

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Main report and annexes

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Map of the Project Area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 05-10-2022

Abbreviations and Acronyms

AC	Agricultural Cooperatives
ADB	Asian Development Bank
AfD	French Agency for Development
AFN	Agriculture for Nutrition Project
ALiSEA	Agroecology Learning Alliance in Southeast Asia
ANRCB	Applied Nutrition Research Capacity Building (USAID)
AOS	Annual Outcome Survey
APG	Agriculture Production Group
ASAP	Adaptation for Smallholders Agriculture Programme (trust fund, IFAD)
AUO	Office of Audit and Oversight
AWPB	Annual Work Plan and Budget
BALI	Business Action Learning for Innovation
BoQ	Bill of Quantities
CAHW	Community Animal Health Worker
CBO	Community-Based Organizations
CBPP	Community Based Participatory Planning
CC(A)	Climate Change (Adaptation)
CDE	Center for Development and Environment, University of Bern, Switzerland
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CFM	Country Feedback Mechanism
CLEAR	Community Livelihood Enhancement and Resilience (World Bank project)
CM	Community Mobilisers (hired by the project)
CMT	Contract Monitoring Tool
CN	Concept Note
COI	Core Outcome Indicators
COSOP	IFAD Country Strategic Opportunities Programme 2018-2024
COSTAB	Cost Tables
COVID-19	Coronavirus disease 2019 (SARS-CoV-2 virus)
CQS	Selection Based on Consultants' Qualifications
CRIFS	Climate-resilient integrated farming systems at the interface of research, education, and practice
CSA	Climate Smart Agriculture
CSO	Civil Society Organizations
CSP	Country Strategic Plan (WFP)
CTA	Chief Technical Advisor
CTC	Chamber of Trade and Commerces
CU2-5	Children Under 2-5 years of age
CU5	Children Under 5 years of age
DA	Designated Account
DAEC	Department of Agricultural Extension and Cooperatives
DAFO	District Agriculture and Forestry Office
DALaM	Department of Agricultural Land Management
DAW	MAF Division for the Advancement of Women
DC	Direct Contracting
DHO	District Health Office
DICO	District Industry and Commerce Office
DMH	Department of Meteorology and
DNC	District Nutrition Committee
DoPC	Department of Planning and Cooperation

DoPF	Department of Planning and Finance
DPCO	District Project Coordination Office
DPSC	District Project Steering Committee
DPWTO	District Public Works and Transport Office
DSEDPC	District Social Economic Development Committees
DTEAP	Department of Technical Extension and Agro-Processing
EFA	Economic and Financial Analysis
EG	Ethnic Group
EMS	Extension Management System
ENR/CC	Environment and Natural Resources/Climate Change
EoI	Expression of Interest
EPL	Environmental Protection Law
ES	Environmental Safety
ESCMF	Environmental, Social and Climate Management Framework
ESCMP	Environmental, Social and Climate Management Plan
EU	European Union
EVI	Environmental Vulnerability Index
F2F	Farmer-to-Farmer Extension
FA	Force Account (Self implementation) or Financing Agreement
FAO	UN- Food and Agriculture Organization
FBS	Fixed Cost Selection
FIES	Food Insecurity Experience Scale
FM	Financial Management
FMFCH	Project Financial Management and Financial Control Handbook for Borrowers
FMFCL	Project Financial Management and Financial Control Arrangements Letter
FNML	Southern Lao Food and Nutrition Security and Market Linkages Programme
FNS	Farmer Nutrition School
FPIC	Free Prior Informed Consent
FSS	Food System Summit
GAFSP	Global Agriculture and Food Security Programme
GALS	Gender Action Learning System
GAP	Good Agricultural Practices
GBV	Gender Based Violence
GC	General Conditions
GCF	Global Climate Fund
GDI	Gender Development Index
GDP	Gross Domestic Product
GESI	Gender Equality and Social Inclusion
GEWE	Gender Equality and Women's Empowerment
GHI	Global Hunger Index
GII	Gender Inequality Index
GiZ	Deutsche Gesellschaft fuer Internationale Zusammenarbeit GMBH
GNI	Gross National Income
GoI	Government of Lao People's Democratic Republic
GRM	Grievance Redress Mechanism
GST	Group Support Team at District level
HANSA	Health Governance and Nutrition Development Project (MoH, World Bank)
HCI	Human Capital Index
HGSF	Home-Grown School Feeding initiative (WFP)

HH	Household
HHM	Household Methodology
ICB	International Competitive Bidding
ICP	IFAD Client Portal
ICP-CMY	IFAD Client Portal – Contract Monitoring Tool
ICS	Individual Consultant Section
ICT	Information and Communication Technologies
IEC	Information, Education, and Communication
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
IFR	Interim Financial Reporting
IMT	Irrigation Management Transfer
IP	Indigenous People (Ethnic Groups)
IPPC	Intergovernmental Panel on Climate Change
IPPF	Indigenous Peoples Planning Framework
IPRM	Integrated Project Risk Matrix
IS	International Shopping
IVET	Integrated Vocational Education and Training
IWGIA	International Work Group for Indigenous Affairs
IYCF	Infant and Young Child Feeding
KAP	Knowledge, Attitudes and Practices
KM	Knowledge Management
LACSA	Laos Climate Services for Agriculture
LAK	Lao Kip
LANI	Lao American Nutrition Institute
LANN	Linking Agriculture, Natural resource management and Nutrition approach
LARReC	Living Aquatic Resources Research Centre
LCA III	Third Lao Census of Agriculture 2019/2020
LCS	Least Cost Selection
LDC	Least Developed Country
LDH	IFAD's Loan Disbursement Handbook
LECS	Lao Expenditure and Consumption Survey
LFN	Lao Farmers' Network
LPRYU	Lao People's Revolutionary Youth Union
LSIS	Lao Social Indicator Survey
LWU	Lao Women's Union
M&E	Monitoring and Evaluation
MoNRE	Ministry of Natural Resources and Environment
MAD	Minimum Acceptable Diet
MAF	Ministry of Agriculture and Forestry
MAPS	Methodology for Assessing Procurement Systems
MDD-C	Minimum Dietary Diversity for Children
MDD-W	Minimum Dietary Diversity for Women
MIS	Management Information System
MoES	Ministry of Education and Sports
MoF	Ministry of Finance
MoH	Ministry of Health
MoIC	Ministry of Industry and Commerce
MoLSW	Ministry of Labour and Social Welfare
MPI	Ministry of Planning and Investment

MSME	Micro, Small and Medium Enterprise
MSP	Multi Stakeholder Platforms
MTR	Midterm Review
NABP II	Second national agro-biodiversity programme and action plan 2015-2025
NAFRI	National Agriculture and Forestry Research Institute
NAPPWD	National Action Plan on Persons with Disabilities
NCAWMC	National Commission for the Advancement of Women, Mothers, and Children
NCB	National Competitive Bidding
NDC	Nationally Determined Contribution
NDVI	Normalized Difference Vegetation Index
NEET	Not Employed in Education or Training
NGO	Non-governmental organization
NNC	National Nutrition Committee
NNSPA	National Nutrition Strategy to 2025 and Plan of Action 2021-2025
NOTUS	No Objection Tracking Utility System
NPAGE	National Plan of Action on Gender Equality
NPAN	National Plan of Action for Nutrition
NPAVAWVAC	National Plan of Action on Preventing and Elimination of Violence Against Women and Violence against Children
NPC	National Project Coordinator
NPCO	National Project Coordination Office (AFN)
NPSC	National Project Steering Committee
NPV	Net Present Value
NS	National Shopping
NSEDP	National Socio-Economic Development Plan
NSMP	National School Meals Programme
NSPC	National Project Steering Committee
NTFP	Non-Timber Forest Products
NUoL	National University of Lao PDR
NUS	Neglected and Under-utilized Species
O&M	Operations and Management
ODA	Official Development Assistance
OPD	Organizations for Persons with Disabilities
ORMS	Organizational Results Management System
PA	Project Account
PAFO	Province Agriculture and Forestry Office
PAR	Participatory Action Research
PDO	Project Development Objective
PDR	Project Design Report
PDT	Project Design Team
PHC	Population and Housing Census, 2015
PICO	Provincial Industry and Commerce Office
PICSA	Partnerships for Irrigation and Commercialization of Smallholder Agriculture (IFAD-funded project)
PIM	Project Implementation Manual
PLW/G	Pregnant and Lactating Women and Girls
PMU	Project Management Unit
PNC	Provincial Nutrition Committee
PO	Producers' organizations
PP	Procurement Plan
PPC	Provincial Project Coordinator

PPSC	Provincial Project Steering Committee
PRF	Poverty Reduction Programme (MAF / World Bank)
PRM	Procurement Risk Matrix
ProMIS	Project Management Information System (MAF)
PWD	Persons with Disabilities
QCBS	Quality and Cost-Based Selection
RAS	Rural Advisory Services
RDA	Recommended Daily Allowances of nutrients
REoI	Request for Expression of Interest
RET	Renewable Energy Technologies
RFQ	Request for Quotation
RRPMP	Reducing Rural Poverty and Malnutrition Project (MAF / World Bank)
RTM	Round Table Meetings
RTP	Round Table Process
SAMIS	Strengthening agro-climatic monitoring and information systems to the adaptation to climate change and food security in Lao PDR
SBCC	Social and Behavior Change Communication
SBN	SUN Business Network
SCF	Standard Conversion Factor
SCOPE	WFP's beneficiary identity and benefit management system
SDC	Swiss Development Cooperation
SDG	UN Sustainable Development Goals
SDR	Special Drawing Rights
SECAP	Socio-economic and Development Plan
SEDEP	Social, Environmental and Climate Assessment Procedures (IFAD)
SIAP	Social Inclusion Action Plan
SLM	Sustainable Land Management
SNV	Netherlands Development Organization
SO	Strategic Objective
SOE	Statement of Expenditure thresholds
SPO	Senior Procurement Officer
SRI	System of Rice Intensification
SSFSNP	Strategic Support for Food Security and Nutrition Project
SSS	Single Source Selection
SSSJ	IFAD-financed Soum Son Seun Jai - Community-based Food Security and Economic Opportunities Programme
SUN	Scaling Up Nutrition
SUN BN	Scaling Up Nutrition Business Network
SWG ARD	Sector Working Group on Agriculture and Rural Development Technical Assistance
TA	Technical Assistance/Assistant
TOR	Terms of Reference
ToT	Training of Trainers
TSC	Technical Service Centre
UNCT	United Nations Country Team
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
USAID	U.S. Agency for International Development
USD	United States Dollar
UXO	Unexploded Ordnance

UXO Lao	Lao national UXO programme
VAT	Village Agriculture Technician
VDP	Village Development Plan
VIT	Village Implementation Team
VNC	Village Nutrition Center
VNF	Village Nutrition Facilitator
VVW	Village Veterinary Worker
WA	Withdrawal Application
WASH	Water, Sanitation, and Hygiene
WFDF	Women and Family Development Fund (LWU)
WFP	UN-World Food Programme
WHO	World Health Organization
WRA	Women of Reproductive Age
WUA	Water Users' Association
WUG	Water User Group

In line with IFAD mainstreaming commitments, the project has been validated as:

Gender Transformative Youth Sensitive Nutrition Sensitive Persons with Disabilities Indigenous Peoples
Climate Finance Adaptive Capacity

Executive Summary

The Government of Lao PDR (GoL) and IFAD have agreed to allocate part of the Twelfth Replenishment of IFAD's Resources 2022-2024 (IFAD12) to funding the second phase of the Agriculture for Nutrition project (AFN II). Building on the results of the first phase of the Agriculture for Nutrition project, and with support from IFAD and WFP, the Government of Lao PDR (GoL) submitted a proposal to the Global Agriculture and Food Security Programme (GAFSP) in August 2021 for funding the second phase of the Agriculture for Nutrition project (AFN II). In February 2022, the GAFSP Steering Committee agreed to allocate the requested full amount and approved a grant of US\$20 million to implement the project as outlined in the funding proposal. The intention is to complement the GAFSP grant with an IFAD loan of US\$13.2 million.

The economy of Lao PDR has been through a rapid transition over the last two decades, with strong growth and large investments in the natural resource sector (hydropower, mining, land concessions) and infrastructure (railways, toll ways). However, since the start of the COVID-19 pandemic in 2020, socio-economic development has been constrained by increasing macroeconomic instability (public debt, inflation, stagnant GDP growth), growth in joblessness, rising inequalities, and growing vulnerability to climate change, environmental degradation, and shocks (e.g., economic, health, and natural). These challenges have been aggravated by the ripple effects on global supply chains of the Ukraine conflict.

The agriculture sector remains critically important to the rural economy, employing more than 60% of the work force (64% for women), with most agriculture workers being self-employed in small-scale and primarily subsistence family farming. The agricultural sector has transitioned towards commercial production of raw products for export. Higher incomes generated from commercial agriculture accounted for 80% of the decline in poverty (from 25% in 2013 to 18% in 2019). However, poverty in rural areas is three times higher than in urban areas, and rural households remain disproportionately affected by poverty, food insecurity, and malnutrition.

The development problem is that farmers and rural households living in remote uplands of Lao PDR, including women, youth, ethnic groups, and persons with disabilities have not benefitted from strong economic growth and are disproportionately affected by food insecurity, malnutrition, and poverty. The multiple root causes of the problem have been further exacerbated since 2020 due to the combined effects of the COVID-19 pandemic and the impacts of the Ukraine conflict on global supply chains in 2022.

Building on the success and lessons learned from the first phase, AFN II aims at addressing the above development problem by investing in nutrition-sensitive agriculture interventions and by adopting an inclusive, gender-transformative approach. AFN I demonstrated that by promoting sustainable climate resilient agriculture practices, and strengthening the capacity of community based-organizations, household income has increased and there has been significant improvement in nutritional outcomes. A decentralized approach and community-based planning processes have enhanced ownership and sustainability and have visibly empowered rural women, including members of ethnic groups.

Geographic targeting follows criteria-based selection, focusing on poverty, food security, nutrition, and climate vulnerabilities. AFN II is a scaling-up phase, expanding out beyond the Government's twelve, priority, "convergence districts" in four northern provinces to encompass twenty districts in six provinces, including: Phongsaly, Oudomxai, Xiengkhouang in the north and Salavan, Sekong, and Attapeu in the south.

AFN II adopts a two-pronged approach in: (i) five (5) priority convergence districts, where many development projects are already investing in agriculture and nutrition. Here, AFN II will focus on the graduation of CBOs established during the first phase and multi-sectoral planning in line with the National Nutrition Strategy and Plan of Action (NPAN 2021-2025) and (ii) fifteen (15) "non-convergence" districts. Here, AFN II will invest in interventions in nutrition, agriculture, market linkages, productive and market infrastructures, capacity building, and strong partnerships with public, private, and civil society organizations (CSOs).

Out of a total of 500 target villages, AFN II will support 125 in convergence districts which have already received support in the first phase. It will also support 375 villages in non-convergence districts, including villages involved in the recently completed, IFAD-funded, FNML project in the three southern provinces. Village selection will be based on the same criteria in both cases and will integrate government criteria for Poverty Graduation and Development as defined by the Decree 348.

Target groups. The intended target population is 168,000 people in 28,000 households. The target population will include: (a) Children Under 5 years of age (CU5s); (b) adolescent girls (age 10-19); (c) women of reproductive age (WRA age 15-49 years, including PLW/G); (d) youth (age 15-35); and (e) others (ensuring 50% female). The project will support vulnerable households and individuals most likely to be left behind, such as women-headed households (2%), persons with disabilities (2%), Lao migrants returning to rural areas due to COVID-19 impacts (5%), ethnic groups other than Lao/Tai (at least 70%). AFN II is a nutrition sensitive and gender transformative project.

The Project Goal is to enable 28,000 vulnerable households living in the project area to raise their income by 20% by 2030.

The Project Development Objective is to enable 28,000 vulnerable households living in the project area to improve their food and nutrition security, enhance their climate resilience and increase smallholders' income by 2030. The project goal and PDO are aligned with the revised COSOP 2019-2024 strategic objectives and directly contribute to SDG 1 and SDG 2 as well as the Government's ninth Socio Economic Development Plan (SEDP 2021-2025). They are also aligned with the United Nations Sustainable Development Cooperation Framework 2022-2026 for Lao PDR.

Component 1 (Community-driven agriculture and natural resources-based nutrition interventions establishment) will have two main outcomes. The first outcome is to improve the nutrition Knowledge, Attitudes and Practices (KAP) of the targeted poor and near-poor smallholder farmer households most at risk of food and nutrition insecurity, which has been further exacerbated by the COVID-19 pandemic. This outcome will be achieved through Subcomponent 1a: Improved nutritional status of women, children, girls, and other vulnerable groups, which is supervised and implemented by WFP in close cooperation with the MAF and Provincial Agriculture and Forestry Offices (PAFO), District of Agriculture and Forestry Offices (DAFO) and provincial and district convergence agencies (education and sports, health and LWU).

Subcomponent 1a will produce the following outputs: (i) 28,000 households receive improved nutrition services and training (FNS, SBCC, training, promotion of wild foods in local diets); (ii) 15,000 people, mainly women, implement home garden grants and receive training; and (iii) 400 villages receive support for food conservation and storage, including 250 rice banks.

The second outcome of Component 1 is to enable the aforementioned households to adopt environmentally sustainable and climate-resilient technologies and practices in order to increase and diversify their agricultural production, manage their natural resources more sustainably, increase their income, and enhance their resilience to climate threats and COVID-19 pandemic impacts and other threats, including the current economic crisis. This outcome will be achieved through Subcomponent 1b: Improved agricultural productivity of selected commodities, which will be supervised by IFAD and implemented by MAF and its decentralized offices at provincial and district levels (PAFO and DAFO).

Subcomponent 1b will produce the following outputs: (i) 22,400 household members receive productivity enhancing support by implementing grants for Agriculture Production Groups (APGs); (ii) 10,000 households receive inputs or services on climate resilient or sustainable agriculture practices; (iii) 68,000 ha of land-area receive improved production support; and (iv) 970 producer-based organizations are supported (860 APGs and 100 WUG).

Component 2 (Business partnerships and market access improvement) aims at improving physical access to markets, processing and storage. It will produce the following outputs: (i) build or rehabilitate 375 processing, storage, and market facilities (storage, collection points, etc.); (ii) support 600 producers' organization (APGs) to engage in formal partnerships/agreements or contracts with public or private entities in food value chains, through Multi-Stakeholder Platforms (MSP) and matching grant facilities; (iii) 50 MSMEs join the SUN Business Network as new members and receive business development, marketing support, and access to finance; and (iv) rehabilitate existing rural access tracks.

Component 3 (Enabling environment and partnerships) aims at improving multisectoral planning in support of achieving the target set in the NPAN 2021-2025 as well as improving service delivery to rural communities by involving CSOs. It will deliver the following outputs: (i) 30 substantive deliverables on food security and nutrition processes are completed in the form of multisectoral nutrition plans linked with the current NPAN and SEDP for the period 2021-2025; (ii) 5 knowledge products are completed with project support related to agriculture, natural resources management, promotion of wild foods, and food/nutrition security thus contributing to policy dialogue and preparation of the NPAN and SEDP for 2026-2030; and (iii) around 40 CSOs directly contribute to supporting communities in implementing their village nutrition plans and other nutrition-sensitive interventions involving women, youth, ethnic groups and People with disabilities.

Implementation arrangements and partnerships: AFN II is a 7-year project expected to start in mid-2023 and to be completed in mid-2030. The implementation arrangements will broadly follow the structure and processes in place for the implementation of AFN phase 1 with a strong focus on partnerships. The Ministry of Agriculture and Forestry (MAF) will be the implementing agency, through its Department of Planning and Cooperation (DoPC).

Subcomponent 1a will be implemented by WFP and the nutrition convergence line agencies: agriculture and forestry, education and sport, health, and the Lao Women's Union. The National Agriculture and Forestry Institute (NAFRI) and the Center for Development and Environment of the University of Bern (CDE) will be involved for the promotion and conservation of wild foods in local diets. Subcomponent 1b will be mainly implemented by MAF line agencies at district level in support of the CBOs at village level: for example, agriculture production groups, village agriculture technicians, village veterinary workers.

Component 2 will involve private actors in food value chains and APGs in multi-stakeholder platforms (MSP) to promote business relationships. MSMEs will be supported through the SUN business network for business planning, access to markets and financial services, etc.

Component 3 will be implemented by MAF and WFP and support nutrition committees at all levels (village, district, province and national) and multisectoral planning processes. CSOs participation will be supported by a Challenge Fund. The Project Monitoring and Information System (ProMIS), based at DoPC, will also be supported to enhance coordination and synergies between development projects in the agriculture sector.

Financial management and procurement. The MoF shall open two Designated Accounts (DA) denominated in US dollars in the Bank of Lao PDR for receiving and holding the loan and grant proceeds. The NPCO shall open and maintain an account denominated in LAK for project operations called the "Project Account". The Project Account shall be funded and replenished as necessary from the resources held in the Designated Accounts, upon request of the NPCO and in accordance with expenditures incurred under approved AWPBs.

Financial support for investments in agricultural intensification, MSME and CSOs shall be transferred directly into the accounts of the concerned groups and/or enterprises and CSOs. To this end, the NPCO shall, upon receiving full and correct documentation, request arrangements for a direct transfer of the funds. This modality is already practised in AFN I.

Project costs and financing. The total cost for the 7-year AFN II Project is estimated at US\$48.33 million (LAK 726.68 billion) including contingencies. The total base costs are US\$40.72 million (LAK 612.11 billion). Physical and price contingencies account for US\$1.22 million and US\$6.40 million, respectively (3% and 15.7% of the total base costs).

The IFAD loan will finance US\$13.24 million or 27% of total project costs. This includes: US\$4.76 million or 17% of Component 1, for which the total cost is US\$27.91 million; US\$1.40 million or 19% of Component 2 (US\$7.44 million); and US\$7.07 million or 54% of Component 3 (US\$12.99 million). IFAD will contribute US\$7.74 million (78%) to the Project Management of US\$9.96 million.

The GAFSP grant provided is US\$20 million of which US\$12 million (60%) will be implemented through IFAD as the Investment Supervising Entity and US\$8 million (40%) through WFP as the Technical Assistance Supervising Entity.

The part of the GAFSP grant implemented through IFAD will finance US\$12 million, or 25% of the project costs, including: (i) US\$8.40 million or 30% of Component 1; (ii) US\$0.97 million or 13% of Component 2; and (iii) US\$2.63 million or 20% of Component 3.

The part of the GAFSP granted implemented through WFP will finance US\$8 million, or 17% of the project costs, including: (i) US\$6.55 million or 23% of Component 1; and (ii) US\$1.45 million or 11% of Component 3.

MSMEs and CSOs will finance US\$1.44 million or 3% of total project costs for the matching grant facility under Component 2. These contributions are expected to be either in cash and/or in kind. Civil Society Organizations (CSOs) will finance US\$0.30 million for the Challenge Fund under Component 3. Contributions from CSOs are expected to be in kind.

The beneficiaries will finance US\$2.13 million or 4.4% of total project costs and GoL will finance US\$4.81 million or 10% of the total project costs.

Economic and Financial analysis. The primary source of economic benefit from the project is derived directly from component 1, subcomponents 1a and 1b, and component 2. The rest of the project activities will create an enabling environment for the project to achieve the intended economic benefits. Fifteen (15) economic models will be developed to assess impacts on the target beneficiary and society.

The results of the Financial Analysis show that, although all proposed activities have positive NPVs, poultry raising, goat raising, and irrigated crop diversification after wet season rice activities are most attractive to the target beneficiary. They are the most profitable and less risky activities and have a positive impact on poverty, food security, and nutrition.

The results of an Economic Analysis over a 20-year period, which includes all the activities previously described and nutrition benefits, shows that the project is very profitable, with an NPV of LAK 507,621,786,567, corresponding to US\$34,281,385 and an Economic Rate of Return of 26%. These results are very satisfactory, particularly because some of the benefits are not quantifiable, including job creation linked to infrastructure maintenance, and the health benefits of more nutritious meals for families.

A sensitivity analysis confirms that the project would remain profitable in the event of a cost increase of 28% and decrease in benefits of 17%, or a cost increase of 11% and decrease in benefits of 10%. The project would also remain profitable if benefits were delayed by one year.

Project Risks. The overall risk profile is medium, but financial and procurement risks are high and could seriously affect the project. To ensure adequate risk mitigation, AFN II will employ financial management staff at district levels and apply a comprehensive package of financial management measures.

Financial risks. AFN II replicates the success of AFN I with the intention that most of the NPCO staff from Phase 1 will be retained and that its project's governance, current FM systems and arrangements will continue into phase 2. For this reason, the financial management inherent risk is moderate and residual risk is low.

The environmental and social risk category for the project is assessed as high. The project activities will likely generate environmental and social risks and impacts related to the following Standards – Biodiversity, Resource Efficiency and Pollution Prevention, Nutrition, Cultural Heritage, Indigenous People, Labour and Working Conditions.

The Climate risk category of the project is assessed as moderate. Key climate-related hazards identified in the project area are landslides, cyclones, extreme heat, flooding and wildfires while water scarcity is assessed a low, as long as the abundant surface and groundwater resources can be mobilised in a sustainable manner.

Target group engagement and feedback. The engagement and feedback mechanisms of ANF II will establish inclusive, fair and transparent processes and formal communication channels for target groups and other stakeholders to participate in all stages of each intervention, from planning to implementation, monitoring and evaluation. Free Prior Informed Consent (FPIC) and Grievance Redress Mechanisms have been included in the design in line with national regulations and IFAD requirements.

M&E and KM functions from AFN I have been upgraded in the second phase. The project M&E system will apply IFAD Core Outcome Indicators (COI) measurement guidelines to measure all IFAD COIs at baseline, mid-term, and completion. M&E training will be conducted for district-level M&E TA and an automated bilingual system will be created. To avoid double counting, a household ID system will be integrated into the database, with a summary table of project beneficiaries disaggregated by sex, age and ethnicity. The M&E and KM functions are designed to ensure that data and information are readily available to guide management decisions, that feedback on achievements get to policymakers, and that lessons learned are integrated into the next round of planning for the SEDP and National Nutrition Strategy and Plan of Action 2026-2030.

1. Context

A. National context and rationale for IFAD involvement

a. National Context

1. Political, economic, and social context.

2. **Political context.** Lao PDR is governed by the principle of “democratic centralism” and led by a single party, the Lao PDR People’s Revolutionary Party (LPRP), headed by the Party’s Central Committee and managed by the Politburo^[1]. The political system has maintained stability, peace and security in recent decades, but is facing structural challenges. These include rising public debts, an unfavourable investment and business environment, rising youth unemployment and persistent gaps in law enforcement to the detriment of disadvantaged people. The market-economy model prevalent since 1986 relies on natural resources exploitation (hydropower, mining, land concessions) and has resulted in environmental degradation, displacement of people, and significant rural-urban disparities (UN [Common Country Analysis](#), 2021).
3. As stated in the 1991 Constitution, the National Assembly is elected every five years and is the legislative branch which adopts laws, strategic plans and state budgets. Space for participation by civil society and the private sector is expanding, but remains severely constrained. Reforms stem from the will and commitment of the central government, rather than being demand driven.
4. Lao PDR ranks below the regional average on governance performance indicators Government effectiveness, control of corruption, regulatory quality, rule of law and voice and accountability^[2] ([Worldwide Governance Indicators](#), 2020).
5. Within the framework of the decentralisation policy (*Sam Sang* or ‘Three Builds’), the country has three levels of local government: provincial, district and village level. This assigns villages as being the development units, districts as the integration units for planning and budget preparation, and provinces as the strategic units. Under this policy, financial devolution and delegation of financial decision-making to sub-national levels of government has occurred, but overall control is retained at the central level.
6. Overall, Government effectiveness has worsened since 2017, reflecting a decline in public administration performance and indicating gaps in the capacity building of local authorities and line agencies, in particular at subnational levels. Lack of intersectoral coordination and limited use of digital technologies also undermine the ability of public agencies to effectively deliver services to citizens and support, promote and protect private sector investments.
7. **Economic context.** Lao PDR transitioned from a low-income economy to a lower-middle income economy in 2011. Graduating from a Least Developed Country (LDC) status is a high priority for the government. In early 2021, Lao PDR met the threshold for all three graduation criteria^[3] and was recommended for graduation with an extended preparatory period of 5 years. This laid the path for graduation from LDC to Developing Country status in 2026.
8. Gross Domestic Product (GDP) growth averaged 7.5% per year between 2010 and 2019, while the agriculture sector grew by 2.5% per year. Over the same decade, the contribution of agriculture to GDP has decreased from 22.6% to 16.1%, while the share of the industry and services sectors increased to reach 31.5% and 41.5% respectively. This economic transition has seen a significant part of the labour force moving from on-farm to off-farm employment. However, the agricultural sector remains critically important to the rural economy, employing more than 60% of the work force (64% for women), with most of agricultural workers being self-employed in small-scale family farming, primarily for subsistence.
9. As in other resource-rich countries, economic growth in Lao PDR has been driven by capital accumulation in the natural resource sectors, primarily in hydropower and mining. The current economic model has generated “jobless growth” and rising inequalities. As measured by the Gini Index, inequality went up from 36.0 in 2012-2013 to 38.8 in 2018-2019. The current growth model has not allowed the poorest to close the income gap.
10. The latest World Bank Country Diagnostic indicates that the public and private capital stock is estimated to have increased from \$28 billion in 2000 to almost \$190 billion in 2019 in constant 2017 US dollars. However, these investments have been mostly financed through the accumulation of foreign debt. Total public and publicly guaranteed debt has increased considerably to \$14.5 billion in 2021, or 89% of GDP. The government has also heavily invested in flagship infrastructure projects including the Lao-China Railway (linking the capital, Vientiane, with the rail network into China) and a modern toll way from Vientiane to Vang Vieng District in Vientiane Province.
11. Since 2020, the national economy has been impacted by the combined effects of the COVID-19 pandemic and, in 2022, the conflict in Ukraine. The national economy contracted by 0.5% in 2020 and rebounded to 2.3% in 2021, far below the pre-crisis levels. By comparison, the agricultural sector has remained relatively strong, growing by 3.2% in 2020 and 2.3% in 2021. Forecasts for 2022 and 2023 show a slow economic recovery, with GDP expected to grow at rates of 3.4% and 3.7% in 2023 and 2024 (ADB, [Asian Development Outlook](#), 2022).
12. Lao PDR socio-economic development is currently constrained by three main challenges: (i) increasing macroeconomic instability; (ii) jobless growth with rising inequality; and (iii) growing vulnerability to climate change, environmental degradation, and shocks (e.g., economic, health, and natural). The current macro-economic instability is characterised by rising public debt levels, high inflation rates, large current account deficits, low foreign reserves, and stagnant GDP growth.
13. The inflation rate averaged 3.27% over the last ten years (2012-2021). The Asian Development Outlook 2022 estimates that the inflation rate will average 5.8% in 2022 and 5.0% in 2023. However, according to the National Bank of Lao PDR, inflation has increased sharply in 2022, reaching 25.6% in July, pushed by rising oil prices and the depreciation of the kip that increase pressure on prices for imported goods. The national currency has depreciated by about 35% against the US dollar over the year and up to July 2022.
14. Due to the current conflict in Ukraine, fuel shortages and rising prices for agricultural inputs (fertilisers, animal feeds) are directly

affecting agricultural profitability and rural and urban livelihoods alike. Country case studies conducted by IFPRI[4] in nearby Cambodia and Myanmar show that such price increases mostly impact the poor and rural households. This is because they are affected by both rising prices (for food purchases) and declining incomes (from higher energy and fertiliser prices resulting in higher production costs, reduced scope for farm investments, job losses, and COVID related crisis). Such trends are estimated to increase the poverty rate (i.e. +9.7% in Myanmar) and decrease nutrition quality of diets, with decreased consumption of some food groups. In addition, long-term job losses and business closures caused by the spread of COVID-19 will continue to put pressure on household incomes. (World Bank, [Systematic Country Diagnostic](#), 2022).

15. **Social context.** The economic growth model based on natural resources exploitation has not translated into an improvement in human capital. Public spending in this area (including education, health, and social protection) has declined over the past five years, indicating a weakening in social service delivery. General government expenditure on social protection as a percentage of GDP decreased from 0.68% in 2015 (amounting to 2.24% of total government expenditure) to 0.53% in 2019 (amounting to 3% of total government expenditure).
16. In this context, many rural households still face difficulties in accessing adequate education and health services. In 2020, Lao PDR was ranked 126 out of 157 countries in the Human Capital Index (HCI), which measures the progress on human capital that a child born today can expect to attain by age 18 based on health and education conditions. Progress has been made, but the HCI for Lao PDR in 2020 was 0.46, indicating that a child born today will achieve only 46% of their productive potential ([World Bank](#), Sept. 2020).
17. Additional information on the [social context](#) (social infrastructure coverage, social security schemes, worker migration, and other social issues) is available in the “Notes to the PDR”.

Poverty (SDG1), food security and nutrition (SDG2)

18. The Government is committed to achieving the SDG targets and its overarching objective to “leave no one behind”. In 2021, the government published a Voluntary National Review on the Implementation of the 2030 Agenda for Sustainable Development, which is summarised below.
19. **Poverty (SG1).** Government policies succeeded in reducing income poverty rates from 24.6% in 2012/13 to 18.3% in 2018/19. The rate of poverty reduction has been rapid in rural areas, while urban poverty reduction has stagnated. Disparities across regions and provinces have narrowed. The northern and southern provinces experienced a rapid reduction in poverty, except in Attapeu province. Poverty reduction has stagnated in central Lao PDR, previously the wealthiest region.
20. The geography of poverty has shifted toward urban areas and the central region, although rural areas are still home to the overwhelming share of the poor. Poverty in rural areas is 23.8%, which is more than three times higher than in urban areas (7%) (2018-2019).
21. Five provinces, out of eighteen nationwide, account for more than half of the poor in Lao PDR: Savannakhet (20.6%), Oudomxai (8.7%), Khammuane (8.3%), Salavan (8.0%) and Luang Prabang (7.7%). The incidence of poverty is typically higher among agricultural households, Hmong-lumien households and households headed by a person who has not completed lower secondary education or an unemployed person, and such gaps have widened.
22. Multidimensional poverty declined between 2012/13 and 2018/19, especially in rural areas of the northern and southern regions, mirroring a decline in monetary poverty. While the multidimensional poverty headcount rate fell slightly from 9.9% to 7.7% in urban areas, rural poverty fell by 13.6 percentage points to 28.9%.
23. Poverty disproportionately affects younger people: in 2018, 24.3% of persons below 15 years of age and 19.7% of the 15-25 age group were assessed as poor versus 14.7% for the 25-54 age group. Poverty affected both men and women equally (18.5% men were poor versus 18.2% of women). (Source: Lao Statistic Bureau: [Poverty in Lao PDR](#), 2020).
24. Progress made on poverty reduction is expected to be partially reversed due to the impact of the COVID-19 pandemic. The World Bank estimated that poverty is projected to increase to 21.5% in 2020. In the current macro-economic context described above in section (A.i), living standards are under threat and many households are at risk of falling back into poverty.
25. **Food Security and nutrition (SDG2).** In the 2021 Global Hunger Index (GHI), Lao PDR ranks 78th out of the 116 countries. With a score of 19.5, Lao PDR has just reached a level of hunger that is qualified as “moderate”. Significant progress has been achieved over the last decade across three dimensions of the GHI. In 2021, the proportion of undernourished in the population was 5.3% (versus 14.5% in 2012), the under-five mortality rate was 4.6% (versus 6.2% in 2012) and prevalence of stunting in children under five years of age decreased from 44.2% in 2012 to 33.1% in 2021. However, stunting in Lao PDR is still very high compared with the World Health Organization (WHO) benchmark[5] and much higher than the regional average which is currently 21.8% (Source: [Global Hunger Index](#), 2021).
26. Despite the progress made, the triple burden of malnutrition (wasting, anaemia, obesity) remains a major challenge in Lao PDR. The prevalence of wasting in children under five (CU5) slightly increased from 6.2% in 2012, to 9% in 2021. Concurrently, anaemia affects 44.1% of CU5 and 39% of women and girls of reproductive age (WRA) (15–49), making it a severe public health problem[6]. Overweightness and obesity are increasing, with 15.7% of children and adolescents aged 5–19 classified as overweight [7].
27. Notwithstanding improvements in monetary indicators of poverty and non-monetary aspects of household welfare, food insecurity remains a pressing problem among low-income households in rural areas. Around 11% of rural households have poor and borderline food consumption. Insufficient food supply is still a concern in some key provinces such as Phongsaly, Bokeo, Houaphanh, Sekong and Attapeu. These were exacerbated during the COVID-19 period and it is predicted that threats to food

security will remain. (Source: Voluntary National Review of the Implementation of the 2030 Agenda for Sustainable Development, GoL, 2021).

Smallholder agricultural and rural development context

28. Agriculture in Lao PDR is still predominantly a rice-based, subsistence production system driven by targets aimed at food self-sufficiency. Rice production combined with other crops, such as maize, cassava, yams, taro, sweet potatoes, chillies and leafy vegetables comprise the traditional subsistence production system. Agricultural production is meeting or exceeding all the national per-capita food production targets. Rice production reached more than double the national consumption target for 2020, vegetable production was nearly four times, and fruit production was over seven times the target.
29. Lao PDR as a country is, therefore, producing sufficient quantity and diversity of foods for adequate nutrition. However, due to poor connectivity, inefficient logistics and market failures, remote areas in some provinces still face food supply issues (see above section).
30. In Lao PDR, the majority of farmers are smallholders practicing subsistence, family-focused, agriculture. They have the potential to develop their farm businesses if they have access to training, technology, commercial markets, and finance,
31. The country's food balance in terms of calories reflects the subsistence nature of production. According to FAO, 97% of the calories consumed by the population continue to come from food produced in the country, while 5% comes from food stocks. Trade plays a minimal role in the food supply; imports account for only 8% of the total food energy (kcal) supply. However, this situation is changing as imports are increasing, particularly of cheap processed foods rich in fats, sugar, and sodium, which could have significant adverse consequences on the local diet (Source: [Comrie-Thomson, et al., 2020, Qualitative Study of Feeding Practices in Lao PDR, World Vision](#)).
32. Food supply in terms of daily calories per capita reflects a diversity of available foods in the country for a balanced diet. Cereals, mainly glutinous rice, are the primary staple of the Laotian diet (60%). Supply of fruits and vegetables account for 13% and beef and poultry production accounts for 6% of the daily food supply per capita. Wild foods from forests and rivers, such as mushrooms, bamboo shoots and wild fish, are also an essential part of the local diet, with regional and ethnic group variations.
33. Very few food products are processed using modern food technologies in the country. The vast majority of food processing industries are small-scale units, employing less than ten people. Primary processed foods include milled rice and dried coffee beans. In addition, food is generally home-processed for better preservation, as most protein-rich and perishable foods are not stored in a cold storage system. Examples of the most traded, traditional processed foods are rice noodles, pickled vegetables, deep fried onions and garlic, dried fish and pork, and local sausages.
34. It should be noted that the main imported food products, in terms of value, are non-alcoholic, sugary beverages (sodas) and processed food, particularly cereals and sugar-based foods, such as cakes, pastries, crackers, instant noodles, confectionery and, sweets, resulting in an increasing trend of overweightness and obesity. Imports of such food products have grown exponentially since the 2000s, confirming the greater dependence of households on purchased, processed foods. Urban supermarkets and informal/traditional marketplaces and retail shops in rural areas increasingly supply these imported foods, such as sodas and processed foods (Source: FAO, European Union and CIRAD. 2022).^[8]
35. The main climate hazards affecting rural households and smallholder farmers in the project intervention area are assessed as "High" due to river flooding, landslides, cyclones, extreme heat and wildfires. Water scarcity (agricultural droughts and/or dry spells) is assessed as Low (Source: [Think Hazard report for Lao PDR, 2020](#)). Downscaled climate vulnerability analysis is available in SECAP, Annex 5 of the PDR.
36. Additional information on theagricultural and rural development context is available in the "Notes to the PDR".

National strategies, policies and/or programmes relevant for smallholder agriculture, rural poverty reduction and enhanced food security

37. The overarching framework guiding socio-economic development is the 9th Five-Year National Socio-economic Development Plan (NSED 2021-2025). The project directly contributes to the first four expected outcomes, namely: Outcome 1: Stable, quality, continuous and sustainable economic growth; Outcome 2: Improved quality of human resources with enhanced research capacities and abilities to meet development needs and use science and technologies to improve efficiency and add value to (agricultural) production and services; Outcome 3: Gradually enhanced material and mental well-being for people due to increased food and income security; and Outcome 4: Environmental Protection and Natural Disaster Risk Reduction.
38. In addition, the Party has recently developed a recovery plan set out in the second National Agenda for 2021-2023 (in Lao: *Vala Hengsaad*) with a set of short-term measures aimed at addressing the current economic and financial difficulties in five priority areas: (i) promoting production for import substitution and export to transition from a consumption to production-oriented society; (ii) strengthen budgetary revenue; (iii) promoting savings and reducing unnecessary expenses by giving priority to the effectiveness of public investments and expenditures and addressing domestic and foreign debt; (iv) achieve financial stability; and (v) giving priority to efficient governance and improved policies, laws and other regulatory instruments. The first national agenda also aims at tackling issues related to illicit drugs and addiction, but these aspects are beyond the scope of the project.
39. **Agriculture.** The Agriculture Development Strategy to 2025 and Vision To the Year 2030 ([MAF, 2015](#)) aims at "Ensuring food security, producing comparative and competitive potential agricultural commodities, developing clean, safe and sustainable agriculture, shifting gradually to modernising towards a resilient and productive agriculture economy, and having rural development contribute to the national economic basis". This sector strategy forms the key policy-guiding interventions under components 1.b and 2 of the project.

40. **Nutrition.** The recently published National Nutrition Strategy to 2030 and National Plan of Action for Nutrition 2021-2025 (NPAN 2021) has identified a set of priority measures that are the guiding elements for the nutrition interventions at village level under component 1a and the multisectoral planning at district and provincial levels supported under component 3. The overall goal of the strategy is to reduce malnutrition among women and children and improve the nutritional status of all Lao people for a healthy and high quality of life. This will contribute to the achievement of national socio-economic development targets by 2025. The NPAN sets out 22 Interventions: 7 are in health, 4 in education, 4 in agriculture, and 8 are multisectoral (1 overlap with health and education and is counted only once).
41. **Food Systems Summit.** Based on the action tracks proposed by the Secretary-General, the technical groups of the Member State Dialogues in Lao PDR identified four key thematic areas: (i) Ensuring safe and nutritious food for all; (ii) Boosting nature-positive food production at sufficient scales; (iii) Advancing equitable livelihoods and value distribution; and (iv) Building resilience to vulnerabilities, shocks and stress^[9]. Both IFAD and WFP have agreed to support the GoL in formulating a National Action Plan by the end of 2022.
42. **Gender Equality.** The Law on Gender Equality (2019) promotes gender mainstreaming across all sectors and includes gender responsive provisions for overcoming cultural beliefs that inhibit women's advancement. However, it does not provide for substantive equality, nor define and prohibit both direct and indirect discrimination according to international standards set out in the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) ([ADB, Women's Resilience in the Lao People's Democratic Republic, June 2022](#)).
43. The Government has recently updated its policy framework for women including the Fourth National Plan of Action on Gender Equality (NPAGE 2021-2025) and the Second National Plan of Action on Preventing and Elimination of Violence Against Women and Violence against Children (NPAVAWVAC 2021-2025) under the leadership of the National Commission for the Advancement of Women, Mothers, and Children (NCAWMC). In particular, the NPAGE prioritizes women's general and reproductive health, political participation, economic empowerment, education, employment, and social protection, which are all directly relevant to AFN II target groups.
44. **Ethnic Groups/IP.** In March 2020, the government issued Decree No. 207 on ethnic group affairs that promotes participation of all ethnic groups in socio-economic development. This calls for all ethnic groups to be provided with equal opportunities for development, ensuring unity and equality. The decree identifies twelve policy areas related to ethnic affairs.
45. Under the decree, all ethnic groups are to be permitted to practise their special customs and traditions in accordance with the country's constitution and laws. The decree also bans all forms of discrimination against ethnic groups. Although the implementation mechanisms remain unclear, this decree represents important legislation relevant to the ethnic groups involved in AFN II implementation.
46. The National Strategy on Climate Change of the Lao PDR, Vision to the year 2050, Strategy and Programs of Actions to the year 2030, the National Strategy on Disaster Risk Reduction 2021-2030 and the National Green Growth Strategy of the Lao PDR till 2030 are also relevant to the AFN II target groups. They are facing the threats and challenges posed by climate change and the increased frequency of extreme climate events and other disaster risks. The [National Strategy on Climate Change](#) includes Lao PDR's updated and enhanced Nationally Determined Contribution ([NDC](#)) submitted to the UNFCCC in March 2021

Key actors and institutional arrangements e.g., multi-sectoral platforms.

47. The Ministry of Agriculture and Forestry (MAF) is the key institution responsible for the regulation and promotion of agricultural production. MAF is the key implementing agency of AFN for both phase 1 and phase 2, through its Department of Planning and Cooperation (DoPC). In addition, NAFRI and its various research centers have also been key implementing partners in IFAD funded projects, including FNML and AFN phase 1. Past partnerships between the National Agriculture and Forestry Research Institute (NAFRI) and the Center for Development and Environment (CDE) on agrobiodiversity and sustainable land management will also be further supported under AFN II. At subnational level, PAFO and DAFO (provincial and district agriculture and forestry offices) are the main public stakeholders in charge of delivering services to farmers.
48. Other ministries that have a stake in AFN II design and implementation are the Ministry of Finance (MoF), the Ministry of Planning and Investment (MPI), the Ministry of Industry and Commerce (MoIC, for Value Chain related activities), and Ministry of Natural Resources and Environment (MoNRE).
49. Under the decentralisation policy ("Sam Sang" or 'Three Builds'), the districts, as holistic development units, have a critical role in delivering services to villages and community-based organizations. Districts and provincial authorities and line agencies are represented in the steering committees guiding the implementation of IFAD funded projects.
50. **Civil society organizations (CSOs)** have traditionally been key implementing partners in the IFAD programme in Lao PDR. There are a few CSOs/NGOs, such as the Lao Farmer Network (LFN) among others, that are experienced, qualified, and well positioned. They can provide smallholders and POs with support in organizational and governance aspects of Producer Organizations management, technical services for production and post-harvest, and market access facilitation. Eligible CSOs will be supported in contributing to project outcomes through a Challenge Fund facility under component 3 of the project.
51. **Micro, Small and Medium Enterprises (MSMEs)** involved in agricultural value chains (as both suppliers of inputs and equipment and buyers of agricultural products) are also important stakeholders. However, the agricultural value chain sector is still characterized by the "missing middle" and dominated by informal actors and unregulated trade practices.
52. **Community-based organizations (CBOs)** are also key institutions, albeit informal ones with low management capacity in most cases. Organizations such as Agriculture Production Groups (APG) and Water User Groups supported by AFN in the Northern provinces and by FNML in the three Southern provinces need support in structuring organizational set-up and registering in

formal outfits per the MAF strategy for registering. The current legal framework for registering producer organizations includes Decree 606 on producer groups from 2020 and decree 1150 on Water Users Associations (WUAs), which has not been updated since 2000.

53. Very few organizations have been formally registered under both decrees so far. The main constraints to the development of the CBO sector are the weak management capacity of CBOs, governance aspects, and access to tailored services and financial resources. The few existing registered Agriculture Cooperatives (AC) and WUAs have received intensive organizational and technical support and funding from donors and/or private investors, indicating limited financial and institutional support from the Government.

Multi-sectoral platforms

54. Under the National Nutrition Strategy to 2030, the convergence approach involves three sector line agencies (namely Agriculture and Forestry, Education and Sport and Health), the Lao Women's Union (LWU) and related agencies. These public institutions are formed into nutrition committees at central, provincial, district and village levels. The District Nutrition Committees (DNC) are the key multisectoral platform for coordinated delivery of nutrition-related services to target villages. The DNCs in the twelve priority convergence districts have been supported in their mandate during the first phase of AFN.
55. Multisectoral planning processes aim at ensuring effectiveness and synergies between the multiple on-going donor-funded development initiatives and Government programmes. Under AFN II, support to multisectoral planning will be intensified and scaled up in the new target provinces and districts.
56. In the [Paris Declaration](#) framework (2005), and the subsequent [Vientiane Declaration](#) (2006), the efforts of the Government of Lao PDR to improve aid effectiveness have been supported by various Development Partners. National Round Table Process (RTP) meetings, coordinated by the Ministry of Planning and Investment, are held to bring governments and national development agencies, United Nations bodies, civil society organizations and the private sector together. The aim is to ensure funds, time, knowledge, and maximum development impact across the country. National Round Table Process Meetings are held every five years, in line with national socio-economic development plan cycle. Mid-term review and the Round Table Implementation Meeting (RTIM) are held on a yearly basis to review progress and plan programme implementation for consecutive years.
57. The Round Table Process (RTP) includes [10 Sector Working Groups](#) to coordinate actions among various stakeholders by theme. MAF is the Chair of the Sector Working Group on Agriculture and Rural Development with the French Embassy and FAO as Co-Chairs and relevant Government Ministries and Development Partners as members. Under the SWG ARD, there are Four Sub-sector Working Groups (SSWGs): Agri-business, Forestry, Irrigation, Agro-Biodiversity and Rural Development. Similarly, the SSWGs Chair and Co-Chairs meet two or three times a year as needed to discuss and update achievements and development issues in the Sector.

b. Special aspects relating to IFAD's corporate mainstreaming priorities

58. **Gender.** The 2019 female Human Development Index (HDI) value for Lao PDR is 0.58 compared to 0.636 for males, resulting in a Gender Development Index (GDI) value of 0.927. This puts Lao PDR in Group 3 (i.e., medium equality in HDI achievements between women and men). The Lao PDR Gender Inequality Index (GII) value is 0.459, ranking it 113 out of 162 countries in the 2019 index. (Source: [UNDP](#), 2020).
59. In Lao PDR, women hold 27.5% of parliamentary seats (WB, 2021^[10]) and 35.1% of adult women have reached at least a secondary level of education compared to 46.2% of their male counterparts. For every 100,000 live births, 185 women die from pregnancy related causes; and the adolescent birth rate is 65.4 births per 1,000 women of ages 15-19 years. Female participation in the labour market is 76.7% compared to 80.2% for men ([UNDP](#), 2020). In 2021 and 2022, the World Economic Forum ranked Lao PDR first worldwide in terms of women's Economic Participation and Opportunity, but women still face constraints in Educational Attainment (ranked 109th), Health and Survival (55th) and Political Empowerment (116th) ([WEF](#), 2022).
60. Although the Government policies mentioned in the section above have narrowed the gender-equality gap between Lao women and men, girls and boys, the influence of gender norms and traditional roles is still one of the major obstacles to achieving absolute gender equality. This is highly visible in decision-making throughout all sectors and at the community level, where non-Lao-Tai women struggle to participate on equal terms and in equal numbers.
61. While many traditional norms within Lao-Tai cultures are favourable to gender equality (women are often financial decision-makers, inherit land and property more often, and have equal access to education), the other three ethnolinguistic groups^[11] have stronger patriarchal traditions and norms, limiting women's access to decision-making, property, and education. Violence against women and early marriage^[12] as part of traditional practices, including "bride kidnappings" and child marriages, challenge women from all ethnic backgrounds in Lao PDR.
62. In remote rural areas, women are disadvantaged and face discrimination in terms of economic empowerment, workload and division of labour, access and control over assets and having a voice and role in decision making. AFN II is designed as a gender transformative project and therefore intends to make it a priority to address these constraints faced by rural women (see details in AFN II Social Inclusion Action Plan (**SIAP**) in Annex 5 – SECAP, appendix 2).
63. **Youth.** The Lao population age 15-35 is estimated a comprising 50.8% of the total population (25.5% male and 23.5% female). The agricultural census in 2019/2020 indicated that young people age 15-35 represent 36% of the agricultural population.
64. The 2015 Population and Housing Census findings reveal that almost 60% of the Lao population is below the age of 25 [PHC](#).

2015) and 70% live in rural areas. In terms of access to education, the census showed that “at least at primary and secondary levels, females were almost on par with males with respect to school attendance (81% of males against 79% of females) aged 6-16 years”. There was also a slightly higher proportion of female dropouts than males (11% and 10%, respectively). Males aged 17-25 years were more likely than females to still be attending school. In this age group, the proportion of females who have never attended school (10%) was nearly twice that of males (6%)” ([Lao Statistics Bureau, 2015](#)).

65. Although not designed as a youth sensitive project, AFN II will reach out to rural youth (at least 25% of total outreach) to ensure they have equal opportunity to participate in and benefit from AFN II's profitable economic activities and become economically empowered. AFN II will also aim at increasing youth voices and influence in rural institutions and organizations through capacity building activities (see details in AFN II Social Inclusion Action Plan in Annex 5).
66. **Indigenous groups.** The Government recognizes 49 ethnic groups and 160 subgroups, which are classified into four different language families: (i) The Lao-Tai; (ii) The Hmong-Mien; (iii) The Mon-Khmer; and (iv) the Sino-Tibetan. The Lao-Tai group represents 67% of Lao PDR's population, along with three major non-Lao-Tai ethnolinguistic groups, namely the Mon-Khmer (21%), the Hmong-Lu Mien (8%) and the Sino-Tibetan (3%).
67. The Lao Government has adopted measures intended to improve the living conditions of ethnic groups. In particular, the government has implemented a village reorganization policy by grouping hamlets into bigger villages. This programme has led to the relocation of ethnic group villages from their original territories to the lowlands, or close to main access roads, where they can have better access to education, healthcare, and other services. Forced resettlements have also been carried out to allow for governmental land concessions to private investors in various sectors (mining, hydropower, industrial plantation) ([IWGIA, 2021](#)).
68. The consequences of this relocation on ethnic groups has been remarkable, as communities were obliged to give up their traditional livelihoods, lifestyles and rituals, as well as their sacred relationship with the forest ([ASEAN, 2015](#)). Moreover, not all resettled communities have seen improvements in their economic situation. According to Philip Alston, UN Special Rapporteur on extreme poverty and human rights, “those living in poverty, ethnic minorities, and people in rural areas have seen very few of the benefits of the economic boom that the Lao Government has been committed to” ([ASEAN Today, 2019](#)).
69. People belonging to ethnic groups in the project area are usually the poorest and most affected by food insecurity and nutrition issues due to various factors related to access to education, healthcare, poverty gaps and dietary social norms. For instance, about 20% of Hmong-Mien households have less than acceptable dietary diversity compared to less than 10% of other ethnic groups. Poverty rates are 10.6% for Lao-Tai ethnic groups compared to 18.1% for the Sino-Tibetans and 32.7% for the Mon-Khmer.
70. In this context, the AFN II design has identified Ethnic Groups (Indigenous People) as a mainstreaming priority, with at least 70% of outreach targeted to be people belonging to them. See details and targeted activities in AFN II Social Inclusion Action Plan in Annex 5.
71. **Persons with Disabilities**[\[13\]](#). According to the Population and Housing Census[\[14\]](#) of 2015, Persons with disabilities in Lao PDR constitute 2.8% of the total population. By comparison, the population-weighted prevalence of Persons with disabilities in the Asia-Pacific region is around 4.6%, much lower than the global prevalence of 15.3% as estimated by WHO (UNDP Lao PDR, [May 2021](#)). However, the prevalence of disability is possibly higher if the definition indicated by the UN Convention on the Rights of Persons with disabilities[\[15\]](#) is used.
72. Lao PDR, in fact, ratified the Convention on the Rights of Persons with disabilities in 2009. In 2014, it issued Decree 137 on the Rights of Persons with disabilities, complemented by the Decree appointing the National Commission for Disabled persons. Through the National Committee for Disabled People and Elderly, the Ministry of Labour and Social Welfare (MoLSW) has developed a draft National Action Plan on Persons with Disabilities (NAPPWD) for 2017-25.
73. Despite the existence of these regulations, Persons with disabilities (PWDs) in Lao PDR continue to face discrimination and barriers. They are often believed to bring misfortune according to cultural beliefs (UNDP Lao PDR, [May 2021](#)).
74. The number of PWDs continues to increase significantly in Lao PDR due to the rise of non-communicable diseases, aging and traumatic injury due to road traffic accidents and unexploded ordnance (UXO) accidents. The Lao national UXO programme (UXO Lao) estimated that around 12,000 UXO-related accidents occurred post-conflict since 1973, including 904 accidents between 1996 and 2017, resulting in 1,154 injuries and 515 deaths. On average of 48% of all reported UXO accidents victims are children or youth in rural areas.
75. The AFN II project does not intend to directly target PWDs and the design is not expected to include specific strategies, actions and resources supporting them. However, the project will identify and monitor the number of PWDs within the project beneficiary groups, ensure they are included in the project consultation processes, and provided with equal voice and opportunities to participate.
76. In addition, the project will sensitize project local communities and authorities on issues affecting PWDs, fighting against any form of discrimination, for example, through gender transformative approaches such as Gender Action Learning System (GALS), Farmer Nutrition Schools (FNS) and other Social and Behavioural Change Communication (SBCC) activities (See details and targeted activities in AFN II Social Inclusion Action Plan in Annex 5).
77. **Food Security and Nutrition.** According to the WHO benchmark, more than 80% of the Lao population is unable to afford a healthy diet, compared to an average of 41.5% in the Asia-Pacific region. One-third of children under 5 (CU5) remain stunted, which is high. In some provinces, stunting impacts over 54% of CU5. Anaemia affects 44.1% of CU5 and 39% of women of reproductive age (WRA) (15-49 years).

78. The triple burden of malnutrition remains a key challenge with high stunting, wasting, and anaemia rates coexisting alongside increasing overweightness and obesity. While stunting rates have declined from 44% in 2011 to 33% in 2017, one-third of CU5 remain chronically malnourished, with large regional disparities, while the prevalence of wasting stands at 9% [16]. Current estimates indicate that stunting in the first 1,000 days of a child's life costs the Government 2.4% of GDP per year [17].
79. The basic causes of malnutrition in Lao PDR include low education levels and poverty. Most of the population live in remote areas that are less integrated into the national infrastructure for health, nutrition and other essential services and disaster-prone environments. Severe reductions in food intake due to harvest losses and inability to purchase nutritious food are also a factor. Lack of adequate post-harvest and processing equipment together with financial cash flow issues also contribute to specific seasonal shortages during the lean season. Poorer households may face difficulties in purchasing additional food to compensate due to limited cash incomes and higher food prices in remote areas.
80. In addition, Lao PDR's ethnic diversity and differing cultural beliefs on appropriate dietary and care practices, particularly for pregnant and lactating women and girls, create challenges in addressing malnutrition, while accounting for context specific opportunities. For instance, many ethnic groups rely on traditional wild food collected in forest fallows and communal areas, but such food sources can be overlooked in approaches aiming to address nutrition issues. In the target districts, ethnic groups still source a large part (25-40%) of their daily diets from the wild, including forests, rivers and ponds (Krahn J., 2005; MoH & WFP, 2017). Such products played a key role in mitigating impacts during the on-going COVID-19 crisis on food security and nutrition (WFP, 2020).
81. Children in Lao PDR are often not fed adequate nutritious foods or frequently enough and thus, dietary diversity is extremely low. Furthermore, dietary diversity at the household level, or even among mothers, does not correlate with dietary diversity among children [18]. These dietary behaviours are attributed to a heavy reliance on staples (rice) and are linked to economic constraints, lack of time or knowledge of mothers and caregivers, food restrictions and beliefs, inadequate Water, Sanitation, and Hygiene (WASH) practices, and lack of access to hygienic sanitation facilities and handwashing practices. In addition, ultra-processed, nutrient-poor, snack foods are increasingly imported and are marketed towards children [19], further challenging child health and nutrition.
82. To address these pressing issues, AFN II is designed as a nutrition-sensitive project.
83. The climate in Lao PDR is influenced by two major weather systems: South Asian summer monsoon circulation and the Westerly Jet circulation. Under these two weather systems, the climate of Lao PDR has two distinct seasons: a monsoon-driven rainy season from May to October accounting for up to 90% of annual precipitation, and a dry season from November to April, with cooler temperatures, particularly between November and January. Based on the updated world Koppen-Geiger climate classification, the target provinces feature three main climates: Tropical monsoon climate (Am), Tropical savannah climate (Aw), and Humid subtropical climate (Cwa).
84. Mean annual temperature is 27°C and mean precipitation is 1866mm. Analysis of historical trends show that annual mean temperature in Lao PDR has risen by as much as 0.05 °C/year, especially in the south. Over the 20th century, Lao PDR's precipitation regime trended towards more intense precipitation periods, with the frequency of months experiencing more than 600mm rainfall increasing. The frequency of droughts and floods over the last three decades has increased.
85. Climate futures: Considerable uncertainty surrounds projections of local, long-term, future, precipitation trends. Most of the climate models predict an increase in annual precipitation rates, with larger changes under higher emission pathways. Climate projections indicate that the monthly temperature for 2040-2059 under the RCP 8.5 Scenario is 1 degree higher compared to the baseline mean temperature. That increase in temperature may be more visible in Phongsaly and Oudomxai than in the three AFN II southern target provinces.
86. From 1970 to 2010, 33 natural hazard events (mostly floods and droughts) were registered, affecting almost 9 million people, and causing economic damages of over US\$400 million. Phongsaly, Houaphan, and Louang Namtha are considered hotspots for the impacts of multiple weather-related hazards, including floods, droughts, landslides, and others.
87. Climate vulnerabilities. Lao PDR has high climate vulnerability and/or exposure to climate shocks [20]. The Lao PDR is one of the most vulnerable countries in the Southeast Asia region with respect to climate change (CC). This is mainly due to its high dependence on climate-sensitive natural resources and its low adaptive capacity.
88. The key CC vulnerabilities in the Lao PDR are caused by flooding and droughts, with the agricultural sector (and those who depend on it) being most vulnerable. Climatic variability, in particular what appears to be an increase in the frequency and severity of droughts in some parts of the country, is already limiting the availability of water for household production in dry seasons, despite abundant surface and groundwater resources.
89. Climate change is already negatively impacting smallholder agricultural production, productivity and food security, necessitating urgent and effective measures for building and/or strengthening adaptive capacities, methods and technologies. Poor, often ethnic groups are the most vulnerable to CC impacts, lacking the resources, services and systems that may enable them to cope with and adapt to it. While AFN II is not designed as a climate-focused project, it includes several elements to strengthen environmental sustainability and climate resilience in the target communities and their economic activities. Ongoing efforts to mobilize climate finance for AFN II have yet to bear fruit, but will continue to be pursued.

Table 1: Mainstreaming theme eligibility criteria

	<input type="checkbox"/> Gender transformational	<input checked="" type="checkbox"/> Nutrition sensitive	<input type="checkbox"/> Youth sensitive	<input type="checkbox"/> Persons with Disabilities	<input checked="" type="checkbox"/> Indigenous Peoples (IP)	<input type="checkbox"/> Climate finance
Situation analysis	<input checked="" type="checkbox"/> National gender policies, strategies, and actors <input checked="" type="checkbox"/> Gender roles and exclusion/discrimination <input checked="" type="checkbox"/> Key livelihood problems and opportunities, by gender	<input checked="" type="checkbox"/> National nutrition policies, strategies, and actors <input checked="" type="checkbox"/> Key nutrition problems and underlying causes by group <input checked="" type="checkbox"/> Nutritionally vulnerable beneficiaries by group	<input type="checkbox"/> National youth policies, strategies, and actors <input type="checkbox"/> Main youth groups <input type="checkbox"/> Challenges and opportunities by youth group	<input type="checkbox"/> National policies, strategies, and actors relevant to people with disabilities <input type="checkbox"/> Main groups of people with disabilities <input type="checkbox"/> Challenges and opportunities by people with disabilities group	<input checked="" type="checkbox"/> international standards, national policies, strategies and key indigenous people's organizations present at national/project level. <input checked="" type="checkbox"/> Describe the main Indigenous people's communities Analyse the important livelihood constraints. Describe opportunities to recognize indigenous peoples' cultural heritage and identity as assets.	
Theory of change	<input checked="" type="checkbox"/> Gender policy objectives (empowerment, voice, workload) <input checked="" type="checkbox"/> Gender transformative pathways <input checked="" type="checkbox"/> Policy engagement on GEWE[21]	<input checked="" type="checkbox"/> Nutrition pathways <input checked="" type="checkbox"/> Causal linkage between problems, outcomes, and impacts	<input type="checkbox"/> Pathways to youth socio-economic empowerment <input type="checkbox"/> Youth employment included in project objectives/activities	<input type="checkbox"/> Pathways to socio-economic empowerment of people with disabilities using a twin-track approach	<input checked="" type="checkbox"/> Pathways to indigenous people's socio/economic empowerment.	No climate adaptation and / or mitigation finance mobilized for AFN II at design stage.
Logframe indicators	<input checked="" type="checkbox"/> Outreach disaggregated by sex <input checked="" type="checkbox"/> Women are >40% of outreach beneficiaries · IFAD empowerment index (IE2.1)	<input checked="" type="checkbox"/> Outreach disaggregated by sex, youth, indigenous peoples (if appropriate) · Output level Cis o CI 1.1.8 Mandatory · Outcome level Cis (at least one of below) o CI 1.2.8 o CI 1.2.9	<input type="checkbox"/> Outreach disaggregated by sex and youth	<input type="checkbox"/> Disaggregate Outreach indicator (C.I. 1) by sex, youth, disability, and (if relevant) indigenous peoples.	<input checked="" type="checkbox"/> Disaggregate Outreach indicator (C.I. 1) by sex, youth, and indigenous peoples. At least 30% of beneficiaries should be indigenous peoples.	

	<input type="checkbox"/> Gender transformational	<input checked="" type="checkbox"/> Nutrition sensitive	<input type="checkbox"/> Youth sensitive	<input type="checkbox"/> Persons with Disabilities	<input checked="" type="checkbox"/> Indigenous Peoples (IP)	<input type="checkbox"/> Climate finance
Human and financial resources	<input checked="" type="checkbox"/> Staff with gender TORs <input checked="" type="checkbox"/> Funds for gender activities <input checked="" type="checkbox"/> Funds for IFAD empowerment index in M&E budget	<input checked="" type="checkbox"/> Staff or partner with nutrition TORs <input checked="" type="checkbox"/> Funds for nutrition activities	<input type="checkbox"/> Staff with youth TORs <input type="checkbox"/> Funds for youth activities	<input type="checkbox"/> Staff with disability inclusion-specific TORs. <input type="checkbox"/> Funds to deliver disability inclusion-related activities.	<input checked="" type="checkbox"/> Staff with indigenous peoples-specific TORs. <input checked="" type="checkbox"/> Funds to deliver indigenous peoples-related activities, including for Free, Prior and Informed Consent (FPIC).	

c. Rationale for IFAD involvement

Development problem

90. **The Development problem** is that smallholder farmers and rural households living in remote uplands of Lao PDR, including women, youth, ethnic groups and People with disabilities, have not benefitted from strong economic growth and are disproportionately affected by food insecurity, malnutrition, and poverty. The multiple root causes of the problem have been further exacerbated since 2020, due to the combined effects of the COVID-19 pandemic, the conflict in Ukraine and the current economic crisis.
91. The underlying (indirect) causes of malnutrition, as identified in the UNICEF framework, include: lack of availability and access to food; severe seasonal household food insecurity; poor infant and young child feeding (IYCF) and childcare practices; lack of access to quality health care and nutrition services; poor water, sanitation and hygiene; and unhealthy household environments. Specifically, in Lao PDR suboptimal breastfeeding and complementary feeding practices are important causes of malnutrition. Children are not fed adequate nutritious foods nor fed frequently enough. This is likely driven by economic constraints as well as a lack of time and/or knowledge by mothers and caregivers. Poor nutrition among women is related to affordability of nutritious foods, which was further exacerbated during COVID-19, and the current global economic crisis. It also results from adolescent pregnancies, gender inequalities and local dietary practices or a vicious cycle contributing to malnutrition and poverty.
92. Agriculture-based livelihoods in the uplands do not generate regular, reliable income due to low productivity of land and family labour, as well as the lack of off-farm employment opportunities. The transition from slash-and-burn subsistence agriculture to short-rotational systems for commercial production has not translated into productivity and income gains to the expected level, further aggravating food insecurity. Farmers lack technical knowledge on recently introduced cash crops and advisory services are irregular and inadequate. In the absence of financial services and markets in remote areas, farmers are unable to mobilise (and properly use) inputs and equipment. Infrastructure for irrigation, storage, and access tracks are underdeveloped or poorly maintained in the unfavourable upland terrain. In addition, weather events linked to climate change (droughts, storms, etc.), as well as pests and disease outbreaks in recent years, have amplified farm-level risks.
93. For value chain actors (enterprises, small traders), aggregating agricultural products from many, geographically dispersed, small-scale producers is a risky and inefficient endeavour. On the other hand, poorly organized producers are generally disadvantaged in business relationships with private enterprises. In case of a contract breach or disagreements on prices and quality standards, both producers and buyers have little recourse to fair mediation due to the low capacity of line agencies and poor intersectoral coordination at the district level.
94. In this context, farm households in remote upland areas are at risk of being left behind and continue to face poverty and malnutrition. Women members of ethnic groups face additional constraints due to gender norms, disproportionate workload in agricultural work, and lack of voice in decision-making. They generally have no control over productive assets (machinery, equipment, and agricultural land).

Rationale for IFAD involvement

95. Since the beginning of its operations in Lao PDR in 1980, IFAD has invested US\$122.4 million to finance 14 projects and programmes related to agricultural development, benefiting more than half a million rural households. This long-lasting and fruitful partnership between IFAD and the Government of Lao PDR is underpinned by a consistent strategy aimed at ensuring poor rural people have increased opportunities for sustainable food and nutrition security and livelihoods. Together with government agencies and development partners, IFAD has identified areas where it has a comparative advantage and complements other donors' activities.
96. Although maintaining a light structure in-country, IFAD^[22] has managed to channel financing and support to the most remote communities through its engagement with several ministries, including the MoF as the institutional executing partner and MAF as the lead Implementing Agency for projects. The leveraging of complementary financing has materialised in the PICSA project co-

funded with ADB, GiZ/GCF. the EU and GAFSP funds for AFN I and AFN II, maximizing synergies and results more efficiently.

97. The rationale for IFAD's involvement is: AFN I received the highest ranking worldwide from the independent GAFSP portfolio review in 2021. Carbon balance (Green House Gas Emissions) of AFN I was ranked third best out of all GAFSP funded projects worldwide. Building on the strong MAF/IFAD/WFP partnership, and the lessons learned from the first phase of AFN, the GoL responded to the GAFSP 2021 Call for Proposals through its public sector window. Consequently, the funding concept note for the second phase of AFN (AFN II) was jointly formulated by the Government, IFAD and WFP in close collaboration with state and non-state actors, including NGOs and CSOs, as well as multilateral and bilateral development partners. It was ranked second best worldwide out of a total of 40 countries that submitted fully fledged concepts.
98. The IFAD value proposition and specific comparative advantage is: While WFP offers a distinctive comparative advantage in promoting a broader integrated nutrition-health approach, IFAD has a clear value proposition in smallholder agricultural technology, linking nutrition to agriculture, building resilience to climate change, developing value chains and linking farmers to markets.
99. Specific comparative advantages for IFAD include: (i) a strong focus on a gender transformative approach with dedicated tools such as GALS; (ii) successful IFAD experiences in Lao PDR and nearby countries, such as Vietnam and Cambodia, in strengthening rural institutions at the community level; (iii) strengthening pluralistic advisory services that also engage lead farmers, agripreneurs and cooperatives; (iv) strengthening private sector engagement, building on IFAD's expanding portfolio of private sector investments, value chain projects (including in neighbouring Vietnam and Cambodia), and rural finance strategy and value chain training and guidelines.
100. With WFP, IFAD has had a clear comparative advantage in tackling multi-faceted issues relating to smallholder productivity, malnutrition, gender equality, and meaningful participation in local agriculture markets through its long engagement in the country. AFN II will scale-up in three AFN I target provinces (Oudomxai, Phongsaly and Xiengkhouang) and in three other provinces in the South (Salavan, Sekong, Attapeu). These were target provinces in the IFAD-funded FNML which had significant positive impacts on income, poverty and nutrition[23].
101. AFN I also demonstrated that promoting small and medium-scale agricultural development, including integrated home gardens and concurrently with intensive nutrition and hygiene related activities, has led to positive changes in nutritional outcomes, particularly in terms of stunting prevalence and increasing incomes across target groups.
102. The rationale for WFP involvement is: WFP is the world's largest humanitarian organization with operations in over 120 countries. WFP has been working in Lao PDR since 1976 and shifted from relief assistance to a development portfolio in 2012. Its value proposition in Lao PDR is to expand and strengthen the Government's school meals programme, support malnutrition prevention, working to enhance community resilience, ensure food security and deliver emergency responses in the wake of natural disasters. Leveraging its programmes, evidence, knowledge, technical expertise and partnerships lessons from AFN I, WFP will supervise and implement nutrition and gender interventions, in close cooperation with the MAF and convergence agencies (education, health and LWU). Specific interventions include farmer nutrition schools, women's empowerment, integrated home gardens, domestic food processing, promoting local food sources (wild foods), community nutrition, and gender and SBCC activities. With WFP's on-going support to the SUN Business Network (SBN), AFN II will intensify aid to existing SBN members and crowd-in the private sector through registration of new members. These SBN members will be linked with the supported APGs after due diligence to the network's requirements and standards, support for business planning, and access to finance and markets. WFP will also be responsible for supporting multi-sector coordination for nutrition at the national and subnational levels. WFP will leverage its existing staff to support implementation. In addition, it will provide an international CTA to the project, a KM advisor, and provincial and district-based staff.
103. The project will also benefit from synergies and complementarities foreseen with IFAD's and WFP's ongoing operations inside and outside the country. Through the Sector Working Group on Agriculture and Rural Development and the MAF, the project will coordinate its activities with other development partners and projects in the sector to avoid duplication and overlap. At provincial and district levels, the nutrition committees will ensure effectiveness and operational synergies between on-going development initiatives, including Government programmes. Complementarities with other interventions will also include the WFP country programme in Lao PDR and the "Challenge Funds" supporting on-going NGO/CSO interventions rather than duplicating them. The project will collaborate with on-going, WFP, school-feeding activities and ensure synergies with nutrition-sensitive interventions such as home-grown school feeding.

B. Lessons learned

104. The lessons learned below are a compilation of stock taking based on previous and on-going IFAD-funded projects including: phase 1 of AFN to be completed in December 2022, the FNML project, for which the completion report was published in June 2021, and the on-going PICSA project. Best practices of development partners and local institutions are also considered, particularly the previous partnerships with NAFRI and CDE. The lessons learned from the last results review for the current COSOP 2020-2024, conducted in December 2021, are also considered. Below is a summary of lessons learned:
105. COVID-19 impacts on FNS: Overall lessons on the COVID-19 pandemic impacts on FNS in Asia Pacific Region[24] also reflect the situation in Lao PDR. They include reduced demand for nutritious diets due to the decreasing amount of money households had available to spend on food, increased unemployment, decreased incomes, especially from informal jobs and remittances, and increased food prices. Reduced access to nutritious diets means a deteriorating nutrition situation, since nutritious foods are often the first to be dropped from household menus in difficult financial situations (WFP, July 2022). Among other interventions, AFN II has introduced the concept of "rice-banks", developed successfully in Lao PDR by WFP, by improving access to staples. These benefit very poor and food insecure households by bridging lean months and avoiding indebtedness.

106. Delays in implementation: All previous projects under the IFAD portfolio in Lao PDR have experienced implementation delays due to set backs in mobilising technical assistance and establishing project procedures (including accounting software, a project implementation manual, etc.). For instance, AFN I faced initial difficulties in district multi-sector planning and technical collaboration. To avoid delays during the start-up phase of the project, the existing AFN I structure, processes, and upgraded tools will be maintained and updated to ensure a swift transition to AFN II (e.g. practical planning tools used by village nutrition committees for village level integrated plans). Capacity strengthening will be carried out among key project staff (in FM, procurement, M&E, etc.) and AFN I technical guides and manuals will be updated. Risks of delays at start-up are overall mitigated by maintaining the management systems already in place.
107. Decentralised approach crucial for community empowerment and sustainability: AFN I has demonstrated the validity of the decentralised implementation model where much of the planning and implementation of project activities takes place at district and community levels. Such an approach has been applied in AFN I and FNML and proved instrumental in empowering rural communities and their organizations. District level capacities will be further strengthened in their technical and project management aspects (including financial management, procurement, and M&E) to ensure adequate support is provided to CBOs, such as farmer groups and village nutrition committees. AFN II will support graduation of existing CBOs to build their capacities and enhance sustainability of investments and scaling-up impacts.
108. Community based participatory planning and coordination is a key entry point for prioritizing locally relevant options out of a pool of projects investment options. In addition, it can facilitate synergies between nutrition and agriculture and across activities. For instance, in AFN I, the link between nutrition and agriculture is becoming more evident with cross-learning between demonstrations, APG and integrated home gardens. The district nutrition planning process also encourages harmonization of approaches and synergies between nutrition-related projects currently being implemented in the 12 convergence districts. Such participatory processes can be complex in the beginning, but AFN II will be able to leverage guidelines and participatory tools developed and tested in AFN, which have accelerated and simplified implementation. Similarly, AFN II investments will be informed by Village Development Plans, village nutrition planning and grant proposals with a stronger focus on profitability, economic viability, market linkages, sustainability, and mitigating social, environmental, and climate risks.
109. Sustainability of infrastructure investments: According to the FNML completion report, the sustainability of infrastructure investments requires the following: (i) good capacity building and decentralization of the tasks to district agencies; (ii) close coordination between district agencies and WUGs during the survey and design stages of the schemes; (iii) good village management structure and regulation along with capacity building, hands-on support and regular supervision from district agencies; and (iv) sufficient funds for O&M generated from the water users and budget commitments from the districts in case of major repairs and maintenance. In addition, AFN II will consider maintenance cost in selecting infrastructure to ensure it can be maintained locally.
110. Farmer Nutrition Schools (FNS): The FNS approach under AFN I was found to be very effective at both empowering women and improving diets and nutritional status^[25]. The FNS survey found that 90% of women that participated in FNS sessions, and received the home garden cash grants, perceived that their nutrition status improved and 95% reported that their child's nutrition status improved. In addition, 96% stated that their nutritional knowledge improved, while 85% stated that their farming knowledge improved. Furthermore, 85% of pregnant women reported that they worked less during pregnancy.
111. Climate resilient agriculture: FNML, in cooperation with NAFRI and CDE, have developed a participatory approach to promote climate resilience and biodiverse agricultural production practices responding to local needs. Several models have proven to be adequate in the target areas for example: (i) mixed yang bong trees (*Persea kurzii*) and broom grass planting in slope areas; (ii) rice-cum-fish culture in paddy fields; (iii) integrated fish and livestock practices; (iv) integrated farming systems; (v) Good Agricultural Practices (GAP) for vegetables and fish culture in plastic-lined ponds; (vi) integrated goat raising in yang bong based agroforestry systems; (vii) vegetable production on sloping land with sustainable land management (SLM) practices; (viii) vegetable production with greenhouses or nethouses; (ix) crop association with coffee and ginseng and soil bunds against erosion (SLM); (x) an enhanced coffee production model; and (xi) irrigating vegetable gardens using solar pumps.
112. Market linkage mechanism: To address difficulties faced in implementing the business partnerships approach along value chains, the FNML completion report highlighted that, apart from ensuring good technical assistance and facilitation support, the project should provide matching grant opportunities to both the lead firms and APGs from start-up. For this, the District Industry and Commerce Office (DICO) and the Chamber of Trade and Commerce (CTC) should engage and play lead roles in promoting inclusive business partnership right at the beginning and continue supporting the chain actors after the project phases out. To ensure produce aggregation and effective synergies with potential buyers, the Multistakeholder platforms (MSP) should facilitate investment decisions in a coordinated manner through early interactions with producers and buyers. Finally, engagement with the SUN-business network shall also help leverage private actors interested in nutrition, global and national knowledge, and guidance on developing nutrition-sensitive public-private partnerships^[26].
113. Sustainable last mile service delivery channels: In the absence of credible rural service providers in remote areas, the role of community-based service providers has proven critical. Village Cluster Staff, Lead Farmers, Village Agriculture Technicians and Village Veterinary Workers play a vital role in delivering last mile service to individual farmers and informal farmers organizations. A cascading system of Training of Trainers (ToT) and coordination/backstopping meetings from central level agencies (NAFRI) to DAFO, village technicians and APGs would be more efficient than direct support of central level agencies to village level. Production of quality inputs by lead farmers to supply APG members can also prove to be a profitable business model where local input supply is bundled with last-mile advisory services and market linkages. AFN II aims at supporting the graduation of these community-based service providers into rural entrepreneurs, by combining service delivery with cash generating activities (such as input production), which builds on the successful model initiated in Cambodia (ref. "Poultry model documented by IFAD^[27]).
114. A detailed analysis of the Lessons learned is available in the Notes to the PDR.

2. Project Description

C. Project objectives, geographic area of intervention and target groups

Goal and Objectives

115. The **Project Goal** is to enable 28,000 vulnerable households living in the project area to improve their income by 20% by 2030[28].
116. The **Project Development Objective** is to enable 28,000 vulnerable[29] households living in the project area to improve their food and nutrition security, enhance their climate resilience, and increase smallholder income by 2030.
117. The project goal and PDO directly contribute to the revised COSOP 2019-2024 strategic objectives: SO1 - Smallholders have enhanced resilience to natural shocks and improved food security and nutrition and SO2 - Increase poor rural people's benefits from market participation. In turn, the COSOP objectives are closely aligned with IFAD's global Strategic Framework.
118. The project impacts will be assessed across five indicators, namely: (i) **Food insecurity** decreased by 20%, as measured by the Food Insecurity Experience Scale (FIES); (ii) **Nutrition**: 14,400 women reporting meeting Minimum Dietary Diversity (MDD-W) requirement; (iii) **Poverty**: 16,800 households with 20% improved income; (iv) **Climate resilience**: 16,800 households with 30% increased climate change resilience (measured by the IFAD Resilience Scorecard); and (v) **Women's Empowerment**: 33,600 women demonstrating improved economic, social, and cultural empowerment (measured by the IFAD Empowerment Index).

Geographic area

119. The project aims to target the most disadvantaged rural areas in terms of poverty, food security, nutrition, and climate vulnerability, where rural household needs for support are highest. The provinces were selected based on government priorities, the number of on-going development initiatives, and the following criteria: (i) 2019 Multidimensional Poverty Headcount Rate; (ii) 2019 Poverty Headcount Rate; (iii) level of food insecurity (Food Consumption Score); (iv) Minimum Dietary Diversity for Children (MDD-C); (v) prevalence of stunting among children under 5 (CU5), (vi) prevalence of being underweight among CU5s; and (vii) climate vulnerability[30]. The next two criteria reflect poverty graduation per the GoL assessment in accordance with the criteria[31] set out in Decree 348 of 2017: (viii) percentage of villages that do not meet GoL poverty graduation criteria; and (ix) percentage of households that do not meet GoL poverty graduation criteria.
120. The same criteria, combined with subnational government priorities and potential complementarities with ongoing development initiatives in agriculture and nutrition sectors, were used to select 20 out of 38 districts in the 6 provinces.
121. **Project area.** As a result of the criteria-based selection process, AFN II will target **five hundred villages (500)** from **twenty districts (20)** in **six (6) provinces** in **Lao PDR** (see Tables 3 and 4 below [32]).
122. AFN II target provinces include Oudomxai, Phongsaly, and Xiengkhouang in the North, and Salavan, Sekong, and Attapeu in the South. The combined population of these six provinces is 1.34 million people[33] or about 224,000 households[34]. The combined population in the 20 target districts is 501,880 people (50% female and 50% male) in about 83,646 households (PHC, 2015).
123. Under a two-pronged approach for district targeting, out of the 20 districts that AFN II will target, **fifteen (15) districts are "non-convergence"** ones, meaning that they are not included in the GoL list of 12 priority districts for nutrition and receive relatively less support from other development programs and projects. Therefore, they **will benefit from the direct support of AFN II interventions throughout all three components**. Out of these 15 non-convergence districts, 5 were also targeted under the IFAD-FNML project which concluded in 2020.
124. The remaining **five (5) target districts** are defined as "**convergence**" districts as they are included in the GoL list of 12 priority districts for nutrition and are receiving support from multiple projects focusing on agriculture and nutrition. These five convergence districts received support from AFN I and several other on-going projects. Thus, the immediate need for further investment is less acute than in non-convergence districts, but gaps in coordination remain to achieve the required impacts. In these convergence districts, AFN II will focus its support on **multisector planning, partnerships (including a Challenge Fund for CSOs), and coordination activities through component 3 only, while enabling such districts to also benefit from AFN II approaches**.

Table 2: AFN II target provinces and districts

Provinces	Convergence districts	Non-convergence districts	Target districts	Target villages
Phongsaly	Boontay, Samphanh, Khua	Phongsaly, Nhot Ou	5	125
Oudomxai	Lah	Beng, Nga, Pakbeng	4	100

Provinces	Convergence districts	Non-convergence districts	Target districts	Target villages
Salavan		Samuoi, Ta Oi, Toomlarn	3	75
Sekong		Dak Cheung, Kaleum, Lamam	3	75
Attapeu		Sanxay, Sanamxay, Phouvong	3	75
Xieng Khuang	Nong Het	Mok	2	50
6 Provinces	5 Districts	15 Districts	20	500

Note: The 5 Convergence Districts are supported by AFN I. **In bold font:** FNML project's 5 target districts.

125. The final village selection will be carried out at the start-up phase of the project in 2023, based on government priorities and the following criteria: (i) Poverty Incidence based on GoL Decree 348 criteria; (ii) interest and potential to engage in selected value chains; (iii) level of climate-vulnerability; (iv) level of support currently provided by other projects (i.e., AFN II will prioritize villages that are not receiving development support/aid from GoL or any other institutions). There will be 125 villages in convergence districts (all AFN I target villages) and 375 villages in non-convergence districts. The 175 target villages of the IFAD funded Southern Lao Food and Nutrition Security and Market Linkages Programme (FNML) completed in September 2020 will be eligible for inclusion in the long list for selection by AFN II in the common target districts^[35].

126. **Rationale for a two-pronged approach.** The two-pronged approach was introduced in the Concept Note where 6 convergence and 14 non-convergence districts were identified. Further data collection during the PDR process adjusted the selection to 5 convergence and 15 non-convergence districts while keeping the scope of activities and the number of beneficiary villages and beneficiaries unchanged. There are 8 convergence districts in Phongsaly, Oudomxai and Xiengkhouang provinces, out of which 5 were selected as target districts for AFN II based on the selection criteria and MAF and provincial government priorities. In these districts, there is a high number of projects being implemented in the areas of nutrition and agriculture. To avoid duplication of interventions in these districts, and consolidate the impacts of AFN I, AFN II will focus on four key areas:

127. (i) **Graduation of established CBOs** and capacity building, in complementarity to the physical interventions and investments funded by the other projects. AFN II will support the graduation of APGs into larger, market-ready producers' organizations and will enhance the sustainability of Village Nutrition Facilitators and other CBOs established in phase 1.

128. (ii) **Market linkages:** for most advanced APGs in convergence districts, the project will assist in clustering them and linking them with the market through multi-stakeholders' platforms (MSP) under component 2.

129. (iii) **Synergies between projects:** To ensure enhanced synergies between projects, AFN II will support multisectoral planning at the district level and will promote better coordination of resources to support the implementing of the endorsed nutrition plans at district and village levels.

130. (iv) **Civil Society participation:** the project will work in partnerships with Civil Society Organizations to support CBOs at village level, promote youth involvement in social and economic activities and will disseminate climate smart agriculture practices. The same outcome indicators as in the 15 non-convergence districts will be measured at baseline, midline and endline to validate the rationale behind this approach.

131. In addition, the villages in convergence districts may also be eligible for support for local food sources and wild foods management (Activity 4 under subcomponent 1a).

Target groups

132. The intended target population is 168,000 people in 28,000 households. This represents about 33% of the combined population of the 20 target districts, which is around 502,000 people. The target population are poor and near poor smallholder farmers and their household members living in the 20 target districts and who are at risk of food insecurity and malnutrition.

133. Following the two-pronged approach distinguishing convergence and non-convergence districts, the project will support around 6,000 households (corresponding to 36,000 people) in the 5 convergence districts and 22,000 households (132,000 people) in the 15 non-convergence districts. Under this approach, around 21% of the project beneficiaries will be in convergence districts and 79% in non-convergence districts.

134. Specifically, the target population will include: (a) Children Under 5 years of age (CU5); (b) adolescent girls (age 10-19); (c) women of reproductive age (WRA age 15-49 years, including PLW/G); (d) youth (age 15-35); and (e) others (ensuring 50% female).

135. Among the above target groups the following will be prioritized: (i) vulnerable households and individuals most likely to be left

behind, such as women-headed households (2%); (ii) persons with disabilities (2%); (iii) Lao migrants returning to rural areas due to COVID-19 impacts (5%); (iv) ethnic groups other than Lao/Tai (at least 70%); and (v) others identified through consultative and participatory community consultation processes during the start-up phase,

Table 3: Expected number of AFN II beneficiaries by target groups

	Estimated number	in % of total
Females, including: WRA, PLW/G 15-49 years of age, adolescent girls (10-19 years of age), and school-going female children (6 -10 years of age)	84,000	At least 50%
Males, including: adolescent boys 10-19 years of age; and school-going male children (6-10 years of age)	84,000	Up to 50%
Total number of direct beneficiaries	168,000 people	
Of Which:		
Youth (age 15-35), at least 50% girls	42,000	Minimum 25%
Children under 5 years of age (CU5)	16,800	Estimated 10%
Ethnic groups members (non-Lao/Tai)	117,600	Minimum 70%
Persons with disabilities	3,360	Minimum 2%
COVID-19 migrants	8,400	Estimated 5%

136. **Ethnic groups.** Across the 20 target districts, ethnic groups represent 85% of the total population, including Mon-Khmer (59%), Sino-Tibetan (15%) and Hmong Mien (11%). People belonging to non-Lao/Tai ethnic groups are usually the poorest and most affected by food insecurity and nutrition issues due to various factors related to differential access to education, healthcare, poverty gaps and dietary social norms. AFN II activities are designed with full consultation of ethnic groups and activities will be implemented applying Free Prior Informed Consent (FPIC). The project will ensure that ethnic groups obtain fair and equitable benefits and opportunities from project-supported activities in a culturally appropriate and inclusive manner, working through their institutions and leaders at the local level. To this end, the NPCO will include a full-time **Social Inclusion Specialist** covering gender, targeting, and social inclusion aspects. Related focal persons will be nominated and trained at district level and quotas set as needed.

137. **Gender.** Within the target area, women and girls make up 50% of the total population (PHC, 2015). The main gender issues in the project area are: disparities in level of education, general literacy, and financial literacy; child marriage and early pregnancy; overrepresentation of women in unpaid and informal sectors, including child and elderly care and underrepresentation in wage employment; bias against women in leadership, especially in holding executive positions or in public office at the commune level; violence against women and girls, including domestic violence; and social norms that limit mobility[36].

138. In this context, AFN II will seek to transform gender power dynamics by addressing social norms, practices, attitudes, beliefs, and value systems that represent structural barriers to women's and girls' inclusion and empowerment, through primarily two gender transformative approaches, i.e., GALS and FNS. These participatory approaches will facilitate dialogue, trust, ownership, visioning, and behavioural change at various levels (individual/household, group/community, institution/organization, and policies/laws). This will be based on context-specific social and experiential learning as issues differ, among other factors, by ethnic background.

139. AFN II gender transformative approaches will explicitly engage with men and boys to address concepts of masculinity and gender within their community/ethnic groups. They will also engage with influential norm holders, such as traditional and religious leaders, lead farmers, agricultural and health extension workers, school principals, and local authorities. Details on how AFN II will meet all three IFAD gender strategic objectives (i.e., economic empowerment, equal voice and influence, and equitable balance in workloads) are provided in the project's **SIAP** in Annex 5- SECAP, appendix 2.

140. **Targeting mechanisms.** The project follows overall national and IFAD targeting approaches and guidelines via all its implementing entities. In doing so, AFN II relies on the following, complementary, targeting approaches.

141. **Geographic targeting.** Based on national priorities, AFN II focuses on geographic areas and communities with a high concentration of food insecurity, poverty and environmental degradation. The selection of the provinces, districts and villages is country-driven and is consistent with national priorities.
142. **Self-targeting.** AFN II activities, such as the FNS or CBO strengthening, are aligned with the priorities, assets, capacities, and livelihood strategies of the identified target groups. These are firstly, groups lacking knowledge of basic hygiene and having poor dietary diversity and limited food preservation and processing and secondly, groups of smallholder farmers engaged in mixed subsistence and commercial production of nutritious commodities, such as vegetables, rice, mushrooms, small animals, and domesticated wild species.
143. **Empowerment measures.** AFN II will develop capacities of beneficiaries to fully participate in project activities, such as planning, financial literacy, and leadership skills development among others. **Procedural measures**, such as grant guidelines and quotas, will be used similarly to ensure including the most vulnerable groups including women and the very poor.
144. **Direct targeting.** AFN II will target women, youth, and ethnic group beneficiaries through (i) established quotas, and (ii) services and resources channelled directly to them, as shown by Table 4 below:

Table 4: Targeting across components

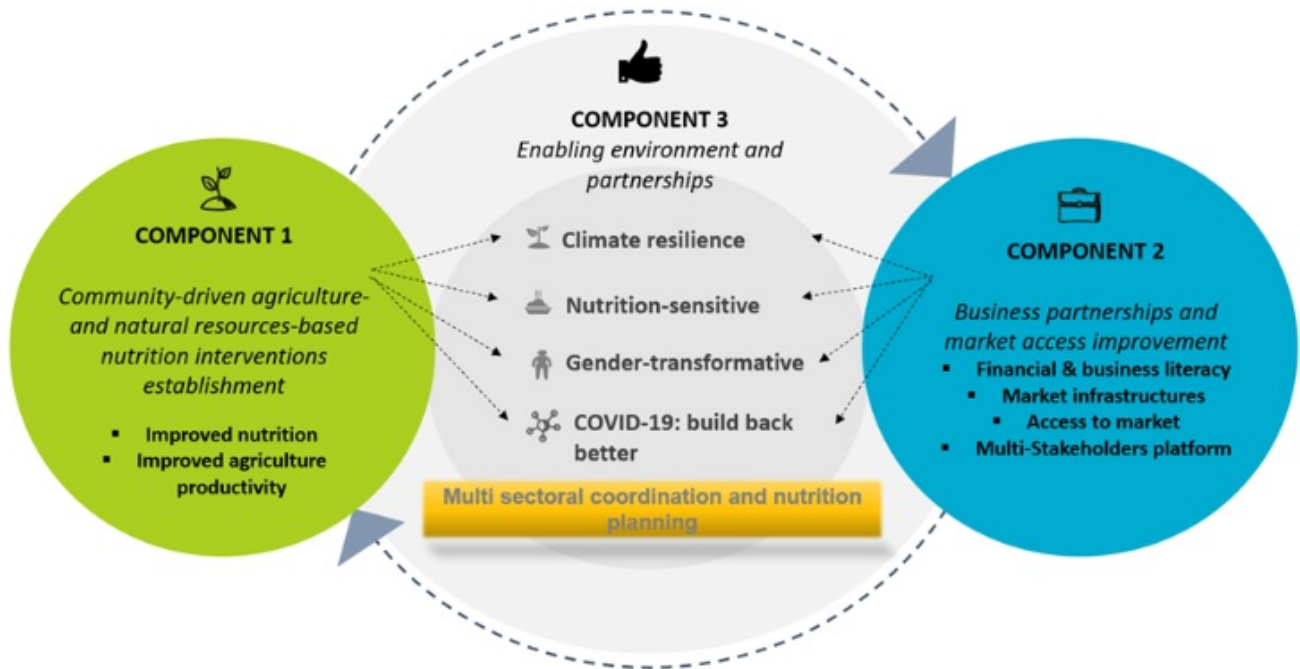
Component	Targeting
Component 1	<p>§ Village nutrition facilitators and lead farmers: at least 40% are female.</p> <p>§ FNS and APGs participants/members: at least 50% are female.</p> <p>§ Women that successfully participate in the FNS are eligible for Home Garden Grants of about US\$120, transferred in Lao Kip. Priority given to pregnant and lactating women and mothers with children under 5 years of age.</p> <p>§ 250 new or existing community village rice-banks are supported and small grants (approx. US\$500) provided to women groups, specifically for small scale food processing activities for domestic and local market purposes.</p>
Component 2	<p>§ People trained in business literacy and management: at least 50% are female.</p> <p>§ Selected MSMEs: priority is given to (i) youth and female-led MSMEs (if any) and (ii) MSMEs with a higher percentage of women and/or youth holding decision-making positions.</p>
Component 3	<p>§ Project staff at all levels: at least 40% of staff are female and at least 30% belong to ethnic groups.</p>

145. The project will include at least 70 Micro, Small and Medium Enterprises (MSMEs) and producer organizations such as Agriculture Production Groups (APGs) and Water User Groups (WUGs), which will participate in project supported activities.
146. Finally, in line with the new IFAD policy on stakeholder engagement, the project will reinforce grassroots institutions and participation of beneficiaries in various groups to strengthen their social capital, networking, and collective voice. Through Community Based Participatory Planning (CBPP), the project will design mechanisms to ensure meaningful participation of the various beneficiaries in project decision making, prioritization of investments, and developing feedback and grievance mechanisms to further strengthen inclusion and mitigate the risk of elite capture.

D. Components/outcomes and activities

147. AFN II features three complementary and interlinked components aimed at addressing the sustainable, inclusive, and resilient recovery of the country's agriculture and food systems in the context of the COVID-19 pandemic by establishing: (1) community-driven agricultural and natural resources-based nutrition interventions; (2) business partnerships and market access improvement; and (3) enabling environment and partnerships. The links and synergies between these different components are fostered through community-driven integrated planning which enables communities and groups to identify priority community activities according to the local context and other opportunities.
148. The project proposes a menu (basket of options for the community-driven approach) of relevant interventions to be prioritized at community level and among groups, depending on priorities and synergies with existing interventions. The range of activities are broadly similar to the ones successfully implemented by AFN I. New activities, such as attention to natural resource management for nutrition or seed banks, build on successful local experiences and are supported by specific competent service providers. To facilitate implementation, relevant activities may also be clustered within manageable administrative units, while accounting for existing, specific, local capacities and service providers. Technical assistance support has also been enhanced at central and district levels, in particular in market linkages and business development. This has been done through partnership with the SUN business network and working through existing and new private sector entities.

Figure 1. Linkages and complementarities between AFN II and components



Component 1: Community-driven agriculture and natural resources-based nutrition interventions established

149. Component 1 will have two main outcomes which support improving natural resource management among the various target-community households. The result will be improved nutrition through activity involving home gardens and main farmland and forest areas. This will benefit men, women, and various households with different livelihood and production systems. The first outcome is to improve nutrition Knowledge, Attitudes and Practices (KAP) among targeted poor and near poor smallholder farmer households who are most at risk of food and nutrition insecurity, which has been exacerbated by the COVID-19 pandemic. This outcome will be achieved through Subcomponent 1a: the improved nutritional status of women, children, girls, and other vulnerable This component is supervised and implemented by WFP in close cooperation with MAF, the Provincial Agriculture and Forestry Offices (PAFO), the District Agriculture and Forestry Offices (DAFO), and provincial and district convergence agencies (education and sports, health and LWU).

150. The second outcome of Component 1 is to enable the aforementioned households to adopt environmentally sustainable and climate-resilient technologies and practices in order to increase and diversify their agricultural production, manage their natural resources more sustainably, and increase their income. It will also enhance their resilience to climate threats, COVID-19 pandemic impacts, and other threats, including the current economic crisis.

151. This outcome will be achieved through Subcomponent 1b: Improved agricultural productivity in select commodities, which will be supervised by IFAD and implemented by the MAF and its decentralized offices at provincial and district levels (PAFO and DAFO).

Subcomponent 1a: Improved nutritional status of women, children, girls, and other vulnerable groups (WFP and IFAD).

152. This subcomponent will be implemented mainly by WFP and consists of the following activities:

153. **Activity 1: Farmer Nutrition Schools (FNSs) and Women’s Empowerment:** The project will establish FNSs in all 375 villages within the 15 non-convergence target districts, targeting a total of 18,000 participants, of which at least 90% are women.

154. FNSs are semi-structured interactive gatherings in villages which are delivered by nominated and trained Village Nutrition Facilitators. Village Nutrition Facilitators are selected in a participatory manner by the village and are respected in their community. They receive an incentive for the time they spend bringing the community together and facilitating FNS sessions. The primary aim of the FNSs is to improve household food and nutrition security and promote women’s empowerment. FNS encourages social behavioural change using several different SBCC tools, such as practical learning sessions and community sensitization. They focus on: household nutrition; food security; basic hygiene and WASH; domestic food preservation and processing; raising small livestock/fish; animal and human health; menu planning with nutritious and indigenous food crops; and overall highlighting the importance of dietary diversity for improved nutrition. FNSs specifically target women of reproductive age (15-49 years) and other vulnerable groups, with priority being given to pregnant and lactating women and girls, adolescent girls, and mothers with children under 5 (CU5). However, they are open to any interested community members wanting to join. WFP, with local partners and specifically DAFO and LWU, will be responsible for formulating and establishing FNS groups in all the villages within the 15, non-convergence, target districts. They will ensure that communities, particularly women, are involved in establishing the FNS groups and the final selection of Village Nutrition Facilitators.

155. **Activity 2: Integrated Home Garden establishment.** Female participants who complete the FNS training modules will be eligible for a Home Garden Grant of around US\$120 in local currency (as of August 2022 this is equal to approximately LAK 1,800,000). Strict priority will be given to women of reproductive age (WRA -15-49 years), pregnant and lactating women/girls (PLW/G), mothers with children under 5 (CU5), as well as the village nutrition facilitators. The project aims to distribute 15,000

grants, to be used for small investment purposes linked to home garden development, such as for seeds, planting material, small equipment, drip-irrigation, fencing materials, small livestock, animal shed construction materials, etc. DAFO will be responsible for distributing the grants as well as monitoring and providing technical support and capacity building for them at the village level. This activity will involve women participating in and completing FNSs. As in Activity 1, the use of digital services will be introduced to support and deliver training, such as the use of portable tablets pre-loaded with multi-language training materials and videos.

156. The project will locally recruit Community Mobilizers who will serve as a last-mile delivery link between the project team at District level and the village authorities and CBOs (Village nutrition committee, village nutrition facilitators, APGs, village agriculture technicians, Village Veterinary Workers, etc.). Community Mobilizers will also play a monitoring role for all project interventions, including, but not limited to, the Integrated Home Gardens. The selected Community Mobilizers will speak local Lao dialects and languages (Hmong, Khmu, etc.) to facilitate communication within the project and feedback loops linking beneficiaries to the project team. They are a critical element in the AFN II stakeholders' engagement strategy.
157. The project will organize intensive, basic, agricultural training for Village Nutrition Facilitators, the selected Lead Farmers, and Village Veterinary Workers. This will be specifically aimed at providing hands-on, technical, extension services to women for establishing home gardens as part of overall FNS learning modules. As under AFN I, this training will be organized primarily at the various Regional Training Centers in Oudomxai, Xiengkhouang, and Pakse. It will focus on hands-on practical learning related to establishing a home garden and raising small livestock. Specific training programs on fish-raising and horticulture can be developed and supported by the project within these centers as well based on community demand.
158. **Activity 3a: Domestic food processing.** This activity will be carried out in the 15 non-convergence districts and may target all the villages, based on community interest. This activity will specifically target 5,000 women.
159. WFP will collaborate with MAF, LWU, DAFO and vocational centers, such as the Integrated Vocational Education and Training (IVET) college based in Oudomxai province to provide sessions on household food processing for preserving in-season produce (sweet potato, pumpkin, cassava, mango, banana) and fish for household consumption and sale at village level (for example, products like nutritious snacks targeted at children). Sessions will cover post-harvest management and safe food storage, preparation and packaging, with attention paid to food safety and preserving nutrient dense foods. Training on food processing and preservation will also include simple packaging techniques and suitable portions for sale. A 'do no harm' approach will be adopted, ensuring that the type of packaging used is environmentally friendly and that the food to be processed focuses on nutritious crops not highly processed, nutrient-poor food options that may negatively impact diets. The training manuals that were developed under AFN phase 1 will be used.
160. The content of the training will be demand-driven by community member needs. WFP and partners will consult with communities to understand their needs related to processing and food preservation. Upon completing the training modules, the trained women groups will be able to apply for Food Processing Grants of US\$500 per group/village. This is intended to be specifically used for small scale food processing activities. For instance, it could be used for purchasing simple dryers, packaging material, sealers, storage equipment for transportation, cooking pots and utensils etc. A total of 375 such grants have been planned as part of the project.
161. **Activity 3b: Establishment of community rice banks.** The main objective of community rice banks is to serve as a community safety net to ensure food (rice) stock availability for vulnerable communities during lean seasons, resulting in improved availability of and access to rice for the participating households. Community rice banks are a proven concept for breaking the cycle of forced rice sales after harvest at low prices and purchasing rice at peak prices. This cycle is a reality for many poor households that face liquidity problems and are not rice self-sufficient. Depending on initial village planning processes and priorities, up to 250 new or existing community village rice-banks will be supported targeting around 5,000 households to ensure access to rice all year round. Both IFAD, through the MAF, and WFP have established and supported rice banks during previous projects with good results and existing implementation modalities and training materials will be used.
162. In the identified villages, WFP and partners will provide support for the construction or rehabilitation of the rice bank structures and provide appropriate training to ensure they are functional and useful to communities in addressing seasonal rice shortages and price fluctuations. To ensure full ownership, the vulnerable communities will decide and agree, through a participatory and gender-sensitive approach, on rice bank locations, construction, management regulations, defining the set roles and responsibilities of the rice bank committee, and outlining loaning and repayment regulations. These rules and regulations also cover repair and maintenance of the rice storage structures for future sustainability purposes. WFP and partners will deliver tailored training to the village rice bank management committees by using existing relevant tools, experiences, and procedures. This will build better capacities for managing and effectively using the rice banks. The project will explore the possibility of providing rice stocks as initial seed capital for the rice banks in targeted communities.
163. **Activity 4: Local food sources, wild foods management.** Despite their high nutritional and economic potential, wild foods are often not fully recognised in agricultural and rural development strategies in the Lao PDR. To address this issue, activity 4 will engage communities and local agencies to better manage such resources and will focus on four complementary approaches:
164. (i) To generate, analyse, and widely disseminate knowledge on wild foods through the agrobiodiversity platform, Phakhao Lao (phakhaolao.la). This platform will be reviewed with help from AFN and upgraded to include information on nutritional values^[37] and on the potentials of wild foods in various agroecological zones and land use systems. This unique knowledge base will contribute to highlighting the important role of wild foods for local communities, extension services, practitioners, and decision makers;
165. (ii) To support province and district authorities in integrating wild foods and aquatic species into agricultural extension programmes and in this way contribute to a paradigm change among extension officers, particularly regarding the use of fallow land in shifting cultivation areas. This will be achieved through tailored capacity building, including on the use of the Phakhao Lao platform in extension services, as well as support in implementing strategies in pilot villages;

- 166.(iii) To support local communities in formulating knowledge-based investment plans and to agree on local by-laws for a sustainable^[38] use of wild foods and aquatic species in their village territories. Such plans will be articulated within the overall village integrated nutrition plans. The project will support communities in approximately 250 pilot villages to implement these plans through the allocation of small investment grants and capacity building. Examples include the setting up of fish conservation zones or nurseries for key species, targeted promotion of such species, development of sustainable value chains, etc;
- 167.(iv) To assess the use and conservation status of wild foods and the impact of the project on both. This will be done by conducting a baseline, mid-term and a final assessment on the role of wild foods in diets, their economic importance to local communities, various issues related to wild species conservation, and changes in the implementing of conservation practices by villagers. Results will be measured in terms of awareness, availability, and consumption of nutritious wild food species in local diets. This monitoring component will provide valuable knowledge for the uptake of project activities within the rural development strategies of governmental and civil society actors.
- 168.This activity will be implemented by the National Agriculture and Forest Research Institute (NAFRI) through three of its centers: the Forestry Research Center, the Living Aquatic Resources Research Centre (LARReC), and the Information Center in partnership with the information center of NAFRI and the Centre for Development and Environment (CDE) at Bern University.
- 169.This activity directly contributes to Integrated Home Garden Grants through the potential domestication of wild food species in home gardens. APGs will also be associated with the planning, implementation, and monitoring of this activity to promote and conserve wild food species in the various components of farming systems.
- 170.**Activity 5a: Community nutrition and gender SBCC activities.** SBCC activities will be implemented in all project villages in the 20 target districts and follow the Lao PDR national strategy for SBCC^[39], drawing on the experiences from AFN I, as well as lessons learned from other partners implementing nutrition SBCC strategies in Lao PDR and in the region.
- 171.The aim of the SBCC activities will be to positively influence nutrition and health related Knowledge, Attitude, and Practices (KAP). SBCC activities will build on the key health and nutrition messages delivered in the FNS and the nutrition training delivered to APG members (component 1b, activity 7) and will be expanded to reach beyond that and target the whole community. Successful activities from AFN I include village nutrition days (the whole community gathers to learn and apply nutrition knowledge in an interactive way, usually with nutrition games and activities), cooking demonstrations, and disseminating key messages via village loudspeakers. The project will also explore digital ways of disseminating information in a meaningful way, which may include social media platforms or targeted messaging focused on key behaviours. As more than 75% of the project beneficiaries belong to non-Lao/Tai ethnic groups, many of them with their own languages, the project will develop SBCC materials in these languages (e.g., Hmong, Khmu), and use images and other visuals to ensure messages are culturally and linguistically appropriate.
172. Specific modules for adolescent girls (age 10-19) will be developed to address issues such as child bearing and early marriage, human trafficking, school dropout, gender-based discrimination, sexual violence and other issues directly affecting adolescent girls. Furthermore, as adolescent girls have increased nutrient requirements compared to childhood, education will focus on ways to increase dietary diversity and meet their particular needs. Implementation of these modules will be coordinated with ongoing activities by UNFPA (United Nations Population Fund). These modules can then be incorporated into the FNS sessions where WFP and LWU staff have identified the need exists.
173. Community level activities will also include the Gender Action Learning System methodology (GALS). The GALS curriculum will be reviewed and adapted to the local situation and will be initially implemented in 25 villages in 5 districts. GALS is a community-led women empowerment methodology that uses principles of inclusion to improve the income, food, and nutrition security of vulnerable people in a gender-equitable way. This approach will address social and cultural bottlenecks to adequate nutrition and gender practices (dietary diversity, optimal child feeding and care practices, WASH, early marriage), and complement the village wide SBCC activities. With support from the Division for the Advancement of Women (DAW) within the MAF and LWU, WFP will assess the existing GALS approaches and develop a tailored package on how to best integrate the methodologies in the project activities, such as the FNSs. At local level, DAW and LWU will provide training of trainers and staff that work directly with the beneficiaries in the villages.
- 174.**Activity 5b: Home-Grown School Feeding (HGSF) initiative:** To strengthen overall community food and nutrition security, and link to school-based nutrition-sensitive interventions, WFP will promote the Home-Grown School Feeding (HGSF) initiative. The HGSF initiative links local smallholder farmers to school feeding programmes to promote and provide safe, diverse, nutritious, local foods to school children. It also helps provide local farmers with a predictable outlet for their produce, leading to stable income, more investments, and higher productivity. In turn, school children have access to healthy, diversified foods, making it more likely that they will stay in school, perform better, reduce early pregnancies, and improve their future job prospects while their parents will have more time for livelihood activities.
- 175.This initiative will target the local smallholder farmers such as those involved in the Farmer Nutrition Schools (Integrated Home Garden Grant recipients) and APG farmer groups. The project will work with primary schools to establish the demand for locally produced nutritious food crops or animal source foods (e.g., meat, eggs) according to the budgets for meals provided by GoL or other partners. Under the project, local smallholder farmers, organized in groups, will be provided support to boost production of these crops through agricultural training and close monitoring. These farmer groups will be supported in making agreements with the schools. The condition is that the farmer groups should be able to provide a continuous supply of nutritious crops that are requested by schools to complement the school feeding programme.
- 176.To complement the HGSF initiative, the project will use SBCC materials and tools developed by the IFAD-PICSA project and WFP Laos. This will provide targeted nutrition education to teachers and school-age children and school cooks which focuses on KAP for improved nutrition and health practices.

177. School feeding in Lao PDR began in 2002 with an agreement between WFP and Ministry of Education and Sports (MoES), and since then, Lao PDR has witnessed expanded and improved education, health, and productivity. In 15 of the AFN II target districts, the National Schools Meals Programme (NSMP) exists. To complement the NSMP, AFN II will target 30 primary schools initially, and continue to work with the government to develop strategies to further support the HGSP initiative, building evidence of its effectiveness and applicability in Lao PDR.

Subcomponent 1b: Improved agricultural productivity of selected commodities (IFAD)

178. This subcomponent aims at promoting the adoption of environmentally sustainable and climate-resilient technologies and practices by smallholders. This subcomponent will be technically supervised by IFAD and implemented by the MAF and its decentralized offices at provincial and district levels (PAFO and DAFO).

179. **Activity 6: Community-Based Organizations (CBOs) Strengthening.** The first phase of the AFN and the FNML project have demonstrated that supporting Agricultural Production Groups (APG) and Water User Groups (WUG) has a direct positive impact on agricultural productivity and incomes. APGs are small self-help groups of smallholder farmers, men and women, engaged in mixed subsistence/commercial production of nutritious commodities, such as vegetables, rice, mushrooms, small animals (goats, pigs, poultry, frogs, insects) and domesticated forest products (cardamom, galangal, bamboo shoots, wild foods species, etc.). Crop and livestock production surpluses have generated diversified income for APG members and under AFN I, the number of households living below the poverty line decreased by 20% over 5 years.

180. AFN II will build on these achievements by scaling up the APG network in target areas. Depending on the specific needs of each community at village level, the project will strengthen the capacity of existing groups established under AFN I, FNML or other projects and/or will facilitate the establishment and development of new groups.

181. Around 860 APGs, two per target village, will be supported in the non-convergence districts, and each APG will have around 20 members, or a total outreach of 20,000 farmers. The APGs will be supported in developing business proposals for co-investment in production and the post-harvest processing of agricultural products, which will be sustained by block grants of US\$6,000 per group. Assessments of crop suitability under different future climate scenarios, as well as market demand, will be undertaken to enhance the climate proofing and profitability of business plan developed. Cost benefit analysis, risk screening, and mitigation measures will be conducted starting at the planning stage in accordance with IFAD Social, Environmental and Climate Assessment Procedures (SECAP).

182. The project will further disseminate the 22 Participatory Action Research (PAR) models developed and tested under AFN I, as well as Climate Smart Agriculture practices, Good Agriculture Practices guidelines (GAP), and Sustainable Land Management technologies ([SLM](#)) aimed at ensuring productivity and profitability through adequate pest management and use of alternatives to agrochemicals.

183. Technical training, business literacy and market linkages are an integral part of the APG capacity strengthening process. APGs are the main participants in the Multi-Stakeholder Platforms under component 2 of the project.

184. This component also includes arrangements to facilitate clustering of small scale informal APGs to graduate into larger formal organizations such as Agricultural Cooperatives. It is expected that ACs are better positioned to aggregate demand for storage facilities and collection points and to deliver services to farmer members. The private sector will also realise efficiency gains from aggregation of higher quality products at scale by ACs.

185. **Activity 7: Agriculture/Rural Advisory Service improved.** Agriculture/rural advisory services (RAS) encompass a broad range of aspects contributing to making farming more productive, more profitable, and more resilient, while ensuring positive social, economic and environmental benefits.

186. The village authorities and community-based organizations will participate in consultations to define gaps and priorities in terms of advisory services. The planning process will build on lessons learned from the recently closed Southern Lao Food and Nutrition Security and Market Linkages Programme (FNML) [\[40\]](#), such as the strong focus on community-based planning (Participatory Local Adaptation Investment Plans), as well from CCA, including Sustainable Land Management (SLM).

187. This activity further develops the approach adopted by AFN I with regard to the framework of the current Lao "Extension for Agriculture" policy. The project will continue to focus on community-based organizations and lead-farmers as key channels for delivering services to smallholders, women, and men. This farmer-to-farmer (F2F) extension approach has proven effective and efficient in ensuring that information and advice is adapted to the specific agro-ecological characteristics and ethnic composition of each village. To enhance the climate resilience of agriculture production systems in the target areas, the extension services will also include linkages with emerging climate information systems in Lao PDR, such as the Lao Climate Service for Agriculture ([LACSA](#)) established by the Department of Meteorology and Hydrology (DMH) of the Ministry of Natural Resources and Environment (MoNRE) and supported by the FAO [SAMIS project](#). Synergies with the GCF-funded follow up project [\[41\]](#) will be developed also.

188. The project will support district-level agriculture officers to provide relevant technical advice and facilitate linkages with service providers, inputs, equipment suppliers, and buyers of agricultural products. The Extension Management System ([EMS](#)) developed by the Department of Technical Extension and Agro-Processing (DTEAP) will be adopted to ensure district-wide orientation, evidence-based decision-making, and management for results. The district agriculture offices are responsible for facilitating farmer learning, organising, and marketing functions. They are also in charge of assessing the technical and organizational skills of lead farmers and certifying Village Agriculture Technicians (VAT) as the last-mile element in the service delivery channel. This certification process ensures that VATs are recognised and supported as an integral part of the extension system.

189. VATs who engage in commercial production of inputs (vaccinated chicks, ducklings, froglets, tree saplings, improved seed, etc.) have demonstrated their capacity to generate a regular income stream from selling inputs. They have also provided sound technical advice to their customers (in terms of broiler producers, frog, fish producers, etc.). Para-veterinary workers (or village veterinary workers) will also be supported in providing fee-based vaccination services and technical advice on animal husbandry. At the local level, these village technicians play a catalysing role in emerging value chains. They enjoy local recognition and trust from fellow farmers and can facilitate market linkages for their network of customers (input buyers). The project will support the emergence of such village technicians as input producers/extension service providers.
190. **Activity 8: Climate Change Adaptation infrastructures (irrigation /MUS) built and upgraded.** The main focus of this activity will be to modernize existing small-scale irrigation and other water management infrastructures to use water more efficiently, productively and sustainably, including through drip irrigation or other water saving techniques associated with Renewable Energy Technologies (RET) like solar pumps. Such infrastructure will be planned in line with a village planning process to ensure synergies and complementarity with programmed production activities (previous activities)
191. Under current climate change scenarios, the agricultural sector will face increased climate variability and the risk of floods, droughts, and heat waves. On the other hand, access to safe fresh water throughout the year is crucial to implementing home garden, agro-forestry, fishery, and agricultural production activities. To mitigate these climate risks and water constraints, the project will support three main types of investments in water-related infrastructures, depending on the existing systems and the community priorities: (i) small scale irrigation systems of less than 100 ha; (ii) Multiple Use water Systems (MUS) to ensure a regular supply of water for home consumption, hygiene, schools, and nearby agriculture production (home gardens, livestock raising, nurseries, upland fields, agroforestry gardens, etc.); (iii) rainwater harvesting and water storage ponds.
192. Feasibility studies will be undertaken by DAFO and DHO with technical support from the district project teams. These studies will include water resource and Social, Environmental and Climate risks assessments and management plans, including climate-proofing measures to ensure resilience and sustainability of investment against extreme climate events (flash floods, landslides).
193. The village authorities will also fulfil a governance role in terms of the fair and transparent allocation of water resources, particularly focusing on the most vulnerable households and women's needs. O&M committees will be established and women, as the primary users, will be encouraged to take a lead role in the decision-making processes. The project will provide capacity building support to the O&M committees to ensure effective and sustainable arrangements. Lessons learnt from AFN I show that water fees are regularly collected based on acreage and used for O&M purposes.
194. These water-related investments will be linked with extension services, such as weather-based crop planning, to mitigate climate risk and encourage water saving techniques in areas affected by risks of frequent drought. At the design stage, funding for only half of these CCA infrastructures is secured. The remaining half of the budget is under the financing gap, pending mobilisation of additional resources. However, this will not directly affect project outcomes as other development initiatives (such as PRF, ADB funded projects, and others) in the same target areas may invest in irrigation and water related infrastructures. Additional funds mobilised for these investments will maximise project impacts and outcomes.

Component 2: Business Partnerships and Market Access improvement

195. Component 2 aims at addressing bottlenecks in the agricultural value chains as identified in the description of the agriculture and rural development context, while trying to better leverage market incentives and partnerships for nutrition.
196. The main focus is to facilitate market access and business relationships between Producer Organizations (APGs, ACs, WUGs), supported and strengthened in component 1, and other value chain actors (buyers of agricultural products, suppliers of inputs and equipment, service providers, etc.). To address constraints in attracting the private sector in such remote areas, a private sector crowding-in approach will be adopted and include: business development support for existing and new MSMEs members of the SBN; multi-stakeholder platforms for business matching with APGs clustered in bigger POs to facilitate product aggregation; and incentives in the form of matching grants to off-set MSMEs' risks of doing business in rural areas. In addition, the private sector will also indirectly benefit from infrastructure development to reduce transaction costs and risks as well as complementary investments. These will be carried out in component 1 to build group capacities and production quality.
197. This component will be technically supervised by IFAD and implemented by the MAF and its decentralized offices at provincial and district levels (PAFO and DAFO) in collaboration with Industry and Commerce offices at the same levels (PICO, DICO) and in partnership with the SBN and MSMEs in the food supply chain.
198. Component 2 will have two main outcomes: (i) 15,000 households reporting improved physical access to markets and processing and storage facilities; and (ii) 600 rural producer organizations engaged in formal partnerships/agreements or contracts with public or private entities.
199. **Activity 1: Support to MSME in food supply chains.** To address structural constraints in the current business environment the project will promote responsible investments to support nutrition-sensitive business partnerships between the public sector, community-based organizations, and private entities. The proposed activities aim to crowd-in reliable private sector entities by encouraging co-investment from community organizations and private companies involved in food value/supply chains.
200. The project will contribute to identifying existing and newly registered private entities to expand SUN Business Network^[42] membership and crowd-in private-sector participation in national efforts to improve nutrition and food security. The SBN members will be priority business partners for Producer Organizations (APGs, WUGs) and village nutrition committees in developing business linkages and market outlets for nutritious food products. The SBN is supported by the WFP Country Office in Lao PDR as part of the Lao, PDR WFP, Country, Strategic Plan 2022-2026.
201. In 2018, with the support of WFP, the Lao PDR SBN^[43] was launched as a platform for capacity building and information

sharing for the private sector involved in healthy food production. The SBN aims to engage and mobilize business at a global and national level to act and invest responsibly in improving nutrition. It currently has over 35 members from the agri-business, food and beverage, and garment sector. To improve nutrition, SBN also works with partners from government, civil society, and development partners.

202. The partnership with AFN II will allow the SBN to broaden its outreach at subnational level and provide MSME members with business development services. It is foreseen that specialized Farmer Groups and MSMEs will forge direct linkages and establish partnerships with private sector entities within the related network through the SBN and additional project support. This, in turn, will provide targeted capacity building to the involved Farmer Groups and MSMEs.
203. The project intends to support approximately 50 existing or new MSMEs in the target districts and provinces and will apply due diligence to ensure that businesses have demonstrated a commitment to the SBN principles. MSMEs registered at district level will eventually become members as a subgroup of the national SBN.
204. The selected businesses will receive support for registration in collaboration with the Departments of Finance, Planning and Investment and Industry and Commerce at the relevant levels. The project will provide business literacy and management training and matching grant facilities in the start-up phase of these businesses. They will have access to regular product supply through partnerships with Agricultural Production Groups (APGs) supported under component 1.b of the project. In their development phase, the SBN members (new and pre-existing MSMEs) will also receive assistance to access financial services.
205. **Activity 2: Business Multi-Stakeholder Platforms.** To address market failures in value chains, the project will follow the business cluster approach that aims at encouraging “many-to-many” relationships, involving a large number of farmers organized in producer organizations (such as APGs) as well as several private entities upstream and downstream of value chains. This approach ensures that both producers and buyers participate in a competitive process where business relationships are established on a preference basis by both parties.
206. The multi stakeholder platforms provide an adequate arena for these relationships to form. They will be facilitated by local facilitators hired by the project in collaboration with public line agencies: agriculture and forestry jointly with industry and commerce. The project will facilitate the preparation of business plans and will support co-investments in the business clusters with a matching grant facility. The grants will serve the purpose of offsetting risks associated with doing business in remote areas with newly established business ventures or producer organizations. The project will mobilize matching grants only to fill investment gaps within business clusters.
207. The project will link project supported APGs with existing or emerging micro-finance services such as WFDF and village banks, where available, to support the sustainability of APG investments in production, post-harvest, and marketing.
208. **Activity 3: Market related infrastructures.** The Multi-Stakeholder Platforms under Activity 2 will directly guide investments in market-related infrastructures, such as access tracks and post-harvest/processing facilities. While food systems in Lao PDR are in their nascent stage, increasing added value to locally grown produce through industrial in-country processing could improve food security, nutrition, and employment and reduce reliance on imported products.
209. Access tracks will only be improved where physical access is a critical constraint to market linkages. The project will assist the village authorities in identifying existing alignments of less than 10 km length that could ensure year-round access to the main road and district centers. The expected outcome will be improved access to public services (health, education, etc.) and to markets (selling of agricultural products and buying of goods by rural households).
210. In terms of rural infrastructures development and management, AFN II will continue building up the capacity of existing structures/groups or provide support to establish any needed structures or groups. This will involve using technical management guides/manuals (management rules, fee collection, etc.) and systematic capacity building. Government technical agencies at provincial and districts levels and local communities will play key crucial roles in planning and implementing and providing technical support to the schemes/groups etc.
211. Survey and design will be carried out with technical support from DAFO and District Public Works and Transport Offices (DPWTO). Climate proofing measures will be included to ensure infrastructure stays functional year-round and that climate risks such as erosion, landslides, flash floods, etc. are identified and mitigated during the design process.
212. The village authorities, with support of District Project Team and DPWTO, will be responsible for recruiting local contractors. Village authorities will also establish O&M committees responsible for operational rules and maintenance and repairs. At the design stage, funding for the access tracks is not secured, under a financing gap, and pending mobilisation of additional resources.
213. The project will in parallel co-invest in other market-oriented infrastructure, such as post-harvest, processing and storage facilities, with the aim of mitigating market risks and generating value added within rural communities. The facilities eligible for investment include drying floors, dryers, threshers, sorters, cooling systems, packing units, weighing stations, collection centers, etc. When feasible, RETs will be promoted, such as solar dryers or solar incubators. These investments will be part of the business plans prepared by business clusters in the multi stakeholder platform process under activity 3 above. At the design stage, funding for these market-oriented infrastructures is not secured, is under a financing gap, and pending mobilisation of additional resources.

Component 3: Enabling environment and partnerships

214. This component aims at improving the enabling environment in the areas of multi-sectoral planning for nutrition (WFP), coordination, and partnerships (MAF/IFAD).

215. **Activity 1: Multisector planning and coordination (WFP):** The recently approved National Plan of Action for Nutrition (NPAN) for 2021-2025 identifies 22 priority interventions, of which, 9 are multisectoral. The project will support multi-sectoral nutrition-sensitive planning activities on all levels, by providing hands-on technical assistance to the nutrition committees at central, provincial, and district levels. This aimed at improving coordination and efficiency and providing support to the village authorities of all the project villages. This will ensure that village planning activities adequately include multi-sectoral nutrition issues which are relayed to district and provincial levels. The expected outcome is “District Nutrition Committees endorsing village nutrition plans as a demonstration of improved inter-level coordination”. The output is that all 20 target districts prepare, implement, monitor, and evaluate district nutrition plans.
216. For the preparation of the future NPAN 2026-2030, the project will support nutrition committees at all levels in ensuring lessons learned from the field are taken in account. This will also ensure NPAN targets and resources are fully integrated within the 10th Socio-economic Development Plan (SEDP X, 2026-2030). This integrated planning exercise will ensure that financial resources are allocated to the budget of each the four line-agencies responsible for achieving nutrition convergence targets. This integrated planning will aim to improve mainstreaming of climate risk and Disaster Risk Reduction into planning and decision-making as possible.
217. **Activity 1a: Nutrition-sensitive village nutrition plans:** This activity will target 375 villages in non-convergence districts. In the first year, the project will initiate nutrition planning at village level as part of the overall Village Development Planning (VDP) process and community-based disaster risk management plans, where relevant. This will be carried out for all the new project villages in all target districts. The project will provide technical support to village authorities to compile and develop participatory and multi-sectoral Village Development Plans, including explicit planning for nutrition related activities following the NPAN’s 22 priority nutrition interventions. Capacity building will also focus on monitoring and ensure coordination and AFN II alignment with the 22 priority nutrition interventions.
218. The project will use the simple training modules for decision makers at the village level developed as part of AFN I. These will be used to implement, monitor, and report on village-based nutrition activities. The village nutrition plans will be rolled into the District Nutrition Committees (DNCs) and Provincial Nutrition Committees (PNCs) for further district and province-wide planning, reporting, and implementation.
219. **Activity 1b: Support to DNC, PNC, and NNC:** DNC have been formally established in all 20 AFN II target districts, chaired by the district governor or deputy governor. They will plan and implement district-wide nutrition-related activities by the four district departments of health, agriculture, education, and women affairs. The project will provide coaching and facilitation support to the DNCs and their Secretariats to develop the district plans, monitor progress, and report to PNCs and the NNC. Functional competencies such as leadership, advocacy, partnerships, planning, coordination, basic nutrition knowledge, and awareness will also be a focus of this activity. These functional competencies will be built through tailored training, oversight missions, workshops, and exchange and learning visits. Financial support will be available to support and facilitate these activities as well as provide materials such as laptops.
220. The project will collaborate with the National Nutrition Committee (NNC) at the central level to provide hands-on capacity building support to PNCs and DNCs, where needed. Such capacity building activities will most likely focus on the roles and responsibilities of the PNCs and DNCs and awareness of the NPAN and 22 priority interventions. This will be including a reporting process aligned with the defined targets at output and outcome levels.
221. Similarly, the project will provide Technical Assistance to the six Provincial Nutrition Committees (PNC) and their Secretariats. This will be mainly in the form of hands-on coaching sessions to the PNCs and Secretariats, similar to what the project will provide to the DNCs.
222. **Activity 2: Partnerships with CSO (IFAD).** This activity is a new approach to foster civil society participation in the socio-economic development of rural remote areas. The approach is based on the creation of a “Challenge Fund” to support local NGOs and Civil Society Organizations which provide service to vulnerable rural households in the project’s target areas. The NGOs/CSO will be eligible to submit proposals to request funds. The final proposals will be selected on a competitive basis by the project steering committee.
223. **Activity 3: Project Management Information System (ProMIS).**
224. The ProMIS system was established with support from FAO under AFN I, tracking all projects implemented under the MAF. The DoPC has coordinated data entry by development projects in the database, following the indicator structure. However, the database needs to be updated to adjust the indicator list in line with project activities and interventions.
225. AFN II will support DoPC to upgrade the ProMIS indicator database, conduct training at national and provincial levels, and support projects in data entry.

