i) the enabling environment strengthened for climate change adaptation; and (ii) community-based adaptation investment plans sustainably implemented.
10. Outcome 1. Enabling environment strengthened for climate change adaptation. This will involve a scalable management framework for agriculture sector climate change adaptation, in collaboration with participating institutions, districts and communities. The outcome will have four outputs: (i) participating technical ministries and districts climate-informed; (ii) participatory local adaptation investment plans prepared; (iii) geographic information system (GIS)-based planning piloted; and (iv) climate change adaptation knowledge enhanced.
11. Outcome 2. Community-based adaptation investment plans sustainably implemented. This will involve the establishment of climate-informed and gender-sensitive natural resource management systems and structures. The outcome will have one output: a climate change adaptation fund disbursed.

III. Component implementation

A. Approach

12. The organizational and management structure proposed for SACCC will be based on lessons learned under previous projects: (i) the IFAD project should not create a different management system parallel to the local institutional setup; (ii) the financial management mechanism and flow of funds should be clearly defined; (iii) positions, roles and functions of the regional programme steering committee and programme regional coordination office (PRCO) must be clearly specified; (iv) the FNML PRCO should establish memorandums of understanding with lead agencies outside the Ministry of Agriculture and Forestry (MAF) before SACCC inception; (v) capacity-building interventions should focus on improving public services at provincial, district and kum ban levels to ensure effective decentralization; and (vi) programme monitoring and evaluation (M&E) systems, robust in terms of generating timely and sufficient data, are generally weak as a management tool for planning, strategizing and implementation.
13. The SACCC will apply a climate change vulnerability and adaptation perspective to the activity programming approach detailed in the FNML, which proposes: (i) village-based analysis of engendered opportunities and constraints to determine the best options for food and nutrition security, value addition and sustainable resource use; (ii) a participatory land-use plan reflecting the community's vision of the best use of natural resources to achieve these concurrent objectives; and (iii) constitution of farmers' groups to implement agreed objectives. Given the dispersed nature of villages in upland areas, the SACCC proposes to use the kum

ban pattana, or village development cluster, as the planning base for climate change adaptation. This will allow a more landscape-based approach to natural resource planning and efficiencies in technical support.

B. Organizational framework

14. Through its Department of Planning and International Cooperation, MAF is the FNML lead agency with overall responsibility for SACCC implementation, which it delegates to district administrations and to the PRCO. District Agriculture and Forestry Offices (DAFOs) will serve as focal points for planning and monitoring of FNML activities at the district level. Under the FNML, each DAFO will: consolidate planning and budgeting for preparation of the annual workplans and budgets (AWP/Bs); manage FNML accounts for expenditure carried out at the district level; and prepare progress reports and financial statements. Line agencies at the district level will participate, through district teams, in implementation of SACCC activities under their respective responsibilities. Kum ban pattana will be the focal point for coordinating participatory village-level climate adaptation development planning, with a view to taking a more holistic landscape approach to climate-adapted natural resource management by the scattered upland villages.

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

Planning

15. The AWP/B is an important management tool in planning, monitoring and reporting, and in orienting and coordinating the actions of the diverse FNML institutions and stakeholders. Its process should be completed through participatory exercises at the village level to avoid top-down planning. In preparing the component AWP/B, the SACCC will follow a defined process to allow time for consultation with relevant stakeholders at all levels. The programme logical framework will be used as the main reference in formulating the AWP/B, so as to create clear linkages between proposed budget requirements, planned activities, and expected outputs, outcomes and impacts.

Monitoring and evaluation

16. The SACCC M&E system will be fully integrated into that of the FNML, which is designed to: (i) guide programme implementation through the systematic collation and analysis of programme outputs and outcomes and assessment of programme impacts on the livelihoods of poor HHs; (ii) support economic decisions and policymaking by providing stakeholders with the information and analysis they need to: assess the return brought by innovation, develop profitable activities and adapt their strategies accordingly; and (iii) share knowledge by capturing lessons learned, good practices and successful innovation, and by posting it on appropriate knowledge platforms. The GIS system will be used to support surveys and M&E data analysis.

Learning and knowledge management

17. The SACCC will establish a knowledge exchange platform under the joint auspices of the Government's Sector Working Group – Agriculture and Rural Development. This process will provide a practical avenue for collaboration and learning, thus directly contributing to more effective coordination, coherent messaging and implementation of government policies on climate change adaptation. Good practices will be identified and scaled up within the FNML and other programmes. This will include developing linguistically and culturally appropriate learning approaches that take into account the low literacy rates of ethnic peoples, especially women. This information will be accessible through the National Agriculture and Forestry Research Institute's (NAFRI's) hosted database, linked to and supported by the World Overview of Conservation Approaches and Technologies (WOCAT).