E. Theory of Change

226. As described in Section A, the development problem is that small-scale farmers and rural households, including women, youth, ethnic groups, and People with disabilities living in remote uplands of Lao PDR, have not benefitted from strong economic growth and are disproportionately affected by food insecurity, all forms of malnutrition, and poverty. The multiple root causes of the problem have been further exacerbated since 2020, due to the combined effects of the COVID-19 pandemic, the conflict in Ukraine, and the current economic crisis.
227. As demonstrated by AFN I, nutrition-sensitive interventions can address the underlying causes of malnutrition by incorporating specific nutrition objectives and actions in the design and implementation of agricultural interventions.

228. The pathways of change to support the transition from the development problem to the project goal are underpinned by complementary outputs and outcomes under certain assumptions described below.
229. **The first pathway** is under component 1.a. The project will establish community-driven agriculture and natural resource-based nutrition interventions that will produce the following outputs: (i) 28,000 households receive improved climate-smart, gender responsive, nutrition services and training (FNS, SBCC, various training, promotion of wild foods in local diets); (ii) a conditional cash grant will target 15,000 people, mainly women, to enable them to implement a home garden and/or raise small livestock, offsetting the cost and investment of nutritious produce; (iii) 375 villages receive support in the form of training and cash grants for food preservation and storage, including the creation or rehabilitation of 250 rice banks; and (iv) the project will link 30 primary schools under the Home Grown School Feeding initiative with local producers to enhance meals provided in school and provide safe, diverse, nutritious, local foods to school-age children.
230. The above outputs are expected to produce the following outcomes: (i) 14,400 households have improved nutrition and health Knowledge, Attitudes and Practices (KAP) and (ii) 40% of children 6-23 months of age received a Minimum Acceptable Diet (MAD). For these outcomes to occur, the following assumptions are being made:
- Communities, including women and ethnic groups, actively take ownership and participate in the interventions.
 - Targeted communities want to improve their health and nutrition status.
 - Targeted communities are the key decision makers for household food purchasing and preparation.
 - Nutrition and care feeding-practice benefits are understood and relevant to the targeted communities.
 - Local farmers are interested in engaging in the HGSF initiative and have (or potentially have) suitable agriculture produce to provide to schools.
231. The interventions under component 1.a. directly address dietary diversity, food preservation, child feeding, and health-seeking practices and the underlying health and environmentally-related causes that go beyond access to food. Interventions can improve year-long household food security, improve education on nutrition and child-care practices, and improve the socio-economic status of women by promoting empowerment and gender equality. These aspects lead to improved affordability, accessibility, and use of nutritious and diverse diets.
232. **An interlinked change pathway** (component 1.b) is to support 15,000 households in adopting environmentally sustainable and climate resilient technologies and practices as an outcome of following outputs: (i) 22,400 household members receive productivity enhancement support by implementing APG grants; (ii) 10,000 households receive inputs or services on climate resilient or sustainable agriculture practices; (iii) 68,000 ha of land-area receive improved production support; (iv) 1,000 producer-based organizations are supported.
233. Promoting the agricultural sector with a view to nutrition-sensitive productivity will assist in accelerating nutritional gains in the targeted communities. It will also enhance the production of diverse and nutritious crops that enrich the quality of diets, including micronutrient-rich foods and indigenous/wild food crops. The creation of home gardens and small livestock raising promotes the production of nutrient-rich fruits and vegetables adapted to local conditions. APG investments also contribute to increased food production and generate income. The assumption is that improved practices are adequate, adopted, and actively disseminated by farmers who contribute back toward the initial investment (project grants) in kind and mobilise resources to further develop production. Another assumption underpinning this outcome is that Village Agriculture Technicians, Village Veterinary Workers and Lead farmers deliver effective, last mile, advisory services to APG members with support from DAFO.
234. **A second change pathway**, is to (i) build or rehabilitate 500 inclusive and accessible processing, storage, and market facilities (storage, collection points, etc.); (ii) support 600 producer organization (APGs) to engage in formal partnerships/agreements or contracts with public or private entities in food value chains via Multi-Stakeholder Platforms (MSP) and matching grant facilities; (iii) 50 MSMEs join the SBN as new members and receive business development, marketing support, and access to finance; and (iv) rehabilitate existing rural access tracks.
235. The combined outputs above under component 2 are expected to produce the following outcome: 15,000 households and farmers report improved physical access to markets, processing, and storage facilities.
236. **The third pathway** to change is to deliver the following outputs: (i) 30 substantive deliverables on food security and nutrition processes are completed in the form of multisectoral nutrition plans linked with the current NPAN and SEDP for the period 2021-2025; (ii) 5 knowledge products are completed with project support related to agriculture, natural resources management (promotion of wild foods), and food/nutrition security and which contribute to policy dialogue and preparation of NPAN and SEDP for the period 2026-2030; (iii) around 40 CSOs directly contribute to support communities in implementing their village nutrition plans and other nutrition sensitive interventions involving women, youth, ethnic groups, and Persons with disabilities.
237. These outputs are expected to result in NDCs endorsing and supporting village nutrition plans as evidence of improved multisectoral and cross level coordination, which is an outcome of component 3.
238. **Overall, the three pathways of change** above are expected to result in achieving the Project Development Objective that is to “enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practices, build resilience to climate conditions, and improve productive and marketing capacities”.
239. This objective is to be attained through the following complementary pathways: (i) 16,800 households with incomes increased by 20% by 2030; (ii) 14,400 women (80%) reporting Minimum Dietary Diversity (MDD-W); (iii) 16,800 households with climate change resilience increased by 30% (IFAD resilience scorecard); (iv) 58,800 individuals, specifically women, with improved empowerment (measured by the IFAD empowerment score card); and (iv) 16,800 households with food insecurity decreased by 20% as measured by the Food Insecurity Experience Scale (FIES).

240. The above project level outcomes will contribute to deliver the Project Goal which is to enable 28,000 vulnerable households living in the project area to improve their income by 20% by 2030.
241. **The underlying assumption** is that stakeholders actively participate, contribute, and take ownership to sustain and further develop project interventions beyond project completion. This assumption will be verified by assessing: (i) to what extent target households report they can influence the decision-making of local authorities and project-supported service providers; and (ii) to what extent target households are satisfied with project-supported services. Stakeholder engagement will be supported by consultations, FPIC, community-based planning, strengthening of CBOs, and effective feedback loops, including grievance redress mechanisms.
242. Linkages and complementarity between project output and outcomes are ensured by integrating planning processes at the local (village nutrition planning, village development plans, APG investment plans, etc.) and district level (district multisector planning, multi-stakeholder platforms). In addition, the targeting approach ensures that target households receive support from several interlinked interventions under component 1a, 1b and 2, ensuring a strong complementarity. For example, households participating in farmer nutrition schools will also be eligible for APG membership and linkages with markets through component 2.
243. The Theory of Change ([ToC](#)) is presented graphically as Annex 2.

F. Alignment, ownership and partnerships

Alignment with SDGs

244. As clearly indicated in the Theory of Change, the project interventions will directly contribute to achieving SDGs, in particular SDG 1 (end poverty), SDG 2 (zero hunger and all forms of malnutrition), and SDG 5 (gender equality).

Alignment with national priorities

245. As stated in Section C, the project design process has been directly informed by the priorities and targets set out in the SEDP IX, the MAF development strategy and vision to 2030, and the National nutrition strategy and action plan.

246. The project directly contributes to the 9th Five-Year National Socio-economic Development Plan (2021-2025) and its first 4 expected outcomes in particular:

- Outcome 1: Stable, quality, continuous and sustainable economic growth;
- Outcome 2: Improved quality of human resources with enhanced research capacities and abilities to meet development needs and use science and technologies to improve efficiency and add value to production and services;
- Outcome 3: Gradually enhanced material and mental well-being for people due to increased food and income security; and
- Outcome 4: Environmental Protection and Natural Disaster Risk Reduction.

247. In addition, the AFN II component 1 directly contributes to the national [agriculture development strategy to 2025](#) and vision to 2030: "Ensuring food security, producing comparative and competitive potential agricultural commodities, developing clean, safe and sustainable agriculture and shift gradually to the modernization of a resilient and productive agriculture economy, linking with rural development contributing to the national economic basis".

248. The goals set out in the agricultural development strategy are: (i) Efficient, stable climate-adapted agriculture systems to ensure food and nutrition security and quality marketable surpluses; (ii) Agriculture production meets sanitary, phytosanitary, and environmental standards; and (iii) Agricultural production creates real jobs and is socially and ecologically sustainable. AFN II will directly contribute to all three goals.

249. In the recent [Food System Summit report](#) for Lao PDR, the technical groups of the Member State Dialogue in Lao PDR identified four key thematic areas: (i) ensuring safe and nutritious food for all; (ii) boosting nature-positive food production at sufficient scales; (iii) advancing equitable livelihoods and value distribution; and (iv) building resilience to vulnerabilities, shocks, and stresses. In partnership with the GOL and DPs, IFAD leads Pillar 3 and will translate the plans of FSS into actions. AFN II will support sustainable food systems across these four priority areas.

250. Under the framework of the [National Strategy on Climate Change](#), Lao PDR submitted the updated and enhanced Nationally Determined Contribution ([NDC](#)) to the UNFCCC in March 2021. It defines priority actions in the agricultural sector as follows: flood and drought tolerant rice and vegetable varieties; climate adaptive production practices (SRI: System of Rice Intensification, CSA, agroforestry, crop diversification); composting and use of Effective Microorganisms (as demonstrated in FNML project and EM+ Cambodia); reduction of GHG emissions from paddy fields; water harvesting and water saving technologies; plastic-lined ponds for fish culture; bio-safety measures for poultry production; agro-climate information services (linkages with LACSA); and renewable energies (solar pumps, solar dryers, etc.).

Alignment with IFAD policies and corporate priorities

251. **IFAD corporate-level and country-specific results framework.** AFN II directly contributes to IFAD's strategic objectives 2016-2025: (i) Increase poor rural people's productive capacities; (ii) Increase poor rural people's benefits from market participation; and (iii) Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities.

252. The Strategic Objectives (SO) of the current Country Strategic Opportunities Programme 2018-2024 (COSOP) are: (i) SO1: "Smallholders have enhanced resilience to natural shocks and improved food security and nutrition", and (ii) SO2: "Smallholders benefit from access to financial services and markets". A COSOP result review was conducted in December 2021 and the report recommended replacing the COSOP SO2 above with IFAD corporate Strategic Objective SO2 (Increase poor rural people's

benefits from market participation).

253. IFAD's, cross-cutting priorities are mainstreamed through the gender-transformative and nutrition sensitive approach. Social inclusion, youth and environment and climate priorities are also addressed.

254. The project is aligned with the WFP Lao PDR Country Strategic Plan (CSP) 2022-2026 under its Strategic Outcome 2: "Vulnerable groups, in particular women and girls of reproductive age, children under five, and school-aged children, at risk of any form of malnutrition, have improved nutrition outcomes in line with national targets, by 2026. WFP will provide nutrition services focused on prevention of malnutrition to targeted populations, while also engaging in technical assistance, advocacy and evidence-based advice to the Government and other stakeholders, including the private sector." Additionally, the WFP-CSP Logframe has been harmonized with the AFN II Logframe where feasible.

Country ownership

255. The Government of Lao PDR was engaged with the initiative in the first phase of AFN in 2016 and in August 2021 the Ministry of Finance submitted a formal request to GAFSP for funding the second phase. The request was endorsed by the MAF as the implementing agency and chair of the Sector Working Group on Agriculture and Rural Development (SWG-ARD). The goal and objectives of AFN II directly support the Government priorities in terms of addressing poverty and malnutrition in remote areas. The project is also aligned to national policies, strategies, and plans as detailed in Section (F.b) above.

256. At concept note stage in 2021, the GAFSP proposal development process involved a wide range of stakeholders at national and subnational levels through a series of consultation workshops, with total attendance by more than 170 people.

257. The consultations involved nutrition committee members at central, provincial, and district levels (MAF, MoH, MoES and LWU) as well as other line agencies, MPI, MoF, MOIC, Lao Front for National Development, etc. National research institutions in agriculture and forestry (NAFRI) as well as international research-oriented organizations were involved and identified as strategic partners such as CDE. In addition, the consultations involved multi-lateral partners (FAO, UNDP, UNICEF, ILO, etc.), bilateral development partners (EU, Switzerland, Germany, etc.), and International Financial Institutions (ADB, World Bank, etc.).

258. Civil Society Organizations and international NGOs were also involved in sharing their experience and lessons learned in the areas of nutrition, agricultural extension, Climate Smart Agriculture, gender mainstreaming, participatory planning, the Gender Action Learning System (GALS), financial literacy, access to finance (WFDF), market linkages, youth involvement, gender, etc. Private companies which are members of the SUN Business Network also participated in the consultations such as Lao Farmers Products and Mai Savanh Lao.

259. Due to ongoing COVID-19 lockdowns during the proposal development process in 2021, field visits to the provinces and districts could not be carried out. However, during a detail design mission in June 2022 in the AFN II target provinces and districts, the views and opinions of target groups in remote communities were collected and are reflected in the design process. Further consultations in the target provinces involved all stakeholders (national and subnational line agencies, local authorities, beneficiaries, development partners, private sector, NGOs, and civil society), in order to inform the preparation of the Project Design Report (PDR) and ensure ownership by all stakeholders.

260. Through its components and interventions, the project will also contribute to tackling the socio-economic issues stemming from the COVID-19 pandemic and the conflict in Ukraine. The impact of the Ukraine conflict is constantly monitored by GoL and the MAF. The project strategy is to promote alternatives to imported animal feed (forage production is included as a possible APG investment) and chemical fertilisers using sustainable intensification approaches.

Harmonization and partnerships

261. **Harmonization with on-going projects:** The AFN II project is harmonized with the activities of other development partners in the same sector of intervention, in particular poverty reduction and nutrition focused projects in the 12 convergence districts, including: The Poverty Reduction Fund additional financing ([PRE](#), MAF / World Bank); the Health And Nutrition Services Access Project (HANSA, MoH/World Bank, 2020-2024); the Reducing Rural Poverty And Malnutrition Project (RRPMP, MAF/World Bank, 2019-2024); the Scaling-Up Water Supply, Sanitation and Hygiene Project (Ministry of Public Works and Transport Ministry of Health / World Bank); and bilateral projects such as the Enhancing Nutrition of Upland Farming Families project ([ENUFF](#), SNV / SDC, 2020-2024) and [NURTURE](#) (USAID). In the framework of the cofinancing initiative between IFAD, ADB, and GIZ/GCF (the [PICSA](#), [SRIWMSP](#), and [ERP](#) projects, respectively) the EU is financing a nutrition intervention in Houaphanh and Xiengkhouang provinces, complementing IFAD-funded nutrition activities in Sayaboury and Luang Prabang under PICSA. In addition, the Lao Landscape and Livelihood project ([LLL project](#), MAF/World Bank) is being implemented from 2021 to 2027 in 9 provinces including in Xiengkhouang.

262. Given the intensity of support to communities in the 12 convergence districts, AFN II will not invest in physical interventions in the five convergence target districts but will focus on providing support to CBOs for graduation and sustainability and will focus on synergies through support to the multi sectoral planning process at district level.

263. **The following pipeline projects** will also complement AFN II both in terms of geographic target and interventions during the same time frame, starting in 2023.

264. The [concept](#) for the upcoming World-Bank Funded Community Livelihood Enhancement and Resilience (CLEAR) project was prepared in 2022 and indicates that it will target provinces in Northern and Central areas of Lao PDR.

265. The Climate-resilient integrated farming systems at the interface of research, education, and practice (CRIFS) will be implemented in Lao PDR by NAFRI, the National University of Lao PDR (NUoL) and CDE as well as in Cambodia and funded by

the Southeast Asia-Europe joint funding scheme for research and innovation ([SEA-EU JFS](#)). The project aims to link research, education, and practice on farms, in order to develop context-specific knowledge about climate-resilient integrated farming systems (IFS) in Cambodia and Lao PDR, supporting healthy societies through safe and sustainable food, water, and nutrition systems.

266. FAO is preparing a follow-up to the [SAMIS project](#) to further develop the Lao Climate Services for Agriculture ([LaCSA](#)). This follow up project to be funded by [GCF](#), is entitled “Scaling up climate-responsive planning and decision-making for resilient agriculture and livelihoods in Lao PDR”.
267. **Partnership with WFP.** The fruitful partnership between the MAF, WFP and IFAD, which underpinned the success of AFN I, will continue in the second phase with a clear division of work and using the same existing project structures and working arrangements at different levels. The AFN II project will harmonise with the on-going National School Meals Programme (NSMP), implemented by WFP in 15 of the AFN II target districts. To complement the NSMP, AFN-2 will target 30 schools initially and continue to work with the government to develop strategies supporting the Home-Grown School Feeding initiative (HGSF).
268. **The strategic partnership with NAFRI** initiated in phase 1 will continue in phase 2 and will be directed towards promotion and protection of wild foods and aquatic species with support from CDE. Extension staff who were involved in FNML to promote sustainable land management technologies and Local Adaptation Investment Plans will be involved to promote SLM technologies documented in the [WOCAT](#)
269. **The partnership with the SUN Business Network** will allow the strengthening of the outreach and business development capacity of MSMEs along food supply chains.
270. **Partnerships with CSOs** will be supported through the Challenge Fund to provide tailor-made services to CBOs in the areas of Climate Smart Agriculture, business and financial literacy, youth involvement, etc.
271. **Academia and education.** Options to collaborate with [NUoL](#) for curriculum development in novel areas will be explored. These areas include climate resilient agriculture, importance of wild foods to improve nutrition status, and participatory approaches, such as the use of the GALS approach. The current USAID funded Applied Nutrition Research Capacity Building ([ANRCB](#)) programme supports the Lao American Nutrition Institute ([LANI](#)), which is a potential partner in this area.

G. Costs, benefits and financing

a. Project costs

272. The total cost for the 7-year AFN II Project is estimated at US\$48.29 million (LAK 726 billion, including contingencies. The total base costs are US\$40.77 million (LAK 612 billion). Physical and price contingencies account for US\$1.22 million and US\$6.43 million, respectively (3% and 15.5% of the total base costs).

273. Baseline investment costs are estimated at US\$38.48 million, representing 94% of the baseline cost.

274. The breakdown of costs by component/outputs and financiers is shown in Table 5. The financing plan is presented to highlight the IFAD Loan, (IFAD12 PBAS allocation is US\$13,237,685) and the GAFSP grant of US\$20 million. US\$12 million of this is implemented through IFAD and US\$8 million is implemented by WFP. The breakdown of the costs by expenditure category and financiers is shown in Table 6. Total project costs by component and year are shown in Table 7.

275. The project is not selected for climate finance tracking in IFAD.

Table 5: AFN II Project costs by component (and subcomponents) and financier (Thousands of United States dollars)

	The Government		IFAD		GAFSP M&F		GAFSP WFP		Beneficiary		MSME / CSO (in-kind)		MSME / CSO (in cash)		Funding Gap		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Component 1: Community-driven agriculture- and natural resources-based nutrition interventions establishment	2,426	8.7	4,762	17.1	8,397	30.2	6,459	23.2	1,913	6.9	-	-	-	-	3,831	13.8	27,790	57.5
2. Component 2: Business Partnerships and Market Access improvement	986	13.3	1,402	18.9	971	13.1	-	-	219	2.9	918	12.3	230	3.1	2,710	36.4	7,437	15.4
3. Component 3: Enabling environment and partnerships	1,364	10.4	7,070	54.1	2,629	20.1	1,536	11.8	-	-	237	1.8	59	0.5	173	1.3	13,089	27.1
Total PROJECT COSTS	4,777	9.9	13,234	27.4	11,996	24.8	7,996	16.8	2,132	4.4	1,196	2.4	289	0.6	6,714	13.9	48,295	100.0

276. Beneficiaries’ contributions are expected in kind (estimated US\$2.1 million), while contributions from MSMEs and CSOs are both expected in cash (US\$0.29 million) and in kind (US\$1.15 million).

277. The project is designed with a financing gap of 6.7 million. Interventions under the financing gap are: Agricultural Cooperatives investment fund [\[44\]](#); half of the planned water related interventions (Multi Use water systems (MUS) and small-scale Irrigation schemes upgrades and related technical assistance); and rural access tracks and related technical assistance. The project intends to fill the financing gap by mobilizing resources from IFAD13 and/or grant facilities including: ASAP+, GEF and/or GAFSP new call for proposals in Sept 2022 to provide grants to fill financing gaps in country-led programs, for which AFN II is eligible. In case foreseen additional funds should not materialise, some interventions will be downscaled (e.g., access tracks).

Table 6: AFN II Project costs by expenditure category and financier (Thousands of United States dollars)

	The Government		IFAD		GAFSP MAF		GAFSP WFP		Beneficiary		MSME / CSO (in-kind)		MSME / CSO (in cash)		Funding Gap		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Work	2,061	24.1	-	-	2,298	28.9	355	4.2	941	11.0	-	-	-	-	2,890	33.8	8,543	17.7
2. Goods, Services & Inputs	178	7.1	1,058	42.8	822	33.2	419	16.9	-	-	-	-	-	-	-	-	2,474	5.1
3. Grants and Subsidies	894	4.0	4,722	27.5	5,383	31.3	215	1.2	1,191	6.9	1,156	6.7	289	1.7	3,543	20.6	17,191	35.6
4. Consultancies	1,339	12.6	5,491	51.6	2,132	20.0	1,503	14.1	-	-	-	-	-	-	173	1.6	10,637	22.0
5. Training	356	5.3	1,323	19.7	1,365	20.3	3,573	53.1	-	-	-	-	-	-	110	1.6	6,727	13.9
6. Operating costs	152	6	640	24	-	-	1,932	71	-	-	-	-	-	-	-	-	2,724	6
Total PROJECT COSTS	4,777	9.9	13,234	27.4	11,998	24.8	7,998	16.8	2,132	4.4	1,156	2.4	289	0.8	6,714	13.9	48,295	100.0

Table 7: Programme/project costs by component and year (Thousands of United States dollars)

	Totals Including Contingencies							Total	
	2023	2024	2025	2026	2027	2028	2029		
1. Component 1: Community-driven agriculture- and natural resources-based nutrition interventions establishment		2,583	6,612	8,315	6,787	2,218	866	409	27,790
2. Component 2: Business Partnerships and Market Access improvement		9	505	1,393	2,044	2,552	889	46	7,437
3. Component 3: Enabling environment and partnerships		2,636	1,712	2,179	2,189	1,661	1,367	1,325	13,069
Total PROJECT COSTS		5,228	8,829	11,887	11,020	6,431	3,121	1,779	48,295

b. Project financing/co-financing strategy and plan

278. The IFAD loan will finance US\$13,234,115 or 27% of total project costs. This includes: US\$4.76 million or 17% of Component 1, for which the total cost is US\$27.79 million; US\$1.40 million or 19% of Component 2 (US\$7.44 million); and US\$7.07 or 54% of Component 3 (US\$13.07 million). IFAD contributes US\$7.9 million (78%) to the Project Management of US\$10.15 million.

279. The IFAD loan is on Blend terms.

- Maturity period. The maturity period is normally fixed at twenty-five (25) years. Borrowers may choose a shorter period prior to submission of approval to the Executive Board.
- Grace period. The grace period is fixed at five (5) years, starting from the Approval date.
- Currencies. Blend terms financing is offered in US\$.
- Service charge. A service charge is payable semi-annually on the principal amount disbursed by the Fund and not yet repaid by the Borrower. For loans denominated in US\$, the Executive Board adjusts the service charges each quarter to account for the differences in notional interest rates between the relevant currency and the SDR, subject to a floor of 0.75%. The rate is fixed for the life of the loan based on the related charge in force at the time of loan approval.
- Interest rate. A fixed interest charge is payable semi-annually on the principal amount disbursed by the Fund and not yet repaid by the Borrower. The interest charge for single currency credits is based on the SDR-denominated rate; it is adjusted each quarter to account for the differences in notional interest rates between the relevant currency and the SDR, subject to a floor of 0%.
- Amortization. Repayments are payable semi-annually, starting from the first Payment Date falling within six months of the grace period. Principal is repaid at 5% of the total principal per annum from years 6 to 25.

280. The GAFSP grant provided is US\$20 million of which US\$12 million (60%) will be implemented through IFAD as the investment Supervising Entity and US\$8 million (40%) will be implemented through WFP as the Technical Assistance Supervising Entity.

281. The part of the GAFSP grant implemented through IFAD will finance US\$12 million or 25% of the project costs, including: (i) US\$8.40 million or 30% of Component 1; (ii) US\$0.97 million or 13% of Component 2; and (iii) US\$2.63 million or 20% of Component 3.

282. The part of the GAFSP grant implemented through WFP will finance US\$8 million or 17% of the project costs, including: (i) US\$6.55 million or 23% of Component 1, and (ii) US\$1.54 million or 12% of Component 3.

283. The beneficiaries will finance US\$2.13 million or 4.4% of total project costs, including US\$1.91 million or 7% of Component 1 and US\$0.22 million or 3% of Component 2. Beneficiaries will contribute 25% of the grants allocated to Agriculture Production Groups (APGs) and 15% of the investments in Climate Change Adaptation infrastructures (irrigation schemes and Multi-Use water Systems) and access tracks. Beneficiaries' contributions are provided in kind in the form of labour and locally sourced construction materials where feasible.

284. MSMEs and CSOs will finance US\$1.44 million or 3% of total project costs, for the matching grant facility under Component 2. The contributions are expected to be in cash (US\$0.29 million) and in kind (US\$1.15 million). Civil Society Organizations (CSOs) and Non-Governmental Organizations (NGOs) will finance US\$0.30 million for the Challenge Fund under Component 3. Contributions from NGOs and CSOs are expected to be in kind (US\$0.24 million) and in cash (US\$0.06 million).

285. The Government of Lao PDR will finance US\$4.78 million or 10% of the total project costs including: (i) US\$2.43 million or 9% of Component 1; (ii) US\$0.99 million or 13% of Component 2; and (iii) US\$1.37 million or 10% of Component 3. The contributions are mainly in the form of taxes and duties.

c. Disbursement

286. IFAD will be the GAFSP investment Supervising Entity and WFP will be the TA Supervising Entity. GAFSP funding will flow from the GAFSP account to IFAD and WFP in accordance with their respective mandates. IFAD will negotiate a financing agreement with the Ministry of Finance (MoF). WFP will negotiate a Memorandum of Agreement for implementation of activities supervised by WFP with MAF. AFN II financial management will be governed by MoF decree on the financial management rules applicable

to Official Development Assistance grant funds, and in line with IFAD guidelines on financial management.

287. The withdrawal and use of funds by AFN II out of its financing will be governed by the IFAD's Project Financial Management and Financial Control Handbook for Borrowers (FMFCLH) and Financing Agreement between IFAD and Lao PDR. The procedures of disbursement, financial reporting and maintenance of appropriate project records will be described in detail in the Project Financial Management and Financial Control Arrangements Letter (FMFCL) subsequently after signing the Financing Agreement between IFAD and the Lao PDR. Three standard disbursement procedures are available for IFAD financing: (i) Advance withdrawal, (ii) Direct payment, and (iii) Reimbursement.
288. Designation letter for authorised signatory. Before disbursement can begin, IFAD must receive, a duly completed Authorised User(s) Letter, from the designated representative or a sufficiently senior delegated official, designating the name(s) of official(s) authorised to approve Withdrawal Application(s) and Interim Financial Report(s).
289. The designated delegated officials will be authorised to undertake actions in the IFAD's systems including the IFAD Client Portal (ICP) commensurate to the respectively assigned roles, which shall include the electronic submission of documentation through the ICP. Electronic submission of documentation must be performed in accordance with the Terms and Conditions as included in FMFCL.
290. **Interim Financial Reporting (IFR).** IFRs are required both for reporting and disbursement purposes. IFRs for reporting purposes must be submitted in accordance with the frequency and submission deadlines detailed in Annex 1 of FMFCL. When submitted as a component of Withdrawal Applications, IFRs must be submitted in a form and quality acceptable to IFAD.
291. **Expenditure thresholds and supporting documentation.** Each Withdrawal Application shall be submitted to IFAD in accordance with the requirements set out in FMFCL. Where deemed applicable by IFAD, expenditure thresholds (also referred to as statement of expenditure thresholds or SOEs) may be determined at financing instrument, expense category and/or contract levels. Expenditure items or contracts that exceed the expenditure threshold/s, where applicable, must be accompanied by copies of relevant supporting documentation.
292. **Designated Accounts and Project Accounts.** The MoF shall open two Designated Accounts (DA) denominated in US dollars in the Bank of Lao PDR for receiving and holding the loan and grant proceeds. The Designated Account will be protected against set-off, seizure or attachment on terms and conditions proposed by the Borrower and accepted by IFAD, in accordance with the Financing Agreement and Section 4.04(d) of the General Conditions. The Borrower shall inform the Fund of the officials authorized to operate the DA. Upon fulfillment of conditions precedent, MoF will: (i) transmit Withdrawal Applications (WAs) and IFRs to IFAD; (ii) receive IFAD advances for loan and grant into the DA; and (iii) transfer the funds from the DA to the Project Account (PA) based on the AWPB and replenishment requests. MOF shall ensure that funds required by NPCO are transferred without delay. NPCO will ensure that replenishment requests from implementing agencies are in order and that timely WAs are sent to IFAD (through MoF), with appropriate supporting documentation.
293. The NPCO shall open and maintain an account denominated in LAK for project operations, the "Project Account". The Project Account shall be funded and replenished as necessary from the resources held in the Designated Accounts, upon request of the NPCO and in accordance with expenditures incurred under approved AWPBs. The NPC (with a co-signature) shall be fully authorized to operate the relevant Project Account.
294. Retroactive financing. To facilitate the transition and continuity from AFN 1 to AFN II, retroactive financing may be applicable to project. Provisions for retroactive financing will be included in Section E of the Financing Agreement (FA) as an exception to the GC. To be eligible for retroactive financing, expenditures shall meet the criteria of reasonable cost of goods, works and services required for the project and shall be procured in conformity with the Fund's Procurement Guidelines.
295. Maximum amount that may be withdrawn for retroactive financing may be a specific amount for each category or a global amount for two or more categories, preferably expressed in the loan denomination currency. This amount should normally not exceed 10% of the financing. Expenditures will only be eligible for retroactive financing and thus reimbursed to the Borrower/Recipient after entry into force of the FA and satisfactory compliance with any conditions precedent to first withdrawal. The date after which expenditures become eligible for retroactive financing should not be earlier than the project design date. Since the legal documents specify that expenditures after this date are eligible, it is preferable to choose the last day of a month as the 'deadline' date, particularly in cases where claims will be submitted on the basis of IFRs.

d. Summary of benefits and economic analysis

296. The detailed Economic and Financial Analysis (EFA) is available in Annex 4 of the PDR. AFN II intends to reach at least 168,000 persons as beneficiaries (equivalent to about 28,000 rural households) in twenty districts and six provinces. The primary target is rural households who depend on agriculture for their economic livelihoods and are at risk of food insecurity and malnutrition.
297. Supposing an adoption rate of 70%, the Project effectively contributes to sustainable and inclusive local economic development for approximately 118,000 people (19,600 households). The financial and economic analysis of the Project is presented in Annex 4 and summarized below.
298. The primary source of the economic benefits of the project is derived directly from subcomponents 1a and 1b under component 1 and component 2. The rest of the project activities will create an enabling environment for the project to achieve the intended economic benefits. 15 Economic Models are developed to assess the impact on the target beneficiary and the society.

Table 8: Primary source of economic benefits of the project

Component	Subcomponent	Activity	Model
Component 1: Community driven agriculture and natural resources-based nutrition interventions establishment	Subcomponent 1a: Improved nutritional status of women, children, girls, and other vulnerable groups	Integrated Home Garden establishment.	1. Integrated Home Garden for Nutrition
	Subcomponent 1b: Improved agricultural productivity of selected commodities	Community-Based Organizations (CBOs) Strengthening	2. Poultry raising 3. Pig raising 4. Goat raising 5. Cardamom farm 6. Galangal farm 7. Forage farm 8. Fish culture 9. Banana farm 10. Vegetables under net-house
		Climate Change Adaptation infrastructures (irrigation /MUS) built and upgraded	11. Irrigation (rice) 12. Irrigation (diversified crops)
Component 2: Business Partnerships and Market Access Improvement		Support to MSME in food supply chains	13. Banana processing
		Market related infrastructures	14. Access tracks 15. Water supply

Financial analysis

299. The results of the Financial Analysis show that all proposed activities are overall very profitable with positive NPVs at the **discount rate of 10%** (the current 7 years government bond is 7.2% but the government is planning to increase the rate to 10% next year. Therefore, a discount rate of 10% is used as a best-case scenario). The results of the Financial Analysis show that all proposed activities are profitable with positive NPVs. Of all the activities modelled, goat raising appear particularly more profitable than others. Galangal has the highest cost benefit ratio and cardamom has highest return to family labor. Irrigated wet season rice, forage production, and integrated home garden grants are the less profitable businesses to be promoted by the project. The latter is primarily for household consumption, thereby increasing the nutritional status of beneficiary households. Forage production is mainly carried out as an input for the livestock models.

300. Following the results from AFN I, the on-farm income reached **50%** of the household income. Based on this assumption, the proxy facility income was calculated. The result of the Financial Analysis shows that all proposed activities have positive impacts on food security at the project-household beneficiary level. Irrigation for crop diversification, wet season rice, poultry production, goat raising, pig raising, banana production, and greenhouse vegetable production have positive impacts on the poverty situation of the beneficiary households. Poultry production, goat raising, and irrigation for crop diversification activities have positive impacts on both poverty and nutrition at the beneficiary household level.

301. The cash flow analysis confirms that all activities generate a positive annual cash flow. The investment from the project is LAK 3,600,000 per household. The beneficiaries should be able to pay-back their loan after 3 years. All models are financially viable to target beneficiaries. Irrigated crop diversification after wet season rice generates the highest annual cash flow.

302. The results of the Financial Analysis show that although all proposed activities have positive NPVs, **poultry raising, goat raising, and irrigated crop diversification after wet season rice** activities are the most attractive for the target beneficiary. They are the most profitable, less risky and have a positive impact on poverty, food security, and nutrition.

303. Pig Raising is probably still less attractive due to the Asian Swine Flu outbreak. During the midline survey, AFN I also reported that there was a large reduction in the production and sale numbers for pigs in all provinces. However, during the last Impact Survey in 2021, numbers had rebounded slightly to pre-project levels. The economic and financial data from AFN I showed that the Asian Swine Flu outbreak resulted in a temporary reduction in production at mid-term stage. The numbers had rebounded in 2021 as the disease outbreak subsided. Risks will be assessed at implementation stage through preparation and review of APG

grant proposals.

Economic analysis

304. The results of the Economic Analysis over a 20-year period, which includes all the activities previously described, including the nutrition benefits, show that the project is very profitable, with an NPV of LAK 507,621,786,567 corresponding to US\$34,281,385 and an **Economic Rate of Return of 26%**. These results are very satisfactory, particularly because some of the benefits are not quantified, including job creation linked to infrastructure maintenance and the health benefits from having more nutritious meals in the family.
305. A sensitivity analysis confirms that the project would remain profitable in the event of a 28% cost increase or 17% decrease in benefits or a 11% cost increase and a 10% decrease in benefits. The project would also remain profitable if benefits were delayed by one year.

e. Exit Strategy and Sustainability

306. The exit strategy was an important topic in consultations with stakeholders during the design process. Public agencies and communities are aware that development project interventions are commonly at risk of being discontinued after project funding has been phased out. Generally, government line agencies and communities lack technical and organizational capacity and financial resources to operate and maintain infrastructures and/or further develop and disseminate activities introduced by the project. The views of stakeholders on this mainly refer to limited GoL financial resources for sustaining infrastructure and productive investments after project completion. These have been taken in account in the design by using: simple tested approaches; appropriate low-maintenance technologies to avoid high maintenance and repair costs; and low-cost/quick return solutions to promote further investment by smallholders.
307. To ensure its sustainability, the AFN II Project will continue to use existing government structures at different levels and also local organizations to support project planning, implementation, and supervision of project activities. In addition, the AFN II Project will work with private enterprises to develop business activities and partnerships with farmers groups beyond project completion and continue to deliver services to target communities and smallholder farmers.
308. Therefore, one of the conditions to maximise the potential for sustainability is to ensure that the design only includes interventions that can be implemented and supported by beneficiaries and other stakeholders over the long term. This condition warrants simple approaches, appropriate low-maintenance technologies, and low-cost/quick return solutions, in particular in the context of the Lao PDR upland areas where capacities at village and district level are generally low.
309. A second important condition of sustainability highlighted in recent IFAD working papers on sustainability is the crucial importance of **project ownership by government and community organizations** as well as the **viability of activities**. In addition to the strong emphasis on the community planning and feedback system, the approaches and interventions included in the present design intend to respond to this imperative by replicating and scaling up activities (tested and proven under AFN I and FNML) and stemming from local decision-making processes and planning (farmer nutrition schools, grants facilities, etc.). Considered as a start-up push, these activities are expected to be further developed through contributions and/or subsequent rounds of investments by the communities themselves. This can only occur if the communities gain direct and substantial short-term benefits from demonstrated activities and if they can mobilize the means to further continue investments.
310. As a general principle, AFN II will adopt a **graduation approach** whenever possible, by providing support to existing community-based organizations who have already been established, organised, trained, and coached. Support will be tailored to CBOs existing capacities by adopting dedicated maturity score cards to regularly track progress made by CBOs. This approach is expected to be more efficient by saving on mobilization costs and time and is also expected to generate quicker and more sustainable results during the 7-year project lifetime. This approach may generate incentives for investment beyond the provision of initial grants to CBOs.
311. Based on the IFAD project design guidelines (Annex V Technical note – Developing exit strategies in IFAD projects), the objective of the exit strategy is to ensure that at project completion: (i) **Institutions established** and/or supported by the project have the capacity to maintain and further develop their structures, functions, roles and responsibilities while respecting good governance, gender equality, and social inclusion. This will be monitored regularly through project adapted score cards or simple survey; (ii) **Physical infrastructures** supported by the project are owned and managed by adequate governance and O&M institutions in line with their institutional mandate and with adequate organizational structures and financial means to ensure long term operation, maintenance, and further development as relevant; (iii) **Private sector entities** (MSME, MSP, etc.) supported by the project become financially independent and are able to maintain and develop their business activities and partnerships with farmer groups beyond project completion and continue to deliver services to them; (iv) Main investment activities (including promoted farming practices, infrastructure investments, post-harvest activities etc.) are economically and environmentally viable after project completion; this will be ensured through quality community-driven processes and screening of the economic, social, and environmental viability of promoted activities; (v) **community groups are linked** to relevant public-private institutions to continue accessing services and inputs in order to continue engaging in viable project activities (i.e. market partnership, but also linkage with extension systems, lead farmers/entrepreneurs to facilitate access to inputs, seeds and services, access to credit etc.); (v) the project will ensure that **quality replication guidelines and videos** are produced to facilitate continuity and scaling up of relevant training and approaches
312. The draft Exit strategy in Annex 11 of the PDR lays out the sustainability pathways for each activity, exploring the various options (phasing down, phasing over, and phasing out) with an analysis of associated risks. The link with dedicated tracking tools for sustainability and KM functions is also highlighted. The exit strategy will be further developed with the project management unit and implementing agency from start up to ensure it is owned and adapted to project development. The exit strategy process shall

later lead to a sustainability plan to be signed by the relevant required entity committing to the specific actions.

3. Risks

313. Annex 9 presents the Integrated Risk Framework (IRF), with fiduciary risks reviewed in detail. Identified risks are addressed in the project design through a mitigation measure; or externalized as Logframe indicators (see Annex 1), which (i) are expected to hold, and (ii) which will be monitored during implementation so that additional mitigation measures may be taken if need be.
314. The overall risk profile is medium. To ensure adequate risk mitigation, AFN II will employ financial management staff at district levels; and apply a comprehensive package of financial management measures.
315. Financial risks. AFN II replicates the success of the phase 1 (AFN 1, SSFSNP-GAFSP) with the intention that most of the NPCO staff of Phase 1 will be retained, project's governance, current FM systems and arrangements will continue into phase 2. For this reason, the financial management inherent risk is moderate (high in section 371) and residual risk is low.
316. Mitigation actions: (i) Enhance accounting software with budgeting module and usage by Provincial level, (ii) Procurement of Auditing service aligned with IFAD requirement (at least 1 month before the audited year), (iii) Capacity building to new finance staff at department, and district units.

I. Environment and Social category

317. **The environmental and social risk category for the project is assessed as High.** This is due to the project being sited in areas inhabited by ethnic groups (indigenous peoples) with risks under other SECAP standards rated mostly as low or in few cases as moderate. Ethnic groups represent 85% of the population in the target districts and at least 70% of the target beneficiaries will be members of ethnic groups. To mitigate potential risks, an Indigenous Peoples Plan (IPP), a Free, Prior and Informed Consent (FPIC) plan, and a grievance redress mechanism have been formulated, along with an Abbreviated Environment, Social and Climate Management Framework. Furthermore, the SECAP Review Note includes: (i) a sociocultural and land tenure assessment; (ii) analysis of the specific characteristics of each ethnic group or historically underserved local community; (iii) a strategy for working with indigenous peoples; and (iv) documentation of the FPIC process.
318. The project's strong participatory approach and implementation of FPIC processes will ensure that such topics are discussed with community institutions and within village planning to identify mechanisms for strengthening required user rights. This will facilitate the proposed activities and be a pre-condition for some investments requiring longer tenure rights (such as agro-forestry, NFTP etc.).
319. In addition, the project NPCO will be supported by a full time Environment/Natural Resources Management and Climate Change Specialist to ensure sustainable management of the available natural resources in the communities and promote climate resilient technologies and practices.
320. Note: IFAD does not provide support to a Financial Intermediary under AFN II. IFAD and GAFSP, as co-financiers, agreed to a common approach to address environmental, social, and climate risks and this is aligned with the requirements set out in the IFAD SECAP guidelines. There are no additional studies required (and/or disclosed) prior to the start of activities during implementation.

J. Climate Risk classification

321. As per the SECAP screening tool, the **Climate risk category of the project is assessed as moderate.** Key climate-related hazards identified in the project area are landslides, cyclones, extreme heat, and wildfires. Water scarcity is assessed a low, as long as the abundant surface and groundwater resources can be mobilised in a sustainable manner. An analysis of water resources in target sub-watersheds has been included in the SECAP note.
322. Regarding exposure to climate risks, the geography in the target districts has areas exposed to weather-related natural hazards, including tropical areas (rainforests) and riverbanks. The project targets agricultural systems, ecosystems, and livelihoods that are exposed to weather-related hazards including rainfall variability, prolonged droughts, floods, changes in temperature, and pests and diseases. Livestock productivity is affected frequently by rainfall variability, prolonged droughts, changes in temperature or diseases. The biodiversity in the project area is likely to be affected by changes in climate variables.
323. In terms of sensitivity, the SECAP screening tool has highlighted sensitivity in terms of social inequalities (e.g., based on gender, youth, indigenous persons, and other marginalized groups), which are being exacerbated by climate change. In addition, the human development score for Lao PDR is above 5 (5.7) and the Multidimensional Poverty Index is also above 5 (7.5).
324. Adaptive capacity in the face of climate hazards has been assessed as having a score of 3.75 using the SECAP screening tool. To some extent, Lao PDR still lacks disaster coping capacity although it has been improving recently (DDR score of 6.1 as per the INFORM tool) and climate and weather information services are not effectively being delivered to farmers, rural dwellers, and end users. However, the country has an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs.
325. A literature review of downscaled climate vulnerability assessments has been included in the SECAP note to ensure that the risks identified are fully understood and addressed.

4. Implementation

K. Organizational Framework

a. Project management and coordination

326. The implementation arrangements will broadly follow the structure and processes in place for the implementation of phase 1 of AFN. The Ministry of Agriculture and Forestry will be the implementing agency through its Department of Planning and Cooperation (DoPC). The project organogram is available in the PIM in Annex 8.
327. **Coordination mechanisms** will be similar broadly to the ones successfully applied by AFN I. This includes strengthening multi-sectoral coordination and planning at the district and village level, which will bring together community groups and different sectors and ensure convergence with programmes implemented by other partners.
328. **Steering Committees.** Overall, policy direction and strategic guidance of the AFN II Project management and its implementation will be provided by the National Project Steering Committee (NPSC), which will convene on a yearly basis. The Provincial Project Steering Committee (PPSC) will be set up to have the role of approving the annual AWPBs and annual progress and financial reports prepared by districts.
329. The District Social Economic Development Committees (DSEDPC) will act as District Project Steering Committees (DPSC). It will meet quarterly to endorse the District AWPB and review the semi-annual project progress reports. The DPSC will also review and approve individual farmer group production plans, district multi-sector plans, and others.
330. **Operations at national level:** The DoPC is assigned by the MAF to act as the lead agency with overall responsibility for Project implementation, but which it delegates to the National Project Coordinator (NPC). The NPC will work full-time for the Project and will have no additional responsibilities within any other ministry department. The major responsibilities of the NPC will be to ensure that the involved central, provincial, and district agencies and villages carry out Programme activities in line with the Programme approach, operating schedules, and procedures.
331. The National Project Coordination Office (NPCO) directly manages project implementation in coordination with the province and district level project coordinators and technical departments (NAFRI) and line agencies. NPCO is supported by a full-time international Chief Technical Assistant (CTA) and a TA team as follows:
- Fiduciary: Financial Management Officer, Assistant Finance Officer, an Accountant, and a Cashier; a Procurement Officer and a Procurement Assistant.
 - Technical aspects: (i) Agriculture and advisory services Specialist; (ii) a Food Processing and Food Safety Specialist; (iii) an engineer for water infrastructures and for access tracks; (iv) a Business Multi-stakeholder Platform Coordinator; and (v) a CSO Partnerships Coordinator.
 - Mainstreaming priorities: Environmental/Natural Resources Management/ Climate Change Specialist and a Social Inclusion Advisor.
 - M&E, KM, and others: a Monitoring and Evaluation Specialist; two Knowledge Management Officers; an administrative officer; a translator; and other support functions.
332. At provincial level, PAFO will appoint a provincial project coordinator (PPC), but will not maintain a coordination office, following arrangements similar to AFN I.
333. The District Project Coordination Office (DPCO) in DAFO will serve as a focal point for the planning, implementation, and monitoring of AFN II activities at district and village level. A full-time District Project Coordinator (DPC) will be seconded from DAFO. In the 15 convergence districts, project implementation will be supported by a TA team consisting of: (i) an M&E Advisor; (ii) a District Agriculture Advisor; (iii) a procurement officer; (iv) an Accountant; and (v) a Driver.
334. Community Mobilisers recruited locally in the project target areas will be in charge of liaising between the Group Support Team (GST) and the target groups at village level.
335. The GST is formed of the DPC from DAFO and full-time, assigned, focal Persons from each District Technical Office. The DPCO will serve as a focal point for technical support for all AFN II activities and is the main implementing agency for AFN II at the local level.
336. Beside the CTA, WFP will provide several specialist staff at National, Provincial, and District levels to implement the activities under WFP supervision together with project partners. Their role will be restricted to the activities WFP is responsible for: "Improved nutritional status of women, children, girls, and other vulnerable groups" and "Multisector planning and coordination". Proposed staffing will consist of up to 2 full time staff at the provincial level and 1 full-time staff at the district level. Both positions will be embedded in PAFO and DAFO when possible and if sufficient space is available. At the national level, WFP will provide international and national sector specialists on a part-time basis, including financial and administrative support.
337. The detailed Terms of References (**Biodiversity**) for each unit and key staff can be found in Appendix 2 of the Project Implementation Manual, in Annex 8 of the PDR.
338. **Inter-agency coordination:** IFAD and WFP will ensure a coordination mechanism based on quarterly meetings to review the performance of the project as per the AWPB and to identify challenges and bottlenecks as well as mitigation measures. At provincial and district levels, monthly meetings will be called by the PAFO and DAFO project coordinators to review and

coordinate activities.

b. Financial Management, Procurement and Governance

339. The implementation arrangements will broadly follow the structure, policy and processes in place for the implementation of the phase 1 of AFN. MAF will be the implementing agency, through DoPC.
340. As custodians of funds in the Project Account, NPCO will undertake the following financial management tasks:
341. (a) Ensure that project expenditure items and practices are consistent with those of the Government and IFAD;
342. (b) Ensure that Project suppliers and locally paid staff are paid promptly and adequately through liaison with Ministry of Finance and the IFAD Country Office staff;
343. (c) Ensure that Project expenditure is being coded correctly and consistently and that project funds are used solely for the purposes for which they were granted and in accordance with relevant IFAD guidelines;
344. (d) Establish an asset register for all assets purchased by or provided to the Project in line with standard IFAD policies;
345. (e) Check monthly Project financial report for accuracy and appropriateness, and ensure the Finance Manager is current with events concerning financial reporting issues, errors, trends, payment delays and related matters; and,
346. (f) Monitor expenditure on a monthly basis against the approved AWPB in order to prepare and send timely fund withdrawal applications to IFAD and review expenditure projections to ensure that expenditure stays within budget. Significant actual or anticipated expenditure variances against the budget should be included in the monthly report to line management together with any recommendations for changes to the budget.
347. The Financial Management Officer at NPCO will be responsible for the actual management of these tasks and will report to the NPCO.
348. MAF, through the NPCO, will be accountable to the government and IFAD for the proper use of funds in line with legal agreements. Project accounting systems will be consistent with international accounting standards and with government requirements and internal financial controls will regularly be applied.
349. The withdrawal and use of funds by AFN II out of its financing will be governed by the IFAD's Project Financial Management and Financial Control Handbook for Borrowers (FMFCH) and Financing Agreement between IFAD and the Lao PDR. The procedures of disbursement, financial reporting and maintenance of appropriate project records will be described in detail in the Project Financial Management and Financial Control Arrangements Letter (FMFCL) subsequently after signing the Financing Agreement between IFAD and the Lao PDR. Three standard disbursement procedures are available for IFAD financing: (i) Advance withdrawal through the Revolving Fund approach; (ii) Direct payment (requirements for such payments will be communicated in the FMFCL); (iii) Reimbursement.
350. **Planning and Budgeting.** The Project formulates both annual and longer-term work plans. They define the project activities which will be implemented and detail these activities year by year. They are a compilation of the plans of the different functional units and include the required budgets. The Project prepares Quarterly/Yearly Contract Award and Disbursement plan which fits with government regulations and activities timeline as well as IFAD's requirements. The budget is monitored to ensure that it respects the annual work plan and the time frame set to complete the tasks successfully.
351. **Internal control.** The current Financial Management Manual for AFN will be adapted for phase 2 with modification (a draft FM manual is available in Appendix 4 of the PIM). Internal control includes all the policies and procedures and aims at ensuring that the project is implemented in an orderly and efficient way. This includes the adherence to management policies, the safeguarding of the assets, the detection of fraud and error, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. The concept and mechanics of internal control is key to any Project where through proper governance, guidance and oversight, management is able to effectively monitor movements of all Project activities and at the same time have the ability to backtrack to areas where there had been a control breakdown to access damage and recommend immediate remedial measures.
352. **Accounting systems, policies, procedures and financial reporting.** AFN II FM system shall adapt the current structure, policy and system of existing AFN and continue to enhance to fulfill the design and activities of AFN II. AFN II shall continue to use the current accounting software from phase 1 with customizations to tailor the need of FM of AFN II. The accounting software can fit the IFAD IFR reporting requirements and shall be able to report different source of financing and annual financial reports.
353. IFRs shall be done on quarterly basis to report the last quarter expenditure in coming 2 quarters forecast, project shall insure reliability and timely issue of the IFR in accordance with guidance in FMFCL issued by IFAD.
354. **External Audit.** The annual financial statements for the Project shall be subject to annual audit by an external auditor. The audit shall be performed with due diligence, in particular in respect of the effectiveness of the project internal control system, and the accuracy and completeness of the financial statements according to the TOR acceptable to IFAD. Contracts with the Auditor must be completed 1 month prior to the audit year. The Audit Report and accompanying audited financial statements shall be received by IFAD no later than 6 (six) months after the end of the fiscal year or period which the audit covers. As the country fiscal year is ending December 31, the audit reports are therefore due to be submitted by June 30 each year. The cost of audit will be paid out of Project funds as an authorized expenditure.

355. **Procurement** risk assessment was conducted using the Methodology for Assessing Procurement Systems (MAPS). The Procurement Risk Matrix ([PDR Annex 1: Logical Framework \(Logframe\)](#))
- 356.) is in Annex 10. The assessment of the national procurement system showed a relatively medium risk. The procurement strategy for mitigating risks is to decentralize procurement at the central and local levels together with capacity building for procurement staff. In order to establish a public procurement system, including a sanction/debarment system, the GoL should expedite dialogue and have a capacity building programme for relevant stakeholders on understanding, monitoring, and improving public procurement. The use of IFAD's Standard Procurement Documents will be required. The participation of citizens in supervising and monitoring processes and the introducing procurement audits should be promoted. Procurement will be monitored by better preparation of procurement plans, use of contract monitoring tools (CMTs), and establishing a procurement database.
357. Lessons learned from AFN-1 were considered during the design phase. The Project will use procurement procedures guided by GoL's Public Procurement Law and IFAD Procurement Guidelines. WFP procurement rules will apply to the parts managed by WFP. Detailed guidelines on procurement for other components will be set out in the AFN II Project Procurement Manual. A draft of the [Procurement Manual](#) is available in Appendix 5 of the PIM.
358. A draft Procurement Plan for the initial 18 months of ANF II is detailed in Annex 7 of the PDR. It will be finalized by the NPCO at the beginning of project implementation. Procurement methods for works, goods, and related non-consulting services include International Competitive Bidding (ICB)[\[45\]](#), National Competitive Bidding (NCB), and Shopping (IS/NS). Procurement methods for consulting services and related non-consulting services will include: Quality and Cost Based Selection (QCBS); Quality Cost Based Selection (QCBS); Fixed Budget Selection (FBS); Least Cost Selection (LCS); Consultants Qualification Selection (CQS); and Individual Consultants Selection (ICS). Shortlisting following a Request for an Expression of Interest is mandatory for all consulting service contracts.
359. All direct contracts shall be subject to IFAD's No Objection under prior review regardless of values for procurement of works, goods, Sole/Single Source Selection (SSS) for consulting services, and related non-consulting services. The use of Force Account is not allowed. Procurement with community participation will be applied to infrastructure schemes that use intensive unskilled labour and simple techniques such as access tracks, small scale irrigation systems, and market-related infrastructure with the contracts estimated at US\$30,000 or less.
360. NPCO will provide support and training in procurement to build capacity at the provincial and district levels and among farmer groups. Procurement capacity at the central level will be strengthened via IFAD's BUILDPROC grant which is a strategic tool for capacity development. NPCO is requested to assign procurement staff to be accredited as a part of BUILDPROC capacity development. DAFOs in non-convergence districts will recruit procurement consultants to support village implementation teams in procurement implementation and NPCO in procurement monitoring at the district and village levels.
361. NPCO is responsible to periodically updating the contract data of all contracts in the ICP-CMT system. PAFOs and DAFOs are responsible for gathering and providing accurate contract data from provincial, district, and village levels. Contract data in the ICP-CMT system will help IFAD and the MAF to monitor project implementation progress and the progress of individual contracts.

L. Planning, M&E, Learning, KM and Communication

a. Planning, M&E, Learning, Knowledge Management and Communication

Planning

362. The annual Work Plan and Budget (AWPB) of the AFN II Project is the project's main management tool. Its key objective is to plan and budget project activities for each fiscal year. This is developed based on action plans prepared by other line agencies and VDPs (except in the first year as VDP are not yet available).
363. The principles of planning are: (i) Simplicity: to meet reporting requirements, the project will use a standard table format to build the annual AWPB, the annual physical and financial progress report; (ii) Link with logframe: The planned activities and budgets are justified by expected outputs, outcomes, and objectives; and (iii) The Financial Agreement and Project Logframe form the core of annual planning. The process to develop and implement the [AWPB](#) is described in the PIM.

Monitoring and Evaluation.

364. A draft M&E [manual](#) is available in Appendix 2 of the PIM. It will be further developed during the first year of implementation. The project M&E system will apply IFAD Core Outcome Indicators (COI) measurement guidelines to measure all IFAD COIs at baseline, mid-term, and completion. M&E training will be conducted for district-level M&E TA and an automated bilingual system will be created. To avoid double counting, a household ID system will be integrated into the database with a summary table of project beneficiaries disaggregated by sex, age, and ethnicity. The M&E system in AFN II will have the following objectives:
365. **Monitor and Manage Project Progress.** Information is collected to measure the progress of the project against planned activities and production of outputs. This will also include assessing the quality of the activities and outputs in achieving the desired outcomes.
366. **Assess Project Outcomes and Impact.** The Project M&E system will capture information to enable decision-makers to assess the short and medium-term effects of project interventions (outcomes) in terms of having an impact on the targeted groups (development objective) and contributing to the overall impact (project goal).

367. **Capture and Disseminate Lessons Learned and Good Practices** . The project will consolidate both positive and negative lessons learned regarding implementation and the impact of the various project approaches. Good practices will be documented and disseminated.
368. **Build Capacities for Government and local partners**. The project M&E system will be used as an example for monitoring other MAF programmes and projects, including the Lao PDR Agricultural Development Strategy linked to the MAF-ProMIS.
369. The AFN II M&E system is a simple, focused, and results-based system that was initially developed under AFN I. The final M&E system will be completed during the last 6 months of AFN II in Q1-2 of 2023. It will be fully functional during project start-up and be harmonized with PICSA's PIMES system. Besides being cloud-based, it will further link physical and financial progress and generate regular reports, including semi-annual and annual Physical and Financial Progress Reports as per IFAD requirements. The project will also apply a GIS mapping tool to analyse project progress.
370. The Project Logframe will constitute the basis for the 3-tier M&E system: (i) output monitoring with a focus on physical and financial inputs, activities, and outputs; (ii) outcome monitoring for the measurement of benefits at household and community levels; and (iii) impact assessment evaluating project impact for the target groups compared to the objectives. The system will comply with IFAD requirements, but also has to comply with specific GAFSP and WFP ones as well. Relevant data, analysis, and reporting will be disaggregated by gender, age, and ethnicity. The data will inform the preparation of the aforementioned AWPBs and annual progress reports which are compatible with ORMS. The NPCO M&E unit will carry out annual outcome surveys (AOS) to measure changes as a result of programme interventions and provide rapid feedback on progress toward programme objectives.
371. In addition to the mandatory IFAD indicators, other performance indicators at the different levels have been identified during the project design phases as shown in the project Logical Framework. These include specific, mandatory, GAFSP indicators and those from the WFP Country Strategic Plan 2021-2026.
372. **Project Management Information System (ProMIS)**. The ProMIS is managed by DoPC and tracks development projects under the MAF. It has been established with support from FAO and an IT service provider and has been functional since late 2021. The project will provide technical support to DoPC to upgrade the ProMIS database system and train provincial staff in data entry and monitoring.

Learning, Knowledge Management, and Communication

373. A draft **KM** action plan is included in Appendix 3 of the PIM. The KM plan will be further developed during the first year of implementation. AFN II KM activities will support the effective flow of relevant information between project staff, beneficiaries, and other stakeholders, both in-country and outside. The objective of knowledge management is to ensure project units are able to generate and document knowledge that is useful for building practical know-how that helps improve project performance and results. Output, outcome, and impact data generated by the M&E system will inform high-quality case studies, briefs, and reports. The NPCO will document the emerging experiences, lessons, and best practices and share them widely. Additional technical assistance will be sourced by the NPCO for producing knowledge products as needed. All knowledge products will be communicated through the relevant channels to enhance learning, policy dialogue, and potential scaling-up of successful interventions. Specific knowledge products may be developed for GAFSP, IFAD, and WFP purposes.
374. Several dedicated knowledge management and communication products will be produced on behavioural change through SBCC, gender-transformative approaches, and the promotion and conservation of wild foods.
375. IFAD greater visibility: the IFAD team in Lao PDR will ensure that IFAD delivers KM products on AFN II and that they are published on both GAFSP and IFAD websites, among others. Overall, the IFAD team in Lao PDR will ensure that IFAD and WFP are equally mentioned on mass and social media in relation to AFN II, increasing its engagement with GAFSP and other stakeholders.
376. **Policy engagement**. Building on AFN I, AFN II will generate substantial experience in rural development in the areas of food systems, food security, nutrition, and value chains with market linkages. This experience offers the GoL an opportunity to review its present enabling environment for farmer group development and management and value chains, including the related policy, legal and regulatory frameworks. The Project design will therefore include resources to support national dialogue on farmer group development and management, nutrition, and value chain development.
377. The policy engagement approach of the project works through: (i) Evidence based support to multisectoral planning and coordination at the district level; (ii) Support for multisectoral planning to foster integration of lessons learned in the formulation process of the Nutrition Strategy and action plan 2026-2030 and their integration into the social economic development plan SEDP X (2026-2030); (iii) Developing KM products on agriculture and natural resources management (promotion of wild foods); and (iv) Supporting food/nutrition security which will contribute to policy dialogue and the preparation of the NPAN and SEDP for 2026-2030. The lessons learned from project implementation will be presented to decision makers in project steering committee meetings and regular project technical meetings. When validated, these lessons will be presented at Sub Working Group on Agriculture and Rural Development meetings and UN events. This approach will also increase IFAD visibility as a key Development Partner in the Agriculture and Rural development sector.
378. The project will also contribute to policy action by strengthening the capacity of CBOs to engage in policy processes at all levels. The project will support district authorities and line agencies to facilitate the integration of multi-sectoral planning for nutrition (NNSPA) into the preparation of the next SEDP 2026-2030. This planning integration exercise will activate feedback loops from the field to the planning and decision-making level.

b. Innovation and scaling up

379. The innovative aspects of the AFN II design include: (i) A multi-sectoral approach to nutritional planning on the provincial, district and village levels (convergence planning) involving all government stakeholders; (ii) A demand-led approach to linking markets actors which is implemented through stakeholder consultations using the Multi-Stakeholder Platform approach and includes the SUN Business Network; (iii) Development and piloting of additional innovations related to gender empowerment and social norms change (such as GALS); (iv) The use of innovative nutrition related SBCC activities to effectively reach all intended target groups, such as Farmer Nutrition Schools, cooking demonstrations, community nutrition days, and the use of village loudspeakers to disseminate nutrition messages; (v) Investments in wild foods identification, use, and management; (vi) Implementing innovative climate smart technologies, such as Multiple Water Use Systems (MUS), drip-irrigation, solar pumps, and solar dryers.
380. AFN II is designed with scale in mind, and there is considerable potential for scaling-up project interventions that deliver favourable outcomes. The potential pathway for scaling up the planning approach would be its broader adoption within the IFAD and WFP country programmes and potentially in the projects of partner agencies such as the World Bank and ADB.
381. To facilitate that, the project will pay attention to quality monitoring, document key innovations, and engage in priority policy events to share findings and proposals. IFAD will also increase the visibility of AFN II innovations through its active participation in the UNCT and Resident Coordinator Office-led initiatives such as UN Nutrition at country level.

M. Project Target Group Engagement and Feedback, and Grievance Redress

a. Project Target Group Engagement and Feedback.

382. The engagement and feedback mechanisms aim at providing inclusive, accessible, clear, fair, and transparent processes. They also aim to support formal communication channels for target groups and other stakeholders that encourage participation at all stages of each intervention, from planning to implementation, monitoring, and evaluation.
383. These participation processes and communication channels are embedded in the design of each intervention. They involve ascertaining that the opinions, views and needs of key stakeholders, including target groups (women, ethnic groups, youth) are recorded, verified, analysed, considered, and reflected in the intervention cycle.

Project Target Group Engagement

384. The first step of stakeholder engagement has been conducted at concept note and design stage through two in-country missions and a wide range of consultations with public line agencies, rural communities, CBOs, NGOs/CSOs, private sector entities, development partners, research and academia institutions, etc. The views and opinions collected during the design phase have been reflected in the PDR and its appendices.
385. At the implementation stage, the annual planning process involves a large range of partners and stakeholders who directly contribute to decisions in terms of expected outcomes and outputs, targeting, budget allocations, roles and responsibilities for implementation, monitoring and evaluation.
386. In the initial stage of project intervention at community level, the project will systematically apply Free Prior Informed Consent (FPIC) to ensure that the community is willing to participate in the project and has all the information necessary to take a collective informed decision. This FPIC process involves communicating in the preferred language of the community and organising focal group discussions which provide the opportunity for women, ethnic groups, youth, People with disabilities and other groups to receive information and express their views.
387. The community-based planning process involves all interested persons in the community (women, ethnic groups, youth, People with disabilities, existing CBOs, village authorities and others) alongside the active participation of district line agencies. The community-based planning process is an essential step in the project cycle and adequate time and human resources are allocated to it to ensure it is genuinely participative and inclusive. The project team is mobilized to facilitate the planning process in coordination with district line agencies and locally recruited Community Workers.
388. In this process, the community identify opportunities and social, environmental, and climate risks. They also receive essential information that allows them to take investment decisions as well as steps and procedures for implementation. This approach applies to interventions under component 1 (farmer nutrition schools, garden grants, APG grants, etc.).
389. In addition, the communities are invited to identify and select potential candidates within the community to take on the roles of the village nutrition committee, Village Nutrition Facilitators, village agriculture technician, village veterinary workers, APG committees and members, rural infrastructure O&M committees, etc. Communities are encouraged to maintain existing structures already in place, such as existing APGs. Selection is on a voluntary basis, with criteria applied to ensure equal and meaningful participation of men, women, ethnic groups, youth, People with disabilities, etc. Designation is validated in general assemblies at village level and at district level, with support from the project team. Internal rules and regulations or bylaws are decided by the various committees and groups and validated by village authorities before being endorsed at the district level.
390. Under component 2, stakeholder participation is broadened beyond the village level CBO to include private entities (buyers, service providers, equipment and inputs suppliers, financial institutions, other project teams, etc.). The engagement process is based on the Multi-Stakeholder Approach to facilitate business relationships between CBOs or clusters of CBOs and other value chain actors. These platforms result in the implementation of business plans, contracts, and investment plans. Decisions on the allocation of matching grant facilities are guided by these MSPs and then agreed through meetings to be endorsed at village,

district, provincial, and central levels.

391. CSOs eligible for Challenge Funds are also involved in the project through open competitive calls for proposals which are deliberated on at the steering-committee level.
392. Both qualitative and quantitative information and data will be collected and documented through formal channels at each level. At individual/household level the project formally registers each beneficiary in the M&E database, using pre-designed forms and questionnaires.
393. At CBO level, planning, implementation, monitoring, and evaluation stages involve formal channels to collect, document, analyse, validate, and address feedback from the CBO committees and their members. This ensures that the project approach and procedures match the needs, opportunities, and constraints of each individual CBO.
394. At village and village cluster level, the community mobilizers hired locally by the project play a critical communication role in transmitting information from the project to the target communities. They also close the feedback loop from the communities to the project team. Community mobilizers are more likely to use ICT to transmit information than the communities themselves, which may lack digital literacy and connectivity.
395. Finally, baseline, midline and end line surveys create opportunities to collect and analyse information and provide feedback loops for project stakeholders to provide views and opinions at key stages of the project cycle.

Feedback loops

396. The community-based participatory planning approach is the main tool to initiate feedback loops from the communities to the project team and to district line agencies. The locally-recruited community mobilizers will encourage all community members and CBOs to provide feedback to the project that will be documented and reported to the DPCO.
397. When feasible, social media groups will be established (NPCO, DPCO, CBOs, etc.) and managed by the KM officers to allow for more flexible and more direct feedback channels.
398. The multi-sectoral nutrition planning process, and its integration in SEDP, will provide the project teams and line agencies lessons learned from the field which may influence the formulation of the updated national nutrition policy expected in 2025.

b. Grievance redress.

399. In December 2019, the IFAD Executive Board approved the Framework for Operational Feedback from Stakeholders^[46], setting out a comprehensive agenda to redouble IFAD's efforts to ensure early, meaningful, and continuing engagement and feedback from populations targeted by IFAD-supported projects and their representatives throughout the project cycle.
400. In this framework, IFAD established a Complaints Procedure for alleged non-compliance with its social and environmental policies and mandatory aspects of its Social, Environmental and Climate Assessment Procedures (SECAP). The eligibility criteria, process, and reporting channels can be found on the IFAD Accountability and complaints procedures [webpage](#).
401. In 2018, it published its [Policy](#) for preventing and responding to sexual harassment, sexual exploitation, and abuse^[47]. To support implementing partners in understanding the requirements of this IFAD policy, the Ethics Office published a Guide for Borrowers and Recipients of IFAD funding for preventing and responding to sexual harassment, sexual exploitation, and abuse. The Ethics office has published a Guide for Borrowers and Recipients of IFAD funding for preventing and responding to sexual harassment, sexual exploitation, and abuse available [here](#).
402. IFAD's anticorruption policy establishes zero-tolerance towards prohibited practices, such as fraud and corruption, in IFAD-funded or managed operations and activities. IFAD recently revised its Policy in line with evolving best practices. It now includes obstructive practice as one of its prohibited practices. The revised Policy is being integrated into IFAD's legal framework and applies to all recipients of IFAD financing.
403. IFAD's legal framework requires IFAD staff, consultants, and project parties to promptly notify IFAD of any allegations of fraud and/or corruption in relation to project activities. IFAD's Office of Audit and Oversight (AUO) is to be contacted for reporting any such matters at Tel: +39 06 54592888 or by email: anticorruption@ifad.org. These are secure and confidential channels managed by the Investigation Section of IFAD.
404. In Lao PDR, the national assembly has also adopted the Law 35 of 2014 on grievance redress mechanisms (GRM) and has set up a hotline for citizens to submit comments, complaints, and grievances. In practice, however, this channel has proven relatively inefficient in addressing them. The Compensation and Resettlement Decree No. 84/GOL (2016) also includes provision for GRM.
405. Citizens generally have recourse to informal Village Mediation Units that resolve domestic and local disputes. They are often faster and have the advantage of being available locally. They are thus the preferred grievance resolution mechanism, more than village heads, the police or courts. In a survey conducted in 2015, as many as 75% of respondents expressed their satisfaction with the services rendered by the Village Dispute Resolution Committees. These Village Mediation Units function in an informal manner. They do not have a normative framework nor do they record the process (UN CCA, 2022).
406. To ensure that an adequate, transparent, and fair formal mechanism is available for all project stakeholders, the Project Implementation Manual includes a detailed grievance redress mechanism, taking in account the national laws and decrees and in compliance with IFAD policies and requirements. This based on: (i) SECAP (for alleged non-compliance with social and environmental requirements); (ii) the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations;

and (iii) IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. This grievance redress mechanism contributes to IFAD's core values: Respect (Value others' diversity, be fair and inclusive); Focus on results (Strive for excellence to achieve project goals; Professionalism (Apply your skills and knowledge, innovate, persevere); and Integrity (Be honest, committed, and transparent).

407. The project Grievances Redress Mechanism (GRM) is aligned with WFP's own country-wide Complaint and Feedback Mechanism (CFM) to improve accountability and transparency towards its beneficiaries and serve them more effectively.

N. Implementation plans

a. Supervision, Mid-term Review and Completion plans.

Implementation readiness and start-up plans

408. AFN II will transition from AFN I during the first half of 2023. The AFN I completion date for IFAD funding is set at 31 December 2022 and the project closing date is 30 June 2023. WFP will continue implementing activities until the Terminal Disbursement Date (TDD) of 30 June 2023. It is expected that during the transition from phase 1 to phase 2, the project will maintain the key project processes and procedures, ensuring a certain level of readiness for a smooth and swift start-up of the second phase.

409. AFN II will be implemented over seven years. In the first year, a Start-up Workshop will be organized to sensitize all project stakeholders to the project's approach and its key components and implementation arrangements. The Start-up workshop will aim at developing a common understanding of the project's design, development objectives, and interventions. The workshop will also allow partners to understand their role in AFN II, reflect on the logframe/TOC, including verification of indicators, baselines, and target values. The tools and procedures for financial management, procurement, selection of beneficiaries for different components, strategies for M&E, and KM will be introduced to the key staff undertaking these key functions. Inception workshops will subsequently be organized in every district to sensitize local partners to the project.

410. The NPCO will commission a baseline study in PY1 to establish the status of outcome indicators for each target beneficiary group located in the selected project districts and villages. Terms of reference will be prepared, with the help of IFAD and WFP, to ensure that all key indicators included in the Logframe are included in the baseline, mid-term, and completion surveys.

Supervision, Mid-term Review and Completion plans.

411. The project internal supervision system is comprised of local monthly and national quarterly and annual review meetings and capturing information on progress, lessons learned, and finding solutions for implementation constraints. A specific report will be prepared for the quarterly and annual review meetings.

412. In addition, a **joint supervision mechanism** with IFAD and WFP will be implemented as follows:

413. Yearly, joint, IFAD-WFP **Supervision Missions**. These will be carried out towards the middle of each fiscal year. They shall assess performance in terms of physical and financial progress as compared to annual targets and the specific actions (Agreed Actions) to be undertaken by the Project. IFAD will provide grades (from 1 to 6) for ongoing project implementation. Field visits are an integral part of the Supervision Missions.

414. Yearly, joint, IFAD-WFP **Implementation Support Missions**. These will be carried out towards the end of each fiscal year. They shall assess performance in terms of physical and financial progress, but will mainly support the Project in terms of specific needs. The composition of the Supervision and Implementation Support Missions will be based on the need for technical support within the different project components and performance areas that require attention.

415. **Mid-Term Review (MTR)**. This will be jointly organized by IFAD and WFP, together with the GoL during the end of the third year of the project. The aim is to: (i) assess achievements and interim impact, the efficiency and effectiveness of management arrangements, and the continued validity of project design; (ii) identify key lessons learnt and good practices; and (iii) provide recommendations for improved performance including any need for restructuring. The mid-term evaluation will review the implementation progress of project components, document performance on key implementation aspects (e.g. approaches, strategies and processes), and make recommendations for adjustments as needed.

416. **Project Completion Review**. As the project reaches completion, the NPCO will prepare a draft Project Completion Report. With support from IAFD, the Government will then carry out a Project Completion Review based on the information in the Project Completion Report and other data including the baseline survey, MTR, end-line survey, and technical reports and studies carried out during project implementation.

417. Thematic studies will be conducted on a needs basis to support programme activities, policy dialogue, and scaling up. The project will conduct an annual outcome survey to show progress. Project staff will be briefed on IFAD's results management systems and requirements.

Footnotes

[1] The Politburo or political bureau is the executive committee for communist parties, the highest decision-making organ when the Central Committee is not convened for a plenary session.

[2] Perceptions of the extent to which a country's citizens can participate in selecting their government, freedom of expression, freedom of association, and a free media. Lao PDR ranked 201 out of 214 countries in 2020.

[3] GNI per capita, Human Assets Index and Economic, and Environmental Vulnerability Index (EVI).

[4] <https://www.ifpri.org/spotlight/food-prices-war-ukraine>

[5] de Onis, M. *et al.* 2018. Prevalence thresholds for wasting, overweight and stunting in children under 5 years. *Public Health and Nutrition*, 22(1), pp. 175–179.

[6] de Benoist, B. *et al.* 2008. Worldwide prevalence of anaemia 1993–2005. WHO Global Database on Anaemia

[7] WHO. 2017. Global Health Observatory data repository

[8] Food Systems Profile – The Lao People's Democratic Republic. Catalysing the sustainable and inclusive transformation of food systems. Rome, Brussels and Montpellier, France. <https://doi.org/10.4060/cc0302en>

[9] Synthesis Report, Pathways to Sustainable Food Systems. Food Systems Summit 2021: Member State Dialogues in Lao PDR ([link](#))

[10] <https://data.worldbank.org/indicator/SG.GEN.PARL.ZS?locations=LA>

[11] Some groups like the Hmong, Akhar and Yao have patrilineal traditions, while the dominant Lao-Tai group is matrilineal; the youngest daughter inherits land and takes care of the aging parents. Other ethnic groups have matrilineal systems where women take a lead role in decision making or where both women and men share decision making.

[12] In Lao PDR 35% of girls are married before their 18th birthday and 9% before age 15.

[13] The acronym PWD is not appropriate for persons with disabilities and the name of this group is always written in full in this document to keep the focus on people consistent with the [UN Disability language guidelines](#).

[14] The census used the Washington Group's Short Set of Questions, that focus on functional limitations across the following six domains: seeing, hearing, walking (or climbing stairs), remembering (or concentrating), self-care (washing/dressing), and communicating.

[15] As per article 1 of the Convention on the Rights of Persons with Disabilities: "Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others".

[16] Lao Social Indicator Survey II (LSIS II), June 2018

[17] The Economic Consequences of Malnutrition in Lao PDR: A Damage Assessment Report. National Economic Research Institute (NERI), 2013.

[18] UNICEF, 2017. Overview: Assessment of current maternal, infant and young child nutrition practices in Lao, PDR.

[19] Bouapao, L. *et al.*, 2016. Strategic Review of Food and Nutrition Security in Lao People's Democratic Republic, Vientiane, Lao PDR.

[20] Notre Dame Global Adaptation Initiative (ND-GAIN) vulnerability and readiness index of 40.7 (ranked 136 out of 182 countries) and a World Risk Index of 4.46%

[21] Gender Equality and Women's Empowerment

[22] IFAD has no official ICO in Lao PDR

[23] The 2021 outcome survey showed that: (i) household income increased by 56% on average; (ii) The percentage of households with a per capita income of less than US\$270 decreased from 70% at baseline in 2017 to 49.7% in 2021; (iii) 83.4% of women in surveyed households consume at least 5 out of 10 major food-groups; (iv) incidence of underweight children under 5 decreased from 23.9% at baseline to 18.4% in 2021; (v) incidence of stunting in children under 5 decreased from 47% to 44%.

[24] WFP: Assessing and mitigating the impact of shocks on food security and nutrition in the Asia Pacific region: Lessons from the COVID-19 response for informing the Global Food Crisis response, July 2022.

[25] WFP 2020, Farmer Nutrition School Household Impact Survey.

[26] <https://sunbusinessnetwork.org/category/lao-pdr/>

[27] <https://www.ifad.org/en/web/knowledge/-/empowering-rural-people-through-a-semiintensive-rural-poultry-production-model-in-cambodia>

[28] The goal is aligned with the United Nations Sustainable Development Cooperation Framework for the Lao People's Democratic Republic (2022-2026)- [link: https://www.undp.org/laopdr/publications/country-programme-document-lao-pdr-2022-2026](https://www.undp.org/laopdr/publications/country-programme-document-lao-pdr-2022-2026)

[29] Poor, women, children and youth, elderly, disabled persons (Disaster Management Reference Handbook, 2021)

[30] Key numbers and datasets are from LSIS II, LECS 6, the MoNRE climate vulnerability report and MAF assessment report versus the Decree 348 poverty graduation criteria.

[31] Ref. Decree 348 on the criteria for Poverty Graduation and Development dated 16 November 2017. Villages that graduate from poverty are those that fully meet the following conditions: 1. Own or have access to a primary or lower secondary school; 2. Own or have access to a health centre or primary health care services; 3. Own or have access to a clean water source; 4. Have roads that can be used all year around; 5. Have access to communication and transportation services; 6. Have access to markets to buy/sell/exchange products; 7. Have access to electricity from the national grid; 8. Over 70% of the total families in the village have graduated from poverty. Villages that do not meet these eight conditions above are considered poor villages.

[32] The number of beneficiaries (28,000 households), villages (500), and districts (20) have not been changed from the AFN II Concept Note approved by GAFSP in Dec 2021. Per the Government's request, and based on the results of the national poverty assessment against the criteria set out in the Decree 348 on the "Criteria for Poverty Graduation and Development", the design team updated the list of targeted districts by including two districts from a new province (Xiengkhouang) and removing two districts from the previous list.

[33] Population and Housing Census 2015 ([PHC, 2015](#))

[34] National average household size is 5.6 persons ([PHC, 2015](#)). For the purpose of this proposal, average household size is rounded up to 6.

[35] FNML covered 175 villages in 5 districts: Samouay and Ta Oi (Salavan province), Dakcheung (Sekong province) and Sanxay, and Phouvong (Attapeu province). All 5 districts are also AFN II target districts.

[36] Source: AFN II gender assessment conducted at concept note and full design stage based on: (i) design mission findings; (ii) desk-review of recent publications on gender issues in Laos (including the latest report published by USAID in April 2022, [USAID/Laos country-level gender Analysis](#)); (iii) consultations with stakeholders from Government, UN partners and NGOs working in Laos; and (iv) IFAD experience and lessons learned from mainstreaming gender in AFN I and previous projects in Laos.

[37] The analysis will determine the nutritional value of wild foods species and Recommended Daily Allowance (RAD) of Micro-

Nutrients. The publication on the Phakhao Lao database and other media (booklets) will complement the « Nutrient dense food crops booklet » published by WFP in Lao and English languages :

https://issuu.com/unlaos/docs/eng_nutrient_dense_food_crop_book_m_265941dd3d93da

[38] Potential measures to be adopted by communities to enhance their sustainable conservation and use, will include: (i) ex-situ conservation (dedicated community “seed banks” of NFTP and reproduction / domestication in home gardens in line with activity 3a and 3b); (ii) in-situ conservation (community commitment to conserve / enrich specific areas rich in such NFTP); and (iii) identifying potential niche value chains which could be supported in component 1, activity 3a and component 2.

[39] <https://suncsalaos.org/document/nutition-sbcc-strategy/>

[40] FNML was implemented between 2013 and 2020 in the three target provinces in Southern Lao PDR. It was funded by IFAD and the Adaptation for Smallholders Agriculture Programme (ASAP), with cofinancing by the Asian Development Bank

[41] GCF/FAO: Scaling up climate-responsive planning and decision-making for resilient agriculture and livelihoods in Lao PDR:

<https://www.greenclimate.fund/document/scaling-climate-responsive-planning-and-decision-making-resilient-agriculture-and>

[42] Lao PDR joined the Scaling Up Nutrition Movement in 2011. The Lao “scaling up nutrition business network” initiative was pre-launched in 2016 and its strategy for 2018 – 2022 was jointly endorsed in 2019 by the National Nutrition Committee Secretariat and WFP, aiming at “engaging the private sector in improving nutrition in Lao PDR”. The SUN Business Network now counts 35 members, including 16 food production/processing companies.

[43] <https://sunbusinessnetwork.org/our-members/lao-pdr/>

[44] The AC investment fund is expected to be required in the second half of the project once ACs are formed.

[45] The Project is likely to not have any ICB contract

[46] See Framework for Operational Feedback from Stakeholders <https://webapps.ifad.org/members/eb/128/docs/EB-2019-128-R-13.pdf?attach=1> and Annex 8 for further details.

[47] The policy applies to all IFAD staff, independent of their location, grade, type or duration of appointment, including staff members on loan and all individuals hired by IFAD under a non-staff contract such as consultants and interns. The policy also applies to borrowers and recipients of IFAD funding, as well as third parties contracted using IFAD’s funding such as consultants, contractors, and vendors.

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 1: Logframe

Mission Dates: 04-18 May 2022

Document Date: 03/12/2022

Project No. 2000003760

Report No. 6231-LA

Asia and the Pacific Division
Programme Management Department

Agriculture For Nutrition - Phase 2 (AFN II)

Logical Framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	1 Persons receiving services promoted or supported by the project				Project monitoring	Midline, endline, annual	NPCO, M&E	Communities, including women and ethnic groups actively take ownership and actively participate in the interventions.
	Males	0	33600	84000				
	Females	0	33600	84000				
	Young	0	16800	42000				
	Not Young							
	Indigenous people	0	47040	117600				
	Non-Indigenous people							
	Total number of persons receiving services	0	67200	168000				
	Persons with disabilities	0	1344	3360				
	1.a Corresponding number of households reached				Project monitoring	Midline, endline, annual	NPCO, M&E	
	Households	0	11200	28000				
	1.b Estimated corresponding total number of households members				Project monitoring	Midline, endline, annual	NPCO, M&E	
	Household members	0	67200	168000				
Project Goal Enable 28,000 vulnerable households living in the project area to improve their income by 20%, by 2030.	16,800 households with increased incomes by 20% (GAFSP Tier 1 indicator)				Impact assessment	Baseline, midline, endline	NPCO, Government analysis	Increased productivity, value addition and market linkages result in increased income.
	Households	0	6720	16800				
	Households	0	24	60				
	Males	0	20	50				
	Females	0	20	50				
	Young	0	1680	4200				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Development Objective Enable 28,000 vulnerable households living in the project area to improve their food and nutrition security, enhance their climate resilience and increase smallholders' income by 2030	16,800 households with decreased food insecurity by 20% measured by Food Insecurity Experience Scale (FIES) - GAFSP Tier 1 indicator				Impact assessment	Baseline, midline, endline	NPCO, Government analysis	Project capacity building interventions and investments result in increased food availability. Women are the key decision makers on household food purchases and preparations. Sustainable and climate resilient practices promoted by the project results in increased HH resilience. Targeted communities want to improve their health and nutrition status and get effectively empowered through participatory planning.
	Households	0	6720	16800				
	Households	0	40320	100800				
	Households	0	24	60				
	Males	0	20	50				
	Females	0	20	50				
	Young	0	10	25				
	Indigenous people	0	28	70				
	1.2.8 Women reporting minimum dietary diversity (MDDW)				Project monitoring	Baseline, midline, endline	NPCO	
	Women (%)		20	50				
	Women (number)		5760	14400				
	Households (%)		20	50				
	Households (number)		5760	14400				
	Household members		34560	86400				
	Non-women-headed households							
	16,800 households with increased climate change resilience by 30%.				Project monitoring	Baseline, midline, endline	NPCO	
	Households	0	6720	16800				
	Households	0	24	60				
	Males	0	20	50				
	Females	0	20	50				
	Young	0	1680	4200				
	IE.2.1 Individuals demonstrating an improvement in empowerment				Project monitoring	Baseline, midline, endline	NPCO	
	Total persons	0	4	10				
	Total persons	0	6720	16800				

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		
	Females	0	20	50					
	Females	0	3360	8400					
	Males	0	20	50					
	Males	0	3360	8400					
Outcome 1. Community-driven agriculture and natural resources-based nutrition interventions established	1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)				Project monitoring	Baseline, midline, endline	NPCO	Nutrition and care feeding practice benefits are understood and relevant to the targeted communities. Target HHs consider environmentally sustainable and climate-resilient technologies and practices as adequate.	
	Households (number)			5760					14400
	Households (%)			20					50
	Household members			33600					84000
	Proportion of children 6-23 months of age who receive a Minimum Acceptable Diet (MAD)				Project monitoring	Baseline, midline, endline	NPCO		
	Males		26.4	30					40
	Females		26.4	30					40
	Indigenous people								40
	Households			6720					16800
	Households								60
	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				Project monitoring	Baseline, midline, endline	NPCO		
	Total number of household members		0	36000					90000
	Households		0	22					54
Households		0	6000	15000					
Outcome 2. Stakeholder Feedback	SF.2.1 Households satisfied with project-supported services				Project monitoring	Midline, endline	NPCO, M&E	The project efficiently delivers on its expected outputs and outcomes	
	Household members		0	8960					22400
	Non-indigenous households								
	Non-women-headed households								
	Households (%)		0	32					80

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Households (number)	0	53760	134400				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				Project monitoring	Midline, endline	NPCO, M&E	
	Household members		5600	14000				
	Non-indigenous households							
	Non-women-headed households							
	Households (%)		20	50				
	Households (number)		33600	84000				
Output 18,000 households provided with targeted support to improve their nutrition	1.1.8 Households provided with targeted support to improve their nutrition				Project monitoring	Baseline, midline, endline, annual	NPCO	The project delivers on all nutrition sensitive interventions, targeting the most nutritionally vulnerable households
	Total persons participating	0	43200	108000				
	Males	0	21600	54000				
	Females	0	21600	54000				
	Households	0	7200	18000				
	Household members benefitted	0	43200	108000				
	Indigenous people	0	30240	75600				
	Non-Indigenous people							
	Young	0	10800	27000				
	Not Young							
	Women-headed households	0	144	360				
	Non-women-headed households							
Output 15,000 people benefiting from cash or food-based transfers	Persons benefiting from cash or food-based transfers				Project monitoring	Baseline, midline, endline, annual	NPCO	
	Females	0	6000	15000				
	Households	0	6000	15000				
	Households	0	22	54				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Females	0	40	100				
	Young	0	1500	3750				
Output 22,400 persons trained in production practices and/or technologies	1.1.4 Persons trained in production practices and/or technologies				Project monitoring	Baseline, midline, endline, annual	NPCO	Village Agriculture Technicians, Village Veterinary Workers and Lead farmers deliver effective last mile advisory services to APG members with support from DAFO
	Total number of persons trained by the project	0	8960	22400				
	Total number of attendances to training sessions	0	8960	22400				
	Men trained in crop	0	2240	5600				
	Women trained in crop	0	2240	5600				
	Young people trained in crop	0	1120	2800				
	Indigenous people trained in crop	0	3136	7840				
	Men trained in livestock	0	2240	5600				
	Women trained in livestock	0	2240	5600				
	Young people trained in livestock	0	1120	2800				
	Indigenous people trained in livestock	0	3136	7840				
	Total persons trained in crop	0	4480	11200				
	Total persons trained in livestock	0	4480	11200				
Output 10,000 farmers receiving inputs or services on climate resilient or sustainable agriculture practices	Number of farmers receiving inputs or services on climate resilient or sustainable agriculture practices (GAFSP Tier 2 indicator #13)				Project monitoring	Baseline, midline, endline, annual	NPCO	Village Agriculture Technicians, Village Veterinary Workers and Lead farmers deliver effective last mile advisory services to APG members with support from DAFO
	Males	0	2400	6000				
	Females	0	1600	4000				
	Males	0	24	60				
	Females	0	16	40				
	Households	0	4000	10000				
	Households	0	14	35				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Output 28,000 hectares of land brought under climate-resilient management	3.1.4 Land brought under climate-resilient practices				Project monitoring	Baseline, midline, endline, annual	NPCO	
	Hectares of land	0	14000	28000				
Output 1,000 producer-based organizations supported	2.1.3 Rural producers' organizations supported				Project monitoring	Midline, endline, annual	NPCO	
	Total size of POs	0	10000	25000				
	Rural POs supported	0	400	1000				
	Males	0	5000	12500				
	Females	0	5000	12500				
	Young	0	2500	6250				
	Indigenous people	0	7000	17500				
	Rural POs supported that are headed by women	0	160	400				
Output 15,000 persons receiving capacity development support	Persons receiving capacity development support (GAFSP Tier 2 Indicator #10)				Project monitoring	Baseline, midline, endline, annual	NPCO	Technical staff (MAF-PAFO-DAFO-LWU-DNC etc) is available for capacity building activities
	Households	0	8960	22400				
	Households	0	32	80				
	Males	0	6000	15000				
	Females	0	6000	15000				
	Males	0	20	50				
	Females	0	20	50				
	Young	0	3000	7500				
Outcome 3. Business Partnerships and Market access improved	2.2.6 Households reporting improved physical access to markets, processing and storage facilities				Project monitoring	Midline, endline, annual	NPCO	
	Households reporting improved physical access to markets	0	9	21				
	Size of households	0	45000	108000				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Households reporting improved physical access to processing facilities	0	9	21				
	Households reporting improved physical access to storage facilities	0	9	21				
	Households reporting improved physical access to markets	0	2500	6000				
	Households reporting improved physical access to processing facilities	0	2500	6000				
	Households reporting improved physical access to storage facilities	0	2500	6000				
Output 600 Rural producers' organizations engaged in formal partnerships / agreements or contracts with public or private entities	Rural producers' organizations engaged in formal agreement with private entities				Project monitoring	Baseline, midline, endline, annual	NPCO	MSMEs willing to invest with adequate support and financing
	Number of POs	0	200	600				
	Total Number of POs members	0	6000	15000				
	Women PO members	0	3000	7500				
	Men PO members	0	3000	7500				
	Young PO members	0	1500	3750				
	IP PO members	0	4200	10500				
Output 500 processing, storage, and market facilities constructed and/or rehabilitated	2.1.6 Market, processing or storage facilities constructed or rehabilitated				Project monitoring	Baseline, midline, endline, annual	NPCO	Business plans are profitable and sustainable in the foreseen macro-economic context.
	Total number of facilities	0	250	500				
	Market facilities constructed/rehabilitated	0	50	100				
	Processing facilities constructed/rehabilitated	0	50	100				
	Storage facilities constructed/rehabilitated	0	150	300				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Output 50 SMEs joining the SUN Business Network as new members	Number of SMEs joining the SUN Business Network as new members				Project monitoring	Baseline, midline, endline, annual	NPCO	
	Number of SMEs joining	0	20	50				
Outcome 4. Enabling environment	Multisectoral planning processes supported				Project monitoring	midline, endline, annual	NPCO	Nutrition committees active and committed to the nutrition policy implementation.
	District Nutrition Committees endorsing village nutrition plans	0	8	20				
Output 30 policy-relevant knowledge products completed	Policy 1 Policy-relevant knowledge products completed				Project monitoring	midline, final evaluation	NPCO	
	Number	0	12	30				

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 2: Theory of change

Mission Dates: 04-18 May 2022

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Project No. 2000003760

Report No. 6231-LA

Asia and the Pacific Division
Programme Management Department

PDR Annex 2: Theory of Change

ToC

Expected result Tier 1	Global Impact								
	Project Impact	<ul style="list-style-type: none"> 16,800 HHs with improved income by 20% 14,400 women reporting Minimum Dietary Diversity (MDD-W) 16,800 HHs with increased climate change resilience by 30% 				<ul style="list-style-type: none"> 16,800 people (50% female) demonstrating improved economic, social and cultural empowerment 16,800 HHs with decreased food insecurity by 20% 			
	Goal & Objective	<p>Enable 28,000 vulnerable households living in the project area to improve their food and nutrition security, enhance their climate resilience and increase smallholders' income by 2030</p>							
Development Intervention Tier 2 and 3	Key Outcomes	<p>Component 1: Community-driven agriculture- and natural resources-based nutrition interventions establishment</p> <ul style="list-style-type: none"> 14,400 HHs with improved nutrition Knowledge, Attitudes and Practices (KAP) 40% of children (6 -23 months) receive Minimum Acceptable Diet (MAD) 15,000 HHs report adoption of environmentally sustainable and climate-resilient technologies and practices 		<p>Component 2: Business Partnerships and Market Access improvement</p> <ul style="list-style-type: none"> 15,000 HHs reporting improved physical access to markets, processing and storage facilities 			<p>Component 3: Enabling environment and partnerships</p> <ul style="list-style-type: none"> 20 District Nutrition Committees endorsing village nutrition plans as a demonstration of improved inter-level coordination 		
	Key Outputs	<ul style="list-style-type: none"> 168,000 people receive improved CSA/nutrition training 15,000 people receive cash or food-based transfers 375 villages receive training/cash grants for food preservation and storage 30 primary schools are linked with local producers to enhance school meals 22,400 people receive APG grants 10,000 HH receive inputs/services on CR/S agriculture practices 68,000 ha of land-area receive improved production support 1,100 producer-based organizations are supported 		<ul style="list-style-type: none"> 500 processing, storage, and market facilities are built/rehabilitated 600 APGs engage in formal agreements/contracts with public or private entities 50 SMEs join the SUN BN as new members and receive business & marketing support and access to finance existing rural access tracks are rehabilitated 			<ul style="list-style-type: none"> 30 substantive deliverables on food security processes completed 5 KM products on agriculture, natural resources management and food/nutrition security are completed for policy purposes 40 CSO supported communities in the implementation of their village nutrition plans 		
	Key Interventions	<p>Nutritional status of vulnerable groups improvement; Farmer Nutrition School establishment; Women empowering; Integrated Home Garden establishment; Domestic food processing and conservation; Local food sources, wild foods management; Agriculture productivity improvement; Community-Based Organizations Strengthening; Agriculture/Rural Advisory Services improvement; CCA infrastructures</p>		<p>Support to Micro, Small and Medium Enterprise in food supply chains; Business Multi-Stakeholder Platforms establishment; Market related infrastructures</p>			<p>Multi-sectoral Planning and Coordination; Partnerships; Project management</p>		
Development Problem	Key Development Challenges	Food insecurity (availability of / accessibility to food)	Poor dietary knowledge and practices	Low extension services capacities	Limited access to markets and finance	Poorly regulated value chains	Limited employment opportunities	Limited MSME investments	Limited cross-sectoral coordination at subnational and local level
		<p>Gender inequality (economic, social, cultural) Climate change vulnerabilities Negative economic impacts of COVID-19 pandemic and conflict in Ukraine</p>				<p>Unsafe and unsustainable natural resource management Institutional barriers to public services, finance and markets</p>			

TARGETING
50% women; 25% youth ; 70% ethnic groups

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 3: Project cost and financing: Detailed costs tables

Mission Dates: 04-18 May 2022

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Project No. 2000003760

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Asia and the Pacific Division
Programme Management Department

PDR Annex 3: Project cost and financing: Detailed costs tables

Assumptions

1. The project duration is seven (7) years, with an intended entry into force in the first half of 2023 and project activities starting in June 2023. The planned completion date will be June 2030 and the closing date will be December 2030.
2. The design team collected costs and market prices during the detailed design mission conducted in May 2022. The data was validated by comparison with costs from the current AFN phase and other IFAD-funded projects during the preparation of the cost tables in June and July 2022. Costs have been entered in the Costab as base costs expressed in US dollars.
3. The exchange rate is taken at LAK 15,033/US dollar as per the rate of the National Bank of Lao PDR in July 2022. On this basis, project costs are presented in both LAK and US dollars. Conversions from current US dollar values into LAK over the course of project implementation assume constant purchasing power exchange rates.
4. The inflation rate has averaged 3.27% over the last decade, but sharply increased in 2022. Inflation increased from under 2% in February 2021 (year-on-year) to 12.8% in May 2022. The economic forecast shows that inflation is expected to average 5% in 2023 (ADB, [economic indicators for the Lao PDR, 2022](#)). The assumption is also that the inflation rate will decrease in 2024, to pre-crisis levels. The depreciation of the local currency against the US dollar will outweigh the impact of inflation.

Table 1: Foreign and local inflation rates 2023-2030

Year	2023	2024	2025	2026	2027	2028	2029	2030
Foreign inflation rate	2%	2%	2%	2%	2%	2%	2%	2%
Local Inflation rate (%)	5%	3%	3%	3%	3%	3%	3%	3%

5. The Government of Lao PDR will finance the taxes on all goods and services purchased under the project.
6. The detailed project costs can be downloaded from the following link:
<https://docs.google.com/spreadsheets/d/1mxCv8OPM1ttQobpJ6h0tiFG-NMIXI8b-/edit?usp=sharing&ouid=105606185438637976325&rtpof=true&sd=true>
7. The Costab file can be downloaded from the following link:
https://drive.google.com/file/d/1ALfZbhr2GDPDbB3f2fMkjAxZ_1TzJj19/view

Table 3: Detailed Cost Table II - AFN II

Laos People's Democratic Republic
 Agriculture For Nutrition - Phase 2 (AFN II)
 Table 2. Improved agriculture productivity of selected commodities
 Detailed Costs

Unit	Quantities								Unit Cost (US\$)	Base Cost (US\$)								Totals Including Contingencies (US\$)								
	2023	2024	2025	2026	2027	2028	2029	Total		2023	2024	2025	2026	2027	2028	2029	Total	2023	2024	2025	2026	2027	2028	2029	Total	
I. Investment Costs																										
A. Community-Based Organizations (CBOs) Strengthening																										
1. APG grants	APGS	100	300	300	160	-	-	-	860	4,500	450,000	1,350,000	1,350,000	720,000	-	-	-	3,870,000	523,784	1,633,823	1,682,837	924,439	-	-	-	4,764,883
2. Organisational support to clustering of APG into AC	AC	-	5	5	5	-	-	-	15	30,000	-	150,000	150,000	150,000	-	-	-	450,000	-	181,536	186,982	192,591	-	-	-	561,109
3. AC investment grants	AC	-	-	5	5	5	-	-	15	100,000	-	-	500,000	500,000	500,000	-	-	1,500,000	-	-	623,273	641,971	661,230	-	-	1,926,475
4. Extension Management System (EMS)	districts	20	20	20	20	20	20	20	140	4,000	80,000	80,000	80,000	80,000	80,000	80,000	6,380,000	93,117	96,819	99,724	102,715	105,797	108,971	112,240	719,383	
Subtotal											530,000	1,580,000	2,080,000	1,450,000	580,000	80,000	80,000	6,380,000	616,901	1,912,178	2,592,816	1,861,717	767,027	108,971	112,240	7,971,850
B. Agriculture/Rural Advisory Services improved																										
1. Demonstrations, lead farmers	LF	50	150	150	63	-	-	-	413	1,500	75,000	225,000	225,000	94,500	-	-	-	619,500	87,297	272,304	280,473	121,333	-	-	-	761,407
2. District Agriculture Advisor	pers-month	90	180	180	180	180	180	-	990	1,000	90,000	180,000	180,000	180,000	180,000	180,000	-	990,000	104,757	217,843	224,378	231,110	238,043	245,184	-	1,261,315
3. Exchange visits between provinces	sessions	-	7	7	7	-	-	-	21	1,200	-	8,400	8,400	8,400	-	-	-	25,200	-	-	10,166	10,471	10,785	-	-	31,422
Subtotal											165,000	413,400	413,400	282,900	180,000	180,000	-	1,634,700	192,054	500,313	515,322	363,227	238,043	245,184	-	2,054,144
C. Climate Change adaptation infrastructures (irrigation /MUS) built and upgraded																										
1. Multi Use water systems (MUS)	MUS	50	100	150	100	-	-	-	400	9,000	450,000	900,000	1,350,000	900,000	-	-	-	3,600,000	490,614	1,003,144	1,537,295	1,047,058	-	-	-	4,078,111
2. Small scale Irrigation schemes upgrades	schmes	-	30	40	30	-	-	-	100	20,000	-	600,000	800,000	600,000	-	-	-	2,000,000	-	685,157	935,632	718,704	-	-	-	2,339,492
3. Technical support for irrigation schemes (design and supervision)	schmes	-	20	30	20	-	-	-	70	500	-	10,000	15,000	10,000	-	-	-	35,000	-	12,102	18,698	12,839	-	-	-	43,640
4. Technical support for MUS (design and supervision)	MUS	50	100	150	200	-	-	-	500	300	15,000	30,000	45,000	60,000	-	-	-	150,000	17,459	36,307	56,095	77,037	-	-	-	186,898
Subtotal											465,000	1,540,000	2,210,000	1,570,000	-	-	-	5,785,000	508,073	1,736,710	2,547,719	1,855,638	-	-	-	6,648,141
Total Investment Costs											1,160,000	3,533,400	4,703,400	3,302,900	760,000	260,000	80,000	13,799,700	1,317,029	4,149,201	5,655,858	4,080,582	1,005,070	354,155	112,240	16,674,135
II. Recurrent Costs																										
Total											1,160,000	3,533,400	4,703,400	3,302,900	760,000	260,000	80,000	13,799,700	1,317,029	4,149,201	5,655,858	4,080,582	1,005,070	354,155	112,240	16,674,135

Table 4: Detailed Cost Table III - AFN II

Laos People's Democratic Republic
Agriculture For Nutrition - Phase 2 (AFN II)

Table 3. Business Partnerships and Market Access improvement

Detailed Costs	Unit	Quantities							Unit Cost (US\$)	Base Cost (US\$)							Totals Including Contingencies (US\$)									
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028	2029	Total	2023	2024	2025	2026	2027	2028	2029	Total
I. Investment Costs																										
A. Support to MSME in food supply chains																										
1. Support to existing MSME (business planning, market dev)	MSME	-	5	5	5	5	-	-	20	7,908.78	-	39,544	39,544	39,544	39,544	-	-	158,176	-	47,858	49,293	50,772	52,295	-	-	200,218
2. MSME creation (registration, seeder fund)	MSME	-	10	10	10	10	10	-	50	12,000	-	120,000	120,000	120,000	120,000	120,000	-	600,000	-	145,229	149,586	154,073	158,695	163,456	-	771,039
Subtotal																										
B. Business Multi-Stakeholder Platforms																										
1. MSP sessions, fairs and markets	sessions	-	15	15	15	15	15	15	90	1,700	-	25,500	25,500	25,500	25,500	25,500	25,500	153,000	-	30,173	31,012	31,874	32,764	33,692	34,654	194,169
2. Matching grants for MSP	MSP	-	-	10	20	20	20	-	70	25,000	-	250,000	500,000	500,000	500,000	-	1,750,000	-	-	311,637	641,971	661,230	681,067	-	2,295,906	
Subtotal																										
C. Market related infrastructures																										
1. Food Processing and storage facilities	APG	-	50	100	100	125	-	-	375	4,500	-	225,000	450,000	450,000	562,500	-	-	1,687,500	-	272,304	560,946	577,774	743,884	-	-	2,154,908
2. Access tracks	km	-	-	50	100	150	-	-	300	4,500	-	225,000	450,000	675,000	-	-	1,350,000	-	-	280,473	577,774	892,661	-	-	1,750,908	
Subtotal																										
Total Investment Costs																										
II. Recurrent Costs																										
A. DSA for Technical support (DICO)	districts	15	15	15	15	15	15	15	105	400	6,000	6,000	6,000	6,000	6,000	6,000	6,000	42,000	6,984	7,261	7,479	7,704	7,935	8,173	8,418	53,954
B. DSA for Follow-up (PICO)	prov	7	7	7	7	7	7	7	49	250	1,750	1,750	1,750	1,750	1,750	1,750	1,750	12,250	2,037	2,118	2,181	2,247	2,314	2,384	2,455	15,737
Total Recurrent Costs																										
Total																										

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 4: Economic and Financial Analysis

Mission Dates: 04-18 May 2022

Document Date: 03/12/2022

Project No. 2000003760

Report No. 6231-LA

Asia and the Pacific Division
Programme Management Department

PDR Annex 4: Economic and Financial Analysis

[EFA]

I. PROJECT DESCRIPTION

1. The Agriculture for Nutrition – Phase 2 project (AFN II) will be implemented over seven years in six out of the eighteen provinces of Lao PDR, namely Oudomxai, Phongsaly and Xiengkhouang in the north and Salavan, Sekong and Attapeu in the south. The area is mostly rugged and mountainous and has a population of 1.13 million people or approximately 200,000 households. It is financed through several sources (IFAD loan, Global Agriculture and Food Security Programme, and the Lao PDR). The project's development objective is to enable 28,000 vulnerable households living in the project area to improve their food and nutrition security by 2027. The objective will be achieved through: gender-transformative activities aimed at improving dietary intake, increasing resilient and diversified agricultural production and income; enhancing livelihood resilience, including recovery from COVID-19 impacts; management of natural resources; and access to services related to agriculture, nutrition, and markets. The project is structured into 3 technical components: Component 1- Community driven agriculture and natural resources-based nutrition interventions establishment; Component 2 - Business partnerships and market access improvement; and Component 3 - Enabling environment and partnerships. The project will be implemented by the Ministry of Agriculture and Forestry (MAF).

II. PROJECT BENEFIT AND THEORY OF CHANGE

2. Project benefit: The project will address the various constraints described above through interlinked production and market-based interventions. Through component 1, the project will aim at reducing transaction costs and risks for private actors to deal with remote smallholder farmers. It will support the capacity of farmers to produce in line with market needs and to develop market groups which can better interface with market players. Investments in post-harvest practices and market infrastructure (roads, processing, storage, etc.) will also contribute to decreased transaction risks and links to market, thereby decreasing transactions costs. Finally, investment in climate smart practices, advisory services, local service provision, and water will contribute to decreased agricultural production risks highlighted under the commercial crop specialization, forest conversion, and resilience challenges above. Component 2 will engage private sector entities through three main market-driven strategic interventions: (i) crowding-in responsible and reliable private sector entities by supporting new and existing MSMEs at provincial and district levels; (ii) strengthening the business development support function of the SUN BN to provide services to MSMEs to develop and improve their business planning, business literacy, and management skills and to access specialized expertise in processing technologies and finance; and (iii) encouraging and facilitating co-investment between clusters of APGs and private companies involved in food supply chains. These interventions will contribute to build back better and make food supply chains more resilient to future shocks.

3. The primary source of the economic benefit of the project is derived directly from subcomponent 1a and 1b of component 1 and component 2. The rest of the project activities work to create an enabling environment for the project to achieve the intended economic benefit. Fifteen (15) models are developed to assess the impact on the target beneficiary and society.

Table 6: Primary source of economic benefits of the project

Component	Subcomponent	Activity	Model
Component 1: Community driven agriculture and natural resources- based nutrition interventions establishment	Subcomponent 1a: Improved nutritional status of women, children, girls, and other vulnerable groups	Integrated Home Garden establishment.	Integrated Home Garden for Nutrition
	Subcomponent 1b: Improved agricultural	Community- Based	Poultry raising Pig raising

Component	Subcomponent	Activity	Model
	productivity of selected commodities	Organizations (CBOs) Strengthening	Goat raising Cardamom farm Galangal farm Forage farm Fish culture Banana farm Vegetables under net-house
		Climate Change adaptation infrastructures (irrigation /MUS) built and upgraded	Irrigation (rice) Irrigated crops diversification
Component 2: Business partnerships and market access improvement		Support to MSMEs in food supply chains	Banana processing
		Market related infrastructures	Access tracks Water supply

Table 7: Main financial and economic benefits

No.	Model	Without Project Situation	With Project Situation
1	Integrated home garden grants: Vegetables plus poultry. Poultry Unit: 20 Heads per cycle, 2 cycles per years, 30% mortality rate, broiler and chick production. Vegetable Unit: 0.02 ha, 2 crop cycles per year.	15 head adult chickens/ducks sales; 5 head adult chickens/ducks consumed; 50 eggs consumed; 400,000 KIP revenue from fresh vegetable sale; and consumed 1,500,000 KIP fresh vegetable.	20 head adult chickens/ducks sales; 10 head adult chickens/ducks consumed; 100 eggs consumed; 20 eggs sale; 1,000,000 KIP revenue from fresh vegetable sale; and consumed 2,500,000 KIP fresh vegetable.
2	Poultry raising: 50 Heads per cycle, 3 cycle per years, 30% mortality	180kg Adult Chickens sales, 72kg Adult Chickens consumed, 168 Eggs consumed	350kg Adult Chickens sales, 100kg Adult Chickens consumed, 200 eggs consumed, 220 eggs sale.
3	Pig raising: 4 Heads per cycle, 2 cycle per years, 30% mortality	100kg Adult pig of 40kg sales and 100kg piglet sales.	200kg Adult pig of 40kg sales and 200kg piglet sales in year 1 and 360 year 2 onward.
4	Goat raising: 3 Heads per cycle, 2 cycle per years, 20% mortality	40kg of adult goat (25kg) sales	75kg of adult goat (25kg) sales in year 1; 300kg at year 2; and 500kg from year 3 onward.
5	Cardamom: 1 ha, 1 cycle per year	200kg fresh Cardamom sales	500kg fresh Cardamom sales
6	Galangal: 1 ha, 1 cycle per year	140kg dry galangal sales, 80kg fresh galangal sales and 20kg galangal consumed	300kg dry galangal sales, 200kg fresh galangal sales and 50kg galangal consumed
7	Forage: 0.2 ha, 1 cycle per year	700kg fresh grass consumed and 23kg fresh grass seeds sales	1500kg fresh grass consumed and 50kg fresh grass seeds sales
8	Fish culture: 2000 Heads per cycle, 1 cycle per years, 20% mortality rate.	150kg fish sales (tilapia), 50kg fish consumed (40%)	300kg fish sales (tilapia), 150kg fish consumed (40%)
9	Banana: 0.5ha, 1 cycle per year, farmer benefiting from engagement with the	3,000kg banana sale; 20pieces of banana shoots sale; 40 pieces of banana blossom and leaf sales, and 50kg banana Consumed	7,500kg banana sale 50 pieces of banana shoots sale; 100 pieces of banana blossom and leaf sales, and 100kg banana Consumed.

No.	Model	Without Project Situation	With Project Situation
	Banana Processing Facility.		
10	Vegetables under greenhouse: 0.2ha, 2 cycle per year	1,000kg fresh vegetable sales and 80kg fresh vegetable consumed	2,300kg fresh vegetable sales and 200kg fresh vegetable consumed
11	Irrigation wet Season Rice: 1ha, 1 cycle per year	2,000kg wet season rice sales; 100kg Rice Bran sale; and 2,000kg Own consumed.	2,500kg wet season rice sales; 500kg Rice Bran sale; and 2,500kg Own consumed
12	Irrigation wet Season Rice and Diversification (garlic and peanut): 1ha, 1 cycle per year	2,000kg Wet season rice, 500kg Garlic, 1,500kg Peanut and 100kg Rice Bran sale. Consumes 2,000kg Rice, 500kg Garlic, and 100kg Peanut.	2,500kg Wet season rice, 1,000kg Garlic, 2,000kg Peanut and 500kg Rice Bran sale. Consumes 2,500kg Rice, 600kg Garlic, and 100kg Peanut.
13	Access tracks of 4km		Increase area of production and volume after track construction (25%); increased yields (5%) of maize - cassava - cardamom - garlic etc., transport saving per HH per year (reduce the transportation cost) of 200,000 KIP; and time saving per HH per year of 1,000,000 KIP.
14	Water supply (MUS): 75 families per scheme		Increase 5% volume of production after year 3; 200,000 KIP water saving per HH per year; 500,000 KIP (45 min/day/HH at 30,000 KIP/day) time Saving per HH per year; and average health cost saving per HH per year of 200,000KIP (water borne diseases decreased such as diarrhoea).
15	Banana Processing: Existing enterprise, upgrading the Banana drying and processing facility.	54,000kg Sale of dried bananas.	67,500 kg Sale of dried bananas year 1, 81,000 kg in year 2, and 108,000kg from year 3 onward.

Project theory of change

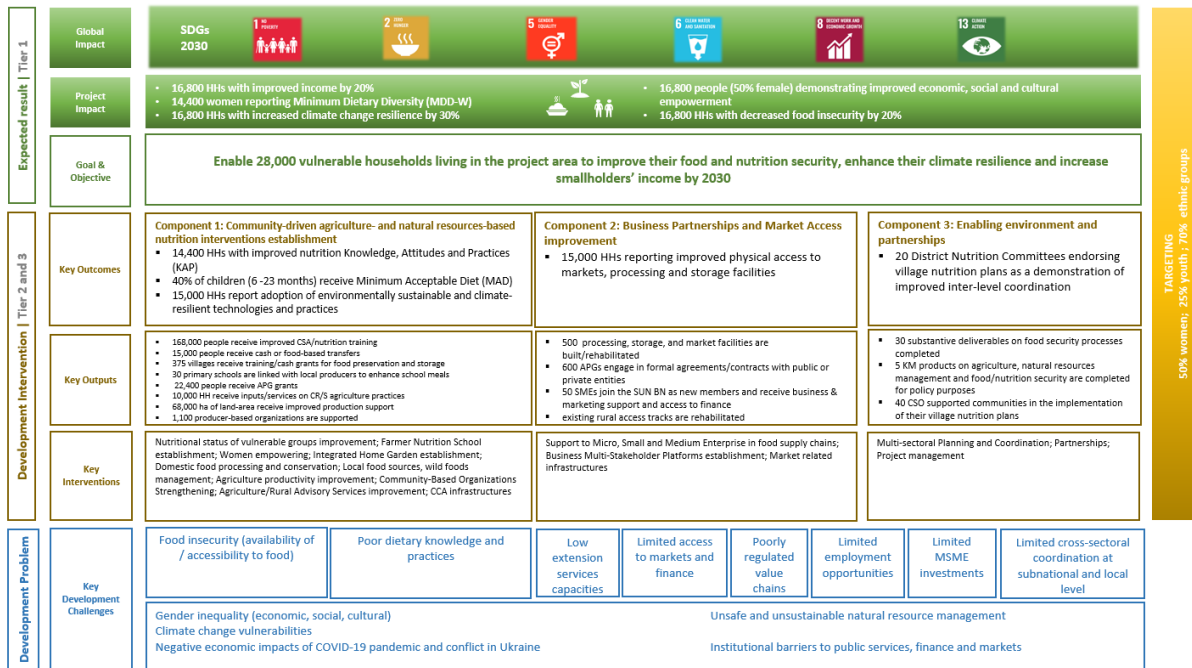
8. As described in Section A, the development problem is that small-scale farmers and rural households including women, youth, ethnic groups, and People with disabilities living in remote uplands of Lao PDR have not benefitted from recent strong economic growth and are disproportionately affected by food insecurity and all forms of malnutrition and poverty. The multiple root causes of the problem have been further exacerbated since 2020 due to the combined effects of the COVID-19 pandemic, the conflict in Ukraine, and the current economic crisis.
9. As demonstrated by AFN I, nutrition-sensitive interventions can address the underlying causes of malnutrition by incorporating specific nutrition objectives and actions in the design and implementation of agricultural interventions.
10. The pathways of change to support the transition from the development problem to the project goal are underpinned by complementary outputs and outcomes under certain assumptions described below.

11. **The first pathway** is under component 1.a. The project will establish community-driven agriculture and natural resource-based nutrition interventions that will produce the following outputs: (i) 28,000 households receive improved climate-smart, gender responsive, nutrition services and training (FNS, SBCC, various training, promotion of wild foods in local diets); (ii) a conditional cash grant will target 15,000 people -mainly women- to enable them to implement a home garden and/or raise small livestock, offsetting the cost and investment of nutritious produce; (iii) 375 villages receive support in the form of training and cash grants for food preservation and storage, including the creation or rehabilitation of 250 rice banks; and (iv) the project will link 30 primary schools under the Home Grown School Feeding initiative with local producers to enhance school meals and provide safe, diverse, nutritious, and local foods to school-age children.
12. The above outputs are expected to produce the following outcomes: (i) 14,400 households have improved nutrition and health Knowledge, Attitudes and Practices (KAP) and (ii) 40% of children age 6 to 23 months receive a Minimum Acceptable Diet (MAD). For these outcomes to occur, the following assumptions are being made:
 - Communities, including women and ethnic groups, actively take ownership and participate in the interventions.
 - Targeted communities want to improve their health and nutrition status.
 - Targeted communities are key decision makers in terms of household food purchases and preparation.
 - Nutrition and care feeding practice benefits are understood and relevant to the targeted communities.
 - Local farmers are interested in engaging in the HGSF initiative and have (or potentially have) suitable agriculture produce to provide to schools.
13. The interventions as part of component 1.a. directly address dietary diversity, food preservation, child feeding, and health-seeking practices. They also address underlying health and environment-related causes that go beyond access to food. Interventions can improve year-long household food security, nutrition education and child-care practices and the socio-economic status of women by promoting empowerment and gender equality. These aspects lead to an improvement in affordability, accessibility, and use of nutritious and diverse diets.
14. **An interlinked change pathway** (component 1.b) is to support 15,000 households in adopting environmentally sustainable and climate resilient technologies and practices as an outcome of the following outputs: (i) 22,400 household members receive productivity enhancement support by implementing APG grants; (ii) 10,000 households receive inputs or services on climate resilient or sustainable agriculture practices; (iii) 68,000 ha of land-area receive improved production support; and (iv) 1,100 producer-based organizations are supported (current APGs and 100 WUGs).
15. Promoting the agricultural sector with a view to nutrition-sensitive productivity will assist in accelerating nutritional gains in the target communities. It will enhance the production of diverse and nutritious crops that enrich the quality of diets and include micronutrient-rich foods and indigenous/wild food crops. The creation of home gardens and small livestock raising promotes the production of nutrient-rich fruits and vegetables adapted to local conditions. APG investments also contribute to increased food production and generate income under the assumption that improved practices are adequate, adopted, and actively disseminated by farmers who contribute in-kind to the initial investment (project grants) and mobilise resources to further develop production. Another assumption underpinning this outcome is that Village Agriculture Technicians,

Village Veterinary Workers, and Lead farmers deliver effective last mile advisory services to APG members with support from DAFO.

16. **A second change pathway** is to: (i) build or rehabilitate 500 inclusive and accessible processing, storage, and market facilities (storage, collection points, etc.); (ii) support 600 producer organization (APGs) to engage in formal partnerships/agreements or contracts with public or private entities in food value chains through Multi-Stakeholder Platforms (MSP) and matching grant facilities; (iii) support 50 MSMEs to join the SUN Business Network as new members and receive business development, marketing support, and access to finance; and (iv) rehabilitate existing rural access tracks.
17. The combined outputs above under component 2 are expected to produce the following outcome: 15,000 households and farmers report improved physical access to markets, processing, and storage facilities.
18. **The third pathway** to change is to deliver the following outputs: (i) 30 substantive deliverables on food security and nutrition processes are completed in the form of multisectoral nutrition plans linked with the current NPAN and SEDP for the period 2021-2025; (ii) 5 knowledge products are completed with project support related to agriculture, natural resources management (promotion of wild foods), and food/nutrition security. These will contribute to policy dialogue and the preparation of the NPAN and SEDP for the period 2026-2030; (iii) around 40 CSOs directly support communities in implementing their village nutrition plans and other nutrition-sensitive interventions involving women, youth, ethnic groups, and People with disabilities.
19. These above outputs are expected to result in NDCs endorsing and supporting village nutrition plans as evidence of improved multisectoral and cross-level coordination as an outcome of component 3.
20. **Overall, the three pathways of change** above are expected to result in achieving the Project Development Objective that is to “enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practices, build resilience to climate conditions, and improve productive and marketing capacities”.
21. This objective is attained through the following complementary pathways: (i) 16,800 households with increased incomes by 20% by 2030; (ii) 14,400 women (80%) reporting Minimum Dietary Diversity (MDD-W); (iii) 16,800 households with increased climate change resilience by 30% (measured by the IFAD resilience scorecard); (iv) 16,800 individuals, specifically women, with improved empowerment (measured by the IFAD empowerment score card); and (v) 16,800 households with 20% decreased food insecurity measured by the Food Insecurity Experience Scale (FIES).
22. The above project level outcomes will contribute to delivering the Project Goal which is to enable 28,000 vulnerable households living in the project area to improve their income by 20% by 2030.
23. **The underpinning assumption** is that stakeholders actively participate, contribute, and take ownership to sustain and further develop project interventions beyond project completion. This assumption will be verified by assessing: (i) to what extent target households report they can influence decision-making of local authorities and project-supported service providers and (ii) to what extent they are satisfied with project-supported services. Stakeholder engagement will be supported by consultations, FPIC, community-based planning, strengthening of CBOs, and effective feedback loops, including grievance redress mechanisms.

Figure 1: The Theory of Change



TARGETING
50% women, 25% youth, 70% ethnic groups

III. FINANCIAL ANALYSIS

4. The objective of this Financial Analysis is to assess the interest of the beneficiaries in participating in the project in terms of benefits, financial viability, and associated risks of adoption. Overall conclusions will then be drawn on the profitable investment activity and livelihoods of the beneficiaries as well as the risks they take in order to participate. The data used for the analysis will come from a range of sources including: (i) the Cost and Benefit Analysis conducted by National Agriculture and Forestry Research Institute (NAFRI, under MAF) for AFN, Mar 2022; (ii) AFN M&E data; (iii) the AFN II design mission in May 2022; and (iv) the AFN Supervisory Mission in June 2022.

5. The AFN II project is planned over 7 years. The Financial Analysis is considered over a 10-year lifetime, although most project results would be expected to last longer if properly sustained. In the financial analysis, each model compares the costs and benefits of beneficiary activity with and without the project. This analysis aims to ensure that project beneficiaries have a financial incentive to participate in activities (through increased revenues) and that they will be able to sustain the investments proposed.

6. The financial analysis considers investment from the perspective of an individual beneficiary, a beneficiary household, or a village. Nutrition activities are included in the economic rather than financial analysis. All costs are included in the activity models and valued at market cost or opportunity cost (for labour) whether the project or beneficiaries are paying. All benefits are valued at market cost or opportunity cost (for time savings). Products that are consumed by the household (rice, eggs) are also valued at market cost.

7. The average family size in rural areas of North and South Lao PDR is **six (6) people**, with some slight differences between provinces. Farm households have very different amounts of available labour and individual households face varying labour constraints over the years. Women, in particular, bear the burden of domestic and childcare responsibilities, particularly during their child-bearing years. For the purpose of analysis, it is assumed that the typical household includes two (2) adult labourers and may be comprised of a young couple or a widow with an adult son or daughter. One adult is able to dedicate nearly all their time to productive work while the other is assumed to spend half their time on domestic chores and childcare. Both adults are assumed to spend about 10% of their time on social obligations, cultural activities, and/or experiencing ill health. These assumptions, which as far as possible reflect the real situation, result in an **average amount of family**

labour availability of 493 days out of a possible 730 days per year. Labour in poor and especially women-headed households may be severely constrained. It is assumed that in a household with only one adult worker available 25% of their time is taken up by domestic chores, childcare, social and or cultural obligations, or lost to ill health. Therefore only 75% of their time is available for productive on or off farm activities. These assumptions result in an amount of total **annual labour availability equal to 274 days per worker**.

8. We can evaluate the average returns per workday. Here, we can assume a financial rural wage rate of **80,000 LAK (US\$5.37)** per workday for all paid labour. This wage rate remains stable in both the busier (May-November) and slacker months (December – April). Women labourers are paid commonly the same as men. In poorer and more remote communities, some job-seekers may spend time unsuccessfully looking for off farm employment. For all activities, family labour represents an opportunity cost relative to wage labour and this cost is valued at **60% of wage labour**. Time saved as result of infrastructure built was also valued at the opportunity cost of labour. A caveat to this approach is that the opportunity cost of labour is likely to vary significantly from one household to another.

9. For each model, a “without project (WOP)” situation is compared to a “with project (WP)” situation. In the WOP situation, we consider the situation of beneficiaries prior to the project intervention. The WP situation considers the beneficiaries’ investments and activities enabled by project support. A model is considered as profitable if the beneficiaries can derive more income after the project investments. All models include all the costs necessary for an activity, including investment and recurrent costs. The sequence of tasks undertaken in this financial analysis are the following: (i) Develop different budget models (Farm and Enterprise Models) with WOP and WP scenarios; (ii) Compare the discounted cash flows in order to determine the net incremental benefits (NIB) of the proposed interventions; (iii) Calculate the project financial profitability indicators of each model (i.e. financial NPV, financial IRR and B/C ratio); (iv) Assess family incomes and establish financing/credit needs by performing a ‘sustainability analysis’; and (v) Run sensitivity analysis on the risk of adoption.

10. Crop-Farm Model: The type of farm land available to a household, its extent, and its productivity level are crucial factors in determining a family’s ability to satisfy food requirements and generate a saleable surplus to meet other domestic needs. Most of the target farmers depend on slash and burn agriculture. The majority were given 3-4 productive fields by the authorities of approximately ha/field. They monocrop one field each year on a rotational basis. They may add some vegetable production to their productive field, but is too small and insignificant for financial analysis purposes. Very few farmers have flat land along the river which might benefit from the existing irrigation scheme. For the purpose of the EFA, and due to mono-cropping situation, there is **no separate model between the crop and farm**.

11. Farm model based on different crops: Farm budgets have been prepared for Rice, Cardamom, Galangal, Forage, Banana, Vegetables, etc. Rice is a key crop and staple food in most rural livelihood strategies. A farm household’s primary concern is to produce enough rice for home consumption. Cardamom and Galangal are increasingly grown, however, and represent upland cash crops. Vegetables, in turn, represent nutritious crops for both home consumption and sale.