D. Financial management, procurement and governance

18. Financial management. The overall fiduciary risk rating is medium. SACCC financial management will be governed by the Ministry of Finance decree on financial management rules applicable to official development assistance grant funds, and in line with IFAD guidelines on financial management. It will be under the overall responsibility of the FNML programme coordinator and the financial manager. To ensure a strong financial management system, the following requirements will be met: (i) ensure that funds are used efficiently and economically – only for the purpose intended under the financing agreement, and in accordance with the activities described in the programme design report and in AWP/Bs; (ii) enable preparation of accurate and timely financial reports; (iii) ensure that funds are properly managed and flow rapidly, adequately, regularly and predictably; (iv) enable programme management to monitor the efficient implementation of the FNML; and (v) safeguard the assets and resources procured with programme funds.
19. Fund flow. A designated account denominated in United States dollars will be opened and maintained in a commercial bank acceptable to IFAD to receive ASAP resources in advance. SACCC funding will be integrated into that of the FNML. Funds to be disbursed by the PRCO will flow into an account managed by the programme coordinator. Local adaptation investment plan (LAIP) funds, disbursed by the districts, will be channelled by the PRCO directly to the project account of the District Development Fund. Other district-level eligible project expenditures will be disbursed to the relevant district project accounts, based on the AWP/B and updated for actual expenditures.
20. Procurement will be carried out in accordance with government regulations and the IFAD Procurement Guidelines. A draft procurement plan for the initial period of 18 months of SACCC implementation will be prepared during the final design mission. It will be finalized by the PRCO as an integral part of the FNML annual procurement plan. Considering the low amounts involved, it is unlikely that international competitive bidding will be required, and rather that procurement will be based on national competitive bidding or national shopping arrangements. For efficiency, procurement of vehicles and equipment, service providers and consultants' services will be done by the PRCO, while small-value contracts for procurement of goods and services will be undertaken at the district level. Service providers will be hired through renewable performance-based contracts. IFAD's no objection will be required for all consulting service contracts and for procurement of goods and works above US\$60,000. In addition, procurement undertaken through direct contracting will be subject to IFAD's no objection.
21. Governance. IFAD will apply a zero-tolerance policy on corruption. With assistance from the financial management and procurement adviser and the business development specialist, the PRCO will prepare a programme framework for transparency and publicity. This framework will include provisions to ensure that procurement and the selection of agribusinesses to enter into business partnerships and benefit from FNML support are carried out in accordance with the IFAD Procurement Guidelines and with programme design specifications. The framework will be included in the implementation manual and published on the IFADAsia platform (on the FNML page). Measures will include: (i) publication/posting of all procurement, calls for proposals, contract awarding and business partnership details in local newspapers, at district and provincial offices and on IFADAsia; (ii) participation of representatives of end-users in bid assessments; and (iii) prompt communication to bidders of bid evaluation outcomes. This framework will also include an internal code of conduct to be signed by all PRCO staff, and a code of business ethics to be signed by all partners and beneficiaries of FNML activities and business partnerships. Other measures to ensure transparency include: (i) consolidated financial statements under the FNML will be prepared in

conformity with internationally recognized accounting standards and submitted to IFAD promptly; (ii) annual audits will be performed in accordance with international auditing standards by an external independent auditor. IFAD's direct supervision process will specifically address fiduciary compliance and the implementation of the programme framework for transparency and publicity; (iii) programme stakeholders (especially farmers and their organizations) will be directly involved in programming, implementation and M&E of FNML activities; and (iv) evaluation and impact assessment will be outsourced to independent institutions.

E. Supervision

22. As a component of the FNML, the SACCC will be supervised directly by IFAD. Annual supervision missions, followed initially by short follow-up missions six months later, will be organized jointly with the Government and will include the main implementing agencies and programme stakeholders (UN-Habitat and others).

IV. Component costs, financing, benefits

A. Component costs

23. Total FNML-SACCC costs are estimated at US\$6.53 million, including contingencies. Total base costs are US\$6.09 million. Physical and price contingencies account for US\$0.32 million and US\$0.12 million respectively (5 per cent and 2 per cent of total base costs), while foreign exchange represents 31 per cent of total costs. The six-year FNML began in September 2013. The SACCC component will have a duration of about five years and will align its duration to that of the FNML.

B. Component financing

24. The ASAP Trust Fund, acting through IFAD in its capacity as Trustee of the Fund, will provide a grant from the ASAP of approximately US\$5 million (76.6 per cent). The Government contribution is estimated at US\$0.60 million (9.1 per cent) and the beneficiary contribution at US\$0.93 million (14.3 per cent), as presented in tables 1 and 2. The Government will finance technical assistance by kum ban facilitators and taxes and duties.

Table 1

Indicative component costs by expenditure category and financier*

(Thousands of United States dollars)

<i>Expenditure category</i>	<i>ASAP</i>		<i>Borrower / counterpart</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>
Investment costs								
A. Civil works	1 411	71.3	99	5.0	470	23.8	1 980	30.3
B. Vehicles	-	-	-	-	-	-	-	-
C. Equipment	329	100.0	0	-	-	-	329	5.0
D. Agricultural inputs	-	-	-	-	-	-	-	-
E. Matching grant	1 384	75.0	-	-	461	25.0	1 845	28.3
F. Training and capacity-building	1 272	100.0	0	-	-	-	1 272	19.5
G. Technical assistance	605	54.9	497	45.1	-	-	1 101	16.9
Total	5 000	76.6	596	9.1	932	14.3	6 527	100.0

* Final disbursement categories will be stated in the amendment to the financing agreement for the FNML based on IFAD's procedures, which will include a maximum of five cost categories for reasons of efficiency.

Table 2
Indicative component costs by subcomponent and financier
 (Thousands of United States dollars)

<i>Subcomponent</i>	<i>ASAP amount</i>	<i>Borrower / counterpart amount</i>	<i>Beneficiaries amount</i>	<i>Total amount</i>	<i>%</i>
1. Strengthening of enabling environment for climate change adaptation	1 503	0	-	1 503	23.0
2. Climate-change-adaptation fund disbursed	3 208	99	932	4 238	64.9
3. Project management	289	497	-	785	12.0
Total	5 000	596	932	6 527	100.0

C. Summary benefit and economic analysis

25. The SACCC will target a total of some 6,000 HH or about 30,000 direct beneficiaries, of which 70 per cent will experience benefits on a sustainable basis (4,200 HH/21,000 direct beneficiaries). It is assumed that each household will benefit from at least one investment product (i.e. investment in small-scale irrigation, community-based forest management or innovation). Key project investments include paddy rice, irrigated field vegetables, cardamom, bamboo, bamboo shoots, fish aquaculture and home garden production. The two technical innovations are fuel-efficient stoves and biogas production. The SACCC supports all investments through investment grants, capacity-building, technical advisory services, marketing advice and one-time working capital in the form of seed and planting materials. Farmers will benefit from more climate-secure and diverse income streams, reduced labour requirements and improved health owing to reduced smoke inhalation. The SACCC will also have a positive impact on nutrition as a result of the availability of a wider range of food crops, improved productivity and capacity-building of families, particularly of women.
26. Economic viability. The economic internal rate of return (EIRR), net present value (NPV) and benefit-cost ratio were estimated using a 20-year incremental cash flow of benefit and cost streams. Overall EIRR is 20 per cent. The estimated NPV for a 10 per cent discount rate is US\$4.05 million, indicating that the investments are sound and robust.

D. Sustainability

27. The SACCC investment in public processes and capacity will ensure that this crucial element in enabling an accurate response to climate change factors will remain embedded within the civil service and the society it serves. Moreover, the utility of this development of processes and capacity is that it can be replicated throughout the country as systems become functional in target provinces. Supported production-related activities are designed to be climate-change-adapted and environmentally sustainable. Overall, strengthening of the capacity of grass-roots institutions and their support services is considered the most effective means of ensuring sustainability after the immediate implementation period. SACCC design emphasizes developing the management and technical skills of stakeholders at all levels.

E. Risk identification and mitigation

28. The main risks related to achieving the goal and development objective are the following: (i) institutional – lengthy planning process, uneven group dynamics, weak capacity of district line agencies, ineffective coordination among all stakeholders, low capacity for the sustainable use of civil works and community-based operation and maintenance, elite capture; (ii) market – lack of technical and affordable climate change support, low market prices; (iii) policy – farmers not treated as clients, low importance placed on climate change in policy at all levels; and (iv) additional – natural disasters, damage to civil works, remoteness and difficulty in accessing villages.

29. The main mitigation measures are as follows: (i) build on lessons learned in previous projects, provide technical capacity-building, develop coordination mechanisms, provide training to communities and build ownership by consigning the works to the communities, enhance community empowerment (particularly for women and ethnic groups); (ii) develop market information, linkages and technical advice, diversify production; (iii) provide technical training to farmers for empowerment and to government agencies for participatory development, invest in policy dialogue at all levels; and (iv) adopt climate smart technologies and varieties, offer access to meteorological information, ensure climate-adapted protection measures, promote products that have high farmer margins and are easy to transport, and develop processing and storage facilities in loco.