12. Farm model with small livestock: Almost all families keep chickens, ducks, and pigs on a grazing and scavenging basis. Productivity among them is relatively low due to a lack of hygiene, infectious disease, lack of vaccination, and poor nutrition. Disease outbreaks amongst poultry can lead to 100% losses within a short timeframe. Fattening a single, indigenous breed of pig is normally done over a seven-month period using kitchen scraps and a mix of fishmeal and soybeans. Purchased feed is not in common and is replaced by homegrown wild vegetables and mixed feed. Four livestock budgets have been prepared: Poultry raising, Pig raising, Goat raising, and Fish culture. The poultry model is based primarily on a typical model implemented in AFN, whereby hens and a rooster are purchased to produce and fatten small chicks. The model assumes that 50% of eggs turn

into chickens and that the remaining eggs are eaten. Vaccination is included in the model. For pigs, the model considers the fattening of pigs for sale in the local markets as fresh meat with some piglets being sold live. Vaccinations are included in the model.

13. Enterprise model for SMEs: The agricultural value chain sector is characterized by the "missing middle" and dominated by informal actors and unregulated trade practices. Because of the broadly unregulated business environment, traders and producers alike are generally wary of engaging in formal contracts that they might not be able to fulfil. Moreover, village and district authorities are generally not in a position to mediate business disagreements or enforce terms of contracts, even when they have been endorsed by the same authorities. In addition, limited post-harvest infrastructure constrains food conservation and value addition. From the viewpoint of remote rural households, market failures affect the sale of agricultural products, but also food purchases from the market for household consumption. The project intends to support the establishment of approximately 50 new MSMEs in the target districts and provinces and will apply due diligence to ensure that businesses have demonstrated commitment to the SUN BN principles. These MSMEs registered at district level will become members of a subgroup of the national SUN BN. The project will provide business literacy and management training and matching grant facilities in the start-up phase for these businesses. They will have access to regular product supply through partnerships with Agricultural Production Groups (APG) supported under component 1.b of the project. In their development phase, the SUN BN members (new and pre-existing MSMEs) will also receive assistance to access financial services. Banana Processing Facilities have been identified by the design team as an entry point and showcase for engagement with the MSMEs. This will include investment in drying floors, solar dryers, threshers/sorters, cooling systems, improved milling and processing equipment, packing units, weighing stations, collection centres, etc. Post-harvest and storage facilities will contribute to reduce food waste. Depending on the market need, it is expected that similar business operation units of a similar size will be involved in the project. The Banana Enterprise Model is, therefore, used as basic model for the EFA.

14. Farm model and other infrastructure: Rural infrastructures (access roads, irrigation, electricity) have improved over the recent decades, but in many areas these infrastructures are not effectively delivering services to farmers and rural dwellers. Undernutrition in children is not only linked to poverty, maternal nutrition, low maternal education levels, harmful traditional practices, and adolescent pregnancy, but also lack access to clean water, sanitation, and health services. Three farm models are established: Access tracks, Water supply (MUS), and Irrigation (which is incorporated in the rice crop model). Costs include the building and yearly maintenance costs over the lifespan of the infrastructure. The costs of beneficiaries using infrastructure is not added to avoid double counting of costs since money collected from user fees is used to cover maintenance costs. For the gravity irrigation system, benefits come from the 38% increase in paddy rice yields and the possibility of growing crops off- season. The model considers a gravity irrigation scheme that reaches 12 hectares, corresponding to about 14 households. In practice, additional households would presumably benefit from the irrigated land off- season. This is because the high labour- intensity of vegetable production means that more households would group together for vegetable production. For roads, benefits come from an increase in household income as result of the road (for instance, from additional commercialisation opportunities) and from time savings. Agricultural roads (with a focus on access to fields rather than the village) are estimated at reaching 40% of village households according to AFN data. The water system reaches 100% as all households. For water, the benefits come from time saving for collecting water and from additional water consumption. The data considered have been calculated based on the methodology used in the Economic Analysis done as part of the Cost and Benefit Analysis conducted by the National Agriculture and Forestry Research Institute (NAFRI, under MAF) with some modifications.

15. Prices: All costs and benefits are valued at market prices. Only cash inflows and outflows are considered (depreciation, reserves, and other accounting items not corresponding to actual flows are excluded). The financial prices used were those current in the project area and are taken from the Cost and Benefit Analysis conducted by the

National Agriculture and Forestry Research Institute (NAFRI, under MAF) in March 2022. The price was then adjusted during the mission.

16. The inflation rate in May 2022 was 12.81% (according to the National Bank of Lao PDR, 2022). The official exchange rate was **15 033 LAK per US dollar**. EFA will not consider the inflation rate and the fluctuation of the exchange rate. The impact of the inflation and exchange rates are addressed by the sensitivity analysis in the Economic Analysis section.

Table 8: inflation rate over 10 years

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-year average
Inflation rate (%)	4.26	6.37	4.13	1.28	1.60	0.83	2.04	3.32	5.07	3.75	3.27%

Source: Bank of Lao PDR (<https://www.bol.gov.la/en/inflation>, accessed in July 2022)

17. **Poverty Levels:** Five target provinces account for more than half of the poor in Lao PDR: Savannakhet (20.6%), Oudomxai (8.7%), Khammuane (8.3%), Salavan (8.0%) and Luang Prabang (7.7%). The incidence of poverty is typically higher among agricultural households, Hmong-Iumien, and households headed by a person with incomplete lower secondary education or an unemployed person. Moreover, these gaps have widened. The national poverty line is estimated at LAK 280,910 per month per person at 2019 prices (approximately \$1.1 a day or \$2.4 a day in 2011 purchasing power parity [PPP] terms). This is equivalent to 3,370,920 LAK (US\$226.19) per capita per annum. According to the data collected by AFN, household on farm income has increased from 48.7% to 50.0% with project support.

18. **Food Security:** Food insecurity remains a pressing problem among low-income households in rural areas. Food insecurity is highest in the central/southern and northern highlands which make up the project area. These households are characterized by livelihoods that rely on cash crop production, shifting upland cultivation, and unskilled labour. They are poorer, lack assets, have smaller plots of land and limited access to infrastructure, and are likely to belong to an Ethnic Group. Following the Agriculture Development Strategy to the year 2025 and Vision to the year 2030, rice production is used as a proxy indicator for national food security. The national food security threshold is defined as 2.5 million tons of paddy including:

- Paddy rice for consumption about 2.1 million tons (9 million people x 234 kg of paddy rice/person/year).
- Rice reserve 400,000 tons (or milled rice 240,000 tons; self-sufficiency for 2-3 months).
- Rice seeds about 100,000 tons.

The project will use the “Food Insecurity Experience Scale methodology” developed by FAO to track the impact on food security in the target area. For the purpose of the EFA, the monetary term is calculated as a proxy indicator at the household level:

Table 9: Food security

Household size	6
Paddy rice for consumption / person / year	234 kg
Self-sufficiency for 3 months	58.5kg
Rice seed for 1 season (use own seed, not improved variety)	80kg
Price of Paddy	3000 LAK
Monetary term for one household of food security per year	4 627 500 LAK

5 **Nutrition:** One third of children under five (CU5) are stunted. This is a very high proportion compared to the World Health Organization (WHO) benchmark. The prevalence of wasting increased from 6% in 2012 to 9% in 2018. Concurrently, anaemia affects 44.1% of CU5s and 39.8% of women and girls of reproductive age (15–49 years), making it a severe public health problem. Overweightness and obesity are increasing, with 15.7% of children and adolescents age 5–19 classified as overweight.

Table 10: Nutritional status of children under 5, featuring core nutrition indicators in the project area

	Stunted	Wasted	Underweight	Overweight	Inadequate Child Food Diversity Score
National	33.0%	9.0%	21.1%	3.5%	84%
Phongsaly	54.0%	8.9%	27.7%	10.0%	-
Oudomxai	42.7%	6.2%	24.2%	1.7%	79%
Attapeu	29.6%	15.0%	25.9%	2.4%	92%
Sekong	49.9%	8.0%	34.8%	2.2%	94%
Salavan	42.9%	12.5%	28.6%	2.7%	95%

Source: Lao Social Indicator Survey II (LSIS II) 2017, Survey Findings Report, 2018, Lao PDR.

6 Four of the five target provinces have considerably higher prevalence of malnutrition than the national average. The poverty graduation criteria of decree 348 defines an acceptable nutrition level as having food to eat that provides over 2,600 kilocalories of energy per person per day. According to the MAF Agricultural Development Strategy, to ensure people get at least 2,600 Kilocalories per person per day, the minimum amount of each type of food needs to be ensured for annual consumption as follows:

- Milled rice: 160 kg/person/year (or equivalent to 280 kg of paddy rice/person/year).
- Flour: 5 kg/person/year.
- Meat, fish and eggs: a total of 65 kg/person/year; this includes pork - 13 kg/person/year, poultry/meat - 9 kg/person/year, other meat - 7 kg/person/year, eggs - 6 kg/person/year, and fish - 30 kg/person/year.
- Vegetables: 50 kg/person/year.
- Legumes/beans - sesame (dried): 2 kg/person/year.
- Sweet corn: 2.5 kg/person/year.
- Tuber/ground roots (taro, potatoes etc...): 2.5 kg/person/year
- Fruits: 30 kg/person/year.
- Sugar: 1 kg/person/year.
- Milk: 3 kg/person/year.
- Fat/oil: 23 kg/person/year.

7 The project will track the number of women reporting Minimum Dietary Diversity (MDD W indicator) and improved knowledge, attitude, and practices for nutrition. For the EFA purpose, the monetary term is calculated as a proxy indicator at the household level:

Table 11: Nutrition

Food items	Unit	Qty	Unit cost (LAK)			Total
			Attapeu	Oudomxai	Average	
Paddy rice	kg	280	3 000	4 000	3 500	980 000
Flour	kg	5	22 000	22 000	22 000	110 000
Pork Meat	kg	13	49 000	52 500	50 750	659 750
Poultry Meat	kg	9	43 500	50 000	46 750	420 750
Other meat (beef, buffalo)	kg	7	59 250	67 500	63 375	443 625
Fish	kg	30	33 000	28 875	30 938	928 125
Eggs	kg	6	1 600	1 500	1 550	9 300
Vegetables	kg	50	10 857	9 714	10 286	514 286
Legumes/beans - sesame (dried)	kg	2	3 500	3 500	3 500	7 000

Sweet corn	kg	3	11 500	8 000	9 750	24 375
Tuber/ground roots (taro, cassava, etc...)	kg	3	10 667	7 333	9 000	22 500
Fruits	kg	30	8 333	10 556	9 444	283 333
Sugar	kg	1	8 500	12 000	10 250	10 250
Milk	kg	3	20 000	26 000	23 000	69 000
Fat/oil	kg	23	16 167	70 000	43 083	990 917
Total minimum spending per year per person						5 473 211

RESULTS OF THE FINANCIAL ANALYSIS

Benefit Analysis

8 The results of the Financial Analysis show that overall the proposed activities are highly profitable with positive NPVs at a **discount rate of 10%**. (The current 7-year government bond is 7.2%, but the Government plan is to increase the rate to 10% next year. Therefore, a discount rate of 10% is used as a best-case scenario). The results of the Financial Analysis show that all proposed activities are profitable with positive NPVs. Of all the activities modelled, goat-raising appears particularly more profitable than others. Galangal has the highest cost-benefit ratio and cardamom has highest return to family labour. Irrigation wet season rice, forage, and the integrated home garden grants are among the less profitable business options promoted by the project.

Table 12: Benefit analysis

No.	Model	NPV (LAK)	NPV (US\$)	B/C ratio	Return to family labour (LAK)	Return to family labour (US\$)
1	Goat raising	80 006 208	5 322	4.58	141 479	9.41
2	Irrigation wet Season Rice and Diversification	44 886 609	2 986	2.35	212 660	14.15
3	Banana	28 662 225	1 907	1.99	120 300	8.00
4	Pig raising	28 059 692	1 867	1.20	124 750	8.30
5	Cardamom	25 007 533	1 664	1.51	276 900	18.42
6	Poultry raising	24 196 811	1 610	1.54	132 450	8.81
7	Vegetables under greenhouse	23 933 089	1 592	1.84	118 000	7.85
8	Galangal	22 530 729	1 499	6.79	146 620	9.75
9	Fish culture	21 075 865	1 402	2.03	83 000	5.52
10	Irrigation wet Season Rice	9 189 193	611	1.83	98 920	6.58
11	Forage	6 251 352	416	2.91	165 333	11.00
12	Integrated home garden grants	5 013 012	333	1.52	87 345	5.81

9 On-farm income reached to **50%** of household income based on AFN results and with project support. Based on this, the proxy facility income was calculated in Table 22. The results of the Financial Analysis show that all proposed activities have a positive impact on food security at the project level for household beneficiaries. Irrigation, diversification wet Season Rice, Poultry, Goat, Pig, Banana, and Greenhouse Vegetables have a positive impact on the poverty situation of the HH beneficiary. The Poultry, Goat, and Irrigation diversification wet Season Rice activity have positive impact on both poverty situation and nutrition at the HH beneficiary level.

Table 13: Impact on poverty, food security and nutrition

No.	Model	Average Income (before family labour costs)	Total Family income	National Poverty		Food Security		Nutrition	
				National line	Impact	National line	Impact	National line	Impact
1	Irrigation wet Season Rice and Diversification	42 532 000	85 064 000	20 225 520	Positive	4 627 500	Positive	32 839 266	Positive
2	Poultry raising	19 867 500	39 735 000	20 225 520	Positive	4 627 500	Positive	32 839 266	Positive
3	Goat raising	16 977 500	33 955 000	20 225 520	Positive	4 627 500	Positive	32 839 266	Positive
4	Pig raising	14 970 000	29 940 000	20 225 520	Positive	4 627 500	Positive	32 839 266	
5	Banana	12 030 000	24 060 000	20 225 520	Positive	4 627 500	Positive	32 839 266	
6	Vegetables under greenhouse	11 800 000	23 600 000	20 225 520	Positive	4 627 500	Positive	32 839 266	
7	Irrigation wet Season Rice	9 892 000	19 784 000	20 225 520		4 627 500	Positive	32 839 266	
8	Cardamom	9 780 000	19 560 000	20 225 520		4 627 500	Positive	32 839 266	
9	Galangal	7 552 000	15 104 000	20 225 520		4 627 500	Positive	32 839 266	
10	Fish culture	7 470 000	14 940 000	20 225 520		4 627 500	Positive	32 839 266	
11	Integrated home garden grants	4 804 000	9 608 000	20 225 520		4 627 500	Positive	32 839 266	
12	Forage	2 480 000	4 960 000	20 225 520		4 627 500	Positive	32 839 266	

Financial viability Analysis

10 Financial viability refers to cash flow analysis to determine the ability to generate sufficient income to meet operating expenditures, debt commitments and, where applicable, allow long-term farm business growth. Farmers in the target area have little access to the credit lines offered by the MFI and other financial institutions. Informal-lending interest rates are 3-5% per month. For the purpose of financial cash flow analysis, 36% total interest per year is used. In all cases, farmers tends to borrow only 40% of their investments. The cash- flow should allow the household to pay back a loan after 3 years and 1-year grace period.

11 The cash flow analysis confirms that all activities generate positive cash flows annually. The subsidy from the project is LAK 3 600 000 per household. All models are financially viable for the target beneficiaries. Irrigation Wet Season Rice and Diversification generates the highest annual cash flow.

Table 14: Cash flow analysis

No.	Model	WC requirement	Subsidy	Own Saving	Borrow	Annual Cash flow
1	Irrigation wet Season Rice and Diversification	11 768 000	3 600 000	4 900 800	3 267 200	266 368 600
2	Pig raising	18 300 000	3 600 000	8 820 000	5 880 000	89 388 000
3	Goat raising	10 550 000	3 600 000	4 170 000	2 780 000	83 783 000
4	Poultry raising	10 312 500	3 600 000	4 027 500	2 685 000	83 424 750
5	Vegetables under greenhouse	3 200 000	3 600 000			68 500 000
6	Banana	8 900 000	3 600 000	3 180 000	2 120 000	68 382 000
7	Cardamom	101 300 000	3 600 000	58 620 000	39 080 000	54 838 000
8	Fish culture	4 530 000	3 600 000	558 000	372 000	45 094 200
9	Galangal	3 580 000	3 600 000			43 570 000
10	Irrigation wet Season Rice	4 008 000	3 600 000	244 800	163 200	23 560 520
11	Forage	4 300 000	3 600 000	420 000	280 000	15 658 000

12	Integrated home garden grants	3 100 000	1 800 000	780 000	520 000	9 454 000
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Risk on adoption

12 A sensitivity analysis confirms that all activities except pig raising would remain profitable in the event of a 20% cost increase and 20% decline in income.

Table 15: Sensitivity analysis

No.	Model	NPV Cost +20%	NPV Income -20%	NPV cost +20% and income -20%
1	Goat raising	75 533 818	59 532 576	55 060 186
2	Irrigation wet Season Rice and Diversification	38 256 730	29 279 408	22 649 529
3	Galangal	21 752 548	17 246 402	16 468 220
4	Banana	22 842 884	17 110 439	11 291 098
5	Fish culture	16 995 873	12 780 700	8 700 707
6	Vegetables under greenhouse	18 249 364	13 462 747	7 779 022
7	Forage	5 596 806	4 346 536	3 691 990
8	Irrigation wet Season Rice	6 971 617	5 133 778	2 916 203
9	Poultry raising	15 188 776	10 349 414	1 341 380
10	Cardamom	15 262 078	10 260 571	515 117
11	Integrated home garden grants	3 085 885	2 083 283	156 156
12	Pig raising	327 776	(5 284 163)	(33 016 079)

Overall conclusion

13 The results of the Financial Analysis show that although all the proposed activities have positive NPVs, **Poultry Raising, Goat Raising, and Irrigation Wet Season Rice and Diversification** are the most attractive ones for the target beneficiary. They are the activities that are most profitable, less risky, and have a positive impact on poverty, food security, and nutrition.

14 Pig Raising is probably still not attractive due to the Asian Swine Flu outbreak. AFN reports also show that, during midline survey, there was a big reduction in numbers, production, and sales of pigs. During the last Impact Survey in 2021, numbers had rebounded slightly.

III. ECONOMIC ANALYSIS

15 The data used for this analysis come from a range of sources, including the AFN M&E database and internal reports and the Ministries of Commerce and Industry, Agriculture and Forestry, and Finance.

16 This economic analysis compares benefits in terms of the situation with and without the project as in the financial analysis. The analysis is done over a 20- year period, which includes the seven-year project investment period and using, as above, a discount rate of **10%**. The incremental benefit stream in economic terms has been derived from the farm models.

17 The following factors and assumptions underlie this economic analysis: (i) Goods move freely within the project area in response to market signals although they may be hampered by unofficial barriers to trade; (ii) The currency circulating freely in the project area is LAK. Thus, it may be safe to assume that prices in the local currency reflect closely the economic value of goods and services; (iii) Most fertiliser and pesticides come across

the border from Vietnam, Thailand and China. Some agricultural outputs may find their way into the Thai and Vietnamese markets. Hence, all agricultural inputs and outputs are traded internationally in regional markets. However, a significant part of incremental production is consumed on farm or within the project area, such as in nearby district and provincial capitals; (iv) Economic costs are net of duties, taxes, and price contingencies, but inclusive of physical contingencies. All costs directly associated with incremental production are included in full. This includes incremental farm inputs and family labour. Economic costs from the project are generated directly from COSTABs. Economic costs are net of credit and financing costs.

18 The standard conversion factor (SCF) of 0.985 is used to convert the financial value of the tradeable goods into an economic value. The calculation of the SCF follows the following formula:

$$SCF = (M + X) / (M + X - TX + TM)$$

M: Import; X: Export; TX: Export tax; TM: Import tax

Table 16: A standard conversion factor (SCF)

In '000 000 LAK	2017	2018	2019	2020	2021	Average
Export value	39 277 880	44 326 736	46 631 072	2 833 344	2 897 384	27 193 283
Import value	41 277 672	46 785 176	46 379 568	13 381 624	14 534 296	32 471 667
Export tax duty collected	215 450	224 348	268 052	286 664	326 738	264 250
Import tax duty collected	739 717	813 852	849 308	726 093	835 223	792 839
SCF	0.994	0.994	0.994	0.974	0.972	0.985

(Source: Ministry of Finance, 2022)

Table 17: Application of the SCF

Item	Conversion Factor
Tradable goods	0.985
Exchange rate	0.985
Non-tradable and agricultural products including labour	1
Interests on loans	0

19 The project does not have a specific activity supporting job creation in rural areas. Therefore, the standard conversion factor for labour will be 1.

20 The cohort aggregation of the project benefit is calculated following the phasing plan as indicated in the Tables 27 and 28.

Table 18: Phasing of project geographic targets

Target Provinces	Proposed target districts	Convergence districts	Non-convergence districts	Total target villages	YEARS						
					1	2	3	4	5	6	7
Phongsaly	Samphanh	1		25	25	25	25	25	25	25	25
Phongsaly	Kua	1		25	25	25	25	25	25	25	25
Phongsaly	BounTay	1		25	25	25	25	25	25	25	25
Phongsaly	Phongsaly		1	25		5	15	25	25	25	25
Phongsaly	Nyot-Ou		1	25		5	15	25	25	25	25
Oudomxai	La	1		25	25	25	25	25	25	25	25
Oudomxai	Nga		1	25		5	15	25	25	25	25
Oudomxai	Beng		1	25		5	15	25	25	25	25
Oudomxai	Pakbeng		1	25		5	15	25	25	25	25
Xiengkhouang*	Nong Het	1		25	25	25	25	25	25	25	25
Xiengkhouang*	Mok		1	25		5	15	25	25	25	25
Sekong	Kaleum		1	25		5	15	25	25	25	25
Sekong	Dakcheung		1	25		5	15	25	25	25	25
Sekong	Lamam		1	25		5	15	25	25	25	25

Target Provinces	Proposed target districts	Convergence districts	Non-convergence districts	Total target villages	YEARS							
					1	2	3	4	5	6	7	
Salavan	Samouay		1	25		5	15	25	25	25	25	25
Salavan	Ta Oi		1	25		5	15	25	25	25	25	25
Salavan	Toomlarn		1	25		5	15	25	25	25	25	25
Attapeu	Sanamxay		1	25		5	15	25	25	25	25	25
Attapeu	Sanxay		1	25		5	15	25	25	25	25	25
Attapeu	Phouvong		1	25		5	15	25	25	25	25	25
Total	20	5	15	500	125	200	350	500	500	500	500	500

Table 19: Phasing of project target households

No.	Project years	1	2	3	4	5	6	7
1	Integrated home garden grants		6 000	4 500	4 500			
2	APG Poultry raising		2 600	1 950	1 950			
3	APG Pig raising		1 600	1 200	1 200			
4	APG Goat raising		1 600	1 200	1 200			
5	APG Cardamom		800	600	600			
6	Galangal		680	510	510			
7	APG Forage		680	510	510			
8	APG Fish culture		680	510	510			
9	APG Banana		680	510	510			
10	Vegetables under greenhouse		680	510	510			
11	Irrigation Wet Season Rice		4 800	3 600	3 600			
12	Irrigation Wet Season Rice and Diversification		2 400	1 800	1 800			
13	Access tracks: # of line of 4Km road			25	25	25		
14	Water supply (MUS): # facility with 30HH		133	133	133			
15	Banana Processing (company)		20	15	15			

21 Based on the experience of the current AFN project, the analysis assumed that 70% of the beneficiaries will actively participate in the project and their business success rate will also be 70%. However, this assumption is not applicable to the Access Track and Water Supply model.

22 The economic analysis seeks to model the benefits of nutrition activities based on AFN results. Nutrition support activities are included in all components of the project, including home nutrition gardens, group cooking activities, and training for the preparation of nutrition food among others. Nutrition activities will have benefits in the short term (e.g. access to nutritious foods), but also in the long term, mainly through improved nutrition levels. This economic analysis discusses the benefits of improved nutrition in terms of the cost savings resulting from reduced mortality or health related costs and/or morbidity and productivity enhancement.

23 The economic benefits are considered to include both the additional revenues and savings from modelled activities and the long- term impact of improving nutrition and reducing stunting. The reduction in stunting would result from the activities of AFN II, but also from other projects in the area. The benefits of reduced stunting are primarily long term as increased lifelong earnings only start accruing in adult age. To capture the fact that the benefits of the nutrition activities will mainly occur once the children who benefitted from improved nutrition reach adult age, the analysis covers a 30-year span;

but only the first 20 years are included in the economic analysis. The benefits of stunting reduction can be classified into: (i) savings on health care costs for the first two years of life and (ii) increased earnings later- on in life or from age 18 onward.

24 Parameter 1- Savings on health care costs: The model’s benefits are based on the savings and additional earnings of non- stunted children compared to stunted children. Following World Bank report in 2016, "Maternal and Child Health Out-of-Pocket (OOP) Expenditure and Service Readiness in Lao PDR", an average out- of- pocket (OOP) expenditure for child under two is LAK 410,000 per year per. With a 44.2% stunting rate on average in the 6 target provinces, it is assumed that the OOP per year is LAK 484 210 for a stunted child under two and LAK 335,790 for a non- stunted one.

25 Parameter 2- Increased earnings later in life: Following the UNICEF report on the Economic Consequences of Malnutrition in Lao PDR: A Damage Assessment Report Jun 2013, the estimated loss of adult income as a result of stunting is 19.8% per year. Therefore, it is assumed that children who were stunted can expect to earn LAK 44,059,122 (US\$2,937) per year while children who were not can expect to earn LAK 54,936,562 (US\$3,662) per year.

26 On the basis of these two parameters, health care costs and expected earnings are computed over a 30- year period for project beneficiaries and the Net Present Value of the benefits of reduced stunting is estimated at LAK 129,951,720,146 (US\$8,516,780).

Results of the Economic Analysis

27 The results of the Economic Analysis over a 20- year period, which includes all the activities previously described and nutrition benefits, show that the project is very profitable. It has an NPV of LAK 507,621,786,567 corresponding to US\$34,281,385 and an Economic Rate of Return of 26%. These results are very satisfactory, particularly because some of the benefits are not quantified, including job creation linked to infrastructure maintenance, time saved milling and the health benefits of having more meats and vegetables for family consumption.

Table 20: Results of the Economic Analysis

Discount rate: 10%
NPV (‘000 000 LAK): 507,621
NPV (‘000 US\$): 34,281
ERR: 26%

A sensitivity analysis confirms that the project would remain profitable in the event of a 28% increase in costs or 17% decrease in benefits or an 11% increase in costs and a 10% decrease in benefits. The project would also remain profitable if benefits were delayed by one year.

Table 21: Sensitivity Analysis

Situation	NPV (‘000 000 LAK)	NPV (‘000 US\$)	ERR
Base scenario	507,621	34,281	26%
Cost increase 28%	183,655	12,402	15%
Revenue decrease: 17%	160,878	10,864	15%
11% Cost increase and 10% Revenue decrease	176,383	11,911	15%
Project delay 1 year:	391,220	26,420	21%

28 The EFA retained the targets for key performance indicators (KPIs) of the project that are presented in the project Logframe. The table below shows the relevant KPI indicators for the EFA.

Table 22: Project Logframe indicators retained in the EFA

Target		Number
Number of the target farmer		58 000
	Poultry raising	6 500
	Goat raising	4 000
	Irrigation diversification wet Season Rice	6 000
	The rest	41 500
Access tracks: # of line of 4Km road		75
Water supply (MUS): # facility with 30HH		399
SME Processing (company)		50

29 The detail EFA spreadsheet can be download from the following linked: <https://docs.google.com/spreadsheets/d/1mxCv8OPM1ttQobpJ6h0tiFG-NMIXI8b-/edit?usp=sharing&ouid=105606185438637976325&rtpof=true&sd=true>

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 5: Social Environment and Climate Assessment (SECAP) Review Note

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The SECAP Review note should build on the preliminary note mentioned above, draw on the results of the screening exercise and be informed by the issues raised during the design mission, the stakeholders interviews, publicly available tools and dataset, and environmental, social or climate-related studies that inform on the characteristics of the project location. The SECAP review note includes the revised ESMP and should be attached to the Project Design Report, integrated in Draft Project Implementation Manual (PIM) and COSTAB and shall be submitted to Design Review Meeting (DRM) or IRC (for NSOs).

1. Introduction

1. This Social Environmental and Climate Assessment Procedure (SECAP) background contributes to the formulation of the second phase of the Agriculture for Nutrition project (AFN II) included in the 12th IFAD's replenishment cycle 2022-2024 for a loan allocation of around US\$13 million. In August 2021, the Government of Lao PDR submitted a grant fund request to the Global Agriculture and Food Security Programme (GAFSP) for AFN II cofinancing. In December 2021, the GAFSP steering committee ranked the AFN II proposal second best for technical rigor out of 40 concept proposals. The requested grant allocation of US\$20 million was approved in full in February 2022.
2. AFN II is a nutrition-sensitive and gender-transformative project, targeting farmer organizations, women, youth, and indigenous peoples in Lao PDR. The project aims to improve the availability, access, use, and storage of nutritious wild and domesticated foods by enhancing the diets diversification of the target groups. AFN II will cover six provinces: Phongsaly, Oudomxai, Xiengkhouang, Salavan, Sekong, and Attapeu, taking into consideration: biodiversity and agricultural production potential; the large number of women, youth, and indigenous populations; high poverty levels; and vulnerability to climate change of agricultural systems and value chains.
3. The objective of the Social Environment and Climate Assessment Procedures (SECAP) review note is to guide the AFN II project design. The Review Note summarizes the development context and assesses opportunities and risks with regards to IFAD's mainstreaming themes (gender, youth, persons with disabilities, nutrition, indigenous peoples, climate and environment) and makes specific recommendations on how the project can mitigate risks and better address social and environmental concerns.
4. The Review Note has been prepared in line with the requirements of the IFAD SECAP, edition 2021 and with the AFN II Concept Note (CN) developed in June and the Project Design Document prepared from May to July 2022. Where relevant, information and data contained in the CN and the ASAP+ proposal^[1] have been used.
5. The consultations conducted in 2021 (CN) and 2022 (detailed design mission) involved nutrition committee members at central and provincial levels (Ministries of Agriculture and Forestry - MAF, Public Health - MoH, Education and Sport - MoES, and the Lao Women Union (LWU)) as well as other line agencies (Ministries of Planning and Investment -MPI, Finance - MoF, Industry and Commerce -MoIC, Lao Front for National Development, etc.) and their respective provincial departments.
6. The National agriculture and forestry research institute (NAFRI) as well as international research-oriented organizations were also involved and identified as strategic partners and include CDE^[2] and universities. In addition, the consultations involved multi-lateral partners (FAO, UNDP, UNICEF, ILO, etc.^[3], bilateral development partners (European Union, Switzerland, Germany, etc.), and International Financial Institutions. Civil Society Organizations (CSOs) and international NGOs (including the Lao Farmers' Network, Oxfam, Plan International, Village Focus International, Helvetas, Care international, etc.) shared their experience and lessons learned in the areas of nutrition, agricultural extension, Climate Smart Agriculture, gender mainstreaming, participatory planning, the Gender Action Learning System (GALS), financial literacy, access to finance (Women and Family Development fund, WFDF), market linkages, youth involvement, gender, etc. The consultation process also involved farmers (including women, youth, IPs), producers' organizations, private service providers and agribusinesses.
7. A consultation meeting was conducted during the field mission for the detailed design from 5-14 May 2022 in five provinces: Phongsaly, Oudomxai, Salavan, Sekong, and Attapeu. The main objectives of the meetings were to obtain additional information, to collect stakeholder's view and opinions (including beneficiary groups), and to prioritize the project districts and number of targeted villages. The meetings agreed on the targeting strategy and to include the following six provinces as target areas of AFN II: Phongsaly, Oudomxai, Xiengkhouang, Salavan, Sekong, and Attapeu provinces. (See list of participants to the consultations in Annex of the SECAP Note).

2. Situational analysis and potential project impacts

8. Population. Based on the most recent data, the Lao PDR population has increased from 6.5 million to around 7.38 million of which 3.68 (49.8%) are female and 3.70 (50.2%) are males. This difference is very large and might affect the percentage of the target group the project will reach (Source: World Bank data, 2019). The rural population accounts for 67% of the national overall total population, but urbanization is a growing phenomenon and has increased by 40% over the past 10 years. Nationwide, the population density is 27 people per square kilometre, with the densest part in Vientiane Capital. The country is home to some 49 ethnic groups and 160 subgroups (see section on Indigenous peoples and marginalised groups below).

2.1 Socio-economic assessment

a. Overall poverty situation

9. Lao PDR is a Lower-Middle-Income Economy^[4] that has achieved political stability and consistent, robust, economic growth^[5] over the last two decades. Government policies succeeded in reducing income poverty rates from 24.6% in 2012/13 to 18.3% in 2018/19. The rate of poverty reduction has been rapid in rural areas, while urban poverty reduction has stagnated. Disparities across regions and provinces have narrowed. The northern and southern provinces experienced a rapid reduction in poverty, except in Attapeu province. Poverty reduction has stagnated in central Lao PDR, previously the wealthiest region.
10. Inequality has risen due to widening consumption gaps within regions. Consumption grew at a faster pace among the better off. Both factors contributed to a slower pace of poverty reduction relative to growth. The geography of poverty has shifted toward urban areas and the central region, although rural areas are still home to the overwhelming share of the poor. Five provinces out of seventeen nationwide account for more than half of the poor in Lao PDR: Savannakhet (20.6%), Oudomxai (8.7%), Khammouane (8.3%), Salavan (8.0%) and Luang Prabang (7.7%). The incidence of poverty is typically higher among agricultural and Hmong-lumien households and those headed by a person with incomplete lower secondary education or an unemployed person. Moreover, such gaps have widened.
11. Multidimensional poverty declined between 2012/13 and 2018/19, especially in rural areas and the northern and the southern regions, mirroring a decline in monetary poverty. While the multidimensional poverty headcount rate fell slightly from 9.9% to 7.7% in urban areas, rural poverty fell by 13.6 percentage points to 28.9%. Notwithstanding improvements in monetary indicators of poverty and non-monetary aspects of household welfare, food insecurity remains a pressing problem among low-income households in rural areas.
12. The COVID-19 pandemic brought the national economy to a virtual halt^[6]. GDP growth was 0.5% in 2020, down from 4.7% in 2019. This highlights the importance of a resilient economy and local food systems while at the same time providing an opportunity to 'build back better' with resilience and inclusion as core principles.

b. Gender

13. The 2019 female Human Development Index (HDI) value for Lao People's Democratic Republic is 0.589 in contrast with 0.636 for males, resulting in a Gender Development Index (GDI) value of 0.927, placing Lao PDR into Group 3 (i.e., medium equality in HDI achievements between women and men). The Lao PDR Gender Inequality Index (GII) value is 0.459, ranking it 113 out of 162 countries in the 2019. Women in the country hold 27.5% of parliamentary seats and 35.1% of adult women have reached at least a secondary level of education compared to 46.2% of their male counterparts. For every 100,000 live births, 185 women die from pregnancy-related causes and the adolescent birth rate is 65.4 births per 1,000 women age 15-19. Female participation in the labour market is 76.7% compared to 80.2% for men.
14. Although Government policies have narrowed the gender-equality gap between Lao women and men, the influence of gender norms and traditional roles are still major obstacles to achieving absolute gender equality. This becomes most visible in decision-making throughout all sectors and at the community level, where non-Lao-Tai

women struggle to participate on equal terms and numbers. Gender equality is, in fact, mainly influenced by ethnic background in Lao PDR. The Lao-Tai group represents 67% of Lao PDR's population, along with three major non-Lao-Tai ethnolinguistic groups, namely the Mon-Khmer (21%), the Hmong-Lu Mien (8%), and the Sino-Tibetan (3%). While many traditional norms within Lao-Tai cultures are favourable to gender equality (women are often financial decision-makers, inherit land and property more often, and have gained equal access to education), the other three ethnolinguistic groups have stronger patriarchal traditions and norms, limiting women's access to decision-making, property, and education. Violence against women and early marriage as part of traditional practices, including "bride kidnappings" and child marriages, remain challenges for women from all ethnic backgrounds in Lao PDR.

15. The COVID-19 pandemic has raised new barriers to building inclusive and prosperous economies and societies. Pre-existing gender gaps have amplified the crisis asymmetrically between men and women, even as women have been at the frontlines of managing the crisis as essential workers. The sectors hardest hit by the lockdown are those where women are more frequently employed (e.g., small business, tourism). Combined with the additional pressures of their domestic duties, the crisis has halted progress toward gender parity in several economic sectors and industries.
16. AFN II intends to be gender transformative with a minimum 50% of the target group being women. To promote gender transformation, the project will address existing social, cultural, and policy level barriers to ensure increased control and access to resources by women, reduce their workload and empower them to make decisions and better choices related to health, nutrition, personal well-being, and their families. Gender awareness will be mainstreamed in all project activities through extension services and household methodologies. Empowerment measures, such as basic literacy and numeracy and entrepreneurial skills, and grants will address some of the barriers that prevent women's effective engagement in project activities and leadership positions. In doing so, AFN II will use IFAD's Household Methodologies (HHMs), like the Gender Action Learning System (GALS) and will pilot the Business Action Learning for Innovation (BALI programme).
17. The project will seek to increase women's agency through community-run institutions and planning including women's leadership and voices within women groups (FNS groups), mixed farmer groups, and multi-stakeholder platforms. Women will participate in village committees to ensure that their priorities are well addressed. Decisions on project investments will take women's needs into account, for instance in water supply systems, food value chains, processing stages, and so forth.

c. Youth

18. There is no universal definition of youth. WHO defines youth as 10-24 years of age, the ASEAN Youth Development Index (AYDI) as 15-34, and the Lao People's Revolutionary Youth Union (LPRYU) as 15-35. AFN II will adopt the LPRYU definition. The Lao population age 15-35 is estimated at 3,298,643 people, equivalent to 50.8% of the total population (25.5% male and 23.5% female).
19. Recent surveys and studies^[7] indicate that there is disparity between adolescent and youth groups in terms of access to social services such as education, health services, and in terms of social protection. These differences among youth exist between regions, ethnic groups, and gender and wealth quintiles.
20. The 2015 Population and Housing Census^[8] findings reveal that approximately 60% of the Lao population is below the age 25 (Census, 2015) and 70% live in rural areas. In terms of access to education, the census showed that "at least at primary and secondary levels, females were almost on par with males with respect to school attendance (81% of males against 79% of females) aged 6-16 years. There was also a slightly higher proportion of female dropouts than males (11% and 10%, respectively). However, males aged 17- 25 years were more likely than females to still be attending school. In this age group, the proportion of females who have never attended school (10%) was nearly twice that of males (6%)" (Lao Statistics Bureau, 2015).
21. The share of youth aged 15-29 not employed or in education or training (NEET) was 42% in 2017 and is significantly higher than in Cambodia (11%), Thailand, and Myanmar (9%). The majority of NEETs are inactive, i.e. not looking for a job and not studying. Young women are more affected than young men (43% vs 39% NEET, respectively). Young women are clearly disadvantaged compared to young men in the labour market.
22. Labour force participation for young adults aged 20-24 averages 83%. Rural youth generally hold low-skilled and low-paid jobs. Employment opportunities remain scarce due to the high share of subsistence farming activity. Opportunities to foster youth employment lie in the development of a market-oriented agricultural sector where post-harvest, trade, and transport services are required.
23. The Lao Youth and Adolescent Development Strategy^[9] 2021-2030 was developed by the Lao People's Revolutionary Youth Organization (LPRYU) with support from UNFPA and was endorsed by the Prime Minister in December 2020. It defines five specific objectives: (i) To ensure that all adolescents and youth in the country contribute meaningfully to the mission of protection and development of the country; (ii) To ensure equal rights for all adolescents and youth in the country, providing a foundation for addressing gender inequalities in the political, socio-economic and cultural spheres; (iii) To promote investments in adolescents and youth development undertaken by the government, development partners, civil society, and the private sector; (iv) To be used as a reference for monitoring and evaluation and ensuring that no one is left behind in the pursuit of achieving the SDGs by 2030; and (v) To raise awareness of issues related to youth and ensure commitment for youth development and protection including by the family, community, educational institutions, concerned agencies and society.
24. Within the strategy and SGD frameworks, the AFN II activities will engage young people as participants and beneficiaries by establishing membership and/or leadership quotas (minimum of 25% youth) in project activities (Farmer Nutrition Schools, Agricultural Production Groups, Water User Groups). The project will also promote youth theatre and targeted training in communities, working with and promoting youth through social media campaigns and developing collaboration with nearby schools to build further awareness on nutrition and health.

Child labour

25. Child labour remains widespread in Lao PDR, particularly in ethnic minority communities in rural areas where minors forego schooling to perform agricultural work or stay at home taking care of younger siblings while their parents work on farms. This undermines efforts to educate impoverished children. Child labour is more likely in poor families that do not have the resources to ensure school attendance. Drop-outs may work on the farm with their parents. Children under 15 are sometimes forced to marry and do household chores. A child Labour Survey^[10] conducted in 2010 by the Lao government, with support from the ILO, reports that about 15% of children are engaged in some economic activity and 10% of children can be considered as child labourers, half of them engaged in hazardous work. Most of child labourers are from rural areas with roads. The same survey found that 178,000 children, about 96,000 girls and 81,000 boys, were considered to be engaged in child labour in Lao PDR, with two out of every three involved in hazardous work, such as that linked to construction sites or dangerous factories.
26. The UN country analysis (CCA, 2021) estimated that 42% of girls and 43% of boys (aged 5-17 years) are engaged in child labour, half of them under hazardous conditions. (UN CCA, 2021).
27. More recent information suggests that the child labour issue has not improved. In Save the Children's 2021 [Global Childhood Report](#), Lao PDR ranked 143 of 186 countries in terms of average levels of performance across a set of eight indicators related to child health, education, labour, marriage, childbirth, and violence. The report found that 28.2% of children age 5-17 performed labour in 2015-2020, while 23.2% of primary and secondary school-age children were not in school in 2015-2019.
28. The Lao National Assembly's amended Labour Law of 2007 prohibits the employment of children under 14 years of age and bans the involvement of children under 18 years old in sectors that are dangerous to their health, such as mining, the production of chemicals or toxic substances, working involving gambling or alcohol, and overtime work. The law also limits the work hours for youth ages 14 to 18 to eight hours per day and prohibits night work for those under 18.
29. Although the AFN II project will be implemented in poor districts in the five targeted provinces, the working beneficiaries involved will be adults and youths. Data collection on families with child workers under 15 will be carried out prior to project implementation. Meanwhile, dissemination and awareness raising on child labour risks will be carried out as well.
30. The project will also ensure that MSMEs who engage in business partnerships with APG with support from the project will not employ child labour. Due diligence will be carried out and the MSMEs will commit to complying with the SUN BN charter. In addition, the project team, including the Gender and Inclusion TA, will closely monitor the working conditions in the MSMEs in close collaboration with relevant line agencies, including the Ministry of Labour and Social Welfare and its departments at provincial and district levels.

d. Indigenous peoples

31. The issues of Indigenous Peoples in Lao PDR represent a sensitive topic as the Government does not recognize the concept of "Indigenous Peoples" and the expression "ethnic groups" is officially used instead (IWGIA, 2021). The Government considers Lao society as a multi-ethnic one, where every citizen is "indigenous" and belongs to the same nationality: Lao (ASEAN, 2015). The Government recognizes 49 ethnic groups and 160 subgroups, which are classified into four different language families: (i) The Lao-Tai, (ii) The Hmong-Mien, (iii) The Mon-Khmer and (iv) the Sino-Tibetan.
32. Like women, ethnic minority groups have been hit the hardest by the coronavirus pandemic. During the lockdown, the highest unemployment rates were recorded among these communities (76.9% in ethnic minorities versus 62.8% in the Lao-Tai groups). This is because ethnic minority groups highly rely on activities such as day labour for their incomes. These were activities significantly affected by the restrictions imposed during the pandemic. Food insecurity, already high among these communities, has increased considerably. Single-headed households, persons with disabilities, and women have suffered the negative effects of the COVID-19 pandemic the most (IWGIA, 2021).
33. Relocation of community villages from their original territories to the lowlands has been a measure taken by the Lao Government to improve the living conditions of ethnic minority groups. It is assumed this will provide better access to education, healthcare, and other services. Forced resettlements have also been carried out to allow for governmental land concessions to private investors in various sectors (mining, hydropower, industrial plantations) (IWGIA, 2021). The consequences of these relocations on the lives of ethnic minority groups have been remarkable, as communities have been obliged to give up their traditional livelihoods, lifestyles and rituals as well as their sacred relationship with the forest (ASEAN, 2015). Moreover, not all resettled communities have seen improvements in their economic situation. According to Philip Alston, UN Special Rapporteur on extreme poverty and human rights, "those living in poverty, ethnic minorities, and people in rural areas have seen very few of the benefits of the economic boom" that the Lao Government has been committed to (ASEAN Today, 2019).
34. Across the 20 target districts of AFN II, ethnic groups represent 85% of the total population, including Mon-Khmer (59%), Sino-Tibetan (15%) and Hmong-Mien (11%) (see Table below). People belonging to ethnic groups in the project area are usually the poorest and most affected by food security and nutrition issues due to various factors including: differential access to education, healthcare, poverty gaps, and social dietary norms. For instance, about 20% of Hmong-Mien households have less than acceptable dietary diversity compared to less than 10% among other ethnic groups. Poverty rates are 10.6% for Lao-Tai ethnic groups compared to 18.1% for the Sino-Tibetans and 32.7% for the Mon-Khmer.

Table 32: Ethno-linguistic families in target district (as % of total district population)

Target provinces	Target districts	Lao Tai	Mon Khmer	Hmong Mien	Sino-Tibetan
Attapeu	Phouvong	11	86	0	0
Attapeu	Sanamxay	29	69	0	-
Attapeu	Sanxay	2	96	-	0
Oudomxai	Beng	29	56	13	0
Oudomxai	La	11	55	3	30
Oudomxai	Nga	21	58	20	0
Oudomxai	Pakbeng	9	85	4	0
Phongsaly	Boontay	16	14	5	64
Phongsaly	Khua	13	55	0	31
Phongsaly	Nhot Ou	35	0	19	44
Phongsaly	Phongsaly	8	5	4	82
Phongsaly	Samphanh	6	30	12	51
Salavan	Samuoi	4	94	-	-
Salavan	Ta Oi	4	95	-	0
Salavan	Toomlarn	3	95	-	0
Sekong	Dakcheung	2	96	0	0
Sekong	Kaleum	5	94	-	0
Sekong	Lamam	30	68	0	0
Xiengkhouang	Mok	17	2	79	0
Xiengkhouang	Nong Het	17	22	61	0

Target provinces	Target districts	Lao Tai	Mon Khmer	Hmong Mien	Sino-Tibetan
	Average	14%	59%	11%	15%

Source: Population and Housing Census of 2015, Lao Knowledge for Development (<https://www.k4d.la/>)

35. AFN II seeks to collaborate, engage, and get proportional participation of ethnic groups (indigenous people) as beneficiaries through indigenous people-related activities and involving Free Priority Inform Consent (FPIC). AFN II will respect and support the indigenous people's traditional knowledge and food to improve their food production, processing, and livelihoods. The project will also promote and help indigenous peoples preserve and sustainably use their local species and seed varieties through capacity building or training.

e. Marginalised groups

36. According to the Population and Housing Census of 2015, Persons with Disabilities in Lao PDR constitute 2.8% of the total population. The census used the Washington Group's Short Set of Questions that focus on functional limitations across the following six domains: Seeing, hearing, walking (or climbing stairs), remembering (or concentrating), self-care (washing/dressing), and communicating. However, the prevalence of disability amongst the population could be assessed as much higher if the UN Convention on the Rights of Persons with Disabilities^[11] definition is used. Lao PDR has been a signatory country of the Convention since 2008. By comparison, the population-weighted prevalence for the Asia-Pacific region of persons with disabilities is around 4.6%, making a stark contrast to the global prevalence of 15.3% as estimated by WHO (UNDP Lao PDR, [May 2021](#))

37. Lao PDR ratified the Convention on the Rights of Persons with Disabilities in 2009, demonstrating the GoL commitment to promote, protect, and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity.

38. In 2014, the Government of Lao PDR issued Decree 137 on the Rights of Persons with Disabilities^[12], complemented by a Decree appointing the National Commission for Disabled persons. This commission is a cross-ministerial body and the national focal point on disability matters. It advises on national policy, programmes, and services for persons with disabilities.

39. The Ministry of Labour and Social Welfare (MoLSW), through the National Committee for Disabled People and Elderly, developed a National Action Plan on Persons with Disabilities for 2017-25 (not yet validated), which has 8 key areas of intervention: (i) data and statistics; (ii) raising public awareness and sharing information; (iii) accessibility of physical environment, information and communication, and service; (iv) health; (v) work and employment, including vocational training; (vi) social protection; (vii) recreation and sports; and (viii) disability governance. (Disability Monograph of Lao PDR. [MPI, 2020](#))

40. The GoL assigned the mandate for implementing the 2014 decree to the Ministry of Labour and Social Welfare, the National Committee for Persons with Disabilities, the Ministry of Public Health, the Ministry of Education, the Ministry of Public Works and Transportation, the Ministry of Culture and Information, the Ministry of Foreign Affairs, and organizations that represent persons with disabilities. Non-government organizations are dedicated to representing the interests of all people with a disability, such as the Lao Disabled People's Association ([LDPA](#)) that has a 9,000-strong membership and a subnational network.

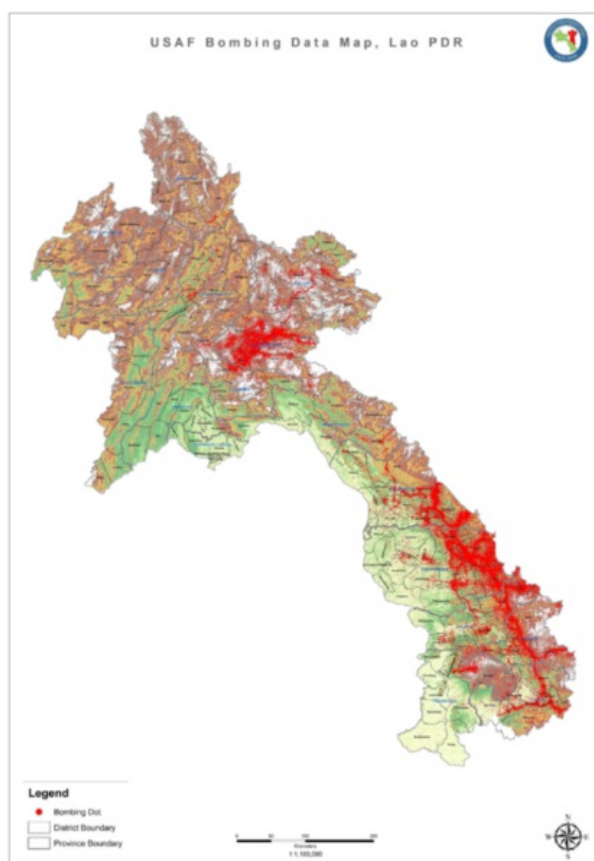
41. Despite these regulations being in place, persons with disabilities in Lao PDR continue to face discrimination and barriers. Persons with disabilities are often believed to bring misfortune according to cultural beliefs (UNDP Lao PDR, [May 2021](#)).

Unexploded Ordnances (UXO)

42. The number of persons with disabilities continues to increase significantly in Lao PDR due to the rise of noncommunicable diseases, aging, and traumatic injury due to road traffic accidents and unexploded ordnance (UXO) accidents^[13]. The Lao national UXO programme (UXO Lao) estimated that around 12,000 UXO-related accidents occurred post-conflict since 1973, including 904 accidents between 1996 and 2017, resulting in 1,154 injuries and 515 deaths. Although it appears that the overall number of casualties caused by UXO accidents has decreased in recent years, there are still an estimated 40 new UXO casualties every year. On average of 48% of all victims of reported UXO accidents are children or youth in rural areas. Places where accidents usually occur are village centres (32%), upland rice fields (18%), lowland rice fields (13%), near forests (12%), and paths and roads (7%) (UXOLao, [report](#)).

43. The province most heavily affected by UXO are in decreasing order of remaining contaminated area: Xieng Khuang, Savannakhet, Attapeu, Salavan, Khammouane, Xekong, Huaphanh, Luang Prabang, Champasak, Bolikhamxai, and Vientiane Province (Source: NRA, [Confirmed Hazardous Area](#), July 2022). Four of the six AFN II target provinces are among the most heavily contaminated areas: Xiengkhouang (ranks 1st), Attapeu (3rd), Salavan (4th), and Sekong (6th). In these provinces, AFN II will ensure that areas selected for activities and interventions are safe from UXO. Where there is a risk of UXO, the activity will be excluded. By comparison, Phongsaly and Oudomxai are relatively less contaminated by UXO. The map below shows USAF bombings at the origin of the UXO issue in Lao PDR.

Figure 3. USAF bombings, Laos



44. The National Regulatory Authority for UXO (NRA) has adopted the UXO/Mine Victim Assistance Strategy 2014-20. The objective is to ensure that the rights and needs of UXO victims are addressed. However, in practice UXO survivors receive little support. Several development initiatives focus on People with disabilities, such as the USAID-funded [Orkad programme](#), the [COPE center](#), and [Handicap international](#), etc.
45. The AFN II project does not intend to directly target Persons with disabilities and the design is not expected to include specific strategies, actions, and resources in support of this group. However, the project will identify and monitor their number within the project beneficiary groups. It will also ensure they are included in the project consultation processes and provided with equal voice and opportunities to participate.

f. Nutrition

46. The Lao People's Democratic Republic has reached and maintained national rice self-sufficiency since 2000. Still, chronic undernutrition rates remain high. The under-5 stunting rate^[14] was 33% while 27% of them were underweight in 2017. The northern and southern provinces exhibit the highest prevalence of stunting. Undernutrition in children is linked to poverty, maternal malnutrition, low maternal educational levels, harmful traditional practices, adolescent pregnancy, lack of clean water, and inadequate sanitation and health services. Furthermore, the availability of nutritious foods in local markets is limited.
47. Lao PDR has signed onto the Scaling Up Nutrition Movement (SUN). The National Nutrition Committee is the principal nutrition coordination mechanism and is co-chaired by the Deputy/Ministers of the Ministries of Health, Agriculture and Forestry (MAF), and the Education and Sport. The National Nutrition Strategy to 2025 and Plan of Action 2016-2020 (NNSPA) 2016-2020 are aimed at improving food accessibility, along with maternal health and child care, environmental health, and access to health services.
48. The triple burden (stunting, wasting, anaemia) of malnutrition remains a major challenge in Lao PDR. One third of children under 5 (CU5) are stunted, which is very high compared to the World Health Organization (WHO) benchmark^[15]. The prevalence of wasting increased from 6% in 2012 to 9% in 2018. Concurrently, anaemia affects 44.1% of CU5 and 39.8% of women and girls of reproductive age (15–49 years), making it a severe public health problem^[16]. Overweightness and obesity are increasing with 15.7% of children and adolescents age 5–19 classified as overweight^[17].

Table 33: Nutritional status of children under 5 (CU5), featuring core nutrition indicators in the project area

Country/Province	Stunted	Wasted	Underweight	Overweight	Inadequate Child Food Diversity Score ^[18]
Entire Country	33.0%	9.0%	21.1%	3.5%	84%
Phongsaly	54.0%	8.9%	27.7%	10.0%	-
Oudomxai	42.7%	6.2%	24.2%	1.7%	79%
Xiengkhouang	46.7%	5.0%	21.4%		
Attapeu	29.6%	15.0%	25.9%	2.4%	92%

Sekong	49.9%	8.0%	34.8%	2.2%	94%
Salavan	42.9%	12.5%	28.6%	2.7%	95%

49. Source: Lao Social Indicator Survey II (LSIS II) 2017, Survey Findings Report, 2018, Lao PDR,

50. Reliable malnutrition prevalence data is only available at provincial level. Four of the five target provinces have considerably worse malnutrition levels than the national average.

Table 34: Nutritional status of women and girls of reproductive age (15-49 years) in the project area

Country/Province	Anaemia	Overweight	Obesity	MDD-W[19]
Entire Country	39.8%	12.8%	3.5%	32.4%
Phongsaly	42.1%	7.5%	0%	10.0%
Oudomxai	25.4%	17.5%	2.5%	52.5%
Xiengkhouang	-	-	-	-
Attapeu	49.1%	5.0%	0%	15.0%
Sekong	25.5%	5.0%	0%	37.5%
Salavan	50.2%	5.0%	2.5%	12.5%

Table 35: Early childhood mortality rates in the project area

Country/Province	Neonatal mortality rate	Infant mortality rate	Child mortality rate	Under-five mortality rate
Entire Country	1.8%	4.0%	0.6%	4.6%
Phongsaly	2.7%	6.0%	0.9%	6.8%
Oudomxai	2.8%	6.8%	0.3%	7.1%
Attapeu	3.5%	5.6%	0.3%	5.9%
Sekong	1.2%	2.8%	0.8%	3.5%
Salavan	2.1%	5.0%	0.4%	5.4%

51. The causes of malnutrition in Lao PDR are multi-faceted and multi-sectorial [20] and is associated with factors linked to road access, socio-economic status, and maternal education. There are also high rates of early marriage and adolescent pregnancy, which increase the risk of malnutrition in both mothers and children. Overweightness and obesity are not yet a major concern for the country.

52. Availability, Access, Nutrient Intake, Local Preferences and Practices:

- The basic and underlying causes of malnutrition include: Poverty and Economic Change - Up to 80% of the population relies on subsistence agriculture and poverty levels remain high in Lao PDR.
- Slow rates of Women's Empowerment: The prevalence of child marriage is high, a factor that is strongly associated with low levels of wealth and education. 25% of teenage girls are either married or in a union and 37% of women between 20 and 49 have given birth before age 18. Women, especially in poorer communities, are often poorly educated, have a heavy workload, and lack vital nutrients in their diet throughout pregnancy.
- Healthy diets: The quality of the diet appears to be the most limiting aspect of adequate nutrient intake in Lao PDR. Dietary diversity is low throughout the country.
- Poor access to water and sanitation facilities: Frequent infections and diarrhoea reduce a person's capacity to absorb nutrients. Countrywide, 28% of the population has no access to clean drinking water and 37% do not have access to improved sanitation facilities.
- Childcare: Women's workload makes it difficult to ensure proper care for young children. Only 40% of infants are exclusively breastfed (up from 23% in 2000). Data suggests that only 52% have started receiving complementary food after 6-8 months. This means that infants are not getting the calories and nutrients they need after about 6 months. Over half of children under age 5 had eaten packaged snack food in the preceding day. These snacks are often imported, often labelled in only a foreign language, and marketed towards school-age children.
- Food insecurity: food insecurity is highest in the central/southern and northern highlands which make up the project area. Households engage in livelihoods that rely on cash crop production, shifting upland cultivation, and unskilled labour. They are poor, lack assets, have smaller plots of land with limited access to infrastructure, and are likely to belong to an ethnic group.
- Access to health services: There is limited access to health facilities in rural and remote areas, especially in the project areas bordering with Vietnam and Cambodia. Many villages lack health facilities all together. UNICEF data suggests that almost one half of Lao women have not received any antenatal care and more than half of all births are not attended by skilled health personnel. As a result, the maternal mortality rate is one of the highest in the region (357 maternal deaths/100,000 live births).

53. The AFN II aims to be nutrition sensitive and targets these nutritionally vulnerable groups: non-Lao/Tai ethnic groups, women and girls of reproductive age, PLW/G of children under age 5, adolescent girls, and school-attending children (girls and boys). The main impact pathways are to improve the availability and accessibility of nutritious foods through own production using integrated home gardens (involving crops, small animals, and fish), diversified farm production, and nutritious foods based on local food systems and biodiversity (including both wild and domesticated varieties).

54. Investments in nutrition along all segments of the food value chain will be encouraged by promoting access to markets, food processing and storage, reduced post-harvest loss, and increased food preservation and safety. This will increase, in turn, consumption of more diversified diets throughout the year. In addition, these activities will also be a source of income, notably for women, who will invest in procuring nutritious foods from markets and other nutrition and health services. This will be complemented by FNS and SBCC activities that aim to raise awareness and create demand for nutritious food production and consumption. It will also ensure equitable household food allocation so vulnerable household members have the food quantity and quality needed during key life stages. Multi-sectoral coordination and planning at provincial, district, and village level will be strengthened to ensure the converging benefits for households and individuals and a shared understanding of nutrition challenges. Finally, women's empowerment in households, communities, and planning will play a cross-cutting role to ensure that the promoted changes can be implemented.
55. Multi-sectoral coordination and planning at all levels, including at the village level will be strengthened to promote shared understanding of nutrition challenges and ensure convergence of nutrition interventions at the household and individual levels. Finally, women's empowerment in households, communities and planning will play a cross cutting role to ensure that promoted changes can be implemented.

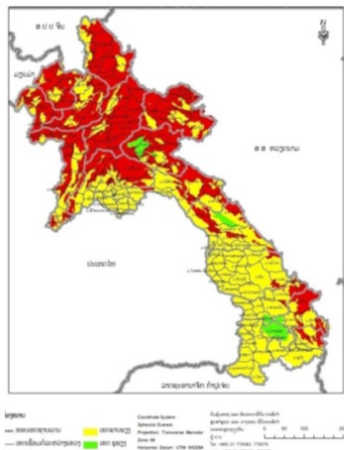
2.2 Environment and climate context, trends and implications

The Environment and climate context, trends and implications are detailed in the below sections.

a. Environmental assessment

56. The country stretches 1,700 km from north to south and 100 km to 400 km from east to west, with a total surface area of 236,800 km². Approximately 80% of the country's land area is mountainous. The remaining 20% is low lying plains along the Mekong River and is threatened by annual floods. The altitude ranges from 104m above sea level in Attapeu to 2,820m at Phoubia Mountain in Xiengkhouang (Climate Knowledge portal^[21], retrieved in March 2022). Lao PDR encompasses a total area of 236,800 km² including 6,000 km² of water, which are mainly hydropower dam reservoirs. Landforms are broadly classified into three (3) agro-ecological zones: mountains, plateaus, and plains. Mountains and plateaus make up more than three-quarters of the total area. The plains are further categorized into 7 major plains along the Mekong and its main tributaries and 16 intermediate plains and 12 small plains in mountains areas (valley floors). The latter include the AFN II target provinces of Oudomxai and Phongsaly in the North.

Figure 4: Agro-ecological landform classification: mountains, plateaus and plains



Legend:

- The plains are represented in yellow
- mountains are indicated in red,
- plateaus are represented in green.

Note the occurrence of relatively large plains (yellow patches) within the mountainous areas of Northern Lao, including in Oudomxai and Phongsaly, two of the five AFN II target provinces.

Note the occurrence of relatively large plains (yellow patches) within the mountainous areas of Northern Lao, including in Oudomxai and Phongsaly, two of the five AFN II target provinces.

57. The table below shows the location of the 20 target districts across the three main physiographic zones.

Table 36: Location of the 20 target districts across the three main physiographic zones

Province	Physiographic region		
	Mountain	Plateau	Lowland
Phongsaly	Samphanh Bountay Kua Phongsaly Ngot Ou		
Oudomxai	Nga Beng Pakbeng La		
Xiengkhouang	Mok	Nonghet	
Salavan	TaOiy Samoiy	Toomlam	

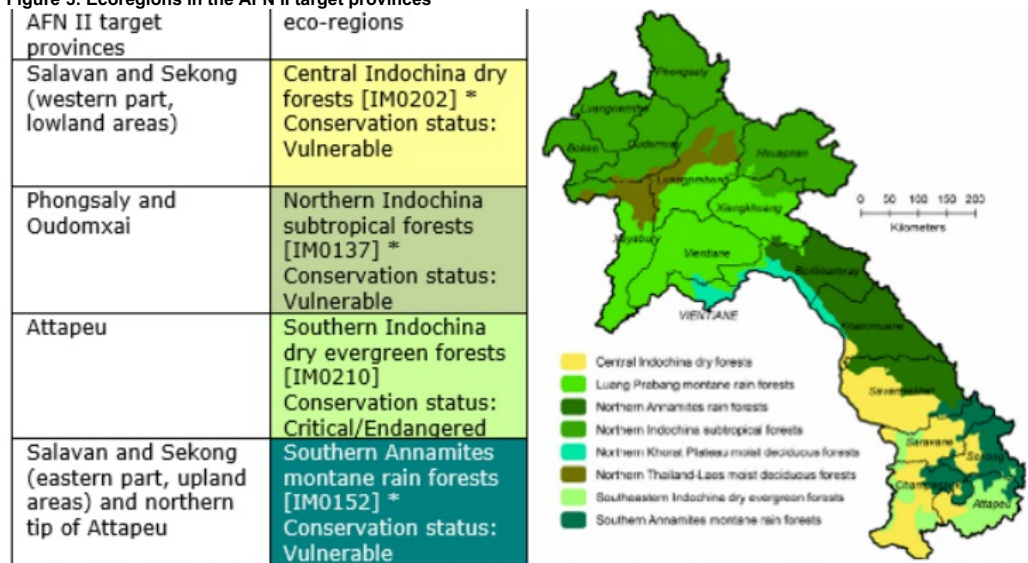
Sekong	Kaleum	Darkcheung	Lamam
Attapeu			Sanamxay Sanxay Phouvong

58. According to the latest official forest classification^[22], the total forest area of Lao PDR is estimated at about 13.2 million hectares or 57.4% of the total land area in 2015. Mixed deciduous forest is the most predominant, accounting for about 9.4 million hectares. Other types of forest include dry dipterocarp, dry evergreen, coniferous and mixed coniferous, and broadleaved forests. There is also the potential for regenerated forest linked to industrial tree plantations and bamboo (27.3% of total area).

Biodiversity

59. Within the broad Indo-Malayan ecological region, Lao PDR contains some of the most biologically diverse habitats in the world. The country encompasses a rich diversity of landscapes, categorised in eight distinct eco-regions. Four of these occur across the five, selected, target provinces in AFN II.

Figure 5: Ecoregions in the AFN II target provinces



60. Note: Ecoregions noted with (*) above are part of the “Global 200” list of ecoregions with biodiversity features assessed for their irreplaceability or distinctiveness. These features included species richness, endemic species, unusual higher taxa, unusual ecological or evolutionary phenomena, and the global rarity of habitats.

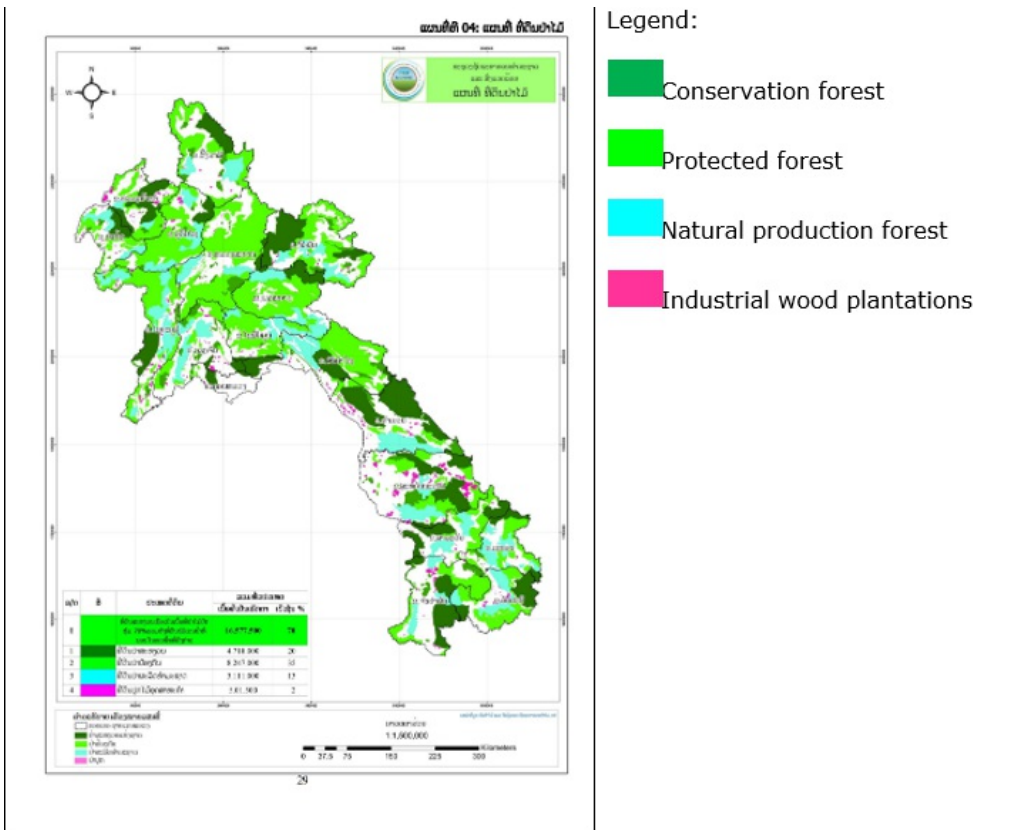
61. The characteristics and conservation status of the four ecoregions found in the AFN II target area are summarized below. More information can be found following the links attached to each of the ecoregion codes in brackets below:

- The Central Indochina Dry Forests [IM0202] ecoregion covers more area in mainland southeast Asia than any other forest type. It remains extensive in coverage along the broad valley of the Mekong and its tributaries in central and southern Lao PDR. Over this range, the ecoregion characteristically occurs in areas with 1,000-1,500mm rainfall and five to seven months of drought. Potential evapotranspiration may exceed rainfall for up to nine months per year. Deciduous dipterocarp forest forms an open forest or woodland community dominated by deciduous trees. The ecoregion conservation status of this ecoregion is Vulnerable because most of its natural habitat has been extensively cleared in Thailand, Lao PDR, and Vietnam.
- Northern Indochina subtropical forests [IM0137] cover the Northernmost part of the country, including Phongsaly and Oudomxai, two of the five AFN II target provinces. This eco-region straddles the transition between South Asian and the East Asian floras. It has remarkable biodiversity, ranking 1st in species richness for birds and 3rd for mammal species in the Indo-pacific region. This eco-region’s conservation status is Vulnerable because of land clearing for shifting cultivation, logging, and hunting for food and income.
- The South-eastern Indochina Dry Evergreen Forests [IM0210] ecoregion occurs in a broad band across northern and central Thailand and extends into Lao PDR, Cambodia, and Vietnam. Dry evergreen forest is more appropriately called semi-evergreen forest because a significant proportion of canopy tree species are deciduous at the height of the dry season. This ecoregion is located in humid and sub-humid climatic regions where mean annual rainfall is generally between 1,200 and 2,000mm, and a significant dry period of 3-6 months occurs each year. This ecoregion’s conservation status is Critical/Endangered because about two-thirds of the original forest in this ecoregion has been cleared or seriously degraded. A few large forest blocks remain in Lao PDR.
- The Southern Annamites montane rain forest [IM0152] ecoregion is located along the greater Annamite Range, running from central Vietnam south to the Bolovens Plateau of Lao PDR and the Central Highlands of Vietnam. It includes a broad topographic range from lowlands with wet evergreen forests to montane habitats with evergreen hardwood and conifer forests. This ecoregion is globally outstanding for its biodiversity. Its known flora and fauna include some of Asia’s most well-known species^[23]. Because of the high elevations and steep slopes of this ecoregion, the human population density here is moderate (MacKinnon 1997). This ecoregion’s conservation status is Vulnerable because anthropogenic influences are pervasive throughout in terms of regular burning to create open woodlands and for shifting cultivation. Shifting cultivation is particularly prevalent in upper slopes. The Bolovens Plateau is severely threatened by forest clearing for coffee plantations. Wildlife poaching and excessive harvesting of NTFPs are also severely threatening the integrity of Dong Hua Sao in Lao PDR.

62. Lao PDR is a signatory country to the Convention on Biodiversity. It has also developed its second national agro-biodiversity programme and action plan 2015-2025 (NABP II). The NABP II was prepared to develop a strategic approach and framework for the sustainable use, development, and conservation of agrobiodiversity. This aims to further support national priorities on food security, poverty reduction, and socio-economic development. NABP II identifies six generic farming (eco) systems in Lao PDR, each with its unique agrobiodiversity characteristics: (i) Paddy Rice-Based Agro-Ecosystem - Flat or terraced, banded rice land where standing water is maintained in the field for extended periods; (ii) Integrated Agriculture Systems - Multi-enterprise farming systems including field crops, vegetables, fruit, livestock, and fish; (iii) Upland Agro-Ecosystems - Gently rolling or steep land under permanent agriculture or swidden rotation; (iv) Forest Ecosystems - Forested areas used by local communities for the collection of food, fiber, herbs, medicines, fuel, and other products; (v) Commercial Agriculture Systems - Large areas of commercial agriculture including industrial crops, pastures, fruit trees, and forest plantations; (vi) Wetland Ecosystems- Areas of permanent or seasonal standing water or water-logged conditions. Local communities use these systems at the landscape level. These systems, combined with the available agro-biodiversity resources, then result in the different types of land and management strategies which support their livelihoods (NABP II, [Link](#)).

63. Lao PDR has established an impressive network of 21 protected areas over the country’s diverse eco-systems. These cover 3.3 million ha or more than 13% of the national territory. Recently, the government issued a new decree for establishing a national biodiversity conservation area in Nam Mo-Phousamsoum located in the Khoun and Mok districts in Xiengkhouang province. This conservation area covers a total 98.87 ha, with 86.598 ha in Mok and 12.275 ha in Khoun.

64. Figure 6: Map of National Biodiversity Conservation Areas (NBCA)



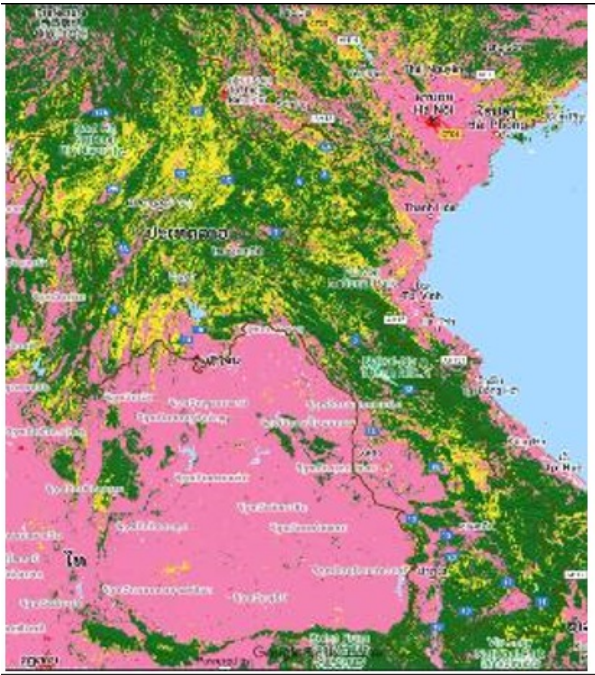
65. Besides National Biodiversity Conservation areas, other types of protected areas include provincial and district conservation or protected forests and corridors, encompassing 2.2 million ha. The combined areas under protected status make up more than 5 million hectares or 22% of the country's territory. As elsewhere in Southeast Asia, these protected areas are under threat of encroachment due to illegal logging, roads and dam development, and agricultural and livestock expansion.

66. The project's targeting strategy will ensure that intervention areas are located outside the country's 24 National Protected Areas (NPAs) and their buffer zones as well as any other areas with any type of protected status. In addition, the project will apply environmental check list procedures to ensure that physical interventions (such as access tracks, for example) will not directly or indirectly result in negative impacts on areas under conservation status, including forest, wetlands, and other sensitive ecosystems. AFN II may consider using the Adaptation, Biodiversity and Carbon Mapping Tool (ABC-Map), developed by FAO and AFD, to measure and assess the impact of project activities on biodiversity.

Agricultural land use patterns

67. Agricultural land is under the management responsibility of the Department of Agricultural Land Management (DALaM), established in 2012. DALaM estimates that agricultural land covers 4.5 million ha (about 19% of the total land area). The map below shows the current land use status across the six Land Use categories defined by the IPCC.

Figure 7: Land Use map (earthmap.com)



Legend



68. Agricultural land use types can broadly be classified as:

- **Lowland paddy in plains, some irrigated areas:** This land use type is very common in the main plains along the Mekong valley and secondary plains along the Nam Ngum, Sebang Fai, Sebang Hiang, and other main Mekong tributaries. Improved rice seed varieties are commonly used as is chemical fertilisation combined with animal manure in some cases. In irrigation schemes, actual cropped areas in dry season can be as low as 20% of the command area, indicating underutilized irrigation infrastructures/assets.
- **Lowland paddy in mountain areas (valley floors), some irrigated areas:** Occur in large valley floors in the northern provinces such as in Oudomxai and Phongsaly provinces. Current paddy yields can reach 4 t/ha. Paddy fields are fertilised mainly by sediments brought by run-off water in the rainy season as well as animal manure. In some areas, banana plantations have been established in mountain paddy land, effectively converting rice production areas into permanent, intensive, commercial agriculture.
- Short forest fallow with upland rotational cropping every 2 to 4 years.
- Upland fixed cropping for commercial purposes: maize, job's tears, etc.
- Plantations: rubber, coffee, teak, and fruit trees, for example. In some instances, banana plantations have been developed in lowland paddy areas, notably in the north eastern part of the country

69. Based on the observed climate patterns and agricultural land use, the typical cropping calendars found in Lao PDR are as follow:

Figure 8: Typical cropping calendars

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Rainy Season												
Wet season lowland paddy												
Nurseries												
Transplanting												
Crop maintenance												
Harvesting												
Dry season lowland paddy												
Nurseries												
Transplanting												
Harvesting												
Irrigated dry season crops												
1 st 3-month crop cycle (allium)												
2 nd 3-month crop cycle (pulses)												
Upland crops (rice, others)												
Forest / bush clearing												
Burning												
Sowing: upland rice / others												
Weeding												
Harvesting												
Plantations												
Transplanting seedlings												
Watering required (3 first years)												

Source: PICSA SECAP review note, IFAD 2018

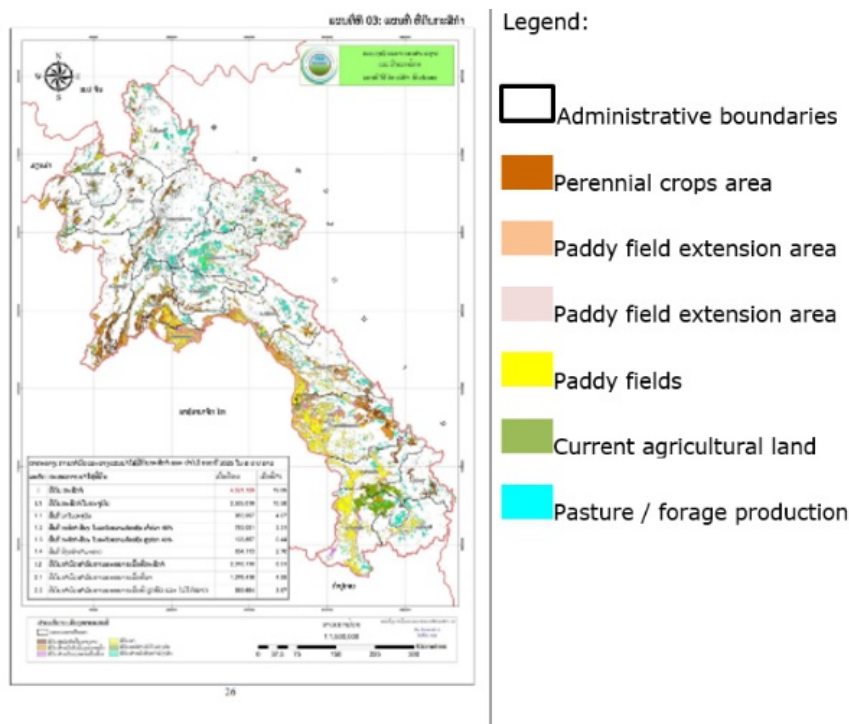
70. The main threats to agricultural land use are: (i) Land conversion: agricultural land converted into built areas, (ii) Large land concessions, and (iii) Large investment

projects, such as hydropower reservoirs, powerlines, mining, etc. The Department of Agricultural Land Management (DALaM) has initiated a process of agricultural land registration. The aim is to keep prime agricultural land in a productive state and slow down or reverse the land conversion process.

Land rights and access

71. Insecure land tenure is also a key constraint for smallholders. This is because access to sufficient and sustainably used land is a crucial requirement for food security and livelihood improvement for the rural population. In the AFN II target areas, large tracts of land have been allocated over the last two decades as land concessions, e.g. for rubber, sugarcane or pulpwood production, as well as for mining concessions and large hydropower schemes. The absence of approved zoning and land use planning, unregulated access to land resources, and a lack of legal security in terms of land tenure are major causes of poverty and conflict and hamper economic development (GIZ, 2017). Land titling processes have been slow and have failed to provide land security to scale in remote areas. Participatory Land Use Planning has been supported by donor-funded projects with some success.
72. Lao PDR is a country with a small population compared to the surrounding countries. But it is an ethnically diverse country and has the largest number of ethnic groups in Southeast Asia. There are 50 officially recognized ethnic groups, and there may be more than 160 sub-groups based on language dialects, cultures, and traditions. The Lao people have traditionally practiced customary land tenure. A common form of customary land tenure is communal or village ownership. As such, land tenure of this type provides access, use, and extraction rights to residents of specific village which is acknowledged by all other residents and tenure is thus essentially a community-inclusive social contract. In some cases, more than one village will share rights to a resource (e.g. natural wetlands and ponds). The natural resources falling under communal ownership include aquatic resources (stream, ponds), natural forests, and shifting cultivation fields. While aquatic resources and forests are normally fully communally owned, shifting cultivation fields vary between communal and individual ownership. While under cultivation, households have access, use and extraction rights. However, after the harvest, land rights may either revert fully back to communal ownership or still be held in part by the household depending on local customs.
73. The existing Land Law of 2003 stipulates that all land in Lao PDR is the property of the Lao People and that the state must secure long-term rights to land by ensuring protection, use, usufruct, transfer and inheritance rights. Article 43 of the law provides a specific stipulation about women with regard to land registration. This states that both the husband and wife's names must be included in the land register book as matrimonial property. The 2003 Land Law (revised in 2019), under Article 99, specifies that a land title is the main legal document demonstrating evidence of permanent land use rights. The importance of this to the landholder is that land registration and titling provides the ability to protect rights if threatened. The main way to protect land ownership is thus through formal registration of land and issuance of a land title. Land rights may also be asserted through customary tenure practices, but these may or may not align with formal registration practices.
74. Systematic land registration in the country started in 1997. By November 2015, 806,000 land titles (Phetsakorn Somfongboutakhan, 2020) had been issued, mostly for individual parcels in urban and peri-urban areas. Land Use Plans have now been completed in most of rural villages as well. There is no consistent or institutionalized process to collect sex-disaggregated data in land management offices, but it is available in some places. There is some evidence that only the male household head's name may be written on a land document even though the land was inherited by a woman within a matrilineal household. A MoNRE survey in 2018 indicated that among a total of 224,000 land titles, 70,000 were in a woman's name, 50,000 a man's, 87,000 in both names, and 14,000 in the name of another. For example, in Oudomxai province, the total number of land titles issued was over 4,000 and there is data for 2,576. Among these, both the husband's and wife's names are indicated on 1,393 titles, women's names only on 617, men's names only on 482, and brothers and/or sisters on 84. Most residential and agricultural land registrations within the target province were carried out only in provincial towns. In remote districts, only residential lands were registered.
75. AFN II activities will be implemented based on land use as indicated in the Agricultural and Forestry Land Use Plan to 2025. This plan addresses sustainable agricultural land use according to local conditions, location, characteristics, potential, and comparative advantages. It also considers clean agricultural production, the agriculture business chain, and gradual industrialization and modernization. Several production or land use zones have been defined to this end as follows:

76. **Figure 9: Agriculture and Forestry Land Use Plan to 2025 (MAF)**



77. The government of Lao PDR has systematically allocated land and determined boundaries and types based on geographical location, production potential, and community interest in managing, protecting, developing and using land in effective and sustainable ways. Agricultural land is designated for use in agriculture, animal husbandry, fishing, and irrigation. Agricultural land allocation is defined as the land area that will be used for agricultural purposes over the long-term without damage or conversion for other purposes. It involves maintaining the land quality over the long-term for the cultivation of food crops. Since most of the land areas are mountainous, land allocation for food crops is based on having a slope suitable for production or of less than 35%. Therefore, rice production is to occur only in lowland areas.
78. Animal husbandry is an important part of the agricultural sector as well. The allocation of grazing land to this end is aimed at encompassing the natural pastureland that exists in each province, district, or village. These pastures consist of reed forests, grasslands, and hilly areas that are not too steep and suitable for grazing.

Agricultural Soils

79. Soils in the AFN II target areas are predominantly orthic acrisols with some anecdotal occurrence of gleyic and ferric acrisols in limited areas in Oudomxai and Attapeu

provinces. The soils in the target area predominantly belong to the CLo soil texture class (Clay-Loam) and are generally assessed as having low chemical fertility. Analysis has shown that the soils also have low pH (ranging from 4.6 to 5.4), low to very low Cation Exchange Capacity, and very low organic Carbon content (ranging from 0.25 to 1.17%). In addition, conventional rice cultivation may further destroy the soil's inherent structure.

80. Agricultural soils have been under stress especially in the target areas as intensification has occurred over the last two decades for cash crop production (e.g. maize in Sayaboury and Houaphanh, cassava and other industrial crop plantations in the South, and sugar cane and/or monocropping of rice in the plains along the Mekong in central Lao PDR).
81. These trends are reflected in the Land Productivity Dynamics map below, which shows persistent decline/stress and stability/gain in land productivity from 2001 to 2018. These dynamics consider the interaction of three NDVI-based indicators: steadiness, initial standing biomass, and standing biomass at change.

Figure 10: Land productivity dynamics MODIS (<https://earthmap.org/>)



82. As the price of inorganic fertilisers has dramatically increased in recent years, their application remains low. In most cases, it is below the levels required to compensate for the large amounts of nutrients removed from the soil by cultivation. Without regular replenishing of nutrients, soil degradation can only worsen while long-run productivity plateaus and declines. Farmers have been encouraged to use animal manure. However, in most cases the rates of manure application needed (generally around 5 t/ha) are far higher than a farmer could access (estimated to be less than 1 ton/ha) (Blair and Blair, 2014).
83. Potential pathways for building and maintaining soil fertility are to shift away from monocropping (of rice paddies), promote more diversified crop rotations, and introduce relay and cover crops or other forms of crop association. Other options include soil conservation techniques (zero tilling or minimal soil preparation) to limit soil disturbance and promote soil microorganisms. Bio slurry from biodigesters can also be used when available as can innovative soil carbon sequestration options. These may have multiple benefits for soil structure, microbiological activity, and water retention capacity. Such a soil management approach has positive impacts on plant health while ensuring higher tolerance to pests and disease. On-farm production of compost from crop residues and animal waste is also actively promoted in the target area and was commonly observed during field visits.
84. Agricultural intensification and monocropping are also linked with pests and disease outbreaks affecting cassava, banana, swine and poultry production. Increased use of agrochemicals has direct adverse impacts on rural household health and ecosystems (aquatic life, soil biodiversity, fauna, and flora). The project will mitigate these risks by promoting sustainable production practices, tolerant and resistant seed varieties, good agricultural practices, organic agriculture, and integrated pest management. It will also support agroecological practices that enhance soil fertility such as crop rotation, intercropping, cover crop mulching, green manures, and technologies that reduce pest infestation (net houses).

Water resources

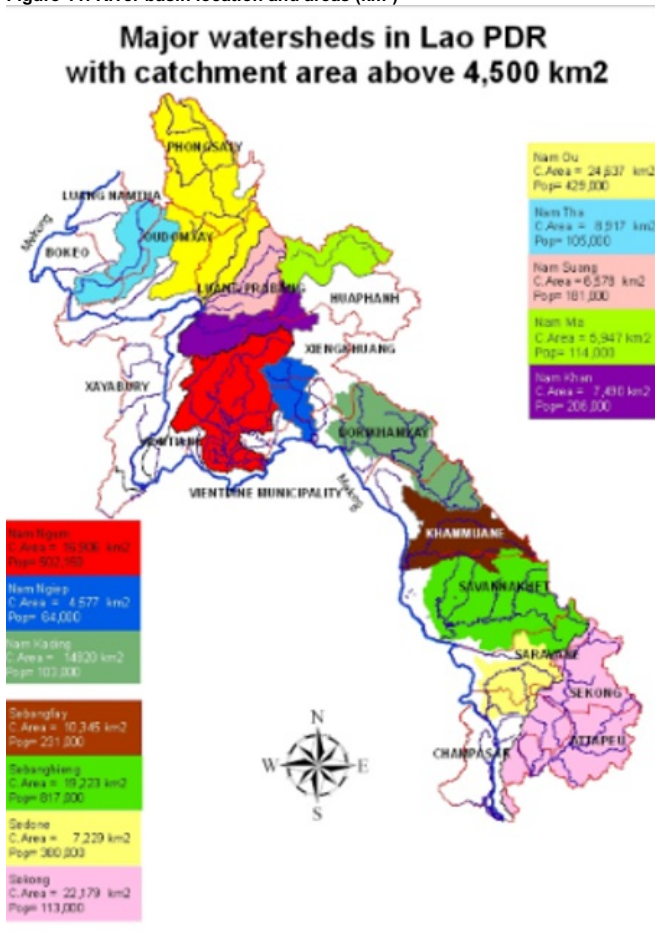
85. The major river basin in Lao PDR consists of 12 watersheds that discharge into the Mekong River (see Table below).

Table 37: River basins (areas, rainfall, mean annual discharge)

Basin	Total Area (km ²)	Mean Annual rainfall (mm)	Mean Annual Discharge (m ³ /s)
Nam Ma	5,974	114,000	1,900
Nam Ou	24,637	1,600	498
Nam Tha	8,917	2,100	346

Nam Khan	7,490	1,300	115
Nam Ngum	16,841	2,000	726
Nam Suang	6,578	1,282	131
Nam Ngiep	4,577	2,736	208
Nam Kading	14,820	2,500	546
Sebangfay	10,345	2,300	523
SeBanghieng	19,223	1,500	577
Sedone	7,229	2,000	181
Sekong	22,179	2,149	879

Figure 11: River basin location and areas (km²)



Source: Department of Water Resources, 2008

86. Water resources are deemed plentiful in Lao PDR. The total annual water flow is estimated at 270 billion m³, equivalent to 35% of the average annual flow of the whole Mekong Basin. The monthly distribution of the river flow closely follows rainfall patterns. Most, or 80%, occurs during the rainy season (May-October) and 20% during the dry season from November to April.
87. Average annual rainfall ranges from 1,300mm per year in the northern valleys to 3,700mm per year at higher elevations in the South. This corresponds to an annual rainfall of 434 billion m³, of which less than half is estimated to be runoff. The Mekong tributaries in Lao PDR contribute some 35% of the whole lower Mekong Basin. The annual national supply of renewable fresh water is 270 billion m³, or about 600,000 m³ per person, while current demand is only 259m³/person. Water use [24] by category is predominantly for agricultural (82%), followed by industrial (10%), and domestic (8%) uses. Water use in other sectors is negligible. Of the 270 billion m³ of annual available water, 5.7 billion is used and the remaining 264.3 billion m³ flows back into rivers (Water environment partnership in Asia - WEPA [25], retrieved in March 2022).
88. Ponds and wetlands have a valuable role to play in providing ecological services as they are generally biodiversity rich. They also serve as a fish refuge in the dry season if managed properly (as demonstrated by Worldfish) As a follow-up to AFN, the project will support communities to conserve and protect wetlands that serve critical ecosystem functions for both flora and fauna, including migrating species. To reduce pressure on natural resources and fragile ecosystems, the integrated home

garden grants under subcomponent 1a will support the creation of micro ponds, promoting and integrating fish raising.

89. **Table 38: Water resources in the project areas (river basins and tributaries)**

Provinces	Districts	Main River Basin	Tributaries, and small rivers	Length (km)
Phongsaly	Samphanh	Nam Ou	749	707.091
	Bountay	Nam Ou	368	410.412
	Kua	Kam Ou	617	559.55
	Phonsaly	Nam Ou	877	968.502
	Ngot Ou	Nam Ou	971	1389.378
Oudomxai	Nga	Nam Nga	519	627.27
	Beng	Nam Beng	375	433.20
	Pakbeng	Nam Khong	361	339.59
	La	Nam Phak	286	278.33
Xieng Khuang	Mok	Nam Mo	340	467.658
	Nonghet	Nam Neun	232	344.925
Salavan	TaOiy	Se Lanong	684	653.84
	Toomlarn	Se Kok	144	209.842
	Samoiy	SePone	164	159.59
Sekong	Kaleum	Se Kong	885	672.73
	Darkcheung	Sekong	524	483.12
	Lamam	Sekong	437	489.75
Attapeu	Sanamxay	Se Pian	400	623.51
	Sanxay	Se Kaman	660	685.51
	Phouvong	Nam Kong	881	919.87

90. Ground water resources are an untapped potential for agriculture. It is estimated that less than 2% of the water used in agriculture is drawn from ground water while 98% is drawn from surface water. Ground water can be accessed by promoting dug wells and boreholes which are feasible if there is no hard bedrock (See [Mathieu Viossange et al, Regional Mapping of Groundwater Resources in Data-Scarce Regions: The Case of Laos, 2017](#)).

91. There is very little monitoring of groundwater quality in Lao PDR even though it is the main source of rural drinking water via shallow wells and deep boreholes. A study by the Interim Mekong Committee (1986) observed that the country is divided into two geological areas in terms of groundwater: the Annamian Strata occupying most of the northern and eastern part of the country and the Indosinian sediments mainly along the Mekong. There are three different aquifer systems linked to these areas, namely the Indonesian group of aquifers, the alluvial aquifer, and the Annamian aquifers which occur randomly. These are local systems that discharge into a river or its tributaries. As local flow systems, they are not part of the regional one and do not carry pollution into the latter. The potential water supply from groundwater in the northern part of the country is considerable in view of the high amount of available recharge capacity. Water quality should be reasonably good and for the most part potable and iron rich. Yields up to 5 litres per second can generally be anticipated (WEPA, *ibid*).

92. The introduction of battery-free solar pumps will allow remote communities to efficiently extract underground water from boreholes and surface water from permanent streams and ponds.

93. Risks assessment: Small-scale water use is defined in the revised Law No. 115 on Water and Water resources (dated June 2017). The categories indicated include water used for: (i) human consumption and domestic use, (ii) crops and animal production at household level, and (iii) small-scale irrigation up to 1,500 m³ per hectare per day. For these categories of small-scale water use, authorisation and water fees are not required. It is expected that water use for the home gardens and lined micro ponds promoted under AFN II fall into this category. Therefore, the AFN II project is not expected to involve or lead to significant extraction, diversion, containment and/or consumption of surface and/or ground water. Relatedly, the project will not include construction of dams, reservoirs, or river basin development.

Irrigation

94. The Government of Lao PDR heavily invested in irrigation infrastructure in the mid 1990's and early 2000s', in particular in pump irrigation for paddy production in the

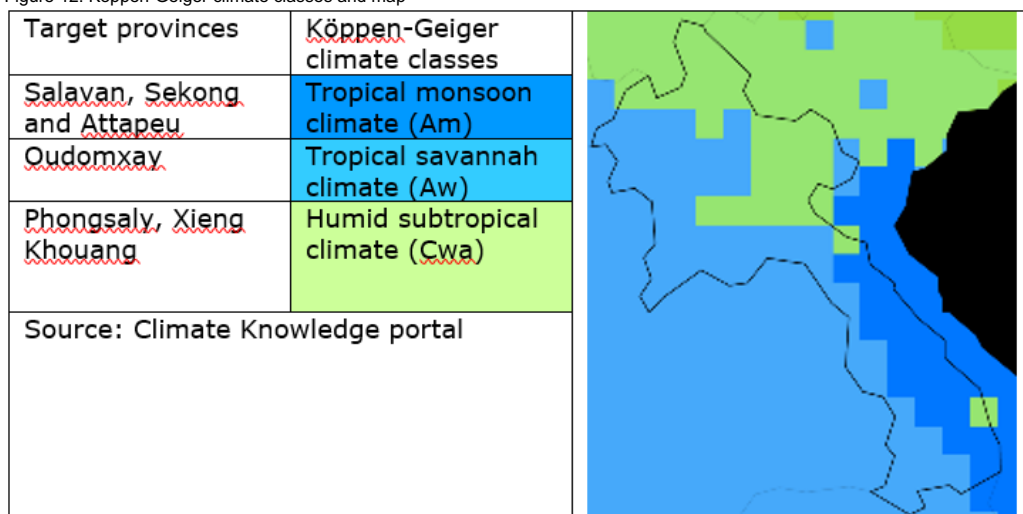
main Mekong Plains. As a result, irrigated areas covered about 420,000 ha in 2015, although falling short of attaining the ambitious 800,000 ha target set by the 5-year plan for 2011-2015. In 2014, the Department of Irrigation indicated that there are more than 15,000 irrigation schemes nationwide. These include: a total of 1,750 gravity weirs; 329 catchment reservoirs; 566 pump-fed schemes; 197 gabion weirs; 264 water gates; and 11,415 "traditional weirs" built and managed by communities.

95. Public investments had an almost immediate impact on increased paddy production and the objective of self-sufficiency was attained in the early 2000s'. The national paddy output increased from 3 million tons in 2011 to more than 4 million tons in 2015, with dry season irrigated paddy production contributing about 13% to the national output. With distribution canal networks mainly designed for dry season paddy production, the farmers faced difficulties producing more profitable diversified crops. However, sustained market demand for vegetables and pulses (soybean and groundnuts for instance) has provided incentives for dry season diversification in modernized irrigation systems in recent years.
96. Irrigation operation and maintenance responsibilities have been assigned to water user groups in a systematic process of Irrigation Management Transfer (IMT). Farmer groups established as Water User Groups and Associations (WUG/WUA) lacked the management and financial capacity to operate and maintain infrastructure. The engineer-led design and construction process has generally hampered local participation and genuine involvement of water users in the management of schemes. There are an estimated 2,533 groups nationwide, 66 formal Associations with strong management capacity, 1,627 groups with medium capacity, and 840 groups with low management capacity (DoI, 2014)
97. After two decades, irrigation infrastructures are generally in a state of disrepair and operate at below design capacity. In addition, paddy production in the dry season provides low returns to labour and irrigated areas are not fully put into production. As costs of operation and maintenance are generally not covered by irrigation service fees, the State reinvests public money regularly to repair and upgrade infrastructure in order to maintain paddy production capacity and reach production objectives. Overall, the Irrigation Management Transfer policy, as applied since 2000, has not set the required conditions for establishing a sustainable and self-financing irrigated agriculture sector.
98. In this context, the recent 2013 Law on Irrigation aims at promoting further investments in irrigation and irrigated agriculture with expected contributions from the private sector. It also maintains the existing IMT approach of transferring operations and maintenance to Water Users Associations. The Irrigation Law has not been supported by application decrees and guidelines and previous decrees still apply. This has led to continued uncertainty on mandates and responsibility sharing for O&M management, financing of maintenance and repairs, and recouping of infrastructure investment costs.
99. The project will not create new irrigation schemes and will involve only the rehabilitation of existing small schemes (less than 100ha) to improve water efficiency, strengthen WUG capacity in O&M practices, and promote water saving techniques. Therefore, the AFN II project irrigation activity is not expected to involve or lead to significant extraction, diversion, containment and/or consumption of surface and/or ground water nor the construction of dams, reservoirs, or river basin development either.

b. Climate trends and impacts

100. Climate change is a global problem, which is also impacting Lao PDR, particularly through floods and droughts. Most flooding occurs from May to September when monsoon rains accumulate in the upper Mekong River Basin. In addition to river basin flooding, flash floods in the northern mountainous regions are also common. It is estimated that the central and southern regions face serious floods or drought every year. Historical data recorded from 1966 to 2009 shows that Lao PDR experiences an average of 1.5 severe floods and 1 short drought every year of about 2 weeks between June and July. Between 1990 and 2015, floods and storms affected over 500,000 people (UN,2015). In 2018, two tropical storms brought heavy rainfall during July, August, and September affecting the entire country, including an estimated 2,400 villages and 132,000 households. 3,616 households were evacuated and 55 people died. Approximately 150 km of national and provincial roads, 133 km of districts roads, 350 km of rural roads, and 47 bridges were damaged (UN, 2018).
101. To date, there have been limited assessments, analyses or projections to estimate the potential climate change impact on the physical and social environment in Lao PDR. This is mainly due to the lack of long-term climate data to support projections of future climate trends (Water Resources and Environment Agency, 2010). However, increasing precipitation in the country has shown that the incidence of unusual and extreme flooding events are more common recently. The dry season is becoming longer and drought is more frequent and severe.
102. The climate in Lao PDR is affected by two major weather systems: the South Asian summer monsoon circulation and the Westerly Jet circulation. Under these two weather systems, the climate has two distinct seasons: a monsoon-driven rainy season from May to October, accounting for up to 90% of annual precipitation, and a dry season from November to April) with cooler temperatures, particularly between November and January. Based on the updated world Köppen-Geiger climate classification [26], Lao PDR features three main climates:
 - Tropical monsoon climate (Am): along the Annamites mountain chain. Temperature in the coldest month is above 18°C and tends to see more rainfall than a tropical savanna climate or have less pronounced dry seasons. The southern AFN II target districts have this climate (Salavan, Sekong and Attapeu provinces).
 - Tropical savannah climate (Aw): spans most of the country, from the plains along the Mekong to the mountainous region of Northeast into Myanmar. This climate is characterized by temperatures during the coldest month above 18°C and typically a pronounced dry season, with the driest month having less than 60mm. Oudomxai has this climate.
 - Humid subtropical climate (Cwa): this features significantly colder temperatures and lower precipitation. Temperatures in the hottest month are above 22°C and there are dry winters. Phongsaly and Xiengkhouang provinces have this climate.

Figure 12: Köppen-Geiger climate classes and map



103. According to the Department of Meteorology and Hydrology long term statistic data record, the total annual rainfall is about 1,865.8mm with around 90.9% of it occurring in the rainy season (May–October) and only 9.1% between November and April. A short drought of about 2 weeks was experienced between June and July 2018. However, average rainfall can be as high as 3,000 millimetres (mm) per year.

Table 39 Rainfall Distribution in Lao PDR

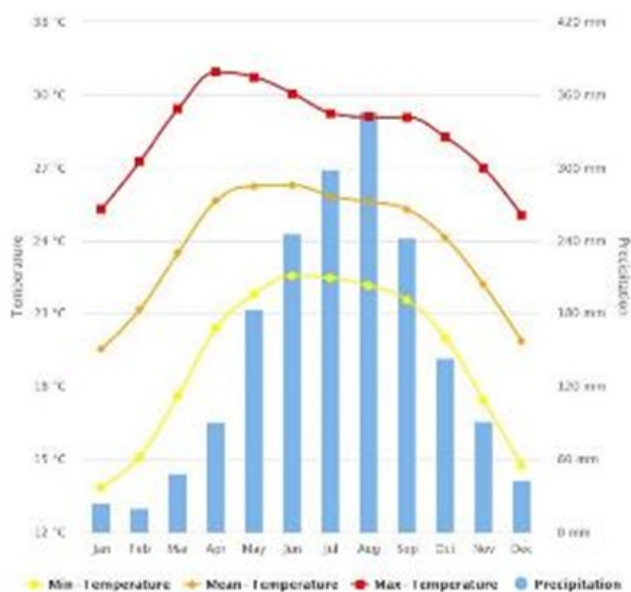
Province	Period	Annual Total (mm)	Rainy season (mm)	%	Dry Season (mm)	%
Phongsaly	1990-2008	1669.6	1494.0	89.5	276.7	10.5
Oudomxay	1987-2008	1603.2	1414.4	88.2	258.4	11.8
Xieng Khuang	1982-2008	1465.3	1321.2	90.2	235.4	9.8
Salavan	1989-2008	2120.5	2001.4	94.4	154.1	5.6
Sekong	1992-2008	1626.4	1470.8	90.4	194.6	9.6
Attapeu	1989-2008	2405.0	2284.7	95.0	158.0	5.0

Source: Oudomcit, 2010

104. April is usually the warmest month of the year and is normally the transition from the dry to the wet period. Temperature monitoring by the Department of Meteorology and Hydrology shows that temperature is continuously increasing. Rainfall is inconsistent, which results in a number of adverse impacts to the economic system, environment and the livelihoods of people. Records show that the mean minimum temperature is between 13.5°C and 17.5 °C (December-January) and mean maximum temperature being between 35.5°C and 39.5 °C (March-April). The overall annual average temperature is 26.5 °C to 27.5 °C. A mean annual temperature of 20°C was recently observed in the northern and eastern mountainous areas and the plateaus, whereas temperatures were higher in the plains at 25-27°C (Climate Knowledge portal). The absolute minimum temperate on record of -0.3 °C was recorded in Xiengkhouang on 25/12/1999 and the absolute maximum temperature of 44.4 °C at the Savannakhet station on 7/4/1974.

Figure 13: Observed monthly climatology (1991-2020)

Monthly Climatology of Min-Temperature, Mean-Temperature, Max-Temperature & Precipitation 1991-2020 Lao People's Democratic Republic



105. Patterns of precipitation remain influenced by the complex relationship between the dominant regional climate regimes and The El Niño-Southern Oscillation. This typically generates warmer than average and drought conditions in the dry season at irregular intervals of 5 to 8 years. La Niña events bring cooler than average conditions.

Figure 14: Observed mean temperature (°C)

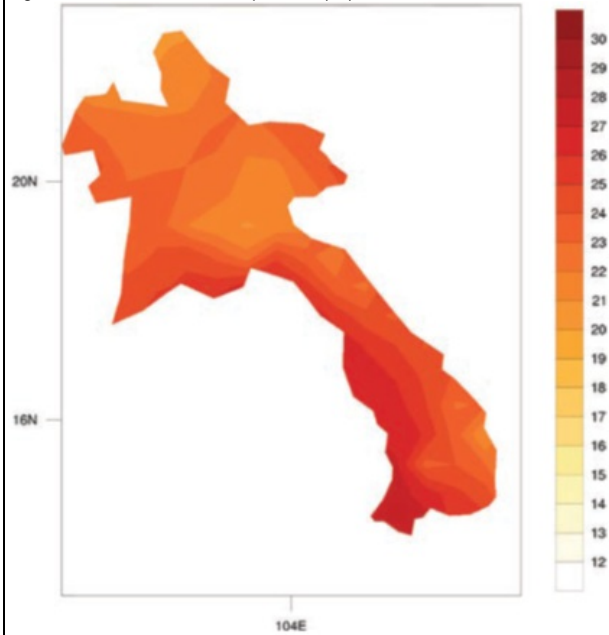
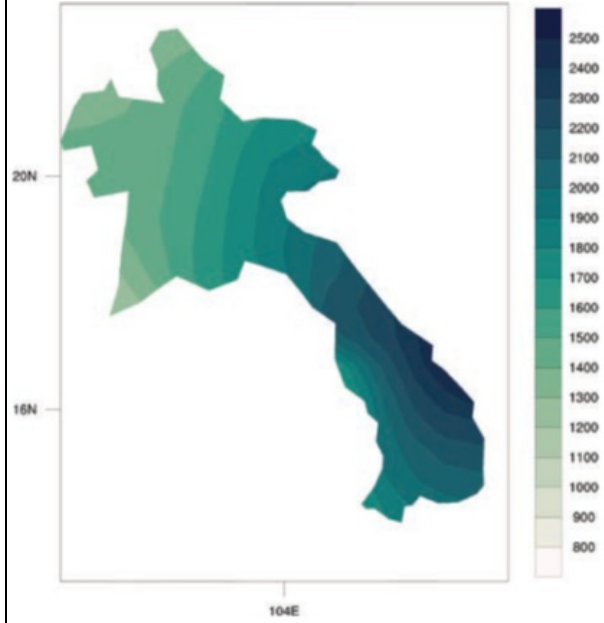


Figure 15: Observed mean precipitation (mm/year)

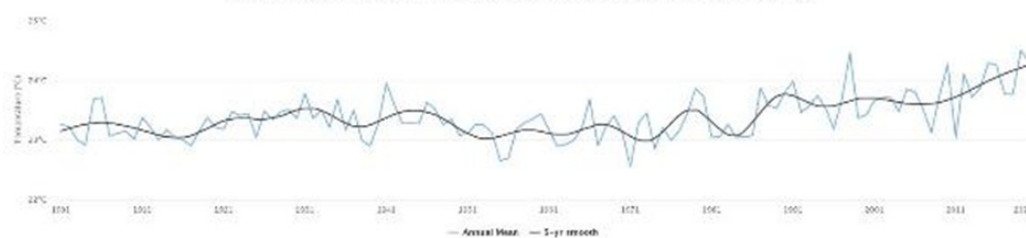


106. [Historical climate trends](#)

107. Annual mean temperature in Lao PDR has risen by as much as 0.05 °C/year, especially in the south. Temperatures have increased on average between 0.1°C to 0.3°C per decade between 1951 and 2000. 1998 had the highest temperatures in the past two decades with an average of 30°C. This was also the driest year on record with an average rainfall of 800mm.

Figure 16: Observed average annual mean temperature (1901-2020)

Observed Average Annual Mean—Temperature of Lao People's Democratic Republic for 1901-2020



[Source](#): Climate Knowledge portal

108. Over the 20th century, Lao PDR's precipitation regime has trended towards more intense periods, with the frequency of months experiencing more than 600mm rainfall increasing. Overall rainfall levels, however, decreased between 1961 and 1998. The number of droughts and floods over the last three decades has, in turn, increased.

[Climate futures \[27\]](#):

109. Considerable uncertainty surrounds projections of long-term, local, future **precipitation** trends. Most of the climate models predict an increase in annual precipitation rates, with larger changes under higher emissions pathways. The poor performance of global climate models in consistently projecting precipitation trends has been linked to their poor simulation of the El Niño phenomenon. However, uncertainty in precipitation trends remains high, as reflected in the range of model estimates.

Figure 17: CMIP5 ensemble projected change (32 GCMs) in annual precipitation by 2040–2059 relative to 1986–2005 baseline under RCP8.5

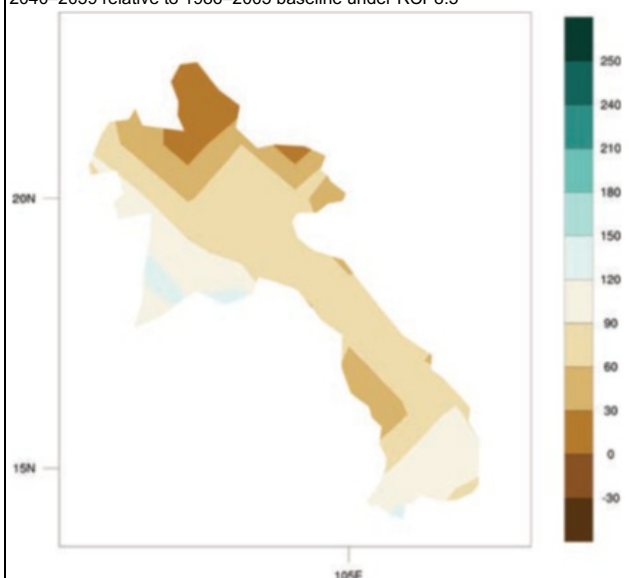
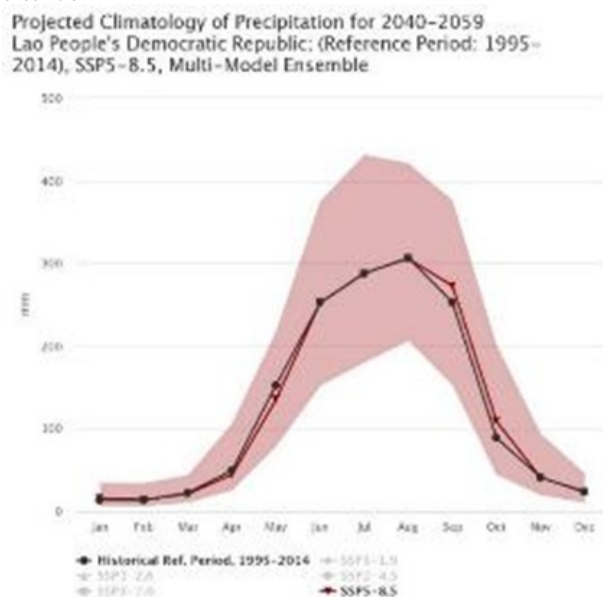


Figure 18: Projected Mean Precipitation for 2040-2059 under SSP5-8.5 multi-model ensemble



Source: Climate change climate portal (<https://climateknowledgeportal.worldbank.org/>)

110. Under the above scenario, the increase in precipitation rates may be less marked in Phongsaly and Oudomxai (+0-60mm / year) than in the three AFN II southern target provinces (+90-120mm / year). Over the project area, the projected changes in precipitation are expected to be quite variable from -15% to +4% across the five provinces. These assumptions are subject to a high level of uncertainty and are to be further assessed during the detailed design period using downscaled data whenever available.

Table 40: Projected change in precipitations (Model SSP5-8.5)

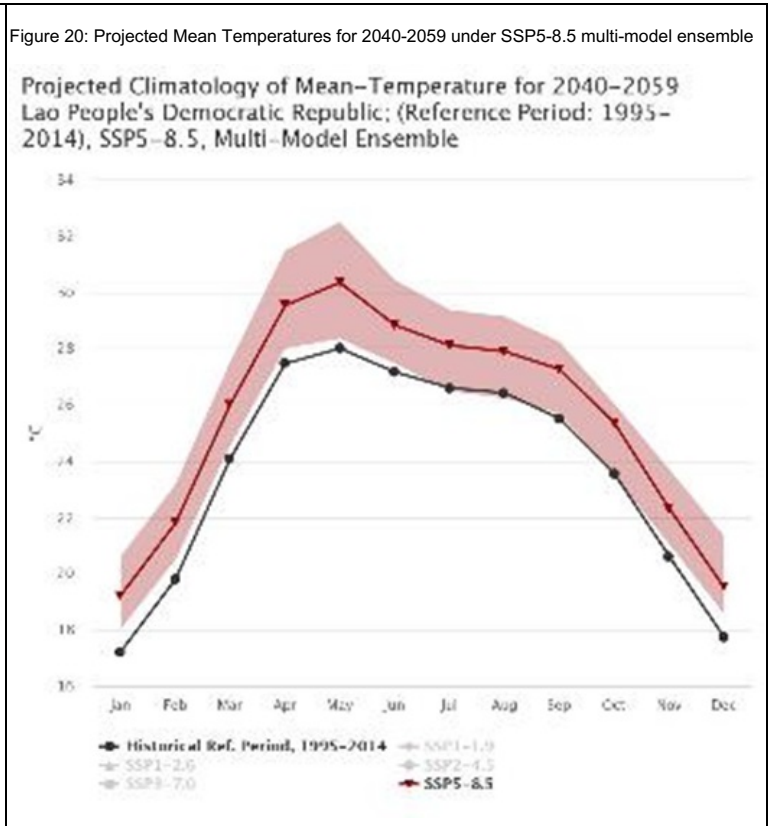
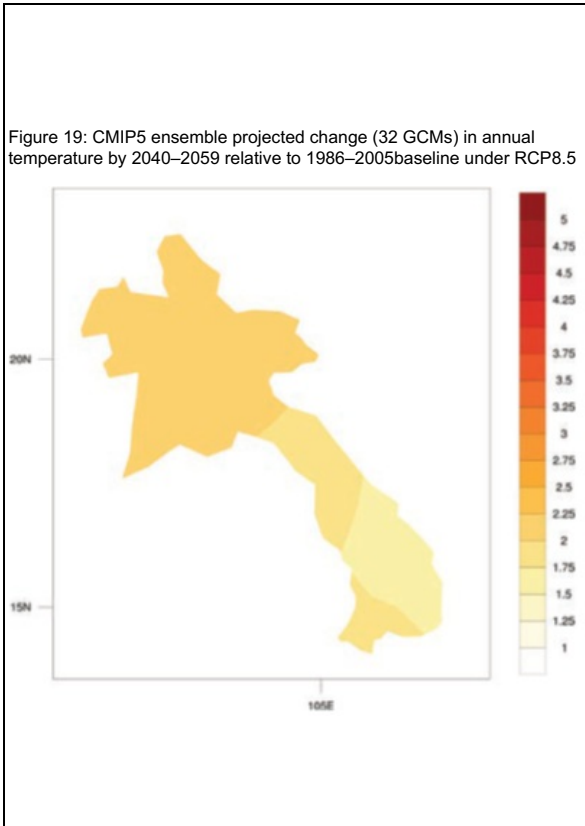
Target provinces AFN II	Baseline mean annual precipitation* 1991-2020 (mm)	Projected mean annual precipitation**	Projected changes (mm)	Projected changes in % vs baseline
Phongsaly	1,460	1,507	+47	+3%
Oudomxay	1,473	1,531	+59	+4%
Salavan	2,160	1,842	-318	-15%
Sekong	2,227	1,891	-337	-15%
Attapeu	2,053	1,962	-91	-4%
Average	1,875	1,746	-128	-5%

(*) Observed Climatology of Precipitation 1991-2020

(**) Projected Climatology/ of Precipitation for 2040-2059 (Annual) Ref. Period: 1995-2014, SSP5-8.5

Source: After data from the Climate Change Knowledge portal

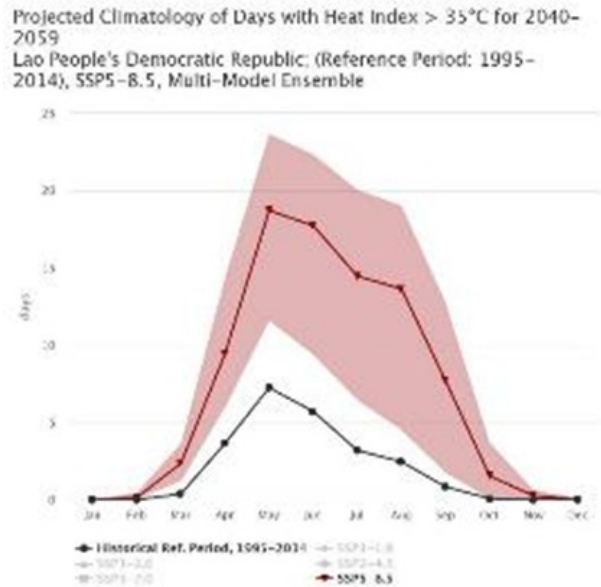
111. **Temperatures:** The four Representative Concentration Pathways (i.e., RCP2.6, RCP4.5, RCP6.0, and RCP8.5) models indicate a trend of continued, consistent warming that varies by emissions scenario. Climate projections indicate that the **monthly temperature** variable for 2040-2059 under the RCP8.5 Scenario is higher by 1 degree compared to the baseline mean temperature.



112. The scenario above tends to indicate that increased temperatures may be more marked in Phongsaly and Oudomxai than in the three AFN II southern target provinces.

113. **Heat stress:** The general increase in temperatures also suggests a transition to a chronically heat stressed environment. This will entail an increase in the number of days in which temperatures exceed 35°C increasing from approximately 40 days to 50–110 days of the year depending on the emissions pathway and climate model. The incidence of permanent (chronic) heat stress is likely to increase significantly in Lao PDR under all emissions pathways if measured as the prevalence of days with a Heat Index >35°C. This represents a combination of temperature and humidity conditions which are dangerous to human health.

Figure 21: Projection of number of days with Heat Index > 35°C for 2040-2059 (SSP5-8.5)



Trends in hazards/extreme events:

114. From 1970 to 2010, 33 natural hazard events (mostly floods and droughts) were registered, affecting almost 9 million people and causing economic damages of over US\$400 million. According to a 2009 vulnerability mapping exercise conducted for Southeast Asia, the areas of Phongsali, Houaphan, and Louang Namtha are considered hotspots for the impacts of multiple hazards, including floods, droughts, landslides, earthquakes, and other such events.

Figure 22: Natural Hazards recorded between 1980 and 2020 (number of people affected)

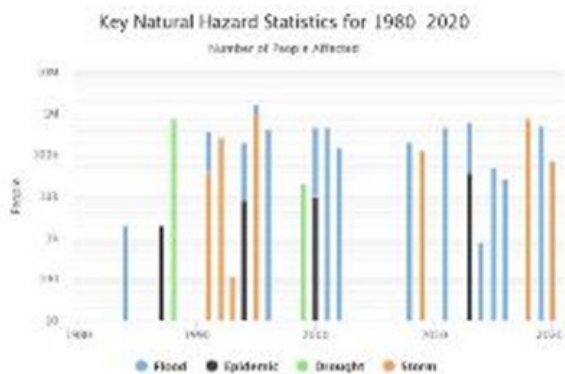
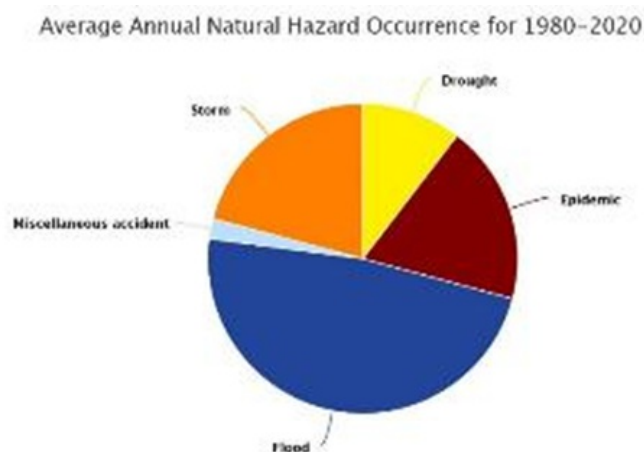


Figure 23: Average Annual natural hazard occurrence (1980-2020)



115. **Droughts:** Lao PDR is very vulnerable to droughts. Five droughts have affected the country over the past 40 years. It is estimated that around 188,000 households in Lao PDR are at risk of food insecurity caused by drought.

116. **Floods:** The areas of Lao PDR most vulnerable to flooding are the plain's areas along the Mekong River in the central and southern parts. Fifteen floods have occurred in Lao PDR from 1970 to 2010.

117. **Epidemic:** Eight epidemic events have taken place in the past four decades. Disease outbreaks such as smallpox, malaria, diarrhoea, dysentery, dengue fever, and cholera have been registered. These epidemics have been associated with recurrent floods and droughts affecting the country.

118. **Storms:** Five storms or tropical cyclones have reached and affected the country over the last two decades. These storms, as well as the impacts from southwest monsoons, have affected over one and a half million people and caused damages of over US\$400,000.

119. The Think Hazard report for Lao PDR confirms these identified risks as reflected in the IFAD screening tool.

c. Climate change mitigation

120. Refer to the SECAP annex entitled 'Downscaled climate analysis'.

2.3 Target group profiles

121. The intended target population includes 168 000 poor and near-poor smallholder farmers at risk of food insecurity and malnutrition living in the twenty target districts (29% of the total project area population). Specifically, the target population will include: (a) Children Under 5 years of age (CU5); (b) adolescent girls (age 10-19); (c) women of reproductive age (WRA age 15-49 years, including PLW/G); (d) youth (age 15-35); (e) others (ensuring 50% female) and ethnic groups.

122. Vulnerable households and individuals most likely to be left behind, such as women-headed households (2%), persons with disability (2%), migrants returning to rural areas due to COVID-19 impacts (5%), ethnic groups other than Lao/Tai (at least 70%) and others identified through consultative and participatory community consultation processes during the start-up phase, will be prioritized among the aforementioned target groups.

Table 54. Direct targeting: Expected number of AFN II beneficiaries by target groups

AFN II target groups	Estimated number	in % of total
Female: WRA, incl. PLW/G (age 15-49), adolescent girls (age 10-19)	84,000	At least 50%
Male	84,000	Up to 50%
Total number of direct beneficiaries	168,000 people	
Of Which:		
Youth (age 15-35)	42,000	Minimum 25%
Children under 5 years of age (CU5)	16,800	Estimated 10%
Ethnic groups members (non-Lao/Tai)	117,600	Minimum 70%
Persons with disabilities – indicative	3,360	Minimum 2%
COVID-19 migrants	8,400	Estimated 5%

123. Ethnic groups will be included in all consultation processes and their aspirations and needs for livelihood improvements will be identified and addressed within their cultural context and rights. Due diligence and Free Prior Informed Consent (FPIC) will be applied when engaging with members of ethnic groups and other marginalized people (including Persons with Disabilities) in the project communities.
124. The project will include at least 70 Micro, Small and Medium Enterprises (MSMEs) and producer organizations such as Agriculture Production Groups (APGs) and Water User Groups (WUGs) participating in project supported activities. AFN II will include specific measures to ensure the participation of women (at least 50%) and youth (at least 25%) in relevant activities. These measures will be detailed in a gender/targeting/social inclusion strategy. The project team at both village level and households' level will seek FPIC before initiating planning and implementation of activities. Direct beneficiaries will be identified during the initial community consultation process, which will be conducted with all stakeholders, including potential beneficiaries.

3. Institutional analysis

Institutions

125. The most important institutions that have the potential to help achieve IFAD's mainstreaming agenda are the Ministries, their technical departments and line agencies at subnational levels, including the Ministry of Agriculture and Forestry (MAF), the Ministry of Industry and Commerce (MoIC), the Ministry of Environment and Natural Resources (MoNRE), the Ministry of Planning and Investment, the Ministry of Public Health, Ministry of Education, Lao Women Union.
126. At subnational level, PAFO and DAFO (provincial and district agriculture and forestry offices) are the main public stakeholders in charge of delivering services to farmers.
127. Under the decentralised policy (three builds) the role of districts as holistic development unit and have a critical role in delivering services to villages and community-based organizations.

Private sector entities.

128. The agricultural value chain sector is characterized by the "missing middle" and is dominated by informal actors and unregulated trade practices. Because of the broadly unregulated business environment, traders and producers alike are generally wary of engaging in formal contracts that may not be fulfilled. Moreover, village and district authorities are generally not in a position to mediate business disagreements or enforce terms of contracts, even when they have been endorsed by the same authorities.
129. The project will promote responsible investments to support nutrition-sensitive business partnerships between the public sector, community-based organizations, and private sector entities. The proposed activities aim to crowd-in reliable private sector entities, by encouraging co-investment from community organizations and private companies involved in food value/supply chains. Through Multi-Stakeholder Platforms, the project will strengthen public and private partnerships to provide incentives for nutrition-sensitive interventions and allow replication of experiences on sustainable production and food value chains.
130. The project will contribute to identifying existing and newly registered private entities to expand the [SUN Business Network^{\[28\]}](#) membership and crowd-in the private-sector participation in national efforts to improve nutrition and food security. The SUN BN members will be priority business partners for Producers Organizations (APGs, WUGs) and village nutrition committees to develop business linkages and market outlets for nutritious food products.

Academia and research.

131. The AFN project has involved the National Agriculture and Forestry Research Institute. In the second phase, it is foreseen to engage with NAFRI and its research centers (LaRREC) in partnerships with international organizations (CDE of the University of Bern).
132. The project will assist the communities in each agroecological zones in identifying and documenting selected wild food species of particularly high importance in their local diet. Botanical identification will be carried out in collaboration with the National Agriculture and Forest Research Institute ([NAFRI](#)). An analysis of their nutritional value will be outsourced to a specialized laboratory in the region to inform knowledge management publications.
133. To promote these wild foods and raise awareness in terms of nutritional value and their vital role in the local food systems, existing databases of wild foods and communication products (such as IFAD [Recipes for Change](#) videos series) will be further developed in collaboration with technical partners such as the Phakhao lao [knowledge base](#), developed in partnership by NAFRI and Centre for Development and Environment ([CDE](#)) at Bern University.
134. Fish and other aquatic animal species form an integral part of the diet of the target beneficiaries, with most of the fish and aquatic species caught in the wild: amphibians, batrachians, molluscs, and freshwater crustaceans. The project will support a strategic partnership with the Living Aquatic Resources Research Centre (LARReC) under NAFRI. The initiative will focus on research and knowledge management activities on the protection and management of community fish spawning areas (Fish Conservation Zones) and the promotion of living aquatic resources as part of the local diets in rural communities.
135. Linkages with on-going or recently completed research interventions could benefit the country programme as a whole, in particular in the field of sustainable agriculture practices and sustainable land management as supported in FNML and through the WOCAT grant. Some examples of Integrated Farming Systems demonstrated in Cambodia in collaboration with the Center for Agriculture and Environment studies (CAES) and the Center for Development and Environment (CDE) of the University of Bern could be introduced and promoted in Lao PDR. The analytical framework designed by CDE and CAES to measure Integrated Farming Systems benefits in the long run could also be used in Lao PDR.

Civil society and non-governmental organizations (CSOs/NGOs)

136. These have traditionally been key implementation partners in the IFAD programme in Lao PDR. There are a few CSO/NGO that experienced, qualified and well positioned to provide smallholders and producers' organizations with support in organizational and governance aspects of Producers Organizations management, technical services for production and post-harvest and market access facilitation. The Challenge Fund will provide CSO with the opportunity and resources to scale up their support to remote communities for climate smart agriculture, financial and business literacy, youth involvement, etc.

Producer organizations

137. Informal agriculture producer organizations such as Agriculture Production Groups supported by AFN are currently supported to further structure their organizational set-up and ultimately register in formal outfits as per the MAF strategy for registering agricultural cooperatives and Water Users Associations in Lao PDR. Currently, there are more than 800 APG supported by AFN and in the southern provinces, many groups have been structured and supported by FNML. Some of these informal community-based organizations have gained medium capacity and are on the path to becoming mature market-ready producers' organizations.
138. Further support from line agencies and umbrella farmers' organizations such as the Lao Farmers Network among others, are engaging in policy dialogue with public agencies and facilitating networking among Producers Organizations, and with civil society, private sector entities, development partners and other stakeholders.
139. The village nutrition committees established under AFN and the village nutrition facilitators have also proven potential to deliver services to rural households and ensure continuity in delivering both agriculture and nutrition outcomes.

Last mile service delivery

140. Community-based mechanisms to deliver last-mile services to smallholders are a critical element in achieving IFAD strategic objectives, while ensuring sustainability and inclusiveness. Under AFN project, the lead farmers have been instrumental in linking public extension services, private service providers and smallholders' farmers engaged in subsistence and commercial agriculture as members of business clusters. These front-line extension workers have been intensively supported by AFN and registered by district line agencies. Identified sustainability pathways will be further promoted under AFN II. Other IFAD-funded projects have demonstrated that income streams can be derived through commercial input production in the case of lead farmers (selling vaccinated chicks for example), or through brokering of ICT services,

input supply and market access in the case of CEWs.

141. Under the forthcoming projects under COSOP and other development initiatives, there is scope to consolidate these models of service delivery to the last mile. In particular, continuous training and coaching could ensure sustainability by strengthening the agri-entrepreneur approach such as lead farmers and village veterinary workers. Regular evaluation of their capacity and need for support and networking could further strengthen their role in delivering service. Lead farmers as the last mile extension service providers will further benefit from technical and financial support from line agencies as part of the national extension system.

Policy and regulatory frameworks. Policies and regulations for AFN II included in SECAP for AFN II include:

-	The Environmental Protection Law (EPL, 2013)
-	The Law on land (2003)
-	Regulation on the Control of Pesticides in Lao PDR (2014)
-	Ministerial Instruction No. 8030/MONRE on Environmental and Social Impact Assessment (ESIA) and Initial Environmental Examination (IEE) of Investment Projects (2013)
-	Decree on Protected Area (No.134/G, May 2015)
-	Decision on Good Agriculture Practices for Produce Quality Management Standards No 0539/MF, issued on 09/02/2011
-	Development Strategy of the Crop Sector 2025 and Vision 2030
-	Agriculture development strategy to 2025 and vision to the year 2030
-	Law on Water and Water Resources (revised 2017)
-	Law on Irrigation (2012)

142. Lao PDR has formulated many laws, decrees, regulations, and guidelines for the assessment and management of environmental and social impacts associated with development projects. The revised Environmental Protection Law (EPL, 2013) is the nation's principal environmental legislation. The EPL set up unified environmental management for environmental resources with the objective of preserving and facilitating the sustainable use of natural resources. The EPL includes measures for the protection, improvement, mitigation, and restoration of the environment and guidelines for environmental management and monitoring. MONRE is responsible for implementation of the EPL and various ministries have issued guidelines for implementing EPL provisions.

143. The objectives of the land law are to determine a regime for land management, protection, and use in order to ensure efficiency and conformity with land use objectives, laws, and regulations. The aim is to also contribute to national socio-economic development as well as protecting the environment and national borders.

144. Government regulations related to pest management include Regulation 2860/MAF, which is a recent update (from 11 June 2010) to the previous Regulation 0886/MAF. The latter was established in March 2000 with support from the Japan International Cooperation Agency (JICA) and the Food and Agriculture Organization (FAO). This regulation was developed based on the WHO recommended Classification of Pesticides by Hazard and Guideline to Classification 1994-1995. In January 2010, the GoL registered companies who import pesticides, fertilizers, and seeds. Registered pesticides were also adjusted in May 2010 based on the new regulation. The Department of Agriculture (DoA) under MAF is mandated to oversee all pesticide use.

145. Decree on Protected Area No. 134/G Vientiane Capital-Dated 13/5/2015. This decree determines principles, regulations, and standards for the establishment, allocation, protection, development, use and inspection of Protected Areas. The aim is to make these Areas sustainable by focusing on environmental and watershed protection, erosion prevention, soil quality protection, and safeguarding strategic zone for national defence and security. The goal is to also support climate change mitigation and adaptation, address global warming, and contributing to the improvement of living conditions and socio-economic development. The government allows use of Protected Areas only specific zone and in accordance with regulations and law. The aim is to prevent negative impacts on forests, soil, and the natural and social environment.

146. The use of protected areas for public benefit is supervised by MoNRE and is allowed for the purpose of research and testing, recreation and touristic sites, sourcing medicines, or protecting watersheds, biodiversity, and natural, historical, environmental, and cultural factors. Local people reside in and around Protected Areas and contribute to the protection and regeneration of forest and Non-Timber Forest Products there. They thus have the right to use and forest products as determined in the Protected Area Plan and its related regulations and laws. Individuals, legal entities, and organizations can use Protected Areas according to the Plan and existing laws and regulation as long as it does not have an impact on the ecosystem. This can be done, for example, to develop a natural, cultural, or historical tourism site or use an Area as a film set.

147. Lao PDR introduced a framework for Good Agriculture Practice (GAP) and Organic Agriculture Standards in 2004-2005. Since then, the Ministry of Agriculture and Forestry has issued as well four relevant ministerial decisions on:

- (i) Good Agriculture Practices for Produce Quality Management Standard No 0539/MF, issued on 09/02/2011. This for practicing Good Agriculture Practice Quality Management Standard for fruit and vegetable production, creates value added for fruits and vegetables, and improves the quality of their supply chain to meet international and national market demand.
- (ii) Good Agriculture Practices for Environmental Management No 0538/MF, issued on 09/02/2011. The is an instrument to manage fresh vegetables and fruits based on GAP. It also helps preserve and protect the on and off-farm environment.
- (iii) Good Agriculture Practices for Produce Quality Management Standards No 0539/MF, issued on 09/02/2011. The is an instrument to ensure GAP implementation for agricultural products, especially fruit and vegetable production, in order to add value and improve the quality food supply in response to domestic and international market demands.
- (iv) GAP for Labour Safety, Health and Welfare issued on 9/02/2011 No. 0540/MAF. This is an instrument that ensures health protection, safety and worker welfare as part of GAP.

148. Lao PDR regulations applicable to the development of infrastructure projects include the Ministerial Instruction No. 8030/MONRE (2013) and the Environmental Assessment Guidelines (2012). These provide direction to the environmental and social assessment process in the country. Additionally, more recent Ministerial Instructions on Public Involvement in the Process of Environmental Impact Assessment of Investment Projects provides updated guidance on the environmental and social assessment process.

149. The project is characterized by a number of proposed sub-projects for rehabilitating existing irrigation schemes in the six target provinces. This SECAP provides an overarching safeguards document governing the approach, processes, and specific instruments for guiding and informing the Social Environmental and Climate Assessment Plan (SECAP). It also provides for other safeguard instruments and measures (if applicable) during infrastructure investment feasibility and design studies for subprojects.

150. The project directly contributes to the 9th Five-Year National Socio-economic Development Plan (2021-2025) and its first 4 expected outcomes. These include:
- (i) Outcome 1: Stable, quality, continuous, and sustainable economic growth;
 - (ii) Outcome 2: Improved quality of human resources with enhanced research capacities and abilities to meet development needs and use science and technologies to improve efficiency and add value to production and services;
 - (iii) Outcome 3: Gradually enhanced material and mental well-being for people due to increased food and income security;
 - (iv) Outcome 4: Environmental Protection and Natural Disaster Risk Reduction.
151. In addition, AFN II component 1 directly contributes to the National [Agricultural Development Strategy to 2025](#) and Vision to 2030 by "Ensuring food security, producing comparative and competitive potential agricultural commodities, developing clean, safe and sustainable agriculture and shifting gradually to the modernization of a resilient and productive agriculture economy, linking with rural development contributing to the national economic basis".
152. The Goals set out in the agricultural development strategy are: (i) Efficient, stable, climate-adapted agriculture systems to ensure food and nutrition security and quality marketable surpluses; (ii) Agricultural production meets sanitary, phytosanitary, and environmental standards; (iii) Agriculture production creates real jobs and is socially and ecologically sustainable. AFN II will directly contribute to all three of these goals.
153. Other policies relevant to this assessment are:
- -The enhanced Nationally Determined Contribution ([NDC](#)) to the UNFCCC which was submitted by GoL in March 2021
 - -Biodiversity: Lao PDR is a signatory country to the Convention on Biodiversity. The Ministry of Natural Resources and Environment (MoNRE) has published its 2nd National Biodiversity Strategy and Action Plan 2016 - 2025
 - -IPs: The policies and strategies relevant to the engagement and involvement of ethnic groups are in the national constitution, national guidelines on consultation with ethnic groups launched by the Lao Front for National Construction (LFNC) in 2012, and the 9th National Socio-economic Development Plan. Lao PDR has also ratified the UN Declaration on the Rights of Indigenous Peoples in 2007.
 - -The Decree on ethnic groups affairs: In March 2020, the government issued Decree No. 207 on ethnic group affairs. This promotes participation by all ethnic groups in socio-economic development and provides them with equal opportunities for development and ensuring unity and equality. The decree identifies twelve policy areas related to ethnic affairs. All ethnic groups are to be permitted to practise their special customs and traditions in accordance with the country's constitution and laws. The decree also bans all forms of discrimination against ethnic groups. Although the implementation mechanisms remain unclear, this decree represents important legislation relevant to the ethnic groups involved in AFN II implementation.
154. The [National Nutrition Strategy to 2030](#) and the National Plan of Action for Nutrition (NNSPA) for 2021-2025 are the guiding elements for the nutrition interventions and the multisectoral planning at district and provincial levels that will be supported under component 3.
155. At the recent [Food System Summit](#) for Lao PDR, the technical groups of the Member State Dialogue identified four key thematic areas: (i) ensuring safe and nutritious food for all; (ii) boosting nature-positive food production at sufficient scales; (iii) advancing equitable livelihoods and value distribution; and (iv) building resilience to vulnerabilities, shocks, and stresses. AFN II will support sustainable food systems across these four priority areas.
156. In terms of addressing COVID-19 pandemic impacts, and the 'build back better' approach, the project interventions are informed by COVID assessments. They will also contribute to MAF response plans and government interventions.
157. The project is also aligned with the IFAD [Country Strategy Opportunity Programme](#) (2018-2024) and the WFP Country Strategic Plan for 2022-2026, which is under finalization at the time of writing. UN frameworks relevant to the project are: (i) the Call for Action of the UN Sustainable Development Goals (SDG) Framework and (ii) UN-Lao PDR [Sustainable Development Cooperation Framework](#) for 2022-2026.

4. Environmental and social category

158. As per the SECAP off-line screening tool, the Environmental and Social risk category of the project is assessed as **high**.

159. The screening process highlighted the following potential social and environmental risks:

Biodiversity

160. The screening process did not identify any significant risks in terms of impacts on biodiversity. The project primarily supports existing agricultural areas with an already under production status and managed by members of formal and/or informal producer organizations. The project could potentially involve or lead to impacts/risks to migratory wildlife, but there is no existing evidence that would be the case. The project will implement a number of best management practices to avoid or reduce wildlife migration. Further consultations (with conservation organizations) during the detailed design phase will help determine the likelihood of this risk, but consequences are expected to be minor. AFN II will not impact on any sensitive areas or result in any loss of natural habitat and biodiversity.

161. The project's targeting strategy will systematically exclude interventions and activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. wetlands, National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)

Resource Efficiency and Pollution Prevention

162. The project is likely to involve inputs of fertilisers and other modifying agents. However, the related risks are expected to be minor and dispersed. The project will involve inputs to suppliers and producer organizations to promote safe and efficient use of fertilisers and modifying agents. Good Agricultural Practices (GAP) will be promoted for vegetable production in particular. In the case of mitigating risks around fertilizers, the project will promote the use of biofertilizer and encourage integrated pest management. In addition, the project will encourage and promote agroecology practices to reduce the use of fertilizers. When feasible, the project will promote the use of alternative eco-friendly plastic sheets in ponds, for integrated home gardens, and as APG.

163. The project is not expected to result in the use of pesticides on crops, livestock, aquaculture or forestry. Pesticides are generally applied on industrial crops only (maize, sugar cane, rubber and banana plantations for export, etc.) and not on food crops. AFN II will only promote sustainable production of food crops and the use of wild foods and will exclude industrial crops that do not contribute to nutritional outcomes.

164. The project interventions will not be located in an area which is being, or has been, polluted by an external source (e.g. a mine, smelter, industry). This risk will be included in the ESMP and areas polluted by an external source will be avoided/excluded from the target areas.

165. The project will not involve interventions in livestock with exception of backyard poultry production. This will be small scale and dispersed by nature.

Nutrition

166. Identified risks related to nutrition are: (i) inability to access target groups of women and girls with social behaviour change communication (SBCC) activities; (ii) inability to access to ethnic groups with different (non-Lao) languages; (iii) inability to target activities for landless and the poorest segment of the target population or disadvantaged groups not able to participate effectively; and (iv) insufficient cohesion within farmer groups and communities.

167. To address these risks, the project will ensure all the target groups, including women and girls, get involved and participate in each SBCC activity. The project will ensure the active participation of ethnic groups and obtain their consent through FPIC. It will also provide translation services to remove language barriers by involving community mobilisers recruited locally. The project will not provide land to the disadvantaged groups/landless households, but they will actively participate in project activities requiring little or no land (integrated home gardens for instance) and will engage in collaboration and cooperative activities with other the target groups. The project will strengthen partnerships and cooperation in farmer groups and among community members, allowing identification and exploration of opportunities while building skills together.

Cultural heritage

168. The project will exclude areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or which contain features considered as critical cultural heritage. Involvement of the community through village profiles, community mobilisation, and FPIC procedures will provide ample opportunities to identify and avoid such risks.

Indigenous people

169. In the five target provinces and pre-identified districts, ethnic groups represent 89% of the population. It is almost certain that the project will be based in areas where "indigenous people" or ethnic groups are present. Stakeholder consultations and the FPIC process will be adopted at an early stage of project intervention. The project will not affect indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, culture or heritage (tangible and intangible) either directly or indirectly.

170. AFN II is an agricultural and rural development project that will promote agricultural technologies and production, directly contributing to nutritional outcomes and commercial surplus production. It will also facilitate business linkages with private actors and value chain development and improve social/community-level infrastructure. The project also intends to support demand driven services to individuals (matching grants, rural entrepreneurship, community-based organizations, and small and medium-sized enterprise development).

171. Under Activity 1a.4 (Local food sources, wild foods management), AFN II include interventions specifically designed to directly promote ethnic group knowledge and practices related to local, wild seeds and foods for sustainable production and improved nutrition

Working conditions

172. Through its interventions under component 2, the project will support the emergence of entrepreneurs for the aggregation of fresh produce. There will be no significant interventions in agro-processing other than "cottage industry" type post-harvest operations. There will be no operations where producers and other agricultural workers could be potentially exposed to significant occupational and safety risks.

173. In any case, the project will ensure that the private partners involved in project implementation comply with national labour laws and international commitments in terms of worker safety, gender inequalities, discrimination, forced labour, working children, and other unacceptable working conditions. Due diligence will be conducted through the SUN business network's charter requirements.

174. The project interventions will not result in temporary or permanent physical displacement. There is no foreseen direct involvement of financial intermediaries.

175. Under these assumptions, **the Environmental and Social risks are assessed as high**

5. Climate risk category

176. As per the SECAP screening tool, the Climate risk category of the project is assessed as moderate^[29]. The screening process followed the steps below and highlighted the following potential climate risks:

Step 1: Hazard identification

177. The ThinkHazard report indicates that the expected hazards in the project intervention area are assessed as "High" for river floods, coastal and urban floods (not applicable for the target areas of the project located in rural upland areas), landslide, cyclones, extreme heat and wildfires. Water scarcity (agricultural droughts and/or dry spells) is assessed as Low^[30].

Table 55: Hazards identification (Think Hazard report for Lao PDR)

	Phongsaly	Oudomxay	Salavan	Sekong	Attapeu
River flood	Very Low	Low	Medium	Low	High
Coastal flood [□]	n.a	n.a	n.a	n.a	n.a
Urban Flood [□]	n.a	n.a	n.a	n.a	n.a
Landslide	High	High	High	High	High
Cyclone	High	High	High	High	High
Water Scarcity	Low	Very Low	Very Low	Very Low	Very Low
Extreme Heat	Medium	Medium	Medium	Medium	Medium
Wildfires	High	High	High	High	High

□ not applicable to the project setting
*(agricultural droughts and/or dry spells)

Future climate scenarios for the period 2040-2059 indicate^[31] that under the RCP8.5 climate model:

- the expected average temperature change is higher than 1°C compared to the baseline mean temperature
- average rainfall change is higher than 10% compared to the baseline average rainfall
- Climate variability and frequency and intensity of extreme events are expected to be larger than the baseline
- The project is not expected to be a significant emitter of greenhouse gases

Under the findings above, the Hazard risk index is estimated as 6.9.

Step 2: Exposure Assessment

178. The project's provincial and district targets have been determined at the concept note stage, but some adjustments have been made during the detailed design process based on a set of criteria and subnational stakeholder involvement. The Lao PDR geography features areas exposed to weather-related natural hazards, including tropical areas (rainforests) and riverbanks.

179. The project thus targets agricultural systems, ecosystems, or livelihoods that are exposed to weather-related hazards. Agricultural production (both crops and livestock)

is frequently affected by rainfall variability, prolonged droughts, changes in temperature or pests and disease. Biodiversity in the project area is likely to be affected by changes in climate variables.

180. The agricultural value chain (production, storage, processing, and marketing) is also exposed to climate related hazards as is rural infrastructure likely to be affected by flooding, landslides, changes in temperatures, and extreme winds.

181. The exposure risk index is of 5.38 as per the SECAP off-line screening tool.

Step 3: Sensitivity Assessment

182. The Lao PDR is not affected by conflicts or population displacement. The INFORM Health conditions score is 1.7 for Lao PDR (<5), implying that diseases do not increase the population's vulnerability and do not significantly affect their capacity to address potential weather-related hazards. There is no evidence that COVID (an event with relatively short-term immediate consequences) would increase the population's vulnerability to climate change and its medium/long-term impacts.

183. The income of the target population is by nature diversified as a coping mechanism towards the climate variability, market uncertainties, and pest and disease outbreaks that regularly affect rural livelihoods. The primary goal of agriculture in upland livelihoods is to cover the household's food consumption and it is closely interrelated with wild food collection. Cash income generally comes mainly from off-farm activities (wage labour, small trade activity, etc.) and remittances. The ADB agriculture, natural resources, and rural development sector assessment, strategy, and road map for Lao PDR noted that "Many rural households generate only 30%–40% of their income from agriculture, with the remainder coming from off-farm sources including casual labor, paid employment, government salaries, and remittances from extended family members" (ADB, 2018). The AFN I midline study indicated that the proportion of on-farm income was on average 36.6% in Phongsaly Province, 45.2% in Oudomxai Province, and 45.2% in Houaphanh Province. On-farm income was higher in Xiengkhouang (75%) possibly related to better access to irrigation. (Source: AFN Midline survey data). Nevertheless, social inequalities (e.g. based on gender, youth, indigenous persons, and other marginalized groups) are being exacerbated by climate change.

184. The human development [\[32\]](#) score is above 5 (score of 5.7) and the Multidimensional Poverty Index is above 5 (score of 7.5); both aspects trigger a YES response in the offline screening tool.

185. The sensitivity index is 4.29 as per the SECAP off-line screening tool.

Step 4: Adaptive capacity and climate resilience

186. To some extent, Lao PDR still lacks disaster coping capacity although it has been improving recently (DDR score of 6.1 as per the INFORM tool). Climate and weather information services are not being delivered effectively to farmers, rural dwellers, and end users. However, the country has an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs.

187. To some extent, the government and other institutions (including projects and CSO/NGOs) support the target population/communities with the necessary social and economic resources to prepare for and respond to climate-related events. The target community carries out agricultural adaptation through diversified farming systems and multiple sources of income, including off-farm wage labour and remittance. Nevertheless, they still lack the economic means or support to adjust or adapt their activities in response to weather-related shocks.

188. Farmers still face difficulties in accessing adequate financial credit and loans tailored to their needs. The lack of MFI outreach in rural areas and requirements for loan collateral remain key constraints for smallholder farmers in accessing financial services. Agricultural insurance is non-existent in remote rural areas. Rural infrastructure (access roads, irrigation, electricity) have improved over recent decades, but in many areas this infrastructure is not effectively delivering services to farmers and rural dwellers.

189. The adaptive capacity score (as returned by the SECAP off-line screening tool) is 3.75.

190. **Proposed climate risk classification:** As per the IFAD off-line screening tool, the climate risk score is calculated as 4.28 and the risk classification is assessed as "moderate".

6. Recommendations for project design and implementation

191. The following points have been discussed during consultations with key stakeholders during the detailed design stage.

Targeting

192. The project target areas have been tentatively identified at concept note stage, but there might be some adjustments during the detailed design process.

193. As a general principle, the targeting strategy will identify and exclude areas that present risks in terms of negative impacts on the environment, including: habitats (forest, wetland, etc.) that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.),

194. The project intends to work with communities, producer groups and other producer organizations, some of which are already supported by AFN or other projects. AFN II will continue to involve rural communities, including IPs where relevant, at an early stage of the interventions and should seek Free Prior Informed Consent following the [IFAD How-To-Do-Note](#) on this for IFAD investment projects. FPIC processes will allow the identification of any sites of cultural importance for IPs (burial sites, cultural sites) and will allow systematically excluding these areas from project interventions.

195. The project will also establish a Grievance Redress Mechanism as per [IFAD guidelines](#) in the Framework for Operational Feedback from Stakeholders.

IFAD Mainstreaming areas:

- Gender mainstreaming as promoted under AFN will be pursued under AFN II. The Gender Action Plan and other proven structured approaches will be mainstreamed to ensure that women's voice, roles, assets, adequate labour conditions, and economic opportunities are promoted both at household and community levels throughout the project interventions. The project will also address the risk of Gender based violence (including sexual exploitation and abuse) that has surged during the COVID pandemic. The project will contribute the transformation of rural women's economy through capacity building, business development, and increasing their income.
- Youth as per the GoL definition (15-35 years of age) represents more than half of the target population. Promotion of rural entrepreneurship for youth could be continued by supporting young lead farmers and promoting agricultural production models that are attractive to young rural people (vegetable production under net houses, hydroponic technologies, Renewable Energy Technologies or RET) as well as processing units. These options will be further explored during detailed design stage.
- Indigenous people: 89% of the population in the target districts belong to ethnic groups. There are additional elements to be clarified to complete risk screening. FPIC and grievance redress mechanisms need to be designed in coordination with IPs, as represented by Civil Society Organizations.
- Nutrition is a major focus of AFN II. It will encourage interventions that promote nutritionally diverse and rich foods using domesticated and wild foods and seeds. The project will support community nutrition and gender SBCC activities. The project will facilitate the development of integrated home gardens aimed at producing diversified high-nutrition foods. The project will also promote and support the development of post-harvest management, storage, and processing technologies at the household and community levels.

Public-private Investments in the agriculture sector:

196. Investments in agriculture have been a major driver of deforestation and soil degradation over the last two decades.

197. When engaging with private companies, due diligence is to be conducted following various sets of screening tools and standards to assess environmental and social

policies and the associated environmental and social management system (ESMS) of private partners.

198. Exclusion Lists and stable communication channels with stakeholders and local communities (e.g. Grievance Redress Mechanisms) are also key elements of a responsible approach toward Public Private Producer Partnerships (4P) and investments in agriculture in the context of Lao PDR and the AFN II target areas.
199. Resource tools for responsible investments can provide guidance to ensure that 4P models do no harm and promote biodiversity and soil conservation and restoration.
200. Due diligence can be applied when encouraging partners to register with the SUN business network and subscribe to its charter. Guidance on responsible investment in agriculture can be found from various sources such as:
- the IFAD How to Do Note on 4P
 - the Guide on Responsible Agriculture and Forestry Investment in Lao PDR published by the Lao National Chamber of Commerce and Industry (LNCCI) and Village Focus International (VFI) in collaboration with multiple stakeholders
 - Contract farming in Lao PDR: responding to a rising agricultural trend. A discussion note presenting [case studies](#) and recommendations published by the Mekong Land Governance and the Investment promotion department of the Ministry of Industry and Commerce in Oct. 2021.
 - Towards responsible agricultural investment in Lao PDR : [A study of agribusiness experiences](#) published by GiZ in October 2018. This summarises the identified success factors for agricultural investment in Lao PDR throughout the project cycle.

Sustainable agriculture practices

201. The AFN II project will continue to promote sustainable agricultural practices across the selected value chains: chicken (biosafety measures), vegetable production under net houses, and orchards with potential for promoting agroforestry models.
202. The [WOCAT database](#) of Sustainable Land Management and adaptation options have been developed with [IFAD support](#) in Lao PDR. These practices will be promoted through the extension channels in place: PAFO, DAFO, village veterinary workers, nutrition facilitators, lead farmers, ICT channels, etc.
203. Available guidelines and tools will also be mobilised to provide sustainable production options to farmers and producers organizations and include the FAO Climate smart Agriculture source book and the IFAD Adaptation Framework Thematic Brief (Rainfed Crops + Adaptation Option database). The IFAD Climate Adaptation in Rural Development (CARD) Assessment Tool can be used to include more information on the impacts of CC on the productivity of the different crops in Lao PDR. The CARD tool simplifies datasets from results published in academic journals. It is an instrument that eases the quantitative integration of climate-related risks into investments and strategies, food security studies, and rural development policies. More information is available on the IFAD site [here](#).
204. Socio-economic benefits, nutritional outcomes, and the ecosystems services of Integrated Farming Systems, promoted in Cambodia under the SUCRA component of the ASPIRE programme in collaboration with the Royal University of Agriculture and the CDE of the University of Bern, are being measured through a holistic analytical framework. This long-term transversal assessment tool could be used in AFN II to measure multidimensional benefits associated with the promotion of integrated farming systems. Other assessment tools could also be considered: the IFAD Climate Adaptation in Rural Development (CARD) assessment tool, Tool for Agroecology Performance Evaluation, FAO Tool for Agroecology Performance Evaluation (TAPE), etc. AFN II could also consider using the Adaptation, Biodiversity and Carbon Mapping Tool (ABC-Map) developed by FAO and AFD to measure and assess the impact of projects activities on biodiversity.

Climate adaptation and mitigation

205. To address climate risks identified in the screening process, additional consultations are recommended. A literature review of climate assessments is required to ensure that identified risks are fully understood and addressed in the project design. The detailed design followed IFAD guidance and comments made by the Quality Assurance Group review and has conducted a literature review of downscaled climate assessments to ensure that the risks identified are fully understood and addressed.
206. Operational synergies with the GEF funded CREA will be instrumental to mainstream renewable energies technologies across the production, post-harvest, and processing operations across the value chains, directly contributing to climate change mitigation.

Environment, Social and Climate Management Plan Matrix

207. The ESCMP matrix must be integrated into the project's implementation manual or developed as a stand-alone guidance document for the project management unit late in the design stage. The ESCMP was prepared after the field mission conducted from 4-14 May 2022.

7. Further studies needed

208. There are no further studies required to complete the SECAP note and its requirements at the detailed design stage

8. Monitoring and evaluation

209. Progress towards improved food security will be measured by comparing household-level baseline data of the Food Insecurity Experience Scale (FIES) against raw score data collected at the mid-term and endline surveys. The project aims to achieve a 20% decrease of food insecurity for 16,800 households. The Minimum Dietary Diversity score for Women (CI 1.2.8: Women reporting minimum dietary diversity | MDDW) indicator will measure the progress of women and girls aged 15 to 49 years in diversifying their diet, i.e., in consuming at least 5 out of 10 defined food groups. In line with GAFSP's global target, the project aims to increase household-level incomes by 20%. Additionally, the IFAD Resilience Scorecard and the IFAD Empowerment Index (IE.2.1: Individuals demonstrating an improvement in empowerment) will measure project beneficiaries' increase in resilience and empowerment, respectively.
210. All end-of-project targets were calculated based on the experience of the MAF, IFAD and WFP in implementing similar projects in Lao PDR. In line with GAFSP M&E requirements, progress on project-level indicators will be measured through an independent baseline survey, mid-term review, final evaluation, and an impact evaluation.
211. The project's M&E system will capture the outreach (C.I.1: Persons receiving services promoted or supported by the project) of project activities and disaggregate all data by gender, age, ethnic group (indigenous people), and geographic area. All project beneficiaries will be registered through SCOPE, the WFP's beneficiary, and the management platform. When required, the M&E system will disaggregate data by climate resilience and climate-smart agriculture. In accordance with the project's bottom-up approach, it will promote the use of data collection to ensure results-based adaptive management at various levels as well as the active involvement of beneficiaries. The review of gender empowerment, food security and nutrition-related data will be discussed within communities for feedback. Analysis of such data will also provide crucial information for nutrition committees and project units to adjust activities.
212. The proposed project's M&E system will be established and managed by the NPCO under the MAF's Department of Planning and Finance (DoPF). Two M&E Advisors supported by IFAD and WFP, based at the NPCO, will guide M&E Assistants at the province and district levels on effective monitoring of programme outputs, outcomes, and impacts. The project will provide extensive capacity strengthening support to government staff at all levels in participatory M&E and management information system (MIS) implementation.
213. Knowledge management functions will continue the documentation and stock taking processes of AFN I such as: (i) a compendium of case studies [\[33\]](#); (ii) a KM product titled "Women as change makers for nutrition in the Hills of Lao PDR"; and (iii) a Story Map [\[34\]](#) developed jointly by AFN and the GAFSP GIS expert.

Feedback loops, end-user involvement and sustainability

214. Access to Information is key to enhance economic empowerment and adaptation capacities. The projects and programmes can continue the dissemination of information through apps and the extension network of the MAF, including last mile extension workers (lead farmers). Project beneficiaries can also be linked with Climate information services and early warning systems. Feedback loop mechanisms also ensure that farmer and producer organizations are involved in adjusting the implementation modalities of the project over its lifetime. They will also participate in the elaboration of the exit strategy and actively take part in the sustainability of investments.

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Appendices to SECAP note

Abbreviated Environmental Social and climate Management Framework

Annex 1 to ESCMF: IFAD exclusion list

Appendix 1- List of persons met during consultations

Appendix 2- Social inclusion action plan

Appendix 2a - Indigenous Peoples Planning Framework (IPPF)

Appendix 3- FPIC Implementation Plan

Appendix 4- Grievance Redress Mechanism

Appendix 5- Stakeholder Engagement Plan

ESCMP Matrix

Environment, Social, and Climate Management Plan (ESCMP) Matrix						
Environmental, Social, and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
1) Environmental						
Potential threat to forest and biodiversity resources including						
Encroachment or expansion of agriculture in forest area	The project will only support APG grants proposal where it is clearly stated that the investments will not expand into forest areas. The activities will conform with existing Land Use plans (LUP) and by-laws, delimiting the production areas. Activity 1a.4 (wild foods) will promote forest conservation. Activity 8 will only upgrade existing irrigation schemes.	Community based planning (APG grants proposals) See VDP risk screening in grant manual in PIM	NPCO with DAFO, PAFO ENR/CC specialist Agriculture and advisory services specialist Agriculture development advisors at district level	Baseline, Midline, and endline impact studies Village authorities ENR/CC specialist reports	Baseline, Midline, and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab
Excessive harvesting of forest products, especially timber for construction	Timber for construction will only be sourced in delimited forest areas where this is permitted by LUP and by laws. Village authorities are in charge of allowing timber harvesting. Activity 1a.4 (wild foods) will promote forest conservation and sustainable harvesting of wild food and aquatic species and domestication.	FPIC, village authorities, APGs, Community based participatory planning (CBPP)	AFN II PMU with DAFO, PAFO ENR/CC specialist Agriculture and advisory services specialist Agriculture development advisors at district level NAFRI and CDE for Activity 4, component 1a	Baseline, Midline, and endline impact studies ENR/CC specialist reports NAFRI / CDE reports and KM products	Baseline, Midline and endline. Yearly	
Degradation of Existing walking trails.	Only existing canals with a command area of less than 100ha and existing access tracks with length of less than 10 km will be eligible for AFN II support. O&M committees are in charge of avoiding degradation (by livestock) and regular maintenance. Consultations to identify alternative pedestrian travel routes.	FPIC Consultations with village authorities and O&M committees VDP proposal risk screening (see manual in annex of PIM)	AFN II PMU with DAFO, PAFO Engineers ENR/CC specialist Social Inclusion Specialist	Baseline, Midline, and endline impact studies Engineer reports Social inclusion specialist report	Baseline, Midline, and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab Social inclusion specialist costs included in Costab

Environment, Social, and Climate Management Plan (ESCMP) Matrix						
Environmental, Social, and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
Increased water pollution from agriculture runoff due to the use of fertilisers and pesticides	(i) Promote Integrated Pest Management; (ii) Promote organic fertiliser use (e.g. natural compost, manure); (iii) Mulching, right balance of organic and inorganic fertilizer; (iv) Training and advice on proper use of pesticide and fertilisers and regular soil testing; (v) Improved fish pond management to keep water healthy. Restricting use of antibiotics and medicines and using proper aeration to keep water healthy; (iv) Introduce a waste water management system; (v) Enhance pesticide testing and enforcement especially at wholesale markets and strategic locations.	Village authorities, APGs, Community based participatory planning (CBPP) for APG grants	AFN II NPCO with DAFO, PAFO ENR/CC specialist Agriculture and advisory services specialist Agriculture development advisors at district level	Baseline, Midline and endline impact studies APG grant proposals screening Agriculture and advisory services specialist reports	Baseline, Midline and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab
Soil Erosion	Road embankment slopes and slopes of all cuts will be planted with vegetation as soon as construction activity in that immediate area has been completed. On sections with high filling and deep cutting, the side slopes will be graded and covered with brush and grass, etc. Bio engineering shall be applied with supporting farmers. Risk screening in VDP proposal (CBPP).	Village authorities O&M committees	AFN II NPCO with DAFO, PAFO ENR/CC specialist Engineers	Baseline, Midline, and endline impact studies Engineer reports Social inclusion specialist report	Baseline, Midline, and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab
Land and soil degradation	(i) Tillage operation and grazing will be controlled in land with moderate to steep slopes (5°-30°). Conservation terraces will be promoted in such lands; (ii) Cultivation will be discouraged in land with a slope of more than 30°; (iii) Integrated Pest Management approach will be promoted to discourage use of chemical fertilisers and pesticides to conserve soil vegetative cover; (iv) Crop varieties which demands excessive use of fertiliser and water will be discouraged; (v) Landslide prone areas will not be selected for any kind of value chain. If value chain activities are planned in proximity to such areas, adequate land cover practices will be encouraged.	Village authorities APG grant proposals (CBPP) and risk screening in APG proposals	AFN II NPCO with DAFO, PAFO Agriculture and advisory services specialist Agriculture development advisors at district level	Baseline, Midline, and endline impact studies APGs grants proposals screening Agriculture and advisory services specialist reports	Baseline, Midline, and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab
Threat from the introduction of exotic varieties and breeds (e.g. introduction of pathogen or pest, decline of native species, alteration of key ecosystem processes like hydrology, nitrogen fixation etc.)	Introduction of only certified/verified varieties, in accordance with national legislation and international conventions (e.g. International Plant Protection Convention - IPPC) or whichever is most stringent. Promotion protection, and domestication of wild species.	Village authorities APG grant proposals (CBPP) and risk screening in APG proposals	AFN II NPCO with DAFO, PAFO Agriculture and advisory services specialist Agriculture development advisors at district level NAFRI/CDE	Baseline, Midline, and endline impact studies APGs grants proposals screening Agriculture and advisory services specialist reports NAFRI/CDE	Baseline, Midline, and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab

Environment, Social, and Climate Management Plan (ESCMP) Matrix						
Environmental, Social, and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
Improved productivity of crops and livestock may cause misuse of chemical fertilisers and pesticides, negatively affecting soil and water quality. May also cause health and pollution problems and possible biodiversity degradation.	<p>CBPP APG grant proposal risk screening.</p> <p>Training of farmers in the proper handling and use of agri-chemicals.</p> <p>Promotion of alternative non-chemical practices for soil fertility rehabilitation (mulch, compost, crop rotations, green and animal manure, etc.).</p> <p>Application of conservation agricultural systems and introduction of environmentally friendly agricultural practices.</p>	<p>Village authorities</p> <p>APG grant proposals (CBPP) and risk screening in APG proposals</p>	<p>AFN II NPCO with DAFO, PAFO</p> <p>Agriculture and advisory services specialist</p> <p>Agriculture development advisors at district level</p>	<p>Baseline, Midline, and endline impact studies</p> <p>APGs grants proposals screening</p> <p>Agriculture and advisory services specialist reports</p>	<p>Baseline, Midline, and endline.</p> <p>Yearly</p>	<p>No additional cost required</p> <p>ENR/CC specialist costs included in Costab</p>
Social						
Potential increase on women's workloads (especially from road maintenance activities)	<p>(i) Ensure women's participation from the planning phase; (ii) Promote awareness of smallholders and entrepreneurs on work division; (iii) Ensure that women are not over-represented in the maintenance work for the newly rehabilitated roads; (iv) Ensure women's participation in capacity building events; (v) Develop and implement GESI guidelines (SIAP already provided in SECAP annex).</p>	<p>Follow FPIC, SIAP guidelines</p>	<p>AFN II NPCO with DAFO, PAFO</p> <p>Social inclusion specialist</p> <p>Engineers</p>	<p>Baseline, Midline and endline impact studies</p> <p>Social inclusion specialist report</p> <p>Engineer reports</p>	<p>Baseline, Midline and endline.</p> <p>Yearly</p>	<p>No additional cost required</p> <p>Social inclusion specialist costs included in Costab</p>
See Social Inclusion Action Plan (SIAP) in Appendix 2 of SECAP						
Climate Change						
Flood and landslide	<p>Potential Interventions guided by Community Based participatory Planning with climate risk assessment at planning stage.</p> <p>(i) Project will screen interventions areas/ location/sites and use criteria which will exclude activities in flood and landslide prone areas. It will allow investment only in land where there is traditional farming; (ii) Banks of fish ponds raised to prevent flood. Farmers will be encouraged to use fishnets and storage tanks; (iii) Development of sound site selection criteria and regular field inspection visits by Engineer.</p>	<p>Village authorities</p> <p>O&M committees</p> <p>LaCSA</p>	<p>AFN II NPCO with DAFO, PAFO</p> <p>ENR/CC specialist</p> <p>Engineers</p>	<p>Baseline, Midline, and endline impact studies</p> <p>VDP proposal risks screening</p> <p>ENR/CC specialist reports</p> <p>Engineer reports</p>	<p>Baseline, Midline, and endline</p> <p>Yearly</p>	<p>No additional cost required</p> <p>ENR/CC specialist costs included in Costab</p>
Drought, water shortage	<p>Potential Interventions guided by Community Based participatory Planning with climate risk assessment at planning stage.</p> <p>(i) Improve management practices: small irrigation, water efficient technologies, infield water harvesting, water catchment pond; (ii) Selection of drought tolerant species will be encouraged; (iii) Mandatory provision of crop, livestock, and other value chain-based enterprise insurance.</p>	<p>Village authorities</p> <p>O&M committees</p> <p>APGs</p> <p>LACSA</p>	<p>AFN II NPCO with DAFO, PAFO</p> <p>Agriculture and advisory services specialist</p> <p>Agriculture development advisors at district level</p> <p>ENR/CC specialist</p>	<p>Baseline, Midline, and endline impact studies</p> <p>APGs grants proposals screening</p> <p>Agriculture and advisory services specialist reports</p> <p>ENR specialist reports</p>	<p>Baseline, Midline, and endline.</p> <p>Yearly</p>	<p>No additional cost required</p> <p>ENR/CC specialist costs included in Costab</p>

Environment, Social, and Climate Management Plan (ESCMP) Matrix						
Environmental, Social, and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
Change in (livestock and crop) disease timing and outbreaks	(i) Promotion of IPM; (ii) Capacity building and awareness events to maximise use of bio chemicals and fertilisers; (iii) Promotion of crop, livestock, and other value chain-based enterprises insurance.	Village authorities O&M committees APGs LACSA	AFN II NPCO with DAFO, PAFO Agriculture and advisory services specialist Agriculture development advisors at district level ENR/CC specialist	Baseline, Midline, and endline impact studies APGs grants proposals screening Agriculture and advisory services specialist reports ENR specialist reports	Baseline, Midline, and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab

Footnotes

- [1] In December 2021, LAO PDR submitted a proposal for funding by the Adaptation for Smallholder Agriculture Programme (ASAP+) Trust Fund
- [2] the Center for Development and Environment of the University of Bern: <https://www.cde.unibe.ch/>
- [3] FAO: UN Food and Agriculture Organisation, UNDP: United Nations Development Program; UNICEF: United Nations Children's Fund; ILO: International Labour Organization
- [4] Lower middle-income economies are those with a GNI per capita between USD 1,026 and USD 3,995.
- [5] GDP growth rate averaged 7% between 1998 and 2018.
- [6] The COVID-19 pandemic impacted the Lao economy and GDP growth slowed down to 5.5% 2019 and 0.5% in 2020 (World Bank data). The World Bank estimates that GDP growth will rebound to 3.6 % in 2021. Agriculture and industry are expected to drive growth, supported by solid external demand ([World Bank economic update](#), Aug 2021)
- [7] Population and Housing Census (2015), Lao Social Indicator Survey (LSIS, 2017), the Labor Force Survey 2018 and the Adolescents and Youth Situation Analysis (2014).
- [8] Lao Statistics Bureau, 2015: https://lao.unfpa.org/sites/default/files/pub-pdf/PHC-ENG-FNAL-WEB_0.pdf
- [9] https://lao.unfpa.org/sites/default/files/pub-pdf/lao_youth_and_adolescent_development_strategy_2021-2030_eng_26nov21-final.pdf
- [10] LSB; MoLSW; ILO, Report on the National Child Labour Survey of Lao PDR (January 2013)
- [11] As per article 1 of the Convention on the Rights of Persons with Disabilities, People with disabilities definition is: "Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others"
- [12] The GoL decree defines People with disabilities as :“Persons with disabilities, irrespective of the cause of disability, are persons who have physical, mental or intellectual anomaly or defects including visual, hearing and speaking impairments for a long term, which hinder their daily activities and full and effective participation in society on equality basis with others” ([link](#))
- [13] From 1964 to 1973, the United States dropped more than two million tons of ordnance on Lao PDR during the Vietnam War. Over 270 million cluster bombs were released and up to 30% did not explode. Over 20,000 people have been killed or injured by unexploded ordnance since 1973 ([Legacies of War](#)). In addition to resources for clearance activities (over \$118M), the United States government (through USAID) has provided over \$14M to strengthen disability and rehabilitation services (focusing on prosthetics/orthotics) in Lao PDR (Source: World Education)
- [14] <https://nipn.lsb.gov.la/wp-content/uploads/2021/12/UNICEF-LAO-StuntingPolicy-BRIEF-WEB.pdf>
- [15] de Onis, M. et al. 2018. Prevalence thresholds for wasting, overweight and stunting in children under 5 years. Public Health and Nutrition, 22(1)_ 175–179
- [16] de Benoist, B. and others. 2008. Worldwide prevalence of anaemia 1993–2005. WHO Global Database on Anaemia
- [17] WHO. 2017. Global Health Observatory data repository
- [18] Ministry of Agriculture and Forestry, 2013, Lao PDR
- [19] Nutrition Sentinel Surveillance Round 1, 2018, Lao PDR
- [20] WFP, Fill the Nutrient Gap Lao PDR, 2017
- [21] <https://climateknowledgeportal.worldbank.org/country/lao-pdr>
- [22] GoL defines “forest” as an area with minimum 20% canopy density, 10 cm stand diameter at breast height (DBH) and 0.5 hectares of area,
- [23] Among the larger vertebrates, the tiger (*Panthera tigris*), Asian elephant (*Elephas maximus*), douc langur (*Pygathrix nemaeus*), gibbon (*Hylobates gabriellae*), wild dog (*Cuon alpinus*), sun bear (*Ursus malayanus*), clouded leopard (*Pardofelis nebulosa*), gaur (*Bos gaurus*), banteng (*Bos javanicus*), and Eld's deer (*Cervus eldii*) are better known.
- [24] FAO Aquastat estimates that around 3960 million m³ of water is drawn for irrigation and livestock, representing 93% of all water withdrawal
- [25] <http://www.wepa-db.net/policies/state/laos/overview.htm>
- [26] M. C. Peel et al.: Updated world Koppen-Geiger climate classification map, 2007
- [27] <https://climateknowledgeportal.worldbank.org/country/lao-pdr/climate-data-projections>.

[28] Lao PDR joined the Scaling Up Nutrition Movement in 2011. The Lao “scaling up nutrition business network” initiative was pre-launched in 2016 and its [strategy for 2018 – 2022](#) was jointly endorsed in 2019 by the National Nutrition Committee Secretariat and WFP, aiming at “engaging the private sector in improving nutrition in Lao PDR”. The SUN Business Network now counts 35 members, including 16 food production / processing companies.

[29] The climate risk score is 4.3 as returned by the SECAP off-line screening tool.

[30] ThinkHazard report : “there is a 1% chance drought will occur in the coming 10 years”

[31] Future projections on climate variability are available on the World Bank Climate Change Knowledge Portal (CCKP)

[32] HDI 2019 = 0.613 (<https://hdr.undp.org/en/countries/profiles/LAO>)

[33] The case studies KM product is titled “AFN Stories from Lao PDR | 2021”. It has been identified as best KM practice with potential for wide dissemination through global events (annual forum).

[34] The story Map is an on-line interactive interface combining GIS data with pictures, video and text information mapped down at village level.

Environmental and Social Safeguards Classification: High

Environmental and Social Safeguards				
Biodiversity conservation	Yes/No	Likelihood	Consequence	Risk Rating
1.1 Could the project potentially involve or lead to conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?	Yes	Highly unlikely	Minor Minor impact on habitats. Impacts are temporary and confined to a small area of low ecological sensitivity or value.	Low
1.2 Could the project involve or potentially lead to activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)?	No			Low
1.3 Could the project potentially involve or lead to an increase in the chance of human-wildlife encounters/conflict?	Yes	Highly unlikely	Negligible No chance of human-wildlife conflict	Low
1.4 Could the project potentially involve or lead to risks to endangered species (e.g. reduction, encroachment on habitat)?	No			Low
1.5 Could the project potentially involve or lead to impacts/risks to migratory wildlife?	Yes	Highly unlikely	Negligible No impact on migratory wildlife	Low
1.6 Could the project potentially involve or lead to introduction or utilization of any invasive alien species of flora and fauna, whether accidental or intentional?	No			Low
1.7 Could the project involve or lead to the handling or utilization of genetically modified organisms?	No			Low
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Yes	Possible	Minor Project may possibly require procurement of natural resources through primary suppliers, and resource extraction is tightly regulated. Alternatives to procurement of natural resources through primary suppliers exists.	Moderate

Environmental and Social Safeguards				
Resource Efficiency and Pollution Prevention	Yes/No	Likelihood	Consequence	Risk Rating
2.1 Could the project involve or lead to the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No			Low
2.2 Could the project involve or lead to primary not environmentally sustainable production of living natural resources? (Note: this includes the cultivation or rearing of plants or animals, including annual and perennial crop farming, animal husbandry (including livestock), aquaculture, plantation forestry, etc)	No			Low
2.3 Could the project involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation?	No			Low
2.4 Could the project involve or lead to significant consumption of raw materials, energy, and/or water?	No			Low
2.5 Could the project involve or lead to significant extraction, diversion or containment of surface or ground water (e.g. construction of dams, reservoirs, river basin developments, groundwater extraction)?	No			Low
2.6 Could the project involve inputs of fertilizers and other modifying agents?	Yes	Likely	Minor The project only requires minimal amounts of fertilizer	Moderate
2.7 Could the project involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?	No			Low
2.8 Could the project be located in an area which is being, or has been, polluted by an external source (e.g. a mine, smelter, industry)?	No			Low
2.9 Could the project involve livestock – extensive and intensive systems and animal products (dairy, skins, meat, etc.)?	No			Low
Cultural Heritage	Yes/No	Likelihood	Consequence	Risk Rating
3.1 Could the project be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	No			Low
3.2 Could the project directly or indirectly affect indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible)?	No			Low
3.3 Could the project involve or lead to significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No			Low
3.4 Could the project involve or lead to adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No			Low
3.5 Could the project involve or lead to alterations to landscapes and natural features with cultural significance?	No			Low
3.6 Could the project involve or lead to utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No			Low
indigenous peoples	Yes/No	Likelihood	Consequence	Risk Rating

Environmental and Social Safeguards				
4.1 Could the project be sited in areas where indigenous peoples are present (including the project area of influence)?	Yes	Almost certain	Severe The project is sited entirely within an area where indigenous people are present. Project cannot proceed if FPIC is not obtained.	High
4.2 Could the project result in activities located on lands and territories claimed by indigenous peoples?	No			Low
4.3 Could the project result in impacts on the rights of indigenous peoples or to the lands, territories and resources claimed by them?	No			Low
4.4 Could the project result in the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No			Low
4.5 Could the project lead to impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No			Low
Labour and Working Conditions	Yes/No	Likelihood	Consequence	Risk Rating
5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? (Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)	No			Low
5.2 Could the project use or operate in a value chain where there have been reports of forced labour? (Note: Risks of forced labour may be increased for projects located in remote places or where the status of migrant workers is uncertain)	No			Low
5.3 Could the project involve children (a) below the nationally-defined minimum employment age (usually 15 years old) or (b) above the nationally-defined minimum employment age but below the age of 18 in supported activities or in value chains?	Yes	Possible	Minor The project does not operate in sectors or value chains where the employment of children has ever been reported.	Moderate
5.4 Could the project: (a) operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks, and/or (b) promote or use technologies or practices that pose occupational safety and health (OSH) risks for farmers, other rural workers or rural populations in general? (Note: OSH risks in agriculture might include: dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals, reptiles and insects. Psychosocial hazards might include violence and harassment.)	No			Low
Community Health, Safety and Security	Yes/No	Likelihood	Consequence	Risk Rating

Environmental and Social Safeguards				
6.1 Could the project be at risk from water-borne or other vector-borne diseases (e.g. temporary breeding habitats), and/or communicable and non-communicable diseases?	No			Low
6.2 Could the project lead to unintended negative impacts on nutrition?	No			Low
6.3 Is there a possibility of harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	No			Low
6.4 Could the project involve or lead to the construction or rehabilitation of dams?	No			Low
6.5 Could the project involve or lead to transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No			Low
6.6 Could the project lead to adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No			Low
6.7 Could the project lead to the potential for gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, land redistribution, or other actions that alter community dynamics?	No			Low
6.8 Could the project lead to increases in traffic or alteration in traffic flow?	No			Low
6.9 Could the project lead to an influx of project workers?	No			Low
6.10 Could the project involve or lead to the engagement of security personnel to protect facilities and property or to support project activities?	No			Low
Physical and economic resettlement	Yes/No	Likelihood	Consequence	Risk Rating
7.1 Could the project result in temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No			Low
7.2 Could the project result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No			Low
7.3 Could the project present a risk of forced evictions?	No			Low
7.4 Could the project result in impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	No			Low
Financial intermediaries and direct investments	Yes/No	Likelihood	Consequence	Risk Rating
8.1 Could the investment be granted to an institution that does not have an environmental and social policies and an associated environmental and social management system (ESMS) in place (transparent, publicly available)?	No			Low
8.2 Could the investment be granted to an institution with insufficient capacities (i.e. unqualified personnel e.g. ES Officer) to implement the ESMS?	No			Low
8.3 Could the investment be granted to an institution that does not have an Exclusion List?	No			Low
8.4 According to the institution's portfolio classification: Could the institution have potential high-risk projects in their portfolio?	No			Low
8.5 Is there evidence that the institution does not comply with the local legal framework?	No			Low
8.6 Does the institution provide a stable communication channel with stakeholders and local communities (e.g. a Grievance Redress Mechanism)?	No			Low
8.7 Does the organization provide auxiliary or capacity building support services.	No			Low

Climate Risk Classification: Moderate

Step 1: Hazard identification	
What are the expected hazards in the project intervention area?	No, Yes, TBD
River flood	Yes
Costal Flood	No
Urban Flood	No
Landslide	Yes
Cyclone	Yes
Water Scarcity (agricultural droughts and/or dry spells)	No
Extreme Heat	Yes
Wildfires	Yes
Future climate scenarios foreseen (period 2040-2059) - Change in frequency and intensity	No, Yes, TBD
Change in temperature (increase or decrease)	Yes
Change in rainfall (increase or decrease)	Yes
Climate variability (larger or smaller)	Yes
Intensity and frequency of extreme events (larger or smaller)	Yes
Is the project expected to have an impact on climate?	No, Yes, TBD
Is the project expected to be a significant emitter of greenhouse gases?	No
Step 2: Exposure Assessment	
Is the project located in exposed areas to weather-related natural hazards?	No, Yes, TBD
Low-lying areas (valleys, coastal zones, and small islands)	No
Very warm areas (subtropical)	No
Tropical areas (rainforests)	Yes
Arid and semi-arid areas (deserts)	No
Mountains zones and permafrost areas (tundra)	No
River banks	Yes
Does the project target agricultural systems, ecosystems or livelihoods exposed to weather-related hazards?	No, Yes, TBD
Is crop production frequently affected by rainfall variability, prolonged droughts, changes in temperature or pests and diseases?	Yes
Is livestock productivity frequently affected by rainfall variability, prolonged droughts, changes in temperature or diseases?	Yes
Are fisheries frequently affected by ocean acidification, water salinity and changes in sea surface temperature due to ocean-atmospheric oscillations or climate change?	No
Is forest productivity frequently affected by wildfires, diseases, rainfall variability, prolonged droughts, or changes in temperature?	No
Is the biodiversity in the project area likely to be affected by changes in climate variables?	Yes
Is any stage of the agricultural value chain (production, storage, processing and marketing) exposed to climate related hazards?	Yes
Is any rural infrastructure likely to be affected by flooding, landslides, changes in temperatures, and extreme winds.	Yes
Step 3: Sensitivity Assessment	
What are key sensitivities for the populations in the project's areas of intervention?	No, Yes, TBD
Is conflict exacerbating the population's sensitivity to weather related hazards?	No
Is population displacement being exacerbated by climate change impacts?	No

Are diseases (e.g. COVID-19, malaria, cholera) increasing the population's vulnerability and affecting their capacity to address potential weather-related hazards?	No
Is the income of the target population predominately coming from agriculture?	No
Are social inequalities (e.g. based on gender, youth, indigenous persons and other marginalized groups) being exacerbated by climate change?	Yes
Is the Human Development Index (HDI) equal to or below 0.6?	Yes
Is the Multidimensional Poverty Index (MPI) equal to or above 0.1?	Yes
Step 4: Adaptive capacity and climate resilience	
What are key adaptive capacities in the areas of project intervention?	No, Yes, TBD
Is the country well ranked in the Disaster risk reduction progress score?	No
Are climate and weather information services (real-time weather data, seasonal forecasts etc.) effectively being delivered (through radio, TV, SMS, extension services etc.) to farmers, rural dwellers, and end users?	No
Does the project country have an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs?	Yes
Does the government or other institutions support the target population/communities with the necessary social and economic resources to prepare for or respond to climate-related events?	Yes
Is the target community carrying out (using their own means) agricultural adaptation?	Yes
Does the target population have the economic means or support to adjust or adapt their activities in response to weather related shocks?	No
Do policies/mechanisms exist that make financial credit, loans, and agricultural insurance available?	No
Are rural infrastructures effectively delivering services to farmers and rural dwellers?	No

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 6: First Annual Work Plan and Budget (AWPB)

Mission Dates: 04-18 May 2022

Document Date: 03/12/2022

Project No. 2000003760

Report No. 6231-LA

Asia and the Pacific Division
Programme Management Department

PDR Annex 6: First Annual Work Plan and Budget (AWPB)

Lao People's Democratic Republic
Agriculture For Nutrition - Phase 2 (AFN II) DRAFT Project Annual Work Plan and Budget Year 1
Table 1. Component 1a: Improve the nutritional status of women, children, girls and vulnerable groups

Detailed Costs	Unit	Quantities				2023	Unit Cost (US\$)	Base Cost (US\$)				Component	Expenditure Account	Fin. Rule	Proc. Method	Impl. Agency	
		Q1	Q2	Q3	Q4			Q1	Q2	Q3	Q4						2023
I. Investment Costs																	
A. Improve the nutritional status of women, children, girls and vulnerable groups																	
1. International Technical Assistance																	
a. Chief Technical Adviser - CTA																	
	pers-month	-	2	2	2	6	21,000	0	42,000	42,000	42,000	126,000	COM1	CONSULTANCIES_IV	GAFF_WFP (100%)	CON_SRVCS_PM (100%)	WFP
2. Farmer Nutrition School and Women Empowerment																	
a. Raising village awareness of participatory planning																	
	villages	-	50	50	50	100	100	0	0	5,000	5,000	10,000	COM1	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
b. Training/refresh course costs for Village facilitator																	
	village	-	25	25	25	50	400	0	0	10,000	10,000	20,000	COM1	TRAINING_V	GAFF_WFP (100%)	CO_PM (100%)	WFP
c. Training for District teams (DAFO, DHO, LWU)																	
	districts	-	8	7	15	1,000	0	0	8,000	7,000	15,000	COM1	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP	
d. Provision of small materials for village																	
	village	-	25	25	50	250	0	0	6,250	6,250	12,500	COM1	GOODS_SERVICE_INPUTS_II	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP	
e. Construction/rehabilitation of Village Nutrition Center																	
	village	-	-	50	50	500	0	0	0	25,000	25,000	0	COM1	WORK_I	GAFF_WFP (100%)	WFP	
	Subtotal							0	42,000	71,250	96,250	82,500				LCL_SHOPPING_PM (100%)	
3. Integrated Home Garden Establishment																	
a. Home garden grants																	
	grants	-	-	-	-	-	120	0	0	0	0	0	COM1	GRANTS_SUBSIDIES_III	GAFF_WFP (100%)	LCS_PM (100%)	MAF
b. Training/refresh course for Community Mobilizers																	
	pers-year	-	-	42	42	250	0	0	0	10,500	10,500	0	COM1	TRAINING_V	GAFF_WFP (100%)	NCB_PM (100%)	WFP
c. Motorcycle for Community Mobilizers																	
	number	-	21	-	21	2,500	0	0	52,500	0	52,500	0	COM1	GOODS_SERVICE_INPUTS_II	GAFF_WFP (100%)	QCBS_PM (100%)	WFP
d. Agriculture training/refresh course for VF + LF																	
	number	-	-	100	100	250	0	0	0	25,000	25,000	0	COM1	TRAINING_V	GAFF_WFP (100%)	WFP	
	Subtotal							0	0	52,500	35,500	88,000				LCL_SHOPPING_PM (100%)	
4. Domestic Food Processing																	
a. Village Food Processing Grants																	
	village	-	-	50	50	500	0	0	0	25,000	25,000	0	COM1	GRANTS_SUBSIDIES_III	GAFF_WFP (100%)	LCS_PM (100%)	WFP
b. Food processing trainings on village level																	
	village	-	50	-	50	350	0	0	17,500	0	17,500	0	COM1	TRAINING_V	GAFF_WFP (100%)	LCS_PM (100%)	WFP
c. Post Harvest training on village level																	
	village	-	-	-	-	350	0	0	0	0	0	0	COM1	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
d. Support for construction/rehabilitation of village rice banks																	
	village	-	-	-	-	500	0	0	0	0	0	0	COM1	WORK_I	GAFF_WFP (100%)	CO_PM (100%)	WFP
e. Training for village rice banks																	
	village	-	-	-	-	250	0	0	0	0	0	0	COM1	TRAINING_V	GAFF_WFP (100%)	UNIDENT_1_PM (100%)	WFP
f. Business literacy training																	
	District	-	-	15	15	1,000	0	0	0	15,000	15,000	0	COM1	TRAINING_V	GAFF_WFP (100%)	WFP	
	Subtotal							0	0	17,500	40,000	57,500				LCL_SHOPPING_PM (100%)	
5. Local food sources, wild foods management																	
a. Promotion / conservation of aquatic species																	
	village	-	-	12	12	24	2,000	0	0	24,000	24,000	48,000	COM1	GRANTS_SUBSIDIES_III	GAFF_WFP (100%)	UNIDENT_1_PM (100%)	GAFSP (100%)
b. Capacity building and monitoring by NAFRI																	
	lps	-	1	-	1	50,000	0	0	50,000	0	50,000	0	COM1	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	GAFSP (100%)
c. Promotion / conservation of edible wild species																	
	village	-	12	12	24	2,500	0	0	30,000	30,000	60,000	0	COM1	GRANTS_SUBSIDIES_III	GAFF_WFP (100%)	UNIDENT_1_PM (100%)	GAFSP (100%)
d. Capacity building and technical support by CDE																	
	lps	-	-	1	1	77,000	0	0	0	77,000	77,000	0	COM1	TRAINING_V	GAFF_WFP (100%)	CON_SRVCS_PM (100%)	GAFSP (100%)
e. IT consultant for PML database																	
	Person Month	-	1	0	1	10,500	0	0	10,500	0	10,500	0	COM1	CONSULTANCIES_IV	GAFF_WFP (100%)	UNIDENT_1_PM (100%)	GAFSP (100%)
f. Equipment and lab analysis																	
	LS	-	-	1	1	10,000	0	0	0	10,000	10,000	0	COM1	GOODS_SERVICE_INPUTS_II	GAFF_WFP (100%)	UNIDENT_1_PM (100%)	GAFSP (100%)
g. KM Publication and Translation																	
	LS	-	-	1	0	1	5,000	0	0	5,000	0	5,000	COM1	GOODS_SERVICE_INPUTS_II	GAFF_WFP (100%)	GAFSP (100%)	
	Subtotal							0	0	119,500	141,000	260,500				LCS_PM (100%)	
6. Community nutrition and gender SBCC activities																	
a. Development of Gender Action Learning System (GALS) training package																	
	lps	-	1	-	1	75,000	0	75,000	0	0	75,000	0	COM1	TRAINING_V	GAFF_WFP (100%)	LCS_PM (100%)	WFP
b. GALS training for LWU trainers																	
	course	-	3	3	6	2,500	0	7,500	7,500	15,000	0	0	COM1	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
c. Implement GALS activities on village level																	
	village	-	-	-	-	1,500	0	0	0	0	0	0	COM1	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
d. Production of village facilitation tools																	
	village	-	-	-	-	200	0	0	0	0	0	0	COM1	TRAINING_V	GAFF_WFP (100%)	CO_PM (100%)	WFP
e. Development of specific training modules for adolescent girls																	
	lps	-	1	-	1	25,000	0	25,000	0	25,000	0	0	COM1	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
f. Home grown school feeding program																	
	schools	-	-	-	-	3,750	0	0	0	0	0	0	COM1	TRAINING_V	GAFF_WFP (100%)	LCS_PM (100%)	WFP
g. Nutrition training for APG members																	
	village	-	-	-	-	350	0	0	0	0	0	0	COM1	TRAINING_V	GAFF_WFP (100%)	UNIDENT_1_PM (100%)	WFP
h. Village Veterinary Worker (VWV) training																	
	district	-	-	-	-	5,000	0	0	0	0	0	0	COM1	TRAINING_V	GAFF_WFP (100%)	UNIDENT_1_PM (100%)	MAF
i. VWV health kits																	
	each	-	-	-	-	300	0	0	0	0	0	0	COM1	TRAINING_V	GAFF_WFP (100%)	CO_PM (100%)	WFP
j. Translation of training materials in local languages																	
	lps	-	1	-	1	25,000	0	25,000	0	25,000	0	25,000	COM1	TRAINING_V	GAFF_WFP (100%)	WFP	
	Subtotal							0	75,000	57,500	7,500	140,000					
	Total Investment Costs							0	159,000	360,250	361,250	754,500					
II. Recurrent Costs																	
A. Improve the nutritional status of women, children, girls and vulnerable groups																	
1. Farmer Nutrition School and Women Empowerment																	
a. Operational cost for farmer nutrition schools																	
	village	-	-	25	25	50	225	0	0	5,625	5,625	11,250	COM1	OPERATING_COSTS_VI	GAFF_WFP (100%)	UNIDENT_1_PM (100%)	WFP
b. Village facilitator annual incentive payments																	
	each	-	50	50	50	150	80	0	4,000	4,000	4,000	12,000	COM1	OPERATING_COSTS_VI	GAFF_WFP (100%)	UNIDENT_1_PM (100%)	WFP
c. Operating costs for supporting District teams																	
	lps	2	2	2	2	8	2,500	5,000	5,000	5,000	20,000	20,000	COM1	OPERATING_COSTS_VI	GAFF_WFP (100%)	WFP	
	Subtotal							5,000	9,000	14,625	14,625	43,250				UNIDENT_1_PM (100%)	
2. Integrated Home Garden Establishment																	
a. Fees and operating costs for Community Mobilizers																	
	pers-month	-	-	126	126	252	160	0	0	20,160	20,160	40,320	COM1	OPERATING_COSTS_VI	GAFF_WFP (100%)	WFP	
3. Community nutrition and gender SBCC activities																	
a. Operating costs for DAFO, DHO, DES, LWU teams																	
	lps	-	5	5	5	15	1,800	0	9,000	9,000	9,000	27,000	COM1	OPERATING_COSTS_VI	GAFF_WFP (100%)	WFP	
	Total Recurrent Costs							5,000	18,000	43,785	43,785	110,570					
	Total							5,000	177,000	404,035	405,035	865,070					

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Table 2. Component 1b. Improved agriculture productivity of selected commodities

Detailed Costs	Unit	Quantities				Unit Cost (US\$)	Base Cost (US\$)					Summary Divisions		Fin. Rule	Proc. Method	Impl. Agency	
		Q1	Q2	Q3	Q4		2023	Q1	Q2	Q3	Q4	2023	Component				Expenditure Account
I. Investment Costs																	
A. Community-Based Organizations (CBOs) Strengthening																	
1. APG grants	APGS	-	-	-	100	100	4,500	-	-	-	450,000	450,000	COM1	GRANTS_SUBSIDIES_III	IFAD (75%), BENEFICIARY (25%)	LCL_SHOPPING_PM (100%)	MAF
2. Organisational support to clustering of APG into AC	AC	-	-	-	-	-	30,000	-	-	-	-	-	COM1	TRAINING_V	IFAD (100%)	NCB_PM (100%)	MAF
3. AC investment grants	AC	-	-	-	-	-	100,000	-	-	-	-	-	COM1	GRANTS_SUBSIDIES_III	FUNDING_GAP (100%)	OTHER_PM (100%)	MAF
4. Extension Management System (EMS) districts	districts	-	-	10	10	20	4,000	-	-	40,000	40,000	80,000	COM1	TRAINING_V	IFAD (100%)	LCL_SHOPPING_PM (100%)	MAF
Subtotal										40,000	490,000	530,000					
B. Agriculture/Rural Advisory Services improved																	
1. Demonstrations, lead farmers	LF	-	-	25	25	50	1,500	-	-	37,500	37,500	75,000	COM1	GOODS_SERVICE_INPUTS_II	GAFSP (100%)	LCL_SHOPPING_PM (100%)	MAF
2. District Agriculture Advisor	pers-month	-	-	45	45	90	1,000	-	-	45,000	45,000	90,000	COM1	CONSULTANCIES_IV	GAFSP (100%)	LCL_SHOPPING_PM (100%)	MAF
3. Exchange visits between provinces	sessions	-	-	-	-	-	1,200	-	-	-	-	-	COM1	TRAINING_V	GAFSP (100%)	LCL_SHOPPING_PM (100%)	MAF
Subtotal										82,500	82,500	165,000					
C. Climate Change adaptation infrastructures (irrigation MUS) built and upgraded																	
1. Multi Use water systems (MUS)	MUS	-	-	-	50	50	9,000	-	-	-	450,000	450,000	COM1	WORK_I	GAFSP (85%), BENEFICIARY (15%)	LCL_SHOPPING_PM (100%)	MAF
2. Small scale Irrigation schemes upgrades	schemes	-	-	-	-	-	20,000	-	-	-	-	-	COM1	WORK_I	GAFSP (85%), BENEFICIARY (15%)	LCL_SHOPPING_PM (100%)	MAF
3. Technical support for irrigation schemes (design and supervision)	schemes	-	-	-	-	-	500	-	-	-	-	-	COM1	TRAINING_V	GAFSP (100%)	CO_PM (100%)	MAF
4. Technical support for MUS (design and supervision)	MUS	-	-	-	50	50	300	-	-	-	15,000	15,000	COM1	TRAINING_V	GAFSP (100%)	LCS_PM (100%)	MAF
Subtotal										-	465,000	465,000					
Total Investment Costs										-	122,500	1,037,500	1,160,000				
II. Recurrent Costs																	
Total										-	-	122,500	1,037,500	1,160,000			

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Table 3. Component 2. Business Partnerships and Market Access improvement

Detailed Costs	Unit	Quantities				Unit Cost (US\$)	Base Cost (US\$)				Summary Divisions		Fin. Rule	Proc. Method	Impl. Agency		
		Q1	Q2	Q3	Q4		2023	Q1	Q2	Q3	Q4	2023				Component	Expenditure Account
I. Investment Costs																	
A. Support to MSME in food supply chains																	
1. Support to existing MSME (business planning, market dev)	MSME	-	-	-	-	7,908.78	-	-	-	-	-	COM2	GRANTS_SUBSIDIES_III	GAFSP (100%)	CON_SRVCS_PM (100%)	MAF	
2. MSME creation (registration, seeder fund)	MSME	-	-	-	-	12,000	-	-	-	-	-	COM2	GRANTS_SUBSIDIES_III	GAFSP (100%)	CON_SRVCS_PM (100%)	MAF	
Subtotal																	
B. Business Multi-Stakeholder Platforms																	
1. MSP sessions, fairs and markets	sessions	-	-	-	-	1,700	-	-	-	-	-	COM2	CONSULTANCIES_IV	IFAD (100%)	LCL_SHOPPING_PM (100%)	MAF	
2. Matching grants for MSP	MSP	-	-	-	-	25,000	-	-	-	-	-	COM2	GRANTS_SUBSIDIES_III	IFAD (50%), MSME (50%)	OTHER_PM (100%)	MAF	
Subtotal																	
C. Market related infrastructures																	
1. Food Processing and storage facilities	APG	-	-	-	-	4,500	-	-	-	-	-	COM2	GRANTS_SUBSIDIES_III	FUNDING_GAP (100%)	LCL_SHOPPING_PM (100%)	MAF	
2. Access tracks	km	-	-	-	-	4,500	-	-	-	-	-	COM2	WORK_I	FUNDING_GAP (85%), BENEFICIARY (15%)	LCL_SHOPPING_PM (100%)	MAF	
Subtotal																	
Total Investment Costs																	
II. Recurrent Costs																	
A. DSA for Technical support (DICO)	districts	-	5	5	5	15	400	-	2,000	2,000	2,000	6,000	COM2	OPERATING_COSTS_VI	IFAD (100%)	UNIDENT_1_PM (100%)	MAF
B. DSA for Follow-up (PICO)	prov	-	-	3	4	7	250	-	-	750	1,000	1,750	COM2	OPERATING_COSTS_VI	IFAD (100%)	UNIDENT_1_PM (100%)	MAF
Total Recurrent Costs																	
Total																	

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 Table 4. Component 3. Enabling environment and partnerships

Detailed Costs	Unit	Quantities					Unit Cost (US\$)	Base Cost (US\$)				Summary Divisions		Fin. Rule	Proc. Method	Impl. Agency		
		2023	Q1	Q2	Q3	Q4		2023	Q1	Q2	Q3	Q4	Component				Expenditure Account	
I. Investment Costs																		
A. Multisectoral Planning																		
1. Village Nutrition Planning	villages	100	-	-	50	50	100	500	-	-	25,000	25,000	50,000	COM3	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
2. Support to PNC	provinces	6	-	2	2	2	6	1,500	-	3,000	3,000	3,000	9,000	COM3	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
3. Support to DNC	districts	20	5	5	5	5	20	1,500	7,500	7,500	7,500	7,500	30,000	COM3	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
4. Field visits for MAF and MoH management	each	-	-	-	-	-	-	4,000	-	-	-	-	-	COM3	TRAINING_V	GAFF_WFP (100%)	UNIDENT_1_PM (100%)	WFP
5. National key stakeholder progress review & evaluation workshops	workshop	1	-	-	-	1	1	5,000	-	-	-	5,000	5,000	COM3	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
Subtotal								-	7,500	10,500	35,500	40,500	94,000					
B. Partnerships																		
1. Challenge Fund (CSOs)	grants	-	-	-	-	-	-	30,000	-	-	-	-	-	COM3	GRANTS_SUBSIDIES_III	GAFFSP (85%), MSME (15%)	OTHER_PM (100%)	MAF
2. CSO partnerships coordinator	pers-mth	12	-	-	6	6	12	2,500	-	-	15,000	15,000	30,000	COM3	CONSULTANCIES_IV	GAFFSP (100%)	CON_SRVCES_PM (100%)	MAF
3. Challenge fund events	number	-	-	-	-	-	-	1,500	-	-	-	-	-	COM3	TRAINING_V	GAFFSP (100%)	LCL_SHOPPING_PM (100%)	MAF
Subtotal								-	-	-	15,000	15,000	30,000					
C. Project Management (MAF)																		
1. Management TA																		
a. Finance management officer	pers-mth	12	3	3	3	3	12	2,000	6,000	6,000	6,000	6,000	24,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
b. Assistant financial officer	pers-mth	12	3	3	3	3	12	1,500	4,500	4,500	4,500	4,500	18,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
c. Accountant	pers-mth	12	3	3	3	3	12	1,500	4,500	4,500	4,500	4,500	18,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
d. Accountants at district level (15)	pers-mth	180	45	45	45	45	180	500	22,500	22,500	22,500	22,500	90,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
e. Procurement specialist	pers-mth	12	3	3	3	3	12	2,000	6,000	6,000	6,000	6,000	24,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
f. M&E specialist PMU level	pers-mth	12	3	3	3	3	12	2,500	7,500	7,500	7,500	7,500	30,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
g. Environmental/Natural Resource Management/Climate Change Specialist	pers-mth	12	3	3	3	3	12	2,500	7,500	7,500	7,500	7,500	30,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
h. Social inclusion specialist	pers-mth	12	3	3	3	3	12	2,500	7,500	7,500	7,500	7,500	30,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
i. Procurement Assistance	pers-mth	12	3	3	3	3	12	2,000	6,000	6,000	6,000	6,000	24,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
j. Food processing and food safety specialist	pers-mth	12	3	3	3	3	12	2,000	6,000	6,000	6,000	6,000	24,000	COM3	CONSULTANCIES_IV	GAFFSP (100%)	CON_SRVCES_PM (100%)	MAF
k. Engineer for water related infrastructure	pers-mth	12	3	3	3	3	12	2,000	6,000	6,000	6,000	6,000	24,000	COM3	CONSULTANCIES_IV	GAFFSP (50%), IFAD (50%)	CON_SRVCES_PM (100%)	MAF
l. Engineer Access Track	pers-mth	12	3	3	3	3	12	2,000	-	-	-	-	-	COM3	CONSULTANCIES_IV	FUNDING_GAP (100%)	CON_SRVCES_PM (100%)	MAF
m. Business MSP facilitator	pers-mth	12	3	3	3	3	12	2,000	6,000	6,000	6,000	6,000	24,000	COM3	CONSULTANCIES_IV	GAFFSP (100%)	CON_SRVCES_PM (100%)	MAF
n. Nutrition Advisor	pers-mth	12	3	3	3	3	12	2,000	6,000	6,000	6,000	6,000	24,000	COM3	CONSULTANCIES_IV	GAFFSP (100%)	CON_SRVCES_PM (100%)	MAF
o. KM officer	pers-mth	12	3	3	3	3	12	2,000	6,000	6,000	6,000	6,000	24,000	COM3	CONSULTANCIES_IV	GAFFSP (100%)	CON_SRVCES_PM (100%)	MAF
p. Administrative officer	pers-mth	12	3	3	3	3	12	1,000	3,000	3,000	3,000	3,000	12,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
q. Cleaner	pers-mth	12	3	3	3	3	12	200	600	600	600	2,400	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF	
r. Translator	pers-mth	6	-	2	2	2	6	2,000	-	4,000	4,000	4,000	12,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
s. District procurement officers (15)	pers-mth	180	45	45	45	45	180	700	31,500	31,500	31,500	31,500	126,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
t. Agriculture and advisory services specialist	pers-mth	12	3	3	3	3	12	2,500	7,500	7,500	7,500	7,500	30,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
u. M&E specialist at district level (15)	pers-mth	180	45	45	45	45	180	500	22,500	22,500	22,500	22,500	90,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
v. PMU drivers (2)	pers-mth	24	6	6	6	6	24	300	1,800	1,800	1,800	1,800	7,200	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
w. District Drivers (15)	pers-mth	180	45	45	45	45	180	300	13,500	13,500	13,500	13,500	54,000	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
Subtotal								-	182,400	186,400	186,400	186,400	741,600					
2. Equipment																		
a. Office equipment PMU	Number	1	1	-	-	-	1	5,000	5,000	-	-	-	5,000	COM3	GOODS_SERVICE_INPUTS_II	IFAD (100%)	LCL_SHOPPING_PM (100%)	MAF
b. Accounting software and trainings, closing	Number	1	-	-	-	-	1	40,000	40,000	-	-	-	40,000	COM3	GOODS_SERVICE_INPUTS_II	IFAD (100%)	LCL_SHOPPING_PM (100%)	MAF
c. FWD vehicles (15 non conv + 6prv)	Number	23	-	23	-	-	23	40,000	-	920,000	-	-	920,000	COM3	GOODS_SERVICE_INPUTS_II	IFAD (100%)	NCB_PM (100%)	MAF
d. Motorbikes for DAFO	Number	20	-	20	-	-	20	2,000	-	40,000	-	-	40,000	COM3	GOODS_SERVICE_INPUTS_II	IFAD (100%)	LCL_SHOPPING_PM (100%)	MAF
e. Office equipment DAFO in 15 non-convergence districts	LS	15	-	15	-	-	15	1,500	-	22,500	-	-	22,500	COM3	GOODS_SERVICE_INPUTS_II	IFAD (100%)	LCL_SHOPPING_PM (100%)	MAF
Subtotal								-	45,000	982,500	-	-	1,027,500					
3. Training and KM																		
a. Trainings and Workshops	sessions	20	-	10	-	10	20	500	-	5,000	-	5,000	10,000	COM3	TRAINING_V	IFAD (100%)	LCL_SHOPPING_PM (100%)	MAF
b. KM products	products	-	-	-	-	-	-	3,000	-	5,000	-	-	5,000	COM3	TRAINING_V	IFAD (100%)	LCL_SHOPPING_PM (100%)	MAF
Subtotal								-	-	-	-	-	10,000					
4. Audits and Supervision																		
a. Audits	year	1	-	-	1	-	1	20,000	-	-	20,000	-	20,000	COM3	CONSULTANCIES_IV	IFAD (100%)	QCBS_PM (100%)	MAF
b. Supervision	year	1	-	-	-	1	1	30,618.4	-	-	30,618	-	30,618	COM3	CONSULTANCIES_IV	IFAD (100%)	QCBS_PM (100%)	MAF
Subtotal								-	-	-	20,000	30,618	50,618					
Subtotal								-	227,400	1,173,900	206,400	222,018	1,853,718					
D. Project Management (WFP)																		
1. Support to MAF Knowledge Management	Person Month	6	-	-	3	3	6	2,000	-	-	6,000	6,000	12,000	COM3	CONSULTANCIES_IV	GAFF_WFP (100%)	CON_SRVCES_PM (100%)	WFP
2. Vehicles	number	2	-	2	-	-	2	35,000	-	70,000	-	-	70,000	COM3	GOODS_SERVICE_INPUTS_II	GAFF_WFP (100%)	NCB_PM (100%)	WFP
3. Motorcycles	number	26	-	26	-	-	26	2,500	-	65,000	-	-	65,000	COM3	GOODS_SERVICE_INPUTS_II	GAFF_WFP (100%)	NCB_PM (100%)	WFP
4. Motorcycles for project partners at district level	number	20	-	-	20	-	20	2,000	-	40,000	-	-	40,000	COM3	GOODS_SERVICE_INPUTS_II	GAFF_WFP (100%)	NCB_PM (100%)	WFP
5. Capacity building for project partners (MAF-PAFO-DAFO)	lps	1	-	-	1	-	1	10,000	-	10,000	-	-	10,000	COM3	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
6. Conferences, trainings, study tours etc.	number	1	-	-	-	-	1	10,000	-	-	-	-	-	COM3	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
7. Project Impact Surveys	number	1	-	-	-	1	1	30,000	-	-	-	30,000	30,000	COM3	TRAINING_V	GAFF_WFP (100%)	LCL_SHOPPING_PM (100%)	WFP
8. Office equipment for district and province WFP office	lps	1	-	1	-	-	1	34,050	-	34,050	-	-	34,050	COM3	GOODS_SERVICE_INPUTS_II	GAFF_WFP (100%)	NCB_PM (100%)	WFP
Subtotal								-	-	169,050	56,000	36,000	261,050					
E. PromIS upgrade and roll out																		
1. IT Service Provider to upgrade PromIS	LS	-	-	-	-	-	-	50,000	-	-	-	-	-	COM3	CONSULTANCIES_IV	IFAD (100%)	CON_SRVCES_PM (100%)	MAF
2. Training on PromIS	LS	-	-	-	-	-	-	25,000	-	-	-	-	-	COM3	TRAINING_V	IFAD (100%)	UNIDENT_1_PM (100%)	MAF
3. IT Equipment	LS	-	-	-	-	-	-	15,000	-	-	-	-	-	COM3	GOODS_SERVICE_INPUTS_II	IFAD (100%)	LCL_SHOPPING_PM (100%)	MAF
4. Operating and Maintenance of the IT equipment	LS	-	-	-	-	-	-	2,000	-	-	-	-	-	COM3	GOODS_SERVICE_INPUTS_II	IFAD (100%)	UNIDENT_1_PM (100%)	MAF
Subtotal								-	-	-	-	-	-					
Total Investment Costs								-	234,900	1,353,450	312,900	313,518	2,238,768					
II. Recurrent Costs																		
A. Project Management (IFAD)																		
1. DSA for DAFO in 15 convergence districts	month	180	45	45	45	45	180	300	13,500	13,500	13,500	13,500	54,000	COM3	OPERATING_COSTS_VI	IFAD (100%)	UNIDENT_1_PM (100%)	MAF
2. Vehicles O&M	year	1	-	1	-	-	1	11,000	-	11,000	-	-	11,000	COM3	OPERATING_COSTS_VI	IFAD (100%)	NCB_PM (100%)	MAF
Subtotal								-	13,500	24,500	13,500	13,500	65,000					
Total Recurrent Costs								-	-	-	-	-	-					
Total								-	248,400	1,377,950	326,400	327,018	2,303,768					

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 7: Procurement Plan for first 18 months

Mission Dates: 04-18 May 2022

Document Date: 03/12/2022

Project No. 2000003760

Report No. 6231-LA

Asia and the Pacific Division
Programme Management Department

PDR Annex 7: Procurement Plan for first 18 months

Bid Ref.	Description	Financier	Main Implementing Agency	IFAD Loan/ Grant	Proposed No. of Packages	Total Allocated Amount US\$ (000)	Allocated Amount for 18 Months US\$ (000)	Procurement Selection Method
	Component 1: Community-driven agriculture and natural resources-based nutrition interventions establishment							
	Component 1a: Improve the nutritional status of women, children, girls and vulnerable groups							
	<i>International Technical Assistance</i>							
1.1.1	Chief Technical Adviser - CTA	GAFSP	WFP			945,000	252,000	WFP Procu. Procedures
	<i>Farmer Nutrition School and Women Empowerment</i>							
1.1.2	Raising villager awareness of participatory planning	GAFSP	WFP			50,000	20,000	WFP Procu. Procedures
1.1.3	Training/refresher course costs for village facilitator	GAFSP	WFP			150,000	40,000	WFP Procu. Procedures
1.1.4	Training for District teams (DAFO, DHO, LWU)	GAFSP	WFP			80,000	22,500	WFP Procu. Procedures
1.1.5	Provision of small materials for village	GAFSP	WFP			93,750	25,000	WFP Procu. Procedures
1.1.6	Construction/réhabilitation of Village Nutrition Centre	GAFSP	WFP			187,500	50,000	WFP Procu. Procedures
	<i>Integrated Home Garden Establishment</i>							
1.1.7	Home garden grants	GAFSP/IFAD	MAF	Loan		1,800,000	180,000	NS
1.1.8	Training/refresher course costs for Community Mobilisers	GAFSP	WFP			73,500	15,750	WFP Procu. Procedures
1.1.9	Motorcycle for Community Mobilisers	GAFSP	WFP			105,000	78,750	WFP Procu. Procedures
1.1.10	Agriculture training/refresher course for VL+LF	GAFSP	WFP			425,000	56,250	WFP Procu. Procedures
	<i>Domestic Food Processing and Domestication</i>							
1.1.11	Village Food Processing Grants	GAFSP	WFP			187,500	50,000	WFP Procu. Procedures
1.1.12	Food processing training on village level	GAFSP	WFP			131,250	35,000	WFP Procu. Procedures
1.1.13	Post-harvest training on village level	GAFSP	WFP			131,250	8,750	WFP Procu. Procedures
1.1.14	Support for construction/rehabilitation of village rice banks	GAFSP	WFP			125,000	12,500	WFP Procu. Procedures
1.1.15	Training for village rice banks	GAFSP	WFP			62,500	6,250	WFP Procu. Procedures
1.1.16	Business literacy training	GAFSP	WFP			105,000	22,500	WFP Procu. Procedures
	<i>Local food sources, wild foods management</i>							
1.1.17	Promotion / conservation of aquatic species	GAFSP/IFAD	MAF	Loan		240,000	72,000	NS

Bid Ref.	Description	Financier	Main Implementing Agency	IFAD Loan/Grant	Proposed No. of Packages	Total Allocated Amount US\$ (000)	Allocated Amount for 18 Months US\$ (000)	Procurement Selection Method
1.1.18	Capacity building and monitoring by NAFRI	GAFSP/IFAD	MAF	Loan		350,000	75,000	Other
1.1.19	Promotion / conservation of edible wild species	GAFSP/IFAD	MAF	Loan		300,000	90,000	NS
1.1.20	Capacity building and technical support by CDE	GAFSP/IFAD	MAF	Loan		539,000	115,500	Other
1.1.21	IT consultant for PKL database	GAFSP/IFAD	MAF	Loan		73,500	15,750	ICS
1.1.22	Equipment and lab analysis	GAFSP/IFAD	MAF	Loan		60,000	15,000	NS
1.1.23	KM Publication and Translation	GAFSP/IFAD	MAF	Loan		35,000	7,500	ICS
	<i>Community nutrition and gender SBCC activities</i>							
1.1.24	Development of Gender Action Learning System (GALS) training package	GAFSP	WFP			75,000	75,000	WFP Procu. Procedures
1.1.25	GALS training for LWU trainers	GAFSP	WFP			60,000	22,500	WFP Procu. Procedures
1.1.26	Implement GALS activities on village level	GAFSP	WFP			150,000	37,500	WFP Procu. Procedures
1.1.27	Production of village facilitation tools	GAFSP	WFP			75,000	5,000	WFP Procu. Procedures
1.1.28	Development of specific training modules for adolescent girls	GAFSP	WFP			25,000	25,000	WFP Procu. Procedures
1.1.29	Home grown school feeding program	GAFSP	WFP			187,500	56,250	WFP Procu. Procedures
1.1.30	Nutrition training for APG members	GAFSP	WFP			131,250	8,750	WFP Procu. Procedures
1.1.31	Village Veterinary Worker (VWV) training	GAFSP/IFAD	MAF	Loan		100,000	12,750	LCS
1.1.32	VWV health kits	GAFSP	WFP			75,000	3,750	WFP Procu. Procedures
1.1.33	Translation of training materials in local languages	GAFSP	WFP			25,000	25,000	WFP Procu. Procedures
	Component 1b. Improved agricultural productivity of selected commodities							
	<i>Community-Based Organizations (CBOs) Strengthening</i>							
1.2.1	APG grants	GAFSP/IFAD	MAF	Loan		4,764,883	1,340,696	NS
1.2.2	Organizational support to clustering of APG into AC	GAFSP/IFAD	MAF	Loan		561,109	90,768	NS
1.2.3	Extension Management System (EMS)	GAFSP/IFAD	MAF	Loan		719,383	141,527	NS
	<i>Agriculture/Rural Advisory Services Improved</i>							
1.2.4	Demonstrations, lead farmers	GAFSP/IFAD	MAF	Loan		761,407	223,449	NS
1.2.5	District Agriculture Advisor	GAFSP/IFAD	MAF	Loan		1,261,315	213,679	ICS
1.2.6	Exchange visits between provinces	GAFSP/IFAD	MAF	Loan		31,422	5,083	Other
	<i>Climate Change Adaption Infrastructures (Irrigation/MUS) Build and Upgraded</i>							
1.2.7	Multi Use water systems (MUS)	GAFSP/IFAD	MAF	Loan		4,078,111	992,186	NS/NCB
1.2.8	Small scale Irrigation schemes upgrades	GAFSP/IFAD	MAF	Loan		2,339,492	342,579	NS/NCB
1.2.9	Technical support for irrigation schemes (design and supervision)	GAFSP/IFAD	MAF	Loan		43,640	6,051	CQS
1.2.10	Technical support for MUS (design and supervision)	GAFSP/IFAD	MAF	Loan		186,898	35,613	CQS

Bid Ref.	Description	Financier	Main Implementing Agency	IFAD Loan/ Grant	Proposed No. of Packages	Total Allocated Amount US\$ (000)	Allocated Amount for 18 Months US\$ (000)	Procurement Selection Method
	Component 2. Business partnerships and market access improvement							
	<i>Support to MSME in Food Supply Chains</i>							
2.1.1	Support to existing MSME (business planning, market dev)	GAFSP/IFAD	MAF	Loan		158,176	19,772	ICS
2.1.2	MSME creation (registration, seeder fund)	GAFSP/IFAD	MAF	Loan		600,000	60,000	ICS
	<i>Business Multi-Stakeholder Platforms</i>	GAFSP/IFAD						
2.1.3	MSP sessions, fairs and markets	GAFSP/IFAD	MAF	Loan		153,000	12,750	NS
	<i>Market Related Infrastructure</i>							
2.1.4	Food Processing and storage facilities	GAFSP/IFAD	MAF	Loan		1,687,500	112,500	NS
	Component 3. Enabling environment and partnerships							
	<i>Multisectoral Planning</i>							
3.1.1	Village Nutrition Planning	GAFSP	WFP			250,000	100,000	WFP Procu. Procedures
3.1.2	Support to PNC	GAFSP	WFP			63,000	13,500	WFP Procu. Procedures
3.1.3	Support to DNC	GAFSP	WFP			210,000	45,000	WFP Procu. Procedures
3.1.4	National key stakeholder progress review & evaluation workshops	GAFSP	WFP			35,000	7,500	WFP Procu. Procedures
	<i>Partnerships</i>							
3.1.5	Challenge Fund (CSOs)	GAFSP/IFAD	MAF	Loan		1,560,000	75,000	Other
3.1.6	CSO partnerships coordinator	GAFSP/IFAD	MAF	Loan		150,000	45,000	ICS
	<i>Project Management (MAF)</i>							
	<i>Management TA</i>							
3.1.7	Finance management officer	GAFSP/IFAD	MAF	Loan		168,000	36,000	ICS
3.1.8	Assistant financial officer	GAFSP/IFAD	MAF	Loan		126,000	27,000	ICS
3.1.9	Accountant	GAFSP/IFAD	MAF	Loan		126,000	27,000	ICS
3.1.10	Accountants at district level (15)	GAFSP/IFAD	MAF	Loan		630,000	135,000	ICS
3.1.11	Procurement specialist	GAFSP/IFAD	MAF	Loan		168,000	36,000	ICS
3.1.12	M&E specialist PMU level	GAFSP/IFAD	MAF	Loan		210,000	45,000	ICS
3.1.13	Environmental/Natural Resource Management/Climate Change Specialist	GAFSP/IFAD	MAF	Loan		210,000	45,000	ICS
3.1.14	Social inclusion specialist	GAFSP/IFAD	MAF	Loan		210,000	45,000	ICS
3.1.15	Procurement Assistance	GAFSP/IFAD	MAF	Loan		168,000	36,000	ICS
3.1.16	Food processing and food safety specialist	GAFSP/IFAD	MAF	Loan		168,000	36,000	ICS
3.1.17	Engineer for water related infrastructure	GAFSP/IFAD	MAF	Loan		168,000	36,000	ICS
3.1.18	Engineer Access Track	GAFSP/IFAD	MAF	Loan		168,000	36,000	ICS
3.1.19	Business MSP facilitator	GAFSP/IFAD	MAF	Loan		168,000	36,000	ICS
3.1.20	Nutrition Advisor	GAFSP/IFAD	MAF	Loan		168,000	36,000	ICS
3.1.21	KM officer	GAFSP/IFAD	MAF	Loan		168,000	36,000	ICS
3.1.22	Administrative officer	GAFSP/IFAD	MAF	Loan		84,000	18,000	ICS
3.1.23	Translator	GAFSP/IFAD	MAF	Loan		84,000	18,000	ICS
3.1.24	District procurement officers (15)	GAFSP/IFAD	MAF	Loan		882,000	189,000	ICS
3.1.25	Agriculture and advisory services specialist	GAFSP/IFAD	MAF	Loan		210,000	45,000	ICS

Bid Ref.	Description	Financier	Main Implementing Agency	IFAD Loan/Grant	Proposed No. of Packages	Total Allocated Amount US\$ (000)	Allocated Amount for 18 Months US\$ (000)	Procurement Selection Method
3.1.26	M&E specialist at district level (15) <i>Equipment</i>	GAFSP/IFAD	MAF	Loan		630,000	135,000	ICS
3.1.27	Office equipment PMU	GAFSP/IFAD	MAF	Loan		5,000	5,000	NS
3.1.28	Accounting software and training, closing	GAFSP/IFAD	MAF	Loan		40,000	40,000	NS
3.1.29	FWD vehicles (15 non conv + 6prov)	GAFSP/IFAD	MAF	Loan		920,000	920,000	NCB
3.1.30	Motorbikes for DAFO	GAFSP/IFAD	MAF	Loan		40,000	40,000	NS
3.1.31	Office equipment DAFO in 15 non-convergence districts <i>Training and KM</i>	GAFSP/IFAD	MAF	Loan		22,500	22,500	NS
3.1.32	Training and Workshops <i>Audits and Supervision</i>	GAFSP/IFAD	MAF	Loan		70,000	15,000	Other
3.1.33	Audits	GAFSP/IFAD	MAF	Loan		179,846	35,382	LCS
3.1.34	Supervision <i>Project Management (WFP)</i>	GAFSP/IFAD	MAF	Loan		275,329	54,172	CQS
3.1.35	Support to MAF Knowledge Management	GAFSP	WFP			185,011	28,491	WFP Procu. Procedures
3.1.36	Vehicles	GAFSP	WFP			76,128	76,128	WFP Procu. Procedures
3.1.37	Motorcycles	GAFSP	WFP			70,690	70,690	WFP Procu. Procedures
3.1.38	Motorcycles for project partners at district level	GAFSP	WFP			43,501	43,501	WFP Procu. Procedures
3.1.39	Capacity building for project partners (MAF-PAFO-DAFO)	GAFSP	WFP			89,923	17,691	WFP Procu. Procedures
3.1.40	Conferences, training, study tours etc.	GAFSP	WFP			156,566	12,103	WFP Procu. Procedures
3.1.41	Project Impact Surveys	GAFSP	WFP			115,527	34,919	WFP Procu. Procedures
3.1.42	Office equipment for district and province WFP office <i>ProMIS upgrade and roll out</i>	GAFSP	WFP			76,723	57,282	WFP Procu. Procedures
3.1.43	IT Service Provider to upgrade ProMIS	GAFSP/IFAD	MAF	Loan		50,000	25,000	CQS
3.1.44	Training on ProMIS	GAFSP/IFAD	MAF	Loan		25,000	12,500	Other
3.1.45	IT Equipment	GAFSP/IFAD	MAF	Loan		15,000	7,500	NS

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 8: Project Implementation Manual (PIM)

Mission Dates: 04-18 May 2022

Document Date: 03/12/2022

Project No. 2000003760

Report No. 6231-LA

Asia and the Pacific Division
Programme Management Department

PDR Annex 8: Draft Project Implementation Manual (PIM)

Lao PDR

AGRICULTURE FOR NUTRITION PHASE 2 (AFN II)

PROJECT DESIGN REPORT (PDR)

ANNEX 8: Draft Project Implementation Manual (PIM)

Version: 1.0

Date: August 2022

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Map of the project area:



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.
 Map compiled by IFAD | 05-10-2022

Currency Equivalents

Currency Unit = Lao LAK (LAK)
US\$1.0 = LAK 15,033

Weights and Measures

1 kilogram = 1000 g
1 000 kg = 2.204 lb.
1 kilometre (km) = 0.62 mile
1 metre = 1.09 yards
1 square metre = 10.76 square feet
1 acre = 0.405 hectare
1 hectare = 2.47 acres

1. PIM: Project description

(viii) Objective

The **Project Goal** is to enable 28,000 vulnerable households living in the project area to improve their income by 20% by 2030. The **Project Development Objective (PDO)** is to enable these 28,000 vulnerable⁴¹ households to improve their food and nutrition security by project's end. The project goal and PDO directly contribute to the revised COSOP 2019-2024 strategic objectives SO1 - Smallholders have enhanced resilience to natural shocks and improved food security and nutrition and SO2 - Increase poor rural people's benefits from market participation. These revised objectives are closely aligned with IFAD's global Strategic Framework.

The project's impacts will be assessed across five indicators, namely:

- (i) **Food insecurity:** 20% decrease in insecurity measured by the Food Insecurity Experience Scale (FIES)
- (ii) **Nutrition:** 14,400 women report Minimum Dietary Diversity (MDD-W)
- (iii) **Poverty:** 16,800 HHs have a 20% improvement in income
- (iv) **Climate resilience:** same 16,800 HHs have a 30% increase in climate change resilience (measured by the IFAD Resilience Scorecard)
- (v) **Women Empowerment:** 33,600 women have improved economic, social, and cultural empowerment (measured by the IFAD Empowerment Index).

(ix) Project area

AFN II will target five hundred (500) villages from twenty (20) districts in six (6) provinces in Lao PDR

AFN II target provinces include Oudomxai, Phongsaly, and Xiengkhouang in the North, and Salavan, Sekong, and Attapeu in the South. The combined population of these six provinces is 1.34 million people⁴² or about 224,000⁴³ households. The combined population in the twenty target districts is 501,880 people (50% female and 50% male), comprising about 83,646 households.

The target provinces were selected based on government priorities and the following basic criteria: a) poverty incidence; b) level of food insecurity; c) prevalence of stunting of children under 5 (CU5); and d) climate change vulnerability.

The twenty (20) target districts were selected out of a total thirty-eight in the six provinces based on the above criteria as well as the government's subnational priorities and potential for complementing ongoing, agricultural and nutritional development initiatives.

Among the 20 target districts, fifteen (15) are "non-convergence" ones. This means they are not included on the government's list of 20 priority districts in terms of nutrition interventions. As a result, they receive relatively less support from other development programs and projects. As such, they will highly benefit from the direct support of AFN II and its three components.

The remaining five (5) target districts are "convergence" ones. This means they are included on the government's list of 20 priority districts for nutrition interventions and are

⁴¹ Poor, women, children and youth, elderly, disabled persons (Disaster Management Reference Handbook, 2021)

⁴² Population and Housing Census 2015 ([PHC, 2015](#))

⁴³ National household average size is 5.6 ([PHC, 2015](#)). For the purpose of this proposal, the average HH size is rounded to 6.

already receiving support from multiple agriculture and nutrition projects. As a result, the immediate need for further investment is less acute. Thus, AFN II will focus its support on multisector planning, partnerships (including a Challenge Fund for CSOs), and coordination activities through component 3 in the five convergence districts.

Village selection will be carried out at the start-up phase based on government priorities and the following criteria: (i) Poverty incidence based on GoL criteria⁴⁴; (ii) interest and potential to engage in selected value chains; (iii) level of climate-vulnerability; (iv) level of support currently provided by other projects (i.e., AFN II will prioritize villages that are not receiving development support/aid from GoL or any other institutions). The 175 target villages in the IFAD funded Southern Lao Food and Nutrition Security and Market Linkages Programme (FNML) (completed in September 2020) will be eligible for support from AFN II if they fall in the target districts⁴⁵.

Table 52: AFN II target provinces and districts

Provinces	Convergence districts	Non-convergence districts	Target districts	Target villages
Phongsaly	Bountai, Samphanh, Khua	Phongsaly, Nhot Ou	5	125
Oudomxai	Lah	Beng, Nga, Pakbeng	4	100
Salavan		Samuoi, Ta Oi, Toomlam	3	75
Sekong		Dak Cheung, Kaleum, Lamam	3	75
Attapeu		Sanxay, Sanamxay, Phouvong	3	75
Xienkuang	Nong Het	Mok	2	50
6 Provinces	5 Districts	15 Districts	20	500

Note: The 5 Convergence Districts are supported by AFN I. **In bold:** FNML 5 target districts.

Table 53: AFN II population, target provinces, and districts disaggregated by sex (source: PHC, 2015)

Target province/district	Total Population	Total female	Total male
Attapeu	68 446.00	34 795.00	33 651.00
Phouvong District	13 780.00	6 982.00	6 798.00
Sanamxay District	33 399.00	16 849.00	16 550.00
Sanxay District	21 267.00	10 964.00	10 303.00
Oudomxai	111 710.00	56 521.00	55 189.00
Beng District	36 544.00	18 405.00	18 139.00
Lah District	16 506.00	8 256.00	8 250.00
Nga District	29 965.00	15 018.00	14 947.00
Pakbeng District	28 695.00	14 842.00	13 853.00
Phongsaly	123 774.00	61 562.00	62 212.00

⁴⁴ Ref. Decree 348 on the criteria for Poverty Graduation and Development dated of 16 November 2017. Villages that graduate from poverty are those that fully meet the following conditions: 1. Own or have access to primary or lower secondary school; 2. Own or have access to health centre or primary health care services; 3. Own or have access to a clean water source; 4. Have roads that can be used all year around; 5. Have access to communication and transportation services; 6. Have access to markets to buy/sell/exchange products; 7. Have access to electricity from the national grid; 8. Over 70% (seventy percent) of the total families in the village have graduated from poverty. Villages that do not meet the eight conditions above are considered poor villages.

⁴⁵ FNML covered 175 villages in 5 districts: Samuoi and Ta Oi (Salavan province), Dakcheung (Sekong province) and Sanxay and Phouvong (Attapeu province). All 5 districts are also AFN II target districts.

Boontay District	23 402.00	11 654.00	11 748.00
Khua District	25 557.00	12 924.00	12 633.00
Nhot Ou District	30 525.00	14 811.00	15 714.00
Phongsaly District	21 309.00	10 723.00	10 586.00
Samphanh District	22 981.00	11 450.00	11 531.00
Salavan	74 984.00	38 154.00	36 830.00
Samuoi District	15 676.00	8 006.00	7 670.00
Ta Oi District	30 724.00	15 647.00	15 077.00
Toomlarn District	28 584.00	14 501.00	14 083.00
Sekong	71 499.00	36 136.00	35 363.00
Dak Cheung District	22 043.00	11 162.00	10 881.00
Kaleum District	15 741.00	8 027.00	7 714.00
Lamam District	33 715.00	16 947.00	16 768.00
Xienkhuang	51 467.00	25 638.00	25 829.00
Mok District	14 061.00	7 045.00	7 016.00
Nong Het District	37 406.00	18 593.00	18 813.00
Grand Total	501 880.00	252 806.00	249 074.00

(x) Outreach and target groups

The intended target population in the 20 districts includes 168,000 poor and near poor smallholders at risk of food insecurity and malnutrition. This group comprises 29% of total project area population. The target population will specifically also include: (a) Children Under 5 years of age (CU5); (b) adolescent girls (age 10-19); (c) women of reproductive age (WRA age 15-49 years, including PLW/G); (d) youth (age 15-35); and (e) others (ensuring 50% female).

Vulnerable households and individuals most likely to be left behind will be prioritized among the target population. These vulnerable groups will include: female-headed households (2%); persons living with a disability (2%); Lao migrants returning to rural areas due to COVID-19 impacts (5%); ethnic groups other than Lao/Tai (at least 70%); and others identified through consultative and participatory community consultation processes during the start-up phase.

Table 54: Target groups

	Estimated number	in % of total
Female, including: WRA, PLW/G 15-49 years of age, adolescent girls (10-19 years of age), and school-going female children (6 -10 years of age)	84,000	At least 50%
Male (including adolescent boys 10-19 years of age; and school-going male children 6-10 years of age)	84,000	Up to 50%
Total number of direct beneficiaries	168,000 people	
Of Which:		
Youth (age 15-35), of which at least 50% are girls	42,000	Minimum 25%
Children under 5 years of age (CU5)	16,800	Estimated 10%
Ethnic groups members (non-Lao/Tai)	117,600	Minimum 70%
Persons with disabilities	3,360	Minimum 2%
COVID-19 migrants	8,400	Estimated 5%

Targeting and Gender

'Leave no one behind'. This ambition cuts across the 2030 Agenda and is reflected in IFAD's targeting strategy. The following principles must be considered in developing detailed guidelines for activities.

Poor – The poor are predominately found among ethnic groups and have a high prevalence of malnutrition. They project will provide them support to improve their nutrition through nutrition education, Integrated Home gardens, and support for intensified agricultural production and (nutrition-sensitive) value chain activities. Village authorities will be asked to promote the extremely poor to participate in these opportunities. Village authorities will be instrumental in identifying beneficiaries and promoting inclusive groups.

Women – To tackle the constraints faced by rural women, AFN II will adopt an inclusive approach to ensure that women and men benefit equally. Women's role in agriculture is significant, but often undervalued. While women and men have a seemingly equal workload in agriculture, women have additional household chores to manage. The shift from subsistence to market-oriented agriculture is particularly difficult for women from ethnic groups because of their sociocultural roles and constraints, limited Lao language ability, and lower technical skills. Inclusion of women, including those from ethnic groups, in farmer groups is an important criterion of the project.

Nutritional vulnerability – Under Component 1a, the project will target nutritionally vulnerable people in the project area, with an emphasis on women, children and adolescent girls. Attention will be given to implementing Farmer Nutrition Schools, nutrition related SBCC activities and supporting investments in Integrated Home gardens. The emphasis is on producing a balanced diet with any surplus sold locally. When promoting high value crops, the project will give preference to products that have high nutritional as well as market value (nutrition sensitive value chains).

Youth – A sizeable portion of youth age 15 – 35 years migrate out of the project area as job seekers. Creation of competitive employment opportunities would reduce this migration. The Project has a youth involvement target of 25% spread over the different components.

Ethnic groups. Across the 20 target districts, ethnic groups represent 85% of the total population, including Mon-Khmer (59%), Sino-Tibetan (15%) and Hmong Mien (11%). People belonging to non-Lao/Tai ethnic groups are usually the poorest and most affected by food security and nutrition issues. This is due to differential access to education, healthcare, poverty gaps. and dietary social norms. AFN II activities were designed in full consultation with ethnic groups and activities will be implemented applying Free Prior Informed Consent (FPIC). The project will ensure that ethnic groups obtain fair and equitable benefits and opportunities from project-supported activities in a culturally appropriate and inclusive manner.

Gender. Lao PDR has a Gender Inequality Index (GII) value of 0.463, ranking it 110 out of 162 countries. Within the target area, women and girls make up 50% of the total population. The main gender issues in the project area are: educational disparities; disparities in general and financial literacy; child marriage and early pregnancy; overrepresentation of women in unpaid and informal sectors, including child and elderly care; underrepresentation in wage employment; bias against women in leadership, especially for holding executive positions or in public office at the commune level; and violence against women and girls, including domestic violence. In this context, AFN II will seek to transform gender power dynamics by addressing social norms, practices, attitudes,

beliefs, and value systems that represent structural barriers to the inclusion and empowerment of women and girls, which also impacts on health and nutrition status.

Targeting mechanisms. The project follows the overall national and IFAD targeting approaches and guidelines. In doing so, AFN II relies on the following targeting complementary approaches.

Geographic targeting. Based on national priorities, AFN II focuses on geographic areas and communities with a high concentration of food insecurity, poverty, and environmental degradation. The selection of the provinces, districts, and villages is country-driven and is consistent with national priorities.

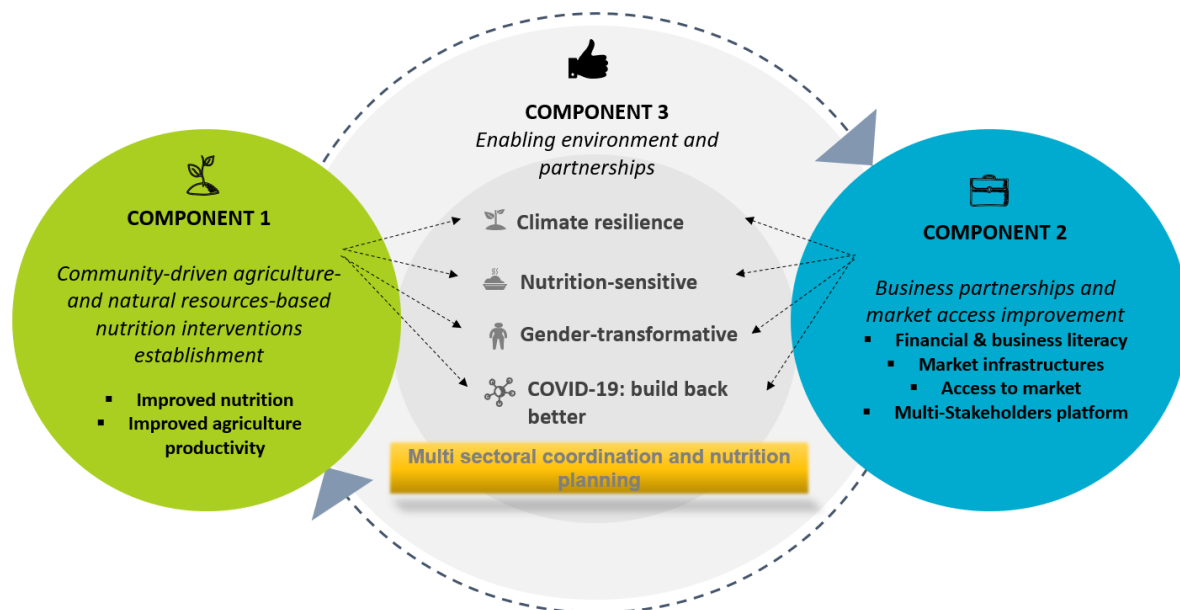
Self-targeting. AFN II activities, such as FNS or CBO strengthening, are aligned with the priorities, assets, capacities, and livelihood strategies of the identified target groups. These groups include: HHs lacking knowledge on basic hygiene; HHs with poor dietary diversity, and limited food preservation and processing capabilities; and smallholder farmers engaged in mixed subsistence/commercial production of nutritious commodities such as vegetables, rice, mushrooms, small animals and domesticated wild species which may not be widely used.

Direct targeting. AFN II will target women, youth, and ethnic group beneficiaries through (i) established quotas and (ii) services and resources channelled directly to them as noted in the Table below.

Table 55: Targeting across components

Component	Targeting
Component 1	<ul style="list-style-type: none"> ▪ Village Nutrition Facilitators and lead farmers: at least 50% are female; ▪ FNS and APGs participants/members: at least 50% are female; ▪ Women that successfully participate in the FNS are eligible for Home Garden Grants of US\$120, transferred in Lao KIP. ▪ Priority given to pregnant and lactating women and mothers with children under 5 years of age; ▪ 250 new or existing community village rice-banks are supported and small grants (approx. US\$500) provided to women groups specifically for small scale food processing activities for both domestic use and local markets
Component 2	<ul style="list-style-type: none"> ▪ People trained in business literacy and management: at least 50% are female; ▪ Selected MSMEs: priority is given to (i) youth and female-led MSMEs (if any); (ii) MSMEs with a higher percentage of women and/or youth holding decision-making positions
Component 3	<ul style="list-style-type: none"> ▪ Project staff at all levels: at least 30% of staff are female and at least 30% belong to ethnic groups
(xi)	Project description

AFN II features three complementary and interlinked components aimed at addressing the sustainable, inclusive, and resilient recovery of the country’s agriculture and food systems in the context of the COVID-19 pandemic. These components include: (1) Community-driven agriculture and nutrition interventions promoting the use of natural resources, (2) Business Partnerships and Market Access improvement, and (3) an Enabling environment and partnerships (see Figure below).



Linkages and complementarities between AFN II components

Component 1 (Community-driven agriculture and natural resources-based nutrition interventions establishment) will have two main outcomes. The first outcome is to improve the nutrition Knowledge, Attitudes, and Practices (KAP) among the targeted poor and near poor smallholder farmer households who are most at risk of food and nutrition insecurity, which has been further exacerbated by the COVID-19 pandemic. This outcome will be achieved through Subcomponent 1a: Improved nutritional status of women, children, girls, and other vulnerable groups. This subcomponent will be supervised and implemented by WFP in close cooperation with the MAF and the Provincial Agriculture and Forestry Offices (PAFO), District of Agriculture and Forestry Offices (DAFO), and provincial and district convergence agencies (education and sports, health and LWU).

Subcomponent 1a will produce the following outputs: (i) 28,000 households receive improved nutrition services and training (FNS, SBCC, training, promotion of wild foods in local diets), (ii) 15,000 people -mainly women- implement home garden grants and receive training, (iii) 400 villages receive support for food conservation and storage, including 250 rice banks.

The second outcome of Component 1 is to enable the aforementioned households to adopt environmentally sustainable and climate-resilient technologies and practices in order to increase and diversify their agricultural production, manage their natural resources more sustainably, increase their income, and enhance their resilience to climate threats and COVID-19 pandemic impacts and other threats, including the current economic crisis. This outcome will be achieved through Subcomponent 1b: Improved agricultural productivity in select commodities, which will be supervised by IFAD and implemented by the MAF and its decentralized offices at provincial and district levels (PAFO and DAFO).

Subcomponent 1b will produce the following outputs: (i) 22,400 household members receive productivity enhancement support by implementing grants for Agriculture Production Groups (APGs), (ii) 10,000 households receive inputs or services on climate resilient or sustainable agricultural practices, (iii) 68,000 ha of land-area receive improved production support, and (iv) 1,100 producer-based organizations are supported (1,000 APGs and 100 WUG).

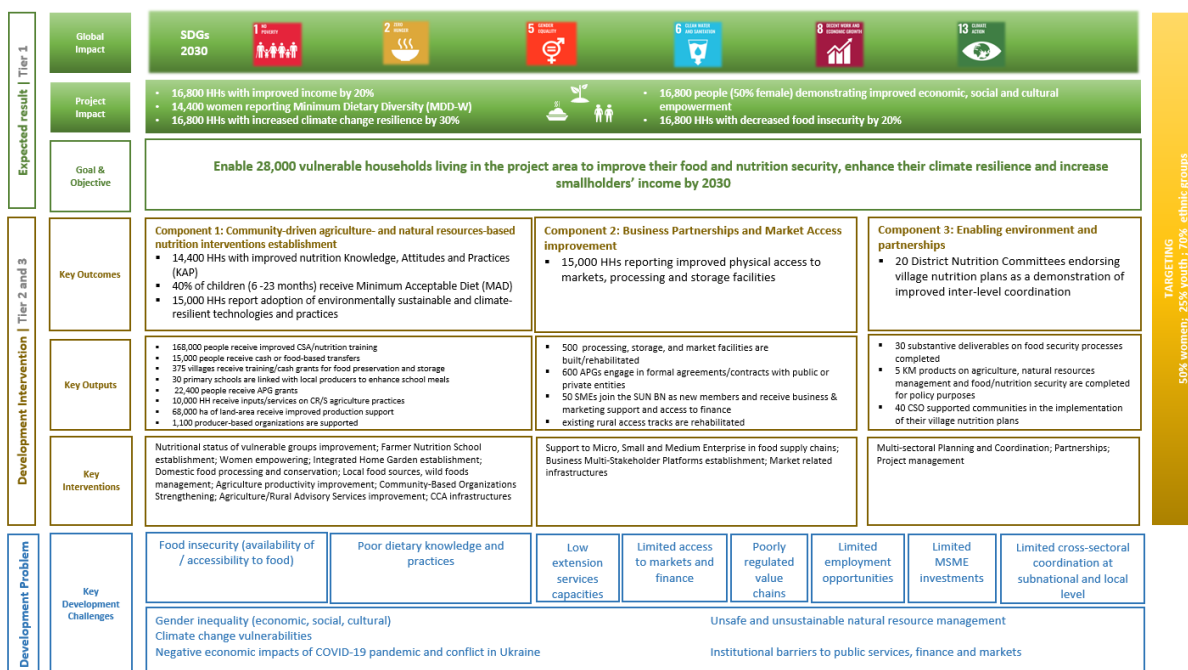
Component 2 (Business partnerships and market access improvement) aims at improving physical access to markets, processing, and storage. It will produce the following outputs:

(i) build or rehabilitate 500 processing, storage, and market facilities (storage, collection points, etc.), (ii) support 600 producer organizations (APGs) to engage in formal partnerships/agreements or contracts with public or private entities in food value chains through Multi-Stakeholder Platforms (MSP) and matching grant facilities, (iii) 50 MSMEs join the SUN Business Network as new members and receive business development, marketing support and access to finance, and (iv) rehabilitate existing rural access tracks.

Component 3 (Enabling environment and partnerships) aims to improve multisectoral planning to achieve the NPAN 2021-2025 targets and service delivery to rural communities by involving CSOs. It will deliver the following outputs : (i) 30 substantive deliverables on food security and nutrition processes in the form of multisectoral nutrition plans are linked with the current NPAN and SEDP 2021-2025; (ii) 5 knowledge products are completed with project support related to agriculture, natural resources management (promotion of wild foods), and food/nutrition security. This will then contribute to policy dialogue and preparation of the NPAN and SEDP 2026-2030; and (iii) around 40 CSOs directly support communities in implementing their village nutrition plans and other nutrition-sensitive interventions involving women, youth, ethnic groups, and People with disabilities.

(xii) Theory of Change

The AFN II Theory of Change (TOC) is illustrated in the figure below.



24. Management principles

AFN II applies and builds on the national principles for decentralisation and integration:

- **Sam Sang** – Lao PDR’s approach to decentralisation aims to make Villages centres of development by having districts responsible for implementation with the Provincial level playing a coordinating role. AFN II is implemented along these lines, with Districts playing a pivotal role in providing Project services to target village and Village Authorities providing leadership in targeting and ensuring good service use.
- **Convergence Approach** – Formulated to guide the integration of the different perspectives in the country’s action plan for nutrition. The principle of converging action by specialised organizations towards a shared higher objective is also relevant in other fields of development. AFN II starts from the premise that partnership across government line agencies, disciplines, and hierarchies is essential for successful project implementation and management.

The above translates into two simple guidelines: (i) Activities will be implemented at the lowest appropriate level unless impossible; and (ii) Implementation of all project activities requires the involvement of at least two entities. The latter will often include a combination of a District technical line agencies and Village Authorities. In many cases (especially in implementing nutrition improvement and multisectoral planning), several concerned line agencies may be involved.

The consequence of these two guidelines is that to support decentralised implementation, the National Project Coordination Office is primarily responsible for initiating and enabling Project activities at the district level. It also means that to support joint implementation, Governors and Vice Governors, especially at District level, have an important role to play in ensuring cooperation and coordination across government line agencies.

(i) Project preparation and start-up

The initial stages of a new Project are crucial this period the project management routines are established. As AFN II is similar to AFN I, many of the project aspects, management structures, financial procedures and project manuals will be updated and used, while key project staff will be retained.

Manuals and Plans. The Project Implementation Manual includes procedural guidance on the preparation and implementation of activities, including:

- **Financial Management Manual (FMM) and Project Procurement Guidelines (PPG).** Based on the general principles defined in the Financing Agreement and the Letter to the Borrower, these define day-to-day procedures. These are published as stand-alone manuals;
- **M&E Manual** – This document specifies which indicators will be monitored by whom and with which frequency; as well as describing how monitoring information can be used to support management decisions. The M&E Plan, its preparation and implementation, and the need for updating will be reviewed by IFAD supervision missions;
- **Agriculture Production Group Grant Manual; (APG)**
- **Infrastructure Grant Manual; (VDP)**
- **Home Garden Grant Manual; (Error! Reference source not found.)**

In addition, an **Exit and Scaling Strategy** must be prepared and shared with IFAD prior to the project Mid-Term Review (MTR).

(ii) Establishment and mobilisation.

The implementing agency (MAF-DoPC) will facilitate the start-up of the Project by drafting and pursuing the decrees that are necessary for establishing the National, Provincial and District Project Steering Committees; and for forming the National Project Coordination Office Team, the Provincial Project Team and the District Project Teams. This includes assignment of government staff to these units, as well as the recruitment of key project staffs under the IFAD funding. WFP will be responsible for assigning project support staff on National, Provincial and District levels.

(iii) Start-up Workshop.

Once key staff is assigned on the different levels, a start-up workshop with project staff, WFP, and representatives of the implementing partners is organized. The NPCO shall consult IFAD prior to the Start-up Workshop on its objectives, expected outcomes and programme. The Start-up Workshop aims to build awareness on the Project among its implementing partners and introduces and reviews the above technical manuals and annual work plan and budget (AWPB). IFAD may field an Implementation Support Mission to coincide with the Start-up workshop to help in the preparations and discussions.

(iv) Orientation workshops for all project staff.

All staff (*i.e.* assigned government staff and hired key project staffs through IFAD and WFP) will take part in various orientation workshops at the start of the project. The objective of these workshops is to develop a clear understanding of project objectives, project components, implementation methodologies of each component/activity, financial arrangements, monitoring and evaluation requirements. These workshops will be held on national, provincial and district levels.

(v) Staff capacity building.

For capacity building of project staff internal training courses are organised, based on the need and available resources. Training courses include (but are not limited to), Planning, M&E, Procurement, Financial Management procedures, including the use of the AFN II accounting software, etc. WFP may organize separate capacity building events and will, as far as possible, invite NPCO, and Provincial and District Project Teams to participate.

25. Overall Implementation Structure

a). Project steering committees

Project steering committees will be formed at all three levels of the project, *i.e.* national, provincial and district levels.

The National Project Steering Committee (NPSC) will be responsible for overall project direction and, working within the framework of the NNSPA, for the convergence of AFN II activities with other agencies and development partners. It will provide guidance and oversight to participating provinces and districts, be responsible for approving AFN II AWPBs and progress reports for submission to MoF and IFAD and will be the final arbitrator on issues relating to project design and management. The NPSC will include representatives from MAF, MoF, MPI, MoH and Chamber of Commerce and the 6 provincial Governors/vice governors. The NPSC, which will be co-chaired by the Vice-minister, MAF and Vice-minister MoH, will rotate its half yearly meetings between Vientiane and participating provinces. The NPSC will meet annually with additional meetings (and membership) as needed. The mandates of the NPSC are to provide policy and strategic guidance and make major decisions to support the project implementation, which in all cases also require IFAD's no objection. These mandates include:

- Approve the Annual Work Plan and Budget (AWPB) of AFN II;
- Review and approve changes in the AFN II project target area;
- Review and approve changes in the PIM, FMM and PPG;
- Support policy dialogue on lessons emerging from the implementation of AFN II.

Provincial Project Steering Committee.

The Provincial Project Steering Committee (PPSC) will be set up to approve annual AWPBs and annual progress and financial reports prepared by districts (that have been approved by the respective District Socio-economic Development Committee/DSEDC). The PPSC will include representatives from related provincial line agencies participating in AFN II management and implementation (PAFO, DOF, DPI, DICO, DHO, DOES, DPWT, LWU, DONRE, Cabinet), the Governor or Vice-governor, and Provincial Chamber of Commerce. The PPSC will be chaired by the Provincial Governor or Vice-Governor and the meetings will be held on a semi-annual basis with full participation of key PPSC members, key line agencies, relevant civil society representatives, NGOs, and provincial private agribusinesses. At provincial level, technical meetings among PPCO core technical teams will be held on quarterly basis to discuss on quarterly project plan, physical and financial achievements, other issues, and implementation support to district implementing counterparts.

District Project Steering Committee.

The District Social Economic Development Committees (DSEDPC) will act as District Project Steering Committee (DPSC) at district level. DSEDPC / DPSC meetings will be attended by

DSEDPC / DPSC members, related district implementing offices, representatives of key provincial line agencies, village authorities, a balanced representation of farmers, relevant civil society members, NGOs, and provincial and district private agri-business. These meetings will be held on a quarterly basis to discuss the quarterly project plan, physical and financial achievements, other issues, and strategic guidance and technical support to project management and implementation. In addition to reviewing and endorsing the semi-annual project progress reports and AWPB, the committee will review and approve individual farmer group production plans, district multi-sector development plans, and others plans. In addition, technical meetings among district core DPCO technical teams (e.g. finance, planning, M&E, WFP) will be held on a monthly basis to discuss the operational project plan, physical and financial achievements, and any other issues.

(i) Overall implementation approach

Successful AFN II implementation requires the planning processes to effectively articulate the views of various public institutions (government and line agencies), and community organizations and groups. This requires building consensus around common objectives, outcomes, and output targets as well as constant communication and a flexible decision-making structure. The basis for investment planning at the community level will be derived directly from the VDP process, which will initiate the preparation of nutrition-focused women's empowerment, natural resource-based production, and value-adding investment plans. The district Project teams, supported by WFP, will ensure that the VDP planning process is genuinely representative, inclusive, and consistent with government rules, policies, and SEDPs.

(ii) National Project Coordination Office

The Ministry of Agriculture and Forestry, through its Department of Planning and Cooperation (DoPC), is the lead agency that has overall responsibility for AFN II implementation. It delegates this to district administrations and the National Programme Coordination Office (NPCO) based in Vientiane.

The NPCO is responsible for the sound and swift implementation of the Project through decentralized implementation and integrated work processes. The NPCO will undertake the following tasks in connection with AFN II:

- Overall project management and coordination
- Liaison and coordination with IFAD and WFP
- Secretariat support to the NPSC
- Initiate establishment of structures and procedures for project implementation and facilitate their performance / application
- Arrange for start-up workshop and orientation meetings/workshops to kick-start implementation
- Adhere by, implement and propose necessary revisions to the various project implementation manuals
- Assure the quality of and consolidate all work plans and budgets, financial management records, withdrawal applications, information, and records into a single project record
- Coordinate preparation of the AWPB, ensuring a balanced application of Project resources across the six Provinces. Consolidate and review AWPB submissions from PAFO-DAFO teams and finalise and submit these to the NPSC for approval
- Prepare tender documents and support procurement processes undertaken by the Procurement Committee. Monitor and support procurement by DAFO teams
- Provide technical support to facilitate project coordination and implementation by PAFO and DAFO teams

- Ensure and keep a record of adherence to IFAD’s Social, Environmental, and Climate Assessment Procedures
- Prepare annual progress reports which include a management reflection on emerging issues and proposed remedial actions
- Prepare for and facilitate project supervision missions and implementation support missions.

(iii) NPCO staffing

The National Project Coordinator (NPC) has solid experience from the previous IFAD-supported Programme and will lead the NPCO. The Coordinator is technically supported by full-time key project staff at the NPCO and key focal points from central technical departments of the MAF. The NPC will be fully involved in Project design and negotiation and will receive proper training from IFAD on new policies and management skills. The NPC will work full-time for the Project and will have no additional responsibilities within any other ministry department. The major responsibilities of the NPC will be to ensure that the involved central, provincial, and districts agencies and villages carry out the Programme activities in line with the Programme approach, operating schedules, and procedures. The NPC will be provided with adequate executive authorities and accountabilities through a Decision taken by the NPSC. The NPC will act as the Secretary of the PSC.

As shown in the project organogram, the following additional full-time and part-time professional positions will be staffed within the NPCO to ensure effective and timely implementation of the different activities:

A Chief Technical Advisor (international) will be hired through WFP and will advise the Project on all aspects of coordination, management, and technical issues as requested by the NPC. This will include issues linked to budget and programming, coordination and implementation of activities, financial issues, monitoring, reporting, communication, and human resources management. The CTA will also be a sector specialist in climate-adapted nutrition-sensitive agriculture.

Financial Management. A Financial Management Officer and an Assistant Finance Officer will be responsible for budgeting, account management, Interim Financial Reporting (IFR) for fund flow management, compiling Withdrawal Applications and reconciliations, annual financial reporting, submitting an annual audit, and monitoring government counterpart financing. An Accountant and a Cashier will also be appointed.

Procurement. A Procurement Officer and Procurement Assistant will be responsible for initiating and concluding project related procurement processes consistent with GoL and IFAD procurement policies and guidelines.

Technical expertise at NPCO will include: (i) an Agricultural Advisor who will provide technical support to the DAFO through the extension management system; (ii) a Food Processing and Food Safety Specialist; (iii) an Engineer in charge of overseeing investments in irrigation and market access infrastructures; (iv) a Business Multi-stakeholder Platform Coordinator who facilitates business relations between Producer Organizations and MSMEs in collaboration with the SUN business network; and (v) a CSO Partnerships Coordinator in charge of the Challenge Fund under component 3.