V. Corporate considerations

A. Compliance with IFAD policies

30. The SACCC complies with relevant IFAD policies on targeting, gender, indigenous peoples, land, environmental and natural resource management (ENRM) and climate change. In terms of ENRM policy, SACCC supports the primary and secondary objectives of this policy by promoting sustainable production systems resilient to climate change. The component adheres to the following policy principles: (i) increased investment in approaches that provide multiple benefits for sustainable intensification of agriculture: improved watershed and resilient infrastructure; (ii) strengthened governance of natural assets by the rural poor through land ownership and community empowerment; (iii) equality and empowerment of women and ethnic peoples in the context of natural resource management; and (iv) improved access of poor rural communities to financing for environmental protection and for the fight against the effects of climate change.

B. Alignment and harmonization

31. Alignment with government systems will be ensured by building on the Ministry of Natural Resources and Environment's model for community-based climate vulnerability assessment, planning, capacity analysis and empowerment of local institutions to engage with national climate policy. Moreover, the component will seek alignment and synergies with several national programmes, including: (i) the Least Developed Countries Fund project, Effective Governance for Small-Scale Rural Infrastructure and Disaster Preparedness in a Changing Climate, financed by the United Nations Development Programme (UNDP) and the Global Environment Facility (GEF); (ii) the World Bank Poverty Reduction Fund project; (iii) Improving the Resilience of the Agriculture Sector in Lao People's Democratic Republic to Climate Change Impacts, financed by UNDP/GEF; (iv) the regional UNDP/United Nations Capital Development Fund Local Climate Adaptive Living Facility; and (v) the Asian Development Bank's Greater Mekong Subregion Biodiversity Conservation Corridors Project.

C. Innovations and scaling up

32. The SACCC will include a number of innovations: smallholder farmer group climate change adaptation investments for improved food security and nutrition, including fish production; forage development for stall-fed livestock; soil improvement; time-efficient and climate-adapted farm equipment; renewable energy technology; and participatory action-research driven by beneficiary needs and by identified knowledge gaps. In addition, it will promote two technical innovations: fuel-efficient stoves and biogas production. The SACCC will also pilot GIS-based landscape analysis; improve the collection, analysis and dissemination of climate change adaptation data; and develop a WOCAT-linked climate change adaptation knowledge platform.
33. Preliminary analysis of the most relevant national strategies/policies/ programmes for SACCC scaling up includes programmes such as the European Union's Global

Climate Change Alliance (Cooperative for Assistance and Relief Everywhere/International Union for Conservation of Nature/ International Cooperation Centre on Agrarian Research for Development). The FNML-SACCC is linked to numerous ongoing country interventions. Given the large number of potential stakeholders and actors, the aim is to maximize networking and strategies on the basis of existing lessons and experiences. The areas of intervention of the programme are embedded in national policies and platforms aimed at reducing climate change vulnerability.

VI. Proposed amendments to the financing agreement

34. Once approved by the Executive Board, the financing agreement will be amended to take into account the proposed SACCC component and the financing granted under the ASAP Trust Fund, acting through IFAD as administrator.

VII. Legal instruments and authority

35. An amendment to the current financing agreement between the Lao People's Democratic Republic and IFAD will constitute the legal instrument for extending the proposed financing to the recipient.
36. The Lao People's Democratic Republic is empowered under its laws to receive financing from the IFAD Adaptation for Smallholder Agriculture Programme Trust Fund, acting through IFAD in its capacity as Trustee of the Fund.
37. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VIII. Recommendation

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

RESOLVED: that the Fund shall provide an Adaptation for Smallholder Agriculture Programme grant to the Lao People's Democratic Republic in an amount equivalent to three million five hundred fifty thousand special drawing rights (SDR 3,550,000), and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Kanayo F. Nwanze
President