Mainstreaming priorities will be supported by a dedicated Technical Assistance including: (i) An Environmental/Natural Resources Management/Climate Change Specialist in charge of SECAP requirements and sustainability; (ii) a Social Inclusion Advisor who will implement strategies for engaging the different groups, including women, youth, Persons with disabilities, and ethnic groups. They will facilitate the specific project interventions designed to meet the respective needs of these groups; and (iii) a Nutrition Advisor who will liaise with WFP and assure that nutrition related activities are fully embedded in local government structures.

M&E and KM functions at NPCO will be supported by: (i) a Monitoring & Evaluation Officer who will maintain a project Management Information System (MIS) for tracking all project indicators. They will identify lags in implementation and propose adaptive management options; and (ii) a Knowledge Management Officer who will produce targeted knowledge products for promoting resilient, nutritious, and commercial agriculture production. They will also address youth engagement, scaling up good practices, and evidence gathering for policy dialogue inputs. WFP will also provide a KM specialist to support the MAF in Knowledge Management and documentation of lessons learned.

Administration. The NPCO will also be supported by an administrative officer, a translator, for both oral and written translations, drivers (two positions) and an office cleaner.

(iv) Provincial Project Coordinator

At Provincial level, project coordination is under the responsibility of PAFO who will appoint a Provincial Project Coordinator (PPC). In line with the Sam Sang decentralisation policy, there is no project office at provincial level, following arrangements similar to AFN I. The PPC will:

- Coordinate preparation of the AFN II AWPBs, including ensuring a balanced application of Project resources across the Districts. Consolidate AWPB submissions from DAFO teams and submit to NPCO
- Coordinate AFN II activities and integrate these with activities of other related donor-financed programmes
- Coordinate liaison and communication between NPCO and DAFO teams
- Coordinate technical support with WFP provincial teams as needed
- Monitor implementation progress
- Prepare progress statements and reports in line with NPCO requirements and formats.

(v) District Project Team

The District Project Coordination Office (DPCO), embedded at the DAFO, will serve as a focal point for the planning, implementation, and monitoring of AFN II activities at district and village level. Each DAFO will coordinate and consolidate planning and budgets for the preparation of AWPBs, manage AFN II accounts for expenditure carried out at district level, and prepare monthly, quarterly, semi-annual, and annual physical and financial progress reports.

A full-time District Project Coordinator (DPC) will be seconded from DAFO. Focus persons from the District Agriculture and Forestry Office and the Departments of Industry & Commerce, Health and Education & Sports, the Lao Women's Union, and other district technical line agencies will also be seconded as required into the District Project Team. They will support activities relating to agricultural intensification, value chain development, and improving nutritional practices.

- (vi) In the 15 convergence districts, project implementation will be supported by a TA team consisting of a: (i) M&E Advisor; (ii) District Agriculture Advisor; (iii) procurement officer; (iv) Accountant; (v) Driver; and (vi) Community Mobilizers (2–3 per District). A Biodiversity

for the DPC and externally recruited staff are in Appendix 2 of the PIM.

The District Project Team is responsible for sound and swift implementation of the Project through integrated work processes. They will undertake the following tasks:

- Prepare the AFN II AWPB for the District, ensuring a balanced application of Project resources across the Villages and submit to Provincial Project Team for review

- Manage project funds transferred from NPCO
- Coordinate implementation the activities of District technical agencies
- Coordinate implementation activities with WFP staff on district level
- Coordinate AFN II activities and integrate these with activities of other related donor-financed programmes
- Ensure timely and complete collection and reporting of M&E data
- Prepare progress statements and reports in line with project requirements and formats.

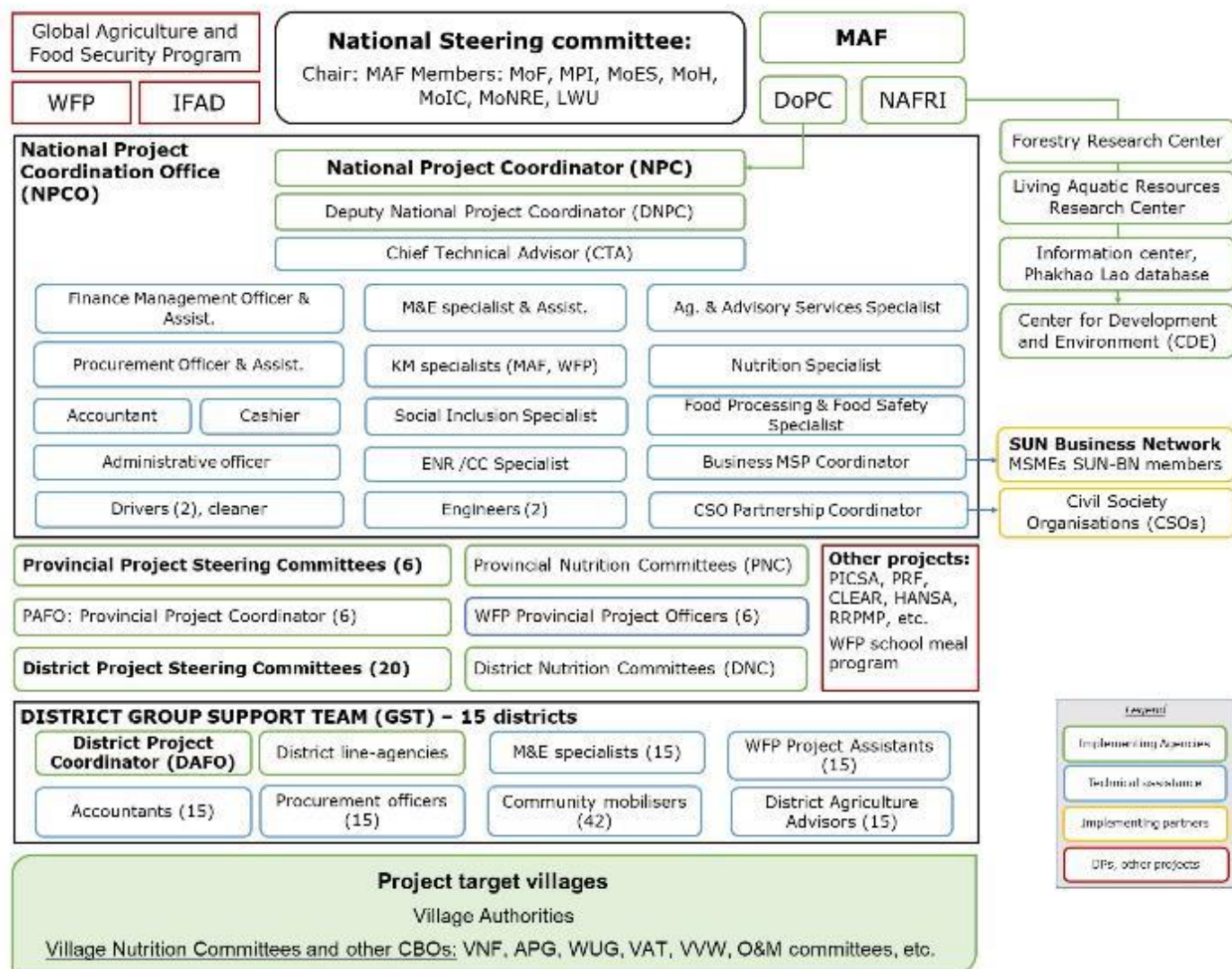
(vii) The Group Support Team (GST)

The GST is comprised of the DPC from DAFO and full-time Focal Persons assigned by each District Technical Office (DAFO, Health, LWU, Industry and Commerce, Environment and Natural Resources, Youth, Education, etc.). The DPCO will serve as a focal point for technical support for all AFN II activities and is the main implementing agency for AFN II at the local level. The project will also use Community Mobilisers recruited locally in the project target areas and in charge of liaising between the GST and the target groups at village level.

(viii) WFP staff

Besides the CTA, WFP will provide several specialist staff at National, Provincial, and District levels to implement, together with project partners, the activities under WFP supervision. Their role will be restricted to the activities for which WFP is responsible: "Improved nutritional status of women, children, girls, and other vulnerable groups" and "Multisector planning and coordination". Proposed staffing will consist of up to 2 full time staff at the provincial level and 1 full-time staff at the district level. Both positions will be embedded in the PAFO and DAFO if possible and as space allows. On National level, WFP will provide international and national sector specialists on a part-time basis, including financial and administrative support.

AFN II organogram:



(ix) Partnership with WFP

World Food Programme (WFP) was the core partner for AFN I and remains so in AFN II. It implements the Activities under Components 1a and 3 in close cooperation with NPCO and the Provincial and District project Teams. The draft Agreement between the MAF and WFP on Technical Assistance for the implementation of AFN II is provided as an Annex to the PIM. Under this Agreement, WFP will provide key staff on national, provincial and districts levels and will financially manage the activities from the WFP Country Office in Vientiane, following UN and WFP guidelines.

The overall working modality between the MAF (NPCO, PAFO, DAFO) and WFP follows the partnership approach adopted in AFN I. WFP is directly responsible for several activities and Logframe indicators linked to these activities. WFP full-time staff will share offices as far as possible with the NPCO (for the CTA), PAFO, and DAFO Project Teams. Further WFP support staff will be based at the WFP Country Office in Vientiane.

WFP Reporting and Coordination. WFP staff are supervised by WFP appointed supervisors. District PA staff is supervised by Provincial PPOs and Provincial PPOs are supervised by WFP Country Office staff in Vientiane. WFP staff at all levels will report to national, provincial, and district levels as follows:

- Financial reporting will only be done by the WFP Country Office and CTA (quarterly) and will follow the Memorandum of Agreement signed between MAF and WFP.
- All WFP staff is required to attend regular (monthly/bi-monthly) planning/progress meetings at national/provincial/district levels.
- All WFP staff will submit M&E data in the format and time as agreed during project implementation.
- WFP staff will submit short quarterly physical progress reports on WFP supervised activities in a suitable format developed during project start-up.
- WFP staff will submit monthly or bi-monthly workplans to PAFO and DAFO coordinators and discuss the content.
- When traveling to the field/villages (with or without partner staff), WFP staff need not request separate approval from PAFO and DAFO coordinators.
- All WFP staff will coordinate their work and travels as much as possible with the PAFO and DAFO Project Teams.

(x) Project implementing partners and line agencies

AFN II's components and outputs will be delivered through decentralized approaches, line agencies, and partners as indicated below.

- **Improved Nutritional Status:** Involves the Convergence agencies - Ministry of Agriculture and Forestry, Ministry of Health (MoH), Ministry of Education and Sports (MoES), and Lao Women's Union (LWU). WFP will lead these activities in close coordination with the NPCO, the PAFO and DAFO Project Teams, and the concerned line agencies at the local level.
- **Improved Agriculture Productivity:** Involves the Ministry of Agriculture and Forestry and especially its Departments of Planning and Cooperation and Agricultural, Extension and Cooperatives as well as NAFRI.
- **Business Partnerships and Market Access:** Involves the Ministry of Industry and Commerce, Chamber of Industry and Commerce, and SUN Business Network.

(xi) Other implementing agencies

AFN II will support the NAFRI and CDE as implementing agencies of Component 1a, Activity 1a.4, Local food sources and wild foods management. AFN II will sign a Memorandum of Understanding (MoU) which defines the mutual obligations of AFN II and both

implementing agencies in terms of targets, expected outputs, outcomes, budget, monitoring, and reporting.

26. Social, Environmental and Climate Assessment Procedures

A Social, Environment and Climate Assessment Procedures ([Annex 5](#)) Review Note has been prepared for AFN II in accordance with IFAD standards. Based on this review, AFN II is classified being in Environmental and Social Risk Category B, with a moderate climate change risk profile. An Environmental and Social Management Plan (ESMP) has been prepared.

Environmental and social impacts. The project adopts the “cause no harm” safeguard principle to address social and environmental risks. Key environmental and social risk mitigation measures identified in the ESMP include:

Use of Good Agriculture Practices (GAP) to prevent harmful use of agriculture chemicals and to prevent soil erosion in particular.

Efficient and sustainable use of water resources. Irrigation developments supported by AFN II will be below 100ha in size and do not need an Environmental Impact Assessment. For any irrigation development, the water source should be checked to verify that there is enough water for the scheme after allowing for existing use and the needs of the environment.

Environmental sustainability of roads: Roads should be carefully designed to minimise damage to slopes, soil erosion, and changes to natural water flows. Operation and maintenance planning of roads should consider the tasks needed for environmental protection (e.g. keeping drainage channels clean).

Avoid Involuntary Resettlement: AFN II will not support any development that requires involuntary resettlement and this should be avoided wherever possible.

Climate risks. The project will adopt a combination of avoidance, adaptation, and mitigation measures to reduce the possible negative impacts of climate change on project outcomes. These are tailored to upland and lowland areas and include both technical and institutional capacity building measures. The building of institutional capacity to counter climate risks includes: (i) strengthening village authorities and establishing or strengthening water user and producer groups; (ii) supporting community participatory planning processes, including assessments of impacts and the formulation of operations and maintenance (O&M) plans; (iii) providing technical training to promote sustainable land and water management practices and improved technologies that will enhance climate change resilience.

The SECAP in [Annex 5](#) provides a detailed analysis of the risks, vulnerabilities, and mitigation measures which are included in the Environmental, Social, Climate Management Plan.

27. Logframe

The Project’s Logical Framework is the reference point for preparing the AWPB, PP, and for the M&E functions. The Logical Framework is regularly updated to reflect implementation experience as well as IFAD’s and GAFSP’s evolving reporting requirements. Targets for outputs and outcomes can be updated (but not fundamentally changed). This might be needed, however, and will be reviewed and confirmed during annual Supervision Missions. Higher order targets can only be updated during the Mid-Term Review Mission.

The Logframe is available at the end of the main text of the PDR ([Annex 1](#)).

28. Annual Work Plan and Budget and Procurement Plan.

The Annual Work Plan and Budget (AWPB) and the Procurement Plan (PP) are key documents for day-to-day project management as they link technical management, financial management, and procurement processes. The NPCO compiles the Annual Work Plan and Budget in accordance with IFAD guidelines and formats. The draft 2022/23 AWPB with detailed tables and narratives and the 18-month Procurement Plan are revised and will be separately shared with IFAD for no objection.

The AWPB is prepared according to the government's financial year and shall include IFAD and WFP financing as well as the Government, beneficiaries, and private sector contributions. The AWPB will be submitted to IFAD for prior review at least 30 days ahead of the financial year. Each AWPB shall be accompanied by a short write-up that provides strategic background to the AWPB. This includes reflection on lessons learned during implementation, including financial and physical achievements, challenges, explanation of new priorities, changed emphasis in project implementation, and a listing of key events for the years to come.

a). Development of the Annual Plan and Budget (AWPB)

The AWPB preparation process is as follows:

Step 1. Preparation and information dissemination. Every June the NPCO will communicate the annual AWPB plan to national, provincial, and district implementing agencies, including its objectives, contents, framework, and guidelines.

Step 2. Village planning. The AWPB starts at village level during July. Together with local communities, the village administration will organize village meetings to discuss and select activities to be included in the village AWPB. These meetings are joined by the Community Mobilisers to provide comments and suggestions. The final village AWPB will then be submitted to the DPCO and District Socio-economic Development Committee for review and inputs.

Step 3. District AWPB. In August, the District Socio Economic Development Committee will discuss and consolidate the village AWPBs into the district AWPB and submit this to provincial PAFOs for input and consolidation.

Step 4. Provincial AWPB. In August, the PAFO will review and consolidate all district AWPBs and submit this to the NPCO.

Step 5. Project AWPB. In October, the NPCO will review, consult with different stakeholders, and consolidate all plans to develop an overall AWPB.

Step 6. Project AWPB approval. Between November and December, the project AWPB is submitted to the NSC for review and next to IFAD for technical inputs and formal approval. After no-objection from IFAD, the NPCO will submit the AWPB to the NPSC for final approval.

(i) AWPB implementation.

With the approved AWPB, the NPCO will officially inform provinces, districts, and villages about the approval. Accordingly, provinces, districts, and villages will implement and supervise the activities as specified in the approved AWPB. They will report back on physical and financial progress to the NPCO.

Practical guidance for good quality AWPB development and implementation are summarised below.

Allocate adequate time for AWPB. Practical experience in the field suggests that project planning units at all levels needs to reserve at least six weeks for planning. Prior to this the relevant documentation needs to be made available. At a minimum this should include: the Project Design (with Logframe), any Aide Memoirs, the survey reports, and past AWPBs. As part of the planning preparatory process, it is also important to review project

logical framework and targets, possibly revising the achievement indicators as per activities proposed in VDPs and other technical evaluations. The Aide Memoirs agreed actions lists are an important reference for changing targets and drafting concrete action points for the AWPB.

Coordination and teamwork in AWPB planning. AWPB preparation is often left with the planning section without the direct participation of other related sections (management unit, implementation units, M&E unit). To strengthen the quality of the AWPB, the coordination between and *participation* of different related sections is required. The AWPB should be developed with a specific AWPB team consisting of: (i) management, (ii) technical staff, (iii) planning staff, (iv) M&E staff, and (v) possibly partner agencies. Interaction and coordination among different sections of the project will lead to improved planning.

Planning and budgeting discussions. The AWPB Planning and Budgeting meeting to produce the first draft will involve each related section preparing in advance their own draft plans and budgets. These plans and budgets are then discussed at the meeting so that other sections can contribute their opinions. The planning and budgeting meeting should last from two to three days to ensure every aspect is reviewed, discussed, and agreed upon.

Consultations on draft AWPB. The Draft version of the AWPB should be disseminated to related agencies (DAFO, PAFO, NAFRI) for consultation and comments. Depending on time availability, the consultation can be implemented directly (via a meeting) or indirectly (via written communication/documents). At this step, the planning section of the project should be assigned as the focal point for gathering and synthesizing suggestions and recommendations from related agencies. The received recommendations should be integrated into the final AWPB draft when possible.

Completion of the AWPB. As final step of the process, the AWPB team should carefully review the revised AWPB. Another full day discussion is required to go through each of the actions, indicators, and numbers. The team members need to agree on the feasibility of the proposed activities, the measurability of the indicators, and the justification of the targets. By finishing this step, the final AWPB is developed and should be ready to submit to IFAD and the MAF.

Each AWPB is supported by a Procurement Plan which lists all planned procurements for works, goods, and services together with the proposed procurement methods and a credible timeline.

The steps in preparation of the AWPB and PP are as follow:

District-wise planning framework. In order to facilitate rural decentralized planning, the NPCO prepares a tentative resource allocation per district (for the targeted villages), including an overview of generic eligible activities. This allows the district Project Teams a starting point for defining their plan for the coming years. The NPCO shall also provide formats for recording the proposed Annual Work Plan and Budget. The NPCO has a lead role in projecting and balancing resources among the districts. This also considers that the NPCO may revise district allocations subsequently in view of achievements, capacity, and the involvement of other financiers in the district. The preparation of a tentative resource allocation per District is thus used every year for initiating the annual bottom-up planning.

Preparation of the AWPB: Using the format provided by IFAD, the NPCO will prepare an AWPB. This will include the activities supervised by WFP. WFP will provide the APWB parts related to the WFP components and activities through the CTA or the WFP Country Office. It is submitted to IFAD no later than 30 days before the beginning of the relevant Financial Year. To this end, the planning processes below will be indicated.

Annual planning workshops – Annual planning workshops for AFN II will be held immediately after the annual Socio-economic Development Planning Meetings that take place at District and Province levels as part of the general annual planning cycle. Doing so

provides the opportunity to enhance coherence between the activities, especially for those undertaken at District level. It also provides an opportunity for enhancing the synergy between projects working in the same targeted areas. The district annual project planning workshop is organised during August/September, whereas the province has subsequent meetings during September/October. Compilation of AWPB at national level by the NPCO takes place in October/November, followed by submission to IFAD for prior review and to the NPSC for concurrence. The workshops are bottom-up and inclusive, involving representatives from concerned targeted villages, DAFO/PAFO/WFP staffs, and from partner agencies. Annual goals are set reflecting the targets in the Project Logframe.

Procurement Plan. Based on the works, goods, and services that are planned for in the AWPB, a Procurement Plan is developed and submitted along with the AWPB for IFAD review and no objection.

Annual Development Plan. The 'no-objected' AWPB is used to develop the GoL Annual Plan, which secures the allocation of Government funds to the Project for the concerned Financial Year.

The AWPB and PP can be revised as and when needed, but in view of the process to obtain a no-objection from IFAD, it is advisable to reduce the number of annual revisions. IFAD cannot provide no-objections for procurements or expenditures if an item is not included in a no-objected AWPB and PP.

29. Financial management, procurement, and governance

Risk assessment. The inherent fiduciary risks for AFN II are high. This considers the overall environment surrounding financial management, GoL's agenda for improving financial management practices and progress thereof, and experience within IFAD's portfolio. The fiduciary risk assessment is incorporated in the Integrated Project Risk Matrix. In the face of these risks, AFN II's design includes:

- (a) **Staffing.** AFN II will hire a Financial Management officer at NPCO while each Provincial and District Team is provided with an Accountant to support financial management. Administrative staff are hired and trained to ensure consistency in processes.
- (b) **Financial Management Manual.** An FMM is drafted for review by GoL and for subsequent submission for no-objection by IFAD. The manual describes critical processes, such as preparation of the AWPB, establishment of internal control mechanisms, adherence to IPSAS⁴⁶ cash basis accounting policies, and procedures for accounting and financial reporting.
- (c) **Accounting software.** AFN II will use accounting software established under AFN I and with the NPCO as used for all financial reports. Provincial and District Teams will record transactions in spreadsheets as stipulated in the FMM.

30. Project financing/cofinancing strategy and plan

The total cost for the 7-year AFN II Project is estimated at US\$48.33 million (LAK 726,68 billion) including contingencies. The total base cost is US\$40,72 million (LAK 612.11 billion). Physical and price contingencies account for US\$1.22 million and US\$6.40 million, respectively (3% and 15.7% of the total base costs).

Baseline investment costs are estimated at US\$38.15 million representing 94% of baseline cost.

The breakdown of the costs by component/outputs and financiers is shown in the Table below. The financing plan is presented to highlight the IFAD Loan and the GAFSP grant of

⁴⁶ These are procedures defined by the International Public Sector Accounting Standards Board (IPSASB)

US\$20 million. US\$12 million of that is implemented through IFAD and US\$8 million by WFP.

Table 56: AFN II Project costs by component (and subcomponents) and financier (Thousands of US dollars)

	The Government		IFAD		GAFSP MAF		GAFSP WFP		Beneficiary		MSME Kinds		MSME Cash		Funding Gap		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Work	2 060 831	24.1	-	-	2 295 898	26.9	355 368	4.2	940 844	11.0	-	-	-	-	2 889 642	33.8	8 542 583	17.7
2. Goods, Services & Inputs	175 522	7.1	1 057 981	42.8	821 719	33.2	418 544	16.9	-	-	-	-	-	-	-	-	2 473 767	5.1
3. Grants and Subsidies	693 724	4.0	4 721 615	27.5	5 382 572	31.3	214 536	1.2	1 191 221	6.9	1 155 668	6.7	288 917	1.7	3 542 656	20.6	17 190 908	35.6
4. Consultancies	1 338 695	12.6	5 490 718	51.6	2 132 383	20.0	1 502 541	14.1	-	-	-	-	-	-	172 652	1.6	10 636 989	22.0
5. Training	356 139	5.3	1 323 402	19.7	1 365 055	20.3	3 572 700	53.1	-	-	-	-	-	-	109 505	1.6	6 726 802	13.9
6. Operating costs	151 832	5.6	640 400	23.5	-	-	1 932 071	70.9	-	-	-	-	-	-	-	-	2 724 303	5.6
Total PROJECT COSTS	4 776 743	9.9	13 234 115	27.4	11 997 627	24.8	7 995 761	16.6	2 132 065	4.4	1 155 668	2.4	288 917	0.6	6 714 455	13.9	48 295 351	100.0

The Government, beneficiary, and private sector contributions (cash and kind) will be incorporated in the Annual Work Plan and Budget (AWPB) and will be shown in the Project accounts.

The Draft Financial Management Manual (FM) is available in appendix 4 of the PIM.

31. Procurement.

Procurement shall be carried out in accordance with Lao PDR's Public Procurement Law (2017), the MOF's Public Procurement Instructions of 13 February, and subsequent public procurement regulations as long as they are consistent with IFAD's Project Procurement Guidelines (2010 version). In case of any contradiction between IFAD Guidelines and national regulations, the former will take precedence.

All procurement under WFP supervised Components and Activities will follow separate UN and WFP procurement guidelines.

Procurement will be undertaken: (i) for the overall project by the MAF Procurement Committee with support from the NPCO; (ii) for decentralised activities (training and extension services, nutrition interventions, village to village access road, etc.) by Provincial Project Teams and/or District Project Teams with approval by the district procurement committee; (iii) for the Challenge Fund by CBO applicants; and (iv) for the APG grants by farmer groups.

Procurement of goods, works, and services under the Challenge Fund will be carried out by the awarded CBOs. The Challenge Fund Guidelines (to be prepared during project start-up) will provide detailed procurement procedures and requirements, following the experiences gained in the FNML, AFN, and PICSA.

Procurement of infrastructure investments and input packages under Agriculture Production Group funds (APGs) will be carried out by farmer groups through the force account method and/or simplified local shopping with technical support from District Project Team/district staff. Contributions by farmer groups are met in terms of labour and locally collected construction materials. Project financing is for purchasing construction materials, equipment, capacity building, and production input packages through the simplified local shopping method with at least 3 quotations when possible. The APG Grant Guidelines will again provide detailed procurement procedures and requirements.

Procurement of works under Subcomponent 1b will be carried out by District Teams with technical support from the involved provincial and district line agencies. They will follow procurement procedures and processes specified in the Project Procurement Guidelines. Local competitive bidding and/or local shopping will be applied for procurement of works for village-to-village access tracks.

The project will recruit a fulltime Procurement Officer at the NPCO. They will be responsible for procurement planning and implementation at the NPCO. They will also be responsible for training and supporting Provincial and District Teams staff, ABIF applicants, and Farmer Groups undertaking procurement activities at provincial and district levels. A Procurement

Committee, including representatives of the related government line agencies, will be established for each procurement activity undertaken at national, provincial, and district levels.

For procurement related aspects, the design included the following provisions:

The general integration of SECAP requirements into procurement documents is described in Annex 4, Volume 1 of the SECAP.

The project specific risks as identified by the SECAP online tool which have implications for procurement are related to the use of fertilisers, labour, and working conditions.

Biodiversity 1.8; Could the project involve or lead to procurement through primary suppliers of natural resource materials?

Resource Efficiency and Pollution Prevention 2.6: Could the project involve inputs of fertilisers and other modifying agents?

Labour and Working Conditions 5.3: Could the project involve children in supported activities or value chains who are (a) below the nationally defined minimum employment

These Environmental and Social issues can be dealt with best through procurement mitigation measures that the Borrower must be required to put in place with respect to procurement parameters like:

1. Technical Specifications
2. Bidder Qualification
3. Bid Evaluation Criteria
4. Contract Clauses

For Example, if use of harmful types of pesticide is an issue in the project area, then it can be dealt with through the specifications of the pesticide and both the ES specialist and the SPO will agree that the project will use a "WHO-FAO approved pesticide and that WHO-FAO codes for safe labelling, packaging, handling, storage, application and disposals of pesticide are respected".

If the project involves work in a sensitive cultural heritage area or an area where biodiversity is to be protected, then the successful past experience of the contractor in working in such zones is critical and the ES specialist will select "Bidder qualification" and "Bid Evaluation Criteria".

If labour conditions or indigenous peoples' rights are often compromised in the project's area, then the ES specialist may select "Contract Clauses" and give whatever further guidance is possible for SPO.

If deforestation or extensive use of natural resources in the project area is an issue identified by the ES specialist, then the ES specialist will chose "specifications" and "Bid Evaluation Criteria" and agree with the SPO to specify legally-harvested timber (or timber certified with the relevant label) and agree as to the evaluation criteria to be used to promote resource efficiency (e.g. evaluation criteria to favour energy efficient pumps, efficient transformer sub-stations, fuel saving equipment etc.).

The ES specialist, relevant members of the PDT and the SPO will need to consult together and pool their collective expertise in the various disciplines in order to arrive at the right mitigation measures to be reflected in the PRM. In this manner downstream work by the SPO in prescribing the project requirements for the Procurement Plan (PP) and PDR are facilitated and can be readily reflected in the PIM and the choice of bidding documents and contract provisions.

Table 57: E&S safeguards relevant to procurement

Biodiversity conservation	Risk Rating	Consequence	Guidance for Project
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Moderate	Minor Project may possibly require procurement of natural resources through primary suppliers and resource extraction is tightly regulated. Alternatives to procurement of natural resources through primary suppliers exists.	Procurement through primary suppliers of natural resource materials should be addressed through project procurement in the technical specifications, bidder qualification, bidder evaluation criteria, and contract clauses, favouring sustainably sourced materials whenever possible. No major construction envisaged however depending on type of construction project in discussion with Lead Project Agency/IFAD will incorporate adequate requirement as part of bid document. The provision does not need to be incorporated for types of construction work or activities where it is not feasible to obtain nor identify sources of materials in remote rural locations.
Resource Efficiency and Pollution Prevention	Risk Rating	Consequence	Guidance for Project
2.6 Could the project involve inputs of fertilisers and other modifying agents?	Moderate	Minor The project only requires minimal amounts of fertiliser	Project to include in the tender document a list of approved/certified chemicals and incorporate them in the tender. The list of approved/certified would be based on existing national regulation.
Labour and Working Conditions	Risk Rating	Consequence	Guidance for Project
5.3 Could the project involve children (a) below the nationally-defined minimum employment age (usually 15 years old) or (b) above the nationally-defined minimum employment age but below the age of 18 in supported activities or in value chains?	Moderate	Minor The project does not operate in sectors or value chains where the employment of children has ever been reported.	Project to include contract clauses that require contracted parties including sub contracted parties to comply with International Labour Law for prohibition of child labour by referring to the ILO directives as well as available National Labour Laws. Provisions to be incorporated in consultation with LPA/IFAD for all procurement packages and contracts. Could include self-declarations in bid documents.

A [Procurement](#) Manual is available in Appendix 5 of the PIM.

2. Monitoring and Evaluation (M&E)

a). M&E Plan

The draft M&E [manual](#) is included as an appendix. Monitoring and evaluation (M&E) aims to: (i) monitor implementation of the AWPB and inform project management of any issues requiring attention; (ii) track achievements against the indicators in the Project Logical Framework; (iii) assess the quality of Project performance; and (iv) enable Project Management to take informed decisions for ensuring success. Both the assessment of implementation performance and progress tracking are used by project management to identify necessary remedial actions.

Building on the AFN I experience, the AFN II M&E system will apply IFAD Core Outcome Indicator (COI) measurement guidelines to measure all IFAD COIs at baseline, mid-term, and completion. M&E training will be conducted for district-level M&E TA and an automated bilingual system will be created. To avoid double counting, a household ID system will be integrated in the database with a summary table of project beneficiaries disaggregated by sex, age, and ethnicity.

The M&E function for AFN II will be described in an M&E plan and manual. Preparation of this plan and manual, oversight over its implementation, and drawing conclusions for management action are the responsibilities of the M&E Officer at the NPCO. The M&E Plan is to be developed within the first year of the Project and will be regularly updated.

(i) Staffing and capacity building for M&E

The project will recruit one, full-time, national M&E Officer at the NPCO and 15 full-time District M&E officers. These are responsible for guiding the overall M&E strategy and implementation of related activities within the Project and with partners. They will also provide timely and relevant information to the project and stakeholders in the management and implementation of project activities. This requires close coordination and communication with project implementation agencies and other stakeholder groups and field staff as well as consultants linked to external M&E-related missions.

The National and District M&E staff will ensure that the M&E/KM system allows the monitoring of inclusion and gender equity aspects. They will also ensure that achievements and lessons learned are made available to multi-stakeholder platforms and project implementers in order to support regular analysis, improved performance, and annual programming of related activities.

(ii) Overview of indicators, data sources, and frequency and method of reporting.

Monitoring indicators will be disaggregated according to gender, socio-economic status and age when possible to enable a proper assessment of whether the project is indeed reaching its intended target beneficiaries: the poorest, especially women, youth, and vulnerable groups. The monitoring indicators will include:

- a) Indicators included in the Logframe covering project impacts, effects, outcomes, and outputs;
- b) Indicators needed for updating the Integrated Project Risk Matrix;
- c) Input indicators which measure the implementation progress of the Project. For each activity to be assessed, it is advisable to develop both a progress and related-cost indicator. This will help assess the 'value for money' of investments made by AFN II;
- d) Additional indicators needed to update the project Economic and Financial Analysis (EFA) that was carried out at the design stage. The M&E Officer should liaise with IFAD to determine what indicators should be collected for the EFA.

(iii) Data collection and surveys.

Methods of collecting data and information will include:

- a) Regular recording of activity data in progress reports from the Provincial and District project Teams, compiled on at least a quarterly basis;
 - b) Regular recording of expenditures against activities on a quarterly basis. Doing so helps ensure consistency in unit prices across Districts and Provinces;
 - c) Periodic recording of outputs. This can be combined with the quarterly implementation information described above.
 - d) **The baseline, mid-term, and end line surveys.** The primary purpose of these surveys is to measure achievements against outcome and impact indicators in the Logframe;
 - e) Compilation of data from Village Development Plans to improve knowledge of the project target area;
 - f) **Annual Outcome Surveys.** These are surveys carried out each year, beginning in the third year of project implementation, to estimate the outcome indicators in the Logframe. Outcome Surveys are carried out by project staff using the best available methods for each indicator.
- (iv) Data Collection Responsibilities.

All data collection by the project should be coordinated and efficient. Project management will firmly ensure that the different disciplines under the Project do not engage in data collection and studies in isolation from the M&E function. In addition, efforts shall be made to prevent repeated and overlapping data collection exercises which are time consuming for DPIT staff and village authorities.

All project implementing agencies/units are responsible for collecting and reporting data as required by the M&E Plan. Data collection responsibilities include:

- The PGT M&E Officer, with support of district M&E Officers, Provincial, and District Project Teams and WFP staff will be responsible for direct collection and oversight of regular activity, process, outcome, and impact monitoring data; establishing a structure for reporting, management information, and knowledge management; and ensuring analysis of the information and data obtained;
- District M&E staff will coordinate with WFP district staff to obtain data from the WFP-supervised activities at the district and village level in agreed-upon formats;
- The District and Provincial Project Teams will provide regular reports on progress and expenditures. The data are to be collected and compiled by the staff and/or teams responsible for specific activities;
- Key project staff at the NPCO will produce mission reports and specified technical reports and contribute to identifying strategic priorities in project management. They shall have access to all relevant information produced by the Project for their work;
- The NPCO will engage a competent firm experienced in in-depth household surveys for designing, organising, and conducting baseline, and end-line surveys and providing trained enumerators;
- The NPCO will engage others as needed based on discussions with the M&E Officer.

(v) Specific studies.

In addition to the baseline, midline and endline surveys, specific studies will assess either the existing conditions or the quality of achievement in a specific field of work (such as nutrition KAP surveys or APG and LF assessments). The National M&E Officer will rely on various technical experts to define and guide such studies. They should assure outcomes

are made available to the Project as a whole and are integrated into the analysis of the Project's implementation.

(vi) Analytical work.

The National M&E Officer is responsible for analysing M&E data, using data to formulate useful advice for project management, drawing conclusions, and identifying lessons learned. The M&E Officer should involve all staff, especially technical experts, in this work. For example, they might organise a small meeting, presenting M&E findings and discussing and identifying lessons learned.

32. Knowledge Management (KM) and Knowledge Sharing (KS)

A draft [KM](#) plan is in Appendix 3 of the PIM. The AFN II CTA will assist the project to prepare its KM strategy during the first year. The KM system will enable the Project to generate, capture, share, and disseminate relevant information and knowledge to various stakeholders in a timely manner, including through existing PSC meetings, the Sector Working Group on Agriculture and Rural Development, and other Subsector working Groups under the MAF. This will address AFN II experience and lessons make recommendations towards national policy, regulations, and procedures. This will be done through inclusion of relevant stakeholders and actors outside and inside the Project in this knowledge management process. AFN II includes resources to undertake specific studies or national events that promote debate on findings and their consequences for national policies and programmes.

The existing AFN I Project website (www.afn.gov.la) will be updated and used for AFN II and will become functional within the first year of implementation as a knowledge sharing tool. Other technical forums will be used as potential knowledge sharing venues for capturing lessons learned and best practices leading to the development of related knowledge products. Key information from M&E studies, reviews, exposure visits, lessons and best practices will be disseminated through knowledge products such as newsletters, publications, case studies, and reports. The NPCO will strive to build a culture of knowledge documentation and sharing within the project and actors outside the Project in this knowledge management process.

a). Documentation.

AFN II has a small budget for documentation of findings and lessons learned. Documentation can use different formats including audio-visual and web-page content as well as printed documents.

(i) Staffing and capacity building for KM

Two KM Specialists will be mobilised to support the project generating, acquiring, sharing, using, and adapting the best available knowledge based evidence and practice. The KM specialist will also increase project visibility and impacts on behavioural change through mass and social media and workshops with key stakeholders and partners. This will ensure concurrent greater visibility of the Government of Laos, GAFSP, IFAD, and WFP.

33. Reporting

Recurrent reports. These are part of the NPCO's reporting on the Project. These reports review progress and achievements (or the lack thereof) and describe and recommend remedial action at the level of project management. The Provincial and District Project Teams will identify success stories or failures and report these for inclusion in the reports.

- A consolidated Physical and Financial **Monthly Progress Report (MPR)** will be prepared by the Provincial and District Project Teams which will consolidate all the physical progress made on all subcomponents, including the WFP supervised activities. This report will also cover overall expenditures under each component except for the WFP supervised activities.

- **A Quarterly Progress Reports (QPR)** will be prepared by the NPCO which consolidates the monthly reports of the past three months adding information on finance, procurement, training, and physical progress. It comprises of tabular information derived from the monitoring system. This will be complemented by a short written analysis of the implications and management decisions to improve performance.
- **Six-monthly reports to GAFSP** will be prepared by the NPCO jointly for the IFAD and WFP supervised activities. GAFSP will provide the format which includes short physical and financial progress updates as well as narratives on specific areas of interest to GAFSP.
- An **Annual Project Progress Report (APR)** will be prepared within one month of the end of the Project Year to cover the entire financial year. This report will be presented to the NPSC and IFAD. The APR will cover:
 - an Introduction
 - Implementation progress supported by data from the M&E system, including highlights related to reporting, events, publications, and lessons learned;
 - Financial Management description providing short narrative text along with tabular information;
 - Procurement Management description reviewing key procurement processes and bottlenecks and successes;
 - Management Reflection listing the issues and risks the Project is facing as well as suggested management actions for review by the NPSC and IFAD;
 - An update of the combined exit and scaling strategy included or attached to the first Annual Progress Report.

Position Papers – to be published ahead of the annual IFAD Supervision Missions/ISM and of the Mid-Term Review. These papers are a reproduction, and if need an update, of the Management Reflection included in the Annual Progress Report;

Project Completion Report (PCR) – To be published six months before Project completion in order to facilitate IFAD’s final Supervision Mission. The format and content for this report will be coordinated with IFAD.

Occasional reports. These are reports supporting implementation of one or more elements of the Project. These technical reports include – but are not limited to – the following:

- Study of Knowledge, Attitudes and Practices with respect to nutrition;
- Assessment of Agriculture Production Groups, Lead Farmers and Infrastructure schemes.

34. Risk Management

Anticipation of risks and proactive action to prevent or minimise their influence form key responsibilities of the National Project Director and National Project Coordinator. The Management Reflection in the Annual Progress Report should include up-to-date information on risks and describe the mitigation measures pursued or proposed by the NPCO.

Key risks identified during the design of AFN II are listed in the Integrated Project Risk Matrix. The risks are listed by category. Each risk is assessed according to a scale: Low / Moderate / Substantial / High. Each risk has two assessments: Inherent Risk and Residual Risk:

- Inherent Risk means the risk level if no risk mitigation measures are implemented;
- Residual Risk means the risk level if risk mitigation measures are implemented.

The IPRM includes risk mitigation measures for any risk that has a level of “Moderate” or higher in the Residual Risk column.

Example of Risk Rating

- **Category:** Implementation Arrangements
- **Risk:** Operational risk that lack of capacity with respect to administrative processes affects implementation of technical activities
- **Inherent Risk:** Substantial
- **Mitigation:** Financial and administrative support at all implementation-levels financed under the Loan.
- **Residual Risk:** Moderate

In this example, the mitigation measure reduces the risk level from Substantial to Moderate

Each **Annual Report** must include an updated IPRM. The updated IPRM should report on:

- For each risk identified in the IPRM, did the risk affect project implementation during the previous year? Write a brief comment.
- Was the risk mitigation measure implemented?
- What is the assessed risk level the next year?
- Are any additional mitigation measures needed?

If any new risks are identified, these should be added to the updated IPRM. The updated IPRM will be reviewed by the IFAD project supervision mission.

35. Sustainability

The Project aims to give a new foundation to the rural economy in the project area. This will be comprised of linking smallholder agriculture with emerging markets and improving rural livelihoods for disadvantaged groups. Sustainability depends on continued investment in this foundation. The Project is successfully completed when farmers, farmer groups, and water user groups use an adequate part of their increased earnings to reinvest in agricultural intensification. This will at least safeguard the new level of productivity and market integration, but ideally lead to further advancement. The second test of successful completion is for inclusiveness to become a standard consideration in decision-making on rural development and in the interactions among the decentralized government line agencies concerned (Village, District and Province).

Sustainability from the start. The sustainability of the Project outcomes must be a continuous consideration in project management. Thinking of sustainability is a counterweight to a singular focus on project targets and helps adjust and improve the course of the Project.

Exit Strategy. A detailed Exit and Scaling strategy will be developed and submitted to IFAD for review before the Project Mid-Term Review (MTR). Preparing the Exit and Scaling Up strategy helps to focus project management thinking on sustainability. The Exit and Scaling strategy answers the following questions:

- **Exit** – What needs to be done to ensure the Project is successfully completed?
- **Scaling Up** – What needs to be done to ensure the benefit flow of the Project increases during and beyond the course of the Project?
- **Scaling Out** – What needs to be done to apply Project's successes elsewhere?

The NPCO is responsible for preparing the Exit and Scaling Up Strategy. They will do so in an interactive manner, involving relevant stakeholders and pursuing their commitment.

36. Supervision arrangements

a). Supervision Mission (SM) and Implementation Support Mission (ISM)

The project internal supervision system is comprised of local monthly and national quarterly and annual review meetings, capturing information on progress and lessons learned, and finding solutions for implementation constraints. A specific report will be prepared for the quarterly and annual review meetings.

In addition, a joint supervision mechanism with IFAD and WFP will be implemented. This will involve yearly, joint, IFAD-WFP Supervision Missions. This will be carried out towards the middle of each fiscal year. It shall assess performance in the achievement of physical and financial progress against annual targets. The Supervision Mission will also provide specific actions (Agreed Actions) to be taken by the Project. IFAD will provide grades (from 1 to 6) for ongoing project implementation. Field visits are an integral part of the Supervision Missions.

Yearly, joint, IFAD-WFP Implementation Support Missions will be carried out towards the end of each fiscal year. They shall assess performance in the achievement of physical and financial progress but will mainly support the Project in specific needs. Field visits are an integral part of Implementation Support Missions. The composition of the Supervision and Implementation Support Missions will be based on the need for technical support of the different project components and the performance areas that require attention.

(i) Mid-Term Review (MTR) and Project Completion Review (PCR)

The Mid-Term Review (MTR) will be jointly organized by IFAD and WFP, together with the GoL during the end of the third year of the project lifespan. The aim is to: (i) assess achievements and interim impact, the efficiency and effectiveness of management arrangements, and the continued validity of project design; (ii) identify key lessons learned and good practices; and (iii) provide recommendations for improved performance including needs for restructuring, if required. The mid-term evaluation will review implementation progress of project components, document performances on key implementation aspects (approaches, strategies and processes), and make recommendations for adjustments as needed.

As the project reaches completion, the NPCO will prepare a draft Project Completion Report. The Government, with the support from IFAD, will then carry out a Project Completion Review based on the information in the Project Completion Report and other data such as the baseline survey, MTR, endline survey, technical reports, and studies carried out during project implementation.

37. Implementation guidelines for project activities

The following sections of the PIM include Activity Sheets that provide implementation guidance following the Components and Subcomponents structure as below.

Component 1: Community-driven agriculture and natural resources-based nutrition interventions establishment		
Subcomponent 1a: Improved nutritional status of women, children, girls, and other vulnerable groups		Activity sheet#
Activity 1	Farmer Nutrition Schools and Women's Empowerment	1
Activity 2	Integrated Home Garden establishment	2
Activity 3a	Domestic food processing	3
Activity 3b	Establishment of community rice banks	
Activity 4	Local food sources, wild foods management	4
Activity 5a	Community nutrition and gender SBCC activities	5
Activity 5b	Home-Grown School Feeding (HGSF) initiative	
Subcomponent 1b: Improved agricultural productivity of selected commodities		
Activity 6	Improved agricultural productivity of selected commodities	6
Activity 7	Agriculture/Rural Advisory Service improved	7
Activity 8	CCA infrastructures (irrigation /MUS) built and upgraded	8
Component 2: Business partnerships and market access improvement		
Activity 1	Support to MSME in food supply chains.	9
Activity 2	Business Multi-Stakeholder Platforms	10
Activity 3	Market related infrastructures	11
Component 3: Enabling environment and partnerships		
Activity 1a	Multisector planning and coordination	12
Activity 1b	Support to DNC	
Activity 1c	Support to NNC and PNC	
Activity 2	Partnerships with CSO	13
Activity 3	ProMIS upgrade and rolling out	14

a). Activity 1a.1: Farmer Nutrition Schools and Women Empowerment

Sheet number: 1

Version: 1

Activity Name	1a.1 - Farmer Nutrition Schools and Women's Empowerment
Subcomponent:	1.a: Improved nutritional status of women, children, girls, and other vulnerable groups (WFP and IFAD).
Contribution to project objectives:	
Development Objective	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive and marketing capacities.
Indicator	14,400 women reporting Minimum Dietary Diversity (MDD-W)
Outcome level results	Outcome 1: Households with improved nutrition Knowledge, Attitudes and Practices
Outcome indicator	14,400 households with improved nutrition KAP by end of the project
Output level results	Output 1.1: Number of beneficiaries receiving improved nutrition services
Output indicator	54,000 Persons receiving improved nutrition services and products
Output level results	Output 1.3: People receiving capacity development
Output indicator	45,000 people receiving capacity development, gender disaggregated, organization type

Description of the activity:

The project will establish FNSs in all 375 villages within the 15 target districts. FNS are semi-structured interactive gatherings in villages which are delivered by nominated and trained village facilitators. Village facilitators are selected in a participatory manner by the village, respected in their community, and receive an incentive for their time. FNS are focused on improving household food and nutrition security. They encourage social behavioural change using several different SBCC tools, such as practical learning sessions and community sensitization on household nutrition, food security, basic hygiene, WASH, domestic food preservation and processing, raising small livestock/fish, animal and human health, menu planning with nutritious and indigenous foods, and the importance of dietary diversity. FNS are specifically targeted at women of reproductive age (15-49 years) and other vulnerable groups, with priority given to pregnant and lactating women and girls, and mothers with children under 5. However, they are open for all interested community members to join. WFP, with the local DAFO and LWU, will be responsible for formulating and establishing FNS groups in all villages within the 15 non-convergence target districts, ensuring that communities, particularly women, are involved in their set-up and in the final selection of Village Nutrition Facilitators. In the 5 convergence districts, WFP will work closely with the DNCs to monitor the activities started under AFN I, together with the WB funded nutrition related projects. However, no new village FNS sessions will be organized in those districts.

Targeting and Selection of beneficiaries

The Farmer Nutrition School (FNS) activities will be implemented in a total of 375 villages in 15 non-convergence districts in 6 provinces.

This activity is preceded by the Village Participatory Awareness meetings sub-activity under Activity 3.1: Multisector Planning and Coordination. The Home Garden Grants sub-activity under Activity 1a.2 Integrated Home Garden Establishment will also occur beforehand.

The activity will apply some of the approaches and materials developed under Activity 1a.5: Community Nutrition and Gender SBCC Activities and involving DAFO, LWU, DHO, and the Village Authorities (Village Nutrition Committee).

It will be mainly implemented through WFP Provincial and District staff with their local partners. The Nutrition Adviser TA staff at the NPCO will act as a liaison between the MAF and WFP in FNS implementation and will assure that the Home Garden Grants under Activity 1a.2 are distributed to successful participants of the sessions.

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
1	Central Coordination Agreement	WFP	MAF, LWU, MOH	Q1-Year 1
2	Village Selection (2 batches)	PAFO - DAFO		Q2-Year 1
3 →	<i>Activity 3.1: Village Participatory Awareness meetings</i>	WFP	DAFO, LWU	<i>First batch: Second batch:</i>
4	Mobilization of District FNS Teams	WFP	DAFO, LWU, DHO	Year 7
5	Review training materials from AFN I	WFP	MAF, LWU, MOH	Q1-Year 1
6	Print and distribute training materials	WFP		Q2-Year 1
7	Training of Trainers for District FNS Teams	WFP	DAFO, LWU, DHO	
8	Recruitment of Village Nutrition Facilitators	WFP, Village Authorities		
9	Training of Village Nutrition Facilitators	WFP	MAF, DAFO, LWU	
10	Provision of small materials (cooking pots, utensils etc.)	WFP	Village Authorities (VNC)	
11	Construction or rehabilitation of Village Nutrition Center	WFP	Village Authorities (VNC)	
12	Roll-out of Module 1: Basic Nutrition	WFP	DAFO, LWU	
13	Roll-out Module 2: Food gap analysis	WFP	DAFO, LWU	
14	Roll-out Module 3: Agriculture Knowledge (Food processing, storage, preservation, and income)	WFP	DAFO, LWU	
15	Roll-out Module 4: Action plan and prepare Garden grant applications	WFP	DAFO, LWU	
→ 16	<i>Activity 1a.2: Integrated Home Garden Establishment</i>	DAFO	DAFO	
17 →	Roll-out of specific targeted modules from Activity 1a.5	WFP	DAFO, LWU	
18	Cooking demonstration /session	WFP	DAFO, LWU	
19	Home garden visit	WFP	DAFO, LWU	
20	Village Nutrition Day	WFP	DAFO, LWU	After last 4 FNS modules

Step	Description	Responsibility	Partners	Completion date
21	Review meeting	WFP	Village Authorities (VNC), DAFO, LWU	After every FNS round
22	Refresher Training for Village Nutrition Facilitators	WFP	MAF, DAFO, LWU	Every two years

Implementation arrangements:

Role of WFP: WFP central, provincial (PPO) and district staff (PA) will be responsible for implementing all the above activities except for Steps 2 (Village selection) and 16 (Home Garden establishment / Garden Grant distribution). WFP will be responsible for collecting the necessary data for the M&E system and sharing it in an ongoing basis with the District M&E staff at DAFO. WFP staff will be responsible for providing the DAFO with a complete list of eligible persons for the Integrated Home Garden grants under Activity 1a.2. (To be eligible, persons must participate successfully in the FNS and finalize their Integrated Home Garden plan).

Role of DAFO, LWU, DHO: district staff from DAFO, LWU and DHO will be selected to be part of the District Teams responsible for working with WFP to implement the FNS activities in the target villages. Their role is to train and monitor the Village Nutrition Facilitators and monitor the FNS activities and related SBCC activities under Activity 5: Community nutrition and gender SBCC activities.

Role of the NPCO: the NPCO based Nutrition Advisor will work closely with WFP to coordinate activities under Component 1a with the MAF, PAFOs and DAFOs.

Risks and mitigation measures:

Social, environmental and climate: Refer to IFAD [SECAP guidelines](#)

Other implementation risks: the FNS approach was widely implemented under AFN-1. It was found that after two rounds of FNS modules, some of the participants stopped attending as the messaging became repetitive.

Sustainability and exit strategy:

The project will inform Village Authorities and beneficiaries on the phasing out of the project and ways to assure continuation of the activities during the second year of implementation. This will be done through village meetings. This could be accomplished by leveraging budget from the Village Funds, forming Village Nutrition Committees, and linking the existing FNS groups with other projects working in the village. The FNS activities will be handed over to village authorities (e.g. Village Nutrition Committees) to continue the FNS model.

All related IEC and knowledge products will be provided to DAFOs and Village authorities and distributed in each Village Nutrition Centre.

The Village Nutrition Centres will be handed over to the village authorities for further maintenance and to continue the FNS and other village-based activities. In many villages, the VNCs are being used by other projects.

The FNS activity of AFN is a widely appreciated and it is being adopted by other donors in Lao PDR (e.g. World Bank, ADB, EU, and WFP). WFP will continue to lobby for policy support and national scaling-up and scaling-out of the FNS approach.

AFN I is piloting the certification of Village Facilitators to be officially recognized Village Nutrition Technicians and this will continue under AFN-II.

In order to strengthen the extension activities for the women members of the FNS, the project will train Village Facilitators (and Lead Farmers) in basic agriculture techniques, focusing on nutrient-dense crops, small poultry raising, and organic production. This will enable VFs and LFs to provide hands-on extension services to FNS participants in the village.

Links to Guidelines / References available on the AFN-II repository:

- Farmer Nutrition School Overview (PPT)
- Village Nutrition Facilitator training manual (Lao)
- FNS posters (Lao)
- Additional FNS training materials
- Nutrient Dense Food Crops (Lao- [English](#))
- Recipes Book (Lao)
- Nutrient Dense Guide (Lao)

Activity 1a.1: implementation Schedule

	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7								
	June 2023- June 2024				June 2024- June 2025				June 2025- June 2026				June 2026- June 2027				June 2027- June 2028				June 2028- June 2029				June 2029- June 2030								
Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
Activities/steps																																	
Central Coordination Agreement	x																																
Village Selection (2 batches)	x	x																															
<i>Activity 3.1: Village Participatory Awareness meetings</i>		x	x				x	x																									
Mobilization of District FNS Teams	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x					
Review training materials from AFN I	x												x																				
Print and distribute training materials	x	x											x	x																			
Training of Trainers for District FNS Teams			x	x							x	x							x	x													
Recruitment of Village Nutrition Facilitators			x	x			x	x																									
Training of Village Nutrition Facilitators				x	x			x	x																								
Provision of small materials (cooking pots, utensils etc.)				x	x			x	x																								
Construction or rehabilitation of Village Nutrition Center							x	x			x	x																					
Roll-out of Module 1: Basic Nutrition					x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x					
Roll-out Module 2: Food gap analysis					x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x					
Roll-out Module 3: Agriculture Knowledge (Food processing, storage, preservation, and income)					x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x					
Roll-out Module 4: Action plan and prepare Garden grant applications					x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x					

	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7			
	June 2023- June 2024				June 2024- June 2025				June 2025- June 2026				June 2026- June 2027				June 2027- June 2028				June 2028- June 2029				June 2029- June 2030			
<i>Activity 1a.2: Integrated Home Garden Establishment</i>							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			
Roll-out of specific targeted modules from Activity 1a.5							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
Cooking demonstration /session					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
Home garden visit					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
Village Nutrition Day					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
Review meeting							X			X			X			X			X			X						
Refresher Training for Village Nutrition Facilitators							X	X					X	X					X	X								

Budget (Costab):

The total budget for this activity is: US\$2,300,306 including contingencies, funded by GAFSP grant to WFP:

	Unit	Quantities							Unit Cost (US\$)	Totals Including Contingencies (US\$)								
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028	2029	Total
Farmer Nutrition School and Women Empowerment																		
I. Investment Costs																		
a. Raising villager awareness of participatory planning	villages	100	200	200	-	-	-	-	500	100	11,640	24,205	24,931	-	-	-	-	60,775
b. Training/refresher course costs for village facilitator	village	50	100	150	75	-	-	-	375	400	23,279	48,410	74,793	38,518	-	-	-	185,000
c. Training for District teams (DAFO, DHO, LWU)	districts	15	15	15	15	15	5	-	80	1,000	17,459	18,154	18,698	19,259	19,837	6,811	-	100,218
d. Provision of small materials for village	village	50	100	150	75	-	-	-	375	250	14,030	28,908	44,466	22,799	-	-	-	110,203
e. Construction/rehabilitation of Village Nutrition Cente	village	50	100	150	75	-	-	-	375	500	28,060	57,815	88,931	45,599	-	-	-	220,406
Subtotal											94,468	177,491	251,819	126,176	19,837	6,811	-	676,602
II. Recurrent Costs																		
a. Operational cost for farmer nutrition schools	village	50	150	300	500	500	450	300	2,250	225	12,904	40,102	82,465	141,319	145,321	134,533	92,274	648,918
b. Village facilitator annual incentive payments	each	150	450	900	1,500	1,500	1,350	900	6,750	80	13,764	42,775	87,963	150,740	155,009	143,502	98,426	692,179
c. Operating costs for supporting District teams	lps	8	15	15	15	15	15	7	90	2,500	22,940	44,558	45,814	47,106	48,440	49,827	23,923	282,608
Subtotal											49,607	127,435	216,242	339,165	348,771	327,862	214,623	1,623,705
Total Farmer Nutrition School and Women Empowerment											144,075	304,926	468,061	465,341	368,607	334,673	214,623	2,300,306

(i) Activity 1a.2: Integrated Home Garden Establishment

Sheet number: 2

Version: 1

Activity Name	1a.2 – Integrated Home Garden Establishment
Subcomponent:	1.a: Improved nutritional status of women, children, girls, and other vulnerable groups (WFP and IFAD).
Contribution to project objectives:	
Development objective:	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions, and improve productive and marketing capacities.
Indicator	16,800 households with a 20% decrease in food insecurity
Output level results	Output 1.2: People benefiting from cash or food-based transfers
Output indicator	15,000 people benefit from cash or food-based transfers
Output level results	Output 2.1: Smallholders receiving productivity enhancement support
Output indicator	25,000 people receiving productivity enhancement support

Description of the activity:

This activity will disburse 15,000 small grants to 15,000 eligible women and strengthen local agriculture-technical service provision to these women.

Female participants of the FNSs who complete the training and submit a simple plan to the village authorities (whether it be to establish a household garden or to raise small livestock or fish) will be eligible for a Home Garden / Livestock Grant of around US\$120 in local currency (as of August 2022 this is equal to around LAK 1,800,000). Priority will be given to WRA (15-49), PLW/G, mothers with children under 5, and village nutrition facilitators.

The project aims to distribute 15,000 grants to be used for small investment purposes linked to home garden development, such as procuring seeds, planting material, small equipment, drip-irrigation, fencing materials, small livestock, animal shed construction materials, etc. DAFO will be responsible for distributing the grants, monitoring, and providing technical support and capacity building at village level to FNS groups.

The locally-hired, project, Community Mobilizers will also play a role in monitoring the Home Gardens, providing direct technical assistance besides their other tasks.

The project will organize 5-day basic agricultural training for Village Facilitators, but also selected Lead Farmers and Village Animal Health Workers. The aim is to increase the availability of hands-on local extension services to women for their home gardens. As under AFN-1, this training will be organized mainly at the various Regional Training Centers in Oudomxai, Xiengkhouang and Pakse, and will focus on hands-on and practical learning about home garden establishment and small livestock raising. Specific training programs on fish raising and horticulture can be developed with these centers on demand and will also be supported by the project.

Targeting and Selection of beneficiaries

The Integrated Home Garden activities will be implemented in a total of 375 villages in 15 non-convergence districts in 6 provinces, targeting at least 15,000 households.

This activity is preceded by Activity 1a.1: Farmer Nutrition School and Women Empowerment.

This activity is mainly implemented through WFP and DAFOs. The Nutrition Adviser TA staff at the NPCO acts as a liaison between the MAF and WFP on the FNS implementation and

also assures that the Home Garden Grants under this activity are distributed to the participants that successfully participate in the FNS sessions.

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
1	Central Coordination Agreement	WFP	MAF, LWU, MOH	Q1-Year 1
2	Selection of Community Mobilizers	WFP		Q2-Year 1
3	Contracting of Community Mobilizers	WFP		Q2-Year 1
4	Conduct training for Community Mobilizers	WFP	DAFO	Q3-Year 1
5	Conduct refresher training for Community Mobilizers	WFP	DAFO	Q1-Year 3
6	Monitoring of Community Mobilizers	WFP	DAFO, LWU, DOH	Continuous
7	Prepare list for eligible Home Garden Grant beneficiaries and process to DAFO	WFP, Village Authorities	DAFO	After every FNS round
9	Distribute Home Garden Grant to beneficiaries	NPCO, DAFO	WFP	One time per year
10	Monitor Integrated Home Garden establishment	WFP	DAFO, CM	
11	Select training participants for basic agriculture training	WFP	DAFO	
12	Training on basic agriculture	WFP	DAFO	

Implementation arrangements:

Role of WFP: WFP will be responsible for assuring that women that have successfully participated in the FNS learning modules will apply for the Home Garden Grant by filling in the application form and workplan, assuring that all information is correct, and necessary signatures and approvals have been provided. WFP will be responsible to collect the necessary data for the M&E system and share on an ongoing basis with the District M&E staff at DAFO. WFP staff will be responsible to provide the DAFO with the complete lists of eligible persons (having participated successfully in the FNS modules and finalized their Integrated Home Garden plan) for accessing the Integrated Home Garden grants under Activity 1a.2.

WFP will be responsible for the overall management of Community Mobilizers.

WFP will be responsible for organizing the basic agriculture training courses at Regional Training Centers or de-centralized at District training venues. Together with DAFO, WFP will select the training participants for these basic agriculture trainings.

Role of DAFO: district staff from DAFO will be responsible for the distribution of Home Garden Grants to the beneficiaries in the village. This will be organized one or two times per year.

Role of NPCO: the NPCO based Nutrition Advisor will work closely with WFP on the coordination of activities under Component 1a with MAF, PAFOs and DAFOs.

Risks and mitigation measures:

Social, environmental and climate: Refer to IFAD [SECAP guidelines](#)

Other implementation risks: The management for the provision of Home Garden Grants is similar to AFN I and the cash-based grants will be disbursed in the village. The project will

investigate the use of financial institutions such as BCEL and UNITEL to minimize the risk during the transactions.

Sustainability and exit strategy:

The Home Garden Grants are a one-off investment for home garden establishment for women that successfully participated in the FNS learning sessions. The project will assure sustainability of the activity by providing training sessions, technical monitoring by DAFO and strengthening locally available extension services such as through the Village Nutrition Facilitators, Lead Farmers and Village Animal Health Workers.

Links to Guidelines / References available on the AFN-II repository:

- Integrated Home Garden Application Form
- AFN-2 Home Garden Grant guidelines
- PAR manual on Integrated Home Gardening (Lao)
- Home Garden poster (Lao)

Activity implementation Schedule

	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7							
	June 2023- June 2024				June 2024- June 2025				June 2025- June 2026				June 2026- June 2027				June 2027- June 2028				June 2028- June 2029				June 2029- June 2030							
Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Activities/steps																																
Central Coordination Agreement	X																															
Selection of Community Mobilizers		X																														
Contracting of Community Mobilizers		X																														
Conduct training for Community Mobilizers			X	X																												
Conduct refresher training for Community Mobilizers											X	X																				
Monitoring of Community Mobilizers					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Prepare list for eligible Home Garden Grant beneficiaries and process to DAFO					X		X		X		X		X		X		X		X		X		X									
Distribute Home Garden Grant to beneficiaries						X		X		X		X		X		X		X		X		X		X								
Monitor Integrated Home Garden establishment							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Select training participants for basic agriculture training			X		X		X		X		X		X		X		X		X		X		X									
Training on basic agriculture				X		X		X		X		X		X		X		X		X		X		X								

Notes :

Budget (Costab):

The total budget for this activity is US\$3,3562,017, including contingencies, funded by GAFSP grant to WFP and IFAD:

	Unit	Quantities							Unit Cost (US\$)	Totals Including Contingencies (US\$)								
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028	2029	Total
Integrated Home Garden Establishment																		
I. Investment Costs																		
a. Home garden grants	grants	-	3,000	6,000	6,000	-	-	-	15,000	120	-	425,979	875,627	899,967	-	-	-	2,201,573
b. Training/refresher course for Community Mobilizers	pers-year	42	42	42	42	42	42	42	294	250	12,222	12,708	13,089	13,481	13,886	14,302	14,731	94,419
c. Motorcycle for Community Mobilizers	number	21	21	-	-	-	-	-	42	2,500	57,180	58,441	-	-	-	-	-	115,621
d. Agriculture training/refresher course for VF + LF	number	100	250	350	500	250	250	-	1,700	250	29,099	75,640	109,073	160,493	82,654	85,133	-	542,092
Subtotal											<u>98,501</u>	<u>572,767</u>	<u>997,789</u>	<u>1,073,942</u>	<u>96,540</u>	<u>99,436</u>	<u>14,731</u>	<u>2,953,705</u>
II. Recurrent Costs																		
a. Fees and operating costs for Community Mobilizers	pers-month	252	504	504	504	504	504	252	3,024	160	46,246	95,817	98,518	101,297	104,166	107,148	55,119	608,311
Total Integrated Home Garden Establishment											<u>144,747</u>	<u>668,584</u>	<u>1,096,307</u>	<u>1,175,239</u>	<u>200,706</u>	<u>206,584</u>	<u>69,850</u>	<u>3,562,017</u>

(ii) Activity 1a.3 – Domestic Food Processing

Sheet number: 3

Version: 1

Activity Name	1a.3 – Domestic Food Processing
Sub-component:	1.a: Improved nutritional status of women, children, girls, and other vulnerable groups (WFP and IFAD).
Contribution to project objectives:	
Project Objective	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities.
Indicator	16,800 households with decreased food insecurity by 20%
Output level results	Output 1.1: Number of beneficiaries receiving improved nutrition services
Output indicator	54,000 Persons receiving improved nutrition services and products
Output level results	Output 1.3: People receiving capacity development
Output indicator	45,000 people receiving capacity development, gender disaggregated, organization type
Outcome level results	Outcome 3: Households reporting improved physical access to markets, processing, and storage
Outcome indicator	15,000 Households have improved physical access to markets, processing, and storage
Output level results	Output 3: Number of post-harvest facilities constructed and/or rehabilitated
Output indicator	500 post-harvest facilities constructed and/or rehabilitated

Description of the activity:

In addition to regular household food processing modules at the FNS, WFP will collaborate with MAF, LWU, DAFO and vocational centers, such as the Integrated Vocational Education and Training (IVET) college based in Oudomxay province, to provide sessions on market-oriented food processing and conservation to interested community members. Sessions will cover post-harvest management, safe food storage and preparations and packaging, with attention to food safety and nutrient dense foods. These sessions will be more in-depth than those provided as part of the FNS and target women that are already engaged in market related activities/already established food businesses. However, it will also be available to other women in the village who are interested in such activities as a livelihood. The content of the trainings will be demand driven by community members, and WFP and partners will consult with communities to understand what the needs are related to processing and food conservation. Training and provided equipment may include diversification, simple packaging, drying, storage for transportation, pickling etc. Upon completion of the training, cash grants will be provided to communities (US\$500 per village can be accessed), which is intended to be specifically used for small scale food processing activities.

The main objective of community rice banks is to serve as a community safety net to ensure food (rice) stock availability in vulnerable communities during lean seasons. This will result in improved availability of and access to rice for participating households. Community rice banks are a proven concept for breaking the cycle of post-harvest, forced, rice sales at low prices and purchasing at peak prices. This is a reality for many poor households that face liquidity problems and are not rice self-sufficient. To ensure access to rice all year round, up to 250 new or existing community village rice-banks will be supported. The villages for this activity will be identified during the Village Planning activities at the start of the project and the specific needs will be further assessed as well.

WFP and partners will deliver training on village rice bank management using existing tools, experiences, and procedures to build better community capacity for managing and effectively using rice banks. In the identified villages, WFP and partners will provide support for the construction or rehabilitation of rice bank structures. They will also provide appropriate training to ensure rice banks are functional and useful to communities in confronting seasonal rice shortages and price fluctuations. The project will work with existing partners, such as WFP, to look into the possibilities of providing rice stocks as initial seed capital for rice banks.

Targeting and Selection of beneficiaries

These food-processing activities will be implemented in a total of 375 villages in 15 non-convergence districts in 6 provinces.

The community rice bank activities will be implemented in a total of 250 villages in 15 non-convergence districts in 6 provinces. The villages will be selected based on an assessment to be carried out during the first year. Rice banks will be supported in areas such as: predominantly rice growing areas; where there are households exhibiting lean season rice food gaps of 2-4 months; upland areas that are more vulnerable; and areas that are more prone to disasters (floods, droughts, pests).

This activity will be mainly implemented through WFP Provincial and District staff with their local partners.

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
1	Develop curriculum for Food Processing	WFP, Training Center	MAF	Q2-Year 1
2	TOT training for Food Processing	WFP	DAFO, LWU	Q4-Year 1
3	Village training for Food Processing	WFP	DAFO, LWU	Q1-Year 2 onwards
4	Food Processing grants application	WFP	DAFO, LWU	Q3-Year 2 onwards
5	Food Processing Grants disbursement	WFP	DAFO, LWU	Q4-Year 2 onwards
6	Business literacy training	WFP	LWU	Q4-Year 2 onwards
7	Monitoring of Food Processing activities	WFP	DAFO, LWU	Continuous
8	Develop curriculum for Post-Harvest technologies	WFP	MAF	Q4-Year 1
9	TOT training for Post-Harvest technologies	WFP	DAFO, LWU	Q1-Year 2
10	Village training for Post-Harvest technologies	WFP	DAFO, LWU	Q2-Year 2 onwards
11	Assessment for Community Rice Banks	WFP	Village Authorities	Q4-Year 1
12	Conduct training for Community Rice Banks	WFP	DAFO	Q3-Year 2
13	Construction of Community Rice Banks	WFP	Village Authorities (VNC), DAFO	Q4-Year 2 onwards
14	Monitoring of Community Rice Banks	WFP	DAFO	Continuous

Implementation arrangements:

Role of WFP: WFP central, provincial (PPO) and district staff (PA) will be responsible for implementing the steps above. WFP will be responsible for collecting the necessary data for the M&E system and sharing it in an ongoing basis with the District M&E staff at DAFO. As far as possible, training will be sub-contracted to regional training centers or experienced NGOs or other groups.

Role of DAFO: district staff from DAFO and LWU as part of the District Teams are responsible for working with WFP to support the food processing, business literacy, and post-harvest training.

For the Community Rice Bank support, WFP will be responsible for assessment, curriculum development (using existing training materials), training of rice bank committees, and supervising construction of the physical Rice Bank structures. DAFO will provide technical support when needed.

Risks and mitigation measures:

Social, environmental, and climate: Refer to IFAD [SECAP guidelines](#)

Other implementation risks: Food processing training and grants pose little risk. Community Rice Banks have the risk of bad management leading to non-functioning rice banks.

Sustainability and exit strategy:

Food Processing training is targeted at food processing for domestic use as well as for sale to schools and village markets. With the grant, individuals as well as groups will have the means to invest in materials and equipment for food processing, such as dryers, cooking material, plastic bag sealers, packaging materials etc. These kinds of small businesses will also be supported.

Links to Guidelines / References available on the AFN-II repository:

- Food Processing Curriculum from WFP SO1
- Rice Bank training Curriculum from WFP SO3

Activity implementation Schedule

Activities/steps	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7			
	2023- 2024				2024- 2025				2025- 2026				2026- 2027				2027- 2028				2028- 2029				2029- 2030			
	Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3
Develop curriculum for Food Processing		X																										
TOT training for Food Processing				X																								
Village training for Food Processing					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
Food Processing grants application							X	X	X	X	X	X	X	X	X	X	X	X	X									
Food Processing Grants disbursement								X				X				X				X								
Business literacy training									X				X				X				X							
Monitoring of Food Processing activities								X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Develop curriculum for Post-Harvest technologies				X																								
TOT training for Post-Harvest technologies					X																							
Village training for Post-Harvest technologies						X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
Assessment for Community Rice Banks					X	X																						
Conduct training for Community Rice Banks							X																					
Construction of Community Rice Banks								X	X	X	X	X	X															
Monitoring of Community Rice Banks								X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Budget (Costab):

The total budget for this activity is: US\$921,573 funded by GAFSP grant to WFP:

	Unit	Quantities							Unit Cost (US\$)	Totals Including Contingencies (US\$)								
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028	2029	Total
Domestic Food Processing																		
a. Village Food Processing Grants	village	50	100	150	75	-	-	-	375	500	28,580	59,164	91,211	46,873	-	-	-	225,828
b. Food processing trainings on village level	village	50	100	150	75	-	-	-	375	350	20,369	42,358	65,444	33,703	-	-	-	161,875
c. Post Harvest training on village level	village	-	50	100	150	75	-	-	375	350	-	21,179	43,629	67,407	34,715	-	-	166,930
d. Support for construction/rehabilitation of village rice banks	village	-	50	100	100	-	-	-	250	500	-	29,717	61,111	62,838	-	-	-	153,666
e. Training for village rice banks	village	-	50	100	100	-	-	-	250	250	-	15,128	31,164	32,099	-	-	-	78,390
f. Business literacy training	District	15	15	15	15	15	15	15	105	1,000	17,459	18,154	18,698	19,259	19,837	20,432	21,045	134,884
Subtotal Domestic Food Processing											66,408	185,700	311,257	262,179	54,552	20,432	21,045	921,573

(iii) Activity 1a.4: Local food sources, wild foods management

Sheet number: 4

Version : 1

Activity Name	1a.4 - Local food sources, wild foods management
Sub component:	1.a : Improved nutritional status of women, children, girls, and other vulnerable groups (WFP and IFAD).
Development Objective:	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities.
Outcome level results	Outcome 1: Households with improved nutrition Knowledge, Attitudes and Practices
Outcome indicator	14,400 households with improved nutrition KAP by end of the project
Output level results	Output 1.3: People receiving capacity development
Output indicator	45,000 people receiving capacity development, gender disaggregated, organization type

This activity sheet will be further developed by NAFRI and CDE before the start of the project and will form the basis for an action plan for the duration of the project.

Description of the activity:

Despite their high nutritional and economic potential, wild foods are often not fully recognised in agricultural and rural development strategies in the Lao PDR. To address this issue, activity 4 will focus on four complementary approaches:

To generate, analyse, and widely disseminate knowledge on wild foods through the agrobiodiversity platform Phakhao Lao (www.phakhaolao.la). This will be reviewed with help from AFN and upgraded to include information on nutritional values and on wild foods potential in various agroecological zones and land use systems. This unique knowledge base will contribute to highlighting the important role of wild foods for local communities, extension services, practitioners, and decision makers.

To support provincial and district authorities in integrating wild foods and aquatic species into agricultural extension programmes. This will contribute to a paradigm change among extension officers, particularly regarding the use of fallow land in shifting cultivation areas. This will be achieved through tailored capacity building, including the use of the Phakhao Lao platform in extension services and implementing strategies in pilot villages.

To support local communities in formulating knowledge-based investment plans and to agree on local by-laws for a sustainable use of wild foods and aquatic species in their village territories. The project will support communities in around 240 pilot villages in implementing these plans through the allocation of small investment grants and capacity building. Examples include the setting up of fish conservation zones or nurseries for key species, targeted promotion of such species, development of sustainable value chains, etc.

To assess the utilisation and conservation status of wild foods and the impact of the project on both by conducting a baseline, mid-term, and a final assessment on the role of wild foods in diets, their economic importance for local communities, various issues of conservation of wild species, and changes in the implementation of conservation practices by villagers. Results will be measured in terms of awareness, availability, and consumption of nutritious wild food species in local diets. This monitoring component will provide valuable knowledge for the uptake of project activities in the rural development strategies of governmental and civil society actors.

This activity will be implemented by the National Agriculture and Forest Research Institute (NAFRI) through three of its centers: the Forestry Research Center, the Living Aquatic

Resources Research Centre (LARReC), and the Information Center in partnership with Centre for Development and Environment (CDE) at Bern University.

This activity directly contributes to the Integrated Home Garden Grants through the possible domestication of wild food species in home gardens. APGs will also be associated with the planning, implementation, and monitoring of this activity to promote and conserve wild food species in farming systems.

Knowledge and experience generated by this activity will contribute to multisectoral planning by ensuring that local food sources and wild food species are taken in account in the nutrition planning process at village and district levels. It will also be reflected in the integration of nutrition plans in the SEDP planning process for 2026-2030.

Targeting and Selection of beneficiaries

This activity will target around 240 villages (about half of the 500 target villages of AFN II), located either in convergence or non-convergence districts. Target villages will be selected based on a set of criteria that may include: (i) voluntary commitment of the village and CBOs to participate in this activity, confirmed by a FPIC process and formal agreement; (ii) having an available land use plan or local adaptation investment plan; (iii) importance of local food sources in the diet (at least 50% for example); (iv) potential for promoting wild foods through documentation and investments (domestication of wild species in integrated home gardens, agroforestry gardens, community nursery, fish conservation zone, etc.); and (v) other relevant selection criteria.

This activity is to be designed in synergy with existing CBOs (farmers' nutrition schools, home garden grant beneficiaries, APGs, etc.) and will follow the same approach for selection of beneficiaries, including having at least 50% women.

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
1	Strategic planning for Activity 1a.4 for the project lifetime	NAFRI with NPCO	CDE	Y1 Q1
	Capacity building			
2	Training of trainer for provincial and district level	NAFRI/CDE	GST and PAFO	continuous
3	Community based participatory assessment and planning at village level	NAFRI/CDE	GST, villages	As per phasing
	Information management			
4	Upgrading of Phakhao Lao database	IT service provider	NAFRI/CDE	In Y1
5	Analysis of nutritional values of wild food species	NAFRI/CDE	Laboratory service provider	From Y2 on
6	Knowledge products translation and dissemination	NAFRI/CDE	NPCO KM unit	From Y2 on
	Investments at village level			
7	Small grants for investments in villages (wild foods)	GST	NAFRI/CDE	As per phasing
8	Small grants for investments in villages (aquatic species)	GST	NAFRI/CDE	As per phasing
9	Monitoring of small grants implementation	GST	NAFRI/CDE	Continuous
	Planning and monitoring			
13	Analytical framework development, testing and application	NAFRI/CDE	NPCO/ GST	continuous

14	Integration in multisectoral planning for nutrition and in the SEDP preparation process	Nutrition committees at village and district levels	NAFRI/CDE	continuous
15	Baseline, midline and endline surveys	NAFRI/CDE	NPCO	Y1, Y4, Y7

Implementation arrangements:

NPCO will provide general guidance and ensure the integration of this activity with other AFN II interventions.

The Role of various NAFRI centers involved:

- The Information centre is responsible for hosting, upgrading, and maintaining the Phakhao Lao database: <https://www.phakhaolao.la/en>
- The Forestry Research Center is responsible for guiding the implementation of activities related to vegetal wild food species, including botanical identification. It will also assist GST and villages in planning and implementing small grants to support promotion and conservation of wild foods species and other physical interventions.
- The Living Aquatic Resources Research Centre (LARReC) is responsible for guiding the implementation of activities related to aquatic species, including assisting GST and villages in planning and implementing small grants to support Fish Conservation Zones and other physical interventions.

The Role of CDE: CDE will provide overall technical and scientific guidance to the NAFRI centres (overall activity plan, analytical framework, Phakhao Lao database upgrades, capacity building and planning and implementation of small grants).

The Role of the IT service provider will be to upgrade the Phakhao Lao database and training the NAFRI information centre on operation and maintenance of the database.

The Role of GST will be to coordinate between NAFRI/CDE and selected villages, to assist the villages in planning and implementing small grants and regular monitoring and evaluation of the activities. GST will also be responsible for integration of wild foods aspects in the multisectoral planning process and preparation of the upcoming SEDP 2026-2030.

Risks and mitigation measures:

The overall activity plan to be prepared in Q1 of the 1st year of implementation will include a detailed risk analysis and mitigation / management plan following the guidelines in the Social, Environmental and Climate Assessment Procedure of IFAD ([SECAP guidelines](#))

The ENR/CC specialist and the social inclusion specialist will provide support for risk assessment, risk screening and mitigation measures as set in the [Error! Reference s](#) [ource not found.](#) and **SIAP** to ensure compliance with SECAP requirements.

Sustainability and exit strategy:

The upgrading, hosting, and maintenance of the Phakhao Lao database will be under the institutional mandate of the NAFRI Information Center. It is expected that the information centre will have the necessary IT resources and capacities to management the database after project completion. Funding sources are to be mobilised from the MAF, other projects, and potentially contributions from the private sector.

Interventions at village level will be under the responsibility of the village authorities and CBOs through a formal agreement with the project. This will define respective long-term responsibilities and contributions to ensure sustainability of the investments.

Links to Guidelines / References available on the AFN-II repository:

IFAD Operational framework for supporting nutrition-sensitive agriculture through neglected and underutilized species (NUS):

<https://www.ifad.org/en/web/knowledge/-/publication/supporting-nutrition-sensitive-agriculture-through-neglected-and-underutilized-species>

ICIMOD (2021). Ensuring seasonal food availability and dietary diversity during and after transition of shifting cultivation systems to settled agriculture. Policy brief. International Centre for Integrated Mountain Development. <https://lib.icimod.org/record/35254>

Activity implementation Schedule

	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7			
	2023- 2024				2024- 2025				2025- 2026				2026- 2027				2027- 2028				2028- 2029				2029- 2030			
Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Strategic planning for Activity 1a.4 for the project lifetime	x																											
Capacity Building																												
Training of trainer for provincial and district level staff (GST)																												
Community based participatory assessment and planning at village level		48				48				48				48				48										
Information and knowledge management																												
Upgrading of Phakhao Lao database																												
Analysis of nutritional values of wild food species (laboratory services)						10				20				30				35				20						
Knowledge products translation and dissemination																												
Investments at village level																												
Small grants for investments in villages (wild foods)			24			24				24				24				24										
Small grants for investments in villages (aquatic species)			24			24				24				24				24										
Monitoring of small grants implementation																												
Planning and monitoring																												
Analytical framework development, testing and application		x	x																									
Integration in multisectoral planning for nutrition and in the SEDP preparation process																												
Baseline, midline, endline surveys																												

Budget (Costab):

The total budget for this activity is US\$2,202,583, funded by GAFSP grant to IFAD / MAF.

	Unit	Quantities							Unit Cost (US\$)	Totals Including Contingencies (US\$)								
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028	2029	Total
Local food sources, wild foods management																		
a. Promotion / conservation of aquatic species	village	24	24	24	24	24	-	-	120	2,000	55,870	58,091	59,834	61,629	63,478	-	-	298,903
b. Capacity building and monitoring by NAFRI	lps	1	1	1	1	1	1	1	7	50,000	58,198	60,512	62,327	64,197	66,123	68,107	70,150	449,614
c. Promotion / conservation of edible wild species	village	24	24	24	24	24	-	-	120	2,500	69,838	72,614	74,793	77,037	79,348	-	-	373,629
d. Capacity building and technical support by CDE	lps	1	1	1	1	1	1	1	7	77,000	89,625	93,188	95,984	98,864	101,829	104,884	108,031	692,406
e. IT consultant for PKL database	Person Month	1	1	1	1	1	1	1	7	10,500	12,222	12,708	13,089	13,481	13,886	14,302	14,731	94,419
f. Equipment and lab analysis	LS	1	1	1	1	1	1	-	6	10,000	10,850	11,078	11,310	11,548	11,796	12,068	-	68,650
g. KM Publication and Translation	LS	1	1	1	1	1	1	1	7	5,000	5,820	6,051	6,233	6,420	6,612	6,811	7,015	44,961
Subtotal Local food sources, wild foods management											302,423	314,243	323,570	333,176	343,073	206,172	199,927	2,022,583

(iv) Activity 1a.5: Community Nutrition and Gender SBCC Activities

Sheet number: 5

Version: 1

Activity Name	1a.5 – Community Nutrition and Gender SBCC Activities
Subcomponent :	1.a: Improved nutritional status of women, children, girls, and other vulnerable groups (WFP and IFAD).
Contribution to project objectives:	
Development Objective	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities.
Indicator	14,400 women reporting Minimum Dietary Diversity (MDD-W)
Outcome level results	Outcome 1: Households with improved nutrition Knowledge, Attitudes and Practices
Outcome indicator	14,400 households with improved nutrition KAP by end of the project
Output level results	Output 1.1: Number of beneficiaries receiving improved nutrition services
Output indicator	54,000 Persons receiving improved nutrition services and products
Output level results	Output 1.3: People receiving capacity development
Output indicator	45,000 people receiving capacity development, gender disaggregated, organization type

Description of the activity:

Activity 5a: SBCC activities will be implemented in all project villages in the 20 target districts and follow the Lao PDR national strategy, drawing on the experiences from AFN-1 and lessons from other partners implementing nutrition SBCC strategies. The aim is to positively influence nutrition-related knowledge, attitudes, and behaviours. SBCC activities will build on the key health and nutrition messages delivered in the FNS. The nutrition training delivered to APG members (Component 1b, Activity 7) will be expanded to target the whole community. Successful activities from AFN-1 include village nutrition days (whole community gathers to learn and apply nutrition knowledge in an interactive way), cooking demonstrations and disseminating key messages via village loudspeakers. The project will also explore digital means to disseminate information which may involve social media platforms or targeted messaging. As more than 75% of the project beneficiaries belong to non-Lao/Tai ethnic groups, many of them with their own languages, the project will develop SBCC materials in these languages (e.g., Hmong, Khmu), and use images and other visuals to ensure messages are culturally and linguistically appropriate.

Community level activities will also implement the Gender Action Learning System methodology (GALS). GALS will be initially implemented in 25 villages. GALS is a community-led empowerment methodology that uses principles of inclusion to improve income, food, and nutrition security for vulnerable people in a gender-equitable way. This approach will address social and cultural bottlenecks to adequate nutrition and gender practices (dietary diversity, optimal child feeding and care practices, WASH, early marriage), and complement the village wide SBCC activities. WFP will assess the existing GALS approaches and develop a tailored package with support from the Sub-Commission for the Advancement of Women (Sub-CAW) at the MAF and LWU. On the local level, LWU will provide trainers that work directly with the beneficiaries in the villages.

The project will provide nutrition specific training modules to APG members, thereby reinforcing nutrition messages from the FNS for a slightly different audience, specifically linking agriculture and nutrition.

Activity 5b: To strengthen overall community food and nutrition security and link to school-based nutrition-sensitive interventions, WFP will promote the Home-Grown School Feeding (HGSF) initiative. The HGSF initiative links local smallholder farmers to school feeding programmes to promote and provide safe, diverse, nutritious, local foods to school children, and provide local farmers with a predictable outlet for their produce, which will lead to a stable income, more investments, and higher productivity. In turn, schoolchildren enjoy healthy, diversified foods, this making it more likely that they will stay in school and that their parents have more time for livelihood activities. Children will perform better and improve their future job prospects and their parents will have more time for livelihood activities.

This initiative will target the same local smallholder farmers as those involved in the APG farmer groups (component 1b, activity 7). Local smallholder farmers, organized in APGs, will be provided support by the project through agricultural training, inputs, and grants, to boost their production. These farmer groups are then encouraged to diversify their production, with a special emphasis on local crops, and will be supported to form agreements with schools. These farmer groups should be able to provide a continuous supply of nutritious crops requested by schools to complement the school meals programme. AFN-2 will support training on specific agriculture technologies and business literacy ("Farming as a Business").

School feeding in Lao PDR began in 2002 with an agreement between WFP and Ministry of Education and Sports (MoES). Since then, Lao PDR has witnessed expanded and improved education, health, and productivity. In 15 of the AFN-2 target districts, the National Schools Meals Programme (NSMP) exists. To complement the NSMP, AFN-2 will initially target 30 schools in 30 villages and continue to work with the government to develop strategies to support HGSF initiative.

AFN-II will provide specific hands-on training to female Village Veterinary Workers (VWV) or 250 women to be selected from the 500 project target villages. This training will follow the MAF standards and after successful training the VWVs will be provided with a basic kit and certificate.

Targeting and Selection of beneficiaries

The SBCC activities will be implemented in all of the 375 villages in the 15 non-convergence districts. The scope for implementing SBCC activities in the 5 convergence districts will be assessed during project start-up. The Home Grown School Feeding initiative will be implemented in 30 schools in 30 villages. The schools and villages will be selected during Year 1 and will include schools and villages with active APGs and those that have been supported by WFP-MoES in the past.

The SBCC activities will complement the FNS activities under Activity 1a.1 in order to broaden the nutrition and gender-sensitive messages on the village-level.

This activity is mainly implemented through WFP Provincial and District staff with their local partners. For GALS, expertise from OXFAM may be used and there will be close cooperation with the Sub-Commission for the Advancement of Women (Sub-CAW) at the MAF and LWU.

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
1	Central Coordination Agreement	WFP	MAF, LWU	Q1-Year 1
2	Review SBCC methods from AFN I and related WFP and nutrition related projects (WB-SNV etc)	WFP		Q1 Year 1
3	Develop SBCC strategy for AFN II	WFP		Q2 Year 1

Step	Description	Responsibility	Partners	Completion date
4	Implement general SBCC activities in connection with FNS	WFP	DAFO, LWU	Year 2 onwards
5	Develop GALS curriculum	WFP	MAF, LWU	Q2-Year 1
6	Select villages for GALS activities	WFP	DAFO	Q2-Year 1
7	Organize TOT on GALS to local trainers	WFP	DAFO, LWU	Q4-Year 1
8	Roll out GALS curriculum in villages	WFP	DAFO, LWU	Year 2 onwards
9	Develop curriculum targeting adolescent girls	WFP	MAF, LWU	Q2-Year 1
10	Select villages for adolescent girls' activities	WFP	DAFO	Q2-Year 1
11	Organize TOT to local trainers	WFP	DAFO, LWU	Q4-Year 1
12	Roll out curriculum for adolescent girls in villages	WFP	DAFO, LWU	Year 2 onwards
13	Assess and select villages, schools, and APGs/Farmer Groups for HGSF activities	WFP	DoES	Q3-Year 1
14	Develop curriculum for HGSF	WFP	DoEs	Q4-Year 1
15	Facilitate agreements between schools and APGs/Farmer Groups	WFP	DAFO, DoES	Q1/2-Year 2
16	Organize Agriculture training for APGs/Farmer Groups	WFP	DAFO, DoES	Q3-Year 2 onwards
17	Organize business literacy training for APGs/Farmer Groups (Farming as a Business)	WFP	DAFO, DoES	Q3-Year 2 onwards
18	Technical support to APGs/Farmer Groups	WFP	DAFO, DoES	Continuous
19	Select female VVW for training	WFP	DAFO	Q1-Year 3
20	Provide training to female VVWs following MAF standards	WFP	MAF, PAFO, DAFO	Year 3 onwards
21	Provide VVW kit to female VVWs	WFP	DAFO	Year 3 onwards
22	Develop nutrition training for APG members	WFP	NPCO	Q4-Year 1
23	Provide nutrition training to APG members	WFP	DAFO, LWU	Q3-Year 2 onwards

Implementation arrangements:

Role of WFP: WFP central, provincial (PPO) and district staff (PA) will be responsible for implementing the steps above. WFP will be responsible for collecting the necessary data for the M&E system and sharing it on an ongoing basis with the District M&E staff at DAFO. WFP will be responsible for developing the different training curricula and training materials.

Role of DAFO, LWU: district staff from DAFO, LWU and DHO will be selected to be part of the District Teams responsible for working with WFP to implement the different SBCC activities in the target villages.

Role of MAF and NPCO: MAF will provide inputs into the development of the different curricula, specifically on the GALS.

Risks and mitigation measures:

Social, environmental and climate: Refer to IFAD [SECAP guidelines](#)

Other implementation risks: previous Home Grown School Feeding initiatives in Lao PDR and neighbouring countries have not always been successful. It is important to select schools and villages/APGs/Farmer Groups carefully and provide intense and regular support in order to assure that the APGs/Farmer Groups will be able to provide good quality produce on a regular basis in sufficient quantities.

The ENR/CC specialist and the social inclusion specialist will provide support for risk assessment, risk screening and mitigation measures as set in the [Error! Reference s](#) [ource not found.](#) and **SIAP** to ensure compliance with SECAP requirements.

Sustainability and exit strategy:

SBCC approaches will be developed in such a way to be most effective in changing the nutrition related behaviour of project beneficiaries. Messages uptake will be measured during KAP surveys.

The Home Grown School Feeding Initiative will need intensive support over at least 3-4 years to reach sustainability. It is important to select strong APGs/Farmer Groups with the capacities to produce sufficient quality produce and which also have the small business capacities to manage post-harvest handling, transport, book keeping etc.

Links to Guidelines / References available on the AFN-II repository:

National SBCC strategy for Lao PDR

GALS training guidelines (OXFAM)

https://www.oxfamnovib.nl/Redactie/Downloads/English/publications/150115_Practical%20guide%20GALS%20summary%20Phase%201-2%20lr.pdf

How to do note: Integrating the Gender Action Learning System (GALS) in IFAD operations (March 2022) <https://www.ifad.org/en/web/knowledge/-/how-to-do-note-integrating-the-gender-action-learning-system-in-ifad-operations>

Activity implementation Schedule

	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7							
	June 2023- June 2024				June 2024- June 2025				June 2025- June 2026				June 2026- June 2027				June 2027- June 2028				June 2028- June 2029				June 2029- June 2030							
Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Activities/steps																																
Central Coordination Agreement	X																															
Review SBCC methods from AFN I and related WFP and nutrition related projects (WB-SNV etc)	X	X																														
Develop SBCC strategy for AFN II		X																														
Implement general SBCC activities in connection with FNS					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Develop GALS curriculum		X																														
Select villages for GALS activities		X																														
Organize TOT on GALS to local trainers				X																												
Roll out GALS curriculum in villages						X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
Develop curriculum targeting adolescent girls		X																														
Select villages for adolescent girls' activities		X																														
Organize TOT to local trainers				X																												
Roll out curriculum for adolescent girls in villages						X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X								
Assess and select villages, schools, and APGs/Farmer Groups for HGSF activities			X																													
Develop curriculum for HGSF				X																												
Facilitate agreements between schools and APGs/Farmer Groups					X	X																										

	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7			
	June 2023- June 2024				June 2024- June 2025				June 2025- June 2026				June 2026- June 2027				June 2027- June 2028				June 2028- June 2029				June 2029- June 2030			
Organize Agriculture training for APGs/Farmer Groups							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
Organize business literacy training for APGs/Farmer Groups (Farming as a Business)							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
Technical support to APGs/Farmer Groups									X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Select female VVW for training									X																			
Provide training to female VVWs following MAF standards										X	X			X	X			X	X									
Provide VVW kit to female VVWs												X				X				X								
Develop nutrition training for APG members				X																								
Provide nutrition training to APG members							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				

Budget (Costab):

The total budget for this activity is US\$1,356,252, including contingencies funded by GAFSP grant to WFP:

	Unit	Quantities							Unit Cost (US\$)	Totals Including Contingencies (US\$)								
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028	2029	Total
Community nutrition and gender SBCC activities																		
I. Investment Costs																		
a. Development of Gender Action Learning System (GALS) tra	lps	1	-	-	-	-	-	-	1	75,000	87,297	-	-	-	-	-	-	87,297
b. GALS training for LWU trainers	course	6	6	-	12	-	-	-	24	2,500	17,459	18,154	-	38,518	-	-	-	74,131
c. Implement GALS activities on village level	village	-	25	-	-	-	-	-	25	6,220	-	188,192	-	-	-	-	-	188,192
d. Production of village facilitation tools	village	-	50	100	150	75	-	-	375	200	-	12,102	24,931	38,518	19,837	-	-	95,389
e. Development of specific training modules for adolescent gir	lps	1	-	-	-	-	-	-	1	25,000	29,099	-	-	-	-	-	-	29,099
f. Home grown school feeding program	schools	-	30	-	-	-	-	-	30	6,250	-	226,920	-	-	-	-	-	226,920
g. Nutrition training for APG members	village	-	50	100	150	75	-	-	375	350	-	21,179	43,629	67,407	34,715	-	-	166,930
h. Village Veterinary Worker (VWV) training	district	-	5	7	8	-	-	-	20	5,000	-	30,256	43,629	51,358	-	-	-	125,243
i. VWV health kits	each	-	25	50	75	100	-	-	250	300	-	9,077	18,698	28,889	39,674	-	-	96,338
j. Translation of training materials in local languages	lps	1	-	-	-	-	-	-	1	25,000	29,099	-	-	-	-	-	-	29,099
Subtotal Community nutrition and gender SBCC activities											162,955	505,880	130,887	224,690	94,225	-	-	1,118,638
II. Recurrent Costs																		
a. Operating costs for DAFO, DHO, DES, LWUU teams	lps	15	15	15	15	15	15	15	105	1,800	30,968	32,081	32,986	33,917	34,877	35,875	36,910	237,615
Total Community nutrition and gender SBCC activities											193,923	537,961	163,873	258,606	129,102	35,875	36,910	1,356,252

(v) Activity 1b.6: Community-Based Organizations (CBOs) Strengthening

Sheet number: 6

Version: 1

Activity Name	1b.6 – Community-Based Organizations (CBOs) Strengthening
Subcomponent:	1.b: Improved agricultural productivity of selected commodities
Contribution to project objectives:	
Development Objective	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities
PDO Indicator	16,800 households with increased incomes by 20%
Outcome level results	Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices IFAD CI 3.2.2
Outcome indicator	15,000 households reporting adoption of environmentally sustainable and climate-resilient technologies and practices
Output level results	Output 1.3: Smallholders receiving productivity enhancement support IFAD CI 1.1.4 GAFSP Tier 2.3
Output indicator	22,400 smallholders HHs receiving productivity enhancement support
Output level results	Output 1.6 Number of producer-based organizations supported IFAD CI 2.1.3. GAFSP Tier 2.4
Output indicator	1000 producer-based organizations supported
Output level results	Output 1.7: People receiving capacity development
Output indicator	45,000 people receiving capacity development, gender disaggregated, organization type

Description of the activity:

This activity aims at providing support to around 900 existing and new Agricultural Production Groups (APGs) and 100 other CBOs, such as Water Users' Groups, for a total of 1,000 target CBOs. It is assumed that each CBOs will have around 25 members, for a total membership of around 25,000 smallholder farmers. The adoption ratio is assumed to be 90%, resulting in a target of 22,400 smallholders HHs receiving productivity enhancement support (output 1.3 indicator).

The combined APGs membership and group committees will be 50% women.

In the 15 convergence districts, the APGs will be supported to set up or improve group organization and for community based participatory planning to prepare APG grants proposals in line with the guidance provided in the [APG](#) grant manual. Implementation and monitoring of APG grants will follow the approach developed under AFN I.

Selection of commodities. The project will only support food crops and small livestock and will exclude industrial productions (animal feed raw such as inedible maize and cassava as well as rubber and other non-food commodities). The selection criteria are: (i) comparative advantage for production in a given district; (ii) potential for growth (in terms of quality or quantity); (iii) potential for value addition by target groups; (iv) potential for up-scaling; and (v) inclusiveness and mainstreaming aspects (e.g. nutrition, gender, EG, other vulnerable groups, environmental and climate aspects).

The potential commodities are food crops (vegetable, spices such as cardamom and galangal, fruit production including banana, speciality rice, etc.) and small livestock (swine, goats, and poultry raising as well as fish culture). Large livestock raising activities (cattle, buffalo) are excluded, but production of forage for cut-and-carry systems is eligible as it has economic benefits (for goat and swine raising), environmental merits (reduced grazing from existing livestock production activities), and positive social impacts (reduced labour for forage collection).

The Participatory Action Research models (PAR) developed, implemented, and analysed under AFN I will be scaled up. The approach will also support the introduction and dissemination of climate change [adaptation](#) options, Sustainable Land Management technologies (SLM), and Renewable Energies technologies. The technical capacity on these approaches has already been built at PAFO and DAFO level by previous projects including AFN I in the Northern Provinces and by FNML in the Southern provinces.

Graduation of CBOs. AFN II focuses mainly on the graduation of existing APGs into larger, market-ready CBOs. The aim is to enable larger CBOs to aggregate demand for supporting productive infrastructure (collection points, post-harvest and processing facilities) and also aggregate safe and high-quality products to attract better market outlets.

Organization support for clustering APGs and the graduation of CBOs (possibly into registered ACs) will be supported by a specialised service provider. The service provider will provide support to clusters of advanced APGs identified by GST and will support clusters of up to 10 APGs to register into ACs. The project will support registration of 15 ACs, involving around 150 APGs, or around 3,750 smallholder farmers. Support to ACs will include organizational and management functions, financial and business literacy, business planning, and access to services and markets. People trained in business literacy and business management will be at least 50% female.

The service providers will also support clusters of APGs and ACs to access finance, including through AC grants in the project budget under the funding gap. Where possible, the project will link APGs and ACs with existing or emerging micro-finance services, such as WDFD and village banks, to support sustainability of APG investments in production, post-harvest, and marketing.

Targeting and Selection of beneficiaries

Following the two-pronged targeting approach, this activity will be implemented mainly in the 15 non-convergence districts by providing APG grants. It will also support graduation of APGs established under AFN I in the 5 convergence districts.

- In the 375 villages located in the 15 non-convergence districts, two APGs of around 20 farmers will be supported in each village for a total of 750 APGs. This may include up to 250 APGs (out of 350) established under FNML in 5 southern districts. In addition, the project will support 100 WUGs in charge of operation and maintenance of upgraded small-scale irrigation schemes.
- In the 125 villages located in the 5 non-convergence districts, 125 existing APGs established under AFN I will receive support for clustering and graduation into mature, market-ready CBOs. These APGs have already received APG grants under AFN I and are not eligible for a second round of funding. Some of these groups may be linked to the numerous on-going projects in the convergence districts.

Table 58. Number of target villages in convergence and non-convergence districts

Provinces	Convergence districts	Non-convergence districts		Totals per province	
			FNML target	Target districts	Target villages
Phongsaly	Boontay, Samphanh, Khua	Phongsaly, Nhot Ou		5	125
Oudomxai	La	Beng, Nga, Pakbeng		4	100
Salavan		Toomlarn	Samuoi Ta Oi	3	75
Sekong		Kaleum, Lamam	Dak Cheung	3	75
Attapeu		Sanamxay,	Sanxay, Phouvong	3	75

	Convergence districts	Non-convergence districts		Totals per province	
Provinces			FNML target	Target districts	Target villages
Xiengkhouang	Nong Het	Mok		2	50
6 Prov.	5 Districts	10 Districts	5 districts	20	500
No of vill.	125	250	125		500

Table 59: Number of APG in convergence and non-convergence districts

	Convergence districts	Non-convergence districts		Tot.
	AFN I target	Other	FNML target	
6 Prov.	5 Districts	10 Districts	5 districts	20
No of vill.	125	250	125 (out of 175 FNML target)	500
No of APGs	125	500	275 (out of 350 established under FNML)	900
APGs	125 in conv. districts	775 APGs in non-convergence districts		900

The existing groups will be selected based on an assessment of their capacity, plans, and aspirations. A criteria-based selection will be conducted to give priority to APGs with higher incidence of poverty, food insecurity, malnutrition, and climate vulnerability. Similarly, establishment of new groups will be on a voluntary basis in target villages and will give priority to smallholder farmers most affected by poverty, food insecurity, and malnutrition.

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
1	Assessment of market demand, production potential, and CBOs capacity	GST / DAFO	NPCO / PAFO	By phase
2	Extension Management System (EMS) planning	GST / DAFO	NPCO / PAFO	Annually
3	Strengthening of existing APGs capacities / establishment of new APGs	GST / DAFO	NPCO / PAFO	By phase
4	APG grants proposals preparation and approvals	GST / DAFO	NPCO / PAFO	By phase
5	APG grants implementation and monitoring	GST / DAFO	NPCO / PAFO	By phase
6	Organizational support to clustering of APG and graduation (into ACs)	GST / DAFO	Specialised service provider, NPCO	By phase
7	AC grants	GST / DAFO	Specialised service provider, NPCO	By phase

Implementation arrangements:

The support to existing or new APGs will broadly follow similar arrangements to AFN I. The Group Support Team at district level will be responsible for implementation under the technical and organizational leadership of DAFO and with assistance from the District Agriculture Advisors in the 15 convergence districts. The overall technical oversight and guidance is provided by the NPCO with support from the Agriculture and Advisory services Specialist.

The Extension Management System (EMS) will be implemented by DAFO in all 20 target districts. The Extension Management System (EMS), developed by the Department of Agricultural Extension and Cooperatives (DAEC), will be adopted to ensure District-wide orientation, evidence-based decision-making, and Management for Results.

The EMS tools are used for selection of priority eligible products with proven market demand, as well as planning, reporting, and fund management. Extension services are to be provided by DAFO based on the existing APGs capacities and priorities and focusing on production, organizational aspects, and market linkages. The extension activity plan must include clear outcome and output level targets linked with the logframe indicators. The EMS plans are to be reviewed by the NPCO and approved by the district steering committee as part of the AWPB preparation process.

DAFO extension activities are funded by the project with a budget allocation of around US\$5,000 annually. This limited funding requires DAFO to identify cost-effective strategies. This implementation arrangement aims at enabling DAFOs to operate in relative autonomy, by setting priorities and measurable targets and progress.

Organizational support for clustering APGs and graduation of CBOs (possibly into registered ACs) will be supported by a specialised service provider recruited through a National Competitive Bidding procedure (NCB).

Risks and mitigation measures:

The risk assessment and mitigation measures will follow the IFAD Social, Environmental, and Climate Assessment Procedures available here: [SECAP guidelines](#).

The risks will be mitigated in line with the ESCMP available in the [Annex 5](#) note in Annex 5 of the PDR. The project will introduce and disseminate sustainable, climate-resilient, agricultural production best practices. In the context of increasing costs of chemical inputs, and in the face of more regular outbreaks of pests and diseases, the project will promote alternatives to the use of agrochemicals. For example, alternatives to synthetic fertilisers (mulching, compost, green manure, crop rotation, crop association, agroforestry) and to the intensive use of pesticides will be demonstrated and disseminated.

The AFN II interventions build on the capacity of PAFO and DAFO that has been strengthened under AFN I, FNML, and other projects. However, organizational risks exist due to the low capacity of CBOs to plan, implement, and respond to market demand. These risks will be mitigated by capacity strengthening activities and support provided at district level by District Agriculture Advisors and at the NPCO by the Agriculture and Advisory Services specialist. In addition, graduation of CBOs will be supported by a specialised service provider.

The ENR/CC specialist and the social inclusion specialist will provide support for risk assessment, risk screening and mitigation measures as set in the [Error! Reference source not found.](#) and **SIAP** to ensure compliance with SECAP requirements.

Sustainability and exit strategy

The sustainability of the approach relies on capacities at two levels: CBOs and DAFO. Through its graduation approach, the project enhances the likelihood of sustainability by enabling the emergence of larger, market ready CBOs, possibly registered as formal ACs.

Market linkages provide the pull factor to CBOs to graduate, with organizational, technical, and financial support from the project. CBOs are further supported for market linkages through component 2.

In parallel, the EMS mechanism allows DAFO to become more pro-active in identifying potential in their respective districts, preparing result-based annual plans, and implementing extension activities in line with defined outcomes and output targets.

Links to Guidelines / References available on the AFN-II repository:

Group assessment guidelines developed by DEAC

IFAD [toolkit on building social capital](#), including group assessment guidelines

IFAD tool kit [on FO business model](#)

APG grant manual in Appendix 9 of the PIM

Extension Management System (EMS): <https://www.aciar.gov.au/publication/technical-publications/enhancing-district-delivery-and-management-agriculture-extension-lao-pdr-final-report>

AFN II [Annex 5](#) note and ESCMP

Climate change [adaptation](#) options

Sustainable Land Management technologies and approaches available in Lao and in [English](#)

FAO CSA [practices](#)

Agroecology Learning Alliance in Southeast Asia (ALiSEA): on-line [library](#)

PAR models developed by AFN I

PICSA Farmers' Group Investment Facility (FGIF) manual

Local Adaptation Investment Plan (LAIP) developed by NAFRI in the FNML target villages

Lao Climate Service for Agriculture: [LACSA](#)

Activity implementation Schedule

Project years	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7				
	23- 24				24- 25				25- 26				26- 27				27- 28				28- 29				29- 30				
	Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Activities/steps																													
Batch 1 (conv. Districts)																													
Assessment (APGs)	25	100																											
EMS planning			x				x					x							x										
EMS approval (AWPB)				x				x					x							x									
EMS implementation																													
Clustering of APGs into AC																													
AC investment grants																													
Batch 2 non conv districts																													
Assessment (APGs)					25	75																							
EMS planning			x				x					x							x										
EMS approval (AWPB)				x				x					x							x									
EMS implementation																													
APG grants proposals							100																						
APG grants implementation																													
Clustering of APGs into AC																													
AC investment grants																													
Batch 3 non conv districts																													
Assessment (APGs)									50	100																			
EMS planning			x				x					x							x										
EMS approval (AWPB)				x				x					x							x									
EMS implementation																													
APG grants proposals											150																		
APG grants implementation																													
Clustering of APGs into AC																													
AC investment grants																													
Batch 4 non conv districts (APGs)																													
Assessment (APGs)													50	100															
EMS planning			x				x					x							x										
EMS approval (AWPB)				x				x					x							x									
EMS implementation																													
APG grants proposals															150														

Activity Name	Activity 1b.7: Agriculture/Rural Advisory Service improved
Component:	1.b: Improved agricultural productivity of selected commodities.
Contribution to project objectives:	
Development Objective	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities.
Indicators	16,800 households with 20% decrease in food insecurity 16,800 households with increased incomes by 20%
Output level results	Output 1.3: Smallholders receiving productivity enhancement support IFAD CI 1.1.4 GAFSP Tier 2.3
Output indicator	12,000 smallholders receiving productivity enhancement support
Output level results	Output 1.7: People receiving capacity development
Output indicator	45,000 people receiving capacity development, gender disaggregated, organization type

Description of the activity:

Delivery of last mile advisory services to smallholders in remote upland areas of Lao PDR is one of main constraints to increasing productivity, enhancing resilience to climate change, accessing finance and markets, and generating incomes. To this end, this activity further develops the approach adopted by AFN I in the framework of the current Lao Extension for Agriculture policy. The project will continue to focus on CBOs (Village Agriculture Technicians, Village Veterinary Workers and lead-farmers) as **key channels to deliver last mile services** to smallholders, women, and men. This farmer-to-farmer (F2F) extension approach has proven effective and efficient in ensuring that information and advice is adapted to the specific agro-ecological characteristics and ethnic composition of each village.

The inclusive community based participatory planning process, described in activity 1b.6, means village authorities and community-based organizations will identify gaps and priorities in terms of advisory services. The planning process will build on lessons from the recently concluded Southern Laos Food and Nutrition Security and Market Linkages Programme (FNML), such as a strong focus on community-based planning (Participatory Local Adaptation Investment Plans) and the role of CCA and Sustainable Land Management (SLM).

To enhance the climate resilience of agriculture production systems in the target areas, the extension services will also include links with emerging climate information systems in Lao PDR, such as the Lao Climate Service for Agriculture (LACSA) established by the Department of Meteorology and Hydrology (DMH) of the Ministry of Natural Resources and Environment (MONRE) and supported by the FAO SAMIS project. Synergies with the GCF-funded follow up project will be developed.

The DAFO are in charge of assessing the technical and organizational skills of Village Agriculture Technicians (VAT) and Village Veterinary Workers as the last-mile element in the service delivery channel. These regular assessments serve as the basis to identify needs for further capacity building based on an on-the-job training approach and on-site demonstrations of best practices. These assessments also provide information to certify VATs and VVWs and ensure they are recognised and supported as an integral part of the extension system. VATs will receive training and starter kits budgeted for at around US\$1,700 each.

VATs who engage in commercial production of inputs (vaccinated chicks, ducklings, froglets, etc.) can generate a regular income stream from selling inputs, while providing sound technical advice to their customers including broiler producers, frog producers, fish producers, etc. Such agripreneurs (**Lead Farmers**) will be supported by the project to develop their input production activity and will receive business advice and starter kits budgeted for at US\$1,700 each.

Under activity 1a.5b, female VVWs will also receive training and starter kits to provide fee-based vaccination services and technical advice on animal husbandry in their community (funded under the GAFSP grant to WFP).

This activity will also promote networking between VATs, VVWs and Lead Farmers, through social media platforms and exchange visits.

The full-time district agriculture advisors in the 15 non convergence districts will provide direct technical and organizational support to the CBOs (APGs, WUG, etc), VATs, VVWs, and Lead Farmers.

Targeting and Selection of beneficiaries

The primary targets of this activity are the VATs, VVWs and Lead Farmers already established under AFN I and FNML. They have already been identified, trained, and most of them have been certified by DAFO. In total, the project intends to support around 400 VAT/VVW/Lead Farmers.

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
1	Assessment of existing VAT, VVW and Lead farmers	GST/DAFO	PAFO and NPCO	Q1-Year 1
2	Identification of new VAT, VVW and Lead farmers	GST/DAFO	PAFO and NPCO	Q2-Year 1 onwards
3	Refresher / on the job training for VAT, VVW and lead farmers	GST/DAFO	PAFO and NPCO	Q3-Year 1 onwards
4	Support to demonstrations (by VAT and input production units by Lead Farmers	GST/DAFO	PAFO and NPCO	Q3-Year 1 onwards
5	Exchange visits between VAT, VVWs and Lead farmers.	GST/DAFO	PAFO and NPCO	Q4-Year 1 onwards
6	Regular assessment and certification of VAT; VVWs, lead farmers	GST/DAFO	PAFO and NPCO	Q4-Year 1 onwards

Implementation arrangements:

DAFO will be the lead agency responsible for delivering outputs and outcomes under this activity. In the 15 convergence districts, DAFO will be supported by full time district agriculture advisors. In the five convergence districts, other projects provide technical advice to DAFO staff. However, all DAFO in 20 districts will receive guidance from an Agriculture and Advisory Services specialist based at NPCO.

Risks and mitigation measures:

The risk assessment and mitigation measures will follow the IFAD Social, Environmental and Climate Assessment Procedures available here: [SECAP guidelines](#).

The risks will be mitigated in line with the ESCMP available in the [Annex 5](#) _note in Annex 5 of the PDR. The project will introduce and disseminate sustainable, climate-resilient, agricultural production best practices. In the context of increasing costs of chemical inputs,

and in the face of more regular outbreaks of pests and diseases, the project will promote alternatives to the use of agrochemicals. For example alternatives to synthetic fertilisers (mulching, compost, green manure, crop rotation, crop association, agroforestry) and intensive pesticide use will be demonstrated and disseminated.

The AFN II interventions builds on the capacity of PAFO and DAFO that has been strengthened under AFN I, FNML and other projects. However, organizational risks exist due to the low capacity of CBOs to plan, implement, and respond to market demand. These risks will be mitigated by capacity strengthening activities and support provided at district level by District Agriculture Advisors and at the NPCO by the Agriculture and Advisory Services specialist. In addition, graduation of CBOs will be supported by a specialised service provider.

Sustainability and exit strategy

The ENR/CC specialist and the social inclusion specialist will provide support for risk assessment, risk screening and mitigation measures as set in the [Error! Reference source not found.](#) and **SIAP** to ensure compliance with SECAP requirements.

The exit strategy for this activity is embedded in the design. It supports local service providers able to generate income and deliver sound technical advice to smallholder farmers in their respective geographic area and technical field of specialisation.

The project aims to develop a network of local service providers to support Agricultural extension policy and APG graduation into market-ready CBOs and registered ACs.

The DAFO are also able to take initiatives in planning and service delivery through the EMS approach described in activity 1b.6 above.

Links to Guidelines / References available on the AFN-II repository:

VAT and VVW assessment guidelines developed by DEAC

IFAD [toolkit on building social capital](#), including group assessment guidelines

IFAD tool kit [on FO business model](#)

APG grant manual in Appendix 9 of the PIM

Extension Management System (EMS): <https://www.aciar.gov.au/publication/technical-publications/enhancing-district-delivery-and-management-agriculture-extension-lao-pdr-final-report>

AFN II [Annex 5](#) note and ESCMP

Climate change [adaptation](#) options

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FAO CSA [practices](#)

Agroecology Learning Alliance in Southeast Asia (ALISea): on-line [library](#)

PAR models developed by AFN I

Local Adaptation Investment Plan (LAIP) developed by NAFRI in the FNML target villages

Lao Climate Service for Agriculture: [LACSA](#)

Activity implementation Schedule

	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7							
	2023- 2024				2024- 2025				2025- 2026				2026- 2027				2027- 2028				2028- 2029				2029- 2030							
Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Activities/steps																																
Assessment of existing VAT, VVW and Lead farmers (AFN I, FNML)			x	x																												
Identification of new VAT, VVW and Lead farmers																																
Refresher / on the job training for VAT, VVW and lead farmers (EMS mechanism)																																
Support to demonstrations (by VAT) and input production units by Lead Farmers																																
Batch 1			50																													
Batch 2					150																											
Batch 3									150																							
Batch 4													63																			
Exchange visits between VAT, VVWs and Lead farmers.																																
Regular assessment and certification of VAT; VVWs, lead farmers																																

Notes :

Budget (Costab):

The total budget for this activity is US\$2,054,144, including contingencies, funded by GAFSP grant to IFAD:

	Unit	Quantities							Totals Including Contingencies (US\$)								
		2023	2024	2025	2026	2027	2028	2029	Total	2023	2024	2025	2026	2027	2028	2029	Total
Agriculture/Rural Advisory Services improved																	
1. Demonstrations, lead farmers	LF	50	150	150	63	-	-	-	413	87,297	272,304	280,473	121,333	-	-	-	761,407
2. District Agriculture Advisor	pers-month	90	180	180	180	180	180	-	990	104,757	217,843	224,378	231,110	238,043	245,184	-	1,261,315
3. Exchange visits between provinces	sessions	-	7	7	7	-	-	-	21	-	10,166	10,471	10,785	-	-	-	31,422
Subtotal Agriculture/Rural Advisory Services improved																	
										192,054	500,313	515,322	363,227	238,043	245,184	-	2,054,144

(vii) Activity 1b.8: Climate Change adaptation infrastructures (irrigation /MUS) built and upgraded

Sheet number: 8

Version: 1

Activity Name	Activity 1b.8: Climate Change adaptation infrastructures (irrigation /MUS) built and upgraded
Component:	1.b: Improved agricultural productivity of selected commodities
Contribution to project objectives:	
Development Objective	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities.
Indicator	16,800 households 20% decreased food insecurity
Outcome level results	Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices IFAD CI 3.2.2
Outcome indicator	15,000 reporting adoption of environmentally sustainable and climate-resilient technologies and practices
Output level results	1.4 Number of farmers receiving inputs or services on climate resilient or sustainable agriculture practices. GAFSP Tier 2.13
Output indicator	10,000 farmers receiving inputs or services on climate resilient or sustainable agriculture practices
Output level results	1.5 Land-area receiving improved production support IFAD CI 3.1.4. GAFSP Tier 2.2
Output indicator	68,000 Ha receiving improved production support
Output level results	1.6 Number of producer-based organizations supported IFAD CI 2.1.3. GAFSP Tier 2.4
Output indicator	1000 producer-based organizations supported

Description of the activity:

Water-related infrastructures include Multi Use water Systems (MUS) and small-scale irrigation schemes.

Multiple-Use Water Systems (MUS) are an enhanced solution to water resource management at community level. MUS are water supply systems with simple headworks, storage and pipe distribution networks. In upland areas, MUS can be gravity fed or alternatively battery-less solar pumps can be installed in combination with water storage. Rainwater collection systems can also be introduced. These systems aim to meet both domestic and household agricultural needs such as the integrated home garden developed in component 1a. In home gardens, efficient use of water is ensured by micro-irrigation techniques such a drip lines and sprinklers.

MUS dramatically decrease the workload of women and girls for fetching water and provide benefits in health and sanitation. Communities are also enabled for better governance, decision-making, O&M, and fair allocation of water resources. The project aims to install new MUS or upgrading existing MUS in the 375 villages and hamlets in non-convergence districts. Depending on water resources availability and the specific size and configuration of target villages, it is possible to install two MUS in some of the target villages (the budget makes provision for 400 MUS in total).

Small scale irrigation schemes are generally built by the communities themselves and are composed of a simple headwork (generally a temporary wooden weir or a concrete weir) and an earth canal that serves paddy fields located in the valley floor downstream. The temporary headworks are generally washed away by flash floods in rainy seasons and need to be repaired each year. The earth canals can be several kilometers long and are subject to landslides. To ensure sustainability of investments and affordable O&M costs, the project will support communities in upgrading existing irrigation schemes by integrating **climate**

proofing measures in the design such as PE pipes in replacement of earthen canals as demonstrated by the PICSA project.

The project aims at upgrading 100 existing small scale irrigation schemes with a command area of less than 100 hectare.

Targeting and Selection of beneficiaries

The Village Development Planning process will guide the selection of target MUS and irrigation schemes for support by the project, as described in the [VDP](#) manual in appendix 8 of the PIM.

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
1	Need assessments	GST (DAFO, DoH)	NPCO engineer / PAFO	By phase, starting in Year 1
2	Village Development Planning process	GST (DAFO, DoH)	NPCO engineer / PAFO	By phase, starting in Year 1
	Risk screening and risks management and mitigation measures ESCMP	GST (DAFO, DoH)	NPCO engineer / ENR/CC and social inclusion specialists	Before and during survey and design
3	Survey and Design	GST (DAFO, DoH)	NPCO engineer / PAFO	By phase, starting in Year 1
4	Upgrading of water infrastructures	GST (DAFO, DoH), contractors	NPCO engineer / PAFO	By phase, starting in Year 1
5	Strengthening of WUG and O&M committees	GST (DAFO, DoH)	NPCO engineer / PAFO	By phase, starting in Year 2

Implementation arrangements:

The district line agencies will be in charge of survey and design of the CCA infrastructures. The District Health Office is the institution in charge of rural water supply and the irrigation unit of DAFO is responsible for irrigation development and management. Budget provisions have been allocated to these agencies to support survey design and supervision of works.

The works will be implemented by contractors selected following procurement guidelines set down in the [Procurement](#) manual.

The engineer mobilised at NPCO will provide overall technical guidance and will ensure sustainability and climate resilience are taken in account throughout the process.

Risks and mitigation measures:

Social, environmental, and climate: Refer to IFAD [SECAP guidelines](#)

The ENR/CC specialist and the social inclusion specialist will provide support for risk assessment, risk screening and mitigation measures as set in the [Error! Reference s](#) [ource not found.](#) and **SIAP** to ensure compliance with SECAP requirements.

Sustainability and exit strategy:

Sustainability factors have been considered in terms of design and technical, organizational, and financial aspects. Water system upgrades will give priority to low maintenance, low-cost technologies including piloting RETS. The survey process will include a climate vulnerability assessment and a risk screening mitigated as outlined in the ESCMP (including climate proofing measures in the design). O&M committees for MUS and WUG

for irrigation schemes will be established where required and will be trained on O&M functions, including routine maintenance and regular repairs. The O&M committees and WUG will be in charge of collecting contributions for water users to cover O&M costs.

The MoU between district line agencies, village authorities, and MUS O&M committees or MUS will include provisions for support by provincial/districts for large/emergency repairs.

Links to Guidelines / References available on the AFN-II repository:

[VDP](#) manual in Appendix 8 of the PIM

PICSA lessons learned on irrigation development, WUG strengthening, O&M functions, sustainability, etc.

Technical guidelines on MUS such as the ones developed by [ICIMOD](#) and [iDE](#) for similar geographic settings, as well as the MUS group [toolkit](#).

Activity implementation Schedule

Activities/steps	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7				
	2023- 2024				2024- 2025				2025- 2026				2026- 2027				2027- 2028				2028- 2029				2029- 2030				
	Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
MULTI USE SYSTEMS																													
Need assessments																													
VDP process																													
Risks screening and ESCMP																													
MUS survey and design		50			100				150				100																
MUS development																													
Strengthening O&M of MUS																													
Monitoring of O&M, ESCMP																													
IRRIGATION SCHEMES																													
Need assessments																													
VDP process																													
Risks screening and ESCMP																													
Survey and design				20				30				20																	
Irrigation scheme upgrades																													
Strengthening WUG for O&M																													
Monitoring of O&M, ESCMP																													

Budget (Costab): The total budget for this activity is: US\$6,648,141, funded by GAFSP grant to IFAD:

	Unit	Quantities								Totals Including Contingencies (US\$)							
		2023	2024	2025	2026	2027	2028	2029	Total	2023	2024	2025	2026	2027	2028	2029	Total
Climate Change adaptation infrastructures (irrigation /MUS) built and upgraded																	
1. Multi Use water systems (MUS)	MUS	50	100	150	100	-	-	-	400	490,614	1,003,144	1,537,295	1,047,058	-	-	-	4,078,111
2. Small scale Irrigation schemes upgrades	schmes	-	30	40	30	-	-	-	100	-	685,157	935,632	718,704	-	-	-	2,339,492
3. Technical support for irrigation schemes (design and supervision)	schmes	-	20	30	20	-	-	-	70	-	12,102	18,698	12,839	-	-	-	43,640
4. Technical support for MUS (design and supervision)	MUS	50	100	150	200	-	-	-	500	17,459	36,307	56,095	77,037	-	-	-	186,898
Subtotal CCA infrastructures (irrigation /MUS) built and upgraded										508,073	1,736,710	2,547,719	1,855,638	-	-	-	6,648,141

Notes Costab:

Items 1 and 2 in the Cost table above follow the financing rule: GAFSP IFAD/MAF (47.7%), FUNDING GAP (37.3%), BENEFICIARY (15%)

Items 3 and 4 in the Cost table above follow the financing rule: GAFSP IFAD/MAF (50%), FUNDING_GAP (50%)

The project will start to support building and upgrading of CCA infrastructures with the funding already secured (GAFSP IFAD/MAF) and the remaining quantities will be pending mobilisation of additional resources to bridge the funding gap.

(viii) Activity 2.1: Support to MSME in food supply chains

Sheet number: 9

Version: 1

Activity Name	Activity 2.1: Support to MSME in food supply chains
Component:	Business Partnerships and Market Access Improvement
Contribution to project objectives:	
Development Objective	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities.
Indicator	16,800 households with increased incomes by 20% GAFSP Tier 1
Outcome level results	Outcome 2/ Households and Farmers reporting improved physical access to markets, processing and storage facilities CI 2.2.6 GAFSP Tier 2.8
Outcome indicator	15,000 HHs and Farmers reporting improved physical access to markets, processing and storage facilities
Output level results	Output 2.2: Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities CI 2.1.3
Output indicator	600 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities
Output level results	Output 2.3: Number of SMEs joining the SUN Business Network as new members
Output indicator	50 MSMEs joining the SUN Business Network as new members

Description of the activity:

The project will promote responsible investments to support nutrition-sensitive business partnerships between the public sector, community-based organizations, and private entities. The proposed activities aim to crowd-in reliable private sector entities by encouraging co-investment from community organizations and private companies involved in food value / supply chains.

The project will contribute to identifying existing and newly registered private entities to expand the SUN Business Network membership and crowd-in the private-sector participation in the national efforts to improve nutrition and food security. The SUN BN members will be priority business partners for Producer Organizations (APGs, WUGs) and village nutrition committees to develop business linkages and market outlets for nutritious food products. The SUN BN is supported by the WFP Country Office in Lao PDR as part of the Lao PDR WFP Country Strategic Plan 2022-2026.

The SUN Business Network (SUN BN) aims to engage and mobilize business to act and invest responsibly in improving nutrition. It currently has over 35 members, from the agri-business, food and beverage, and garment sector. It is supported by WFP and works with partners from government, civil society, and development partners.

The partnership with AFN II will allow the SUN BN to broaden its outreach at subnational level and provide MSME members with business development services. Through the SUN BN and additional project support, specialized Farmer Groups and MSMEs will forge direct linkages and establish partnerships with the private sector entities of the SUN BN. This will provide targeted capacity building to the involved Farmer Groups and MSMEs.

The project intends to support 20 existing MSMEs and the establishment of approximately 50 new MSMEs in the target districts and provinces. This activity aims at promoting a new generation of young rural entrepreneurs including 50% women in target provinces and districts. These potential entrepreneurs need technical and financial support to strengthen their business skills and carry out investments with good potential for profitability and

positive side-effects to target farmers. Grants under activity 2.2 are available to offset risks associated with doing business with smallholder organizations in remote areas and to promote fair business practices with producers.

The project will apply due diligence to ensure that businesses have a demonstrated commitment to the SUN BN principles, including labour laws and regulations related to child labour. Those MSMEs registered at district or provincial levels will become members as a subgroup of the national SUN BN.

The selected businesses will receive support for registration in collaboration with the Departments of Finance, Planning & Investment, and Industry & Commerce at the relevant levels. The project will provide business literacy and management training and matching grant facilities in the start-up phase for these businesses. They will have access to regular product supply through partnerships with Agricultural Production Groups (APGs) supported under component 1.b of the project. In their development phase, the SUN BN members (new and pre-existing MSME) will also receive assistance to access financial services.

AFN II will facilitate linkages between MSMEs and MSME financing schemes, such as the Lao Access to Finance Fund (LAFF), for the specific purpose of enhancing access to finance for micro and small enterprises in rural areas. The Bank of Lao PDR (BoL) is an executive agency and is responsible for LAFF fund management and operations with Partner Financing Institutions (PFIs).

The MSMEs involved in this activity will be priority partners in the Multi Stakeholders Platform supported in activity 2.2: Business Stakeholder platforms.