Logical framework

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Goal: (FNML)			
Contribute to reduce extreme poverty and hunger	<ul style="list-style-type: none"> • 12,000 HH lifted out of poverty (each HH with a per capita income of USD190 per annum) • 6,000 HH with improved food security (measured as a HFIAS¹ score of 7.0 or lower) • Child malnutrition at least 10% better than the national average and 35% or lower • 6,000 HH with an assets index of at least 0.3² 	<ul style="list-style-type: none"> • MDG surveys • LECS Surveys and nutrition survey 	<ul style="list-style-type: none"> • Continued government commitment to poverty reduction
Development Objective: (FNML) (SACCC performance indicator highlighted in blue)			
To ensure sustainable food and nutrition security and income of households in the target area	<ul style="list-style-type: none"> ▪ 6,000 households report an agricultural output of food crops³ of at least 2.0 tons/ha ▪ 900 vulnerable HH cultivate 270 ha of vegetables ▪ 4,000 HHs accessing financial services ▪ 3,000 HHs participating in a PPP ▪ 4,200 direct beneficiary HHs moved down the climate-change (CC) vulnerability scale by at least one step (disaggregated by gender and ethnicity of HH-head). 	<ul style="list-style-type: none"> ▪ RIMS and project surveys ▪ Qualitative surveys ▪ MAF, NAFRI and PAFO statistics 	<ul style="list-style-type: none"> • No major socio-economic slow down, political upheaval or natural disasters • Stability of government policies and donor investments in CCA • Programme investments are realized as per design

¹ Household Food Insecurity Access Scale (HFIAS)

² The wealth index is computed based on the following assets, including main materials of house floor, number of bedrooms, types of house, total living area, having radio, TVs, refrigerator, rice mill, landline phone, mobile phone, Internet, computer, rice cooker, bikes, motorbikes, car/truck, tractor, hand tools for cultivation, power tiller, animal drawn plow, and toilets. Following IFAD guidelines (2005), this wealth index will be calculated based on the Principal Component Analysis (PCA) method.

³ Rice

<p>Outcome 1: Enabling environment for climate change adaptation strengthened</p> <p>A scalable agriculture sector climate change adaptation management framework operating with participating institutions, districts and communities.</p>	<ul style="list-style-type: none"> ▪ 120 villages with improved adaptation capacity 	<ul style="list-style-type: none"> ▪ RIMS and project surveys ▪ Qualitative surveys ▪ Knowledge Platform website 	<ul style="list-style-type: none"> • Programme financing is disbursed in time to support field implementation • LAIPs are prepared and implemented at field level • Farmers are willing to adopt recommended methods and technologies • Technical service support system is strengthened and responds to the grassroots level needs
<p>Outputs:</p> <p>1.1 Participating technical ministries and districts are climate informed</p> <p>1.2 Participatory Local Adaptation Investment Plans prepared</p> <p>1.3 GIS-based planning piloted</p> <p>1.4 Climate change adaptation knowledge enhanced</p>	<ul style="list-style-type: none"> ▪ 3 GIS-based sub-watershed management plans, each covering at least 6 adjoining kum bans developed and implemented; ▪ National climate change adaptation knowledge platform operational and integrated into WOCAT network ▪ 6,000 beneficiary households participate in LAIP preparation (disaggregated by gender and ethnicity of HH-head) ▪ 5 Targeted Districts and 100 Ministries' staff receive - training in climate adaptation 	<ul style="list-style-type: none"> ▪ RIMS and project surveys ▪ Project M&E system ▪ MAF and PAFO statistics 	<ul style="list-style-type: none"> • As above
<p>Outcome 2: Community-based Adaptation Investment Plans sustainably implemented</p> <p>Climate informed and gender-sensitive natural resource management systems and structures established</p>	<ul style="list-style-type: none"> ▪ 4,200 HH report satisfaction with climate adaptation technical service support provided through line agencies (disaggregated by household head gender and ethnicity) 	<ul style="list-style-type: none"> ▪ RIMS and project surveys ▪ MAF and PAFO statistics 	<ul style="list-style-type: none"> • As above in Outcome 1 • Programme financing is disbursed in time to support field implementation
<p>Outputs:</p> <p>2.1 Climate change adaptation fund disbursed</p> <ul style="list-style-type: none"> • <i>Community-based small-scale water infrastructure investments operational;</i> • <i>Community-based Forest Management Programs (CBFM) operational;</i> • <i>Climate change on-farm adaptation innovation fund disbursed.</i> 	<ul style="list-style-type: none"> ▪ 140 villages implement a SACCC LAIP ▪ 4,000 HH adopting at least one new climate resilient agriculture practice ▪ 500 ha of small-scale irrigation established; ▪ 4,000 ha of forest land under CBFM; ▪ 2,000 HH have implemented an innovative adaptive technology 	<ul style="list-style-type: none"> ▪ RIMS and project surveys ▪ Project M&E system MAF and PAFO statistics 	<ul style="list-style-type: none"> • As above • Collaboration with the ADB BCC and FIP project in the districts for synergy and avoidance of overlap