Targeting and Selection of beneficiaries

This activity will be implemented in both convergence and non-convergence districts. The existing MSMEs already registered in the SUN BN and operating in target provinces and districts will be informed of the project intervention through a call for expression of interest.

Selected MSMEs: priority is given to (i) youth- and female-led MSMEs (if any); (ii) MSMEs with higher percentage of women and/or youth holding decision-making positions.

In parallel,

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
1	Development of a plan of action with SUN BN	NPCO Business MSP facilitator	SUN BN	Year 1, Q3
2	SUPPORT TO 20 EXISTING MSMEs			
3	Call for expression of interest from existing MSMEs, including members and non/members of SUN BN	NPCO Business MSP facilitator	MSMEs, SUN BN, PICO / DICO	Year 1, Q4 and Year 3, Q3
4	Review and screening of expressions of interest and selection of 20 MSMEs in food supply chains	NPCO Business MSP facilitator	MSMEs, SUN BN, PICO / DICO	Year 2, Q1 and Year 3, Q4
5	Business development support to 20 existing MSMEs	NPCO Business MSP facilitator	MSMEs, SUN BN, PICO / DICO	Year 2, Q2 Q&1 of years 3 to 5
6	Compliance and monitoring	NPCO Business MSP facilitator	MSMEs, SUN BN, PICO / DICO	Continuous from Q2 Y2
7	SUPPORT TO 50 NEW MSMEs			
8	Call for expression of interest from potential entrepreneurs in target provinces and districts	NPCO Business MSP facilitator	MSMEs, SUN BN, PICO / DICO	Year 1, Q4 Year 3, Q3 Q3 in Y4 & Y5

9	Review, screening, and selection of 50 entrepreneurs	NPCO Business MSP facilitator	MSMEs, SUN BN, PICO / DICO	Year 2, Q1 Year 3, Q4 Q4 in Y4 & Y5
10	Business development support to 50 new MSMEs	NPCO Business MSP facilitator	MSMEs, SUN BN, PICO / DICO	Q2, Y2 Q1 Y3 to Y6
11	Compliance and monitoring	NPCO Business MSP facilitator	MSMEs, SUN BN, PICO / DICO	Continuous from Q2 Y2

Implementation arrangements:

NPCO will provide overall guidance and management support to the planning and implementation of this activity. NPCO will ensure full integration and synergies with other AFN II interventions and will ensure compliance with national regulations and IFAD and WFP requirements.

The Business MSP facilitator and the SUN BN coordinator will guide and facilitate the overall implementation of this activity based on a common action plan prepared in Year 1 that is endorsed by the NPCO and approved by the national steering committee.

The business development support function to existing and new MSMEs will be contracted out to a specialised service provider, recruited following rules and regulations specified in the procurement guidelines.

Risks and mitigation measures:

Social, environmental, and climate: Refer to IFAD [SECAP guidelines](#)

The ENR/CC specialist and the social inclusion specialist will provide support for risk assessment, risk screening and mitigation measures as set in the [Error! Reference source not found.](#) and **SIAP** to ensure compliance with SECAP requirements.

All 70 MSMEs partners in the project will subscribe, adhere, and commit to the SUN BN Principles of Engagement to guide their work. The principles ensure that SUN BN contributions, whilst flexible, are for a common purpose, conducted in an ethical, transparent way, and with mutual accountability. The principles include:

- Businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.
- Businesses should comply with UN guidance on health and nutrition and the International Code on Marketing of Breast Milk Substitutes and World Health Assembly resolutions related to Maternal, Infant and Young Child Nutrition.
- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Businesses should uphold the elimination of all forms of forced and compulsory labour, the effective abolition of child labour, and the elimination of discrimination with respect to employment and occupation.
- Businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.
- Businesses should work against corruption in all its forms, including extortion and bribery.
- Businesses should engage in national SBN surveys to assess their business development, technical assistance, and finance needs (or support they can offer in these areas).

- Businesses should support targeted actions and/or policies to address malnutrition in all its forms of (food insecurity, undernutrition and obesity/overweightness) and diet-related Non-Communicable Diseases.
- Businesses should assess the potential to introduce workplace nutrition commitments (including breastfeeding support).

The NPCO supported by the Business MSP facilitator, the ENR/CC specialist, and the social inclusion specialist will monitor compliance of the partner MSMEs to the above principles.

Sustainability and exit strategy:

Social, environmental and climate: Refer to IFAD [SECAP guidelines](#)

The ENR/CC specialist and the social inclusion specialist will provide support for risk assessment, risk screening and mitigation measures as set in the [Error! Reference source not found.](#) and **SIAP** to ensure compliance with SECAP requirements.

Links to Guidelines / References available on the AFN-II repository:

SUN movement tool kit: <https://scalingupnutrition.org/resources/toolkits>

IFAD How to do note: Public-private-producer partnerships (4Ps) in Agricultural Value Chains <https://www.ifad.org/en/web/knowledge/-/publication/how-to-do-public-private-producer-partnerships-4ps-in-agricultural-value-chains>

Field guide for planning a socially responsible investment in agriculture in Lao PDR (VFI, MRLG, 2018) : <https://www.mrlg.org/wp-content/uploads/2019/06/RAI-field-guide-English-25.05.2018.pdf>

Guide on Responsible Agriculture and Forestry Investment in Lao PDR ([LNCCI](#), Lao National Chamber of Commerce and Industry, 2021)

PICSA implementation manuals

Activity implementation Schedule

	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7				
	2023-2024				2024-2025				2025-2026				2026-2027				2027-2028				2028-2029				2029-2030				
	Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Activities/steps																													
SUN BN / AFN II action plan and endorsement		x	x																										
SUPPORT TO 20 EXISTING MSMEs																													
Call for expression of interest from existing MSMEs, including members and non/members of SUN BN				x							x																		
Review and screening of expressions of interest and selection of 20 MSMEs in food supply chains					x							x																	
Business development support to 20 existing MSMEs in food supply chains						5			5				5				5												
Compliance and monitoring																													
SUPPORT TO 50 NEW MSMEs																													
Call for expression of interest from potential entrepreneurs in target provinces and districts				x							x				x					x									
Review, screening and selection of 50 entrepreneurs in food supply chains					x							x				x					x								
Business development support to 50 new MSMEs in food supply chains						10			10				10				10				10								
Compliance and monitoring																													
Cumulative no of partner MSMEs						15			30				45				60				70								

Budget (Costab):

The total budget for this activity is: US\$971,257, fully funded by GAFSP grant to IFAD / MAF:

	Unit	Quantities								Unit Cost (US\$)	Totals Including Contingencies (US\$)								
		2023	2024	2025	2026	2027	2028	2029	Total		2023	2024	2025	2026	2027	2028	2029	Total	
Support to MSME in food supply chains																			
1. Support to existing MSME (business planning, market dev)	MSME	-	5	5	5	5	-	-	20	7,908.78	-	47,858	49,293	50,772	52,295	-	-	200,218	
2. MSME creation (registration, seeder fund)	MSME	-	10	10	10	10	10	-	50	12,000	-	145,229	149,586	154,073	158,695	163,456	-	771,039	
Subtotal Support to MSME in food supply chains												193,086	198,879	204,845	210,991	163,456			971,257

(ix) Activity 2.2: Business Multi-Stakeholder Platforms.

Sheet number: 10

Version: 1

Activity Name	Activity 2.2: Business Multi-Stakeholder Platforms
Component:	Component 2: Business Partnerships and Market Access Improvement
Contribution to project objectives:	
Development Objective	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities.
Indicator	16,800 households with increased incomes by 20% GAFSP Tier 1
Outcome level results	Outcome 2/ Households and Farmers reporting improved physical access to markets, processing and storage facilities CI 2.2.6 GAFSP Tier 2.8
Outcome indicator	15,000 HHs and Farmers reporting improved physical access to markets, processing and storage facilities
Output level results	Output 2.2: Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities CI 2.1.3
Output indicator	600 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities
Output level results	Output 2.3: Number of SMEs joining the SUN Business Network as new members
Output indicator	50 MSMEs joining the SUN Business Network as new members

Description of the activity:

To address market failures in value chains, the project will follow the business cluster approach that aims at encouraging "many-to-many" relationships, involving a large number of farmers organized in producer organizations (such as APGs) as well as several private entities upstream and downstream of value chains. This approach ensures that both producers and buyers participate in a competitive process where business relationships are established on a preference basis by both parties.

The multi stakeholder platforms, as adopted by PICSA, provide the adequate arena for these relationships to form. They will be facilitated by a Business MSP facilitator hired by the project in collaboration with public line agencies: agriculture and forestry jointly with industry and commerce. The project will facilitate the preparation of business plans and will support co-investments in the business clusters with a matching grant facility. The grants will serve the purpose of offsetting risks associated with doing business in remote areas with newly established business ventures or producer organizations. The project will mobilize matching grants only to fill investment gaps within business clusters.

Targeting and Selection of beneficiaries

The priority targets will be the 70 MSMEs supported under activity 2.1 (plus other private entities (input and equipment suppliers, service providers) and APGs and ACs supported in component 1b.

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
1	Consultations with clustered APGs / ACs and with MSMEs	GST, NPCO with Business MSP facilitators	PICO, MSMEs	Phased approach

2	Preparation of MSP events	GST, NPCO with Business MSP facilitators	PICO, MSMES	Phased approach
3	Facilitation of MSP events, resulting in business plans, investments plans and buy/sell contracts	GST, NPCO with Business MSP facilitators	PICO, MSMES	Phased approach
4	Risk screening of business plans and ESCMP	GST, NPCO with ENR/CC and social inclusion specialists	PICO, MSMES	Phased approach
5	Co investments between APGs/ACs, MSMEs and AFN II matching grant facility	GST, NPCO with Business MSP facilitators	PICO, MSMES	Phased approach
6	Implementation of the investment plans	GST, NPCO with Business MSP facilitators	PICO, MSMES	Phased approach
7	Monitoring of the agreements and impacts	GST, NPCO with Business MSP facilitators	PICO, MSMES	Phased approach

Implementation arrangements

The MSP process will be under the general guidance and management support of the NPCO, supported by the Business MSP facilitator.

PICO and DICO will play a key role in supporting the MSP processes and facilitating business planning and business linkages between APG / ACs and MSMEs. PICO and DICO are also responsible for promoting investment and trade in their respective areas.

Other projects will be involved in the MSP processes and may contribute resources to the business planning stages.

Risks and mitigation measures:

Social, environmental and climate: Refer to IFAD [SECAP guidelines](#)

The ENR/CC specialist and the social inclusion specialist will provide support for risk assessment, risk screening, and mitigation measures as set out in the [Error! Reference source not found.](#) and **SIAP** to ensure compliance with SECAP requirements.

Sustainability and exit strategy:

The MSP and grant facilities are starter methodologies and incentives to foster “many-to-many” business relationships between CBOs / ACs and MSMEs. MSP and matching grant facilities are not destined to become institutionalised and / or to replace the role of PICO and DICO in promoting trade and investment. The expected main outcome of the platforms during project duration is increased awareness and ability for networking and coordination. However, the approach and methodologies are being used by various projects and could raise the interest of line agencies at provincial and district level. There is scope for policy engagement on the general business environment and VC governance and financing in rural areas.

Links to Guidelines / References available on the AFN-II repository:

IFAD How to do note: Public-private-producer partnerships (4Ps) in Agricultural Value Chains <https://www.ifad.org/en/web/knowledge/-/publication/how-to-do-public-private-producer-partnerships-4ps-in-agricultural-value-chains>

Field guide for planning a socially responsible investment in agriculture in Lao PDR (VFI, MRLG, 2018) :
<https://www.mrlg.org/wp-content/uploads/2019/06/RAI-field-guide-English-25.05.2018.pdf>

Guide on Responsible Agriculture and Forestry Investment in Lao PDR ([LNCCI](#), Lao National Chamber of Commerce and Industry, 2021)

PICSA MSP facilitation manuals

PICSA Agro-Enterprise Investment Facility (AIF) and guidelines

Activity implementation Schedule

	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7											
	2023-2024				2024- 2025				2025- 2026				2026- 2027				2027- 2028				2028- 2029				2029- 2030											
Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
Activities/steps																																				
Consultations with clustered APGs / ACs and with MSMEs																																				
Preparation of MSP events																																				
Facilitation of MSP events, resulting in business plans, investments plans and buy/sell contracts						15				15				15				15				15				15				15						
Risk screening of business plans and ESCMP																																				
Co investments between APGs/ACs, MSMEs and AFN II matching grant facility							10				20				20				20				20				20									
Implementation of the investment plans																																				
Monitoring of the agreements and impacts																																				

Budget (Costab):

The total budget for this activity is: US\$2,559,785 funded by the IFAD loan and MSMEs:

	Unit	Quantities							Unit Cost (US\$)	Totals Including Contingencies (US\$)								
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028	2029	Total
Business Multi-Stakeholder Platforms																		
I. Investment Costs																		
1. MSP sessions, fairs and markets	sessions	-	15	15	15	15	15	15	90	1,700	-	30,173	31,012	31,874	32,764	33,692	34,654	194,169
2. Matching grants for MSP	MSP	-	-	10	20	20	20	-	70	25,000	-	-	311,637	641,971	661,230	681,067	-	2,295,906
Subtotal Investment costs											-	30,173	342,648	673,845	693,995	714,759	34,654	2,490,075
II. Recurrent Costs																		
3. DSA for Technical support (DICO)	districts	15	15	15	15	15	15	15	105	400	6,984	7,261	7,479	7,704	7,935	8,173	8,418	53,954
4. DSA for Follow-up (PICO)	prov	7	7	7	7	7	7	7	49	250	2,037	2,118	2,181	2,247	2,314	2,384	2,455	15,737
Subtotal Recurrent Costs											9,021	9,379	9,661	9,951	10,249	10,557	10,873	69,690
Total Business Multi-Stakeholder Platforms											9,021	39,553	352,309	683,796	704,244	725,316	45,527	2,559,765

Notes Costab:

Item 1, 3 and 4 in the cost table above are funded by the IFAD loan.

For Item 2 in the cost table above, MSMEs will finance 50% of the matching Grants, and the IFAD loan will contribute 50%

Activity Name	Activity 2.3: Market related infrastructures
Component:	Component 2: Business Partnerships and Market Access Improvement
Contribution to project objectives:	
Development Objective	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities.
Indicator	16,800 households with decreased food insecurity by 20%
Outcome level results	Outcome 2: Households and Farmers reporting improved physical access to markets, processing, and storage facilities CI 2.2.6 GAFSP Tier 2.8
Outcome indicator	15,000 HHs and Farmers reporting improved physical access to markets, processing, and storage facilities
Output level results	2.1 Number of processing, storage, and market facilities constructed and/or rehabilitated CI 2.1.6 GAFSP Tier 2.7
Output indicator	500 processing, storage, and market facilities constructed and/or rehabilitated

Description of the activity:

The Multi-Stakeholder Platforms under Activity 2 will directly guide investments in market-related infrastructures: access tracks and post-harvest / processing facilities. While food systems in Laos are in their nascent stage, increasing added value to locally grown produce through industrial in-country processing could improve food security, nutrition, and employment and reduce reliance on imported products.

Access tracks will only be improved where physical access is a critical constraint to market linkages. The project will assist the village authorities in identifying existing alignments of less than 10 km length that could ensure year-round access to the main road and district centers. The expected outcome will be improved access to public services (health, education, etc.) and to markets (selling of agricultural products and buying of goods by rural households).

The survey and design will be carried out with support from DAFO and District Public Works and Transport Offices (DPWTO). Climate proofing measures will be included to ensure the infrastructure stays functional year-round and that climate risks such as erosion, landslides, flash floods, etc. are identified and mitigated in the design process.

The village authorities, with support of District Project Team and DPWTO, will be responsible for recruiting local contractors. The village authorities will also establish O&M committees responsible for operational rules and maintenance and repairs. At design stage, funding for access tracks is not secured and is under a financing gap, pending mobilisation of additional resources.

In parallel, the project will co-invest in other market-oriented infrastructure such as post-harvest and processing and storage facilities with the aim of mitigating market risks and generating value addition within the rural communities. The facilities eligible for investment include drying floors, dryers, threshers, sorters, cooling systems, packing units, weighing stations, collection centers, etc. Where feasible, RETs will be promoted such as solar dryers or solar incubators, for example. These investments will be part of the business plans prepared by business clusters in the multi stakeholder platform process under activity 3 above. At the design stage, funding for this market-oriented infrastructure is not secured and is under a financing gap, pending mobilisation of additional resources.

Targeting and Selection of beneficiaries

The selection process for access tracks will ensure that the project fund's investments do not have adverse social or environmental impacts. Therefore, access tracks are ineligible for project funding in the following cases:

- resources are to be used for the purchase of land in the track's alignment;
- The planned work requires involuntary land acquisition;
- The planned works impact negatively on the livelihoods of people along or close to the proposed alignment;
- The planned works are highly susceptible to causing environmental degradation and no adequate mitigation measures are included in the proposal;
- The planned works are not supported by or acceptable to the Village Authorities.

Similarly, the project will invest in post-harvest and processing facilities that have no negative social and environmental impact or minor impacts that can be managed and mitigated by the project stakeholders, including the APGs and ACs responsible for their operation and maintenance.

Implementation steps:

Step	Description	Responsibility	Partners	Completion date
Access tracks				
1	Need assessments	GST (DAFO, DoH)	NPCO engineer / PAFO	Starting in year 3, pending funding gap
2	Village Development Planning process	GST (DAFO, DoH)	NPCO engineer / PAFO	Starting in year 3, pending funding gap
3	Risk screening and risks management and mitigation measures ESCMP	GST (DAFO, DoH)	NPCO engineer / ENR/CC and social inclusion specialists	Starting in year 3, pending funding gap
4	Survey and Design	GST (DAFO, DoH)	NPCO engineer / PAFO	Starting in year 3, pending funding gap
5	Upgrading of existing access tracks alignment	GST (DAFO, DoH), contractors	NPCO engineer / PAFO	Starting in year 3, pending funding gap
6	Strengthening of access track O&M committees	GST (DAFO, DoH)	NPCO engineer / PAFO	Starting in year 3, pending funding gap
Food processing and storage facilities				
7	Need assessments	GST (DAFO, DoH)	NPCO engineer / PAFO	Starting in year 3, pending funding gap
8	Village Development Planning process	GST (DAFO, DoH)	NPCO engineer / PAFO	Starting in year 3, pending funding gap
9	Risk screening and risks management and mitigation measures ESCMP	GST (DAFO, DoH)	NPCO engineer / ENR/CC and social inclusion specialists	Starting in year 3, pending funding gap
10	Survey and Design	GST (DAFO, DoH)	NPCO engineer / PAFO	Starting in year 3, pending funding gap

11	Construction of food processing and storage facilities, including equipment	GST (DAFO, DoH), contractors	NPCO engineer / PAFO	Starting in year 3, pending funding gap
12	Strengthening of CBOs / O&M committees	GST (DAFO, DoH)	NPCO engineer / PAFO	Starting in year 3, pending funding gap
13	Monitoring of O&M, economic impacts, ESCMP	GST (DAFO, DoH)	NPCO engineer / PAFO	Starting in year 3, pending funding gap

Implementation arrangements:

The [VDP](#) process will guide investments in food processing and storage facilities as well as access tracks.

Manuals and guidelines will be developed when resources have been secured to bridge the funding gap for this activity.

AFN II will broadly follow approaches and methodologies applied by PICSA and will adjust them to take lessons learned in account.

Risks and mitigation measures:

Social, environmental, and climate: Refer to IFAD [SECAP guidelines](#)

The engineers in liaison with the PGT will systematically conduct risk screening and mitigation measures in the proposals for market related infrastructures.

The ENR/CC specialist and the social inclusion specialist will provide support for risk assessment, risk screening and mitigation measures as set in the [Error! Reference s](#)
[ource not found.](#) and **SIAP** to ensure compliance with SECAP requirements.

Sustainability and exit strategy

Sustainability aspects will be embedded in the planning process at an early stage, following the guidance of the SECAP note, risks screening, and ESCMP. Robust designs and climate proofing measures will enhance sustainability of the investments.

O&M committees will be established for both food processing and storage facilities as well as access tracks. O&M committees will be responsible for operating and maintaining the facilities by generating income streams (food processing facilities) and / or collecting users' fees for routine maintenance and regular repairs. The MoU with relevant line agencies will set the conditions for public support for large repairs and / or emergency repairs.

Links to Guidelines / References available on the AFN-II repository:

VDP manual in Appendix 8 of the PIM

Manual and guidelines developed and applied by PICSA

Activity implementation Schedule. To be developed when funds are secured to bridge the funding gap.

Budget (Costab):

The total budget for this activity is: US\$3,905,816.

	Unit	Quantities							Unit Cost (US\$)	Totals Including Contingencies (US\$)								
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028	2029	Total
Market related infrastructures																		
1. Food Processing and storage facilities	APG	-	50	100	100	125	-	-	375	4,500	-	272,304	560,946	577,774	743,884	-	-	2,154,908
2. Access tracks	km	-	-	50	100	150	-	-	300	4,500	-	-	280,473	577,774	892,661	-	-	1,750,908
Subtotal Market related infrastructures											-	272,304	841,419	1,155,548	1,636,545	-	-	3,905,816

Notes Costab:

Item 1 in the Cost table above follow the financing rule: FUNDING_GAP (100%). The project will only start supporting Food processing and storage facilities investment when additional resources are mobilised to bridge the funding gap.

Under Item 2, investment costs for access tracks are also under funding gap (85%) complemented by in-kind contribution by beneficiaries (15%).

(xi) Activity 3.1: Multisector planning and coordination

Sheet number: 12

Version: 1

Activity Name	1 – Multisector Planning and Coordination
Component:	3: Enabling Environment and Partnerships (WFP and IFAD).
Contribution to project objectives:	
Development Objective	Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities.
Indicator	16,800 households with a 20% decrease in food insecurity
Outcome level results	Outcome 5: District Nutrition Committees endorsing village nutrition plans as a demonstration of improved inter-level coordination
Outcome indicator	20 District Nutrition Committees endorse village nutrition plans as a demonstration of improved inter-level coordination
Output level results	Output 1.3: Number of policy products completed with project support related to agriculture, natural resources management, and food/nutrition security (knowledge product)
Output indicator	30 policy products completed with project support related to agriculture, natural resources management, and food/nutrition security (knowledge product)

Description of the activity:

Multisector planning and coordination: The recently approved National Plan of Action for Nutrition (NPAN) for 2021-2025 identifies 22 priority interventions, of which, 9 are multisectoral. The project will support multi-sectoral nutrition-sensitive planning activities on all levels, by providing hands-on technical assistance to the nutrition committees at central, provincial, and district levels to improve coordination and efficiency. It will also provide support to the village authorities of all project villages to ensure that village planning activities adequately include multi-sectoral nutrition issues which are relayed to district and provincial levels.

Activity 1a: Nutrition-sensitive village nutrition plans: In the first year, the project will actively support nutrition planning at village level as part of the overall Village Development Planning (VDP) process. This will be carried out for all 375 villages in the 15 non-convergence target districts. The project will provide technical support to village authorities to compile and develop participatory and multi-sectoral Village Development Plans, including explicit planning for nutrition related activities following the 22 priority nutrition interventions of the NPAN. Capacity building will also focus on monitoring and ensuring coordination and alignment with the 22 priority nutrition interventions linked to AFN activities. The project will use the simple training module for decision makers at the village level that was developed as part of AFN-1 to implement, monitor, and report on the village-based nutrition activities. The village nutrition plans will then roll into the District Nutrition Committees (DNCs) and Provincial Nutrition Committees (PNCs) for further district- and province-wide planning, reporting, and implementation. These participatory village meetings will also be used as project introductory sessions.

Activity 1b: Support to DNC: DNCs have been formally established, chaired by the district governor or deputy governor to plan, and implement district-wide nutrition related activities in the four district departments of health, agriculture, education, and women affairs. The project will provide coaching and facilitation support to the DNC's and their Secretariats to develop the district plans, monitor progress, and report to PNCs and NNC. Functional competencies such as leadership, advocacy, partnerships, planning,

coordination, basic nutrition knowledge, and awareness will also be a focus of this activity. These functional competencies will be built through tailored training, oversight missions, workshops, and exchange and learning visits. Financial support will be available to support and facilitate these activities and materials such as laptops will be provided.

Activity 1c: Support to NNC and PNC: The project will collaborate with the National Nutrition Committee (NNC) at the central level to provide hands-on capacity building support to PNCs and DNCs as needed. Such capacity building activities will most likely focus on the roles and responsibilities of the PNCs and DNCs and awareness of the NPAN and the 22 priority interventions, including the manner of reporting on them.

Similarly, the project will provide Technical Assistance to the six Provincial Nutrition Committees (PNC) and their Secretariats. This will mainly be in the form of hands-on coaching sessions with the PNCs and Secretariats similar to the support provided to the DNCs.

The project will provide small equipment where needed for the PNC-DNCs and their secretariats to function, e.g. laptops, printers etc. This will be assessed on a case-by-case basis.

The project will closely coordinate with other projects and donors in the target areas to avoid duplication of activities and support. This follows the successful cooperation with development partners in the nutrition sector in Houaphanh and Oudomxai provinces.

Targeting and Selection of beneficiaries

AFN II will target the NNC at national level and the 6 PNCs and 20 DNCs on provincial and district levels, covering the entire project area. The Committees and Secretariats of the PNCs and DNCs are the targeted beneficiaries of the project.

This activity will be implemented through the WFP National, Provincial, and District staff together with local partners.

Implementation steps:

Step	Description	Resp.	Partners	Completion date
1	Central Coordination Agreement	WFP	MAF, MPI	Q1-Year 1
2	Participatory Village Development Planning meetings	WFP		Q2-Year 1 onwards
3	Drafting of Village Development Plans	WFP		Q3-Year 1 onwards
4	Endorsement of VDPs at Village and District level	WFP		Q3-Year 1 onwards
5	Capacity Building Support to NNC	WFP		Q4-Year 1 onwards
6	Capacity Building Support to PNC	WFP		Q4-Year 1 onwards
7	Drafting of Provincial Nutrition Plan	WFP		Q4-Year 1 onwards
8	Endorse Provincial Nutrition Plan	WFP		Q4-Year 1 onwards
9	Capacity Building Support to DNC	WFP		Q4-Year 1 onwards
10	Drafting of District Nutrition Plan	WFP		Q4-Year 1 onwards
11	Endorse District Nutrition Plan	WFP		Q4-Year 1 onwards

Implementation arrangements:

Role of WFP: WFP central, provincial (PPO) and district staff (PA) will be responsible for implementing the above steps. WFP will be responsible for collecting the necessary data for the M&E system and sharing it on an ongoing basis with the District M&E staff at DAFO.

Village Development Planning activities will be organized and facilitated by WFP in close cooperation with Village Authorities and district line agencies.

Provincial and District staff from PAFO, DAFO, LWU and other line agencies will work with WFP to support the Capacity Building activities for the PNCs, DNCs, and their Secretariats.

Risks and mitigation measures:

Social, environmental and climate: Refer to IFAD [SECAP guidelines](#)

Other implementation risks: PNCs and DNCs are existing structures under the GoL and as such are sustainable institutions. The committees tend to have rotating staff, making capacity building a repetitive activity. Having strong Governors or Vice-Governors as chairpersons of the committees is key for sustainability. Additionally, the support to be provided by the NNC will be important to further strengthen PNCs and DNCs.

Sustainability and exit strategy:

The PNCs and DNCs are existing structures under the GoL and as such are sustainable institutions. Project capacity building activities are targeting the members of the PNC/DNC and their Secretariats.

Links to Guidelines / References available on the AFN-II repository:

- District Multi-Sector Nutrition Planning Roadmap at AFN I
- Village Development Fund Guidelines (AFN I, English, Lao)
- District Development Plans AFN I (Lao)
- District Nutrition Plan Format (English, Lao)
- National Nutrition Strategy to 2025 and Plan of Action 2021-2025
- District Nutrition Plans from AFN I (20 districts, Lao)

Activity implementation Schedule

Activities/steps	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7				
	June 2023- June 2024				June 2024- June 2025				June 2025- June 2026				June 2026- June 2027				June 2027- June 2028				June 2028- June 2029				June 2029- June 2030				
	Quarters	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Central Coordination Agreement	X																												
Participatory Village Development Planning meetings		X	X			X	X			X	X																		
Drafting of Village Development Plans				X				X				X																	
Endorsement of VDPs at Village and District level					X				X				X																
Updating of Village Development Plans							X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Capacity Building Support to NNC				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Capacity Building Support to PNC				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Drafting of Provincial Nutrition Plan				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Endorse Provincial Nutrition Plan				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Capacity Building Support to DNC				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Drafting of District Nutrition Plan				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Endorse District Nutrition Plan				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	

Budget (Costab):

The total budget for this activity is US\$730,851, funded by GAFSP grant to WFP:

	Unit	Quantities							Unit Cost (US\$)	Totals Including Contingencies (US\$)								
		2023	2024	2025	2026	2027	2028	2029		Total	2023	2024	2025	2026	2027	2028	2029	Total
Multisectoral Planning																		
1. Village Nutrition Planning	villages	100	200	200	-	-	-	-	500	500	58,198	121,024	124,655	-	-	-	-	303,877
2. Support to PNC	provinces	6	6	6	6	6	6	6	42	1,500	10,476	10,892	11,219	11,555	11,902	12,259	12,627	80,931
3. Support to DNC	districts	20	20	20	20	20	20	20	140	1,500	34,919	36,307	37,396	38,518	39,674	40,864	42,090	269,769
4. Field visits for MAF and MoH management	each	-	1	1	1	1	1	1	6	4,000	-	4,841	4,986	5,136	5,290	5,449	5,612	31,313
5. National key stakeholder progress review & evaluation workshops	workshop	1	1	1	1	1	1	1	7	5,000	5,820	6,051	6,233	6,420	6,612	6,811	7,015	44,961
Subtotal Multisectoral Planning										109,413	179,115	184,489	61,629	63,478	65,382	67,344	730,851	

(xii) Activity 3.3: ProMIS upgrade and roll-out

The ProMIS system was established with support from FAO under AFN I. The DoPC has coordinated data entry from development projects in the database, following the indicator structure. However, the database needs to be updated to adjust the indicators list in line with project activities and interventions.

- (xiii) AFN II will support DoPC to upgrade the ProMIS indicators database, conduct training at national and provincial levels, and support projects entering the data in the database. The Biodiversity

for the IT service provider to upgrade the ProMIS database and conduct training is available in Appendix 6 of the PIM.

The total budget for this activity is: US\$111,342, funded by the IFAD loan. It will be completed in Year 2 of the project implementation timeframe.

38. Appendices to the PIM

PIM Appendix 1: AWPB template (AWPB)

PIM Appendix 1: Draft M&E [manual](#)

PIM Appendix 2: Draft Knowledge Management Plan ([KM](#))

PIM Appendix 3: Financial Management manual ([FM](#))

PIM Appendix 4: Procurement manual ([Procurement](#))

PIM Appendix 5: Partnership agreements

PIM Appendix 6: Terms of Reference (Biodiversity
)

PIM Appendix 7: Grant facilities manuals

39. PIM Appendix 1: Template of Annual Work Plan and Budget (AWPB)

See AWPB template tables in following pages.

Results #	Objectives/Expected Results	Indicators		Timetable for implementation				Responsible Unit/ Staff	Implementation targets							Budget									
		Project Indicators	RIMS Indicators	Q1	Q2	Q3	Q4		Appraisal (Total)	Revised (Total)	Planned (Annual)	Unit Cost	Achieved (Cumulative)	%	Achieved (Annual)	%	Appraisal (Total)	Revised (Total)	Planned (Annual)	Budget Category	Financier	Spent (Cumulative)	%	Spent (Annual)	%
	(A)	(B)	(C)	(D)				(E)	(F)	(Fa)	(G)	(Ga)	(H)	(I)	(J)	(K)	(L)	(La)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)
C1	Component 1 - Purpose:																								
SC11	Sub-Component 1.1:																								
111	Output 111																								
	Activity 1111																								
	Activity 1112																								
	Activity 1113																								
	Etc.																								
Total Budget for Output 1.1.1:																									
112	Output 112																								
	Activity 1121																								
	Activity 1122																								
	Etc.																								
Total Budget for Output 1.1.2:																									
113	Output 113																								
	Activity 113.1																								
	Activity 113.2																								
	Etc.																								
Total Budget for Output 1.1.3:																									
Total Budget for Sub-Component 1.1:																									
SC12	Sub-Component 1.2:																								
12.1	Output 12.1																								
	Activity 12.11																								
	Activity 12.12																								
	Etc.																								
Total Budget for Output 1.2.1:																									
12.2	Output 12.2																								
	Activity 12.21																								
	Activity 12.22																								
	Etc.																								
Total Budget for Output 1.2.2:																									
Total Budget for Sub-Component 1.2:																									
	Etc.																								
	Etc.																								

	Approved Total Budget				Cumulative Budget Spent to Date				New Annual Budget Requested			
	IFAD	Gov.	Financier 3	Total	IFAD	Gov.	Financier 3	Total	IFAD	Gov.	Financier 3	Total
	(A)				(B)				(C)			
<u>I. Investment Costs:</u>												
A. Civil Works												
B. Vehicles												
C. Equipment												
D. Technical Assistance and Studies												
E. Training and Workshops												
F. Contracts with Service Providers												
G. Funds												
H. Credit Lines												
Total Investment Costs												
<u>II. Recurrent Costs:</u>												
A. Staff Salaries												
B. Staff Allowances												
C. Office maintenance												
D. Vehicle Operation and Maintenance												
E. Equipment Operation and Maintenance												
F. Office running Costs												
Total Recurrent Costs												
<u>Physical Contingencies</u>												
<u>Price Contingencies</u>												
Grand Total												
<i>Note: All above budget categories are indicative</i>												

40. PIM Appendix 2: Draft M&E manual

This draft M&E [manual](#) has been prepared on the basis of the manual developed by the IFAD funded PICSA project

(a) Introduction

About the Guidelines and their Scope. These Monitoring and Evaluation (M&E) Guidelines provide guidance for monitoring and evaluation of the AFN II Project. These Guidelines should be used in conjunction with the Project Implementation Manual (PIM), which includes a summary section on M&E.

The M&E Guidelines will be finalised in consultation with related staff and approved by IFAD. After an initial implementation period of one year, the M&E Guidelines, its procedures, and methods will be reviewed, and these Guidelines will be revised to further improve M&E implementation and outcomes of the Project.

Purpose and objective of M&E. M&E is used to: (i) Monitor Project implementation as per approved Annual Work Plan and Budget (AWPB),⁴⁷ providing evidence of progress made towards Project targets and identifying patterns, trends or issues for decision-making purposes; (ii) Determine the outcomes and impacts of the Project (intended and unintended) and assess their value, explaining how and why progress is coming about (or not), and identifying recommendations to strengthen or re-examine the Project.

(b) Setting up the AFN II Project M&E System

a). AFN II Project M&E Structure and Responsibilities

Framework and implementation plans. The M&E system will be setup and managed by the National Project Coordination Office (NPCO). A full-time M&E Officer and a Knowledge Management (KM) Advisor and Assistant will be hired by the Project to support Project staff in: (i) Agreeing on a shared understanding of Project objectives, approaches and planned activities; (ii) Agreeing on a broad framework for M&E and KM and on priority actions to implement it; (iii) Identifying quantitative and qualitative indicators on a participatory basis, building on the logical framework and on the set of IFAD's Core Indicators (CIs) framework.⁴⁸; and (iv) review and validate the Theory of Change and the logframe in order to get a common understanding of the project.

Organizational structure of the M&E system. The M&E system is structured into four levels according to the Project implementation / management structure and the Government system, from the national to provincial, district, and cluster/village levels. There are a full-time M&E Officer and M&E assistant at the national level (NPCO) and M&E and Planning Officers at provincial and district levels. At provincial level, there are Government of Lao PDR (GoL) staff acting as supporting M&E Officers, taking care of planning, supporting implementation, following and reporting of Project activities. At

⁴⁷ The global AWPB is collated by the M&E Officer and Finance Officer (for budgeting) under the supervision of the National Project Coordinator, and it is submitted to the National Steering Committee for final approval, hence to IFAD management for No Objection.

⁴⁸ The Results Management and Information System (RIMS) was set in 2003 as IFAD's primary mechanism for measuring and reporting results by Projects at output, outcome, and impact levels. It was revised in 2017 and replaced with the Core Indicators (CIs) framework to make corporate results reporting more strategic, more robust, simpler, and effectively mainstreamed in Project M&E systems. For more information, please see Core Outcome Indicators Measurement Guidelines (COI) (IFAD, 2020).

Provincial and district levels, there are full-time M&E and Planning Officers, who oversee planning, and M&E aspects and support the implementation of Project activities, tracking, and reporting. At cluster and village levels, Community Mobilizers are tasked to take care of assigned villages, to play coordination roles to support Project implementation, to follow up field activities, and to do reporting.

At the cluster/village level, Community Mobilizers, Village Nutrition Facilitators, Lead Farmers, and Village Heads will contribute to the data collection process under the guidance and supervision from the district M&E staff. The district M&E staff will provide guidance to them to collect data for the Project Implementation M&E System (PIMES). When data is collected by independent/external parties (i.e., for externally collected data), the above-mentioned persons will support the required data and information at field level.

The Chief Technical Advisor (CTA) represents an important source of technical assistance for the M&E system (and for the Project in general). An M&E Expert will additionally support the functioning of AFN II Project’s M&E system. The M&E Officer is a very important channel for capacity building by in-house training, coaching, and facilitating the learning-by-doing process of M&E staff at various levels.

Table PIM Appendix 2.1: Organizational structure of ANF-II Project's M&E system

National Level	National M&E Officer
District Level	District M&E Officer
Village Level	Community Mobilisers

Staffing and capacity building. The Project will recruit one full-time National M&E Officer; and 15 District M&E Officers to be responsible for M&E and KM as well as Knowledge Sharing (KS). These staff are responsible for guiding the overall M&E strategy and implementation of related activities within the Project and in cooperation with implementing partners. They will also provide timely and relevant information to the Project and stakeholders in management and implementation of Project activities. This requires close coordination and communication with Project implementation agencies and other stakeholder groups, and field staff as well as consultants of external M&E-related missions. The National and District M&E Officers, in conjunction with the KM Specialist at national level, will ensure that the M&E and KM systems allow the monitoring of inclusion and gender equity aspects, and those achievements and lessons learnt are made available to multi-stakeholder platforms and Project implementers to support regular analysis, improved performance and annual programming of related activities.

An overview of AFN II Project’s specific M&E approaches, tasks and responsibilities for stakeholders, and a timeline for M&E activities can be found in the M&E Work Plan in Annex 2. The M&E staff will receive capacity building accordingly. The AFN II Project M&E capacity building plan can be found in Annex 3.

In addition, a KM strategy and a detailed manual has been drafted but will be finalised by AFN II with technical support of a KM Specialist. Development of the M&E and KM manuals, approaches and methodologies are to be conducted with full consultations among key technical Officers / Specialists – M&E, KM, Gender, Nutrition, etc., for complementary and synergy.

- (i) AFN II Project Logical Framework (Logframe) Approach

Logframe. The Logframe is a key tool for project cycle management, and all IFAD projects are required to include one. The Logframe is a key element of project planning and design, setting the indicators the project results will be measured against, and their related targets. During project implementation, the Logframe is used to monitor performance versus set targets and helps assess whether the project is moving forward as planned. Logframes are therefore a key element of projects' M&E systems (IFAD, 2020). The AFN II Project Logframe can be found in Annex 1.

Types of information. There are three types of indicators in AFN II Project's M&E system, which reflect the three levels of monitoring – according to IFAD's standardized M&E approach. The first level of monitoring mainly concerns input and output indicators; the second level tracks information on outcomes; the third level of monitoring is about impacts of the Project. In the first level of monitoring, the output indicators provide information on whether the Project is implemented as reflected in the AWBP. This includes measurement of physical as well as financial progress (using information supplied by the Finance Team). Regarding the second level of monitoring, the outcome indicators will inform on whether the Project has moved forward the achievement of its objectives under different components/subcomponents. With respect to the third level of monitoring, the impact indicators will inform how the Project has contributed to improve the living standards of the beneficiaries.

Indicators. The monitoring indicators include:

- e) Indicators included in the Logframe (see *Annex 1*) – these cover impacts, outcomes and outputs of the Project;
- f) Input indicators, which measure the implementation progress of the Project. For each activity to be assessed, it is advisable to develop both an indicator of progress, as well as an indicator recording the related cost. This will help assess the 'value for money' of investments made by AFN II;
- g) Additional indicators needed to update the Project Economic and Financial Analysis (EFA) that was carried out at design. The M&E Officer should liaise with IFAD to determine what indicators should be collected for EFA.

IFAD Core Indicators (CIs). The CIs consist of 1 outreach, 20 output and 22 outcome indicators (see Annex – for complete list and explanation of CIs). These are mapped to the strategic objectives (SOs) and areas of thematic focus of the IFAD Strategic Framework 2016-2025; they are also aligned with the Sustainable Development Goals (SDGs) defined in the 2030 Agenda. A core aspect of the CIs is that they are easily integrated into project Logframes and can be aggregated across projects and countries to facilitate corporate reporting. CIs are mandatory whenever relevant to the project Theory of Change (ToC) and can be complemented by project-specific indicators (PSIs). More details and guidance on CIs are provided in IFAD's "Core Outcome Indicator Measurement Guidelines (COI) and Appendices" availed to the Project by IFAD. The identified CIs in AFN II PROJECT LF are the following (for more information see Annex 6 – AFN II PROJECT Core Indicator definitions, measurement methodologies and data sources):

The IFAD core indicator as updated in May 2022 are available in Annex 3 of the M&E manual.

Household resilience. AFN II Project aims for *enhanced livelihood resilience and sustainability*. Gauging the degree of household resilience is, however, not as straightforward as assessing, for example, their income position. To ensure a systematic assessment of household resilience, an index has been developed which assesses whether the resilience of households responds positively to the activities supported by AFN II Project. This household resilience index / scorecard (see *Annex 4*) has to be included in baseline, midterm and completion surveys. As this household resilience index has been newly developed by IFAD, and AFN II is a pilot project in establishing this index, IFAD will provide technical support in how to collect, analyse and utilise this resilience data.

(ii) Linking Annual Planning and M&E

Annual Planning Process and Procedures. The AWPB and the Procurement Plan (PP) are key documents for day-to-day Project management, as they link technical management, financial management and procurement processes. The NPCO compiles the AWPB and the PP in accordance with IFAD guidelines and formats. M&E is an important part of the annual planning process in two ways: Firstly, M&E activities need to be accounted for in the AWPB and, during Project start-up, in the PP; and secondly, lessons learnt as well as best practices identified by M&E and KM / KS work need to be considered in activity adaptation and prioritization. Thus, it is critical that the M&E and KM Specialists work closely with the NPCO as part of the AWPB and PP processes.

(c) Using M&E to Manage for Impact

a). Methods of Data Collection

AFN-II data collection methods include:

- a) Regular recording of activity data in progress reports from the PPCO and DPCO, compiled on at least a monthly basis;
- b) Regular recording of expenditures against activities – again on a monthly basis. Doing so helps ensure consistency in unit prices across Districts and Provinces;
- c) Periodic recording of outputs. This can be combined with the quarterly implementation information described above;
- d) The Project baseline, mid-term and completion surveys. The primary purpose of these surveys is to measure achievements against outcome and impact indicators in the Logframe. The surveys will measure Household Resilience (see *Annex 4* for the household resilience index);
- e) CIs outcome surveys;
- f) Compilation of data from Village Profiles to improve knowledge of the Project target area;
- g) Occasional studies (e.g., Knowledge, Attitudes and Practices (KAP) survey)

All data collection efforts by the Project should be coordinated and efficient. Project management will ensure that the different disciplines under the Project do not engage in data collection and studies in isolation from the M&E function. In addition, efforts shall be made to prevent repeated and overlapping data collection exercises, which would consume time and resources.

All data collection efforts, report formats and their respective completion cycles are summarised in the AFN II Project M&E work plan in *Annex 2*.

Recording of activity data and outputs. In referring to the Annex 3 of the M&E Plan, which is a supplementing document to this guideline, the District M&E Officer(s) with support from local activity implementers, will report all implementing activities (including input and output indicators) as well as their progress to the Provincial M&E officer(s), who will continue reporting to the M&E officer at NPCO. It will be more practical if either Provincial or District M&E officer(s) or both can report the progress and achievement of each indicator for activities implemented at provincial and district levels.

Recording of expenditures against activities. Along with recording of activity data and outputs, District M&E officer(s) are required to work closely with provincial and district financial staffs to record all financial data and expenditures used to implement each activity at their locals. All or as many as possible, the financial use must be reported against each

activity in all reports. This is important input data to fulfil in the PIMES, which will be explained further below.

Baseline survey. A baseline study measuring the status of the main indicators (including Core Outcome Indicators, COIs) will be carried out by a service provider or consultant after the final design mission. The baseline survey will establish an impact evaluation framework by selecting control villages, which are as similar to the target villages as possible but are not covered by the AFN II Project area. In addition, the baseline will also establish the initial values for a number of impact indicators and informed basic characteristics of the beneficiaries at the onset of AFN II Project.

Mid-Term Review (MTR). The mid-term review will take place during Year 3 to assess overall Project outreach, outcomes and impact. It will also review the sustainability of results and the potential for scaling-up. The Mid-term Review will pay special attention to the readiness of the Project's exit strategy.

Completion survey. A COI completion survey – which is the repetition of the baseline survey – will be carried out at the end of the Project in order to measure the final outcomes and impacts and will support the preparation of the Project Completion Report (PCR). The Completion Review will also provide recommendations based on lesson learnt that should be taken into consideration while designing similar Projects in future for similar contexts. IFAD's afore-mentioned COI Guidelines draw attention to some potential problems that might be incurred from repeating the completion survey with the same sample as the baseline survey. For AFN II Project, it is however suggested that the two surveys should be conducted with the same sample in order to better inform of the final impacts of AFN II Project.

COIs outcome surveys. To best capture the effects of a Project, COIs outcome surveys will be carried out three times over the course of project implementation, namely at Project baseline, mid-term and completion stages. Details of the Baseline, Mid-term and Completion Surveys are provided in IFAD's "Core Outcome Indicator Measurement Guidelines (COI) and Appendices" availed to the Project by IFAD.

It is recommended to introduce some additional features to the completion survey. Firstly, additional questions on relevant issues can be added to the questionnaire to capture potential modifications of the Project design (modifications might be suggested at MTR stage), or some special issues that the baseline questionnaire did not consider. Secondly, a panel attrition rate of less than 10% between the baseline and the completion survey can be expected as households might move to other villages or become untraceable after five years of the Project cycle. Hence, some replacement might be needed but this should not introduce bias to impact evaluation results. To ensure the best quality of the completion survey, it is likely that the survey will be implemented with inputs from the M&E Expert and/or external consultants. It is expected that the M&E staff capacity will be significantly enhanced during the Project cycle. Therefore, the M&E staff should contribute greatly to this survey.

Village Profiles. The M&E team will collect data for Village Profiles of all target villages, including general demographic information, ethnic diversity, wealth ranking, existing farmers' groups, agricultural activities, and infrastructure (products, calendar, supply chains, processing capacities, irrigation), and nutrition status. This process will also serve to initiate project implementation at village level.

Occasional studies. Occasional studies will assess either the existing conditions or the quality of achievements in a specific field of work. The NPCO M&E Officer will rely on the various technical experts to define and guide such studies; but should make sure that outcomes are available to the Project as a whole and are integrated in the analysis of the Project's implementation.

(i) Data Collection Responsibilities

All Project implementing agencies / units are responsible for collecting and reporting data as required by the M&E Guidelines. Data collection responsibilities include:

- The AFN II M&E Officer, with support of district M&E Officers and PPCO and DPCO, will be responsible for directly collection, and overseeing the collection of regular activity, process, outcome and impact monitoring data; establishing a structure for reporting, management information and knowledge management; and ensuring analysis of the information and data obtained;
- The PPCO and DPCO will provide regular reports on progress and expenditures. The data are collected and compiled by the staff and/or teams responsible for specific activities;
- The key Project staff at NPCO will produce mission reports and specified technical reports and thereby contribute to identifying strategic priorities in project management. For their work, they shall have access to all relevant information produced by the Project;
- The NPCO will engage a competent firm experienced in in-depth household survey for designing, organising and conducting baseline, midline and end-line surveys, including the provision of trained enumerators;
- The NPCO will engage others as needed, in consultation with the M&E Officer.

Detailed responsibilities per data collection effort can be found in the M&E Work Plan in *Annex 2*.

(ii) Data Entry and Analysis Tools

Analytical work. The M&E Officer is responsible for analysing M&E data and using results to formulate useful advice to Project management, and to draw conclusions and identify lessons learned. The M&E Officer should involve all staff, especially technical experts, in this work – for example, by organising a small meeting, presenting M&E findings, and asking the meeting participants to discuss and identify lessons learned.

PIMES. PIMES is an Excel-based system, developed from the AFN I Database system, and all the forms are computerized. AFN II Project will develop it further and training on the PIMES will be held for AFN II Project staff at all levels. A brief description of the PIMES forms is provided below:

- Logframe Data Entry and Analysis
- Physical and Financial Progress Report by year
- Appendix 1: Logical Framework Progress against Objective Outcomes & Outputs
- Appendix 2: Physical Progress against AWPB & Core Indicators
- Activity Implementation Database. This database consists of information on related field activities related to project components and key project activities.

(d) Creating M&E Products for Efficient Knowledge Management

a). Reporting

AFN II Project's reports review progress and achievements (or the lack thereof) and describe and / or recommend remedial action at the level of project management. The PPCO and DPCO will identify success stories or failures and report these for inclusion in the reports. Reports relevant for M&E include:

- A consolidated Physical and Financial **Monthly Progress Report (MPR)** will be prepared by the PPCO and DPCO which will consolidate all the physical progress made on all subcomponent s. This report will also cover overall expenditures under each component.

- **A Quarterly Progress Reports (QPR)** will be prepared by NPCO, which consolidates the monthly reports of the past three months adding information on finance, procurement, training and physical progress. It comprises of tabular information derived from the monitoring system, which is complemented by short written analyses of the implications of the measured progress; and by management decisions to improve performance;
- An **Annual Project Progress Report (APR)** will be prepared within one month of the end of the Project Year to cover the entire financial year. This report will be presented to NPSC and IFAD. The APR includes:
 - Introduction
 - Implementation progress, supported by data from the M&E system, including highlights related to reporting, events, publications and lessons learned;
 - Financial Management – providing short narrative text along with tabular information;
 - Procurement Management – reviewing key procurement processes and bottlenecks and successes therein;
 - Management Reflection – listing the issues and risks the Project is facing as well as suggested management actions for review by the NPSC and / or IFAD;

(i) Other Forms of Documentation

AFN II Project has some budget for documentation of findings and lessons learned. Documentation can use different formats including audio-visual and web-page content as well as printed documents. For more detailed information, refer to the Project’s KM Strategy.

Photo Story Book. A Photo Story Book provides a visual and easy-to-understand the activities of the Project, e.g., types of activities, processes of implementation, types of resultant impacts etc. This provides a simple and powerful way to capture selected activities before, during, and after implementation. Especially activities which bring about visually observable changes are suitable to be captured by Photo Story Books. Photos should be taken before, during, and after activity implementation. Guidance from the NPCO M&E Officer in collaboration with the M&E Expert will be made available to the provinces. M&E staff at DPCO will be in charge of collecting photo stories in their districts. Under supervision and support from M&E staff at DPCO, cluster and village staff will take photos of the identified activities.

Districts will compile their respective Photo Story Books at the end of every year and send them to the PPCO M&E and Planning Officer for consolidating the district books to a Photo Story Book of the province. The Books, both at district and provincial level, will serve as an input to AFN II Project’s communication strategy, especially for experience sharing, and as additional evidence on how the Project activities were implemented and monitored. At the end of the Project, a project-wide Photo Story Book will be compiled by the M&E Officer to be an annex to the Project Completion Report.

<u>Step 1:</u> Selection of activities and key milestones of implementation	District M&E staff instructs cluster facilitator to select activities and key milestones (based on the AWBP)
<u>Step 2:</u> Identifying the position to taking the first photo before the activities start	Cluster facilitator to visit the site where the activities will be executed; select a position to take the first photo; select a landmark to mark the position; title the photo with date taken
<u>Step 3:</u> Visiting the same position to take photo of the activities at	Cluster facilitator to re-visit the position at the key milestones of the implementation plans to take photos

the key milestones identified in step 1	of the activities for N times [depending on the number of milestones]
<u>Final step:</u> Selection of photos to develop and edit the photo stories for the activities under consideration	Cluster facilitators to select the photos taken at the identified milestones of the activities; developing a story line along the sequence of the photos selected and submit to DPCO M&E staff

(ii) Knowledge Management and Knowledge Sharing

Knowledge Management (KM) and Knowledge Sharing (KS). The KM Officer will assist the Project to prepare its KM plan, approaches, and methodologies during its first year. To ensure complementary and synergy, in consultation with project management and technical advisors, the KM system will enable the Project to generate, capture, share and disseminate relevant information and knowledge to various stakeholders in a timely manner, including through existing PSC meetings and Sector Working Group on Agriculture and Rural Development and other Sub-Sector working Groups under MAF on AFN II Project experience in rural development, good agriculture practices, nutrition and value development, etc., and the lessons are processed into recommendations towards national policy, regulations and procedures. This is done through inclusion of relevant stakeholders and actors outside and inside the Project in this knowledge management process. AFN II Project includes the resources for specific studies into participatory irrigation management and for national events to debate the consequences of findings from the field for national policies and Projects.

The Project website of AFN I has already been established (<https://afn.gov.la>) and will be changed to AFN II by the KM Officer within the first quarter of the second year of implementation and used as a knowledge sharing tool. The NPCO will extensively document and share knowledge generated in the Project. Other technical forums will be used as potential knowledge sharing venues for capturing lessons learned and best practices leading to development of related knowledge products. Key information from M&E studies, reviews and exposure visits, lessons and best practices will be disseminated through knowledge products such as newsletters, publications, case studies and reports, etc. The NPCO will strive to build a culture of knowledge documentation and sharing within the Project and actors outside the Project in this knowledge management process.

In addition, capacity building related to KM and KS will be provided to PDCO and DPCO to support their daily functions.

Storing M&E data. In addition to the M&E data, there are externally collected data and many reports that need to be stored in a systematic way.

To best organize the data, reports, and daily M&E work, the mother directory should be structured as follows (suggestion):

- Store M&E data
- Store any files/documents/data for daily work
- Store M&E reports
- Store files related to AWBP
- Store files related to Photo Story Book
- Store files related to PIMES forms
- Store files related to COI Surveys
-

(iii) Annex 1 of M&E Manual: Logframe

(follow this link to the [Error! Reference source not found.](#) in Annex 1 of PDR main text)

(iv) Annex 2 of M&E Manual: AFN II Project M&E Work Plan

Type of information	When?	Who to collect?	Who to report?
Project Implementation M&E System (PIMES)- Project M&E database	- Monthly	- District M&E Officer (with support from Community Mobilisers and village head)	- PPCO and NPCO M&E Officers
	- Quarterly and Annual	- District and Provincial M&E and Planning Officers	- NPCO M&E Officer
	- Quarterly and Annual	- NPCO M&E Officer	- TA and NPCO

General assessment of M&E staff capacity

How capable are the current M&E staff? What is needed to provide sufficient capacity? Examining capacity of AFN II Project's current M&E staff would require direct interviews and interactions, which are not possible at this stage of developing the M&E Guidelines. A need assessment for local M&E staff will be planned during first year of Project.

M&E capacity of the stakeholders related to the M&E system

At the central level, given an increasing number of ODA-supported projects, leading to a growing demand for monitoring and evaluation, with technical assistance from donors, THE MAF has developed ProMIS / MIS recording all ODA projects details. Given this, M&E capacity at the MAF level is at the level required for overseeing the M&E system of AFN II Project.

At the provincial level, PPCO staff might have been involved in ODA-supported projects and thus might be equipped with certain level of M&E knowledge. At the district, cluster and village level, weak staff capacity in general is an issue. M&E requires logical thinking and ability to work with figures. According to observational evidence, the capacity at this level is very weak and needs special attention in the capacity-building plan for AFN II Project.

A summary of potential capacity building elements is given in the table below.

Module	Description	Main target
Module 1: Introduction of M&E system and IFAD's new Core Indicators framework	<ul style="list-style-type: none"> - Introduction of M&E design and IFAD's new Core Indicators framework - Special features of the system - Overall description of how system functions 	<ul style="list-style-type: none"> - All M&E personnel - Provincial Project coordinators (at PPCO)
Module 2: Making the M&E system work for result-based management	<ul style="list-style-type: none"> - M&E in the field of Project management - What data and processes are needed for result-based management, and how M&E could be a useful foundation for that approach 	<ul style="list-style-type: none"> - Provincial Project coordinators (at PPCO) - NPCO M&E Officer - PPCO M&E Officers
Module 3: Computer literacy	<ul style="list-style-type: none"> - Basic Microsoft Office application - Intermediate usage of Excel - Exploring the Internet for M&E 	<ul style="list-style-type: none"> - DPCO M&E staff - Some cluster facilitators
Module 4: Data collection: reporting forms	<ul style="list-style-type: none"> - Collecting data from the beneficiaries - Completing the reporting forms 	<ul style="list-style-type: none"> - National M&E Officer - Provincial M&E Officers - District M&E staff - Some cluster facilitators
Module 5: Data collection: surveys and other tools	<ul style="list-style-type: none"> - Supervising and supporting CI outcome surveys - Making Photo Story Books 	<ul style="list-style-type: none"> - National M&E Officer - Provincial M&E Officers - District M&E staff - Some cluster facilitators
Module 6: Reporting skills	<ul style="list-style-type: none"> - How to utilize the M&E data to compile quality reports - How to present important M&E results for senior management level 	<ul style="list-style-type: none"> - National M&E Officer - Provincial M&E Officers - District M&E staff

- M&E capacity building course

How should capacity building activities be planned during the course of the Project?

The M&E capacity building plan specifies the time and duration for training of the M&E personnel during the course of the Project. Some training will be offered once; some will be repeated after a defined period of time.

Types of training courses

There will be three types of training courses organized for the M&E personnel during the life cycle of AFN II PROJECT.

Course	Description	Main target	When
<u>Course 1:</u> M&E for senior management	<ul style="list-style-type: none"> - Module 1 - Module 2 - Module 6 	<ul style="list-style-type: none"> - National Project Coordinator - National M&E Officer - Provincial and district Project coordinators - Provincial M&E Officers 	Once, at start-up of AFN II PROJECT
<u>Course 2:</u> Operationalizing the M&E system	<ul style="list-style-type: none"> - Module 1 - Module 3 - Module 4 - Module 5 - Module 6 	<ul style="list-style-type: none"> - National M&E Officer - M&E Officers - District M&E staff - Relevant cluster facilitator/village staff 	Once, at start-up of AFN II PROJECT Repeated after two years
<u>Course 3:</u> M&E data collection and reporting	<ul style="list-style-type: none"> - Module 4 - Module 5 - Module 6 	<ul style="list-style-type: none"> - Provincial M&E Officers - District M&E staff - Relevant cluster facilitator/village staff 	Repeated every year, from Year 2 onwards [(except the year with Course 2)]

Training plan

Assuming that the M&E capacity building could start from the year 2024, the M&E capacity plan could be as below:

	2024				2025 and 2026 (Refresher training)				2027 and 2028 (Refresher training)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Course 1		x				x				x		
Course 2			x				x				x	
Course 3				x				x				x

- Content of the M&E training modules

What are the training modules about? How should the training modules be delivered?

Module 1: Introduction of M&E system

Module 1	Introduction of M&E system
Objective	Participants are expected to understand: <ul style="list-style-type: none"> - Update knowledge on IFAD M&E and CI guidelines - Design of the M&E system - Overall view of how the M&E system functions in the management system of the Project
Time	2.5 hours

Time	Methodology	Content/Agenda
45'	Lecture Class discussion Q&A	<ul style="list-style-type: none"> - Introduction of the Module - Class discussion on why M&E is necessary for project management - Q&A to test the understanding of the participants on basic principles of IFAD M&E guidelines - Discussion on M&E practices in the participants' experiences (with IFAD or previous projects)
45'	Lecture Class discussion Q&A	<ul style="list-style-type: none"> - Instructor asks the participants to read the M&E Framework for AFN II

		<ul style="list-style-type: none"> - Class discussion on how AFN II Project's M&E system is different from the participants' experiences in previous projects - Q&A section for the participants to discuss the features of AFN II Project's M&E system
30'	Multiple choice test	<ul style="list-style-type: none"> - Multiple choice test to evaluate how well the participants have understood the content of the module - Conclusion of the module

Equipment: <ul style="list-style-type: none"> - Projector - Laptop 	Materials: <ul style="list-style-type: none"> - Copies of M&E Framework - Copies of the instructor's presentation slides - Coloured cards and highlight pens for class discussions - Copies of multiple choice test
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Module 2: Making the M&E system work for result-based management

Module 2	Making the M&E system work for result-based management
Objective	Participants are expected to understand: <ul style="list-style-type: none"> - Advantages of result-based management compared to other project management approaches - What types of M&E data are available for the result-based management
Time	2.5 hours

Time	Methodology	Content/Agenda
45'	Lecture Class discussion	<ul style="list-style-type: none"> - Introduction on project management approaches - Class discussion on pros and cons of different management approaches - Instructor concludes on advantages of the result-based management approach - Class discussion on how to implement the result-based management approach
45'	Lecture Class discussion Q&A	<ul style="list-style-type: none"> - Class discussion on what data is needed for the result-based management - Instructor presents on how M&E data should be used for the result-based management - Q&A section for the participants to discuss with the instructor on how to use M&E data for the result-based management
30'	Multiple choice test	<ul style="list-style-type: none"> - Multiple choice test to evaluate how well the participants have understood the content of the module - Conclusion of the module
Equipment: <ul style="list-style-type: none"> - Projector - Laptop 		Materials: <ul style="list-style-type: none"> - Copies of the instructor's presentation slides - Coloured cards and highlight pens for class discussions - Copies of multiple choice test

Module 3: Computer literacy

Module 3	Computer literacy
Objective	Participants are expected to acquire: <ul style="list-style-type: none"> - Basic skills in using Microsoft Word for creating reports - Basic skills in using Microsoft PowerPoint for creating presentations - Basic data analysis skills in using Microsoft Excel - Drawing graphs in Microsoft Excel - Basic skills in using the Internet for M&E purposes
Time	6 hours

Time	Methodology	Content/Agenda
1.5h	Lecture Practical exercise	<ul style="list-style-type: none"> - Introduction to Microsoft Word application - Using Microsoft Word for creating project reports - Practical exercises
1.5h	Lecture Practical exercise	<ul style="list-style-type: none"> - Introduction to Microsoft PowerPoint application - Using Microsoft PowerPoint for creating presentations - Practical exercises

2h	Lecture Practical exercise	<ul style="list-style-type: none"> - Introduction to Microsoft Excel application - Data analysis in Microsoft Excel - Drawing graphs in Microsoft Excel - Reporting forms in Microsoft Excel - Practical exercises
1h	Lecture Practical exercise	<ul style="list-style-type: none"> - Internet research - Using emails for M&E purposes

Equipment: <ul style="list-style-type: none"> - Projector - Laptop (for instructors and participants) 	Materials: <ul style="list-style-type: none"> - Copies of the instructor's presentation slides - Copies of practical exercises - If required, Microsoft Office license
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Module 4: Data collection: PIMES reporting forms

Module 4	Data collection: PIMES reporting forms
Objective	Participants are expected to acquire: <ul style="list-style-type: none"> - A good understanding of the M&E system and the roles/functions of PIMES reporting forms in the system - A good understanding of all the PIMES reporting forms - Anticipation of potential difficulties in data collection for the PIMES reporting forms and possible solutions
Time	2.5 hours

Time	Methodology	Content/Agenda
30'	Lecture Q&A	<ul style="list-style-type: none"> - Instructor's presentation on the roles/functions of PIMES reporting forms in the M&E system - Q&A for the participants to discuss with the instructors on these reporting forms
2h	Reading Group discussion and presentation	<ul style="list-style-type: none"> - Instructor assigns the participants into groups; each group will read a number of PIMES reporting forms - When reading the forms, each group is requested to anticipate potential difficulties that may occur when filling-in the forms and their proposed solutions - Group presentations

Equipment: <ul style="list-style-type: none"> - Projector - Laptop 	Materials: <ul style="list-style-type: none"> - Copies of the instructor's presentation slides - Copies of reporting forms - A0 paper, highlight pens, flipchart for group discussion and presentation
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Module 5: Data collection: surveys and other tools

Module 5	Data collection: surveys and other tools
Objective	Participants are expected to understand: <ul style="list-style-type: none"> - Significance of externally collected data in the M&E system - Design and implementation of the COI surveys - How to create a Photo Story Book? - How to conduct a Most Significant Change exercise?
Time	5 hours

Time	Methodology	Content/Agenda
30'	Lecture Q&A	<ul style="list-style-type: none"> - Instructor's presentation on the roles/functions of externally collected data in the M&E system - Q&A for the participants to discuss with the instructors on the above
1h	Reading Group discussion and presentation	<ul style="list-style-type: none"> - Introduction of the COI surveys - Group discussion on (i) How is data available from the COI surveys used for the M&E system? (ii) How can the project staff contribute to the COI surveys? - Group presentations
1.5h	Lecture	<ul style="list-style-type: none"> - Introduction of Photo Story Book

	Practical exercise	<ul style="list-style-type: none"> – Procedures to create a Photo Story Book – Basic photography using smartphone or digital camera – Taking photos to tell stories
1.5h	Lecture Role play	<ul style="list-style-type: none"> – Introduction of the Most Significant Changes approach – Procedure of conducting the Most Significant Changes approach – Role play on the Most Significant Changes in M&E practices
30'	Lecture Q&A	<ul style="list-style-type: none"> – How to manage externally collected data and feed it into the M&E system – How to use externally collected data for M&E reports

Equipment: <ul style="list-style-type: none"> – Projector – Laptop 	Materials: <ul style="list-style-type: none"> – Copies of the instructor's presentation slides – A0 paper, highlight pens, flipchart for group discussion/presentation and role play – A set of digital cameras or smartphones (1 camera per 2 participants)
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Module 6: Reporting skills

Module 6	Reporting skills
Objective	Participants will be able to: <ul style="list-style-type: none"> – Acquire basic data analysis skill – Extract M&E data from Microsoft Excel to write reports – Present the report in a meaningful manner – Making presentation slides from reports
Time	6 hours

Time	Methodology	Content/Agenda
1.5h	Practical exercise Group discussion and presentation Lecture	<ul style="list-style-type: none"> – Instructor asks the participants to analyse a data samples provided to make meaningful interpretation – Group discussion on how the data samples should be interpreted, and group's observation on what is required for analysing data – Group presentations – Instructor's presentation on "dos and don'ts" in data analysis
1.5h	Practical exercise Group discussion and presentation	<ul style="list-style-type: none"> – Instructor provides the participants with hypothetical M&E data in Excel format and asks groups to extract the data to write a report – Teamwork in groups to complete the exercise
1.5h	Practical exercise Group discussion and presentation Lecture	<ul style="list-style-type: none"> – Instructor provides samples of poor reports – Group discussion on (i) Why are these poor reports? and (ii) How can the reports be improved by using data available? – Group presentations – Instructor's presentation on "dos and don'ts" in presenting reports
1.5h	Practical exercise Group discussion and presentation Lecture	<ul style="list-style-type: none"> – Based on the revised reports in the above exercise, the instructor asks the participants to make presentation slides to present these reports – Teamwork in groups to make presentation slides – Group presentations – Instructor's presentation on "dos and don'ts" in making slides from the reports

Equipment: <ul style="list-style-type: none"> – Projector – Laptop (for instructors and participants) 	Materials: <ul style="list-style-type: none"> – Copies of the instructor's presentation slides – A0 paper, highlight pens, flipchart for group discussion/presentation and role play
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(vi) Annex 4 of M&E Manual: Household Resilience Index

Questions	Score ⁴⁹
<p>1. Are you or someone in your household a member of one of the following groups:</p> <p>Producer Group? <input type="checkbox"/> Water User Group? <input type="checkbox"/> Other? <input checked="" type="checkbox"/></p> <p>If other, please specify: _____</p>	
<p>2. Have you or someone in your household participated in planning for the development of your village? Yes <input type="checkbox"/></p>	
<p>3. Does your household have access to land for productive use in: Upland or hillside areas? <input type="checkbox"/> Lowlands? <input type="checkbox"/></p>	
<p>4. Do you have access to water for production in: Wet season? <input type="checkbox"/> Dry season? <input type="checkbox"/></p>	
<p>5. Have you experienced in the past year damage to your property or loss of crops or livestock due to flooding, landslides, erosion or a lack of water? No <input type="checkbox"/></p>	
<p>6. Does your household grow vegetables during the: Wet season? <input type="checkbox"/> Dry season? <input type="checkbox"/></p>	
<p>7. Do all members of your household eat animal source protein (meat, fish, frogs or insects):</p> <p>(a) At least 3 days a week? <input type="checkbox"/> (b) Every day? <input type="checkbox"/></p>	
<p>8. Is there a period in the year when you have to skip or reduce or change your meals because of food shortages? No <input type="checkbox"/></p>	
<p>9. What sources of income do you have?</p> <p>Sale of crops / livestock? <input type="checkbox"/> Processing or trading? <input type="checkbox"/> Employment? <input type="checkbox"/> Other? <input type="checkbox"/></p> <p>If other, please specify: _____</p>	
<p>10. To help you in an emergency or sudden difficult situation, do you have access to:</p>	

⁴⁹ Each box ticked gets a score. For question 7 only one box (or none) can be ticked, not two. For question 7, if you answer yes for (a) you get 1 point and if you answer (b) you get 2 points. For the rest you get 1 point per box ticked. This would mean that the total maximum score would be 24 assuming we don't give different score weightings for certain questions.

Savings? <input type="checkbox"/> Assets (or livestock) you can sell? <input type="checkbox"/> Village "rice bank? <input type="checkbox"/> Emergency credit? <input type="checkbox"/> Other? <input type="checkbox"/> If other, please specify: _____	
Total score:	

(vii) Annex 5 of the M&E Manual: Overview of Core Indicators

Source: IFAD's Core Indicators Framework, updated May 2022

Areas of thematic focus	Output indicators	Outcome indicators
	Title	Title
Outreach	CI 1: Persons receiving services promoted or supported by the project CI 1.a: Corresponding number of households reached CI 1.b: Estimated corresponding total number of households members	
SO1: Increase poor rural people's productive capacities		
Access to natural resources	CI 1.1.1: Beneficiaries gaining increased secure access to land	CI 1.2.1: Households reporting improved access to land, forests, water or water bodies for production purposes
Access to agricultural technologies and production services	CI 1.1.2: Farmland under water-related infrastructure constructed/rehabilitated (RMF 11) CI 1.1.3: Rural producers accessing production inputs and/or technological packages CI 1.1.4: Persons trained in production practices and/or technologies (RMF 11)	CI 1.2.3: Households reporting reduced water shortage vis-à-vis production needs CI 1.2.2: Households reporting adoption of new/improved inputs, technologies or practices CI 1.2.4: Households reporting an increase in production
Inclusive financial services	CI 1.1.5: Persons in rural areas accessing financial services (savings, credit, insurance, remittances, etc.) (RMF 11) CI 1.1.6: Financial service providers supported in delivering outreach strategies, financial products and services to rural areas CI 1.1.7: Persons in rural areas trained in financial literacy and/or use of financial products and services	CI 1.2.5: Households reporting using rural financial services CI 1.2.6: Partner financial service providers with portfolio-at-risk ≥ 30 days below 5% CI 1.2.7: Partner financial services providers with operational self-sufficiency above 100%
Nutrition	CI 1.1.8: Households provided with targeted support to improve their nutrition (RMF 11)	CI 1.2.8: Women reporting Minimum Dietary Diversity (MDDW) (RMF 11) CI 1.2.9: Households with improved Knowledge, Attitudes and Practices (KAP)
SO2: Increase poor rural people's benefits from market participation		
Diversified rural enterprises and employment opportunities	CI 2.1.1: Rural enterprises accessing business development services (RMF 11) CI 2.1.2: Persons trained in income-generating activities or business management (RMF 11)	CI 2.2.1: Beneficiaries with new jobs/employment opportunities CI 2.2.2: Supported rural enterprises reporting an increase in profit
Rural producers' organizations	CI 2.1.3: Rural producers' organizations supported CI 2.1.4: Supported rural producers that are members of a rural producers' organization (RMF 11)	CI 2.2.3: Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities CI 2.2.4: Supported rural producers' organizations reporting new or improved services provided by their organization

		CI 2.2.5: Rural producers' organizations reporting an increase in sales
Rural infrastructure	CI 2.1.5: Roads constructed, rehabilitated or upgraded (RMF 11) CI 2.1.6: Market, processing or storage facilities constructed or rehabilitated	CI 2.2.6: Households reporting improved physical access to markets, processing and storage facilities
S03: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities		
Environmental sustainability and Climate change	CI 3.1.1: Groups supported to sustainably manage natural resources and climate-related risks (RMF 11) CI 3.1.2: Persons provided with climate information services CI 3.1.3: Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions (RMF 11) CI 3.1.4: Land brought under climate-resilient management (RMF 11)	CI 3.2.1: Tons of greenhouse gas emissions (tCO2e) avoided and/or sequestered CI 3.2.2: Households reporting adoption of environmentally sustainable and climate- resilient technologies and practices (RMF 11) CI 3.2.3: Households reporting a significant reduction in the time spent for collecting water or fuel

Cross-Cutting		
Policy	Policy 1: Policy-relevant knowledge products completed Policy 2: Functioning multi-stakeholder platforms supported	Policy 3: Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment
Empowerment		IE. 2.1: Individuals demonstrating an improvement in empowerment
Stakeholder Feedback		SF 2.1: Households satisfied with project-supported services SF 2.2: Households reporting they can influence decision-making of local authorities and project-supported service providers ⁵⁰

(source: IFAD's Core Indicators Framework, May 2022)

⁵⁰ Starting from projects created in Q2 2020, ORMS will automatically feed the Logframe with the two Stakeholders Feedback Indicators that will be included under a specific outcome-level component named "Stakeholders Feedback". ⁸ Indicator created in ORMS in July 2021

41. PIM Appendix 3: Draft Knowledge Management Plan

This draft [KM](#) plan has been developed based on the AFN I template.

(a) Rationale for KM strategy

The Project Implementation Manual (PIM) of AFN II clearly recognizes the importance of Knowledge and the need to develop Knowledge Management (KM) Strategy. The key reason why KM is considered important in AFN II and how a KM strategy would contribute to the overall achievement of the project objectives and goals are as highlighted below.

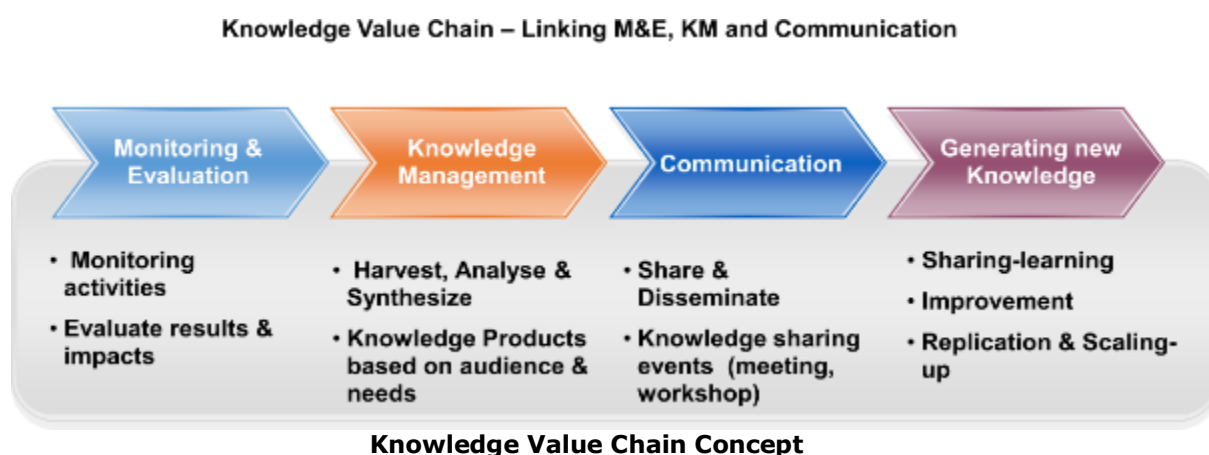
- **Improve project performance:** The Project knowledge management and learning (KM&L) processes are designed to systematically identify, analyse, document and share Project knowledge with a view to strengthening project performance, supporting innovation dissemination, identifying issues to convey to policy makers and providing information to support up scaling. KM enables project to share success and failure stories, success cases and best practices can be replicated, and mistakes avoided during the course of the project implementation; by making technical know-how available and learning from other's experiences, better and faster decisions can be made thereby saving time, money and effort thus avoiding waste of limited resources and reinventing the wheel.
- **Increase the visibility of the project interventions:** If relevant stakeholders become increasingly aware of the work done under the project, they can share appropriate knowledge and solutions based on their own experiences with similar projects. Inversely, relevant stakeholders can learn from the project;
- **Promotes collaboration and partnership:** Generation of knowledge and knowledge products will require collective efforts from all the knowledge actors and project implementers. In addition, knowledge sharing and learning events will be organized which will enable better learning from each other thereby fostering improved collaboration and partnership. In developing its KM&L program, the Project has versioned and included learnings from the Lao Technical Working Group on Food and Nutrition Security, the Agriculture and Rural Development Sector Working Group and other development partners with a view to developing a Knowledge Platform on nutrition-rich upland agriculture, food security, value chain development, etc., This process, managed by IFAD and WFP and other development partners with on-going programmes in convergence areas have provide a practical avenue for collaboration and learning, thus directly contributing to more effective coordination, coherent messaging and implementation of government policies on food security, nutrition, and value chain with market linkages. Building on AFN-I, good practices will be identified and scaled up within the AFN II and other projects to come. This will include developing linguistically and culturally appropriate learning approaches that consider low literacy rates of ethnic people, especially women.
- **Knowledge sharing (KS):** KS is a continuous process and an integral part of the project management work. The Project implements and visions to continue a dynamic programme of information sharing including: (i) close collaboration with the aforementioned Technical and Working Groups and other development partners; (ii) intra-and inter-district study tours, discussion and workshops for project and line ministry staff at national and district level to evaluate and discuss and promote nutrition-rich upland agriculture initiatives; and (iii) different forms and formats for dissemination of results including farmer-to-farmer and enterprise-to-farmer extension, learning events (workshops, technical "fairs" & exhibitions, etc.), and the costs for presentations of results at national and regional conferences and events. The NPCO will also commission a series of reports that capture and manage the AFN II development experience.
- **Stimulate innovations:** Under AFN II various innovations such as nutrition sensitive agriculture, Participatory Action Research (PAR) models are created pertaining to various models made for project beneficiaries, value chain, PPCP, lead farmer model, etc. are being promoted in the project districts. All these innovations will require proper documentation regarding their successes and failures for learning, scaling up and further innovations.
- **Capturing knowledge generated:** Documenting lessons learnt, best practices and cases of success: The AFN II KM Specialist, in partnership with implementing agencies,

collects all available relevant information to document lessons learnt, best practices and cases of success for nutrition-rich upland agriculture production. It is based on information collected from progress reports, meetings and interviews, monitoring and evaluation reports, outputs evidence provided by targeted groups, market and value chain entities and other involved parties.

- **Developing and delivering a lesson learnt study:** Based on the information collected along project implementation, the AFN II Project, with technical support of KM specialist, will develop an end of project Lessons Learnt Report on food security, nutrition sensitive agriculture, farmer group management, value chain and related areas, analysing the documented lessons learnt, best practices and cases. It will be first submitted to THE MAF and IFAD and, once feedback has been incorporated, if any, the report will be shared widely, particularly through on-line platforms.

(b) Knowledge Management (KM) Concept

KM is about facilitating the processes by which knowledge is created, shared and used in changing people’s attitudes, behaviours and work patterns thereby improving the performance and effectiveness of the project. This facilitation under AFN II Project will be guided by the IFAD knowledge value chain concept which advocates strong connection between KM and M&E. The current project situation also portrays and support the generation of knowledge from the M&E and its utilization for project management purposes. Therefore, under AFN II, the M&E system has already adopted the value-chain approach towards knowledge generation, sharing and utilization. The figure below illustrates the knowledge value chain concept.



(c) Development process of the KM strategy

This AFN II Strategy Manual is drafted based on experience of AFN-I and AFN-I KM Strategy. In consultation with related agencies and staff, considered as a living document, the AFN II will continue to finalize it during implementation in line with project concept and current conditions and then will share it with IFAD for technical review and approval.

(d) Vision or Goal

The overall goal of the KM strategy is to *“Improve decision-making and performance of AFN in commercializing agricultural production to sustainably increase smallholder producer incomes and reduce rural poverty”*.

(e) Expected Outcomes

The implementation of this KM strategy is expected to contribute to the following three main outcomes, among others:

- Improved project performance and results through enhanced learning, knowledge

- sharing and dissemination/communication.
 - Enhanced information management system (IMS) which will ensure better access to reliable information and knowledge in relation to the project components; and Better engagement, partnership and collaboration with the project implementing
- (f) Activities and Outputs

The expected outputs and activities of the KM strategy are presented below in terms of KM culture, processes, infrastructure, and partnerships.

Knowledge Management Culture

Expected Output:

A KM culture is promoted whereby generating, sharing and using knowledge is increasingly considered by project staff and implementing partners as an integral part of their daily work.

To create and sustain a KML culture and for effective implementation of AFN, firstly, a KM specialist is appointed with the NPCO who will liaise closely with the component managers (CMs) at the NPCO, focal officers at the implementing agencies at central, provincial and district levels, including WFP, The AFN II / KM specialist will establish AFN II website which serves as a common platform for the implementing agencies. The AFN II / KM specialist and the project Admin Officer in collaboration will manage the Project website.

KM section of the NPCO will also facilitate information editing and make suitable for mass dissemination. The policy products will also be used to enhanced policy engagement and dialogue with the Government. In addition to physical and financial reporting, DAFOs and PAFOs are encouraged to provide details of case studies and write-ups of successful case linked to some of the key achievements reported in respective quarters. These cases apart from dissemination will be archived for future references.

The NPCO in collaboration with implementation partners will organize appropriate training of field staff in information collection, compilation and Knowledge Product Development. Some of these stories and any other uploads such as images capturing project interventions are assessed and those dedicated contributors from the field are rewarded by instituting a system of awarding the contributors by giving credits for their contribution in the produced documents/publications, such that a knowledge development and management culture is instituted.

The AFN II / KM specialist will produce a variety of KPs (Knowledge Products) and publications, and field visits and interviews with beneficiaries will be held on their good practices and lessons learned. Also, AFN II / KM specialist will provide training to relevant field staff on mechanism of collecting and providing appropriate data and stories for further contributing to production of KPs. To translate these into actions, the KM section of the NPCO will facilitate the process by reminding, assisting the field staff in guidance and collection of KPs or useful information that can be converted into KPs.

In view of the importance of intellectual rights, in all KP Developments, the main provider(s) of data and information that results in a Knowledge Product would be given due recognition as authors or contributors and would be acknowledged.

Knowledge Management Processes

Expected outputs: Processes to learn and share knowledge are strengthened and effectively used; Capacity of project staff to generate, share and use knowledge is enhanced; Implementing staff are engaged in generating and sharing KPs and IEC materials.

The development of KPs under AFN II follows a theme-based approach through participatory development process involving all implementing agencies and IFAD. Key tentative thematic areas and KPs that will be identified are presented in Table 1.

Table 1: Thematic based KP Development & Dissemination

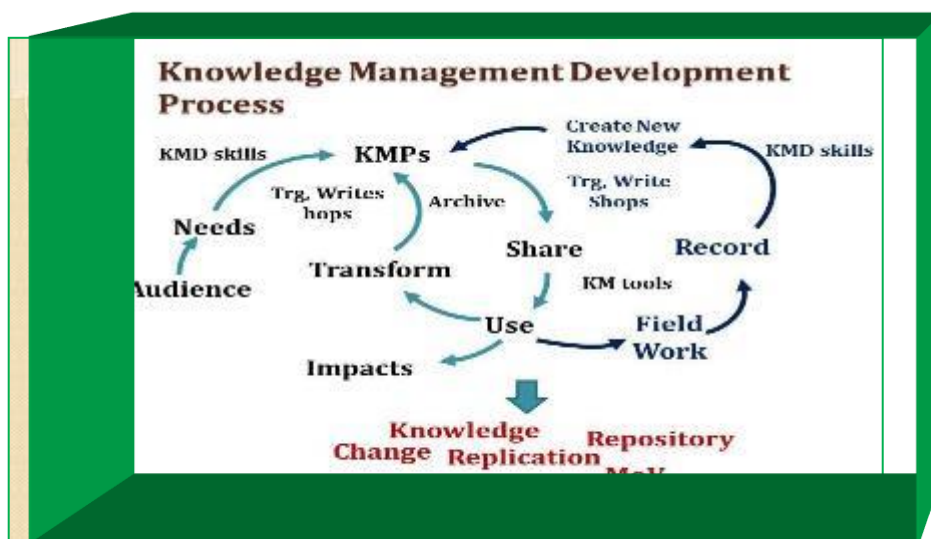
KM Themes	KM Products	Area of focus (Content)	Dissemination/communication
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Gender	Case studies, Assessment Reports, Action plan	<ul style="list-style-type: none"> • Success stories of women headed APGs and their role in farming • Women led Farmer to farmer extension in agro processing • An assessment of user friendly PAR technologies, tools and equipment's with emphasis on gender. 	<ul style="list-style-type: none"> • MAF, AFN Websites, Workshops, National events, donors, fairs • Half yearly and Annual Reports • Assessment Reports
Youth	Case stories	<ul style="list-style-type: none"> • Youth and farming, entrepreneurship and farm business 	<ul style="list-style-type: none"> • MAF, AFN Websites, Workshops, National events, Donors, fairs
Women	Success stories, Case studies, videos	<ul style="list-style-type: none"> • Success stories and case studies of women headed households in various thematic approaches related to project interventions and their role in farming including FNS. 	<ul style="list-style-type: none"> • MAF, AFN Websites, Workshops, National events, Donors, fairs
PPCP	Success stories	<ul style="list-style-type: none"> • Success stories and case studies of project beneficiaries • Documenting various PPCP themes 	<ul style="list-style-type: none"> • MAF, AFN Websites, Workshops, National events, Donors, fairs
APGs	Success stories, Videos	<ul style="list-style-type: none"> • Success stories and case studies of project beneficiaries on their good practices and lessons learned • Documenting various APGs on their array of adopted activities supported by AFN II 	<ul style="list-style-type: none"> • MAF, AFN Websites, Workshops National events, Donors, fairs • PAFO, DAFO, Line agencies,
VDP/VIP's	Success stories, Impact	<ul style="list-style-type: none"> • Document the impact of VIPs provided by the project on beneficiary's livelihoods and 	<ul style="list-style-type: none"> • MAF, Websites, Workshops, National events, Donors, fairs • PAFO, DAFO, Line agencies

		agricultural production capacities	
PAR	Training and extension Manuals, Success stories, Posters, Reports, Video Clip	<ul style="list-style-type: none"> • Product Diversification, group marketing initiatives, technology adoption, income generation 	<ul style="list-style-type: none"> • MAF, AFN II Websites, Workshops, National events, Donors, fairs • PAFO, DAFO, Line agencies
Innovations and best practices	Case studies, Media clips, Success stories, Leaflets, Use of social media, Facebook pages, You tube channel	<ul style="list-style-type: none"> • Integrated farming practices (Agricultural and Livestock farming, integrated crop.) 	<ul style="list-style-type: none"> • Training, use of manuals, Practical demonstration, meetings, exchange visits

Although different themes will be identified for KP & IEC material development, cross cutting issues such as gender, youth, women will be also mainstreamed in KPs under other thematic areas as well. The KM process shall deploy a variety of mechanisms such as open sharing of information and updates on the web portal, periodic updates of additional write ups for quarterly and annual reports, case studies, photographic and video records. The collection and archiving of this information will be translated into KPs at the NPCO and disseminated further to wider audiences. A two-pronged development and management process are followed as outlined in the Figure below.

The Knowledge Management & Development Process



KPs and IEC material is developed based on the needs led by the KM Unit at NPCO using existing skills and dissemination as well as new KPs developed in the process of project implementation through field works, recordings and creation of KPs. Regular and consistent monitoring and evaluation (M&E) of activities would greatly contribute to KP developments.

The NPCO coordinates KM development skills and learning events such as training, workshops, fairs and provide adequate funds as input to KMD process. Where required, KPs will also transform to suit its utility with audiences and to ensure better end results of knowledge enhancement, bringing about change in agricultural practices, better management system through archiving for reference and dissemination.

Knowledge Management Infrastructure

Expected output: A KM infrastructure that considers both formal and informal ways to promote effective KP development, storage and sharing is being used.

In line with the opportunities of information technology platform (both formal and informal) that enables better information management, communication and knowledge-sharing, AFN explore potentials of existing sources of knowledge and skills. The Programme provide required platforms and adequate supports to facilitate effective knowledge development and sharing mechanisms. AFN II use its existing website (www.AFN.gov.la) and Facebook pages as the main platform for sharing of KPs developed.

- Internet (although not easily accessible to all stakeholders) – mainly use of emails. Informal channels offered by growing popularity of social media such as Facebook and WhatsApp are used for immediate information sharing and updates. The existing AFN II WhatsApp Groups can be enlarged or sub groups can be formed. Existing Facebook pages of the NPCO, 20 target districts and project staff in the country are referenced as a major ignition for KP development;
- IFAD Asia portal (<http://asia.ifad.org>), which is an interactive portal for IFAD partners and stakeholders by providing periodic updates;
- Use of Google drive for e-storage of documents and sharing (such as progress reports, field monitoring reports, reports of workshops, training, studies/research, supervision/support missions, MTR, completion review), training materials, brochures, posters, manuals, newsletters, case studies, minutes of meetings, extension leaflets, audio-visual materials (such as video-clip and documentary), etc.;
- Knowledge materials (e.g. training materials, posters, brochures, video clips, etc.) that are relevant to target communities/beneficiaries and extension staff are displayed at the PAFO & DAFO level and made easily accessible; and

- KM Unit at NPCO maintains a repository of all KPs and put in place a systematic record of KPs at the project and national levels with the implementing agencies.

Partnerships for Knowledge Management

Expected output: Strategic partnership is strengthened for KM.

The implementation of AFN II foster linkages development with the existing partner agencies at the national, regional and international levels. While efforts are put in to maintain and enhance linkages at international levels through the IFAD head office and regional offices, the implementation will mainly focus on partners on the ground. Partner agencies include the IFAD, WFP, implementing agencies at provincial and district levels and other Area Development Projects through these agencies and through THE MAF.

Existing KPs developed in the past through IFAD interventions or by the partner agencies that are of relevance to AFN II are exchanged and utilized. Strengths and opportunities for complementarity in KM and dissemination are explored. Farmers as our major target audience in the project, partnerships with key farmers, group leaders and local leaders with attention to women is established through the network of Village Voluntary staff as well as through the increasing field visits of the project management and staff from the NPCO.

Recognizing the reach and role of media agencies in mass dissemination, the NPCO also keep links with media representatives in the country and ensure their direct linkages for coverage on field work coordinated by the implementing agencies. The NPD assisted by the KM specialist is the main media spokesperson and shall operate under the existing media engagement norms of both THE MAF and IFAD.

KM products dissemination and communication

Expected Output: *Appropriate dissemination and communication channels identified and used.*

The implementation of AFN II focuses on the use of existing dissemination channels such as radio, television, website, use of social media and channels that promote paperless communication. A two-way channel of communication between and among the implementing agencies has been established by reviewing and collecting feed backs on KPs that will be put to use in transformation of KPs.

The NPCO will explore use of strategic locations such as farm shops and other public places to show case and disseminate KPs and information generated from the program. Periodic fairs in the project areas are organized and will continue to disseminate information and demonstrate technologies in agricultural production activities. While most formats for KM products are mainly print based but with incorporation of illustrations and graphics unlike text based in the past, attempt will also be given to use channels such as Radio, Television and informal social media networks for dissemination. In fact, putting social media channels in proper use by using it as project information dissemination in itself is an innovation that is studied and implemented at the project and lessons are drawn and would be advised to be replicated as an effective dissemination tool for future IFAD-funded projects.

Formal meetings, workshops and training are organized and will continue to be organized as part of knowledge sharing and learning events. Efforts will also be made by the NPCO and the support agencies to participate in the regional coordination meetings (MKLF) for information dissemination and programme implementation advisory.

Staff capacity building

Expected Outputs: *KM skills and approaches identified.*

Appropriate training of relevant staff for all 20 targeted districts and 6 provinces on KM and KP development are already organized by the KM specialist to enhance skills and competencies of field staff. Participation to the skills development training were gender

sensitive and considered involvement of equal representation of both men and women participants. On the job training are provided by the KM specialist on frequent intervals, refreshers training programs can be facilitated Km specialist on availability of funds at the NPCO.

(g) Implementation of KM Plan

Implementation steps and arrangements

The overall responsibility for the successful implementation of the KM strategy rests with the NPCO. The project Director and the KM specialist should provide strong and visible leadership role in spearheading the implementation of the KM strategy. It will also require strong partnerships from project partners – WFP, IFAD, implementing agencies at provincial and district levels and the farmers’ organizations as KM is a cross cutting theme and everyone has a crucial role to play for successful implementation of the strategy. Most of the activities envisaged in the strategy document will further strengthen these partnerships. The key KM activities with clear timeframe and responsibilities are presented in Table 2. Table 3 presents potential Risks and Mitigation Measures. The Results Framework for KM Strategy in AFN is shown in Table 4.

Table 2: Details of KM Activities with Timeframe & Responsibility

Key KM Activity	Timeframe	Responsibility
Finalization of KM Strategy	2024	NPCO
Training on quantitative and qualitative data collection, analysis and report writing including case studies and online articles	2024	NPCO
Collection of field work data and information as per AWPB	2024-2025	NPCO, DAFO, PAFO
Development of training manuals	2024-2025	NPCO, NAFRI
Regular update of IEC materials on AFN website and Facebook, IFAD/ASIA web portal and IFAD Asia Facebook page	Regularly	NPCO
Preparation of audio and video documentation	2025	NPCO
Organizing Knowledge sharing and learning events (meetings, workshops, seminar, conferences)	annually	NPCO
Design incentive system to encourage and recognize knowledge sharing and learning by staff involved in the project implementation	2026	NPCO
Organize and facilitate case study write shop	2026-2027	NPCO, DAFO, PAFO
Organize institutional visit to project sites both within and outside country for cross project learning on KM	2027	NPCO
Conduct Annual KM Audit to ensure implementation of activities envisaged in the KM Strategy	annually	NPCO and IFAD mission
Publication and dissemination of KM Products	annually	NPCO

Costs and Financing

Since all the activities envisaged in the strategy document will be mainstreamed into the AWPB of the respective implementing partners financed under the project, an additional cost is not foreseen. The NPCO will ensure that KM activities are adequately and appropriately reflected in the AWPB of the project and implementation partners.

Risk Management

The Table 3 below describes some of the risks that may impede the successful implementation of the KM strategy and possible mitigation measures to be taken up to minimize those risks.

Table 3: Potential Risks and Mitigation Measures

Risk identification	Risk qualification	Risk mitigation measures
<i>Quality and content</i>	<ul style="list-style-type: none"> • Poor quality data, reports or stories from the field 	<ul style="list-style-type: none"> • Provide training to the staff on proper data collection, analysis and report writing • Organize a separate case study or report writing workshop
<i>Collaboration and partnership</i>	<ul style="list-style-type: none"> • Project implementing partners not extending necessary support and cooperation • Inefficient KM coordination 	<ul style="list-style-type: none"> • Carry out regular monitoring from the NPCO • Institute incentive mechanisms such as training and other rewards • Review the KM progress and take timely remedial action
<i>Human and financial resources</i>	<ul style="list-style-type: none"> • Frequent turnover of staff • Inadequate fund to implement KM strategy 	<ul style="list-style-type: none"> • Training and re-training on KM and its importance to new staff • Mainstream KM activities with the regular AWPB • Careful analysis and control of requirements
<i>Internet connectivity or access</i>	<ul style="list-style-type: none"> • Poor internet connectivity in some districts/provinces may hinder easy access 	<ul style="list-style-type: none"> • Targeted knowledge product development and dissemination (mainly through print media)
<i>KM culture and learning system</i>	<ul style="list-style-type: none"> • KM not given priority by the stakeholders • Knowledge products not used for learning purposes 	<ul style="list-style-type: none"> • Sensitization on KM and its importance • Embedding knowledge instruments within the work • Institute incentive system to recognize and encourage the knowledge actors
<i>New information technology platform and knowledge tools</i>	<ul style="list-style-type: none"> • Staff are unable to use new tools and techniques due to lack of knowledge or awareness • Sometimes new tools and techniques are not user friendly 	<ul style="list-style-type: none"> • Provide hands-on training or awareness on new tools and techniques • Careful prioritization and selection of tools

Table 4: Results Framework for AFN II KM (to be identified during project life)

KM Themes	KM Products	Activity	Timeframe	Inputs required	Responsibility	End Result
Gender	Human interest stories,	<ul style="list-style-type: none"> • Successful Cases of Womenled FNS activity and APGs to be documented. • Role of women in farmers group management. 	2023-2024	field work data, skills Resources Interviews conducted with women farmers	NPCO, DAFOs, PAFOs, WFP	Programme interventions on gender mainstreaming documented and disseminated Better understanding and changed perspectives, attitudes to differential genderroles in farming
		<ul style="list-style-type: none"> • Conducting Farmer to farmer extension traditionally (Transferring skills from women farmers to peer farmers and other APGs) 	2024-2025	field work data, skills	NPCO	
Youth	Case studies, success stories explaining current activities undertaken and future plans	<ul style="list-style-type: none"> • Success stories of Youth infarming (agricultural production activities) / agri business, entrepreneurship 	2024-2025	Field work data, story writing	NPCO, DAFOs, PAFOs	Youth in the project area engaged and farming is replicated as source of employment
Women	Success stories, Case studies, videos	<ul style="list-style-type: none"> • Success stories and case studies of livelihood improvement in various thematic approaches related to project interventions and their role in farming including FNS. 	2025-2026	Data, information and field records of targeted interventions	NPCO, DAFOs andPAFOs	Programme interventions targeted for livelihood improvement
PPCP	Success stories, Reports	<ul style="list-style-type: none"> • Success stories and case studies of project beneficiaries Documenting various PPCP themes 	2026-2027	Data, information and field records of targeted interventions	NPCO, DAFOs andPAFOs	Vulnerable villages and farmers resilience enhanced, and market linkages established

KM Themes	KM Products	Activity	Timeframe	Inputs required	Responsibility	End Result
APGs	Success stories, Videos, Training and extension Manuals, Posters, IEC material	<ul style="list-style-type: none"> • Success stories and case studies of project beneficiaries on their good practices and lessons learned • Documenting various APGs on their array of adopted activities supported by AFN. • Media coverage on valuechain interventions 	2024-2025	Data information, Field activity data, story writing	NPCO, MAF, DAFOs and PAFOs	Targeted household move towards sustainability with elevated agricultural production and income generation
VDP/VIP's	Training Manuals, Field survey, capacity building	<ul style="list-style-type: none"> • Document the impact of VIPs provided by the project on beneficiary's livelihoods and agricultural production capacities, • Success stories 	2015-2026	Data information, Field activity data, story writing	NPCO, MAF, DAFOs, PAFOs	Farmers co-contribute in the activity and assemble a sense of ownership of the project activity. Facilitating beneficiaries' livelihood improvement.
Innovations and best practices	Case studies, Media clips, Success stories, Leaflets	<ul style="list-style-type: none"> • IFAD interventions in Northern Lao PDR 	2027-2028	Data records, Field data collection, Lead farmers interviews.	NPCO, MAF, WFP, IFAD, DAFOs, PAFOs	Programs lessons, experiences and innovations documented and shared

Note: Periodic activity completion reports, quarter progress reports and Annual Reports are not included above. The above KM Products should complement the periodic reports.

21.1 Introduction

Agriculture for Nutrition – Phase 2 (AFN II IIAFN II II) is implemented over a 7-year period starting from project effectiveness July 2023. The project addresses chronic malnutrition and food insecurity in Lao PDR upland areas. The AFN II will support implementation of the National Nutrition Strategy to 2025, and pilot new development approaches and technologies in this framework.

The Project Goal is to enable 28,000 vulnerable households living in the project area to improve their income by 20%, by 2030. The Project Development Objective is to Enable 28,000 vulnerable households to improve and diversify nutritional and socio-economic outcomes, adopt gender-transformative practises, build resilience to climate conditions and improve productive & marketing capacities, by 2030.

Main components of the project can be summarized as following:

Component 1 (Community-driven agriculture and natural resources-based nutrition interventions establishment) will have two main outcomes. The first outcome is to improve the nutrition Knowledge, Attitudes and Practices (KAP) of the targeted poor and near poor smallholder farmer households who are most at risk of food and nutrition insecurity, further exacerbated by the COVID-19 pandemic. This outcome will be achieved through Subcomponent 1a: Improved nutritional status of women, children, girls, and other vulnerable groups, which is supervised and implemented by WFP in close cooperation with THE MAF and the Provincial Agriculture and Forestry Offices (PAFO), District of Agriculture and Forestry Offices (DAFO) and provincial and district convergence agencies (education and sports, health and LWU).

Component 2 (Business partnerships and market access improvement) aims at improving physical access to markets, processing and storage. It will produce the following outputs: (i) build or rehabilitate 500 processing, storage, and market facilities (storage, collection points, etc.), (ii) support 600 producers' organization (APGs) to engage in formal partnerships/agreements or contracts with public or private entities in food value chains, through Multi-Stakeholder Platforms (MSP) and matching grant facilities, (iii) 50 MSMEs join the SUN Business Network as new members and receive business development, marketing support and access to finance, (iv) rehabilitate existing rural access tracks.

Component 3 (Enabling environment and partnerships) aims at improving multisectoral planning in support to achieving the target set in the NNPA 2021-2015 as well as improving service delivery to the rural communities by involving CSOs. It will deliver the following outputs : (i) 30 substantive deliverables on food security and nutrition processes are completed in the form of multisectoral nutrition plans linked with the current NPAN and SEDP for the period 2021-2025, and (ii) 5 knowledge products are completed with project support related to agriculture, natural resources management (promotion of wild foods), and food/nutrition security to contribute to policy dialogue and preparation of NPAN and SEDP for the period 2026-2030. (iii) around 40 CSO directly contribute to support communities in implementation of their village nutrition plans and other nutrition -sensitive interventions involving women, youth, ethnic groups and People with disabilities.

- (i) Project Management Structure

National level Steering Committee. Overall policy direction will be provided by the Secretariat of the National Nutrition Committee, which will act as the National Project Steering Committee (NPSC). The NPSC will include representatives from line ministries participating in AFN II implementation (MAF, MoH, MPI, MoES and MOF), Governors or Vice-governors of the four target provinces, and the Chamber of Commerce. The NPSC will

be co-chaired by the Vice-minister of THE MAF and the meetings will be held half-yearly, location rotating between Vientiane and project provinces.

Provincial Steering Committee. Provincial Nutrition Committee will act as the Provincial Project Steering Committee (PPSC). It will approve annual AWPBs and annual progress and financial reports prepared by participating kum bans and districts and approved by the respective DSEDCs. The PPSC will include representatives from line ministries participating in AFN II implementation (MAF, MIC, MoH, MPWT, MoES and MOF), the Governor and Vice-governor, LWU, civil society and NGOs, provincial private agri-business and a balanced representation of farmers. The PPSC will be headed by the Provincial Vice-Governor.

District Steering Committee. The district social economic development committees will act as steering committee at district level. In addition to reviewing and endorsement of semi-annual project progress reports and approval of work plans, the committee reviews and approves individual farmer group production plans, district multi-sector development plans and others.

Technical Advisory Groups. The NPCO will establish an independent Multi-sectoral Technical Advisory Group (TAG) to support Project implementation. Similar technical working groups will also be established at provincial and district level. The TAG will include representatives of key MAF and MoH departments, interested donor partners and farmer and civil society organizations, and private sector stakeholders, particularly representing the agribusiness sector.

Operations at national level: NPCO. The MAF Department of Planning and Cooperation (DoPC), is the AFN II lead agency that has overall responsibility for Project implementation, which it delegates to the Project Coordinator and, through that office, to district administrations (with provincial oversight) for project implementation.

The National Project Coordinator will head a National Project Coordination Office (NPCO), supported technically by a Technical Assistance Team.

(ii) Costs and Financing

As presented in the below Table 1, the total cost for the project is estimated at US\$48.34 million (LAK 726,68 billion) including contingencies, with GAFSP contribution of 41%, IFAD loan 27% and Lao PDR government contribution of 10%. The project is designed with a financing gap of US\$6.8 million (14% of project costs). The remaining 8% is expected to be mobilized from target beneficiary groups, Civil Society Organizations (CSOs) and local private sector through a public-private partnership framework.

Table 1. Project costs by financier

Financiers	In thousand US\$	In %
IFAD	13,235	27.4
GASFP through IFAD	12,000	24.8
GASFP through WFP	7,999	16.5
Local private sector - MSME	1,444	3.0
Village beneficiaries	2,066	4.3
Lao Government	4,809	10.0
Funding gap	6,778	14.0
Total	48.331	100.0

The detailed overall budget for the Project (by component/activity) are as per Total Cost and Financing Plan which is broken down into an Annual Work Plan and Budget (to be prepared for each Lao fiscal year, January-December).

- (b) Project Financial Control and Management
 - (i) Financial Control

The project offices at all levels shall establish separate and dedicated accounting systems for the project. The Implementing District Offices shall recruit qualified staff for preparing reimbursement documents and reporting to DPOs and NPCO.

Copies of all relevant project documents and accounting files shall be archived by DPO for future reference.

1. Responsibilities of the National Project Coordination Office (NPCO)

In accordance with the Financing Agreement, the NPCO/DPC, MAF will implement the following financial monitoring procedures:

General

- a. Develop the project finance management guidelines, its corresponding implementation documents, and accounting methods in consistent with MoF and IFAD's general guidelines.
- b. Rationally use and allocate project funds; participate in the inspection and supervision of project implementation progress and quality; correctly analyse and report the availability, disbursement and usage of the fund financed through IFAD as well as Lao Government Funds.
- c. Responsibility for received funds and expenses, budget control and accounting for all project funds.

Specific

- d. According to the Annual Project Budget, review the annual project budgets of DPOs and NPCO MAF and develop an overall annual budget for the project; release the approved budget and regularly check the fund use situation.
- e. Oversee the financial operations of the DPOs and NPCO MAF; providing support and guidance to the DPOs as well as internal checks on accounting and procedures,
- f. Consolidate and review the quarterly and annual financial reports, including notes explaining the financial results and clarifying any unusual or extraordinary items;
- g. Management of the project Special Account (submission of withdrawal applications, requests for replenishment, etc.)
- h. Ensure that monthly bank reconciliations are prepared by each office; reviewing these each quarter to ensure that there are no accounting differences,
- i. Manage funds, maintain accounting records, prepare yearly mandatory financial reporting and keep archives. Manage fixed assets according to project regulations and the handing-over of the fixed assets to related departments after project termination;
- j. Participate in the project monitoring and project assessment. Participate in goods and service procurement, participate in tender evaluation, and in the negotiations of procurement contracts.
- k. Accept the supervision and auditing by the independent external auditor of all levels regarding the project implementation and its financial situation. Guide, check and supervise the financial management work of lower-level Project offices.
- l. Management of Petty Cash
- m. Responsible for the assets checking and the handing-over of the assets to related departments after project termination; Responsible for managing, coordinating and facilitation of annual project audit.

2. Responsibilities of the District Project Offices

General

- a. Rationally use project funds; participate in the inspection and supervision of project implementation progress and quality; correctly analyse and report the availability, disbursement and use of the project funds.
- b. Responsibility for received funds and expenses, budget control and accounting regarding the project funds under this project.

Specific

- c. Oversee the financial operations of District Implementation Units and provide support and guidance to them as well as internal checks on accounting and procedures,
- d. Compile district budget plans and furnish them to NPCO MAF for review and approval.
- e. Regularly collect and compile and provide the project finance reports and progress reports and furnish them to NPCO MAF.
- f. Manage funds, maintain accounting records, prepare yearly mandatory financial reporting, and keep archives. Responsible for the assets checking and the handing-over of the assets to related departments after project termination; Responsible for managing fixed assets according to project regulations and the handing-over of the fixed assets to related departments after project termination;
- g. Accept the supervision and auditing by the financial departments of all levels regarding the project implementation and its financial situation.

For the purposes of this Manual, the following tables summarize various aspects of the financial management arrangements that apply to AFN II.

Table 1: Summary of Financial Management arrangements for NPCO

Project Executing Agency (NPCO-MAF)	
Project Executing Agency (PEA)	MAF
Management Unit	National Project Coordination Office (NPCO-MAF)
Senior GoL Project Official	National Project Director (NPD), National Project Coordinator
Bank Account	<ul style="list-style-type: none"> • Project Special Account (DA) – US\$, managed by Treasury Dept., MoF • NPCO Operating Account – US\$, managed by NPCO • DPO Sub-operating Accounts, managed by DPOs
Bank Account signatories	MoF, MAF
Principal FM responsibilities	<ol style="list-style-type: none"> 1. Management of the project SA opened with BOL (submission of withdrawal applications, requests for replenishment, etc.) 2. Preparation of regular (quarterly, and annual) Financial Statements (overall and NPCO accounts) and Budget Plans 3. Screen and approve the budget plans of the DPOs and NPCO MAF 4. Coordination and facilitation of annual project audit 5. Oversee the financial operations of the DPOs and of NPCO MAF (incl. support and guidance), 6. Management, control and supervision of expenditures 7. Preparation and submission of Quarterly Financial Reports 8. Management of NPCO MAF Project Sub Account and counterpart budget account (payments, advances, bank account reconciliations, requests for replenishment) 9. Management of Petty Cash Float 10. Asset management
Project-funded FM staff	<ol style="list-style-type: none"> 1. Finance Manager 2. Finance Assistant 3. Accounting clerk

Table 2: Summary of FM arrangements DPOs

District Project Offices (DPOs)	
Management Issues	DPO Sangthong
Management Units	
Senior GoL Project Official	1. Head of DPO (Head/Vice Head of DAFO)
Bank Account(s)	1. DPO Operational - Account, LAK denominated
Bank Account signatories	1. Head of DPO
Petty Cash Float	1. upper ceiling of Kip 5,000,000
Principal FM responsibilities	<ol style="list-style-type: none"> 1. Management, control and supervision of expenditures for district project activities, including funds for village agricultural infrastructure and farmers' investment (garden grant and farmer production group) 2. Preparation and submission of regular Financial Reports and budget plans 3. Management of DPO Account (payments, advances, bank account reconciliations, requests for replenishment) 4. Management of Petty Cash Floats and transfers to villagers based on farmer grant manual 5. Asset Management 6. Facilitation of annual external audit
Project-funded FM staff	<ul style="list-style-type: none"> • One Accountant
GoL-funded FM staff	<ul style="list-style-type: none"> • DPO Head • Coordinator • Cashier
Preparation/certification/authorization of FM documents (payment vouchers, cash and cheque payments, etc.)	Preparation: Cashier Certification: Accountant Authorization/approval: DPO Head/Deputy Head

(ii) Use of the project funds.

To use the funds, AFN II shall follow clauses and parameters promulgated in the prevailing MOF decree on guidelines for the financial norms of the uses of the state budget No. 4000/ገገ, dated December 12, 2018 (being replaced the previous decree 2066/ገገ, dated 25 July, 2015) where the relevant details are incorporated in this project financial management guidelines.

For the case of local trip for field work, particularly a one-day trip, without overnight stay, from provinces to districts, district to district or district to target villages with less than 50 km of distance, AFN II exceptionally pays the working staff with LAK 50,000/person/day for food allowances, (without consideration of the corresponding distances as stated in the above-mentioned decree No. 4000/ገገ, dated December 12, 2018.

(iii) Procurement

The project should follow regulations on procurement according to procurement guidelines of MoF and IFAD, detailed procedures are defined in separate procurement manual.

The project can purchase only equipment and materials mentioned in a Procurement Plan, which has been approved by the project steering committee according to the Annual Work Plan and Budget.

DPOs shall compile project procurement lists in accordance with the Annual Budget, and then furnish them to NPCO, who shall review and summarize them and provide them to IFAD for approval. In case of changes to the procurement plan, the same above-mentioned authorization procedures apply. Project procurements carried out by DPOs shall be supervised by the NPCO.

(iv) Financial staffing

Financial Management Staffing for the Central and District Level comprise the following:

Diagram 1: Financial staff allocation

Project Office	Head of Finance	Accountant	Finance Assistant and cashier
NPCO	1	1	2
DPOs	0	1 per office	

Note: Head of the Finance shall also be responsible for managing NPCO Account. The Head of Accountants at DPOs shall also be responsible for managing DPO Accounts.

1. Head of Finance and accountant

The Head of Finance-accountant Accountant at NPO works as the Project's Head of Finance and will be responsible for overall financial management functions of the Project which includes planning, budgeting, funds flow, disbursement, management, accounting, internal controls and financial reporting with an aim of ensuring that all Project resources are managed in an accountable, cost-effective and transparent way.

Amongst the responsibilities of the Head of Financial include the following:

- Responsible for all accounting aspects of the project;
- Keep up to date all the accounting records of the project from bookkeeping to trial balance;
- Prepares and submits for approval to the National Project Coordinator (NPC) all financial statements, budgets, financial projections, cash flow forecasts, replenishment of Special Account and all other projects reports as requested by IFAD and Ministry of Finance.
- Prepare specific budgetary documentation, according to the Lao PDR legislation procedure, issue payment orders and obtain the necessary approvals for finalizing payments to the suppliers/contractors;
- Operate the NPCO financial management system related to accounting field, ensuring that transactions are entered into the system in a timely and proper manner and that updated accounting records are kept, which are essential for the generation of reports, and the capability to produce the project financial monitoring reports ;
- Provide full back-up, be fully familiar and participate in the activities of the Project in all areas, including preparation of financial and status reports, maintaining financial management system, preparation of documents for payment, books and records keeping, etc.;
- Coordinate with the MOF and DPOs in preparation and submission of Annual Unaudited and Audited Financial Statements to IFAD (by 30 April and by 30 June correspondently).
- Other duties required by project implementation, as instructed by the Project Coordinator.

The Finance Head will work closely with the experts and institutions involved in the implementation and report directly to the National Project Coordinator.

2. Accountant

The Accountant will report and provide support to the Head of Finance. His/her role would be mainly to carry out the day to day operations of the respective Components which would include, but not limited to, the following:

- Maintain and keep up to date all the Project Sub-account records from bookkeeping to trial balance system;
- Preparing Withdrawal Application for sub accounts from Special Account;
- In consultation with the NPC and Head of Finance, responsible for advance monitoring/clearing, operating expense for the project;

- Ensure that physical inventory of fixed assets of the project is regularly conducted;
- Maintain sub-accounting system;
- Assist in monthly, quarterly and annual planning and reporting;
- Provide accurate and timely financial information; requirements and ensure updates to the NPC;
- Assist the Accountant and DPO in both internal and external audits;
- Record, classify and summarize the financial transactions of the project;
- Assist Accountant in all other aspects of finance and accounting operations for the Project.

2. Finance Assistant

As Project accounts mainly deal with cash aspects, it will be essential that each office maintains a cashier to:

- Assist Accountant in reviewing requests for replenishment from DPOs and prepare all necessary documentation for fund transfer to DPOs' sub-accounts;
- Prepare and follow up on cash advances;
- Maintain the fixed assets register which would include tagging of assets and preparing assets maintenance reports; and
- Maintain and monitor vehicle logbooks to ensure that Project vehicles are solely used for the purposes of the Project

(c) Financial Management

(i) Funds Flow

Funds flow – An overview

MoF will establish a Special Account in the Bank of Lao PDR. In addition, Sub accounts or operating accounts will be established in commercial banks and managed by NPCO and the twelve DPOs. The Special Account will be used to meet national level project costs, and consulting services contracts. The Operating accounts will be used to fund project implementation based on the approved AWPB which also regulates the distribution of responsibilities of the different project implementation partners at national, district and village levels. The operating accounts at district level will be replenished per instructions of the NPCO.

All disbursements to implementing agencies including NAFRI and CDE should be processed through the operating accounts unless the receiver of the funds is eligible for direct payment as per IFAD requirements.

Funds flow – Designated Account

The Designated Account will receive an advance and the ceiling for this account as defined in the Financing Agreement and later adjustment in accordance with IFAD approval is communicated in the FMFCL. This account will be replenished when the account is drawn down by certain amount which is reasonable and matching the requirement for submission of Withdrawal Application.

Funds flow – Operating or Sub-accounts

Funds in the Special Account will be used to establish advances in the respective Operating and Sub accounts. The maximum ceiling of Operating account is US\$200,000 equivalent and US\$25,000 equivalent for each sub-account of DPOs. Sub accounts are intended to provide cash resources for the operations, which are substantial. These accounts will be replenished when the account is drawn down by 20%. The following will take place:

- Every quarter, the NPCO estimate costs for replenishment in each sub-account based on expenditure spending under the procedures of the previous and the

following quarter from the beginning of the project to the end of the previous quarter and the needs of expenses.

- The District Project Office is responsible for aggregating on District Level and sending off this cost estimation to the NPCO. The NPCO aggregates costs estimations received from district Project Offices and works out the costs' estimation for the whole Project.

Conditions for transferring of advances:

- The request for advance is signed by the Head of District Project Office
- Report of project implementation progress and using of funds within the last period is submitted
- Financial plan for the next period is prepared.

Responsibilities in Fund Disbursement

National Project Coordination Office (NPCO)

- Purchase of project vehicles, office equipment for national and district offices as well as technical equipment (computers, photocopy machines, air conditioners, fax machines) for districts
- Payment for monitoring and evaluation activities, for auditing of project budget, for all payments to contractors/service providers with more than US\$10,000 equivalent amount
- Payments for overall Administration and Financial Management
- Payment for seminars, workshops, training courses and researches, surveys of project staff at national level and Training of Trainers
- Payments for awareness raising and Public Relation activities
- Tender procedure
- NPCO/NSC/Joint DPO meetings/workshops
- National Office running and transport costs
- Transferring money to village production groups

District Project Office (DPO)

- Payment for seminars, workshops and training of project staff and farmers at district and village levels
- District meetings/workshops
- Local Office Running and transport costs
- Transfer of funds to farmer households for gardening
- Payment for demonstration models and trial plots
- Payment for field visits organized for farmers and village staff
- Village training on planting, tending and protection techniques for farmers
- Land survey & land allocation
- Village agriculture infrastructure development with contract amount less than US\$10,000.

Diagram of the Payment Procedures

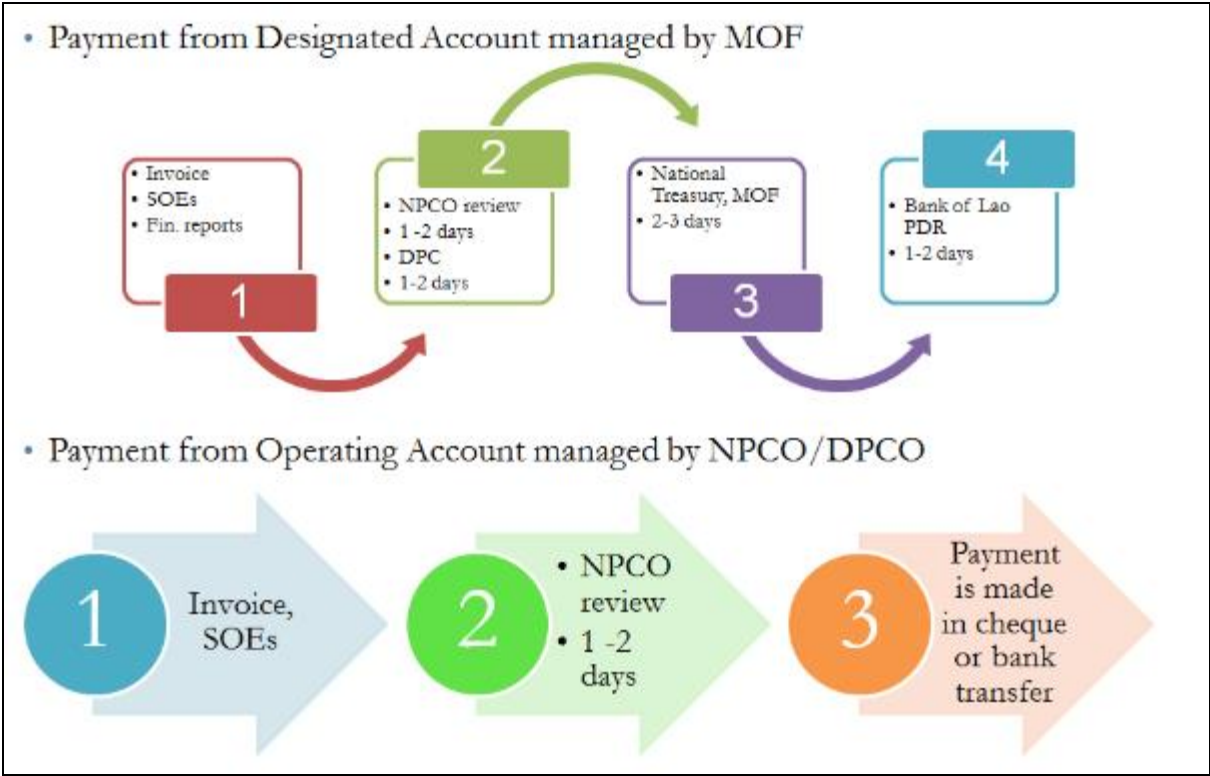
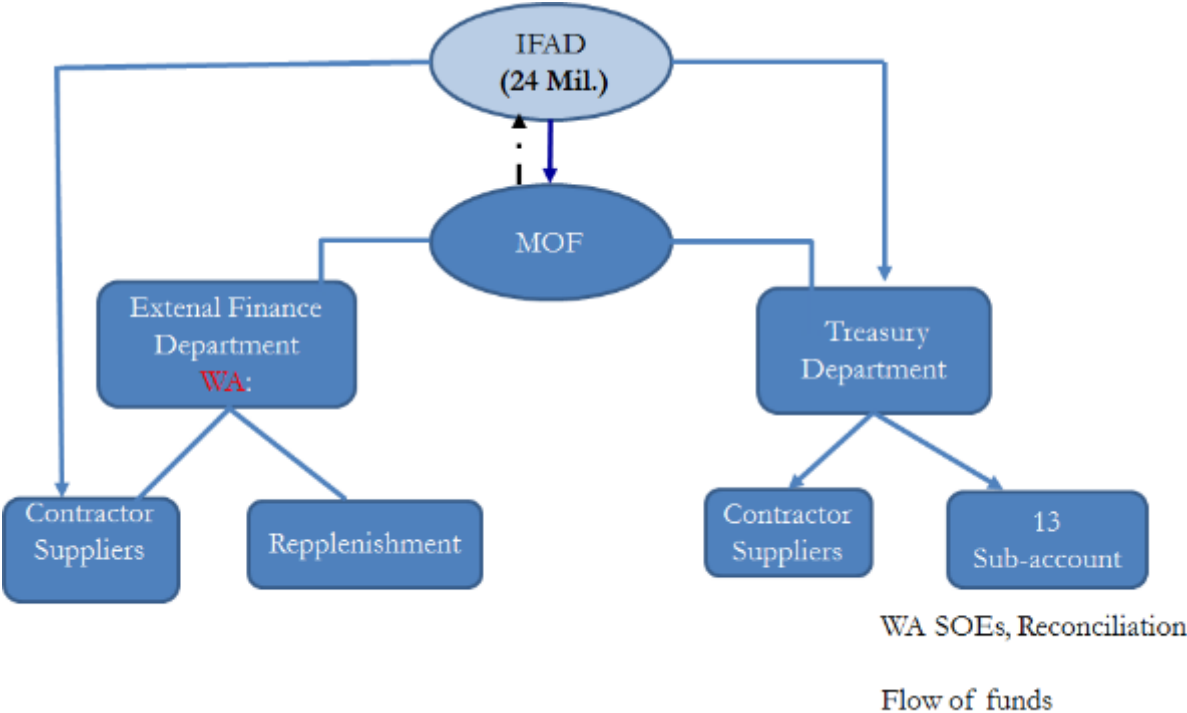


Diagram of the Replenishment Procedures (amounts indicated are to be updated)



(ii) Accounting System

The Finance and Accounting Unit at NPCO is led by the Head of Finance and one of its primary functions will be to ensure that the project financial management system including accounting, financial reporting and auditing systems are adequate for providing to the IFAD and the Management of the Project, accurate and timely information regarding project resources and expenditures.

Applicable Accounting Policies and Procedures

The Project will adopt a "double entry" recording methodology in order to produce its financial statements. At both Central and district level, the Project Accounting System Manual, which was issued by MOF, Dated 26/06/1998 is to be tailored according to the requirements of the Project.

The fiscal year will be from January 1 to December 30.

The basic accounting principles applicable to the accounting procedures for the project activities shall be as follows:

The accounting system will be based on a **Cash Basis of accounting method** in which revenues and expenses are recorded when cash is actually received or paid out;

Accounting transactions at District level will be recorded in US dollars in parallel with Lao KIP. Transactions arising in other foreign currencies shall be translated at the exchange rates computed by weighted average method.

The financial statements are prepared under the historical cost basis accounting. No depreciation will be charged for the fixed assets as these items are expensed in full during the month of purchase.

The reports may be presented in US dollars in accordance with the requirements of the Project.

Bank

Custody

Bank statements will be addressed to the NPCO/DPO Heads of Finance who will be responsible for ensuring that monthly statements are promptly received.

Receipts

When cash is sent from IFAD to the Special Account, a notification/deposit slip should be received. A Bank Receipt Voucher should be completed and signed by the Accountant. It should then be passed, with the notification attached, to the NPCO for approval for entry in the Bank Book Journal, including verification of the account code.

All Bank Receipts Vouchers should be sequentially numbered.

The Accountant will then input the Bank Receipts Vouchers into the accounting system, following the posting procedures.

The Bank Receipts Vouchers, together with the supporting documentation, should be filed in the "Bank Receipts" file in a sequential order.

Payments

All payments in large amount should be made by cheque or direct bank transfer unless there is proper justification for payment by cash. Suppliers and subcontractors should be strongly encouraged to accept cheque payments or direct bank transfer.

Once valid and original invoices, requests for funds or salary payments have been properly approved for payment, a Bank Payment Voucher (BPV) should be prepared by the Accountant.

All Bank Payment Vouchers should be sequentially numbered.

The Bank Payment Voucher, with all supporting documentation attached, should be forwarded to the Head of Finance to be reviewed and then signed by the National Project Coordinator/District Project Director as evidence of approval.

The above documents will then be returned to the Accountant for verification of the cheque signatories and supporting documents and the vouchers should be stamped "PAID" immediately after approval for payment is obtained to ensure there is no duplication of payment.

The Accountant will sign the Bank Payment Voucher as approval for entry in the Bank Book Journal including verification of the account code.

The Accountant Assistant will enter the Cheque Payment Voucher in the manual Bank Book Journal.

The Bank Payment Vouchers, together with the supporting documentation, should be filed in the "Bank Payments" file in a sequential order.

Reconciliation – Bank

The Accountant should prepare the Bank Reconciliation at the end of each month. The purpose of this control is to compare the closing bank balance in the Bank Book Journal or general ledger in the accounting system with closing balance per the bank statement. Any reconciling item should be properly identified, explained and approved.

The Head of Finance/Accountant (NPCO/DPO) will review the Bank Reconciliation and will pass to the NPCO/DPD, together with a copy of the Bank Book Journal for the period, for his signature as approval.

Bank Reconciliation is to be filed with the bank statement and the manual Bank Book Journal for the month in the "Month-end reports" file.

Accounting for DPOs

At the end of each month, accountants will send the financial reports to the NPCO by summarizing the amounts paid according to the expenditures incurred and supplier invoices/receipts, consultants and etc. for operating costs. NPCO will verify and comment on the financial reports, to ensure that all payments have adequate supporting documentation. The original supporting documents will be retained at the DPOs and subject to be audited semi-annually by NPCO financial staff.

Cash Advance

Cash advances will only be given for the purposes of travel to the province, districts or overseas or for meetings, workshops or conferences. For domestic travelling, the government DSA rates will be applied (at the time the FM Manual is developed, the DSA rates in effect is the rates specified in the Ministerial Decision No. 2066/MOF dated 25/06, 2015).

Requests

Request for Funds form should be prepared by the person requesting the cash advance. This form should clearly indicate the time, date(s) and venue the activities will take place accompanied by an activity budget (if applicable).

Once agreed by the NPC/DPC the request should be submitted to the Accountant, who will sign as evidence of initial approval and forward to the NPC/DPC together with a duly completed Bank Cheque for payment authorization.

The advance must then be recorded in the Advance Control Book and individual advance card (if any).

Clearance

As stated on the Request for Funds signed by the requester, the advance must be cleared within 14 working days of the completion of the trip.

The recipient of the advance must provide a Report of Expenses Form report detailing all payments made, supported by original invoices or expenses receipts. The Accountant will be responsible for ensuring that this is done. In case of cash payment to distinguished guests invited to the project meetings or important events, AFN II needs to obtain and admits the recipients' signatures on the list of cash recipients as evidence/receipts for substantiating payments, particularly for the fuel costs.

The Accountant Assistant will confirm that all payments are supported by valid and original documentation will approve the Liquidation of Advance and will clear the advance

A credit entry must be made in the Advance Control Book and the individual advance card for the relevant advance.

If the total expenses are greater than the advance, an additional CPV should be prepared for the surplus and the receipt of the additional cash should be noted by the recipient acknowledging that the cash was received.

If the total expenses are less than the advance, a Journal Voucher should be completed for the cash refund/returned.

If the total expenses are the same as the advance, a Journal Voucher will then be prepared from the details of the expense report and submitted to the Accountant for approval and posting. All Journal Vouchers should be sequentially pre-numbered. The Journal Voucher should be filed in the Journal Voucher file.

Reconciliation – Cash Advance

At the end of each month, the Advance Control Book verification should be performed by the Accountant Assistant, agreeing to total of the outstanding advances on the individual advance cards (if any) and to the total in the general ledger accounts on the accounting system. Any difference must be immediately investigated.

The reconciliation should be reviewed by the Accountant Assistant and forwarded to the Accountant for approval, together with the Advance Control Book and the personal advance cards (if any).

Advance reconciliation is to be filed with the Advance Control Book for the month in the "Month-end reports" file.

Personal advance cards/ledgers (if any) outstanding should be signed at the end of each month by the individual to confirm outstanding balances.

Petty Cash

A petty cash float should be maintained for minor expenses, for example city transport and stationary items, and for emergency payments.

Custody

The petty cash should be kept in a secure box, locked, in the custody of the Cashier at the finance unit at NPCO and DPOs.

The petty cash box should be placed in the safe every evening.

Payments

On production of a valid and original receipt or invoice, a Cash Payment Voucher should be completed by the Accountant Assistant.

All CPVs should be sequentially numbered.

Ceiling of Petty Cash fund is limited to LAK 5,000,000.

At district level, any single payment is subject to DPO Coordinator's approval.

The voucher should be signed by the Cashier and passed to the Project Accountant for verifying against the attached supporting documents, and it should be submitted to the designated approving officer, depending on the amount of each payment, who will sign as evidence of approval for payment.

The cash will be released and the recipient should sign the Advance Record Sheet as confirmation of the cash received.

The Petty Cash Voucher should be passed to Accountant to ensure that all details are accurately completed for entry into the Petty Cash Control Book.

The Petty Cash Control Book will show the transaction date and a brief description of the transaction, the Voucher reference number, the amount withdrawn or deposited and the balance.

When the time comes for the petty cash to be replenished, the expenditures from the Petty Cash Control Sheet will be summarized according to the expenditure code and the Accountant will then input these expenditures into the relevant accounting ledgers, following the posting procedures in the appropriate expenditure code. An example would be that all local travelling will be summed up from the Petty Cash Control Sheet and posted once in the accounting ledgers as local travelling expenses.

The Petty Cash transactions, together with all the relevant supporting documentation are filed in the Petty Cash Payments file in a sequential order.

Receipts

If cash is received, for example where cash is replenished or clearance of an advance, a Cash Journal Voucher should be prepared and signed by the cashier.

All Cash Journal Voucher should be sequentially numbered.

The Cash Journal Vouchers, together with the supporting documentation, should be filed in the Cash Journal Voucher file in a sequential order.

Petty Cash Float Requests

When funds are depleted, a Cheque Payment Voucher should be prepared by the cashier and submitted with a copy of the Petty Cash Control Sheet to the Project Accountant for signature as evidence of approval.

All Cheque Payment Vouchers should be sequentially numbered.

A cheque should be issued for the required amount; the cheque number should be entered on the petty cash float request and the procedures for cheque payment should be followed.

On receipt of the cash from the bank, the cash should be put immediately in the petty cash box and the petty cash float request signed by the person receiving the cash.

The Project Accountant will check that the details, including the account code are duly completed and will pass it to the Cashier for entry in the manual Petty Cash Book.

The Accountant Assistant will input the Cash Journal Vouchers into the accounting records;

The Cheque Payment Voucher should be filed in the "Bank Payments" file in a sequential order.

Reconciliation – Petty Cash

The balance in the Petty Cash ledger should be reconciled on a monthly basis to the Cash Count Sheet;

Petty cash balance should be counted at every month end by the Cashier and observed by the Accountant, who is also signed off on the count sheet as a verifier.

The NPC/DPC should approve the month-end cash count sheets

The Petty cash sheet should also include a "reconciliation column" where the petty cash counted is to be reconciled with the relevant ledger and this petty cash reconciliation sheet should be completed for each month-end by the Accountant Assistant, reviewed by the Accountant and approved by the NPC/DPC. Any difference between the cash balance counted and the balance in the Petty Cash Ledger must be investigated immediately and reported to the NPC/DPC.

Cash reconciliations are to be filed with the Cash Count Sheet and manual Petty Cash Book for that month in the "month-end reports" file.

Accounting Documentation

AFN II Project, like all the other Donor funded projects should be equipped with the following accounting documentation for effective compliance with the Financing Agreements as well as for the purposes of establishing a good "audit trail" during inspection of the Project accounts. Listed below are the important and relevant documents that should be maintained at the project:

Bank Payment Voucher	:	Records dates, amounts paid, payees, explanation of payments and approval for all cash and bank disbursements
Receipt Voucher	:	Record dated, amounts received from and explanation of the receipts for all cash received including income from selling bid documents and other project income
Cash Payment Voucher	:	Records dates, amounts, pay to, explanation of payments and approval of petty cash
Journal Voucher	:	A journal voucher will be used for non-cash transactions, such as adjustments. The voucher shall provide records of dates, amounts, explanation of adjustments, reference document and approval.

Book of Accounts

The following books of accounts and registers are required to be maintained recording of all accounting transactions:

- General ledger

- Journal/Voucher List: comprise of:
 - Bank Account Journal in kip, and US\$
 - Petty Cash Account Journal
 - Cash Advance Journal
 - Withdrawal Account Register
 - Register of Receipt and Payment Process
 - Memorandum Registers:
 - Fixed Assets Register
 - Cash Advance and Payment Registers
 - Contract Register
 - Budget Commitment

(iii) Financial Archives

Project offices shall assign specific staff to manage financial archives during the implementation period of the project. The following (but not limited to these) financial archives shall be well preserved:

- Project funds archives, including: Annual Work Plans and Budgets, project progress reports, analysis documents of funds use, final accounting documents related to construction and other project documents.
- Project accounting archives, including: accounting vouchers, accounting books, accounting statements and explanatory financial analysis reports etc.
- Project archives, including: Feasibility Study Report, initial design, total budget estimates and related approval documents; ratified contracts and construction related payments; investment plans, budgets, final construction related payments, final financial accounting etc. and all sorts of approval documents from related departments.

During the implementation, financial archives shall be kept and managed by project offices at all levels. After the completion of the Project and after final auditing, the archives shall be taken over by NPO.

As a general rule, all archives are paper-based and include the original paper documents. In addition, all documentation, that is available in an electronic version, should be compiled in a structured electronic archive.

(iv) Accounting Process

Flow Chart of Accounting Procedures

(to be updated)

STEPS	ACTION TO BE TAKEN	FORMS, BOOKS & REPORTS
1	Collect supporting documents Prepare vouchers Seek approval by Responsible Officer	Voucher or Journal.
2	Write the entry in the Journal and Register	Voucher or Journal Registers
3	Post the entry to Accounts, Category Ledger and Control Book	General Ledger Category Ledger Control Book
4	At each month end, all Journal, all Registers, all Accounts and Categories, must be summarized to calculate the total and the balance	Trail Balance
5	At the end of exercise (3, 6, and 9 months,/ year), prepare the Project Financial Statements	Project Financial Statements

Month-End Closing Procedures.

At month-end, the posting from journal entries to the General Ledger (GL) and Category Ledger are processed manually. To ensure the completeness and accuracy of financial data, regular monthly procedures to 'close' the general ledger and produce a trial balance are important elements of financial control. The regular monthly procedures include:

A. The basic steps for 'closing' the GL include:

- Liquidation of outstanding advances where possible using the reconciliation of amount advanced form.
- Recording of all accounting transactions up to month-end. These cover entries to GL and registers as well as including posting of petty cash expenses to the ledger
- Independent review of GL and registers. The review examines the GL to determine if it is complete and accurate. Trial Balance shall be prepared for the GL review.

B. Reconciliations are performed between a number of GL accounts and other sources such as third party bank statements or the Project's registers of cash held. The necessary reconciliation procedures are summarized below:

- Bank reconciliation: Reconcile balance of bank book accounts to the relevant of bank statements.
- Petty cash reconciliation: At each month-end, after petty cash has been posted and the GL has been closed, a count of petty cash on hand must be carried out by a responsible official other than the cashier. This must agree with the balance in the petty cash book. If differences arise these may be due to non-posted transactions.
- Advance reconciliation: At each month-end, the Advance Control Book should be reconciled with the outstanding advances on the individual advance cards (if any) and the general ledgers.
- Fixed asset reconciliation: At each month-end, the Fixed Asset Register should be reconciled with the general ledgers and the amount in the Goods category.
- Disbursements reconciliation: At month-end, the accumulated amount shown as "Received from IFAD" should be reconciled with the accumulated amount disbursed by the Bank to the Project as in Bank Disbursement Record. References can also be made to the Semi-Monthly Statement on Grant Financial Information System (LFIS) to obtain the exact amounts disbursed by IFAD.

Other reconciliations:

- Counterpart contributions: Reconciled with details of receipts, and applications recorded in the register, if applicable;
- The contract registers. Reconcile amounts paid on contracts with the relevant expenditure account in the GL. Retention must be reconciled with the retention on contracts' account. The contract registers must present the balance on each contract.

C. Month-end closing, Trial Balance and General Ledger processing. Following completion of the GL reconciliation, a final trial balance must be produced.

D. Back-up. When reporting is completed, back-up copies must be kept on the hard drive and disk, along with the backup of that month's GL and Registers.

Documentation and Journal Entries

Preparing Vouchers.

A voucher must be prepared with adequate explanation and classification of expenditures and supporting documents. Account code will be determined at the NPO for the purpose of recording accounting transaction in the system maintained at the Project Offices, Central and Provincial Level.

The supporting documents of all the all Project Offices must keep its own original supporting documents, in the event documents are requested by the Ministry of Finance, copies shall be made prior to submitting to the Ministry of Finance. The copied set to be kept at each Project Office must be sealed and signed by authorized official for certification.

Numbering A Voucher

Each voucher will be numbered according to the type of voucher (cycle) below

Code	Title
RV	Receipt Voucher
PV	Bank Payment Voucher
PCV	Cash Payment Voucher
JV	Journal Voucher

(v) Planning and Budgeting

The Project formulates both annual and longer-term work plans. They define the project activities which will be implemented and detail these activities year by year. They are a compilation of the plans of the different functional units and include the required budgets.

The Project prepares Quarterly/Yearly Contract Award and Disbursement plan which fits with government regulations and activities timeline as well as IFAD’s requirements. The budget is monitored to ensure that it respects the annual work plan and the time frame set to complete the tasks successfully.

Sources of funds and budget

The Project is financed through a loan and grant from IFAD and GOL.

The Project mandate is not to generate income. However, it can be the case in some exceptional occasions. If this occurs, the project’s income is deposited into the project bank accounts and to be used solely for the project’s operational purposes.

Annual work plan and budgeting

The annual AWPB of the AFN II is the main management tool of the project. Its key objective is to plan and budget the project activities for each fiscal year. It is developed based on VDPs and action plans prepared by involved agencies such as DAEC, PAFO, DAFO, LWU (with the exception of the first year AWPB, because VDPs are not yet available).

Internal Controls

Internal control includes all the policies and procedures and aims at ensuring that the project is implemented in an orderly and efficient way. This includes the adherence to management policies, the safeguarding of the assets, the detection of fraud and error, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

The concept and mechanics of internal control is key to any Project where through proper governance, guidance and oversight, management is able to effectively monitor movements of all Project activities and at the same time have the ability to backtrack to

areas where there had been a control breakdown to access damage and recommend immediate remedial measures.

Financial Control Systems

The Financial Unit is responsible for the implementation, monitoring and control of all financial control systems within the Project. The following measures should be adopted to ensure proper financial controls.

- All transactions must come with supporting documentation, which provides the nature, evidence and substantiates the transaction to be valid and eligible;
- A statement of expenditures when submitted for replenishment has to be reviewed and approved by an appropriate person who is not the cashier. Original supporting documents (invoices, receipts, relevant to the project activities agreements) must be kept in the originating offices for subsequent audit and verification.
- The Financial Unit at the Central Level organizes field visit to conduct an internal audit in each target (DPOs) on a quarterly basis.
- Payments need to be authorized according to the financial authorities table which is included in the project payment approval procedures.
- A voucher is prepared with adequate explanations, sequential numbering and is approved by authorized persons before the accounting entry is recorded.
- All financial reports are reviewed and approved by relevant section heads and by the Project Coordinator/Director before submission.

Bank Accounts Control

The Project has only Special Account (US\$) to be opened at the Bank of Lao and managed by the Ministry of Finance. IFAD will deposit the funds to this Special Account and the funds will then flow from the Special Account to the four project sub-accounts (denominated in Lao Kip).

The Project's Accountant reconciles the bank accounts balances in project accounting records and the monthly statements received from the banks where the accounts are held;

- The Project's Accountant then reconciles accounting records and the IFAD generated disbursement records on a periodic (monthly/quarterly) basis; and
- Each financial unit's Heads of Finance arrange periodic cash counts and reconciles actual contents of cash boxes and cash books with the assistance of the cashier/accountant as well as conducts periodic surprise cash count at provincial offices as well as the implementing sites at DPOs.

Fixed Assets Control

Fixed assets are defined as assets that are significant in value and being used by the project for the foreseeable future which bring benefit to the project. Therefore, adequate controls must be put in place to ensure the fixed assets are within the custody of the Project for monitoring and reporting purposes. Listed below are some of the controls that should be in place to ensure adequate safeguards and usage of the project's assets.

- The Fixed Assets Register which contains important information like date purchased, referenced Payment Voucher, asset number, description, equipment model and serial number (if any), amount, location/person in charge of the asset, condition, must be maintained by the Project Financial Unit and updated on a regular basis;

- At the month-end, the Fixed Asset Register should be reconciled to the general ledgers and the balance in the Goods category to ensure the completeness and accuracy of fixed assets;
- All acquired and donated assets should also be recorded, and donors name should be indicated.

(vi) Auditing

The project financial statements and special accounts will be audited by independent auditors acceptable to IFAD, under terms of reference acceptable to IFAD.

External Audit

Audit Requirements

The external audit is defined as "skilled and impartial examination of records, accounts, vouchers and documentation by an independent and qualified auditor". The Financing Agreements require the Project to be audited annually by an independent auditor under terms of reference acceptable to IFAD. The primary objectives of the audit is to enable the auditor to: (i) express an opinion on whether the financial statements accurately reflect the operations of the project over the period covered by the audit; and (ii) report on compliance and internal control over financial reporting of Project funds.

Submission Period

The Audit Report and accompanying audited financial statements should be received by IFAD no later than 6 (six) months after the end of the fiscal year or period which the audit covers. As the country fiscal year is ending December 31, the audit reports are therefore due to be submitted by June 30 each year. The cost of audit will be paid out of Project funds as an authorized expenditure.

The Audit Report and Management Letter

The audit report must contain a clear written expression of opinion on the financial statements and as to the degree of funds being utilized for the proposes defined by the Financing Agreements, the accuracy and propriety of expenditures withdrawn understatement of expenditure procedures, and the sub account(s). In addition to primary audit opinion, IFAD also requires the auditor to prepare a management letter. This letter must highlight weaknesses and deficiencies found during the course of audit. A copy of the management letter must be provided to IFAD at the time of submission of the audit reports.

(vii) Reporting

General

The Financial Unit produces financial and other relevant financial reports on a periodic basis. This includes progress report on the project implementation and on the use of funds as compared to the determined budget. This report is presented to the Project Director and Department Concerned to support their decision-making.

Project financial statements present the general and overall financial position, the situation of assets managed and used in the project and of the resources used for project implementation

Interim Financial Reports (IFRs)

- The project is obliged to submit quarterly Interim Financial Reports and annual financial statements to IFAD.

- Interim Financial Reports (IFRs) provide sufficient information for project monitoring on the use of funds; show that project implementation is on track and that budgeted costs will not be exceeded.
- Quarterly, the project produces IFRs with the following contents: 1) Discussion of Project Progress 2) Consolidated Statement of Receipts and Payments 3) Uses of Funds by Category and Sources 4) Use of Fund by Outputs/Components 5) Statement of Disbursement by Types and 6) Physical Progress Report.
- The Interim Financial Reports should be prepared quarterly and submitted to the IFAD not later than 30 days after the end of each quarter.

Annual Financial Statements

The project financial statements consist of (1) Consolidated Statement of Receipts and Payments 2) Uses of Funds by Category and Sources 3) Use of Fund by Outputs/Components 4) Statement of Disbursement by Types and 5) Physical Progress Report 6) Notes to the project financial statements which should include a reconciliation between amounts shown in the project records as "received from the Bank" and those appearing in the Bank records as having being disbursed by the Bank. The mechanism of disbursement (Revolving fund or direct payment) and reference to individual Withdrawal Application numbers and amounts should also appear as part of the reconciliation.

Special Account Statement:

The Special Account statement includes (1) Deposits and replenishments received from IFAD (2) Payments substantiated by transactions included in Withdrawal Applications (3) Interests that may be earned from the balances and which belong to the Borrower; and (4) The remaining balances at the end of each fiscal year.

(viii) Fixed Asset Utilization and Maintenance

Fixed Assets Register

Every unit of fixed assets must be assigned to the person using that unit. This ensures the responsibility of proper usage and/or maintenance of the fixed asset and the liability, in case of damage to the latter. Fixed assets register contains the following information:

- Date of purchase and use;
- Voucher number (for audit trail purposes)
- Asset number;
- Brief description, i.e., type of office equipment;
- Equipment model and serial number (if any);
- Amount of the asset
- Location of equipment;
- Assigned person name.

The Register is updated to reflect any changes in the Project fixed assets, e.g. recent acquisitions, disposal etc. Physical count of fixed assets and comparing with accounting records are performed once a year. Any discrepancies are investigated and resolved or justified. The Fixed Assets Register (FAR) is the responsibility of the Finance Unit and should be prepared by the Cashier. The Accountant is responsible for reviewing and reconciling the FAR with the amounts in the ledgers and the "Goods" category.

Annex 2 to FM Manual: Bank Payment Voucher

BPV No :.....

Date.:.....

Bank Payment Voucher

Request:

Pay to:

Com :

Check Number:.....

Transfer No.....

Item	Description	Account code	Amount LAK

Total LAK -

Exchange Rate

In US\$

Approved by:

Verified by

Prepare By:

Received by

Signature _____

Full Name _____

Annex 4 to FM Manual: Journal Voucher

JV No.: _____
 Date.: _____

Journal Voucher

No.	Description	% of Fund	Exchange Rate	Amount in kip		Amount in US\$	Account Code		CAT	Com	Activities No.	Check No.	Rep. No.
				DR	CR		DR	CR					
				-	-	-							

Annex 5 to FM Manual: Request

Request No.:

Request No.:

Date:

Date:

Request

For Office

Description :

Item	Amount LAK	Remark
Total		

Approved by:

Verified by

Prepare By:

Annex 6 to FM Manual: Account Control Book

Account Control Book (DA,PA)

For the Period :

Account Number:

JV		Description	% of Fund	Exchange Rate	Amount in kip			Amount in US\$			Account Code		CAT	Com	Activities No.	Check No.	Rep. No.
No.	Date				DR	CR	BL	DR	CR	BL	DR	CR					
		Previous From						-	-								
						-											
						-											
						-											
						-											
Total																	

Date:

Approved by:

Verified by

Prepare By:

Annex 7 of the FM Manual: Cash Control Book

Cash Control Book

For the Period:

Account:

JV		Description	% of Fund	Ex Rate	Amount in kip			Amount in US\$			Account Code		CAT	Com	Activities No.	Check No.	Rep. No.
No.	Date				DR	CR	BL	DR	CR	BL	DR	CR					
		Previous From						-	-								
						-											
						-											
						-											
						-											
						-											
Total																	

Date:

Approved by:

Verified by

Prepare By:

Annex 8 of the FM Manual: Advance control Book

Advance Control Book

For the Period :

Account

JV		Description	% of Fund	Ex Rate	Amount in kip			Amount in US\$			Account Code		CAT	Com	Activities No.	Check No.	Rep. No.
No.	Date				DR	CR	BL	DR	CR	BL	DR	CR					
		Previous From						-	-								
						-											
						-											
						-											
						-											
						-											
		Total															

Date:

Approved by:

Verified by

Prepare By:

Annex 9 of the FM Manual: Book by category

Book by Category

For the Period :

Cat Number xxxxx

JV		Description	% of Fund	Ex Rate	Amount in kip			Amount in US\$			Account Code		CAT	Com	Activities No.	Check No.	Rep. No.
No.	Date				DR	CR	BL	DR	CR	BL	DR	CR					
		Previous From						-	-								
						-											
						-											
						-											
						-											
						-											
						-											
Total																	

Date:

Approved by:

Verified by

Prepare By:

Annex 10 of the FM Manual: Book by Code

Book by Code

For the Period :

Account Number xxxxx

JV		Description	% of Fund	Ex Rate	Amount in kip			Amount in US\$			Account Code		CAT	Com	Activities No.	Check No.	Rep. No.
No.	Date				DR	CR	BL	DR	CR	BL	DR	CR					
		Previous From						-	-								
						-											
						-											
						-											
						-											
						-											
						-											
Total																	

Date:

Approved by:

Verified by

Prepare By:

Annex 11 of the FM Manual: Statement of Sources and Uses of Funds

**Statement of Sources and Uses of Funds
For the Fiscal Year 2013 -2014: From M/Q/Y**

Uses of Funds	Previous	Current	Total	Sources of Funds	Previous	Current	Total
Project Category (1)	<u>-</u>	<u>-</u>	<u>-</u>	Balance brought forward	<u>-</u>	<u>-</u>	<u>-</u>
1 Civil works			-	Designated Accounts			
2.1 Vehicles			-	Subproject Accounts (US\$)		-	
2.2 Equipment			-	Subproject Accounts (KIP)			
2.3 Agri. Inputs			-	Advance Payment			
3 .Matching Grant			-	Cash on hand (KIP)			
4.1 National technical assistance							
4.2 International technical assistance							
4.3 Capacity building and learning							
5.1 Salary & allowances			-				
5.2 Other operating costs			-				
5.3 GOVT. Cost							
Balance (2)	<u>-</u>	<u>-</u>	<u>-</u>	Funds Received	<u>-</u>	<u>-</u>	<u>-</u>
Designated Accounts				GOL	<u>-</u>	<u>-</u>	<u>-</u>
Subproject Accounts (US\$)				1. In Kind			
Subproject Accounts (KIP)				2. In Cash		-	-
Advance Payment				Loan ADB	<u>-</u>	<u>-</u>	<u>-</u>
Cash on hand (US\$)				1. Designated Account			
Cash on hand (KIP)				2. Direct Payment		-	
Transfer in Transit				3. Interest Charges			
Total	<u>-</u>	<u>-</u>	<u>-</u>	Total	<u>-</u>	<u>-</u>	<u>-</u>

National Project Coordinator

Controlled by

Date:

Prepared by:

Annex 12 of the FM Manual: Statement of Sources of Fund

Statement of Sources of Funds

For the Period xxxx

Description	Previous			Current			Total up to date		
	IFAD	GOL	Total	IFAD	GOL	Total	IFAD	GOL	Total
Government Contribution (1)		-	-	-	-	-	-	-	-
1 In Kind			-						
2 In Cash			-		-	-		-	-
Asian Development Bank (2)	-	-	-	-	-	-	-	-	-
1 Direct Payment			-			-			
2 Commitment Letter									
3 Designated Account			-						
4 Sub A/C									
5 Interest Charges									
Other Sources (3)	-	-	-	-	-	-	-	-	-
1 Opening Balance	-		-	-		-	-		-
2 Other payable			-	-		-	-		-
3 Gain Exchange Rate			-			-	-		-
Total	-	-	-	-	-	-	-	-	-

National Project Coordinator

Controlled by

Vientiane, date:.....

Prepared by:

Annex 13 of the FM Manual: Statement of Expenditures by category

Statement of Expenditures by Category

For the Period xxx

Project Category		Previous			Current			Total up to date		
Code	Title	IFAD	GOL	Total	IFAD	GOL	Total	IFAD	GOL	Total
1	Civil works									
2.1	Vehicles									
2.2	Equipment									
2.3	Agri. Inputs									
3	Matching Grant									
4.1	National technical assistance									
4.2	International technical assistance									
4.3	Capacity building and learning									
5.1	Salary & allowances									
5.2	Other operating costs		-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-

National Project Coordinator

Controlled by

Vientiane, date:.....

Prepared by:

Annex 14 of the FM Manual: Trail Balance

Trail Balance
For the period

Account Code	Account Name	Previous		Current		Balance	
		Debit	Credit	Debit	Credit	Debit	Credit
Total		-	-	-	-	-	-

National Project Coordinator

Checked by:

Date : _____
Prepare by:

43. PIM Appendix 5: Procurement manual

[Procurement](#) Manual

ABBREVIATIONS

AFN	Agriculture for Nutrition Project
APG	Agriculture Production Group
AWPB	Annual Work Plan and Budget
BOQ	Bill of Quantities
CQS	Selection Based on Consultants' Qualifications
DAFO	District Agriculture and Forestry Office
DC	Direct Contracting
EOI	Expression of Interest
FA	Force Account (Self Implementation)
FBS	Fixed Cost Selection
GOL	Government of Lao People's Democratic Republic
ICB	International Competitive Bidding
ICP-CMT	IFAD Client Portal – Contract Monitoring Tool
ICS	Individual Consultant Selection
IS	International Shopping
IFAD	International Fund for Agriculture Development
LCS	Least Cost Selection
MAF	Ministry of Agriculture and Forestry
MoF	Ministry of Finance
NCB	National Competitive Bidding
NOTUS	No Objection Tracking Utility System
NS	National Shopping
PAFO	Province Agriculture and Forestry Office
QCBS	Quality and Cost-Based Selection
REOI	Request for Expression of Interest
RFQ	Request for Quotation
TOR	Term of Reference
SSS	Single Source Selection
VIT	Village Implementation Team

(a) Introduction

The Project Procurement Manual was prepared to support implementing agencies at national, provincial and district levels, and target farmer groups to carry out procurement for goods, works, and services under the Agriculture For Nutrition Project - Phase 2 (AFN-2).

The procurement under AFN-2 shall be carried out following GOL's Law on Public Procurement and IFAD Project Procurement Guidelines. If there are contradictions between IFAD Project Procurement Guidelines and the national procurement regulations, the IFAD Project Procurement Guidelines shall take precedence and govern.

The Manual developed during the project design will need to be reviewed and updated by project teams based on actual conditions after the project is approved.

(b) Procurement Principles

Key principles of project procurement include:

- (i) **Ethics:** The guiding principles of ethical behaviour are impartiality, independence and integrity. No person or entity shall use, or attempt to use, his, her or its authority, position or office for personal gain or interest, which is defined as soliciting, accepting or otherwise benefiting from anything of material value in any form, either in person or indirectly through close relatives or associates, in connection with IFAD-financed operations.
- (ii) **Accountability:** The Borrower/Recipient/Implementing Agency is accountable to IFAD for all actions and decisions in connection with project procurement activities. This includes, but is not limited to ensuring: that financing is used solely for the purpose for which it was provided; that procurement is undertaken following IFAD Project Procurement Guidelines; and full compliance with the Social, Environmental and Climate Assessment Procedures.
- (iii) **Competition:** All project procurement activities shall be based on full, fair and legitimate competition among eligible suppliers and contractors. Use of the most open method of procurement as practically possible; receipt (not sourcing) of at least 3 offers (especially for Shopping). Single sourcing and direct contracting do not provide the degree of competition required by IFAD and will be considered only in exceptional circumstances with due justification pursuant to procurement plans.
- (iv) **Fairness:** Project-funded procurement will be open to as many eligible bidders as reasonable in order to comply with the principles and requirements of the competition. Ensure that all prospective bidders are: managed with a consistent approach and under the same laws, regulations and requirements; offered conditions that allow for genuine competition; and treated in a fair, impartial and unbiased manner so that the principles of impartiality and equal opportunity can be applied and demonstrated in all procurement activities.
- (v) **Transparency:** Transparency within procurement relates to disclosure in the public domain of information for all parties involved, interested in or affected by the procurement process, including but not limited to information on: the availability of procurement opportunities; where to access relevant data; the processes with which the procurement will be undertaken; the mechanisms by which contracts will be awarded; contract award data; and appeal procedures (debriefs and protests).
- (i) **Effectiveness, efficiency, and economy:** Processes must be timely and proportionate to the Procurement Activity in order to minimize implementation delays and to maximize value for money. Procurement must be well organized and carried out correctly with regard to quantity, quality and timeliness, at an optimum price. Processes must be proportionate to the procurement activity in order to minimize the overall cost of conducting the procurement process and tailored to the budget for each activity.
- (ii) **Value for money:** To ensure that goods, works or services being tendered meet

demands for the works and are not over-specified. Ensuring the best value does not necessarily entail the selection of the lowest-priced bid, but rather the best return on investment, taking into consideration the unique circumstances of each procurement activity, the time, cost and quality required, and the unique objectives of each contract.

(c) Procurement Arrangements

a) NPCO:

- Overall coordination of procurement in the project;
- Consolidating the first 18-month procurement plan and subsequently annual procurement plans and submitting to IFAD for review and no objection and to MAF for approval. Update procurement data ("actual" versus "plan") before each supervision mission and update the procurement plan accounting for the changes (if any) for IFAD's review and no objection during project implementation;
- Procurement of ICB/IS contracts and NCB/NS contracts of works, goods, and related non-consulting services that cover more than 1 province;
- Recruitment of international and national individual consultants for NPCO and consulting firms for consultancies that cover more than 1 province, such as baseline survey or project audit;
- Conducting procurement training for project implementation teams at provincial, district, and village levels;
- Provision support to provincial, district, and village implementation teams and solve complaints and grievances related to procurement in the project;
- Carrying out internal procurement supervision in provinces and districts;
- Periodically updating contract data to IFAD's ICP-CMT system and monitoring procurement progress and preparing procurement progress reports as required.

b) PAFO:

- Overall coordination of procurement among districts in the province;
- Supporting NPCO and DAFOs in preparation of annual procurement plan;
- Procurement of provincial project office's renovation and equipment;
- Procurement of NCB/NS contracts of works, goods, and related non-consulting services that cover more than 1 district;
- Recruitment of national individual consultants for provincial project office;
- Provision support to district implementation teams on procurement activities and solve complaints and grievances related to procurement in the province;
- Coordinating with districts in the province to get updated contract data for NPCO to enter IFAD's ICP-CMT system.

c) DAFO:

- Overall coordination of procurement among villages in the district;
- Supporting NPCO and PAFO in preparation of annual procurement plan;
- Procurement of district project office's renovation and equipment;
- Procurement of NCB/NS contracts of works, goods, and related non-consulting services that cover more than 1 village;
- Recruitment of national individual consultants for district project office;

- Provision support to village implementation teams on procurement activities and solve complaints and grievances related to procurement in the district;
- Provision of procurement training to village implementation teams;
- Provision of contract data for NPCO to enter IFAD's ICP-CMT system.

d) Village Implementation Teams/Agriculture Production Groups:

- Supporting NPCO, PAFO, and DAFO in preparation of annual procurement plan;
- Conducting procurement of works, goods, and services in the village. The main procurement method for goods and works will be NS and NCB. Procurement with community participation is also expected to be used;
- Support DAFO, PAFO, and NPCO in solving complaints and grievances related to procurement in the village;
- Provision of contract data for NPCO to enter IFAD's ICP-CMT system.

(d) Procurement Plan

NPCO will instruct and coordinate with the project teams at provincial and district levels for the preparation of the AWPB and Procurement Plan. The district AWPB and Procurement Plan will be submitted to PAFO and NPCO for reviewing and synthesising into the project AWPB and Procurement Plan using the IFAD procurement plan template⁵¹. The Procurement Plan can be updated during the implementation process to reflect revisions in procurement method, cost estimates and scope of work, additional activities, etc. Amendments to the procurement plan shall be subject to IFAD's No Objection.

Similar goods or works should be bulked into sizable packages for procurement taking into account the capacities of potential suppliers/contractors based on market research and experience learned from past projects. Splitting goods or works into smaller packages with an intention to use less competitive procurement methods must be avoided.

(e) IFAD's Prior Review Requirements

The following will be subject to prior review by IFAD:

- (i) Procurement Plans submitted as part of Annual Work Plans and Budget and any subsequent upgrade of these plans;
- (ii) General Procurement Notices;
- (iii) Award of any contract for goods and goods-related non-consulting services estimated to cost one hundred thousand United States dollars (US\$100,000) or more;
- (iv) Award of any contract for works and works-related non-consulting services estimated to cost one hundred fifty thousand United States dollars (US\$150,000) or more;
- (v) Award of any contract for consulting services and related non-consulting services and/or Memorandums of Understanding/Agreement estimated to cost eighty thousand United States dollars (US\$80,000) or more.
- (vi) Award of any contract for an Individual Consultant estimated to cost thirty thousand United States dollars (US\$30,000) or more;
- (vii) Award of any Direct Contracting or Sole/Single Source Selection;
- (viii) IFAD's no objection is required for all prior-review contracts where the amendment (a). increases the original contract value by more than 10%; (b). extends the original contract duration by 25% or more.

⁵¹ IFAD Procurement Plan Template can be found at <https://www.ifad.org/en/-/document/project-procurement-plan-template>

- (ix) Decisions concerning Abnormally Low Bids shall be subject to the No Objection of IFAD only for procurement activities subject to prior review;
- (x) The adoption of shortlists with fewer than three shortlisted entities;
- (xi) The adoption of "prior lists" for shortlisting;
- (xii) The rejection of all bids and/or the cancellation of a bidding process;
- (xiii) Termination of any contract prior to completion;
- (xiv) The hiring of any procurement specialist or officer responsible for carrying out or administering procurement processes as part of the project;
- (xv) All PPP proposal evaluation reports are subject to IFAD prior review.

The aforementioned thresholds may be modified by IFAD during the course of Project implementation.

All requests for IFAD prior review and no objection (including AWPB, Procurement Plan, procurement stages subjected to IFAD prior review, project guidelines and manuals, etc.) will be managed through the new end-to-end system which will replace the No Objection Tracking Utility System (NOTUS).

All procurement of goods, works and services financed from IFAD funds under the Project shall require the inclusion of the following provisions requiring suppliers, contractors and consultants:

- (i) To permit IFAD and the GOL to inspect their accounts, records and other documents relating to the procurement and contract performance, and to have them audited.
- (ii) Compliance with the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations and with its Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse.

All the vendors will have to sign on the Self-Certification Forms, which are mandatory for all procurements carried out in IFAD-financed or managed projects. The templates at the bidding stage and contract stage are available at: <https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates>.

IFAD will not finance expenditures for goods, works or services that have not been procured in accordance with these Guidelines and the financing agreement. In such cases, IFAD may take remedial action as outlined in the financing agreement. The issuance of a no-objection for the award of a contract shall not prevent IFAD from declaring mis-procurement upon finding that the no-objection was issued on the basis of incomplete, inaccurate or misleading information, or that the contract was modified without IFAD's approval.

IFAD requires that its own staff, the staff of Borrowers/Recipients (including beneficiaries of IFAD financing) and all bidders, suppliers, contractors and consultants that are signatories to IFAD-financed contracts observe the highest standards of ethics and integrity during the execution of procurement activities. This position is clearly stated in IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operation⁵².

- (f) Procurement Methods and Application

The application of procurement methods for goods, works and consulting services under AFN-2 will be as follows:

Works and works related Non-consulting Services	Thresholds
International Competitive Bidding (ICB)	Above US\$3,000,000

⁵² The revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations is available at www.ifad.org/anticorruption_policy

National Competitive Bidding (NCB)	Above US\$40,000 to up to US\$3,000,000
Shopping (Full)	Up to US\$40,000
Shopping (Simple)	Up to US\$5,000
Procurement with community participation	Up to US\$40,000
Direct Contracting	Applies to the indicated contracts in the Procurement Plan and all direct contracts shall be subject to IFAD's NO under prior review

Goods and goods related Non-consulting Services	Thresholds
International Competitive Bidding (ICB)	Above US\$2,000,000
National Competitive Bidding (NCB)	Above US\$40,000 to up to US\$2,000,000
Shopping (Full)	Up to US\$40,000
Shopping (Simple)	Up to US\$5,000
Procurement with community participation	Up to US\$40,000
Direct Contracting	Applies to the indicated contracts in the Procurement Plan and all direct contracts shall be subject to IFAD's NO under prior review

Consulting Services and related Non-consulting Services	Thresholds
Quality and Cost Based Selection (QCBS)	US\$200,000 or more
Quality and Cost Based Selection (QCBS), Fixed Budget Selection (FBS) and Least Cost Selection (LCS)	Less than US\$200,000
Consultants Qualification Selection (CQS)	US\$65,000 or less
Individual Consultants Selection (ICS)	Applies to contracts with individuals regardless of the value
Sole/Single Source Selection (SSS) (firms)	Applies to the indicated contracts in the Procurement Plan and all SSS contracts shall be subject to IFAD's NO under prior review
Sole/Single Source Selection (SSS) (individuals)	Applies to the indicated contracts in the Procurement Plan and all SSS contracts shall be subject to IFAD's NO under prior review
Note: Shortlisting following a Request for Expression of Interest is mandatory for all consulting services contracts, except SSS	

(g) Procurement Process for Works, Goods, and Non-consulting Services

a) National Competitive Bidding (NCB) - One Envelop

Step	Procurement Process
1	<p>Prepare a Bidding Document:</p> <ul style="list-style-type: none"> - Use IFAD Standard Procurement Documents for NCB Works/Goods: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates). - Submit the Bidding Document to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
2	<p>Advertise and Issue Bidding Document:</p> <ul style="list-style-type: none"> - Advertise a procurement notice on a national newspaper and/or relevant public media and websites. - Issue the bidding document as specified in the advertisement. - The duration for bid preparation is at least 35 days.
3	<p>Receipt of Bids and Bid Opening:</p> <ul style="list-style-type: none"> - Bids are received before or on closing time for bid submission. - Conduct a public bid opening right after bid closing and prepare the bid opening minutes.
4	<p>Bid Evaluation:</p> <ul style="list-style-type: none"> - Evaluate the received bids. - Prepare a Bid Evaluation Report (Report templates for goods/works: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates). - Submit the Bid Evaluation Report to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
5	<p>Contract Negotiation:</p> <ul style="list-style-type: none"> - Send a Notice of Intent to Award (NOITA) to all bidders who submitted bids (Template of the NOITA: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates). A standstill period of 10 days is allowed for bidders to protest. - Send a Notice of Tender Acceptance to the 1st ranked bidder for contract negotiation. - Negotiate and prepare a contract negotiation minute and draft contract. - Submit the contract negotiation minute and draft contract to IFAD for no objection (for contracts subjected to prior review only). - Submit the draft contract to the Authorized Person for approval.
6	<p>Contract Signing:</p> <ul style="list-style-type: none"> - Sign a contract with the selected bidder. - Submit a signed contract to IFAD for a record (for contracts subjected to prior review only).
7	<p>Publication of Contract Award Results:</p>

Step	Procurement Process
	<ul style="list-style-type: none"> - Publish the contract award results to a national newspaper and/or relevant public media and websites.

b) International and National Shopping (Full Method)

Step	Procurement Process
1	<p>Prepare a Request for Quotation (RFQ):</p> <ul style="list-style-type: none"> - Prepare an RFQ (IFAD's Standard Template for Works/Goods: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates). - Submit the RFQ to the Authorized Person for approval.
2	<p>Issue the RFQ:</p> <ul style="list-style-type: none"> - Issue the RFQ to at least 3 potential and qualified contractors/suppliers, OR advertise a procurement notice on a national/local newspaper, and/or relevant public media and websites. - The duration of the quotation preparation is at least 15 days.
3	<p>Receipt of Quotations:</p> <ul style="list-style-type: none"> - Quotations are received before or on the closing time for quotation submission. - Quotations are opened right after the deadline for quotation submission and an opening minute is prepared.
4	<p>Quotation Evaluation:</p> <ul style="list-style-type: none"> - Evaluate the quotations and prepare an evaluation report (Report templates for goods/works: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates). - Submit the evaluation report to the Authorized Person for approval.
5	<p>Contract Negotiation:</p> <ul style="list-style-type: none"> - Send a Letter of Tender Acceptance to the 1st ranked contractor/supplier for contract negotiation. - Submit the contract negotiation minute and draft contract to the Authorized Person for approval.
6	<p>Contract Signing:</p> <ul style="list-style-type: none"> - Finalize and sign a contract with the selected contractor/supplier.

c) National Shopping (Simple Method)

Step	Procurement Process
1	<p>Prepare RFQ:</p> <ul style="list-style-type: none"> - The RFQ should include BOQ, description of the goods, works, or non-related consulting services, date of completion/delivery, and guarantee (if any)
2	<p>Issue the RFQ:</p>

Step	Procurement Process
	<ul style="list-style-type: none"> - Get quotations from at least 3 potential and qualified contractors/suppliers.
3	Quotation Evaluation and Contract Award: <ul style="list-style-type: none"> - Evaluate and compare the quotations. - The contract will be awarded to the contractor/supplier who offers the lowest evaluated price and meets requirements on specifications, date of completion/delivery, and guarantee (if any).
4	Contract Signing: <ul style="list-style-type: none"> - Send purchase order to the selected contractor/supplier. - Sign a contract with the selected supplier/contractor.

d) Direct Contracting (DC)

Step	Procurement Process
1	Prepare a Request for Quotation (RFQ): <ul style="list-style-type: none"> - The RFQ should include BOQ, description of goods, works, or non-related consulting services, date of completion/delivery, and guarantee (if any). - Submit the RFQ and justification letter to IFAD for No Objection and the Authorized Person for approval.
2	Issue the RFQ: <ul style="list-style-type: none"> - Send directly the RFQ to the selected contractor/supplier.
3	Receipt of Quotation and Evaluation: <ul style="list-style-type: none"> - The contractor/supplier submits a quotation. - The quotation is evaluated and an evaluation report is submitted to IFAD for No Objection and the Authorized Person for approval.
4	Contract Negotiation: <ul style="list-style-type: none"> - Invite the selected supplier/contractor for contract negotiation. - Submitted the draft contract to IFAD for No Objection.
5	Contract Signing: <ul style="list-style-type: none"> - Finalize and sign the contract with the selected contractor/ supplier and submit a copy to IFAD for record.

e) Procurement with Community Participation

Communities can be involved in procurement as suppliers or contractors only when the goods, works or services are of the type commonly produced or provided by the communities. A local community, association, or group of workers is considered eligible to participate in the performance of any of the contracts when its member performs the contract and benefits from it.

The representative of the local community, association, or group of workers must be capable of civil acts, not facing any criminal prosecution, and is designated by other members to sign the contract on their behalf.

Step	Procurement Process
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1	<p>Prepare a Draft Contract:</p> <ul style="list-style-type: none"> - Prepare an invitation and a draft contract that specify the tasks, schedule, quality, contract value, rights and obligations of both parties.
2	<p>Advertisement:</p> <ul style="list-style-type: none"> - The procuring entity publicly posts the invitation in the village, through the mass media, and in other public places.
3	<p>Proposal Preparation and Evaluation:</p> <ul style="list-style-type: none"> - The interested communities, associations, or groups of workers study the draft contract and prepare introduction documents, specifying the members' names, ages, competence, and experience, which suit the demands of the contract. - The procuring entity evaluates the proposals received.
4	<p>Contract Negotiation and Signing:</p> <ul style="list-style-type: none"> - The most suitable community, association, or group of workers is invited to enter into a contract negotiation. - Finalize and sign the contract with the selected community/association/group of workers

(h) Selection Process for Consulting Services

f) Quality and Cost Based Selection (QCBS), Least Cost Selection (LCS), and Fixed Cost Selection (FBS)

Step	Selection Process
1	<p>Prepare the Term of Reference (TOR) and Request for Expression of Interest (REOI):</p> <ul style="list-style-type: none"> - Prepare a TOR and REOI (standard templates of TOR and REOI for consulting firms are available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates) - Submit the TOR and the REOI to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
2	<p>Advertise the REOI:</p> <ul style="list-style-type: none"> - Advertise the REOI in a national newspaper (on a regional/international newspaper/website in English for international bidding), and/or on relevant public media and websites. Standard REOI advertisement for consulting firms is available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates. - Duration for EOI preparation is at least 30 days from the date of issuance of the REOI.
3	<p>Expressions of Interest (EOI) and Evaluation:</p> <ul style="list-style-type: none"> - EOIs are received before or on closing time for EOI submission. - EOIs are evaluated and a shortlist of 3 - 6 consulting firms that are the best qualified for the proposed assignment is prepared.

Step	Selection Process		
	<ul style="list-style-type: none"> - Submit the EOI evaluation report and the shortlist to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval. 		
4	<p>Prepare and Issue RFP:</p> <ul style="list-style-type: none"> - Prepare Request for Proposal (RFP) (standard RFP template is available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates) - Submit the RFP to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval. - Send the RFP to the short-listed consulting firms. - The duration of proposal preparations is at least 30 days from the date of RFP issuance. 		
5	<p>Receipt of Proposals:</p> <ul style="list-style-type: none"> - Technical and financial proposals are submitted at the same time separately in 2 envelopes before or on the closing time for proposal submission. 		
6	<p>Public Opening of Technical Proposal and Evaluation:</p> <ul style="list-style-type: none"> - Publicly open technical proposals right after the closing time for proposal submission and prepare a technical proposal opening minute. - Evaluate the technical proposals and prepare a Technical Evaluation Report (Standard template for Technical Evaluation Report is available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates) - Submit the Technical Evaluation Report and supporting documents to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval. 		
7	<p>Public Opening of Financial Proposal and Evaluation:</p> <ul style="list-style-type: none"> - Invite the technically qualified consulting firms (minimum score is equal to or more than 70%) for financial proposal opening and prepare a financial proposal opening minute. - Bidders whose technical proposals fail to meet the minimum technical score will have their financial envelopes returned unopened. - Evaluate the financial proposals and prepare a combined (technical and financial) evaluation report (Standard template for Combined Evaluation Report is available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates) - Submit the combined evaluation report and supporting documents to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval 		
	QCBS	LCS	FBS
	The contract is awarded to the consulting firm that has the highest combined technical and financial score. The best	The contract is awarded to the consulting firm that submitted the lowest costs bid meeting	Any financial proposals that exceed the indicated budget shall be rejected.

Step	Selection Process	
	<p>compromise between technical quality and cost of the services is often achieved by allocating between 70-80% of the total points to the technical features of the proposal and between 20-30% to the financial score.</p>	<p>the stated minimum technical threshold.</p> <p>The contract is awarded to the consulting firm that has submitted the highest-ranked technical proposal within the budget will be selected for award of the contract.</p>
8	<p>Contract Negotiation:</p> <ul style="list-style-type: none"> - Send a Notice of Intent to Award (NOITA) to all consulting firms who submitted proposals (Template of the NOITA: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates). A standstill period of 10 days is allowed for bidders to protest. - Invite the consulting firm that is recommended for contract award for contract negotiation. - Prepare a contract negotiation minute and draft negotiated contract with the selected consulting firm. - Submit the draft contract for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval. 	
9	<p>Contract Signing:</p> <ul style="list-style-type: none"> - Finalize and sign the contract with the selected consulting firm. - Submit a signed contract to IFAD for record. 	
10	<p>Publication of Contract Award Results:</p> <ul style="list-style-type: none"> - Publish the contract award results to a national newspaper and/or relevant public media and websites 	

g) Selection Based on Consultants' Qualifications (CQS)

Step	Selection Process	
1	<p>Prepare the Term of Reference (TOR) and Request for Expression of Interest (REOI):</p> <ul style="list-style-type: none"> - Prepare a TOR and REOI (standard templates of TOR and REOI for consulting firms are available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates) - Submit the TOR and the REOI to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval. 	
2	<p>Advertise the REOI:</p> <ul style="list-style-type: none"> - Advertise the REOI in a national newspaper (on a regional/international newspaper/website in English for international bidding), and/or on relevant public media and websites. Standard REOI advertisement for consulting firms is available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates. 	

	<ul style="list-style-type: none"> - The duration of EOI preparation is at least 20 days from the date of issuance of the REOI.
3	<p>Expressions of Interest (EOI) and Evaluation:</p> <ul style="list-style-type: none"> - EOIs are received before or on closing time for EOI submission. - EOIs are evaluated and a shortlist of at least 3 consulting firms that are the best qualified for the proposed assignment is prepared. - Submit the EOI evaluation report and the shortlist to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
4	<p>Prepare and Issue RFP:</p> <ul style="list-style-type: none"> - Prepare a Simplified Request for Proposal (RFP) (standard RFP template is available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates) - Submit the RFP to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval. - Send the RFP to the 1st rank consulting firm in the shortlist for proposal preparation (technical and financial). - The duration of proposal preparations is at least 30 days from the date of RFP issuance.
5	<p>Receipt of Proposals and Evaluation:</p> <ul style="list-style-type: none"> - Technical and financial proposals are submitted before or on the closing time for proposal submission. - Evaluate the technical and financial proposals and prepare the combined (technical and financial) evaluation report. - Submit the combined evaluation report and supporting documents to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
6	<p>Contract Negotiation:</p> <ul style="list-style-type: none"> - Send a Notice of Intent to Award (NOITA) to all consulting firms who submitted proposals (Template of the NOITA: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates). A standstill period of 10 days is allowed for bidders to protest. - Send a Letter of Tender Acceptance to the selected consulting firm for contract negotiation. - Negotiate and prepare the contract negotiation minute and the draft negotiated contract with the selected consulting firm. - Submit the draft contract and the contract negotiation minute to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
7	<p>Contract Signing:</p> <ul style="list-style-type: none"> - Finalize and sign the contract with the selected consulting firm. - Submit the signed contract to IFAD for record.
8	<p>Publication of Contract Award Results:</p>

	Publish the contract award results to a national newspaper and/or relevant public media and websites
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h) Individual Consultant Selection (ICS)

Step	Selection Process
1	<p>Prepare the Term of Reference (TOR) and Request for Expression of Interest (REOI):</p> <ul style="list-style-type: none"> - Prepare a TOR and REOI (standard templates of TOR and REOI for consulting firms are available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates) - Submit the TOR and the REOI to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
2	<p>Advertise the REOI:</p> <ul style="list-style-type: none"> - Advertise the REOI in a national newspaper (on a regional/international newspaper/website in English for international bidding), and/or on relevant public media and websites. Standard REOI advertisement for consulting firms is available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates. - Duration for EOI preparation is at least 20 days from the date of issuance of the REOI.
3	<p>Expressions of Interest (EOI) and Evaluation:</p> <ul style="list-style-type: none"> - EOIs are received before or on closing time for EOI submission. - EOIs are evaluated and a shortlist of at least 3 consultants who are the best qualified for the proposed assignment is selected. - Submit the EOI evaluation report and the shortlist to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
4	<p>Contract Negotiation:</p> <ul style="list-style-type: none"> - Invite the 1st ranked consultant for contract negotiation. - Negotiate and prepare the contract negotiation minute and the draft negotiated contract with the 1st ranked consultant. - Submit the draft contract and the contract negotiation minute to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
5	<p>Contract Signing:</p> <ul style="list-style-type: none"> - Finalize and sign the contract with the selected consultant. - Submit the signed contract to IFAD for record.

i) Single Source Selection (SSS) for Consulting Firm

Step	Selection Process
1	Prepare the Term of Reference (TOR) and Request for Proposal (RFP):

	<ul style="list-style-type: none"> - Prepare the Term of Reference (TOR) and the Request for Proposal (RFP) (standard TOR and RFP templates are available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates) - Submit the TOR, RFP, and justification letter to IFAD for No Objection and to the Authorized Person for approval.
2	<p>Issue RFP:</p> <ul style="list-style-type: none"> - Send the RFP to the selected consulting firm. - The duration of proposal preparations is at least 30 days from the date of RFP issuance.
3	<p>Receipt of Proposals and Evaluation:</p> <ul style="list-style-type: none"> - Technical and financial proposals are submitted before or on the closing time for proposal submission. - Evaluate the technical and financial proposals and prepare the combined (technical and financial) evaluation report. - Submit the combined evaluation report and supporting documents to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
4	<p>Contract Negotiation:</p> <ul style="list-style-type: none"> - Send a Letter of Tender Acceptance to the selected consulting firm for contract negotiation. - Negotiate and prepare the contract negotiation minute and the draft negotiated contract with the selected consulting firm. - Submit the draft contract and the contract negotiation minute to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.
5	<p>Contract Signing:</p> <ul style="list-style-type: none"> - Finalize and sign the contract with the selected consulting firm. - Submit the signed contract to IFAD for record.

j) Single Source Selection (SSS) for Individual Consultant

Step	Selection Process
1	<p>Prepare the Term of Reference (TOR):</p> <ul style="list-style-type: none"> - Prepare the Term of Reference (TOR) (standard TOR template is available at: https://www.ifad.org/en/-/document/complete-list-of-standard-procurement-documents-templates) - Submit the TOR and justification letter to IFAD for No Objection and to the Authorized Person for approval.
2	<p>Contract Negotiation:</p> <ul style="list-style-type: none"> - Invite the selected individual consultant for contract negotiation. - Negotiate and prepare the contract negotiation minute and the draft negotiated contract with the consultant. - Submit the draft contract and the contract negotiation minute to IFAD for No Objection (for contracts subjected to prior review only) and to the Authorized Person for approval.

3	<p>Contract Signing:</p> <ul style="list-style-type: none"> - Finalize and sign the contract with the selected consulting firm. - Submit the signed contract to IFAD for record.
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(i) Monitoring and ICP-CMT

Contract registers will be carried out by NPCO, PAFOs, and DAFOs. The contract register should provide information on all the awarded contracts for the whole life of the project up to date.

The NPCO will update regularly "actual" against "plan" procurement data and information in the procurement plan for monitoring procurement progress towards the achievement of procurement schedules.

NPCO is responsible to periodically update contract data of all contracts into ICP-CMT system. PAFOs and DAFOs are responsible to gather and provide accurate contract data from provincial, district, and village levels. Contract data in ICP-CMT system will help IFAD and MAF to monitor project implementation progress and the progress of individual contracts.

(j) Record Keeping

All the records are preferable to be kept in digital format at NPCO, PAFOs, and DAFOs and made available for the post reviews carried by MAF, IFAD and for internal and external audits. Procurement and contract documents should be kept in a separate folder for each contract. Records to be retained include:

- Procurement Plan;
- REOI, EOIs, EOI evaluation reports;
- Bidding document, request for quotation, request for proposal;
- In the case of IFAD prior review, all submissions and correspondence in relation to the seeking of IFAD's no-objection;
- Advertisement/Procurement Notice posted on newspaper and/or relevant public media, websites;
- List of Bidders/Consultants who received bidding document or request for quotation or request for proposal;
- All bidding documents, quotations, and proposals submitted by the Bidders/Consultants;
- Minutes of bid opening including the list of Bidders/Consultants who submitted bids, quotations proposals;
- Bid/Quotation/Proposal evaluation reports;
- Approval of the bidding result;
- Notification of contract award or purchase order;
- Signed contract with Contractor/Supplier/Consultant and any contract amendments;
- Evidence of bid security returned to the Bidder;
- Progress reports for work contract and completion certification; delivery certificates of goods contract; consultancy reports;
- All contractual correspondence between the procuring entity and a supplier, contractor or consultant;
- Invoices and Receipts from Contractor/Supplier/Consultant;
- Complaints received and responses of resolutions, if any;

- All other documents are concerned with the procurement process and contract implementation.

44. PIM Appendix 6: Partnership agreements

Draft NPCO-NAFRI agreement for the implementation of Activity 1a.4: Local food sources, wild foods management



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Agriculture Forestry

Department of Planning and Finance

Agriculture for Nutrition Phase 2 (AFN II)
No.: _____/NPCO

Reference

Vientiane, date.....

Cooperation Agreement

Subject: Agriculture for Nutrition Phase 2 (AFN II) - implementation of Activity 1a.4:
Local food sources, wild foods management

Cooperation Agreement Reference No.: AFN II/NPCO/2023/001

THIS COOPERATION AGREEMENT ("Cooperation Agreement") is entered into this day [date], between the Agriculture for Nutrition Phase 2 (AFN II) National Project Coordination Office **Programme Regional Coordination Office** ("NPCO") having its principal office located at Department of Planning and Cooperation, Project Connexes, Vientiane Capital, Lao PDR and **the National Agriculture and Forestry Research Institute (NAFRI)** ("the Implementing Agency") having its principal office located at Ban Dongdok, District Saythany, Vientiane Capital, Lao PDR.

WHEREAS, the NPCO wishes to have the Implementing Agency performing the Tasks hereinafter referred to, and

WHEREAS, the Implementing Agency is willing to perform these Tasks,

NOW THEREFORE THE PARTIES hereby agree as follows:

- 1. Tasks**
 - (i) The Implementing Agency shall perform the Tasks specified in Annex A, "Terms of Reference and Scope of Tasks," which is made an integral part of this Cooperation Agreement ("the Tasks").
 - (ii) The Implementing Agency shall submit to the PRCO the reports in the form and within the time periods specified in Annex B, "Implementing Agency's Reporting Obligations and Breakdown cost."

2. Term The Implementing Agency shall perform the Tasks during the period commencing June 2023 and continuing through to June 2030, the AFN II project completion date. The Cooperation Agreement can be extended as may be subsequently agreed by the parties in writing. The payment schedule as outlined below must not exceed the AFN II completion date.

3. Payment A. Total Amount

For tasks accomplished pursuant to Annex A, the NPCO shall pay the Implementing Agency US dollars [amount in figures] **(amount Thousand United States Dollars)**. The total payment is an all-inclusive fixed lump-sum covering all costs required to accomplish the tasks as described in Terms of Reference. Payments will be made to the account of the Implementing Agency and according to the payment schedule. The price shall be payable in LAK based on daily exchange rate against US dollar on the date of payment.

B. Schedule of Payments

The schedule of payments is specified below:

US dollars amount [amount US dollars] upfront 7 days after Cooperation Agreement signature at latest.

US dollars amount [amount US dollars] in equal, quarterly, upfront instalments upon the NPCO's report of accomplished inception and subsequent quarterly progress reports documenting performance according to ToR;

The maximum contract value is not exceeded the sum of US dollars amount **(amount United States Dollars)** in Total.

C. Payment Conditions

Payment shall be made in Lao Kip based on the exchange rate (LAK/US\$) according to above schedule and not later than 14 days following submission of required documentation.

4. Project Administration

A. Coordinator

The NPCO designates **Ms./Mr [NPC]** as NPCO's Coordinator. The Coordinator shall be responsible for the coordination of activities under the Cooperation Agreement, for receiving and approving invoices for payment, and for acceptance of the deliverables by the NPCO.

B. Reports.

The reports listed in Annex A: Terms of Reference and Scope of Tasks', under paragraph. 2. Reporting shall be submitted in the course of the assignment and will constitute the basis for the payments to be made under paragraph 3.

C. Records and Accounts

The Implementing Agency shall keep all invoices in respect of the fixed items purchased and make all purchased items identifiable with printed labels.

5. Performance Standard

The Implementing Agency undertakes to perform the Tasks with the highest standards of professional and ethical competence and integrity. The Implementing Agency shall promptly replace any employees assigned under this Cooperation Agreement that the NPCO considers unsatisfactory.

6. Confidentiality

The Implementing Agency shall not, during the term of this Cooperation Agreement and within two years after its expiration, disclose any proprietary or confidential information relating to the

Tasks in this Cooperation Agreement or the NPCO's business or operations without the prior written consent of the NPCO/MAF.

- 7. Ownership of Material** Any studies, reports or other material, graphic, software or otherwise, prepared by the Implementing Agency for the NPCO under the Cooperation Agreement shall belong to and remain the property of the NPCO/MAF. The Implementing Agency may retain a copy of such documents and software.
- 8. Implementing Agency to pursue sustainability of LAIP in FNML target villages** The Implementing Agency agrees that, during the term of this Cooperation Agreement and after its termination, the Implementing Agency and any entity affiliated with the Implementing Agency, shall remain providing goods, works or Tasks to pursue sustainability of Activity 1.4 "Local food sources, wild foods management" in AFN II target villages resulting from or closely related to the Tasks.
- 9. Insurance** The Implementing Agency will be responsible for any appropriate insurance coverage.
- 10. Assignment** The Implementing Agency shall not assign this Cooperation Agreement or Sub-Agreement any portion of it to another entity without the NPCO's prior written consent.
- 11. Law Governing Cooperation Agreement and Language** The Cooperation Agreement shall be governed by the applicable laws of the Lao P.D.R., and the language of the Cooperation Agreement shall be English with translation into Lao.
- 12. Dispute Resolution** Any dispute arising out of this Cooperation Agreement, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Lao PDR.
- 13. Termination** Either party may terminate this agreement upon the provision of a written 3-month prior notice, if:
- (a) Either party has failed to perform any of its obligations under this Agreement and that either party has determined that such failure has had, or is likely to have, a material adverse effect on the Project; or

- (b) Either party has determined that a situation has arisen which may make it improbable that the Project can be successfully carried out.

In case of termination, the Implementing Agency can claim all reasonable costs incurred until the date of termination. Between the date of notification and the date of termination, the Implementing Agency has the duty to avoid any unnecessary costs.

FOR THE NPCO

Ms./Mr [NPC]

National Project Coordinator of AFN II

FOR THE IMPLEMENTING AGENCY

Signed by;

[name]

Director of NAFRI

Annex A: Terms of Reference

Annex B: Budget

Annex C: Procurement plan

Annex D: Activity schedule

Annex E: Schedule of Payment

45. PIM Appendix 7: Terms of Reference

This appendix contains Terms of Reference (ToR) for key positions in the Project; describing the roles of both deputed government staff as well as hired project employees. When using these ToRs in procurement of services and other processes requiring external communication, they will be preceded by a brief description of the Project and its organization structure, as well as – if required – by additional information on remuneration, job conditions and assignment duration. All positions are for national staff, unless specifically mentioned otherwise.

Deputed	Hired	ToR#
National Level		
National Project Coordinator		
Deputy National Project Coordinator		1
	Chief Technical Advisor	2
	Finance Management Specialist	3
	Assistant Financial Officer	3
Accountant	Accountant	
	Cashier	
	Procurement Officer	4
	Procurement Assistant	4
	Monitoring & Evaluation Specialist	5
	Administrative Officer	
DoPC Technical Staff	Agriculture and Advisory Services Specialist	6
	Nutrition Specialist	7
NAFRI Technical Staff	Food Processing and Food Safety Specialist	8
	CSO Partnership Coordinator	9
	ENR /CC Specialist	10
	Social Inclusion Specialist	11
	Business Multi Stakeholder Platform Coordinator	12
	Knowledge Management Officer	13
	Engineer (2)	14
	Driver (2)	
	Translator	
	Cleaner	
WFP	Nutrition Specialist (2 part-time)	7
	Programme Policy Officer Nutrition	
	Knowledge Management specialist	
Provincial Level		
PAFO AFN II Coordinator		15
WFP	Programme Policy Officer	
District Level		
DAFO AFN II Coordinator		16
Accountant	Accountants (15)	17
DAFO technical staff	District Agriculture Advisors (15)	18
M&E staff	M&E Specialist (15)	See
	Procurement officers (15)	20
	Community Mobilizer (max. 42 total)	21
	Drivers (15)	
WFP	Programme Assistant	
	ProMIS IT service provider	

(a) Role of National Project Coordination Office (NPCO)

The National Project Coordination Office (NPCO) is established to assist the NPSC in ensuring timely and effective coordination of Project implementing agencies and stakeholders. The mandate of the NPCO is to ensure: (i) coherence of the Project approaches and strategies, and integration among Project outcomes and activities in order to produce the Project impacts, outcomes and outputs; (ii) coordination and synergy of the relevant government departments and other co-implementing agencies, development partners and technical service providers, and the province and district level agencies, and grassroots communities; (iii) mobilization of resources from the private sector, mass organizations, professional associations, research institutes, technical centres and non-government organizations; (iv) accountable management of IFAD and Government's resources, including preparation of a PIM, AWPB, procurement plan, selection of technical assistance and audit service providers, establishment and operation of a M&E system, and other functions of the operational and financial management of the Project and (v) knowledge sharing and policy development interventions.

The main tasks of the NPCO include:

a) Annual planning and coordination. Together with the main implementing agencies and Service Providers, the NPCO will draw up an AWPB that reflects both the previous year's achievements and performance and anticipated Project progress. It will consolidate the AWPB for submission to the NPSC and obtain prior IFAD comments. The NPCO will ensure coordination between other government agencies and externally financed programmes in the Project area.

b) Targeting and Gender. In the planning and implementation of Project activities, the NPCO will ensure that the provincial and district agencies will maintain the focus on poor and near poor households, women-headed households and ethnic peoples and ensure that women have ample opportunities to participate in Project activities. NPCO will ensure gender is mainstreamed in all Project activities as detailed in the PIM, to be developed by the NPCO in the Project activation period.

c) Knowledge of Indigenous People (IP) (including language and culture) The NPCO will ensure that project staff have sufficient knowledge of IP language and culture and ensure the provision of additional training where that understanding is insufficient.

d) Capacity building. A series of provincial and district-level training workshops will be held on, inter alia: household nutrition; community driven development; farmer groups and cooperative formation and management; farmer market integration; nutrient-rich agriculture, CBFM; using information and data; inclusive planning; and gender and ethnicity issues in planning. Bi-annual workshops will be held in each district with participation of kum ban representatives.

e) Monitoring and Evaluation. The monitoring and evaluation unit in the NPCO will establish an appropriate M&E and MIS system and ensure implementation of IFAD RIMS procedures. Staff in the implementing agencies and members of beneficiary communities will be trained in the requirements for M&E.

f) Financial management. The GoL shall open and thereafter maintain an account denominated in US dollars for the purpose of financing the Programme, the "Designated Account". The DA will be operated by the Ministry of Finance (MoF). The NPCO will open and maintain in a commercial bank acceptable to IFAD an account denominated in LAK for Project operations, the "Project Account" (PA). The PA will be funded and replenished as necessary from the resources held in the DA, upon request of the PC and in accordance with expenditures incurred under approved annual work programme and budget (AWPB). The Project Coordinator shall be fully authorized to operate the relevant Project Account.

g) Procurement. The NPCO will carry out all procurement according to the Government and IFAD Procurement Guidelines. It may delegate procurement to implementing agencies and, for community infrastructure, to communities that follow the local regulations on decentralization of investment ownership.

h) Recruitment. In collaboration with the relevant implementing agencies, the NPCO will develop appropriate Terms of References for staff positions to be assigned to the NPCO or the respective agencies and to be funded by the Project. It will organize a fair and transparent selection process and ensure IFAD concurrence for the candidates for the key positions.

Apart from day-to-day Project management and coordination, the NPCO will organize: (i) baseline and corresponding impact surveys; (ii) regular monitoring activities and Project progress reporting; (iii) bi-annual workshops to involve all Project stakeholders in learning from the constant flow of management information, annual reporting exercise and recommending improvements; (iv) Project midterm review after 2.5 years of implementation; and (v) Project completion evaluation.

(b) ToR Position 1: National Project Coordinator

Recruitment: National

Reports to: Project Steering Committee (on matters related to the Financing Agreement with IFAD)

Director MAF DPC (on planning matters)

Purpose

1. The National Project Coordinator (NPC) will coordinate Project management and ensure that implementation is realised according to the conditions of the financing agreement and based on the Project appraisal report. S/he needs to ensure effective and timely implementation of the Project, with special attention to providing overall inter agency coordination and facilitation at various levels. Under the direction and supervision of the NPSC, the PC coordinates the NPCO, provincial and district project staff and service providers to ensure that the strategic outcomes of the Project are achieved. Particularly, the NPC leads the NPCO to ensure the M&E requirements described are developed and implemented in a timely manner that represents the views of key stakeholders. S/he is also responsible for making sure there are sufficient and appropriate personnel with the right level of resources and other support needed to implement the Project.

2. In particular, the NPC will serve as leader of the Project coordination team in order to achieve the following responsibilities: (i) Project Implementation Coordination; (ii) Financial/Asset Management; (iii) Contract Management; (iv) Personnel Management (v) Government Liaison/External Relations; and (vi) Knowledge Management and Policy Development.

Organizational relationships

3. The NPC will be responsible for Project progress and will be accountable to the NPSC, the government ministries and relevant staff of IFAD. S/he will also be accountable to the Project stakeholders for Project progress, problems, and improvements.

Responsibilities and Duties

Early implementation tasks:

- (a) Lead formulation of Project Implementation Manual (PIM) and other guidelines;
- (b) Assist the MAF in establishment of the National Project Steering Committee;
- (c) Appoint key NPCO staff and supervise their activities;
- (d) Guide the establishment of administrative, accounting and Project outcome M&E systems;
- (e) Coordinate training workshops on the Project strategy and approaches, AWPB and procurement for the first year with key stakeholders to ensure an updated and shared understanding of the Project strategy and information needs;
- (f) Ensure that an effective and participatory M&E system is established and effective.

Ongoing operational management tasks

- (g) Prepare the AWPB and revise the M&E plan and system by seeking stakeholder inputs in order to produce these plans with the full commitment of all the organizations involved in the Project. Present the AWPB and M&E plan to the relevant approval bodies in a timely manner for review and approval;
- (h) For each service provider contract, ensure that detailed specifications are prepared in a timely, objective, fair and transparent manner, including the M&E responsibilities and administration of terms and awards;
- (i) Ensure the holistic implementation of the Project, ensuring the Project outcomes and levels are seamlessly joined in the pursuit of market-led poverty alleviation amongst poor, ethnic and women-headed households;

(j) Ensure that the MAF and provincial and district agencies maintain the focus on poor, ethnic and women-headed households, that women have ample opportunities to participate in Project activities, that gender is mainstreamed in all Project activities and that staff have adequate knowledge of IP language and culture;

(k) Make sure the business of the Project is conducted in an efficient manner by supervising and monitoring Project implementation. Ensure that timely decisions on corrective actions are made and implemented;

(l) Direct and supervise the day-to-day operations of the Project, guided by the Project document and the AWPB, providing any necessary amendments to ensure smooth performance;

(m) Mobilize relevant technical assistance in a timely manner, with clearly demarcated responsibilities that are based on the participatory and equity principles of the Project;

(n) Assure that all contractual obligations are adhered to and make the necessary contacts and efforts to ensure implementation meets Project targets;

(o) Regularly appraise staff and provide feedback and support to enable them to do their jobs.

Ongoing financial management tasks

(p) Ensure that Project expenses are kept, consistent with Government and IFAD administrative and financial procedures and practices;

(q) Ensure that Project suppliers and locally paid staff are paid promptly and adequately through liaison with Ministry of Finance and the IFAD Country Office finance staff;

(r) Ensure that Project expenditure is being coded correctly and consistently (that is allocated to correct category and budget line) and that Project funds are used solely for the purposes for which they were granted and in accordance with relevant IFAD guidelines;

(s) Establish an asset register for all assets purchased by or provided to the Project in line with standard IFAD policies;

(t) Check the monthly Project financial report for accuracy and appropriateness. Regularly meet with the Financial Management Specialist concerning financial reporting issues, errors, trends, payment delays and related matters;

(u) Monitor expenditure on a monthly basis against the approved AWPB in order to prepare and send timely fund withdrawal applications to IFAD. Review expenditure projections to ensure that expenditure stays within budget. Significant actual or anticipated expenditure variances against the budget should be included in the monthly report to line management together with any recommendations for changes to the budget.

Communication

(v) Develop close working relationships with all Project participants and stakeholders -- including the primary stakeholders, line departments, private sector and NGOs -- all parties required to establish a shared vision of the Project to achieve objectives;

(w) Establish and maintain good working relations with the relevant government ministries, as well as other higher-level stakeholder groups;

(x) Ensure easy public access to M&E reports and data and make sure they are widely distributed;

(y) Submit required analytical reports on progress -- including indications of planned actions and financial statements -- on time and to the relevant bodies, with assistance from M&E staff;

(z) Encourage staff to report frankly on fieldwork, highlighting problems and possible solutions plus lessons learned. Reward innovation in critical reflection and learning;

- (aa) Ensure the planning of and participate in key reflection moments -- in particular, the annual Project reviews;
- (bb) Sign implementation agreements with the implementing partners, defining the modalities for implementation and M&E. Ensure that participatory M&E and learning initiatives are specified in terms consistent with the direction of the Project;
- (cc) Control the budget and safeguard against Project funds and assets misuse;
- (dd) Make all efforts to engage key stakeholders in important external evaluations to ensure an understanding of locally perceived impacts and problems;
- (ee) See that all ad hoc evaluation studies needed to gain timely and relevant insights into emerging areas of concern are undertaken. Make sure the resulting data is shared with all those involved in decision making and follow up on the implementation of any decisions;
- (ff) Support external missions in ways that foster a joint learning process that identifies how the Project could be improved further to achieve impact.
- (gg) Knowledge sharing and Policy interventions
- (hh) Consolidate a culture of lessons learning involving all Project staff and allocate specific responsibilities of knowledge management to Project staff, implementing agencies and Project stakeholders;
- (ii) Ensure that the Project captures and share lessons learned through the M&E system, supervision and evaluation missions and periodic visits to sites;
- (jj) Facilitate exchange of experiences by supporting and coordinating participation in knowledge sharing workshops, teleconferences, development of IFAD' Lao PDR website and any other existing knowledge sharing network of IFAD at the regional and country level;
- (kk) Identify and participate in additional networks, for example scientific or policy-based networks that may also yield lessons that can benefit Project implementation.

Minimum Qualifications

Core Competencies

- (a) **People Skills:** Ability to work independently and as a team player who demonstrates leadership and is able to support and train local and international staff. Proven ability and experience in working with ethnic minorities
- (b) **Communication Skills:** Well developed written and oral communication skills. Able to communicate clearly and sensitively with internal and external stakeholders as a representative of an IFAD Project. This includes effective negotiation and representation skills;
- (c) **Integrity:** Works with trustworthiness and integrity and has a clear commitment to poverty reduction of local communities;
- (d) **Resilience/Adaptability and flexibility:** Ability to operate effectively under extreme circumstances including stress, high security risks and harsh living conditions. Works and lives with a flexible, adaptable and resilient manner;
- (e) **Awareness and sensitivity of self and others:** Demonstrates awareness and sensitivity to gender and diversity. Has experience and the ability to live and work in diverse cultural contexts in a culturally appropriate manner;
- (f) **Work style:** Is well organized even within a fluid working environment and has a capacity for initiative and decision making with competent analytical and problem solving skills;
- (g) **Readiness to work with people of all backgrounds without bias;**

Technical Competencies

- (h) MSc/MA degree in agriculture, economics or business administration;

- (i) At least 10 years of professional experience in relevant fields
- (j) Sound experience in working for IFAD Projects;
- (k) Sound knowledge of upland agriculture production in Lao PDR;
- (l) Ability to develop and foster external organizational relationships and applied representation skills;
- (m) Knowledge of Government and IFAD policies and procedures on gender, environment, corruption and general Project finance and administration management;
- (n) Knowledge of IP culture
- (o) Have telecommunication skills and proficiency in information technology/ computer skills;
- (p) Written and spoken English language skills essential.

(c) ToR Position 2: Chief Technical Advisor (international through WFP)

Duration: 12 person months/year for 3 years, then 6 person/months/year for 2 years

Recruitment: International

Reports to: National Project Coordinator at MAF and WFP Country Director

Key Responsibilities and Duties of the Chief Technical Advisor (CTA)

1. The CTA will advise the Project on all aspects of coordination, management and technical issues as requested by the PC and the overall programme management including:

(i). Technical support

- provide guidance to the PC and Project team members on the effective implementation of participatory, community driven development processes;
- guide Project investment in improved household and commercial agriculture production to ensure the achievement of the four NNSPA agriculture-related interventions and improved household food security and nutrition;
- support the PC in establishing a convergent approach to NNSPA implementation in the project Provinces through strong linkages between projects and agencies supporting improved household nutrition in the Project area and at national level.

(ii). Budget and Programming

- assist the PC to develop the AWPB for submission to NPSC and IFAD Lao PDR, including relevant updates and revisions;
- develop and regularly update the Project multi-year work plan based on budget and the project document; and
- present the annual operational plan (detailed by semester) and financial programming to the NPSC and PPSCs and obtain their validation.

(iii). Coordination and Implementation of Activities

- assist the PC to coordinate implementation of the Project tasks and activities detailed in the Project document;
- assist the PC to prepare TORs, tenders and contract documents for equipment, works and professional services; and
- assist the PC to prepare for NPSC and PPSC meetings.

(iv). Financial Performance: Commitment, Ordering, and Payment, within the Limits of Signature Authorities

- assist the PC in establishing and maintaining an adequate financial management and procurement system under IFAD and WFP guidelines and following the GoL regulations;
- ensure compliance with deadlines of monitoring and financial reporting required by IFAD and WFP; and
- facilitate the work of auditors during their visits to the Project and assist the PC to implement audit recommendations in daily management.

(v). Monitoring, Reporting, Communication

- assist the PC to establish and operate the Project monitoring and evaluation (M&E) and knowledge management (KM) system under IFAD and WFP guidelines, in close concert with the MAF ProMIS and Project national M&E and KM advisors;
- assist the M&E & KM team in implementing the defined capacity building programme related to M&E & KM and engage in on-the-job coaching of assigned M&E and KM staff at all levels
- assist the PC in providing and submitting semester progress reporting; and

(vi). Human Resources Management

- assist the PC in establishing an overall HR plan for the AFN II staff;

- assist the PC to establish a systematic staff performance evaluation system and support its implementation; and
- identify and communicate training requirement

Thematic Specialist.

As a sector specialist in participatory planning and climate-adapted nutrition-sensitive agriculture, the CTA also carries responsibilities in the transfer of skills. The CTA will apply their expertise to the implementation of the resulting VDPs, particularly concerning improved household nutrition, paying particular attention to the key cross-cutting issues of gender and social equality, environment and climate change and governance for development.

Qualifications for the Chief Technical Advisor

The successful candidate will be a mature, team oriented professional with good analytical and communication skills. The CTA should be able to strike rapport with personnel at different levels, including the GoL, international organizations and other stakeholders. A strong self-motivated individual working with no or minimal supervision and able to travel to the rural areas and meet tight deadlines is required. The person should have excellent skills in written and spoken English and be fully conversant with computer use.

(d) ToR Position 3: Financial Management Officer

Recruitment: National

Reports to: National Project Coordinator

Assisted by : Assistant Financial officer

Purpose

The Financial and Administration Manager reports directly to the Project Coordinator and is responsible for financial management and administration of the Project accounts, personnel, equipment, supplies and external services. As head of finance, the Financial Management Specialist will take charge of all matters in the Project accounting cycle. The Project accounting cycle to be overseen by the Financial Management Specialist starts from financial related inputs in AWPB preparation and budget control, committing funds, disbursements and cash flow management in an effective and efficient manner, financial reporting to ensuring smooth audits and facilitation for supervision missions on all financial management and administration aspects.

Key Responsibilities and Duties

- (a) Finalize, within three months after start of duty, a draft manual on financial management and administration by the NPCO, partners and beneficiaries, which sets the minimum standards of compliance for the financial management and administration under AFN II financing.
- (b) Installation of appropriate accounting/reporting systems to ensure that the NPCO and especially the PC are regularly informed of ongoing financial activities and transactions.
- (c) Establishing the financial and administrative policies, systems, formats and procedures, including those for service contracting, budgeting and accounts and audit.
- (d) Ensuring that administrative and financing directives and guidelines of the NPSC are reflected in all Project activity.
- (e) Assisting in facilitation and supervision of the tender, award and performance assessment procedures for service contracting.
- (f) Communicate to all implementing partner institutions, service providers and grantee recipients their financial and administrative responsibilities, the funds available and how to access it, and the requirements of reporting and record keeping in accordance with prevailing government practices which are acceptable to IFAD.
- (g) Maintain all accounting and administrative records in a form appropriate for regular auditing (at least once a year).
- (h) Ensure that all project funds are used in accordance with the conditions of the financing agreements, with due attention to economy and efficiency, and only for the purposes for which the funds were provided.
- (i) Ensure that counterpart funds have been provided and used in accordance with the conditions of the financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided.
- (j) Ensure that all necessary supporting documents, records and accounts are kept in respect of all project activities, with clear linkages between the books of account and the financial statements presented to the financiers.
- (k) Ensure that designated accounts are maintained in accordance with the provisions of the financing agreement and in accordance with the financier's rules and procedures.
- (l) Ensure that the financial statements are prepared in accordance with International Public Sector Accounting Standards as adopted in Lao PDR.
- (m) Liaise with external auditors to audit the Project accounts to meet the required submission dates by IFAD.

- (n) Oversee tax matters of the Project, ensuring that tax exemptions for the procurement of goods for the Project are secured at the appropriate time.
- (o) Process documentation and follow up on disbursements from the government and IFAD to ensure that releases are not delayed. Ensure that funds, and other supplies for Project implementation are disbursed or released in a timely manner to enable Project interventions to be carried out on time.
- (p) Prepare and submit regular withdrawal applications to IFAD and follow up to ensure that the Project does not run short of liquidity.
- (q) Follow up on all project funds released to implementing partners for timely retirement and proper utilization.
- (r) Ensure that statements of expenditure (SOEs) are carefully compared for eligibility with relevant financial agreements and the disbursement handbook, and with budget control discipline.
- (s) Ensure that fixed assets are well accounted for, and annual verification is undertaken of the condition of assets and their location.
- (t) Prepare informative management accounts in the form of monthly, quarterly, semi-annual and annual reports regarding aspects of Project financial monitoring bringing out variances as per approved AWPB and advising implementers as to the limits of expenditure.
- (u) Act as a counter-signatory to Project fund releases as required for Project financial transactions and also sign as witness to contracts as much as possible.
- (v) Carry out any other activities that are assigned by the National Project Coordinator.

Minimum Qualifications

The candidate should have a bachelor's degree in accounting and must be a certified chartered accountant (ACCA/CIMA).

Skills and Experience

- (a) At least eight years of relevant work experience in financial management and administration, including at least four as a financial manager or accountant in government/donor projects or large institutions.
- (b) Experience in funding budgets and contractual complements similar to those proposed under AFN II is desirable.
- (c) Strong managerial skills and demonstrated capacity to manage people and interact with a wide range of private sector partners and government representatives.
- (d) Knowledge of work planning, budgeting, and reporting.
- (e) Excellent quantitative and analytical skills.
- (f) Computer-literate including accounting packages and well-versed in the use of Excel, Word and basic data base set-ups.

(e) ToR Position 4: Procurement Specialist

Recruitment: National

Reports to: National Project Coordinator

Assisted by: Procurement Assistant

Purpose

The Procurement Specialist reports directly to the National Project Coordinator and is responsible for managing procurement processes and contract administration aspects. As head of the procurement, the specialist will be tasked to ensure compliance with Lao PDR's public procurement regulations and ensure due diligence to comply with IFAD Procurement Guidelines and handbook.

Key Responsibilities and Duties

- (a) Installation of appropriate procurement systems and procedures for effective planning and monitoring of procurements under the project;
- (b) Oversee preparation and consolidation of inputs to the Annual Procurement Plan;
- (c) Finalize, within three months after start of duty, a draft manual on procurement by partners and grant recipients, which sets the minimum standards of compliance for the procurement of goods and services under AFF II financing;
- (d) Continuously train (on the job) implementers in the preparation of terms of reference, specifications and proactive follow-up of these inputs in the bidding processes;
- (e) Prepare bidding documents based on acceptable bidding standards;
- (f) Ensure all prior review requirements such as obtaining of the No Objections from IFAD are complied with in a timely manner;
- (g) Ensure that all the due tendering processes are adhered to: sufficient publications, strict adherence to deadlines, transparency in communications with bidders, publication of bid results, etc.;
- (h) Ensure acceptable record keeping in procurement with at least a complete procurement file for each procurement from start to contract finalisation. Maintain all procurement records in a form appropriate for regular auditing and spot checks by supervision missions;
- (i) Communicate to all implementing entities and service provider their responsibilities and requirements with respect to procurement in keeping with prevailing government practices which are acceptable to IFAD;
- (j) Oversee the contracting process, including ensuring that Evaluation Committees have people with appropriate expertise;
- (k) Monitor implementation of contracts: report status and problems to the Project Coordinator on a monthly basis; and intervene to address problem upon request by the PC;
- (l) Ensure that goods and services financed have been procured in accordance with the loan agreement and the Lao PDR procurement regulations
- (m) Work with the Financial Management Specialist to ensure that tax exemptions for the procurement of goods for the project are secured at the appropriate time;
- (n) Prepare quarterly reports of progress with implementation of the Procurement Plan, and regularly inform the National Project Coordinator of problems and make proposals to overcome bottlenecks;
- (o) Update the Procurement Plan;

Minimum Qualifications

The candidate should have a bachelor's degree in procurement and supplies or a full CIPS (Chartered Institute of Purchasing and Supply) diploma.

Skills and Experience

- (a) At least five years of relevant work experience, preferably including experience in procurement in government/donor projects or large institutions;
- (b) Appreciation of the evolution of the public sector procurement reforms in Lao PDR;
- (c) Ability to work well in teams and to interact with a wide range of private sector partners and government representatives;
- (d) Knowledge and experience of IFAD guidelines and procedures;
- (e) Knowledge of work planning and reporting;
- (f) Excellent quantitative and analytical skills;
- (g) Computer-literate and well-versed in the use of Excel and Word.

(f) ToR Position 5: Monitoring and Evaluation Specialist

Recruitment: National

Reports to: Project Coordinator

Purpose

The Monitoring and Evaluation (M&E) system at the Project level has four objectives: (i) to monitor and evaluate results and impacts; (ii) to provide a basis for decision making on necessary amendments and improvements; (iii) to promote accountability for resource use; and (iv) to document, provide feedback on, and disseminate lessons learned.

Project monitoring and evaluation is conducted in accordance with established IFAD procedures and is undertaken by the Project coordination team at all levels. The Logical Framework matrix provides performance and impact indicators for Project implementation along with their corresponding means of verification. These, along with the objectives, procedures and tools described in the M&E plan presented in the Project final design report will form the basis on which the Project's M&E system will be built at the starting phase of the Project.

General scope of the job

The M&E Specialist is responsible for guiding the overall M&E strategy and implementation of related activities within the Project and Vis a Vis partners, plus providing timely and relevant information to the NPC, NPCO and Project stakeholders. This requires close coordination and communication with Project implementation agencies and other stakeholder groups, and field staff as well as consultants of external M&E-related missions.

Critical tasks for the M&E Specialist include setting up the M&E system and ensuring it is implemented efficiently and effectively. The M&E system will be based on the Project log-frame and the Project M&E plan and will build as much as possible upon existing M&E mechanisms and systems among the Project stakeholders. The M&E officer will report directly to the Project Coordinator

Main Responsibilities and Duties

- (a) Setting up the M&E system.
- (b) Develop the overall framework for Project M&E in accordance to the Project document M&E plan;
- (c) Conduct a readiness assessment regarding M&E on what are the incentives at the system level, who are the beneficiaries;
- (d) Guide and coordinate the review of the Project log-frame;
- (e) Provide technical advice for the revision of performance indicators;
- (f) Ensure realistic intermediate and end-of-Project targets are defined;
- (g) Conduct a baseline study (situation at Project start);
- (h) Identify sources of data, collection methods, who collects data, how often, cost of collection and who analyses it;
- (i) Ensure all critical risks are identified.
- (j) Identify the core information needs of the NPCO, the NPSC, MAF, IFAD, WFP and the MoF;
- (k) Identify the requirements for collecting baseline data, prepare terms-of-reference for and arrange the conduct of a baseline survey, as required;
- (l) Clarify M&E responsibilities of different Project personnel;

(m) Contribute to the development of the Annual Work Plan and Budget (AWPB), ensuring alignment with Project strategy, agreement on annual targets and inclusion of M&E activities in the work plan;

(n) Prepare detailed annual M&E budgets;

(o) Prepare calendar of M&E activities;

(p) Identify needed Project M&E technical assistance and guide its recruitment.

Implementation of the M&E system

(a) Oversee and execute M&E activities included in the AWPB, with particular focus on results and impacts as well as in lesson learning;

(b) Based on the AWPB design the framework for the physical and process monitoring of Project activities;

(c) Promote a results-based approach to monitoring and evaluation, emphasizing results and impacts;

(d) Coordinate the preparation of all Project reports. Guide staff and executing partners in preparing their progress reports in accordance with approved reporting formats and ensure their timely submission. This includes quarterly progress reports, annual Project report, inception report, and ad-hoc technical reports;

(e) Prepare consolidated progress reports for Project management including identification of problems, causes of potential bottlenecks in Project implementation, and providing specific recommendations;

(f) Check that monitoring data are discussed in the appropriate forum (such as the review meetings of NPCO, the semester meeting of the NPSC) and in a timely fashion in terms of implications for future action. If necessary, create such discussion forums to fill any gaps;

(g) Undertake regular visits to the field to support implementation of M&E and to identify where consolidations might be needed;

(h) Foster participatory planning and monitoring by training and involving primary stakeholder groups in the M&E of activities;

(i) Prepare M&E reports for annual supervision missions, mid-term review and final evaluation in accordance to IFAD guidance;

(j) Facilitate, act as resource person, and join if required any external supervision and evaluation missions;

(k) Ensure that all project reports reflect a climate-adapted approach to agriculture production and household nutrition;

(l) Monitor the follow up of evaluation recommendations;

(m) Identify the need and draw up the TORs for specific Project studies. Recruit, guide and supervise consultants or organizations that are contracted to implement special surveys and studies required for evaluating Project outcomes and impacts;

(n) Organize (and provide) refresher training in M&E for Project and implementing partner staff, local organizations and primary stakeholders with view of developing local M&E capacity;

Minimum Qualifications

The candidate should have a Bachelor's degree agricultural science, natural resource management or economics.

Skills and Experience

(a) Strong capabilities in data collection, including instrument testing, field data collection, data entry, random quality control testing, data compilation and analysis;

- (b) Extensive experience in designing and delivering training and capacity building in PME systems operationalisation, including development of training curricula, operational guidelines, and performance management;
- (c) Proven ability and expertise in working with data management software and web-based applications for use in M&E management;
- (d) Experience in establishing and managing robust M&E performance reporting across a diverse range and volume of partners;
- (e) Ability to plan and conduct structured and supportive field monitoring, including formal partner performance assessments, stakeholder reviews, etc.;
- (f) Commitment to gender and targeting perspectives and knowledge of IP language and culture;
- (g) Proven capacity in the formulation and production of high-quality written material, including among others research studies, impact assessment reports, stories from the field, publications for media;
- (h) Demonstrable capacity to work with private sector, civil society, media and government sectors on evaluation and monitoring programs at a national scale, and to develop appropriate communication strategies and be an effective communicator in working with a diverse range of stakeholders;
- (i) Strong people management skills, willing and able to foster cross-sector collaboration and partnerships to enhance programme results. Proven ability and experience in working with ethnic minorities;
- (j) Strong communication skills, especially writing skills;

(g) TOR Position 6: Agriculture and Advisory Service Specialist

Recruitment: National

Reports to: National Project Coordinator / CTA

Roles and responsibilities

Under the general supervision of the National Project Coordinator, the Agriculture and Advisory Service Specialist will facilitate the implementation of project interventions under **Activity 4**: Local food sources, wild foods management, **Activity 6**: Community-Based Organizations (CBOs) Strengthening and **Activity 7**: Agriculture/Rural Advisory Service improved, with a focus on nutrition, agricultural productivity, environmental and climate sustainability, in collaboration with GSTs and ENR/CC and social inclusion specialist.

Tasks

- Review the project design and the approach, targets and methodologies for Activities 4, 6 and 7 under component 1
- Identify, analyse and select agricultural practices that contribute to the project development objective outcome and output level indicator. This will include LAIP, PAR models, SLM technologies, etc.
- Inform and train other team members including GST and District Agriculture Advisors in the agricultural practices and CCA options
- Provide guidance and assist GST teams District Agriculture Advisors in their tasks related to: APG establishment, capacity strengthening, APG grants planning and implementation, etc
- Contribute specialist advice to the review of APGs grants proposals
- Assist DAFO and District Agriculture Advisors in delivery of extension services through the Extension Management System (EMS) mechanism
- Monitor implementation EMS in all target districts in coordination with GST
- Support GST and District Agriculture Advisors in their activities related to VAT, VVW and lead farmers as last mile delivery mechanism for agricultural production to target communities
- Liaise with NAFRI and CDE in the implementation of activity 4 Local food sources, wild foods management, to ensure integration and synergies with other activities and interventions of the project
- Identify, report and propose solutions to address constraints and challenges in the implementation of Activities 4, 6 and 7, in particular in terms of impacts
- Provide capacity building and ToT training to GST and District Agriculture Advisors
- Recommend to NPCO and IFAD adjustments and improvements to support development of a replicable model to be used in the project and in the future.
- Provide reports and information as required by project management and M&E division
- Facilitate participation of government counterparts in ongoing capacity-building activities to ensure skills transfer for improved sustainability of designs, and identify additional training needs.

Qualifications and experience

- Diploma or master's degree in irrigation, civil engineering or related discipline.
- At least five years' experience working in civil engineering with a focus on irrigation and water related infrastructure.
- Experience in agricultural, irrigation and/or rural development projects.
- Experience in designing and delivering training modules.
- Highly motivated and committed to poverty alleviation and gender equality.
- Working knowledge of spoken and written Lao, English.

(h) ToR Position 7: Nutrition Specialist

The Nutrition Advisor is a hired project staff working from the NPCO at national level; charged with enhancing the intensity and quality for the AFN II-supported activities in the field of nutrition in the project area

Reporting to: National Project Coordinator/CTA

The convergence agencies at District level are strongly oriented towards promoting behavioural change for better nutritional intake through well-prepared and joint activities with respect to nutrition education

- Guidance on implementation of the AFN II activities in the field of nutrition
- Consistency between nutrition activities and investments across Districts and Provinces
- Capacity of District Project Team nutrition staff in delivering activities aimed at behavioural change

Tasks

- Ensure nutrition is adequately integrated in work instructions, the M&E system, the Annual Working Plans/Budget and Progress reports;
- Work close together with WFP to ensure that all targets are met;
- Assist District project Teams in implementing all steps under component 1a (targeting, FNS, perceptions survey (KAP), integrated homestead food production, nutrition extension around the homesteads).
- In collaboration with the M&E Officer, define the to-be-collected data on nutrition indicators and support take part in analyses of the same;
- Support the documentation of best practices and lessons learned for in-country and global dissemination;
- Ensure collaboration with other in-country IFAD supported projects with a nutrition component
- Establish and maintain working relationships with the line ministries (such as health, gender, education) to build synergy in nutrition-sensitive interventions in project interventions and support existing coordination mechanisms to improve nutrition governance;
- Support the project coordinator to establish local partnerships on nutrition (e.g. with development partner organizations, UN agencies, the private sector, civil society organizations, etc.) to support implementation and the provision of technical assistance;
- Facilitate the implementation of nutrition-sensitive activities in close collaboration with relevant stakeholders (e.g. implementing partners, extension workers, community service providers);
- Together with WFP, develop practical guidance for the implementers of the AFN II nutrition activities
- Together with WFP, Coordinate capacity building and training sessions on nutrition-sensitive interventions for AFN II staff (deputed and hired);
- Perform other duties related with nutrition, as required in the overall operations of the project.

Qualifications

- Advanced University Degree in Nutrition (Master or equivalent)
- A minimum of 7 years of progressively responsible experience in major nutrition programmes
- Field experience in multi-sector development or food and nutrition security programmes and policies
- Experience in training, capacity building and knowledge management/sharing is a strong asset

(i) ToR Position 8: Food Processing and Food Safety Specialist

Recruitment: National

Reports to: National Project Coordinator/CTA

Roles and responsibilities

Under the general supervision of the National Project Coordinator and CTA, the Food Processing and Food Safety Specialist will facilitate the implementation of activities related to food processing and food safety by APGs/ACs and MSMEs under component 2.

Tasks

- Review the project design and in particular the component 2: Business Partnerships and Market Access improvement, and overall planning, preparation, implementation, and monitoring of the food processing and food safety aspects.
- Refine the component 2 approach and implementation modalities and prepare a guidelines and detailed plan for the whole project timeframe, as well as standard designs for food processing and storage facilities at APG/AC level.
- Inform and train GST teams and TA team members at NPCO and district levels to ensure skills transfer on food processing technologies options and food safety standards.
- Conduct consultations with APGs/ACS and MSMEs involved in the project to identify needs in the area of food processing and food safety
- Contribute to review investments plans prepared by APGs/ACs and MSMEs and ensure that investments in food processing and storage are technically sound, environmentally sustainable, inclusive and resilient and meet food safety standards
- Ensure compliance with national regulations and IFAD requirements, including SECAP and SIAP elements in coordination with the ENR/CC and social inclusion specialist.
- In coordination with GST and the NPCO team, monitor, evaluate and report on the implementation of investments in food processing and storage facilities by APGs and MSMEs

Qualifications and experience

- Diploma or master's degree in Agri-industry, food safety or related discipline;
- At least five years' experience working in the field of agroprocessing and food safety standards;
- Experience in agricultural and rural development projects;
- Experience in designing and delivering training modules;
- Highly motivated and committed to poverty alleviation and gender equality;
- Working knowledge of spoken and written Lao, English;

(j) ToR Position 9: CSO Partnership Coordinator

Recruitment: National

Reports to: National Project Coordinator / CTA

Roles and responsibilities

Under the general supervision of the National Project Coordinator and CTA, the CSO Partnership Coordinator will facilitate the implementation of activity 3.2: Partnerships with CSO, including liaising with CSOs and overall planning, preparation, implementation and monitoring of the Challenge Fund.

Tasks

- Review the project design and in particular the activity 3.2: Partnerships with CSO, and overall planning, preparation, implementation, and monitoring of the Challenge Fund.
- Refine the Challenge fund approach and implementation modalities and prepare a detailed plan for the whole project timeframe for activity 3.2.
- Inform and train GST teams and TA team members at NPCO and district levels to ensure skills transfer for improved sustainability of designs and enable the various project stakeholders in using the risk screening matrix and ESCMP tools.
- Conduct consultations with CSO/NGO networks and establish a long list of eligible CSO as partners of the project
- Prepare and facilitate the call for expression of interest from CSO
- Review and screen the expressions of interest submitted by potential CSO partners and make sure they directly contribute to the project objective, outcomes and outputs and are in line with national regulations
- Assist NPCO and the steering committee in selecting CSO to partner with the project implementation
- Prepare and facilitate the call for proposals to selected CSO
- Assist NPCO and the steering committee in selecting the Challenge Funds awardees CSO
- Facilitate the launch of the Challenge Funds with selected CSO
- Ensure compliance with national regulations and IFAD requirements, including SECAP and SIAP elements in coordination with the ENR/CC and social inclusion specialist.
- Monitor, evaluate and report on the implementation of the Challenge Funds by selected CSOs

Qualifications and experience

- Diploma or master's degree in social development, rural development or related discipline;
- At least five years' experience working with CSO/NGOs;
- Experience in agricultural and rural development projects;
- Experience in designing and delivering training modules;
- Highly motivated and committed to poverty alleviation and gender equality;
- Working knowledge of spoken and written Lao, English;

Ability to work in other EG languages used in the target area would be an advantage

(k) ToR Position 10: Environmental, Natural Resources and Climate change Specialist

Recruitment: National

Reports to: National Project Coordinator / CTA

Roles and responsibilities

Under the general supervision of the National Project Coordinator, the Environmental, Natural Resources and Climate change Specialist will facilitate climate and environmental risk screening and risks mitigation and management measures in all project activities, based on the ESCMP and the SECAP note.

Tasks

- Based on the SECAP downscaled climate vulnerability analysis and LAIP produced under FNML, conduct a vulnerability assessment in the project area to identify vulnerabilities of the planned infrastructure as well as the project's potential effects on the vulnerability of the area and people.
- Update the ESCMP, design risks screening guidelines and template ESCMP for individual activities under the project
- Facilitate participation of government counterparts in ongoing capacity-building activities to ensure skills transfer for improved sustainability of designs.
- Conduct community and expert consultations to verify and refine selected adaptation options.
- Assist the Agricultural and advisory Services Specialist in estimating the life-cycle project costs and benefits of climate change adaptation options, including socio-economic and environmental benefits.
- Assist the CTA in adjusting the project design to incorporate climate change adaptation.
- Provide recommendations and suggestions for environmental or non-structural adaptation interventions, including APG grants, food processing and storage facilities, etc.
- Facilitate participation of government counterparts in ongoing capacity-building activities to ensure skills transfer for improved sustainability of designs, and identify additional training needs.
- Collect existing impact assessments and reports and prepare a summary of existing information and potential gaps.
- Collect all relevant climate change data from government ministries and international and community organizations.

Qualifications and experience

- Diploma or master's degree in environment or related discipline.
- At least five years' experience working in climate change adaptation and environmental safeguards.
- Experience in agricultural and rural development projects.
- Experience in designing and delivering training modules.
- Highly motivated and committed to poverty alleviation and gender equality.
- Working knowledge of spoken and written Lao, English.

(I) ToR Position 11: Social Inclusion Specialist

Recruitment: National

Reports to: National Project Coordinator / CTA

Roles and responsibilities

Under the general supervision of the National Project Coordinator, the project Social Inclusion Specialist will perform activities in five main areas to mainstream social inclusion:

Project implementation

- Advice and support the project management, other members of the PMU and field officers at all levels in the effective mainstreaming of targeting, gender/youth/ethnic groups (EG)/People with disabilities and social inclusion in project activities.
- In close collaboration with the NPCO, develop full targeting and gender strategies and fine-tune the project Social Inclusion Action Plan (SIAP) to be updated regularly.
- Work with each specialist in the NPCO in critically reviewing project design to see how each component or subcomponent addresses gender/youth/EG/People with disabilities issues and identify opportunities for strengthening implementation from an inclusive perspective.
- Review basic project implementation processes to provide feedback and suggestions on how to achieve the best possible project outcomes with respect to targeting, youth/EG/People with disabilities/gender equality and women's empowerment, and social inclusion.
- Ensure that activities of the targeting and gender strategies are reflected in the following:
 - Preparation of the AWPB;
 - Design and implementation of the project M&E system;
 - Project progress reports;
 - Project supervision;
 - Participate in the development of detailed TORs and tender documents of national and local service providers to various project components to ensure that target groups will be able to participate effectively in all components and meet the project's targets.

M&E and knowledge management

- Ensure funds allocation in the M&E budget to undertake the IFAD Empowerment survey at baseline, MTR and completion;
- Together with M&E and knowledge management staff, establish an M&E system that captures and analyses disaggregated data by sex, youth, EG and disability and ensure proper capturing and monitoring of the IFAD Empowerment Index as an additional impact indicator to measure change in women's empowerment;
- Document and share M&E, learning and communication products;
- Analyse data to ensure that there are no adverse impacts on target groups as a result of project implementation, and suggest remedial measures if necessary.

Capacity-building

- Undertake regular capacity assessment on gender, youth, EG, People with disabilities and social inclusion related issues and provide capacity-building for staff at the field level, PMU, implementing partners and service providers.

Communication

- Liaise with the IFAD gender team on questions regarding gender in implementation, knowledge-sharing and other aspects.
- Serve as a channel of communication between the project and others working on gender issues in government, implementing agencies, other development projects and IFAD.
- Help project colleagues access the information they may need on gender issues and share good practices.

Advocacy and networking

- Be familiar with gender policies of the institutions linked to the project, including national policies and those of ministries, implementing institutions and financing agencies, including IFAD.
- Establish linkages with other gender/youth/EG/People with disabilities programmes implemented by national, international and intergovernmental agencies.
- Present evidence-based information on good practices in gender/youth/EG/People with disabilities equality and women's empowerment in national forums.

Qualifications and experience

- Diploma or master's degree in social sciences, gender or related discipline;
- At least five years' experience working in gender/youth/EG/People with disabilities and social inclusion issues;
- Experience in agricultural and rural development projects;
- Experience in projects integrating targeting and gender considerations across components/activities and M&E;
- Experience in designing and delivering training modules;
- Highly motivated and committed to poverty alleviation and gender equality;
- Working knowledge of spoken and written Lao, English;

Ability to work in other EG languages used in the target area would be an advantage

(m) ToR Position 12: Multi Stakeholder Platform Coordinator

The Multi Stakeholder Platform Coordinator is a hired project staff based in Vientiane working from the NPCO at National level; and has a key coordination role with the SUN BN, MSMES and the PICO and DICO. He designs the MSP approach and facilitate provincial and district-level Multi-Stakeholder Platforms that promote and improve linkages between Value Chain actors (APGs/ACs, MSMEs, other private entities, public agencies, finance institutions etc), and identifies and supports small and medium-sized agro-enterprises with good potential for development in capacity development, preparation, application, implementation and evaluation of investments and strengthen their linkage to producers and relevant Business Development Services

Objective Contribute to enhancing efficiency of food supply chains by linking and connecting actors through better coordination of producers, regulators and buyers and through higher business acumen in especially small- and medium sized enterprises

Results

- Commodity-based Multi-Stakeholder Platforms leading to new and better relationships between relevant Value Chain actors
- MSMEs with good potential to increase value of traded commodities for **mutual benefit of enterprise and producer**

Reporting to National Project Coordinator /CTA

Tasks

- Align and coordinate with relevant actors on national, provincial and district level, notably the SUN BN, the Provincial Chamber of Commerce and Industry, PICO and DICO, PAFO and DAFO, District Socio-economic Development Committee, District Youth Union, District Lao Women’s Union, the Lao Farmers’ Network, agricultural colleges, traders, input suppliers and others
- Organise commodity-based Multi-Stakeholder Platforms with at least annual assembly meetings, subgroup and bilateral follow-up meetings and other events
- Facilitate trade contracts between APGs/ACs and supported MSMEs, members of the SUN BN
- Identify and preselect potential candidate MSMEs for support under component 2, activity 2.1 and 2.2.
- Coordinate the work of the service providers under activity 2.1 Support to MSME in food supply chains
- Support matching grants applicants links with traders, technical support, inputs and equipment providers and financial services
- Supervise the investment processes until completion
- Prepare brief post-investment evaluations of the investments

Provide reports and information as required by project management and M&E division

Qualifications

- Tertiary education within relevant field: agriculture, business management or similar
- 5 years working experience with agri-enterprises, Value Chain promotion and/or SME promotion

- Required set of skills: Facilitation, networking, team working, supervision, good understanding for Value Chain approach and SME promotion.

(n) ToR Position 13: Knowledge Management Specialist

Recruitment: National

Reports to: National Project Coordinator / CTA

Purpose

The effective management and dissemination of knowledge and information generated by SSFSNP will be necessary both for building national nutrition rich upland agriculture policy and regulation and for building and disseminating practical approaches to improved mother and child nutrition, community driven development, farmer group formation and aggregation and farmers' linkages to markets. To that end, the Project will finance a programme for systematically capturing learning and placing it at the disposal of all relevant end users within the project provinces and beyond.

General scope of the job

The Knowledge Management Specialist is responsible for gathering and analysing project information and effectively communicating results to Project beneficiaries, management, the Sector Working Groups and the wider farming community in Lao PDR. This requires close coordination and communication with Project implementation agencies and other stakeholder groups, and field staff as well as consultants. The Knowledge Management officer will report directly to the Project Coordinator

Main Responsibilities and Duties

- (a) Design and implement a system to identify, analyse, document and disseminate lessons learned, particularly in relation to climate change adaptation;
- (b) Consolidate a culture of lessons learning involving all Project staff and allocate specific responsibilities;
- (c) Ensure that TORs for consultants recruited by the Project also incorporate mechanisms to capture and share lessons learned through their inputs to the Project, and to ensure that the results are reflected in the reporting system described above;
- (d) Document, package and disseminate lessons frequently and not less than once every three months;
- (e) Facilitate exchange of experiences by supporting and coordinating Project participation in workshops and development of IFAD Lao PDR website and any other existing network of local government and IFAD programme and Projects;
- (f) Identify and participate in additional networks, for example scientific or policy-based networks that may also yield lessons that can benefit Project implementation.

Minimum Qualifications

- (a) A degree in agriculture, natural resource management or agricultural economics
- (b) At least 7 years of professional experience in relevant fields
- (c) Experience in working for IFAD Projects is an advantage;
- (d) Sound knowledge of agriculture development and food and nutrition security at smallholder level in Lao PDR;
- (e) proven ability and experience in working with ethnic minorities;
- (f) Ability to develop and foster external organizational relationships and applied representation skills;
- (g) Knowledge of IP language and culture
- (h) Have telecommunication skills and proficiency in information technology/ computer skills;
- (i) Written and spoken English language skills essential

(o) ToR Position 14: Engineer for water related infrastructures

Recruitment: National

Reports to: National Project Coordinator / CTA

Roles and responsibilities

Under the general supervision of the National Project Coordinator, the Engineer for water related infrastructures will facilitate the implementation of project interventions under activity 8: "Climate Change Adaptation infrastructures (irrigation /MUS) built and upgraded" with a focus on environmental and climate risk screening and risks mitigation and management measures, based on the ESCMP and the SECAP note, in collaboration with GSTs and ENR/CC and social inclusion specialist.

Tasks

- Review the project design and the approach, targets and methodologies for Activity 8 "Climate Change Adaptation infrastructures (irrigation /MUS)" under component 1b Improved agricultural productivity of selected commodities.
- Identify adaptation engineering options for MUS and small scale irrigation schemes, including water saving technologies and RETs.
- Assist other team members including GST and contractors in identifying all benefits of the adaptation options from an engineering perspective.
- Assist GST teams in preparing engineering designs, taking climate change vulnerabilities and environmental risks into account.
- Contribute specialist advice including preliminary designs and cost estimates.
- Assist GST in preparing technical documentation, including engineering design and specifications that include adaptation considerations for procurement documents.
- Monitor implementation of works by contractors in coordination with GST
- Identify, report and propose solutions to address constraints and challenges in the implementation of Activity 8, in particular in terms of impacts
- Provide capacity building and ToT training to GST on O&M aspects of water related infrastructures and assist GST in preparing and implementing training to O&M committees and WUGs at community level
- Recommend to MAF and IFAD adjustments and improvements to support development of a replicable model to be used in the project and in the future.
- Provide reports and information as required by project management and M&E division
- Facilitate participation of government counterparts in ongoing capacity-building activities to ensure skills transfer for improved sustainability of designs, and identify additional training needs.
- Collect existing impact assessments and reports and prepare a summary of existing information and potential gaps.

Qualifications and experience

- Diploma or master's degree in irrigation, civil engineering or related discipline.
- At least five years' experience working in civil engineering with a focus on irrigation and water related infrastructure.
- Experience in agricultural, irrigation and/or rural development projects.
- Experience in designing and delivering training modules.
- Highly motivated and committed to poverty alleviation and gender equality.
- Working knowledge of spoken and written Lao, English.

(p) ToR Position 15: Provincial Project Coordinator

The Provincial Project Director is a senior employee deputed full-time to this position to provide leadership for the full duration of the AFN II implementation period.

Reporting to: PAFO Director of the concerned Province. For day-today project coordination and communication with the AFN II National Project Coordinator at national level

Results

- Project management principles (decentralised implementation, joint actions) applied
 - Timely and constructive interaction with Provincial implementing agencies, implementation partners and service providers
 - Timely and constructive interaction with other donor-financed projects and programmes
- Tasks
- Maintain constructive relationships with the departments, WFP and other partners involved in project implementation at Provincial level
 - Provide overall leadership over the organization of deputed government staff and hired project staff dedicated to AFN II at the Province
 - Direct the implementation of AFN II in accordance with the Project Design Report and the Annual Work Plan and Budget
 - Maintain the organization of AFN II at Province level and apply the work routines as described in the Project's Implementation Manuals, Financial Management Manual, Procurement Guidelines and Guidelines for Financing Facilities
 - Pursue a management philosophy that promotes (i) implementation of project activities at the lowest appropriate level; (ii) implementation of project activities by combined efforts of concerned entities
 - Propose and take remedial efforts to keep AFN II on a steady course towards achieving its objectives
 - Ensure timely and candid reporting of the project's plans, progress, achievements, and challenges to the NPCO
 - Ensure the quality of the AFN II implementation, inter alia in terms of governance for inclusive development; reach-out to the target group and target categories; precluding negative social and environmental impacts and transparency of decisions and transactions

Qualifications

- Senior position within the PAFO
- Background or proven experience in rural development and / or agriculture
- Experience in working with international financing institutions is a pre
- Demonstrated skills in people's management and communication
- A problem-solving attitude

(q) ToR Position 16: District Project Coordinator

The District Project Coordinator is a senior employee deputed full-time to this position to provide leadership for the full duration of the AFN II implementation period within the District.

Reporting to DAFO Director of the concerned District. For day-today project coordination and communication with the Provincial Project Coordinator and the AFN II National Project Coordinator

Results

- Project management principles (decentralized implementation, joint actions) applied
- Timely and constructive interaction with District implementing agencies, implementation partners and service providers
- Timely and constructive interaction with other donor-financed projects and programmes

Tasks

- Maintain constructive relationships with the departments, WFP and other partners involved in project implementation at District level
- Provide overall leadership over the organization of deputed government staff and hired project staff dedicated to AFN II at the District
- Direct the implementation of AFN II in accordance with the Project Design Report and the Annual Work Plan and Budget
- Maintain the organization of AFN II at District level and apply the work routines as described in the Project's Implementation Manuals, Financial Management Manual, Procurement Guidelines and Guidelines for Financing Facilities
- Pursue a management philosophy that promotes (i) implementation of project activities at the lowest appropriate level; (ii) implementation of project activities by combined efforts of concerned entities
- Propose and take remedial efforts to keep AFN II on a steady course towards achieving its objectives
- Ensure timely and candid reporting of the project's plans, progress, achievements, and challenges to the NPCO
- Ensure the quality of AFN II implementation, inter alia in terms of governance for inclusive development; reach-out to the target group and target categories; precluding negative social and environmental impacts and transparency of decisions and transactions

Qualifications

- Senior position within the DAFO
- Background or proven experience in rural development and / or agriculture
- Demonstrated skills in people's management and communication
- A problem-solving attitude

(r) ToR Position 17: Accountant District

The District Accountant is a full-time hired project staff assigned to ensure management of the Project's funds in keeping with the AFN II Financing Agreement and its underlying documents.

Ensure resources allocated to AFN II are used correctly and transparently and provide value for money.

Reporting to District Project Coordinator / Provincial Project Coordinator / National Project Coordinator / Provincial Accountant / National Financial Management Specialist.

Results

- Timely flow of funds from IFAD to the activities to be financed by AFN II
- A high standard of financial management of AFN II resources at District level
- Up-to-date financial information available for inclusion in the Project's accounting software and other reporting systems
- Timely and accurate financial reports including Annual work Plans and Budgets, as well as the various reports described in the Financial Management Manual

Tasks

- Engage proactively with technical, procurement and M&E staff to jointly ensure that project activities provide a high value for money
- Ensure implementation of the financial management function in accordance to the Financial Management Manual and to further instructions by the Finance Manager
- Provide guidance to District staff dealing with farmer groups on correct administrative procedures and to small enterprises
- Report any malpractices promptly to the Project management

Qualifications

- Two years' experience in project accounting
- Skills in working with spreadsheets software
- Good social skills in dealing with staff, farmers, and enterprises
- A team player with a problem-solving attitude

(s) ToR Position 18: District Agriculture Advisors (15)

Job title District Agriculture Advisor

Short description The District Agriculture Advisor is a hired project staff working with the GST to ensure that a diverse and effective extension effort gets underway with the help of AFN II resources, and which aims to inspire (groups of) smallholder farmers to invest in existing and new agricultural practices that create greater returns.

Objective

DAFO agricultural extension staff and representatives of other departments are able to provide or organise extension services through EMS mechanisms (including from private suppliers, knowledge institutions, model farmers and through farmer-to-farmer exchange); which support intensification of agriculture for commercial purposes; and which stimulate application to the Farmer Group Investment Facility.

Results

- Agricultural intensification is promoted by diverse and highly relevant extension providers and methods;
- DAFO extension staff is able to stimulate and where need be coordinate these diverse services and methodologies
- Farmer groups make full use of the APG grants for sustainable agricultural intensification

Reporting to

District Project Coordinator/National Project Coordinator/CTA

Tasks

- Guide the implementation of activities under component 1b (activity 6 and 7) (Identify extension priorities, plan and implement extension priorities, establish farmer investment groups)
- Collaborate with and support the extension staff attached to the GST as well as the DAFO extension staff in general;
- In line with the EMS mechanism, identify with the GST extension staff the extension priorities based on village profiles/assemblies; value chain priority commodities and other commercial opportunities and highly potential innovations available in knowledge institutions and other areas;
- Prepare with the GST extension staff an extension action plan comprising department-led extension and supplementary extension by third parties including other farmers and farmer groups;
- Backstop extension activities and provide guidance on effective and interactive methods to DAFO extension staff;
- Pay specific attention to the proper use of farmer-to-farmer extension, including VAT, VVW and Lead farmers (supported by activity 7) and the use of well-structured exchange visits
- Contribute to the preparation of District-level AWPBs, with respect to the utilisation of resources for extension;

- Contribute to the monitoring and evaluation of extension activities and the drawing of lessons from this

Qualifications

- Graduate agronomist (crop, fisheries or small livestock) with 5 years' experience in agricultural extension. Formal education on extension methodologies is a pre
- Experienced in facilitation of model farmer-led extension and in organization of farmer-to-farmer exchanges
- Excellent communication skills
- A problem-solving attitude

(t) ToR Position 21: Community Mobilizers

Position : Community Mobilizer (CM)

The Community Mobilizer is stationed within the assigned district on village level (15 districts) and will be responsible to support selected AFN II project activities within their geographic area of working (cluster of two to four villages).

Community Mobilizers will serve as a last-mile delivery link between the project team at District level and the village authorities and CBOs (Village nutrition committee, village nutrition facilitators, APGs, village agriculture technicians, Village Veterinary Workers, etc.). Community Mobilizers will also play a monitoring role for all project interventions, including, but not limited to, the Integrated Home Gardens and Agriculture production Groups. The selected Community Mobilizers will speak local Lao dialects and ethnic groups language (Hmong, Khmu, etc.) to facilitate communication from the project and feedback loops from beneficiaries to the project team. They are a critical element in the AFN II stakeholders' engagement strategy and FPIC.

Reporting to: District Project Coordinator

Results

- Timely and constructive interaction between beneficiaries, their groups and representatives, village authorities and District technical staff
- Routines for planning, implementation, and review of project activities and for management of outcomes established in WUGs. Farmer groups, local enterprises, Village Authorities and District Departments

Tasks

- Support Village Authorities, Agriculture Production Group members, Farmer Nutrition School participants and Home Garden grant recipients in the implementation of their project activities at village level
- Provide hands-on technical extension to farmers and farmer groups affiliated with AFN II
- Monitor project activities on village level

Qualifications

- Graduated from an agricultural college or school and well-acquainted with rural life and communities, should be a citizen of the assigned district
- Good interactive and communication skills
- Good knowledge of the locally spoken languages
- A problem-solving attitude

(u) ToR: ProMIS service provider

Draft TERM OF REFERENCE FOR THE IMPROVEMENT OF THE PROJECT MANAGEMENT INFORMATION SYSTEMS(ProMIS)

CONSULTING SERVICES

1. Background

The Department of Planning and Cooperation (DOPC) received technical support from FAO, funded by IFAD to develop the Project Management and Monitoring System (ProMIS) since 2019 and completed in 2021. The system is used to manage and monitor successfully most of ODA projects under MAF and received positive feedback from concerned stakeholders. After a period of operation, the system requires some improvements following requests from users and DOPC.

2. Consultancy Objectives and Scope of Work

The objective of the consultancy is to improve ProMIS. Under the overall supervision and guidance of Project Director, a consulting firm will be hired to undertake the following tasks:

- **Improve the existing Project Management Information System by implementing the following features:**

Function Project Profile Management

- Need to split the management of ongoing projects and closed projects, including the financial part
- Project location: Enable to pick several districts after selecting the province
- Budget management: Allow DOPC to modify the project budget
- In addition to displaying the total budget of the project, show the annual budget of each component and the percentage of annual budget compared to the total budget.

Function Expenditure progress

- Information on project components and spending can be adjusted by project or deleted by the DOPC team.

Function Activities Management

- Adding an activity: After selecting an activity, allow the user to select several locations and their planned quantities
- Improve Activity 1100- Improve Activity 1100- Improvement of plant varieties

Function Project Monitoring

- Split the management of ongoing projects and closed projects, including budgets.

Function Dashboard

- Split the management of ongoing projects and closed projects, including budgets.

Function Indicator Monitoring

- Split the management of ongoing projects and closed projects, including budgets.

- **Develop Public Pages**

Creation of new pages allowing the general public to access to some information of the system: Number of projects, funding source, funding type, etc.

- **Undertake the testing and delivery**
Do the integration Test, the User Acceptance Test of the whole system and deliver the new release at the production site.
- **Capacity building**
Strengthen the capacity of the PMD staffs to manage and update information in the database such as Add or delete funding source, Add or delete indicator, etc.
- **Update the user manual in Lao and English.**

3. Deliverables

Deliverables	Timeline (months after contract signing)
Deliverable 1: The Project Management and Monitoring Information System including the improvements required	6 months
Deliverable 2: User Manual in Lao and English updated	6 months
Deliverable 3: Training provided to PMD Staff.	6 months

4. Timeframe of the Assignment

The estimated level of effort is eight months.

The Consulting Firm will report to the Project Director (Director General of DOPC) and work closely on technical matters with PMD staff.

5. Consultant Qualification Requirements

The appointed firm will meet the following qualification requirements and experience levels:

- Proven references in the design, development and maintenance of Project Management and Monitoring information systems in Lao PDR and especially for Lao Ministries.
- At least 5 years of experiences in the design of corporate web-based systems
- Availability of experienced international level experts with excellent IT skills.

Director General
Department of Planning and Cooperation

46. PIM Appendix 8: Grant facilities manuals

[VDP]

- (a) Village development fund guidelines
 - (i) Preface to the Village Development Fund Guidelines

These guidelines draw from a number of sources including the Implementation Manual Direct Financing of Village Development Funds (November 2016) produced under the IFAD-financed Soum Son Seun Jai (SSSJ) or Community Based Food Security and Economic Opportunities Programme in Lao PDR. The Operations Manual of the Lao Poverty Reduction Fund also provided useful guidance.

These VDF guidelines describe the direct financing mechanism and provide a practical stepwise guide to preparing the community, VDF operation, monitoring, and reporting. Under the Agriculture for Nutrition Project (AFN II), VDF financing is designed to be managed by a Village Agriculture for Nutrition Committee (VANC) for the purchase of materials and equipment for the construction of nutrition-sensitive agricultural infrastructure. The VANC will also release funds for AFN II Integrated Home Garden Grants provided to women members of Farmer Nutrition Schools.

The manual on VDF financing is divided into brief chapters around the typical project cycle: from forming community infrastructure plans, through capacity development, procurement, construction implementation, and finally monitoring and reporting. Formats for management support tools at key stages in the process are provided in the annexes.

- (ii) Background

The following guidelines are to be used as reference in all procedures related to the application of the Village Development Funds under AFN. These funds are allocated to each of AFN's 400 villages following village infrastructure planning (VIP); VIP is the subject of separate guidelines.

On average, each AFN village will receive the equivalent of US\$30,000 in Lao Kip (LAK) for the village to use for the purchase of materials and equipment required to construct priority 'nutrition-sensitive agricultural infrastructure'. This infrastructure should be selected to improve the availability of food for households in the village (especially the most vulnerable); improve the availability of diverse, nutritious foods; or protect/rehabilitate natural resources that are a source of nutritious food for the village. A checklist of eligible and ineligible infrastructure is provided later in these guidelines (Tables 1 and 2). All infrastructure should be designed and constructed to meet national design standards and be disaster and climate resilient.

Calculating the total funds (in LAK) available for infrastructure in each village:

- *On average the AFN project will finance US\$30,000 per village but smaller villages will receive less than larger villages. The release of these funds will be based on the village infrastructure plan (VIP) which will be approved by the District Socio-economic Development Committee.*
- *If the village has 85 HHs, the project will fund up to LAK 240m (US\$30,000 multiplied by 8,000).*
- *If the village has less than 85 HHs, for example 58 HHs, the project can fund up LAK 164m based on the following calculation: 58 divided by 85 then multiplied by LAK 240m, which equals LAK 164m.*

- *If the village has more than 85 HHS, for example 108 HHS, the project can fund up LAK 305m based on the following calculation: 108 divided by 85 then multiplied by LAK 240m, which equals LAK 305m.*
- *However, no small village will receive less than LAK 160m (US\$20,000) to invest in infrastructure and no large village will receive more than LAK 320m (US\$40,000) to invest.*
- *Villages will be informed that an initial tranche of the calculated amount will be available in a first payment into their village account for their first infrastructure priority to be constructed. More funds may be available based on their performance in using the money according to their plan.*

Experience under the IFAD-funded AFN I project shows that:

- were very efficient in terms of value for money with low overhead costs;
- strengthened local empowerment and community consensus/cohesiveness (local communities being in charge of their own development);
- promoted community skills and capacity to manage finances and procurement and use transparent, accountable procedures;
- improved community operation and maintenance of infrastructure and hence greater sustainability (promoting a greater sense of ownership).

(iii) Introduction

The core principle of the VDF is that the community is in the 'driver's-seat' and owns the process and the results. External facilitators and service providers refrain from active interference in the decision-making and limit their role to facilitation of the process.

Under AFN the process for management of the VDF commences after the participatory village planning process (described under separate guidelines).

The following steps are described in these guidelines:

Process flow	Summary description
1. Explanation of VDF to community	General description of the requirements for the village to operate its own VDF, confirming infrastructure priorities and the responsibilities of the community
2. Selection of Village Agriculture for Nutrition Committee	Description of the roles of the VANC, criteria for selecting VANC members, example voting procedures
3. Training of VANC	Lists the management and technical training that will be provided to VANC members
4. Opening a village bank account	Description of the requirements for opening a village bank account and the community signatories
5. Infrastructure design, bill of quantities and budget estimate	Description of steps for preliminary survey, infrastructure location, issues of compensation, environmental and social safeguards, community contributions, the technical design, BoQ and budget, proposal documentation and grant agreement

6. Proposal approval and fund release	Description of responsibilities and process for proposal approval and releasing the funds to the village bank account
7. Procurement	Description of simple, transparent procurement steps, guidelines for the VANC in handling money, and supporting roles of DAFO
8. Activity implementation/construction	Description of the respective responsibilities of the village community, VANC and DAFO
9. Monitoring and reporting	Description of simple M&E and reporting requirements, and associated M&E responsibilities, for the key stages in the process

Step 1: Explanation of VDF to communities

The village has already voted on their priorities for nutrition-sensitive agricultural infrastructure to be funded under AFN II. Now the village needs an explanation of how the VDF will operate. During the planning process, villagers are told that funds for the infrastructure would be managed by them. However, few details were provided at the time.

The DAFO has the main responsibility for supporting villagers to plan their investments, manage their funds, undertake procurement and construction, and undertake the necessary operation and maintenance (O&M) procedures.

The DAFO staff at this stage needs to provide the following information to a meeting of all the villagers:

1. the ranking of priorities for nutrition-sensitive agricultural infrastructure voted on at the previous planning meeting (a reminder).
2. the total amount of funds available as a first tranche – calculated as described earlier as well as in the *Guidelines for AFN Village Infrastructure Planning*.
3. the need to elect a Village Agriculture for Nutrition Committee (VANC)
4. the need for the village to open a bank account into which the funds will be transferred.
5. careful decisions on the infrastructure design and expenditure will allow the village to maximize the benefits from the funds available – if carefully managed, the funds may support a number of the priorities from the village infrastructure plan.

Step 2: Selection of the Village Agriculture for Nutrition Committee

The VANC, beneficiary HHs and key members of the community will work with the DAFO staff to develop the design of the first ranked priority selected by the village for nutrition-sensitive agricultural infrastructure. Decisions will need to be made by the village on the location and size of the infrastructure which will influence how many and which HHs will benefit. The DAFO should be able to assist villages select the most appropriate design – ideally low cost, and low maintenance. Infrastructure should be designed to withstand commonly expected climate events such as damaging storms and floods. Water supplies and irrigation works should also consider extended/severe dry seasons.

Table 1: Sub-projects eligible for AFN Project funding

Expanding village/household food supplies (improving food security)	
1	Irrigation schemes – construction, repair, extension (including small weirs, canals, embankments for paddy; and micro-irrigation with pumps, pipes/tubing, filters, drippers/sprinklers etc.)
2	Construction of permanent terraces for cultivation
3	Multi-use water supplies (e.g., for micro-irrigation, for livestock and for household use) including wells and gravity-fed systems.
4	Access tracks from village settlement to agricultural lands (including culverts etc.)
5	Fencing to protect crops from livestock
Improving the sustainability of village/household food supplies	
6	Soil conservation works: erosion control, buffer strips, waterways, terraces, contour bunds etc.
7	Stream bank protection (e.g., to protect land, irrigation works, other agricultural infrastructure etc.): gabions etc.
Food diversification and increased supply of nutrient-rich foods (including proteins)	
8	Construction/repair/extension of communal fishponds (or other enclosures for frogs/insects etc.)
9	Works for the protection or enrichment of natural aquatic resources
10	Works for the protection or enrichment of forest resources used for food consumption
11	Plant nurseries for establishment of new food crops and fruit trees
12	Greenhouses/polyhouses for production of vegetables and fruits (can also be supported through garden grants)
13	Communal gardens for fruit and vegetables (can also be supported through garden grants)
Promoting year-round food availability	
14	Food or seed storage facilities (e.g., rice storage facilities for rice banks, seed banks etc.)
15	Infrastructure for food preservation and processing (driers for fish, starchy crops, vegetables etc., smoke houses for fish or meat)
Other infrastructure related to household nutrition	
16	Safe/clean water supplies and distribution systems (construction, repair, improvement or extension)
17	Village Nutrition Centres (roofing iron and cement for flooring only – capped value)

Table 2: Sub-projects or items NOT eligible for funding by the AFN Project

1	Construction of new roads on fresh alignments to standards within the current roads classification of MPWT;
2	Chain saws, insecticides/pesticides, herbicides, fungicides, asbestos or other items detrimental to the environment or human health;
3	Individual or single HH investments (including private goods, grants, credit, loans, equipment, materials etc. including water distribution to individual HHs)
4	Exclude the poor or marginalized populations or ethnic minorities;
5	Require physical relocation or displacement of any villagers;
6	Include the payment of compensation for land or asset loss using AFN II funds or funds from government sources.
7	Construction of government offices or religious buildings;
8	Involve payment of salaries, incentives, allowances to government or development project staff

9	Do not meet the adequate technical, quality and safety specifications;
10	Have negative environmental, social/cultural impacts that cannot be adequately mitigated;
11	Are financed, or scheduled to be financed, by the government or other development partners;
12	Involve activities that cause or lead to child abuse, child labour exploitation or human trafficking*. No child under the age of 15 or forced labour should work on the construction, rehabilitation or maintenance of a sub-project.
13	Finance the construction of any new dams or the rehabilitation of dams including structural and or operational changes;
14	Any new construction and/or rehabilitation in protected areas, reserve forests (or proposed protected areas), other natural habitats or areas of high conservation value.
15	Involve development of new settlements, resettlement or expansion of existing settlements
16	Involve the imposition of ideas or new priorities without wide community consultation and prior consent

The VANC will be composed of 4 members elected by the community; at least two of the members must be women. The Farmer Nutrition School (FNS) facilitators are not eligible as the VANC will issue home garden grants developed in the FNS with the support of the FNS facilitators. The VANC members will be volunteers representing their communities and will not receive payments from AFN.

The roles of the VANC are as follows:

- assist the DAFO in selecting the appropriate location and size of the infrastructure, and in other design decisions,
- procure necessary materials and equipment,
- organize HH contributions (labour and local materials),
- monitor construction (DAFO will provide technical oversight),
- manage the funds, the bank account and keep accurate records,
- regularly inform all village HHs of the expenditure from the VDF and the balance remaining, and
- carry out infrastructure operations and maintenance (O&M) once construction is completed.

One member should be elected by the community as the **Chair of the VANC**. One should be elected as the **Bookkeeper**, another as the **Procurement Officer** (taking the main responsibility for purchasing), and the last as the **Community Coordinator** (for mobilizing community contributions of labour and local materials). Villagers should propose more than one candidate for each position and the villagers should vote for the persons that they think will do the best job.⁵³

Criteria for VANC membership

Members of the VANC should be:

- respected members of their community with reputations for honesty and reliability
- interested in supporting their whole community, including the poor and vulnerable, to plan and manage its own development
- capable of keeping simple records on behalf of the village, they should have adequate literacy and numeracy skills (note that AFN will provide training in simple record keeping)

⁵³ The community can decide to use the existing Village Development Committee (VDC) to manage their AFN VDF if they are satisfied with the composition of the VDC and the VDC's past performance. However, the election of a VANC is the preferred option allowing the villagers to choose new representatives to manage their VDF.

- interested to make their work in managing funds and purchasing goods and materials transparent and open for all in the community to see
- available to devote time to support the implementation of infrastructure sub-projects for their community.

If possible, two of the members should be from the poorest HHs in the village. All hamlets and ethnic groups in the village should also ideally be represented in the VANC. However, this will often depend on who has the literacy and numeracy skills required, and the spare time available to contribute to this important committee.

In small villages or villages where there are only limited number of people with strong literacy and numeracy skills, elected VANC members who are not literate and numerate can be assisted to read, write and record numbers etc., by someone within the community (e.g., a younger person who has attended or is attending school).

Example voting procedure:

All the candidates for any one position (e.g., Bookkeeper) should line up facing a wall. Between the candidates and the villagers there should be a screen and baskets for depositing seeds (e.g., corn) in line with each candidate. Villagers place their one seed in the basket representing the candidate of their choice. Seeds are counted to determine the winner.

Note: candidates do not get see who votes for them.

Step 3: Training of the Village Agriculture for Nutrition Committee

After establishment of the VANC, the VANC members will receive training in the skills required to undertake their management roles as well as to gain deeper understanding of nutritional problems and solutions for their village.

Management training will be based around simple templates/forms for the VANC to use (provided in Annex A). This training will cover:

- Infrastructure location and design: supporting DAFO in choosing the location of infrastructure and its design in order to provide maximum benefits to the community (including the poorest HHs).
- Environmental and social safeguards: simple checklists and measures to minimize negative environment and social impacts.
- Compensation: addressing issues of compensation if some HHs agree to give up land or lose assets as the result of construction.
- Community contributions: organizing HHs in the village to contribute labour and local materials as part of infrastructure construction, keeping records of contributions.
- Bank account: opening and managing a bank account, signatories, withdrawal procedures, and reporting deposits, expenditure and balance to the community.
- Procurement: procedures for collecting quotations (including transport costs), records of quotations, selection of suppliers, withdrawal of funds, delivery and payment, reporting to the community (transparency).
- Book keeping: eligible/ineligible expenditure, holdings of cash, keeping records of expenditure.
- Construction oversight/monitoring: monitoring quality of construction, use of materials and progress towards completion.
- Operation and maintenance: establishment of user groups with roles and responsibilities for operation and routine/preventative maintenance, and procedures/options for funding repairs.

The VANC members will be provided record books, forms, pens, etc. for their use.

The VANC members will sign an agreement indicating that they will comply with the procedures outlined in these guidelines witnessed by the Head of the Village. A template for this agreement is attached in Annex B.

Step 4: Opening a village bank account

The village will establish a bank account with three signatories, two of which are required each time the VANC needs to access funds. The three signatories should generally be members of the VANC, however the Head of the Village may also be one of the three signatories. The three signatories should be decided through consensus in a meeting with adults from each HH in the village. At least 75% of HHs should be represented in this meeting.

The bank account should be opened at the nearest bank branch to the village. The account passbook should be stored in a safe location in the village by the VANC Bookkeeper and the balance should be disclosed to the community at regular VANC and village meetings, or upon request by the village authority or district staff.

Step 5: Infrastructure design, bill of quantities and budget estimate

Step 5.1 Preliminary survey and village agreement

The DAFO is responsible for supporting the village in the technical design, developing a Bill Of Quantities (BoQ), and estimating the budget for the priority infrastructure works voted on by the community.

The DAFO staff must first examine the eligible nutrition-sensitive agricultural infrastructure priorities agreed in the VIP process completed earlier. The VANC will support the DAFO to examine the potential sites for the top 3 village infrastructure priorities and assess the appropriate scale/size of the works and design options. The preferred design options should consider the following objectives:

- Maximizing the benefits to the village (supporting maximum number of HHs especially poor HHs)
- Minimizing loss of land and assets owned by any HHs in the community that may be impacted by construction
- Minimizing negative environmental and social impacts
- Maximizing the value for money for the community in the use of its VDF.

Based on these discussions and site inspections the DAFO staff will provide a rough estimate of the costs for the top 3 village infrastructure priorities and an estimate of labour requirements for construction (unskilled person-days).

The VANC and DAFO will then convene a village meeting to present their findings to the whole community. At least 85% of HHs should attend this meeting. Women, poor HHs and ethnic minorities within any village should be encouraged to attend to ensure their adequate participation.

The DAFO and VANC should present the following information to the meeting:

- The total amount of the VDF available to the community
- The estimated cost of materials and equipment (and services, if required) that will need to be purchased from the VDF for each of the top 3
- The estimated unskilled labour input that the village would need to contribute for each infrastructure
- The possible locations of each infrastructure
- The estimated number of HHs that will benefit, and their location
- The extent of HH land or assets that may be lost/damaged/affected by each infrastructure
- Possible negative impacts on the environment (forests, waters and associated natural resources) and how these can be minimized.

The meeting will then discuss the infrastructure and options around each, and the associated costs and benefits. The meeting should reach decisions on the following aspects:

- How many of the infrastructure priorities can be afforded under the funds allocated to their village and which should be commenced first. If the top priority is not constructed first, then the village should ensure that there are funds remaining to construct the top priority later. Alternatively, the village can vote again on the order of priorities using the same approach as described in the *Guidelines for AFN Village Infrastructure Planning*; at least 85% of households should be represented in such voting.
- Villagers must agree on the most suitable location within the village for the top infrastructure priorities that can be afforded under the VDF grant to ensure the most equitable access or largest number of beneficiaries, particularly for ethnic groups and poor and vulnerable members of the community.
- Villagers must decide most suitable time for construction, considering the availability of labour required as part of the community contribution.
- Villagers should assess likely environmental and social impacts and agree mitigation measures.
- Villages must discuss and confirm the levels of community contributions from benefiting households (labour and materials).
- Villages must discuss and agree compensation arrangements to compensate any households whose land or assets may be affected by the infrastructure (note that compensation will not be covered by the AFN VDF allocation).

Step 5.2 Infrastructure design and proposal documentation

Under this step the sub-project designs are completed. Designs must be technically feasible, fall within the allocated budget and respect environmental and social guidelines (see Annex A.1)

Expected outcomes from this step:

- Technical design with technical drawings and elevations including survey and map if required.
- Bill of quantities that indicate quantities of materials and equipment to be purchased using the VDF, as well as the labour and local materials that will represent the community contribution.
- An estimated budget for the items that must be purchased using the VDF.
- A construction schedule with key milestones.
- If compensation is required, a compensation agreement based on negotiations with the households affected (the compensation form must be filled and signed – see Annex A).

Activities and responsibilities:

- Conduct survey (DAFO staff with VANC)
- Conduct simple environmental and social assessments (when necessary) as well as considerations of climate resilience and disaster risk (when necessary) (DAFO with VANC)
- Sub-project proposals (see format in Annex C) are drafted with details including:
 - Detailed designs with survey plans, as required
 - Bill of quantities (including community contributions) and simple procurement plan
 - Budget for purchased materials and equipment for construction including delivery costs, and any tools/limited spare parts required for infrastructure maintenance
 - A construction work plan and schedule
 - Simple operations and maintenance (O&M) plan

- Completed environmental and social checklists (see Annex A)
- Compensation Form (if required)
- Signed Grant Agreement Form.

Notes

- For complex technical designs DAFO should seek design support from the PAFO. Other provincial or district specialists may also check the design if required (note that the Poverty Reduction Fund technicians have also offered this support).
- All water supply and irrigation sub-project designs should generally be checked by the PAFO.
- Attention should be paid not to overestimate capacities of villagers to fulfil their community contributions.
- The VDF fund can in some cases be used for services. Such cases include:
 - Where large scale earth moving is required for construction of ponds, terraces, etc that cannot be expected to be done manually. In such cases earth moving services can be procured.
 - Requirement for technically skilled labour or technical services that do not exist within the village (e.g. plumbing, well-drilling, electrical services/skills).

Compensation

If a HH loses more than 5% of its total land holding, the HH should receive compensation (payment, replacement, or other acceptable in-kind compensation).

Sub-projects that will negatively affect more than 20 HHs or those that will result in a HH losing more than 20% of its productive land without replacement land of equivalent productivity will not be allowed.

Supporting DAFO capacity development in infrastructure design

While many of the AFN DAFOs have experience designing irrigation works and water supply systems gained from involvement in other projects, some AFN DAFOs may have only minimal experience and expertise in the design of such village infrastructure. In these cases, upon the requests of the DAFO concerned, there are a number of ways AFN plans to provide support:

- DAFO technical experts receive support from their PAFO
- AFN supports staff exchanges and cross-district visits so that inexperienced DAFO staff work alongside more experienced staff
- AFN engages short-term engineering expertise to support DAFO staff in a combination of formal short course training and on-the-job training in survey and design, and subsequently to support construction supervision.

AFN will also seek to place DAFO staff in training courses run by other projects for MAF covering the skills required.

Step 6: Proposal approval and fund release

Copies of completed sub-project proposals will be provided to the VANC, the DAFO technical staff involved in the design and the AFN District Coordinator. The AFN II District Coordinator with the DAFO technical coordinator will present each AFN II infrastructure proposal to the District Socio-economic Development Committee (DSEDC) for approval prior to fund release. The DSEDC will have already approved the VDP for each AFN II village and will check the proposal to ensure that:

- it is consistent with the priorities from the village VDP,
- the infrastructure is not already part of another government or project plan,
- the design and cost appear appropriate based on other similar infrastructure developed in the district,
- environmental and social safeguards have been appropriately followed, and
- the design meets national design standards and is disaster and climate resilient.

The DSEDC chair will endorse the proposal document and return it to the AFN II District Coordinator. The AFN II District Coordinator will notify the AFN II NPCO for fund release to the village account via the DAFO account in the district.

Generally, the DSEDC will meet to consider several AFN II village infrastructure proposals in one session.

The DAFO is responsible for the agreed disbursements to the VDF. The DAFO will ensure that grant funds are transferred from the DAFO account to the village bank account in a timely manner. The full amount of the cost of the infrastructure sub-project will be released in one tranche as estimated in the infrastructure proposal. This will allow the VANC to buy the required materials and equipment in bulk and arrange cost-effective delivery to the construction site.

The NPCO will transfer the full estimated cost for procurement as indicated in the sub-project proposal to the DAFO account within approximately one week of receiving the request for disbursement and will inform AFN District Coordinator of such a transfer once it has been made. The AFN District Coordinator and DAFO finance staff should closely monitor the DAFO bank account balance and immediately transfer the funds to the village VDF bank account once the funds have been cleared. The DAFO staff who have been working with the village on the design and sub-project proposal should immediately inform the VANC for the VANC to commence the procurement process in accordance with the simple procurement plan that forms part of the sub-project proposal.

It is the responsibility of the VANC to use the VDF grant for the specific infrastructure sub-project as agreed in the proposal work plan and in accordance with these VDF guidelines.

The DAFO is responsible for supervision and internal audit of the funds made available for implementation of the infrastructure proposal. The DAFO will provide guidance to the VANC to ensure appropriate procurement procedures are followed (see below) and that the VDF grant is used according to the infrastructure work plan.

DAFO audits of VDF accounts

DAFO finance staff will receive training in simple procedures to audit village development fund accounts held by the VANC. This will involve checking community labour and material contributions, quotations for procurement, receipts for items procured, monthly statements of expenditure, and bank transaction records.

Simple forms have been designed for VANC members to use. DAFO finance staff will be trained on how to conduct this basic audit and to report on their findings

and recommendations to the community and the AFN District Coordinator. When necessary further training will be given to VANC members.

Step 7: Procurement

All procurement and implementation of the construction is fully under the responsibility of the VANC members acting on behalf of the village community. The role of the DAFO is to provide advice and guide the procurement carried out by VANC, thereby promoting transparency and accountability in the use of the VDF.

Procurement steps are as follows:

- i. As part of sub-project proposal, the VANC identifies the goods (and sometimes services) to be procured. A simple procurement plan should be developed providing details on (1) the items to be purchased, (2) technical specifications, (3) the estimated cost, (4) procurement method (Request for Quotation by simple way, Direct Purchase, etc), and (5) the timing for procurement for each item. Items listed in the procurement plan should match those items listed in the Bill of Quantities and the estimated budget. Direct Purchase can be applied for procurement of goods or services with the estimated cost equivalent or less than LAK 3,000,000 or in special cases (emergency, only one supplier available in the area).
- ii. The VANC prepares for procurement of each item by (i) collection of three written quotations when possible, (ii) agreeing with the seller the purchase details including availability, timing and cost, (iii) discussing within the village and deciding on suppliers for each item. The VANC should retain all written quotations for their records (even for suppliers that weren't used).
- iii. All but the smallest items need to include the cost of delivery in the quotation – this should normally be organized by the supplier. In some cases the VANC should arrange delivery themselves in order to move items that come from a number of suppliers. In such cases there should also be three quotations for transport when possible.
- iv. At the time of procurement, the VANC will (i) withdraw the required funds from the village VDF bank account, (ii) contract the transport vehicle if required, (iii) purchase the goods and get all receipts, (iv) transport the goods to the site of infrastructure construction (or safe storage place in the village). To save transport costs, all/many items should be purchased at one time and from one supplier if possible.
- v. The VANC produces evidence of procurement, handover certificate and receipts to show to the village authorities and the village community. Photographs of receipts and the procured goods should be sent to the DAFO AFN Coordinator the next day after procurement took place.

Guidelines for handling money by the VANC

Funds can be withdrawn once, twice, three times or more. The number of withdrawals may vary depending on distances to the bank, transport costs, the sub-project implementation schedule, the procurement plan and construction progress.

Withdrawals must carefully balance time and cost considerations with the security of the cash held in hand. Cash should be handled by the VANC members only and handled as securely as possible. The risks and responsibilities must be explained to the selected trusted person and also understood by the community at large.

In general, funds withdrawn from the bank should be spent as soon as possible. For example, funds should be paid to suppliers right after withdrawal instead of carrying the funds back to a village and then transporting them back to the town to pay

suppliers. Large balances of unspent funds should be re-deposited in the village bank account as soon as practical. The VANC Bookkeeper will keep accurate and up-to-date records of all withdrawals, expenditure, deposits and cash in hand.

The costs associated with travel to get quotations should generally be met by the village as part of their contribution to the infrastructure sub-project. The exception will be for significant travel costs to provincial towns or beyond. In these cases the DAFO should approve the cost of fares for the VANC members involved prior to the commencement of travel. No meals, daily subsistence allowance, accommodation, or fuel costs etc associated with the procurement process will be funded from the VDF.

The VANC will use the goods (and services if required) as specified in the design and described in the sub-project proposal. Use of goods for other purposes unrelated to the infrastructure for which they are intended may result in sanctions, and the village may be precluded from receiving further funds into their VDF account. The village is responsible for the operation and maintenance of all infrastructure. The common ownership of the assets, common use of the assets, the sharing of benefits, and the responsibilities for O&M are agreed as indicated in sub-project proposal.

Notes:

DAFOs should provide support to the VANC for procurement particularly in the following cases:

- Identifying suppliers of particular equipment and items not easily procured in nearby towns. In some cases the AFN Provincial Coordinator may be required to assist in procurement.
- When comparing quotations with different standards/specifications of items – this may require technical expertise beyond the capabilities of VANC members and the village community (e.g. comparing different pumps, qualities/types of micro-irrigation equipment, sizes and standards of water pipes/tubing etc)
- When deciding if procurement of services is required. If procurement of services is required, the DAFO will review the process of procurement of such services. In many cases it is expected that services will not be necessary as the community are expected to provide unskilled and semi-skilled labor, and DAFO staff to provide technical oversight and supervision. However, as stated earlier in these guidelines, there will be specific cases where procurement of services may be necessary/justified.

Step 8: Activity implementation/construction

Once funds have been received into the village VDF account and procurement has commenced, the VANC is responsible for managing community labour and contributions of local materials for construction of the infrastructures. DAFO is responsible for construction supervision and regular monitoring to ensure that the technical design is followed, and appropriate construction standards are maintained. The DAFO will set a schedule of visits for construction supervision and monitoring based on the work plan and construction progress. The dates of every visit of DAFO are to be communicated to the VANC and the wider community in a coordinated manner.

The VANC will communicate to the DAFO if any technical or other construction problems arise.

It is important that the DAFO staff ensure that the environmental safeguards indicated in the proposal are followed and the construction reflects good practice in disaster and climate resilience. If considered necessary, the DAFO may need to modify the design during

construction to address unforeseen factors, to improve infrastructure quality or sustainability, or to minimize potential negative environmental or social impacts.

Any changes to the design must be agreed by the VANC and wider community and appropriately documented and attached as an annex to the original sub-project proposal.

Step 9: Monitoring and Reporting

M&E and reporting requirements will vary with the stage of the project cycle.

Stage in project cycle	M&E and reporting requirements	Responsible
Selection and training of VANC	Names of VANC members (M/F) Training request form Training participant records (spreadsheet)	DAFO M&E focal persons Collated by Planning and M&E Consultant at NPCO
Village bank account opening	Names of signatories M/F Account details (bank, acct name, acct number)	DAFO M&E focus persons
Infrastructure design	Sub-project proposal (Annex C) Grant agreement form	DAFO technical staff with VANC
Proposal approval	DSEDC endorsed sub-project proposal	DSEDC to endorse DAFO Coordinator to notify PPCO and NPCO
Fund transfer	Account records	NPCO finance staff DAFO finance staff VANC
Procurement	Procurement receipts and records (including quotations)	VANC
VDF audit	Statement of internal audit for VDF accounts/procurement records at each village	DAFO finance staff
Construction implementation	Progress monitoring by VANC and DAFO (no form required) Quality monitoring by DAFO (no form required)	VANC and DAFO technical staff
Construction completion	Construction completion report	DAFO endorsed by VANC
Operation and maintenance	O&M plan Village O&M committee members (or user group etc) M/F	DAFO technical staff, and DAFO M&E focal persons

It is especially important for monitoring visits to be conducted at the initiation of VDF activities:

- DAFO technical officers will be making regular visits to oversee construction progress and quality.
- DAFO finance staff will schedule visits to audit VANC accounts (discussed earlier).
- PAFO staff will also undertake regular visits to DAFOs to verify information related to transfers to village VDFs, VDF expenditure and VDF-funded infrastructure. PAFO should ensure DAFO are undertaking the village-level monitoring required under these guidelines. The PAFO will also undertake random checks of VANC

procedures and construction quality in selected villages; first early in VDF implementation and at least annually thereafter.

- NPCO staff will also check and supervise VDF procedures:
 - Once the first procurements have been undertaken by AFN villages in 2017, NPCO procurement staff will undertake a supervision visit to selected DAFOs and VANCs to ensure appropriate procurement procedures are being followed as recommended in these guidelines (competitive, transparent and accountable). Thereafter NPCO procurement staff will undertake annual supervision visits.
 - NPCO finance staff will also visit selected DAFOs and VANCs to ensure audits are being undertaken periodically, that audits use the appropriate procedures, and that completed audits are documented and followed-up with the concerned VANCs.
 - Based on these supervision visits, NPCO may revise the VDF guidelines and provide refresher training to DAFOs as required. DAFO staff may then need to provide the required training (formal or on-the-job) to the VANCs.

(b) Annexes to VDP manual

(i) Annex 1 to VDP Manual: Environmental and social safeguards

Given that the VDF is community managed with infrastructure selected through a participatory planning process and construction managed by the village HHs themselves, the environmental and social safeguards and associated procedures must fit the community's capacities to implement effectively. On average US \$30,000 is granted per village, and these funds may be used for a number of sub-projects. Communities will supply all the unskilled labour required for construction. Consequently, the types of small infrastructure that will be supported under the project are unlikely to create major adverse impacts that cannot be managed by communities themselves. Nevertheless, small-scale infrastructure may still result in minor negative impacts on the local environment and for some local HHs (for example they may lose some of their land). These impacts can, however, be avoided or mitigated through good planning and construction practices.

The aim of the safeguards is to provide the VANC, local community and district government with simple but adequate guidance for effectively managing environmental and social issues. The procedures will be integrated into the sub-project selection, approval, implementation, and monitoring and evaluation processes.

These simple safeguards are consistent with Government of Lao policy, regulations, and guidelines on land acquisition and resettlement, and on environmental impact screening and assessment.⁵⁴

The AFN government staff at district level are responsible for managing participatory processes including consultation with and participation of ethnic groups in the project planning and implementation processes. At the village level, the VANC is responsible for overall safeguard compliance on behalf of the village HHs. Decisions with regard to the use of project resources are made at the community-wide meetings. The negative list of sub-project/activity types is the first step in the safeguards approach. Subsequently, once eligible infrastructure priorities have been selected by the community, the VANC, with the support of DAFO technical staff, will use simple guidelines and a checklist to assess potential negative environmental and social impacts during the proposal development process. The proposal will also identify mitigation measures and associated responsibilities where potential negative impacts are likely. If there is a loss of HH land and if compensation is required, the district staff will meet affected households individually and confirm their agreement with the compensation agreement reached within the community. The DSEDC committee that ultimately approve the proposal assess whether environmental and social safeguards have been appropriately followed, and whether the design meets national design standards, and is disaster and climate resilient.

Similarly, the DAFO staff who supervise and monitor construction, will support the VANC to ensure that the environmental mitigation measures indicated in the proposal are followed, that the good practices described in these safeguards (see below) are applied, and the construction reflects good practice in disaster and climate resilience.

Finally, upon completion of construction the DAFO staff will inspect the infrastructure with the VANC and discuss with the community to ensure that all compensation has been paid

⁵⁴ For example: the Land Law (2003), the Road Law (1999), Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Project (2005), Regulations for Implementing Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Project (2005), New Instruction on Environment Impact Assessment and New Instruction on Initial Environmental Examination (2013), and the MONRE Public Involvement Guideline (2012)).

to the satisfaction of HHs affected and that measures to protect infrastructure from damage due to environmental degradation and/or adverse climatic events are in place.⁵⁵

These brief safeguards are considered a living document that should be modified in line with the changing nature and scope of the infrastructure construction activities and possible changes in the Lao Government policies.

General principles

The AFN Project will provide training to DAFO staff to increase their awareness and understanding of the potential negative impacts (social and environment) of infrastructure development as well as the potential for positive impacts on protection of natural resources, the local environment and public health. This training will also cover these environmental and social safeguards. The training will equip DAFO staff with information and tools to advise VANC members and community leaders/facilitators.

As the result of this training DAFO staff will encourage the AFN villages to identify and mitigate potential negative environmental impacts and to enhance positive impacts.

Land Acquisition:

No relocation of HHs or large-scale land acquisition will be undertaken in the construction of village subprojects. However, the construction of community infrastructure will need small areas of land. Negotiations and agreements with affected houses will be the responsibility of the community and compensation agreements documented as necessary. Resettlement and demolition of houses and business will not be allowed.

Protection of natural resources:

The eligible investments in nutrition-sensitive agricultural infrastructure will also include works that will protect the local environment and improve the sustainability of village/household food supplies, including:

- soil conservation works: erosion control, buffer strips, waterways, terraces, contour bunds etc
- stream bank protection to protect land, irrigation works, other agricultural infrastructure, using gabions, vegetation etc
- works for the protection or enrichment of natural aquatic resources
- works for the protection or enrichment of forest resources used for food consumption.

Most of AFN sub-projects will be located in remote area where sustainable use of natural resources is critical for livelihoods, and food and nutrition security. If protected areas or critical habitats are located nearby, it is necessary to minimize potential negative impacts and/or enhance positive impacts of AFN nutrition-sensitive agricultural infrastructure. Similarly the costs of maintenance and repair and the ultimate sustainability infrastructure constructed will be greatly influenced by the management of local watersheds. The sustainability of village water supplies, small irrigation schemes, and access tracks in uplands areas is greatly influenced by erosion, siltation and mass movements (land slips/slides). Many other projects have invested in renovation and repair to earlier works funded by other donors. AFN plans from 2018 onwards to integrate village infrastructure development within a land use/forest management framework, using participatory planning approaches such as PLUP/PALM. This approach will better protect both AFN and pre-existing infrastructure from such damage and make it more climate resilient.

Links with GoL environmental regulations:

⁵⁵ The AFN includes a component of land use and forest use planning that will include watershed management options that protect productive land and village infrastructure.

Given the type and scale of village infrastructure to be constructed, it is unlikely that an Initial Environmental Examination (IEE) will be required under Lao EIA legislation (see Table 1 on thresholds above which IEEs may be required). However in the few cases that these thresholds are exceeded, the DAFO will consult with the District Office of Natural Resources and Environment (DONRE) and support DONRE to conduct the IEE, if necessary. Where IEEs are not required, these environmental and social safeguards will still apply and all subprojects will be screened for possible negative impacts by the DAFO in close consultation with the VANC. Mitigation measures will be identified and included in the subproject proposal and design.

Table 1: Assessment thresholds for civil works under national regulations

SCALE	Village rural roads, tracks and footpaths (wider than 3.5 m)	> 10 km
	Small bridges and piers	> 20 m
	Village water supply	> 2,000 users
	New construction of irrigation schemes	All
	Community Buildings (<i>halls, health centres, schools, markets</i>)	> 400 m ²
	Sanitation Facilities (<i>latrines</i>)	> 200 users
	Mini-hydro generators	All
Infrastructure likely to negatively affect water use and/or water availability		All
Damaging protected areas or areas proposed for protection by the Government		All

Unexploded Ordinances:

Screening will be required to assess the potential presence of Unexploded Ordinances (UXOs) in the locations where infrastructure is planned to be constructed. In some cases, clearance may be required prior to construction.

DAFOs will seek advice from UXO Lao and local communities and authorities prior to sub-project proposal approval and fund release in order to determine the levels of contamination in the sub-project sites (no contamination risk, moderate risk and high risk). In the areas with no contamination, construction will proceed without having to undertake any UXO screening activities.

General guidelines

These guidelines are adapted from Adapted from the Myanmar NCDD Operations Manual 2015-2016.

The following table shows the general guidelines that are applicable to most community level infrastructure construction activities.

Table 2: General guidelines for community level infrastructure construction.

Environmental issue	Mitigation measures
Soil erosion	<ul style="list-style-type: none"> • Ideally schedule construction during dry season. • Minimize length and steepness of exposed slopes. • Use mulch, grass, or similar to stabilize exposed areas. • Cover with topsoil and re-vegetate (plant grass, fast-growing plants/bushes/trees) quickly once work is completed. • If necessary, build channels and ditches to safely collect high volumes of runoff and line channels/ditches with palm fronds, bamboo, etc.
Dust and smoke	<ul style="list-style-type: none"> • Minimize dust from exposed work sites nearby housing etc by applying water on the ground regularly. • Do not burn site clearance debris (trees, undergrowth) or construction waste materials.
Water quality and availability	<ul style="list-style-type: none"> • Activities should not affect the availability of water for drinking and hygiene purposes • No soiled materials, solid wastes, toxic or hazardous materials should be poured or thrown into water bodies • The flow of natural waters should not be obstructed or diverted to another direction, which may lead to drying up of riverbeds or flooding of settlements or other areas.
Solid and hazardous waste	<ul style="list-style-type: none"> • Maintain waste (including earth dug for dams or ponds etc) well away from rivers, streams, lakes and wetlands. • Train workers on correct transfer and handling of fuels and other substances. • Collect and properly dispose of small maintenance materials such as oily rags, oil filters, used oil, etc.
Health and safety	<ul style="list-style-type: none"> • Keep worksite clean and free of debris on daily basis. • Rope off construction area and do not allow children to play in construction areas. • Fill in all earth borrow-pits once construction is completed to avoid standing water, water-borne diseases, injury and possible drowning. • Each construction sub-project to have a basic first-aid kit with bandages, antibiotic cream, etc.
Others	<ul style="list-style-type: none"> • No cutting of trees or destruction of vegetation other than what is necessary for the construction site. • No disturbance of religious, cultural or historic sites.

Table 3: Specific measures for selected types of infrastructure

Sub-project Type	Management/Mitigation Measures
Roads connecting villages to agricultural production areas	<p>Place all construction waste/earth etc to sites away from rivers, streams, lakes, or wetlands).</p> <p>Erosion/sediment control should be done before the wet season preferably immediately following construction. Maintain, and replant until vegetation is successfully established.</p> <p>Avoid road construction in unstable soils, steep slopes and nearby riverbanks.</p> <p>Protecting slopes from erosion and landslides: Plant locally available, fast-growing grass on slopes prone to erosion. These grasses help stabilize the slope and protect soil from erosion by rain and runoff.</p>

Wells (deep/shallow)	<p>Should be equipped with concrete slab around the well for easier drainage. Hand pumps are hygienic and effective, rather than open wells with buckets.</p> <p>Open wells should have steel rungs (placed inside wall of a deep well) for maintenance of a well or in case of an emergency. Open wells should have a cover/wire mesh on top to protect it from things falling. Wells should always be located <u>upstream</u> of the septic tank soak-away. Build the soak-away as far away as possible from the well (minimum 15 m) as it can pollute the drinking water.</p> <p>Before using a new water source, take samples for testing, e.g.: total coliform, arsenic, etc. Water quality should also be monitored periodically.</p>
Spring	<p>Every spring capture should be equipped with a sediment or sand trap. Add a wall between the inflow and the outlet pipe to create chamber for settling out sand. Sand must be cleaned out periodically (O&M).</p> <p>Collection basin for spring capture needs to have a perforated PVC pipe (holes diameter 2mm) to be used as a screen for the water intake. Alternatively, a short pipe with wire mesh (screen) around the open end should be used.</p> <p>Collection basin needs to have a fence to protect the spring from public access, animals, and risk of contamination. The collection basin should be covered to prevent leaves or other contamination.</p> <p>Pipe Laying:</p> <p>PVC distribution piping should be buried underground (coverage 50cm minimum) to prevent damage (e.g. passing vehicles/equipment, livestock etc). Exposing PVC pipe to sunlight will quickly weaken it – if necessary paint exposed pipe.</p> <p>When piping cannot be buried (e.g. crossing low lying areas), then metal pipe should be used and supported to prevent leaks.</p> <p>Metal piping and fittings are also preferred for outlet pipes and fittings from the water storage/basin.</p>
Rainwater harvesting	<p>Rainwater storage tank/container should be connected to roof gutter system.</p> <p>Storage tank/container should be covered to prevent contamination/debris.</p> <p>Roof gutters should be cleared regularly.</p> <p>Storage needs an overflow so excess water can drain away safely without eroding soil or flooding outdoor work/play areas.</p>
Small-scale irrigation	<p>Masonry walls or stone riprap should be built to prevent erosion on a sloped bank or if channel is alongside road (especially unsealed roads).</p> <p>Concrete lined canals prevent water loss and less susceptible to leaks and associated erosion.</p> <p>A 'bar screen' should be installed in front of inlet structures to prevent large objects and debris blocking the irrigation canal.</p> <p>Inlet areas on the sides of rivers or streams should be protected from streambank erosion (e.g. with gabions and suitable vegetative plantings).</p> <p>Paddy areas should be stocked and managed to maximize aquaculture production (e.g. refuge pits/ponds and trenches incorporated within paddy fields to improve habitats for fish, fish conservation areas within larger paddy systems).</p>

Checklist - Subproject environmental screening and mitigation measures:

Environmental Screening Checklist for AFN Sub-projects

Village:	Village code:	District:	Province:
Description/name of subproject:			
Date of screening:			
Names/positions of persons completing this form:			
Name:		Position:	
Name:		Position:	
Name:		Position:	
Name:		Position:	
Name:		Position:	
Name:		Position:	
Issue	Yes/No	If yes, suggest mitigation measures	Responsibility
General issues for all sub-projects			
Is the subproject prohibited by the negative list of sub-projects under the AFN VDF guidelines?		If yes, the sub-project cannot proceed	
Is there a possibility of landmines or unexploded devices near the proposed site?		If yes, seek advice from UXO Lao, local communities and authorities. UXO clearance may be required in some cases.	
Is any private/public land acquisition necessary?		If yes, a compensation agreement must be negotiated with affected HHs. Sub-project will not be allowed if more than 20 HHs lose land/assets or if a HH loses more than 5% of its productive land without replacement of equivalent land	
Will there be any loss of structures or damage to standing crops and plantations?		If yes, a compensation agreement will need to be negotiated with affected HHs	
Will there be any loss of access to livelihoods, especially of women and vulnerable groups?		If yes, compensation will need to be negotiated with those affected	
Will there be loss of, or long-term damage to, natural areas/important habitats/biodiversity due to the sub-project?			
Will there be damage of valuable historic, religious, cultural and archaeological resources due to the sub-project?			
Is the selected site in a wetland or swamp?			
Will the sub-project result in fertiliser runoff leading to pollution of surface water or degradation of aquatic environments in nearby ponds, streams and other water bodies?			

Will there be cross-contamination between sewage systems and water lines?			
Will there be pollution of water sources from food processing wastes?			
Will there be degradation of groundwater, streams, and rivers from other solid and liquid wastes?			
Will there be an increase in conflicting demands on surface or ground water supplies due to the sub-project?			
Will it create stagnant water or other habitats in canals and ditches for disease carriers such as mosquitoes etc.?			
Will it cause water-logging and salinization reducing soil fertility?			
Will it alter the existing drainage pattern of the area, including through changing the path of a stream or river, which may result in erosion, siltation, or flooding on- or off-site?			
Will the people be exposed to significant risks of economic loss, injury or death due to flooding?			
Will structures impede or redirect flood flows (in up to 1 in a 100 year floods)?			
Will there be littering of debris and contamination of surrounding areas due to runoff from construction site?			
Pumped wells/water supplies – specific issues			
Is the water source exposed to any contamination or pollution risk?			
Will the operation and maintenance of the water supply system be very expensive?			
If using motorized pump, is there a waterproof basin to collect leaking fuel?			
Will the motorized pump create significant noise pollution to nearby residents?			
Roads – specific issues			
Will there be landslides, slumps and slips due to construction?			
Will there be increased soil erosion/gully formation from increased runoff, or increased sedimentation in adjacent areas or surface waters?			
Will the road result in increased natural resources exploitation?			
Will construction require extraction from borrow and quarry areas resulting in loss of land and natural resources and/or stagnant water pools			
Bridges and culverts – specific issues			
Is the bridge/culvert adequately designed to allow the passage of maximum flood water?			

Will excavation increase likelihood of landslide or cause any other instability?			
--	--	--	--

Notes:

- If all answers to the checklist questions are **No** there is no need for further action. For any issues answered **Yes**, where significant adverse impacts are identified, there is need for adequate mitigation measures to be built into the project design. Implementation of the mitigation measures will require supervision by the VANC and DAFO, and in some cases DONRE.

Annex 2: Compensation agreement

Village:	Village code:	District:	Province:
Description/name of subproject:			

Details of loss or damage to land and property for each affected household(use as many sheets as needed):

Name of HH head	Description of loss / damage	Area of land affected, if land related (m ²)	Is area more > 20% of HH arable land (Y/N)	Description of compensation agreed (e.g. area of land replaced, value of payment made etc.)	Signature of HH head agreeing with the compensation	Date compensation provided	Signature that HH received the agreed compensation

Signatures and date signed:

Chair of Village Agriculture for Nutrition Committee:

Village Head:

Annex A 3: Record of community contributions

Village:	Village code:	District:	Province:
Description/name of subproject:			

Contributions from households who benefit from the subproject (use as many sheets as needed):

Name of HH head	Total labour days provided by HH members	Total amounts of local materials provided (e.g., sand, gravel, timber etc.)	Signature that HH agrees with this record

Signatures and date signed:

Chair of Village Agriculture for Nutrition Committee:

Village Head:

Annex A 4: Procurement records

Annex 4.1: Procurement Plan

Village:		Village code:		District:		Province:	
Description/name of subproject:							
Name of VANC Procurement Officer:							
Procurement Items	Quality Specifications	Procurement method	Estimated date of procurement	Unit	Quantity	Unit price	Total Kip
1 Input materials							
1.1							
1.2							
1.3							
1.4							
1.5							
...							
2 Machinery, tools and equipment							
2.1							
2.2							
2.3							
2.4							
...							
3 Services							
3.1							
3.2							
3.3							
...							
TOTAL COST							

Verification signatures:

VANC members:

Village head:

Annex 4.2: Request for Quotation

Lao People’s Democratic Republic
Peace Independence Democracy Unity Prosperity

Village:.....

District:**Province:**.....

Request for Quotation

Attention: Suppliers/shops/companies **Request for Quotation Date:**...../...../.....

Subject: Request for Quotation for the procurement by the above village and district. The following goods, materials or services are required as described below:

No	Description	Technical Specification	Unit	Quantity

Condition for submitting the Quotation:

1. A quotation form shall be correctly completed, dated, duly signed and stamped;
2. The deadline for submission of the Quotation is on...../...../.....;
3. The delivery location for the goods/materials/service is.....;
4. Where possible, costs of delivery shall be included in the quotation;

Signed:

..... Date...../...../.....

Chair of Village Agriculture for Nutrition Committee

Annex 4.3: Quotation

Lao People’s Democratic Republic
 Peace Independence Democracy Unity Prosperity

Quotation

In reference to Request for Quotation ofVillage,District ,
 dated/...../.....

Shop/ Company/Supplier:

Address:

Name/position of person providing this quotation:.....

Submits a Quotation for the supply of the following goods/materials/services:

No	Description	Technical Specification	Unit	Quantity	Unit Price (Kip)	Price (Kip)
	Cost of delivery					
	Total					

Signed: Date:/...../.....

Supplier

Stamped

Annex 4.4: Bid Evaluation Report

Lao People’s Democratic Republic
Peace Independence Democracy Unity Prosperity

Village:.....

District:.....**Province:**.....

Bid Evaluation Report

Inreference to Request for Quotation ofVillage,District , dated/...../.....

The bidding method is in accordance with the provisions of Village Development Fund Guidelines. The result of the evaluation of quotations by the Village Agriculture for Nutrition Committee is presented below:

No	Supplier/ Shop/ Company	Submitted Price (Kip)	Rank	Notes
1				
2				
3				

Based on comparison of Quotations, the Village Agriculture for Nutrition Committee has concluded that:

Name of Supplier/Shop/Company has offered the goods/ materials/ services in compliance with the requirements and at the lowest price (including the costs of delivery where relevant).

Thus, it is recommended that the supply of the specified goods/materials/services should be awarded to**Name of Supplier/Shop/**

Company

to the value of:**Kip** (in words.....**Kip)**

Signed: **Village Agriculture for Nutrition Committee**

.....:Name:.....Signed:.....Date

.....:Name:.....Signed:.....Date

.....:Name:.....Signed:.....Date

.....:Name:.....Signed:.....Date

Annex 4.5: Handover Certificate

Lao People’s Democratic Republic
Peace Independence Democracy Unity Prosperity

Village:.....

District:.....**Province:**.....

Handover Certificate

In reference to Request for Quotation ofVillage,District, dated
...../...../.....

And associated Quotation from:

Shop/ Company/Supplier

Address:

The Village Agriculture for Nutrition Committee hereby certifies that all goods have been delivered in good order and in conformity with the provisions of the quotation and agreed supply as below described:

No	Description	Technical Specification	Unit	Quantity	Unit Price (Kip)	Price (Kip)
	Cost of delivery					
	Total					

This certificate certifies the completion of the agreement to supply the above materials.

Dated:/...../.....

Village Agriculture for Nutrition Committee **Supplier**

1

2

34

Annex 4.6: Receipt

Lao People’s Democratic Republic
Peace Independence Democracy Unity Prosperity

Shop/ Company/Supplier:

Address:

Receipt

In reference to Request for Quotation ofVillage,District, dated
...../...../.....

Shop/ Company/Supplier.....has received the payment
of:..... Kip (in words :))

for the supply of the following:

No	Description	Technical Specification	Unit	Quantity	Unit Price (Kip)	Price (Kip)
	Cost of delivery					
	Total					

Signed: Date:/...../.....

Supplier

Stamped

Annex A 5: Bookkeeping– Monthly bank transaction sheet

Village:	Village code:	District:	Province:
Description/name of subproject:			

Monthly accounts for the month of 20..

Bank Transactions (LAK):

Date	Deposits into account (LAK)	Reason deposit for	Withdrawals (LAK)	Reason withdrawal for	Bank balance
Opening balance at start of month					
Balance at end of month					

Verification signatures:

VANC members:

Village head:

Annex A 5: Bookkeeping– Monthly expenditure records

Village:	Village code:	District:	Province:
Description/name of subproject:			

Monthly expenditure for the month of 20..

Cash held by the VANC on the first day of month (LAK)

Cash held by the VANC on the last day of the month (LAK)

Expenditure record for each item purchased using the Village Development Fund (LAK)(use a separate line for each item – use as many sheets as needed):

Date	Details of item purchased (including specification & quantities)	Name of Supplier (including location)	Supplier provided cheapest quotation? Y/N	Receipt provided Y/N	Amount paid

Verification signatures:

VANC members:

Village head:

Annex A 6: Completion report form

Village:	Village code:	District:	Province:
Description/name of subproject:			

1. Is the sub-project fully completed? **Yes** **No**
 If no, please explain what needs to be done, by whom and by when.

2. Is the completed subproject the same size or scope as planned?
 Yes **No**
 If no, please explain:

3. What was the planned number of hhs expected to directly benefit from the subproject?.....
What is the actual number of directly benefiting households?.....
 If different, please explain:

4. Did the project follow the environmental and social guidelines as planned? Did it follow the plans to reduce environmental impacts and compensate the households negatively affected? **Yes** **No**
 If no, please explain:

5. What was the planned budget for this subproject?
LAK
What was the actual expenditure?LAK
 If significantly different, please explain the reasons (e.g. were some costs saved? Or were some new items required?)

6. What was the planned labour contribution from the community (labour-days)?

What was the actual contribution (labour-days)?

7. Has an Operations and Maintenance Committee or User Group been formed with agreed roles and responsibilities:

Yes No

If no, describe issues below

8. Overall technical quality of Sub-project

In general, the overall sub-project is fully functional and technical quality is:

Poor Average Good Very Good

9. Community satisfaction with Sub-project:

How do villagers feel about the completed sub-project?

Very Dissatisfied Dissatisfied Satisfied Very Satisfied

If very dissatisfied or dissatisfied, please explain reasons below:

10. Discuss any other issues requiring attention:

We certify that sub-project described above has been completed and is functional, and the above information is correct.

Chair of the VANC:

Signature:

VANC Procurement Officer:

Signature:

VANC Bookkeeper:

Signature:

VANC Community Coordinator:

Signature:

Village head:

Signature:

DAFO Technical Specialist:

Signature:

Date:

Annex A 7: Operation and maintenance plan

Village:	Village code:	District:	Province:
Description/name of subproject:			

1. Describe plans for membership (M/F) and roles of the Operations and Maintenance Committee or User Group including how they will be selected:

2. Please describe the expected roles and responsibilities for households who benefit from the subproject for operating the subproject, doing preventative maintenance, and undertaking repairs:

3. What will be the schedule of O&M activities? Describe what will need to be done, and how often, to ensure the infrastructure operates properly and is checked, cleaned or repaired as required.

4. What will be the amount of labour days required each quarter (3 month period) for each of the above O&M activities?

5. Please estimate the amount of money required each year for O&M activities including routine/preventative maintenance and minor repairs?

6. Describe how funds for maintenance and repairs will be collected?

(E.g. Regular hh contributions? Or households contribute as and when required? Will all households be able to afford to contribute?)

7. Will the O&M Committee/User Group and benefiting households need technical assistance and training in O&M?

If yes, describe the support to be provided by DAFO or other agency including the topics and schedule:

8. Discuss any other O&M issues requiring attention:

This O&M plan has been discussed and agreed among all households that will benefit from subproject:

Chair of the VANC:

Signature:

Village head:

Signature:

DAFO Technical Specialist:

Signature:

Date:

Annex B - VANC Members Agreement Template

Village:	Village code:	District:	Province:
Description/name of subproject:			

We the elected members of the Village Agriculture for Nutrition Committee agree to comply with the procedures outlined in Village Development Fund Guidelines, following the training provided to us by the DAFO, and will work as volunteers in the best interests of our village:

Position	Name of volunteer	Sex (M/F)	Ethnicity	Signature
VANC Chair				
VANC Procurement officer				
VANC Bookkeeper				
VANC Community coordinator				

Witnessed by the Village Head:

Signature:

Date:

Annex C - Sub-Project Proposal Format

Village:	Village code:	District:	Province:
Description/name of subproject:			Date of proposal:
Names/positions of persons completing this form:			
Name:		Position:	
Name:		Position:	
Name:		Position:	
Name:		Position:	

1. Attachments required:

- Sketch map showing infrastructure location relative to houses, roads, rivers, existing irrigation areas, existing water supplies etc. (Annex C1)
- Detailed design drawings, as required (Annex C2)
- Bill of quantities (including community contributions) including budget for purchased materials, equipment, services etc. (Annex C3)
- An implementation schedule including procurement plan (Annex C4)
- Completed environmental and social checklists (see Annex A1)
- Compensation agreement (if required) (see Annex A2)
- Simple operations and maintenance (O&M) plan (see Annex A7)
- Signed grant agreement form (Annex C5).

Sub-project summary information:

Total no. HHs in village		No. HHs directly benefiting from sub-project	
Total no. poor or extremely poor HHs in the village		Total no. poor or extremely poor HHs directly benefiting	
Was this sub-project among the priorities identified by women (Y/N)			
Total estimated cost of the sub-project (as estimated during design) LAK			
Total estimated labour days to be contributed by the community (labor-days)			
List of local materials community agrees to contribute:			

Annex C 1: Sketch map showing location of infrastructure

Please show infrastructure location in relation to the position of village hamlets, houses, roads, rivers, existing irrigation areas, existing water supplies etc. Please indicate distances where these are important.

Annex C 2: Detailed design drawings

Detailed designs are always required for irrigation, road and most water supply sub-projects that are new works and extensions to existing infrastructure. Renovations and repairs less than US\$5,000 in value will not require detailed technical design drawings. Simple design drawings will be required for most other sub-projects.

Indicate which of the following technical drawings are attached to this proposal:

a) Profile view(s) **ATTACHED** (Tick)

(Elevation of the entire structure and site)

b) Plan view **ATTACHED** (Tick)

Overhead view

Foundations **ATTACHED** (Tick)

c) Typical detailed and cross-sectional view **ATTACHED** (Tick)

Drawings must include all necessary details for construction

Annex C 3: Bill of quantities (BoQ) and budget estimate

The BoQ should provide estimates of the quantities of inputs, goods and materials and any equipment required for constructing the infrastructure including any necessary environmental protection works. The BoQ should include those inputs, goods and materials that will be purchased using the grant funds as well as those inputs and materials provided as the community contribution (labour days and local materials). Note, there is no need to value the community contributions (only for purchases).

Item No.	Item description	Units	Quantity	Unit cost (LAK)	Total cost (LAK)	Purchase or community contribution (P or CC)
Materials for construction						
1						
2						
3						
5	Transport costs for construction materials					
Tools and equipment						
6						
7						
Services (only if cannot be reasonably provided as part of the community contribution)						
10						
11						
Labour (not to be purchased, but will be part of community contribution)						
12						CC
TOTAL ESTIMATED COST FOR PURCHASED ITEMS						P

Annex C 4: Implementation schedule (including timing for procurement)

No.	Description of activities												
Procurement													
Implementation													

Annex C 5: Grant agreement

Village:	Village code:	District:	Province:
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Parties	
Party 1	Chair of Village Agriculture for Nutrition Committee on behalf of the VANC members and village beneficiaries of the infrastructure sub-project
Party 2	Head of DAFO

Contact Details		
	Chair of VANC	Head of DAFO
Name:		
Address:		
Phone:		
E-mail:		
Village bank account number:		

SUB-PROJECT DESCRIPTION	
Sub-project title:	
Agreement commencement date:	Agreement completion date:
Grant amount for sub-project construction:	Amount of beneficiary contribution (labor-days):

Introduction

This is an agreement between the Village Agriculture for Nutrition Committee (VANC) representing _____ village, and the District Agriculture and Forestry Office (DAFO) of _____ District, dated _____ 20__ concerning a grant for constructing the agreed infrastructure ('subproject') identified by the village community within its Village Infrastructure Plan. This agreement will come into effect once signed and the attached subproject proposal has been approved by the District Socio-economic Development Committee.

The grant is financed by the Agriculture for Nutrition Project. The Village Agriculture for Nutrition Committee (VANC) and the District Agriculture and Forestry Office (DAFO) agree to the following terms and conditions:

General description of terms

1. The DAFO shall deposit the grant to the Village's bank account after signing this agreement and the subproject proposal has been approved by the District Socio-economic Development Committee.

2. The VANC shall ensure that the grant is strictly utilized only for the sub-projects identified as priorities in the endorsed Village Infrastructure Plan. The grant shall not be used for any other activities including any ineligible activities defined in the Village Development Fund Guidelines.

3. The VANC shall support the village to construct each sub-project with due diligence and efficiency and in accordance with the sub-project design and proposal developed with the assistance of the DAFO. The VANC shall ensure sound technical, procurement, financial management, environmental and social practices and procedures are followed in accordance with the Village Development Fund Guidelines. The VANC shall organize the beneficiary households to contribute labour and local materials that form part of the subproject proposal.

4. The DAFO shall provide technical support and oversight of the construction to ensure infrastructure is of an adequate technical standard and that appropriate environmental and social safeguards are followed. The DAFO holds overall responsibility of ensuring that appropriate procurement procedures are observed, and the necessary accounting and audit procedures are carried out.

5. The VANC may request the DAFO's assistance on any matter relating to the sub-project implementation or management.

Financial records

6. The VANC shall maintain adequate bookkeeping systems, procedures, and records for expenditures relating to the sub-project. The VANC shall keep monthly financial reports available for DAFO review and comply with the instructions of the DAFO regarding the audit of these reports. The VANC also agrees that financial reports shall be regularly and publicly disclosed in village meetings for all households in the village.

7. The grant disbursements will be made to a village bank account as described in the Village Development Fund Guidelines. For each payment into this account, the VANC will provide evidence that the money has been used according to this agreement and the subproject construction concerned.

8. Grant expenditures may be audited, as deemed appropriate, within the overall DAFO financial audit process. The VANC will co-operate fully with the DAFO auditor and will make available to the auditor whatever records, documentation and other information is requested. The VANC and village households will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to Lao regulations in force.

Procurement

9. All subproject implementation related procurement is the responsibility of the VANC. The role of the DAFO is to review, supervise and guide the procurement carried out by the VANC, thereby ensuring that integrity, transparency and accountability are maintained.

10. VANC procures goods and services, as identified in the sub-project proposal and bill of quantities, upon asking minimum three quotations when possible. If only one supplier available in the area, the village head will certify this and that the price is consistent with market prices in the area. The VANC will produce evidence of procurement and quotations and show these to DAFO when requested.

Monitoring and evaluation

11. DAFO will be responsible for overall monitoring and supervising grant-funded sub-projects through on-site visits and reviews of the VANC's financial and procurement records. The DAFO will support the VANC complete a final inspection and drafting of a completion report using the format provided in the Village Development Fund Guidelines

12. The VANC shall cooperate with the DAFO, and AFN donors and provide any information that they may request to monitor and evaluate the progress of the sub-project, and to inspect VANC operations and any relevant records and documents.

Ownership of infrastructure and subsequent maintenance

13. The village beneficiaries will have the full property right for the infrastructure and associated equipment after successful completion of the subproject. The village beneficiaries are responsible for taking care of all infrastructure and associated equipment and will ensure proper operation, maintenance and repair in accordance with the Operation and Maintenance Plan that forms part of the subproject proposal.

Closing of this agreement

14. Upon receipt of the completion report from the VANC, the DAFO shall initiate procedures to close-out the grant. Close-out procedures include obtaining and approving all monthly and final statements of expenditure. Any unexpended grant funds will be either

- Retained by the VANC in the village bank account for their next infrastructure subproject if they still have unwithdrawn funds remaining in their VDF allocation, or
- Refunded to the AFN Project.

15 Communication of close-out shall be through a close-out letter from DAFO to the VANC. All Grant requirements remain in full force and effect until the grant recipient receives the close-out letter from DAFO indicating that all obligations have been satisfied, and that the grant investments are moved to the full ownership of the village recipients.

Suspension and cancellation

16. The DAFO holds right to terminate the grant with the NPCO’s approval if: (i) the Recipient does not follow provisions of the Grant Agreement; (ii) the VANC has significant delays in the construction of the sub-project with no acceptable cause; (iii) no proper accounting exists in financial records; (iv) false documents or information is provided; (v) the grant is used to finance expenses not approved by the DAFO, and conducting activities other than approved; or (vi) the VANC terminates engagement in the sub-project.

17. In the case of a cancellation of the grant, all funds, received under the sub-project that have not been used, shall be returned to the DAFO account. All amounts, which have not been paid into the village account, shall be cancelled by DAFO. This includes any balance of the Village Development Fund available to the village that would have been available for other sub-projects. All equipment purchased by the VANC shall be returned to the AFN Project. In the case of misuse of grant funds, the VANC will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to the Lao regulations in force.

Settlement of disputes

18. The parties to this contract will use their best effort to settle amicably any dispute, controversy, or claim arising out of or relating to this Grant Agreement. Any such dispute, which is not settled by agreement of the parties thereto, will be finally settled in the applicable Court of the area in which the grant is executed.

Force majeure

19. Neither the VANC nor AFN Project will be responsible to the other for delay or failure in performance of any of the obligations imposed by this agreement when such failure is due to unintentional fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, court order or government interference, civil commotion, riot, war, strikes, and labour disturbances, beyond the reasonable control and without the fault or negligence of either of the VANC or the AFN Project.

This Agreement was executed on: _____

{Date/Month/Year}

Signed by:

VANC Chair on behalf
of the village

{Insert name of Group Leader}

Head of DAFO

{Insert name of the Head of DAFO}

47. PIM Appendix 9: Agriculture Producer Group Grant Guidelines

[APG]

(a) Part 1: Farmer Group Establishment and Training

(i) Group Establishment

Step 1: Group Support Teams (GST) at local level

At each of the target districts, a Group Support Team is formed to assist the project in the process of establishment and development of farmer groups in the villages. The support team comprises of staff from DAFO, TSCs, Kum Ban, village development boards, Women's Union members and lead farmers from the communities. The GST community members are required to have: (i) good knowledge and understanding about natural, cultural, and socio-economic conditions of the villages, (ii) experience in agricultural production, (iii) good reputation in the community, (iv) good communication and facilitation skills, and (v) available time for intensive farmer training.

The GST members which are not project or government staff will receive appropriate payment for their provided services. All GST members receive DSA for their travel days.

The tasks of the GST include three areas as follows:

- i. Group Establishment: Disseminate information about the project opportunities; Review existing farmer groups and support establishment of new groups; Facilitate group management and development of group regulations;
- ii. Agricultural Training: Support identification of good farming models; Provide agricultural training to farmer groups to replicate the good practices;
- iii. Grant Investment Support: Conduct production planning training to farmer groups; Coach the groups in development of investment proposals for project financing; Oversee and support implementation of project's group investments.

DAEC, NAFRI, FAO and specifically hired consultants will provide intensive capacity building to the GST members to ensure appropriate skills and techniques for group development. A large-scale TOT on-the-job training programme will be organized for the GSTs for the above mentioned three areas. Practical training methods including farmer field school and learning by doing will be introduced to assure that the GST members can fulfil their tasks.

Step 2: Announcement of the project opportunities

Once the GSTs are in place, their first task is to disseminate to all villagers the information about the various project opportunities including infrastructure investments, household investments, group investments and training. Such announcement is to be delivered through various media including (i) posters and leaflets; (ii) local public speakers, and (iii) village meetings. The announcement should be repeated periodically to ensure that villagers are informed and aware of the opportunities.

Step 3: Review of existing farmer groups and establishment of database

In the 400 project villages, many farmer groups already exist. Such groups are a potential starting point for implementation of project activities. Together with DAEC the GSTs will conduct a review of existing farmer groups and their support needs.

Those groups that have potential for development of joint commodity production will be listed in a database with details as follows: (i) group location and contact details, (ii) group membership, (iii) time of group establishment, (iv) group's produced commodity, (v) level of group management skills, and (vi) quality of group production plan and level of group market access. Such database will later include information about new groups. Information

about provided technical and financial support will also be recorded to the database. Each district GST will assign a responsible person for the database, and DAEC will coordinate and consolidate information.

Step 4: Establishment of new farmer groups

Local villagers will express their interest in joining a Farmer Group. The farmers will be supported by GSTs for the whole process of group establishment. This process includes the following steps:

- (i) GST to provide information and procedures for group establishment;
- (ii) Groups to discuss group purpose, composition, and possible joined activities;
- (iii) Groups to discuss roles of different group members in the group management;
- (iv) Groups to discuss roles of different group members in joined activities;
- (v) Establishment of the groups.

Villagers lead the process by themselves to ensure practical and demand driven group formation. Initial ideas for group purpose, composition and joined activities are recorded in handwriting (preferably in large A1 sheet drafted together).

Step 5: Farmer group management and regulations

After establishment of the groups, the GSTs will hold a training session with the groups regarding group management. The groups will be assisted in their development of group regulations to ensure efficient and sustainable joint investment and operations. The group regulation document is an official, signed contract between group members. It includes agreement for: (i) purpose of the group and group composition, (ii) principles for group operations including production, management and accounting, (iii) management and ownership of group property including cash and equipment, (iv) rights and responsibilities of group members, group leaders and group secretaries. A template for group regulations development is attached in Annex 1.

- (ii) Agricultural Training

Commodity/Technology Selection

The SSFNSP will identify and select priority commodities and technologies for project investment as per their potential in:

- Production of nutritious food;
- Market potential;
- Rural households' upgrading opportunities;
- Climate change adaptability.

The priority commodities/technologies will be selected from among (i) existing agricultural practices by farmers; (ii) the on-farm demonstrations by private sector and public institutions (DAEC, NAFRI, DAFO); and (iii) any emerging new models during the project implementation.

To provide necessary background information for commodity/technology identification and selection, the project will introduce two instruments as follows. Participatory Action Research: NAFRI, DAFOs and FAO will implement a Participatory Action Research (PAR) programme in collaboration with project supported smallholder groups. The aim is to document models with best nutrition and income generation results, including (i) at least 20 small garden investments that require about US\$100-500 to implement; and (ii) at least 10 farmer group investments that require about US\$500-5,000 to implement. Detailed household budget and household replication guidance are included to each documented model. As result the districts and villages will be provided with a catalogue of potential Farmer Group investments and respective implementation guidance. Strategic

Investment Planning: In each district the Project will identify district-level priority commodities for project investment. For each commodity, Multi-stakeholder Platforms (MSP) will be facilitated by the project. Each MSP will identify and list the prioritized types of investments by APGs, (or cluster of APGs or ACs) and private sector entities under a Public-Private Partnership (PPP) approach. Each type of investment will be accompanied with a realistic business model/financial analysis and a risk analysis following the SECAP guidelines.

Training of Trainers (TOT) in identified models

Before support to farmer groups, a technical training is delivered to the Group Support Teams (GST) on application of each identified commodity/technology. NAFRI, DAEC and FAO will conduct such TOT for all project districts, village staff and lead farmers on the commodity/technology application. In the TOT training, the PAR-produced investment catalogue will be introduced with special attention to:

- (i) Introduction to the commodity/technology;
- (ii) Agronomic, technical and capacity requirements;
- (iii) Nutrition potential and productivity optimization;
- (iv) Financial and market analysis; and
- (v) Possibility for replication, especially by the poor and women.

Training of farmers in the agricultural practice

After the TOTs, the GSTs will roll out the commodity/technology training to the established farmer groups, which will learn about the application of identified good farming practices. The GST members that participated in the TOT mentioned above will be the trainers, following the topics and methods introduced in the TOT.

Nutrition School including nutrition sensitive agricultural training

In all project villages the project will support the establishment of village-level "farmer nutrition schools" (FNS), which will focus on delivery of training relating to the four NNSPA agriculture interventions. The FNS will aim to balance household food availability and utilisation from agricultural production, wild food collection and purchase throughout all seasons of the year. Topics will also include food storage and processing and food preparation and link with health sessions on WASH provided by the World Bank financed Health Governance and Nutrition Development Project (HGNDP). FNS implementation will be coordinated by the local DAFO, DHO, LWU, and the Village Agriculture for Nutrition Committee (VANC).

As result of such training the women members of the FNS will have capacity to replicate selected good farming practices that address their nutrition priorities. The training participants will receive a small investment grant called a Garden Grant. This is in value of US\$120 / household to apply the FNS learned practices on their farms and garden.

(iii) Group Production Plan Training

Production plan is a key document for the groups' joined activities as well a requirement for application to farmer grant. Starting from the establishment of the farmer groups, the GSTs will gradually support group participants in development of practical and viable production plans. As described above at 1.1 the GSTs will receive a specific TOT training to deliver such support.

A template for the production plans is attached to this manual, see Annex 2.

Following the sections in the production plan template, a training session on production plan (both for TOT and scaled farmer-training) will be organized to cover the following five topics:

Half-day 1

- **General information** on group establishment/composition/management, the importance of production plan, project farmer grant opportunity (1 hour);
- **Production Plan** in details. Following the commodity/technology selected and discussed in the agricultural training in section 1.2. (2 hours);

Half-day 2

- **Market assessment** of the commodity/technology selected in the production plan, for (i) sales of product (if relevant) and (ii) purchase of input materials (1 hour);
- **Food security and nutritional assessment** (if relevant) of the foods produced in terms of their contributions to seasonal gaps in household food and nutritional security;
- **Costs and benefits (Commodity Production Budget)** of a production plan. Introduction of the method (2 hours);

Half-day 3

- **Costs and benefits (Commodity Production Budget)** in detail for the grant proposals of the applicants (2 hours);
- **Procurement plan and cost estimation.** Introduction of the method (1 hour);

Half-day 4

- **Procurement plan and cost estimation** in detail for the grant proposals(2 hours);
- **SWOT analysis.** Introduction of the method (1 hour);

Half-day 5

- **SWOT analysis** in practice for the grant proposals. (2 hours)
- **Questions and Answers.** (1 hour)

Final products of the training are the practical and viable production plans for farmer groups. These will be used and updated throughout the lifespan of the groups. Also, they constitute the main part of application documents for SSFNSP farmer group grant.

(b) Part 2: Farmer Group Grants

(i) Financial support available for farmer groups

Financial support is delivered as agricultural production grants to farmer groups in the 375 targeted villages, with average US\$10,000 per village.

Of the total fund, 80% is allocated between villages according to village size and the number of members in the farmer groups. After project mid-term, the remaining 20% is allocated on competitive basis to those villages that have successfully implemented the Farmer Group grants of the initial allocation.

The Farmer Group Grants will be allocated to minimum 650 groups (average 1-2 groups per village will receive financing). The benefits will be to minimum 10,000 households, including 30% poor. Half of the group members should be women.

(ii) Eligible applicants and maximum support per group

The farmer groups that operate in the AFN Project villages are eligible to apply for Farmer Grants with the following conditions:

- Grants are awarded based on approved Production Plans developed by farmer groups; See Farmer Group Production plan template in Annex 2.

- The groups must have a group regulation at place;
- At least 50% of group participants should be women;
- Grant amount not to exceed (number of member households) *(US\$400);
- The maximum grant for any one farmer group will not exceed US\$6,000;
- 75% of proposed cost granted by project; 25% beneficiary contribution in-kind;
- Implementation period of 9-18 months depending on work plan.

In each district, at least 30% of the households benefitting from Farmer Grants scheme need to be poor. The groups should always have both poor and better-off members; however the 30% limit is flexible at the farmer group level. The districts are responsible to ensure such outreach to poor households.

(iii) Purpose of Farmer Grants

During the above explained group meetings and training, the groups will learn about (i) improved agricultural production methodologies and (ii) group production planning. Based on these skills, the groups will develop proposals to implement Farmer Grants.

Grants are invested in nutrition-rich agricultural production systems and exclude industrial crops or other non-food commodities. Each group will select a commodity and technology for the grant investment. Grants can be provided to improve the agricultural production units' (i) productivity, (ii) product quality, (iii) food hygiene and safety, (iv) storage, (v) processing, (vi) market linkages, and (vii) environmental/working standards.

Acceptable grant items in this category may include: (i) in-group investment to cover multiple seasons of consumable materials such as initial inputs and supplies required in the farming system; (ii) non-consumable materials such as equipment and machinery to establish the technology improvement; and (iii) training and services from local providers, such as agricultural technical training, marketing support, business planning support, investment planning support.

HOW CAN A FARMER GRANT BE USED?

1. INITIAL INPUT MATERIALS

- SHORT-TERM IMPACT
 - 1st ROUND INVESTMENT
- Promotes subsequent rounds of investment and business linkages



2. MACHINERY & EQUIPMENT 3. TRAINING & SERVICES

- LONG-TERM IMPACT
 - ONE-OFF INVESTMENT
- Warrants SECAP risks screening, climate-proofed design, and training of O&M committees



As result of any investment, household income and/or nutrition level need to increase significantly in short term. All investments should be easily replicable by other households in the localities.

Management of the grant funds by the groups

The grants provided by the project to the groups is to finance on-off investments meant to initiate further rounds of investment. The project does not encourage the groups to start in-cash revolving funds with the grants.

Experience from previous projects has shown that establishing accounting and record keeping systems at group level is resource intensive and challenging given the low level of literacy and weak capacity of district staff. Governance and oversight functions for such revolving funds are generally delegated to village authorities who do not have the required accounting skills.

In the case groups decide to establish a revolving mechanism, in-kind (rather than in cash) models will be suggested.

The grants provided by the project to the groups are to be retained by the group, during the implementation timeframe and beyond project completion and closing. The funds and/or equipment, inputs, goods, etc. that were acquired by the group cannot be collected and / or reallocated to another group or village.

(iv) Competition to select grant recipients

After the project has developed a detailed list of Farmer Grant funding priorities (based on conducted PARs and MSPs), DAFOs will announce and coordinate the grant call for proposals.

The District Social and Economic Committee (DSEC) will be assigned to lead the grant selection process. Each DSEC will appoint at least 4 members as grant selection focal points to participate in the grant selection panel. The steps of the application process are as follows:

Step 1	The DAFO announces call for applications	Kick off
Step 2	Farmer groups prepare and submit their applications	
Step 3	District Social and Economic Development Committee appraisal and selection successful proposals	10 days from submission
Step 4	Announcement of grantees and agreement signing	15 days from DSEDC appraisal

Step 1: The DAFO announces call for applications

The DAFOs will officially announce the call for proposals in all target villages. In the announcement the following details are communicated to the villagers through village information boards, loudspeakers and village meetings:

- i. Objective of the Farmer Grants;
- ii. Eligible Farmer Grant applicants;
- iii. Duration of the implementation,
- iv. Maximum grant amount and required beneficiary contribution.
- v. What can be supported by the grant amount;
- vi. What documents need to be included in the application;
- vii. Deadline and location for submission of the application;
- viii. Rules for selecting successful proposals;
- ix. Places where interested applicants may obtain further information and support.

Step 2: Farmer groups prepare and submit their proposals

The farmer groups are responsible for preparation, submission and implementation of the grant proposals. A "Group Leader", on behalf of the Farmer Group and selected by the Farmer Group, will be the contact for the grant application and implementation process.

After announcement of the grant opportunity, farmer groups will be supported by the Group Support Teams (GST) in preparation of their proposals.

The Application is required to provide details as follows (see templates at appendix 1 and 2):

- title of the grant investment project and name of the farmer group;
- applicant contact details;
- proposed duration of sub-project;
- proposed total cost, grant amount and beneficiary contribution;
- technical description of proposed investment;
- input and output market description;
- work plan and budget including timeline;
- evidence of an account in a bank or registered micro finance institution.

In addition, applications need to be accompanied by a signed Group Agreement, between all members of the group certifying that: (i) the group will work together and members have decided to implement this sub-project; (ii) the group members agree to contribute to the implementation as described in the sub-project proposal; (iii) all group members agree to apply for the grant; and (iv) group has nominated/selected the responsible person for the application and for the management of the sub-project bank account (Group Leader).

The DAFOs will receive the proposals and immediately will acknowledge the submission and assign a registration number to the proposal that will be used throughout the life of the grant proposal.

Step 3: District Social and Economic Committee appraisal and selection of recipients

The District Social and Economic Development Committee will hold a separate session to evaluate the proposals against an agreed set of criteria. The following criteria template will be used to evaluate the proposals:

Table: APG grants evaluation proposal:

	Criteria	Score
Poverty reduction, food security or nutritional benefits and targeting (maximum 35 points)		
1	Are there minimum 30% poor/near-poor households in the applying group?	___ / 10
2	Will the sub-project provide economic, food security or nutritional benefits for a significant number of direct participants and indirect beneficiaries?	___ / 15
3	Are there minimum 50% women among the proposed sub-project applicants and beneficiaries?	___ / 10
Implementation, beneficiary contribution and replication (maximum 30 points)		
4	Does the applicant show a feasible and appropriate work plan as per proposal template?	___ / 10
5	Does the applicant show commitment by including in-kind contributions to work and costs plan?	___ / 15
6	Is the proposed solution easily transferable to other producers or groups in the district? Is it technically applicable and financially affordable by non-project beneficiaries?	___ / 5
Sub-project results and sustainability (maximum 25 points)		
7	How realistic, large and rapid are the proposal's described: Expected improved productivity and income, or food and nutrition security?	___ / 10
8	Does the proposed sub-project contribute to sustainable business linkages in the value chain? Alternatively, does the proposed sub-project contribute to sustainable improvements to household food and nutritional security?	___ / 10
9	Are there clear ideas on how the sub-project activities and procured equipment maintenance can be continued and developed in the future (after the end of the sub-project)?	___ / 5
Environment (maximum 10 points)		

	Criteria	Score
10	What is the impact of the sub-project on the environment (from -10 if very negative to +10 if very positive)?	__ / 10
Total		__ / 100

During the evaluation meeting, (i) DSEC members will discuss the proposals and individually give scoring to each application; (ii) The scores of the reviewers are immediately averaged; (iii) After scoring and averaging the proposals, DSEC will verify the final scoring of the applications.

Proposals exceeding scoring of 70 points are considered approved for implementation, in the limits of available budget for the Farmer Grant scheme. Those with scores less than 70 points are returned to applicants together with the declaration of negative result. Proposals that are rejected can be improved and re-submitted later.

Step 4: Announcement of winners and agreement signing

Following approval, the legal Grant Agreement documents will be issued by the DAFO. The grant agreement will be signed by the Group Leader, DAFO manager and the Village leader. The final Grant Agreement has to be reviewed and signed by DAFO, and sent to PAFO/DAEC for information and submission to NPCO.

The Grant Agreement is binding on signature by all parties, and the sub-project proposal will be a component of the legal documentation. Key items of the Grant Agreement are as follows:

- Final version of the Farmer Group Grant Proposal: (i) Results delivered by the farmer group, with technical description of implementation; (ii) Costs including grant funds to be made available and applicants' in-kind contribution; (iii) An implementation plan and a schedule for the grant fund transfer;
- Disbursement details; Procurement method and responsibilities; Equipment ownership rights (during and after the completion of the sub-project);
- Rules for reporting, monitoring, supervision and audit; Rules for publication/disclosure of results/information;
- Cancellation or other measures to be taken in the event of an unacceptable level of sub-project implementation or other causes of delay; and cancellation due to Force Majeure

The Grant Agreement will include the schedule for the disbursement of funds by the DAFO, adherence to the agreed work plan and expenditure requirements by the Group Leader, and commitment to the monitoring and supervision process by all parties.

The Grant Agreement should be signed no later than 15 days of the announcement of the grant winners. The Grant Agreement will be signed by the Group Leader and the DAFO Manager. The Grant Agreement is prepared in five original copies. One original copy each is retained by the Group Leader, DAFO, PAFO, DAEC and NPCO.

- (v) Financial, Procurement and M&E Procedures

The DAFO holds overall responsibility of ensuring that agreed disbursements are processed timely as per Grant Agreement, appropriate procurement procedures are observed, and the necessary accounting and audit procedures are carried out.

The Group Leader is the primary recipient of grant funds and it is her/his responsibility to ensure that funds are handled in accordance with the commonly agreed work plan and Grant Agreement, and ensure that reporting is to the standard required.

(a) Disbursement

The grant disbursements will be made to commercial bank account registered in the name of the Group Leader. The group members in the Group Agreement will officially authorize the Group Leader as the Principle Applicant and the group account holder. For each payment from the grant amount, the grant recipient will provide evidence that the money has been used according to the contract.

Upon receiving the Grant Agreement, DAFO financial officer authorizes the payment. A payment order is prepared by the DAFO staff and signed by the DAFO Manager, to be submitted to the AFN project Account Holder at the district. Upon submission, the Account Holder will make the transfer of money from AFN project bank account to the beneficiary's bank account.

(b) Procurement

All grant implementation related procurement is fully under the responsibility of the Grant Recipients. The role of the DAFOs and the NPCO is to review, supervise and guide the procurement carried out by the Grant Recipients, thereby ensuring that integrity, transparency and accountability are maintained.

Following the IFAD good practice of procurement, the steps are as follows:

- i. As part of Farmer Grant proposal, the Grant Applicant identifies the goods, works and services to be procured and the procurement schedule based on implementation timing and targets;
- ii. DAFO and Grant Winner records the identified procurement needs and procurement schedule to the Grant Agreement;
- iii. Grant Recipient procures goods and services, as planned in the Grant Agreement, upon asking minimum three quotations when possible. If only one supplier is available in the area, or if goods particularly the non-manufactured ones (e.g. livestock, seeds, fruit trees, etc) are supplied by other households, the village head will certify this and that the price is consistent with market prices in the local area;
- iv. Grant Recipient produces evidence of procurement and quotations, as per Grant Agreement, and shows these to DAFO when requested.
The Farmer Group should take photographs of receipts and the procured goods and send them to the DAFO AFN Coordinator the next day after procurement took place.

(c) Ownership of Goods

The applicant will use the goods as agreed in the sub-project description, both during and after the completion of the sub-project. All purchased goods (including materials, equipment, data and information) are the property of the AFN project during the completion of the sub-project.

The recipients (beneficiaries) will have the full property right for the purchased goods after successful completion of the Grant Work Plan, and where applicable this right is divided between the group members as per signed Group Agreement. The recipient is responsible for taking care of all property and provides for proper maintenance of equipment and is liable for the use of purchased equipment only for sub-project implementation activities during the sub-project implementation and only for common purposes as decided by the applicants/beneficiaries. In the case of necessity, the grant applicant provides insurance of this property against plunder, theft, fire etc.

(d) Reporting, Monitoring, Evaluation

Overall monitoring and supervising grant-funded sub-projects through reviews of all progress reports and on-site visits is the responsibility of the DAFO. Grant recipient is responsible for submission of the work plan. Each proposal will include clearly defined targets, against which performance can be assessed.

The monitoring and evaluation of the grant implementation includes two steps: (i) initial field check against recipient's work plan; and (ii) final report and final evaluation including on-site visit.

Initial field check is performed and reported by AFN project staff and the DAFO, prior to signature of the Grant Agreement. The main purpose is to verify that the resources presented in the proposal are actually available to the applicants. The Group Leader is required to show available resources, and all application signatories need to be available to meet with the field check. An additional purpose for the initial field check is documentation (pictures and description) of baseline situation at the production site, allowing effective communication of development impact at household level.

Final evaluation is initiated by (i) Grant recipient's submission of final report, describing final outcomes of the implementation against Grant Agreement's listed indicators. (ii) The GST will review the final report, and (iii) perform a field-check of implementation, and (iv) submit a final evaluation report to Grant Recipient, DAFO and DAEC/NPCO.

In addition, a sample of completed sub-projects will be evaluated and documented by experienced specialists, to assess whether the particular sub-projects and Grant Scheme in general has achieved intended results in terms of increased incomes, food and nutrition security, technology development and dissemination, productivity improvements, skills development and market linkages (as relevant to the objectives of each sub-project). The independent evaluators will have access to field check baseline documentation, final documents, and all Grant implementation sites. The results of the Farmer Grant scheme will be documented by the evaluators, with the aim of showcasing and replicating good activities. DAFOs, DAEC and the NPCO will disseminate the lessons learnt.

(e) Accounting and Internal Audit

DAFO will support Principal Applicants to prepare statement of expenditure reports. DAFO holds overall responsibility for ensuring that disbursements are processed timely, that the appropriate procurement procedures are observed, and that the necessary accounting and audit procedures are carried out as per general requirements.

The grant beneficiary will submit to the DAFO the statement of expenditure, accompanied with original supporting documents (i.e. invoices, receipts, written declarations, etc.). The grant beneficiary shall also prepare a final report at the end of the grant sub-project in a format acceptable to the DAFO, adequate to reflect the operations, resources and expenditures related to the sub-project. The grant beneficiary shall submit a copy of the final grant report as soon as available, but not later than 45 days after the end of the sub-project.

Grant expenditures may be audited, as deemed appropriate, within the overall DAFO financial audit process. The grant beneficiary will co-operate fully with the DAFO auditor and will make available to the auditor whatever records, documentation and other information is requested by the auditor in connection with the audit of the DAFO funds. Principal Applicants and collaborating institutions will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to the Lao regulations in force.

(f) Close-out, Suspension and Cancellation of Grant

Close-out of Grant. Upon receipt of final report from the Recipient, the DAFO shall initiate procedures to close-out the grant. Close-out procedures include obtaining and approving all required statement of expenditure and progress reports, ensuring that any unexpended grant funds are refunded to the AFN Project. Communication of close-out shall be through a close-out letter from DAFO to the Grant recipient. All Grant requirements remain in full force and effect until the grant recipient receives the close-out letter from DAFO indicating

that all obligations have been satisfied, and that the grant investments are moved to the full ownership of the grant recipient.

Suspension and Cancellation of Grant. The DAFO holds right to terminate the grant with the NPCO's approval at any time, if: (i) the Recipient does not follow provisions of the Grant Agreement; (ii) the Recipient has significant and unreasonable delays in the implementation of the sub-project and the DAFO believes that the sub-project cannot achieve its objectives; (iii) no proper accounting exists in financial records; (iv) false documents or information is provided; (v) the Grant is used to finance expenses not approved by the DAFO, and conducting activities other than approved; or (vi) the Recipient terminates engagement in the sub-project.

In the case of a cancellation of the Grant, all funds, received under the sub-project that have not been used, shall be returned to the DAFO account. All amounts, which have not been paid, shall be cancelled by DAFO and all equipment purchased by grant shall be returned to the AFN Project. In the case of misuse of grant funds, the Recipients will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to the Lao regulations in force.

Force Majeure. Neither the Recipient nor the AFN Project will be responsible to the other for delay or failure in performance of any of the obligations imposed by this Agreement when such failure is occasioned by unintentional fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, court order or government interference, civil commotion, riot, war, strikes, and labour disturbances, beyond the reasonable control and without the fault or negligence of either of the Recipient or the AFN Project.

Annex 1. FARMER GROUP REGULATION TEMPLATE

Farmer Group name:

Village:.....

District:

Province:.....

Ensure the following is included:

- 1. Purpose of the group
- 2. Group composition, group structure and group management
- 3. Principles for group operations including production and marketing
- 4. Ownership of group property including cash, infrastructure and equipment
- 5. Management and maintenance arrangement for group assets in long term
- 6. Arrangements for sharing of profits from group activities
- 7. Responsibilities of group members, group leaders and group assistants
- 8. Management of group bank account, signatories and rules for withdrawing funds
- 9. Responsibilities for financial reporting to the group and other stakeholders (eg DAFO)
- 10. Rules regarding admittance of new members and leaving the group by existing members

Signed by all group members

- 1. Name : Signature:
- 2. Name : Signature:
- 3. Name : Signature:
- 4. Name : Signature:
- 5. Name : Signature:
- 6. Name : Signature:
- 7. Name : Signature:
- 8. Name : Signature:
- 9. Name : Signature:

etc

Date of signatures:

Signed by village leader

Village leader name:

Signature:

Date:

Annex 2. FARMER GROUP PRODUCTION PLAN TEMPLATE

I. Name of the sub-project:

.....

II. Information of the group:

Village:

District:

No. of group members: , of which: Poor....., Female....., Ethnic group (specify).....

III. Duration and cost of the sub-project:

Implementation duration, approximately: (months).

Expected starting time: (month/year); Expected ending time:(month/year)

The total investment cost of the sub-project:Kip.

Requested financed amount:Kip.

In-cash contributions by the beneficiaries :Kip.

In-kind contributions by the beneficiaries:Kip.

List out and describe all the in-kind contributions (e.g. labor, equipment, tools, local materials, land in connection with the sub-project):

Description of the in-kind contributions	Estimated Value
1.	
2.	
3.	

IV. Implementation plan

Product(s) produced (describing whether for income or food/nutrition security)

.....

.....
Market (if relevant) - how many % for sales? where to sell the product?.....

.....
.....
.....
.....

Food security or nutrition (if relevant) – what is the food group targeted? what seasonal gap targeted?)

.....
.....
.....
.....

Production volume (How much production, yield).....

.....
.....
.....
.....

Purchase of input materials (Where to buy? Purchase jointly?).....

.....
.....
.....
.....

V. Commodity Production Budget (cost-benefit) – for food security and nutrition sub-projects only complete the relevant parts

Table: Production budget template

Product:					
Harvest Period:					
Sold to:					
		Unit	No. of Units	Unit cost kip'000	Value kip'000
Output	Output 1	kg			
	Output 2 ...	kg			
Total Output / Revenue		kg			
1. Input materials					
Seedlings					
Fertilizer					
Pesticides					
Herbicides					
...					
2. Machinery/Animal Power					
Investment cost					
Operation cost					
Costs of rent machinery					
3. Other Variable Costs					
Tools					
Packaging					
Transport					
Materials					
4. Labour					
Land preparation		day			
Planting					
Tending					
Harvesting					
Processing					
...					
Total costs					
Profits(revenue minus costs)					

VI. Procurement plan and cost estimation:

Activities	Unit	Quantity	Unit price	Total Kip
Total estimation			
1) Input materials				Total:
1.1				
1.2				
1.3				
1.4				
1.5				
2) Services - Production/ business				Total:
2.1				
2.2				
2.3				
2.4				
2.5				
3) Machinery, tools, equipment				Total:
3.1				
3.2				
3.3				
3.4				

VII. Self-assessment through SWOT

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

IX. Verification signature:

1. Group signatures or Head of Group’s signature

Signature of the Applicant:Date:.....
(Full name)

2. Verification of the authority:

Name:Date.....
(Full name and seal)

Annex 3. GRANT AGREEMENT TEMPLATE

GRANT AGREEMENT
BETWEEN DAFO AND GRANT RECIPIENT

Farmer Group Grant

Agreement No:		Sub-project No.
Parties		
Party 1	Group Leader on behalf of the Farmer Group (see Group Agreement Letter in Appendix1 to this agreement)	
Party 2	DAFO Manager	
Contact Details		
	Group Leader	DAFO
Name:		
Address:		
Phone:		
E-mail:		
Bank account number:		

The application to the DAFO for Farmer Group Grant funding for the grant sub-project defined in the following schedule and hereinafter known as the "sub-project" has been approved by the DAFO and District Socio Economic Development Committee, subject to the terms and conditions contained in this Agreement.

SUB-PROJECT DESCRIPTION	
Sub-project title:	
Agreement commencement date:	Agreement completion date:
Grant Agreement amount:	Amount of beneficiary contribution:
Items to be financed by the grant: <i>See Appendix 2 to this Agreement</i>	

DRAFT AGREEMENT TEMPLATE

It is agreed between the following Parties

Party 1: (Farmer Group Leader, representing the Recipients)
Party 2: (Manager, representing DAFO)

1. PURPOSE

1.1 The grant funds provided to the Recipient by the AFN Project shall be used exclusively for the purposes specified in the proposal (see Annex 2) submitted by the recipient to the DAFO by _____ (Group Leader) based on the call for proposal issued _____ (date).

2. RESPONSIBILITIES

2.1 **The Group Leader** is the primary recipient of grant funds and it is her/his responsibility to ensure that funds are handled in accordance with the commonly agreed work plan and Grant Agreement, and ensure that reporting is to the standard required. The tax consequences of this award on the grant recipient and the fulfillment of these are the responsibility of the Recipient.

2.2 **The DAFO** holds overall responsibility of ensuring that agreed disbursements are processed timely as per Grant Agreement, appropriate procurement procedures are observed, and the necessary accounting and audit procedures are carried out. DAFO sends all relevant correspondence to the Principal Applicant, through contact details pointed out at the first page of this agreement. AFN Project reserves its' right to terminate financing in the case if the Principal Applicant terminates participation in the project.

3. PROCUREMENT

3.1 All Grant implementation related procurement is fully under responsibility of the Grant Recipients. The role of the DAFOs and the NPCO is to review, supervise and guide the procurement carried out by the Grant Recipients, thereby ensuring that integrity, transparency and accountability are maintained.

3.2 Following the IFAD good practice of procurement, the steps are as follows: (i) As part of Farmer Grant proposal, Grant Applicant identifies the goods, works and services to be procured and the procurement schedule based on implementation timing and targets; (ii) DAFO and Grant Recipient records the identified procurement needs and procurement schedule to the Grant Agreement; (iii) Grant Recipient procures goods and services, as planned in the Grant Agreement, upon asking minimum three quotations when possible. If only one supplier available in the area, the village head will certify this and that the price is following local market prices; (iv) Grant Recipient produces evidence of procurement and quotations, as per Grant Agreement, and shows these to DAFO when requested.

4. OWNERSHIP OF GOODS

4.1 The applicant will use the goods as agreed in the sub-project description, both during and after the completion of the sub-project. All purchased goods (including materials, equipment, data and information) are the property of the AFN Project during the completion of the sub-project.

4.2 The recipients (beneficiaries) will have the full property right for the purchased goods after successful completion of the Grant Work Plan, and where applicable this right is divided between the group members as per signed Group Agreement. The recipient is responsible for taking care of all property and provides for proper maintenance of equipment and is liable for the use of purchased equipment only for sub-project implementation activities during the sub-project implementation and only for common purposes as decided by the applicants/ beneficiaries. If necessary, the grant recipient provides insurance of this property against plunder, theft, fire etc.

4.3 In case of termination of the sub-project by grant recipient, or negligent performance, or on the bases of violation of the Grant Agreement, DAFO may be instructed to repossess the equipment (during the Grant implementation before completion of the project). Repossessed equipment would be sold and proceeds would be returned to the grant fund for reallocation.

5. PAYMENT OF GRANT

5.1 The grant disbursements will be made to commercial bank account registered in the name of the Group Leader. The group members in the Group Agreement will officially authorize Principle Applicant as the group account holder. For each payment from the grant amount, the grant recipient will provide evidence that the money has been used according to the contract.

5.2. Upon receiving the Grant Agreement, DAFO financial officer authorizes the payment in written. A payment order is prepared by the DAFO staff and signed by the DAFO Manager, to be submitted to the AFN project accountant at district project office. Upon submission, the District Project Accountant will make the transfer of money from AFN project bank account to the beneficiary's bank account.

6. ACCOUNTING AND INTERNAL AUDIT

6.1 DAFO will support Principal Applicants to prepare statement of expenditure reports. DAFO holds overall responsibility for ensuring that disbursements are processed in a timely manner, that the appropriate procurement procedures are observed, and that the necessary accounting and audit procedures are carried out as per general requirements.

6.2 The Group Leader is the primary recipient of grant funds and it is their responsibility to ensure that funds are handled in accordance with the commonly agreed work plan and Grant Agreement. The grant recipient will submit to the DAFO the statement of expenditure, accompanied with original supporting documents (i.e. invoices, receipts, written declarations, etc.). The grant recipient shall also prepare a final report at the end of the grant sub-project in a format acceptable to the DAFO, adequate to reflect the operations, resources and expenditures related to the sub-project. The grant recipient shall submit a copy of the said final grant report as soon as available, but in any case, not later than 45 days after the end of the sub-project.

6.3 Grant expenditures may be audited, as deemed appropriate, within the overall DAFO financial audit process. The grant recipient will co-operate fully with the DAFO auditor and will make available to the auditor whatever records, documentation and other information is requested by the auditor in connection with the audit of the DAFO funds. Principal Applicants and collaborating institutions will be liable for repaying any grant funds

found to have been misused and all steps will be taken for recovery according to the Lao regulations in force.

7. REPORTING, MONITORING, EVALUATION

7.1 Overall monitoring and supervising grant-funded sub-projects through reviews of all progress reports and on-site visits is the responsibility of the DAFO. Grant recipient is responsible for submission of the work plan. Each proposal will include clearly defined targets, against which performance can be assessed.

7.2 The monitoring and evaluation of the grant implementation includes two steps: (i) initial field check against recipient's work plan; and (ii) final report and final evaluation including on-site visit.

7.3 Initial field check is performed and reported by AFN project staff and the DAFO, prior to signature of the Grant Agreement. The main purpose is to verify that the resources presented in the proposal are actually available to the Applicants. Group Leader is required to show available resources, and all application signatories need to be available to meet with the field check. An additional purpose for the initial field check is documentation (pictures and description) of baseline situation at the production site, allowing effective communication of development impact at household level.

7.4 Final evaluation is initiated by (i) Grant recipient's submission of final report, describing final outcomes of the implementation against Grant Agreement's listed indicators. (ii) The GST will review the final report, and (iii) perform a field-check of implementation, and (iv) submit a final evaluation report to Grant Recipient, DAFO and DAEC/NPCO.

7.5 In addition, a sample of completed sub-projects will be evaluated and documented by experienced specialists, to assess whether the particular sub-projects and Grant Scheme in general has achieved intended results in terms of increased incomes, technology development and dissemination, productivity improvements, food/nutrition security, skills development and market linkages. The independent evaluators will have access to field check baseline documentation, final documents, and all Grant implementation sites. The results of the Farmer Grant scheme will be documented by the evaluators, with the aim of showcasing and replicating good activities. DAFOs, DAEC and the NPCO will disseminate the lessons learnt.

8. CLOSE-OUT OF GRANT

8.1 Upon receipt of final report from the Recipient, the DAFO shall initiate procedures to close-out the grant. Close-out procedures include obtaining and approving all required statements of expenditure and progress reports, ensuring that any unexpended grant funds are refunded to the AFN Project. Communication of close-out shall be through a close-out letter from DAFO to the Grant recipient. All Grant requirements remain in full force and effect until the grant recipient receives the close-out letter from DAFO indicating that all obligations have been satisfied, and that the grant investments are moved to the full ownership of the grant recipient.

9. SUSPENSION AND CANCELLATION

9.1 The DAFO holds right to terminate the grant with the NPCO's approval at any time, if: (i) the Recipient does not follow provisions of the Grant Agreement; (ii) the Recipient has significant and unreasonable delays in the implementation of the sub-project and the DAFO believes that the sub-project cannot achieve its objectives; (iii) no proper accounting exists in financial records; (iv) false documents or information is provided; (v) the Grant

is used to finance expenses not approved by the DAFO, and conducting activities other than approved; or (vi) the Recipient terminates engagement in the sub-project.

9.2 In the case of a cancellation of the Grant, all funds, received under the sub-project that have not been used, shall be returned to the DAFO account. All amounts which have not been paid shall be cancelled by DAFO and all equipment purchased using the grant shall be returned to the AFN Project. In the case of misuse of grant funds, the Recipients will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to the Lao regulations in force.

10. SETTLEMENT OF DISPUTES

10.1 The parties to this contract will use their best effort to settle amicably any dispute, controversy, or claim arising out of or relating to this Grant Agreement. Any such dispute, which is not settled by agreement of the parties thereto, will be finally settled in the applicable Court of the area in which the Grant is executed.

11. FORCE MAJEURE

12.1 Neither the Recipient nor AFN Project will be responsible to the other for delay or failure in performance of any of the obligations imposed by this Agreement when such failure is occasioned by unintentional fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, court order or government interference, civil commotion, riot, war, strikes, and labour disturbances, beyond the reasonable control and without the fault or negligence of either of the Recipient or the AFN Project.

This Agreement was executed on: _____
{Date/Month/Year}

Signed by:

Group Leader on behalf
of the Farmer Group _____
{Insert name of Group Leader}
Principal Applicant

Signed by:

DAFO manager _____
{Insert name of the DAFO Manager}
Manager, DAFO

Annexes attached to the agreement include:

- Farmer group agreement
- Approved farmer group proposal
- Other annexes relevant to the agreement.

Annex 4: Completion Report Template

COMPLETION REPORT

The Farmer Group Grant sub-project has been completed, and results are achieved as explained in the below Tables 1 and 2.

Group name and Village name:

Signed by Group Leader on behalf of the farmer group members:

Signed by Village Head:

DATE:

Template: Results table against production plan objectives

Objective	Activity	Result	Next steps

Template: Financial check list against procurement plan

Procurement Items	Time of completion?	Total expenditure?	Completed or not?	Receipt available?	Other evidence ? (pictures etc)
TOTAL COST					
1) Input materials					
1.1					
1.2					
1.3					
1.4					
1.5 etc					
2) Machineries, tools, equipment					
2.1					
2.2					
2.3					
2.4					
2.5					
3) Services					
3.1					
3.2					
3.3					
3.4					
3.5					

48. PIM Appendix 10: Integrated Home Garden Grants guidelines

[Home garden](#) grants

Who will use these guidelines?

DAFO – who will oversee garden/farm planning and the garden grants for nutrition.

DAFO staff, and TSCs (if nearby) – who will provide extension advice on appropriate garden/farm technologies (including the PAR modules developed for the project by NAFRI).

Farmer Nutrition School facilitators – who will run the nutrition schools within which household garden/farm planning will be discussed; they will assist women apply for appropriate grants that support household production of nutritious foods.

Village Agriculture for Nutrition Committee (VANC) – who will assess and approve Garden Grant applications and will release funds from the village development fund account and undertake the necessary financial management and record keeping.

Objectives of Integrated Home Garden Grants

Garden grants provide opportunities for women who are farmer nutrition school (FNS) participants to increase, diversify and improve household supply of nutritious food. They should support small-scale farm and garden investments and be based on simple production plans that will help households fill seasonal food and nutrition gaps.

Discussions at the FNS will help identify individual household or group investments that may be financed by the project as Garden Grants.

What can be covered under the Integrated Home Garden Grants?

Investments in vegetable/small livestock/aquaculture production, and post-harvest storage or small-scale processing especially for preserving food. These investments should be mainly for household consumption rather than commercial production. However, any production surplus to household needs can be sold. (See Annex A for some examples of investments which can be covered).

How big are the grants women can receive?

Individual grants to a maximum of US\$120 or group grants to a maximum of US\$500.

What is the process for developing an application for a grant to help implement the household garden/farm plan?

The FNS facilitators will assist women participants to understand their households' food and nutrition security situation throughout the year (covering all sources of food from production, collection and purchase of food). Household gaps in food and nutrition security will be identified and garden/farm plans developed with participants to fill these gaps. The FNS facilitators will assist women participants to apply for Garden Grants for individual household or group investments to implement their garden/farm plans. A simple application form is provided in Annex B. It must be signed by the applicant(s) and the FNS facilitator who assisted the applicant(s).

Who can apply?

- All applicants must be women who have participated in the majority of FNS learning and planning sessions conducted to date.⁵⁶ FNS participants are mostly pregnant women and mothers of children under five.
- Applicants can either be women representing a single household, or a group of women applying for a larger investment (e.g. a communal fish pond, polyhouse, irrigation system for communal garden, food dehydrator/processing equipment, etc.).

How are applications assessed and approved (by whom)?

FNS facilitators ensure all applicants are regular participants to the FNS and make sure applications are based on garden/farm plans to address household food and nutrition gaps. Each application should be presented at the FNS by the applicant(s) and discussed at the FNS.

The Village Agriculture for Nutrition Committee (VANC) provides final approval for Garden Grant applications. The VANC should ensure that the grants include women from the most food and nutrition insecure households in the village.

Who manages the funds?

The Village Agriculture for Nutrition Committee releases the funds for the Garden Grants as part of their overall financial management of the Village Development Fund provided to each project village. Separate guidelines have been developed for the management of Village Development Fund.

Is an agreement necessary for women who are given Integrated Home Garden Grants?

No. The completed application form is the only agreement required. Grant recipients are required to spend their grant funds according to the investments specified in the application. The FNS facilitators will visit recipients periodically.

What are the responsibilities of women who receive grants?

Women who receive the grants are expected to contribute labor, household/communal land, and in some cases local materials to implement their garden/farm plans that are supported by the Garden Grants. The nutritious foods produced should be used mainly for home consumption rather than sale. Grant recipients are expected to follow good practices for feeding young children (especially under 2 years of age) and pregnant and nursing mothers, and good hygiene and sanitation practices promoted under the FNS and by DHO and Village Health Volunteers.

Who monitors the implementation results and benefits of these grants?

The FNS facilitators will visit grant recipients periodically to assess progress and offer advice. The best garden/farm investments will be used to demonstrate to other FNS participants and to the wider village community. In some cases, other women from other villages may be brought to learn and exchange experiences.

The technical support and monitoring required for larger investments will be provided by DAFO, and/or TSCs.

The project mid-term and end-line surveys will assess the impact of Integrated Home Garden Grants and other project support on household food security and nutrition. Other

⁵⁶ Women who have missed 1 or FNS sessions for good reasons are still eligible to apply.

focus group discussions or special small studies will also look at the performance and success of FNS and Garden Grants.

Examples of investments which could be supported by Garden Grants

- Home or communal vegetable gardens producing nutritious vegetables (including leafy green and orange fleshed vegetables) especially when such foods are difficult to find.
- Irrigation systems (including micro irrigation) to produce nutritious foods in the dry season.
- Hand tools, seeds, compost making equipment, fertiliser etc for producing nutritious foods.
- Equipment for processing, storing nutritious foods (milling, preserving, dehydrating, fermenting/pickling etc.).
- Production of small livestock and poultry (for meat, eggs for household consumption).

Production of fish, frogs, insects including required construction, purchases of fingerlings/juveniles etc. (including fingerlings to stock paddies, ponds, dams and natural water courses).

Garden Grant application form

I. Title of proposed activity:

.....

II. Household Information:

Name of applicant:

Indicate if the applicant is pregnant, mother of child(ren) under 2, or both:

.....

(Please use back of the form to list the names of applicants if this is a group application)

Date of Birth:

Village and District:

Mobile phone number:

Number of sessions applicant has participated in the Farmer Nutrition School:

.....

III. Proposed garden/farm investment

The total investment cost of the production plan: Kip

Description of the investment items	Unite	Price per Unit	Value (Kip)
1.			
2.			
3.			
4.			
5.			
Total value			

IV. Proposed activities explained and how they help solve a seasonal food/nutrition gap

.....
.....
.....
.....

Signature of Applicant or group representative:.....Date:.....

Signature of the Farmer Nutrition School Facilitator:.....Date:.....

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 9: Integrated Project Risk Matrix (IPRM)

Mission Dates: 04-18 May 2022

Document Date: 03/12/2022

Project No. 2000003760

Report No. 6231-LA

Asia and the Pacific Division
Programme Management Department

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	Substantial	Substantial
<i>Political Commitment</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Governance</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Macroeconomic</i>	<i>High</i>	<i>High</i>
<i>Fragility and Security</i>	<i>Substantial</i>	<i>Substantial</i>
Sector Strategies and Policies	Moderate	Moderate
<i>Policy alignment</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Policy Development and Implementation</i>	<i>Moderate</i>	<i>Moderate</i>
Environment and Climate Context	High	Substantial
<i>Project vulnerability to environmental conditions</i>	<i>High</i>	<i>Substantial</i>
<i>Project vulnerability to climate change impacts</i>	<i>High</i>	<i>Moderate</i>
Project Scope	Moderate	Low
<i>Project Relevance</i>	<i>Moderate</i>	<i>Low</i>
<i>Technical Soundness</i>	<i>Moderate</i>	<i>Low</i>
Institutional Capacity for Implementation and Sustainability	Moderate	Moderate
<i>Implementation Arrangements</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Monitoring and Evaluation Arrangements</i>	<i>Moderate</i>	<i>Low</i>
Project Financial Management	Moderate	Low
<i>Project Organization and Staffing</i>	<i>Moderate</i>	<i>Low</i>
<i>Project Budgeting</i>	<i>Moderate</i>	<i>Low</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>Low</i>	<i>Low</i>
<i>Project Internal Controls</i>	<i>Moderate</i>	<i>Low</i>
<i>Project Accounting and Financial Reporting</i>	<i>Moderate</i>	<i>Low</i>
<i>Project External Audit</i>	<i>Moderate</i>	<i>Low</i>
Project Procurement	High	Substantial
<i>Legal and Regulatory Framework</i>	<i>High</i>	<i>Moderate</i>
<i>Accountability and Transparency</i>	<i>High</i>	<i>High</i>
<i>Capability in Public Procurement</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Public Procurement Processes</i>	<i>High</i>	<i>Moderate</i>
Environment, Social and Climate Impact	Moderate	Low
<i>Biodiversity Conservation</i>	<i>Moderate</i>	<i>Low</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Cultural Heritage</i>	<i>Low</i>	<i>Low</i>
<i>Indigenous People</i>	<i>High</i>	<i>Moderate</i>
<i>Labour and Working Conditions</i>	<i>Moderate</i>	<i>Low</i>
<i>Community Health and Safety</i>	<i>Low</i>	<i>Low</i>
<i>Physical and Economic Resettlement</i>	<i>Low</i>	<i>Low</i>
<i>Greenhouse Gas Emissions</i>	<i>Low</i>	<i>Low</i>
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Moderate</i>	<i>Low</i>

Risk Category / Subcategory	Inherent risk	Residual risk
Stakeholders	Moderate	Moderate
<i>Stakeholder Engagement/Coordination</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Stakeholder Grievances</i>	<i>Moderate</i>	<i>Low</i>
Overall	Substantial	Moderate

Country Context	Substantial	Substantial
Political Commitment	Moderate	Moderate
Risk: Limited government capacity may constraint effective decentralisation efforts.	Moderate	Moderate
Mitigations: Strengthening capacities at provincial and district levels through technical assistance, training and improved management tools. The NPCO, PPCO and DPCO will be supported by the project to identify training needs, develop technical tools and training packages to address various capacity gaps.		
Governance	Moderate	Moderate
Risk: Inter-institutional cooperation among government bodies is not fully effective.	Moderate	Moderate
Mitigations: Working through existing government systems and focus on building technical cooperation at the provincial and, particularly, district levels. This will be achieved through multi-sectoral planning and coordination at all levels of government under the responsibility of the steering committee.		
Macroeconomic	High	High
Risk: COVID-19 impacts reduce positive outcomes of projects due to long-term job losses and business closures caused by the spread of COVID-19 which may continue to put pressure on households' incomes.	High	High
Mitigations: The project aims to increase livelihoods opportunities for the most vulnerable households which include women and youth and return workers that have been most impacted by COVID 19. Livelihood opportunities will be created through APGs, garden grants, group matching grants and private sector grants. By working with MSMEs and linking them to the SUN Business network, training on financial literacy and skills development, the project will improve their entrepreneurial capacities and business networks. In addition, the use of ICT for communication to overcome constraints related to travel and meeting restrictions Continuous monitoring of the socio-economic impacts of the COVID-19 pandemic on rural households, and provide support to mitigate impacts on most affected households.		
Risk: Conflict in Ukraine impacts international supply chains. Prices of fuel, raw materials for animal feed manufacturing, fertilisers, equipment.	High	High

<p>Mitigations:</p> <p>Assess economic and financial viability of investments Monitor the evolution of the impacts of the conflict on supply chains and adjust project interventions accordingly. More directly the project will mitigate these impacts through several interventions that include production and use of organic fertilisers, forage production (maize, cassava) to be integrated into village development plans.</p>		
Fragility and Security	Substantial	Substantial
<p>Risk:</p> <p>Government debt burden does not affect its capacity to finance the project loans and to commit to its counterpart funding: The Government is unable to absorb further credit.</p>	High	High
<p>Mitigations:</p> <p>Ministry of Finance is leading IMF consultations with GoL and have agreed on increasing concessional borrowing and decreasing ordinary term borrowing.</p>		
<p>Risk:</p> <p>Market price volatility Inflation (increased from 2% in 2019 to 5% in 2020). (ADB forecast for 2022 is 5%, inflation reached 12% in May 2022)</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Under the leadership of MAF, enhance farmers' knowledge about markets Create an enabling environment: MSME investment promotion, infrastructure, farmers' production led by market demand, market-oriented service delivery. In addition, the project will help the farmers to absorb price fluctuations by organising them into farmer groups and cooperatives which can optimise economies of scale to procure inputs. The project will upskill the farmers' to enhance their knowledge and increase their market networks through the SBN and PPPs.</p>		
Sector Strategies and Policies	Moderate	Moderate
Policy alignment	Moderate	Moderate
<p>Risk:</p> <p>Production targets do not contradict policy directions on high value cropping and commercialisation of smallholder agriculture.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>NPCO, PPCO and DPCO to include Province, District and Village authorities in steering groups with concerned departments; include Province in project design, missions, and consultation meetings.</p>		
Policy Development and Implementation	Moderate	Moderate
<p>Risk:</p> <p>Operational risk related to whether concerned entities coordinate their activities under the nutrition convergence approach.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The project interventions are aligned with the 22 priority actions of the nutrition action plan and coordination among the three convergence sectors (Health, Agriculture and Education). In line with this, project activities will be aligned priorities of the multi-sectoral plans and village development plans. The project will enhance planning and coordination capacities at all levels of government.</p>		

Environment and Climate Context	High	Substantial
<i>Project vulnerability to environmental conditions</i>	<i>High</i>	<i>Substantial</i>
Risk: High vulnerability to climate shocks and natural disasters.	High	High
Mitigations: Invest in knowledge transfer and adoption of climate smart agricultural technologies to farmers.		
Risk: Natural calamities including flood and drought lower output of farm production.	High	Moderate
Mitigations: Financial tools to incentivize farmers to adopt climate smart agricultural technologies (matching grants facilities for farmers' groups).		
<i>Project vulnerability to climate change impacts</i>	<i>High</i>	<i>Moderate</i>
Risk: Exposure to the impact of climate change is high in Laos. The perennial risk of climate shocks is high with pestilence, drought and heavy rains.	High	Moderate
Mitigations: A high level of awareness of the effects and impact of climate change will be assured by the project's implementation at three key levels - policy, training and financing and will be mainstreamed throughout all relevant project activities, by: (i) the integration of climate change adaptation into policy documents reviewed and drafted by the project will be assured; (ii) training activities with modules on climate resilience and adaptation among government officers and relevant target groups and (iii) matching grants that will be contingent upon building resilience and adaptation to the effects of climate change and the associated risks faced by the beneficiaries. (iv) implementation of the targeted adaptation assessment prepared for the AFN-II project.		
Project Scope	Moderate	Low
<i>Project Relevance</i>	<i>Moderate</i>	<i>Low</i>
Risk: Design, start-up and implementation activities will operate in a challenging context that is still recovering from weak coordination, low ownership and staff turnover of project teams.	Moderate	Low
Mitigations: At design, the project has conducted consultations with country stakeholders to identify and prioritise project focus. At implementation phase, the project will conduct sensitization and mobilization activities to share information and consult with stakeholders such as local government authorities, project committees and village authorities through PRAs, FPIC and planning processes. Given the conflict-sensitivity of the project, these activities will be extremely important to ensure transparency, validation and buy-in of activities by the project's target groups.		
Risk: Design, start-up and implementation activities will operate in a challenging context that is still recovering from weak coordination, low ownership and staff turnover of project teams	Moderate	Low

<p>Mitigations:</p> <p>At start-up phase, the project will conduct sensitization and mobilization activities to share information and consult with stakeholders such as local government authorities, project committees and village authorities. Given the conflict-sensitivity of the project, these activities will be extremely important to ensure transparency, validation and buy-in of activities by the project's target groups</p>		
<p>Technical Soundness</p>	Moderate	Low
<p>Risk:</p> <p>As Laos tries to transition from a subsistence, economy to commercialization, with few facilities to attract private sectors in rural areas, this will make the introduction of business-oriented approaches more difficult in such areas. The low literacy rate may further complicate the adoption of the proposed capacity building interventions.</p>	Moderate	Low
<p>Mitigations:</p> <p>The project will adopt a private sector crowding-in approach which includes: business development support for existing and new MSMEs members of the SUN BN, Multi-stakeholders' platforms for business matching with APG, clustered in bigger POs to facilitate aggregation of products, incentives in the form of matching grants to off-set MSMEs risks of doing business in rural areas. The designed project will also support needed facilities (rural access road, water schemes, irrigations, etc.) and investment funds to farmers and privates sectors, to support connectivity and commercialization.</p>		
<p>Institutional Capacity for Implementation and Sustainability</p>	Moderate	Moderate
<p>Implementation Arrangements</p>	Moderate	Moderate
<p>Risk:</p> <p>Lengthy process of assessment and planning saturates the dynamics momentum</p> <ul style="list-style-type: none"> • Uneven dynamics of groups affect their success potential • Weak technical and management capacities of district line agencies • Weak coordination between PAFOs, DAFOs, village clusters and service providers in charge of infrastructure and services undermining implementation progress 	Moderate	Moderate
<p>Mitigations:</p> <ul style="list-style-type: none"> • Build on on-going projects' experience in community participatory planning and incorporate into the VDP process • Clear criteria for identifying potential participating groups and sound off and on the job training • Technical support and capacity building provided by DAFO/DPIT and contracted facilitators, short-term technical assistance and access to new techniques and know-how • Annual capacity assessment and capacity development plans to fill gaps • Mechanism of coordination would be emphasised in related implementation 		
<p>Monitoring and Evaluation Arrangements</p>	Moderate	Low
<p>Risk:</p> <p>Inadequate M&E capacities at all levels track progress and impacts of the project.</p>	Moderate	Low

<p>Mitigations:</p> <p>An automated bilingual M&E database will be created for AFN II, including a summary table of project beneficiaries disaggregated by sex, age and ethnicity. HH ID system will be integrated in the database. Besides being cloud-based, it will further link physical and financial progress and generate regular reports, including semi-annual and annual Physical and Financial Progress Reports, as per IFAD requirements and key IFAD COIs. In addition, AFN II will retain the most competent M&E staff at NPCO and district level for AFN II and will enable them to train new staff based on the knowledge acquired during AFN I implementation.</p>		
Project Financial Management	Moderate	Low
Project Organization and Staffing	Moderate	Low
<p>Risk:</p> <p>AFN 2 will continue as 2nd phase of SSFSNP – GAFSP, same organizational structure and Implementing Entity with existing NPCO staff and system however new Accountant at provincial level.</p>	Moderate	Low
<p>Mitigations:</p> <p>Current phase 1 staff will be maintained for AFN2. Ensure sufficient and qualified Accountants are work for project at province with fresh training on FM and anti-corruption.</p>		
Project Budgeting	Moderate	Low
<p>Risk:</p> <p>AWPB submitted from sub-unit and consolidated by PMU, in phase 1, AWPB is tracked in consolidated excel spreadsheet which is reasonable acceptable. AWPB submitted to IFAD mostly within the due date.</p>	Moderate	Low
<p>Mitigations:</p> <p>Budget is maintained in the accounting software. Improve the accuracy of budget tracking by analysing IFAD quarterly IFR.</p>		
Project Funds Flow/Disbursement Arrangements	Low	Low
<p>Risk:</p> <p>The GoL shall open two (DA) denominated in USD dollars in the Bank of Lao PDR for receiving and holding the grant and loan proceeds. In order to reduce exposure to foreign exchange risk it is recommended to open the Project Account with NPCO (PA) in USD.</p>	Low	Low
<p>Mitigations:</p> <p>Nil</p>		
Project Internal Controls	Moderate	Low
<p>Risk:</p> <p>Policy and system are in place for phase 1, There is no internal control issue in current FM system and this will be brought forward to phase 2.</p>	Moderate	Low
<p>Mitigations:</p> <p>New provinces will need to follow project's control procedures.</p>		
Project Accounting and Financial Reporting	Moderate	Low

<p>Risk:</p> <p>The project is on track in complying with the IPSAS cash basis of financial reporting. Tracking of GOL and Beneficiary contribution can be tracked with complete supporting documents. The accounting software is only used at NPCO and has not been customized for tracking budget vs actual expenditures.</p>	Moderate	Low
<p>Mitigations:</p> <p>Accounting software should be customized and used by PAFOs and DAFOs. Budget can be tracked down in the software, Software can produce report that can be used for IFR and annual FS.</p>		
Project External Audit	Moderate	Low
<p>Risk:</p> <p>External audit is carried out by private auditing firm, Lao Auditing and Accounting standard are acceptable to IFAD.</p>	Moderate	Low
<p>Mitigations:</p> <p>ToR and procurement of Audit service must be completed 1 month prior to Audit year.</p>		
Project Procurement	High	Substantial
Legal and Regulatory Framework	High	Moderate
<p>Risk:</p> <p>The country still relies on the Public Procurement Law issued in 2017 and the instruction dated 13 Feb 2019 on the implementation of the Law on public procurement. Ministry of Finance does not enforce the provisions under the Public Procurement Law, in particular the provision that competitive procurement methods are the preferred option above specified thresholds. Single-source procurement has been the preferred method. This creates a significant risk that public services have been provided at higher cost than necessary.</p>	High	Moderate
<p>Mitigations:</p> <p>Use of IFAD's Public Procurement Guideline, Handbook and Standard Procurement Documents for all procurements undertaken by AFN-II project. The Project should advertise all activities that meet prescribed thresholds on a dedicated site. The use of IFAD's Contract Monitoring Tool shall ensure publication on IFAD's Project Procurement site.</p>		
Accountability and Transparency	High	High

<p>Risk:</p> <p>The Public Procurement Law of Laos and its implementation instructions (Article 46) clearly provide for a mechanism for submitting complaints. According to the regulations, bidders or consultants may file a written complaint to project owner or procuring entity or tender committee, if they found out that the non-beneficiary or loss or damage caused by the violation of laws or regulations or the officials' performance. Submission of complaint is fourteen (14) days prior the contract signing is required.</p> <p>Project owner or procuring entity shall consider the complaint within fifteen (15) days from the date of receipt of the written complaint.</p> <p>If there is no resolution from the project owner or procuring entity within such period or improper resolution or not satisfaction to the bidder or consultant, it may refer to the financial sector for their consideration within the next fifteen (15) days from the date of receipt of the written complaint or the financial sector itself may form the ad-hoc committee consisted of relevant sectors' personnel for their consideration within the next fifteen (15) days from the date of appointment of ad-hoc committee is issued or the financial sector itself may propose to proceed solving complaints as per laws and regulations.</p> <p>The Project Procurement Unit is the last port of call for submitting complaints. It is not independent, however, as it is involved in the process of procurement. Complaints are submitted only verbally, and appear not to be addressed.</p>	High	High
<p>Mitigations:</p> <p>In Laos, there is the Anti-Corruption Agency, State Audit Office and also Inspection Department under each technical ministries. Formal complaints from bidders or consultants can be sent to for formal consideration and resolution.</p>		
Capability in Public Procurement	Moderate	Moderate
<p>Risk:</p> <p>Operational risk related to whether decentralised implementation agencies at subnational levels can correctly handle procurement processes.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Clear guidelines on procurement procedures; Procurement packages are kept small and technical support will be regularly provided.</p>		
Public Procurement Processes	High	Moderate
<p>Risk:</p> <p>MAF has Project Management Division under DOPC, with few staffs, supporting procurement aspects to all ODA Projects, including AFN-II. AFN-II has a PIM and Procurement manual that have spelt out procedures, consistent with Public Procurement Law and IFAD procedures. However, with few and less-experienced staff at Project Management Division under DOPC, DOPC can not provide full support to projects on procurement aspects and MAF has no evidence of procurement planning within the government procurement. Unpredictability of the budget hinders planning for procurement.</p>	High	Moderate
<p>Mitigations:</p> <p>With AFN –II project, Procurement Unit is responsible for Procurement Planning and procurement processes. The Procurement team (officer, assistant and advisor) will ensure all procurement processes in line with the Procurement Plan and procurement rules as per Procurement Manual. Procurement will be undertaken following good commercial practices that are consistent with AFN-II Procurement manual and IFAD guidelines with support and oversight from the project procurement team and procurement committees.</p>		
Environment, Social and Climate Impact	Moderate	Low
Biodiversity Conservation	Moderate	Low

<p>Risk:</p> <p>The risk that the project may cause significant threats to or the loss of biodiversity, availability of diversified nutritious food, ecosystems and ecosystem services, territories of the indigenous peoples, or the unsustainable use/production of living natural resources</p>	Moderate	Low
<p>Mitigations:</p> <p>The project approach is to avoid conversion and degradation of biodiversity, habitats and ecosystems. The project interventions will be limited to promoting sustainable and climate resilient production practices in existing production areas only. The project will apply environmental check list procedures to ensure that physical interventions (such as access tracks for example) will not directly or indirectly result in creating negative impacts on areas under conservation status, including forest, wetlands and other sensitive ecosystems.. The project interventions include rehabilitation and upgrading of existing small-scale irrigation schemes (<100ha), existing access tracks (alignment of <10km) and small one-story buildings/storage facilities. These structures are small-scale and scattered by nature and do not require procurement of significant natural resource materials. This is factored in the procurement processes. Procurement through primary suppliers of natural resource materials will be addressed through project procurement.</p>		
<p>Resource Efficiency and Pollution Prevention</p>	Moderate	Moderate
<p>Risk:</p> <p>The risk that the project may cause significant pollution to air, water, and land, and inefficient use of finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The project will address risks related to the use of fertilizers through adherence to relevant national and international laws, and ensuring due attention in project procurement by establishing key requirements in technical specifications, bidder qualification, bidder evaluation criteria, and contract clauses. Furthermore, the project will encourage use of organic fertilizer to avoid environmental pollution from chemical fertilizers, and apply integrated pest management.</p>		
<p>Cultural Heritage</p>	Low	Low
<p>Risk:</p> <p>The risk that the project may cause significant cultural or physical resource degradation, including threats to or the loss of resources of historical, religious or cultural significance.</p>	Low	Low
<p>Mitigations:</p> <p>The project will exclude areas of interventions that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage. Involvement of community through village profiles, community mobilisation and FPIC procedures will provide ample opportunities to identify and avoid such risks.</p>		
<p>Indigenous People</p>	High	Moderate
<p>Risk:</p> <p>The risk that the project may cause significant adverse physical, social, or economic impacts on indigenous peoples, or in threats to or the loss of resources of historical or cultural significance to them.</p>	High	Moderate

<p>Mitigations:</p> <p>The project is sited in areas inhabited by ethnic groups (indigenous peoples); at least 70 percent of the target beneficiaries will be members of ethnic groups. To mitigate potential risks preparation of the Project Design Report comprises an Indigenous Peoples Plan (IPP), a Free, Prior and Informed Consent (FPIC) plan, and a grievance redress mechanism, along with an Abbreviated Environment, Social and Climate Management Framework.</p>		
<p>Labour and Working Conditions</p>	Moderate	Low
<p>Risk:</p> <p>The risk that the project may cause exploitative labour practices (e.g. forced or child labour), gender based violence, discriminatory and unsafe/unhealthy working conditions for people employed to work specifically in relation to the project, including third parties and primary suppliers.</p>	Moderate	Low
<p>Mitigations:</p> <p>In order to address the potential risk of child labour MSMEs engaged in the project will commit to the SUN BN charter principles and due diligence will include monitoring of permanent and temporary labour employed in MSMEs. Disincentive measures against child labour at farm level will be included in grants agreements, such as conditionalities in Garden Grant and APG grants allocations.</p>		
<p>Community Health and Safety</p>	Low	Low
<p>Risk:</p> <p>The risk that the project may cause significant adverse impacts on the physical, mental, nutritional or social health/safety status of an individual, group, or population, including as a result of gender based violence.</p>	Low	Low
<p>Mitigations:</p> <p>Introduce good agriculture practices and encourage use of organic fertilizer to avoid environmental pollution from chemical fertilizers, apply integrated pest management and adherence to SECAP. Through nutrition education and SBCC the project will promote good nutritional practices (healthy diets), food safety, WASH practices and health promotion. Through GALs, FNS, the project will provide sensitization on gender based violence at household and community levels.</p>		
<p>Physical and Economic Resettlement</p>	Low	Low
<p>Risk:</p> <p>The risk that the project may cause significant adverse physical, social, cultural or economic impacts, especially for marginalized groups, from land acquisition, and involuntary loss of land, assets, access to assets, income sources, or means of livelihoods.</p>	Low	Low
<p>Mitigations:</p> <p>Avoid involuntary resettlement. Subprojects that involve involuntary resettlement are excluded from the project financing.</p>		
<p>Greenhouse Gas Emissions</p>	Low	Low
<p>Risk:</p> <p>The risk that the project may significantly increase greenhouse gas emissions and thereby contribute to anthropogenic climate change.</p>	Low	Low

<p>Mitigations:</p> <p>Reduce use of chemical fertilizer and encourage the use and application of compost, intensify plantation of trees to sequester GHGs.</p>		
<p>Vulnerability of target populations and ecosystems to climate variability and hazards</p>	Moderate	Low
<p>Risk:</p> <p>The risk that the project may significantly increase the exposure or vulnerability of target populations' livelihoods, ecosystems, economic assets or infrastructure to climate variability and hazards.</p>	Moderate	Low
<p>Mitigations:</p> <p>AFN-II will introduce new technologies and best practices good agriculture practices to vulnerable communities to engage in agriculture activities which in turn will enhance their resilience to climate change.</p>		
<p>Stakeholders</p>	Moderate	Moderate
<p>Stakeholder Engagement/Coordination</p>	Moderate	Moderate
<p>Risk:</p> <p>Operational risk related to whether project partners are willing to collaborate and work in convergence in the project area.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The project will map all the relevant project stakeholders and their engagement mechanisms and continue monitoring the implementation of the stakeholder engagement plan and the grievance redress mechanism. Include Province, District and Village authorities in steering groups with concerned departments. Project funding for nutrition interventions is conditional upon concerted actions by nutrition convergence agencies.</p>		
<p>Stakeholder Grievances</p>	Moderate	Low
<p>Risk:</p> <p>Targeting, project implementation, quality of service may be potential sources of grievances.</p>	Moderate	Low
<p>Mitigations:</p> <p>Establishment/strengthening of GRM system, awareness creation to complainants, capacity development/training to GRM committee. Create awareness to the beneficiaries on the GRM and monitor its use.</p>		

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 10: Exit Strategy

Mission Dates: 04-18 May 2022

Document Date: 03/12/2022

Project No. 2000003760

Report No. 6231-LA

Asia and the Pacific Division
Programme Management Department

PDR Annex 11: Exit Strategy

Definition, context and Objective

(Adapted from IFAD Evaluation Manual, [Part I](#), 2022)

The objective of the exit strategy⁵⁸ is to ensure that at project completion, the different target beneficiaries may continue to get the net benefits of the project.

The extent to which the different target beneficiaries may continue to get the net benefits of the project depends on several factors. This requires that key interventions and activities continue or are scaled up by rural institutions/groups, government authorities, donor organizations, the private sector, and other agencies. It reviews interventions to improve required partnership, social capital, policy and institutions”. Sustainability is measured at completion along above definition and throughout implementation along the following indicators:

• **Sustainability** as “the prospects for the continuation of project activities or benefit streams after project closure and the durability of changes and impacts of project, including against risks”.

Exit strategy

- 5: exit strategy supported stakeholder covering institutions, legal, ownership, post funding (incl O&M, extension etc.)
- 4 Partial and not yet agreement

Institutions & policy & scaling	Partnership	Human and social capital and empowerment	Economic, CC & environment sustainability
<ul style="list-style-type: none"> • 5 Institution & policy impact: participation PO policy, use of evidence for policy & institutions capacities • 4: moderate influence 	<ul style="list-style-type: none"> • 5: Implement & document public & private partnership strategy leading PP investment, coordination & improved KM • 4: partial, no clear strategy & moderate satisfaction/results 	<ul style="list-style-type: none"> • 5. Individual and group capacities developed and contribute to participation in stronger decision making and economic activities • 4 Marginal improvement and control 	<ul style="list-style-type: none"> Economic & social results (income, asset, productivity, FSN etc.) Environmental sustainability Quality screening & safeguards

 Investing in rural people

In articulation with project TOC, this requires that key interventions and activities continue or are scaled up by rural institutions/groups, government authorities, donor organizations, the private sector and other agencies:

- Institutions established and / or supported by the project have the capacity to maintain and further develop their structures, functions, roles and responsibilities in respect of good governance, gender equality and social inclusion and provide services and inputs for beneficiary to continue profitably the activities invested in (home garden, APG, etc.)
- Physical infrastructures supported by the project are owned and managed by the adequate governance and O&M institutions in line with their institutional mandate,

⁵⁸ Reference : IFAD project design guidelines Annex V Technical note – Developing exit strategies in IFAD projects

with adequate organizational structures, technical capacities, and financial means to ensure long term operation, maintenance, and further development where relevant. This may entail specific linkages with government institutions and organizations to ensure minimal backstopping and support more complex repairs. such roles and expectations are included in specific MoU with local government institutions for elements that are beyond the communities' capacities and means.

- Private sector entities (MSME, MSP, etc.) supported by the project become financially independent and can maintain and develop their business activities and partnerships with the farmers groups beyond project complementation, and continue to deliver services to farmers groups
- **community groups are linked** to relevant public-private institutions to continue accessing services and inputs to continue engaging in project viable activities (i.e. market partnership but also linkage with extension systems, lead farmers/entrepreneurs to facilitate access to inputs, seeds and services, access to credit etc); in addition, project explore will explore pathway to sustain MSP, learning as well from Cambodia experience on sustaining its value chain clusters.
- Main **investment activities** (including promoted farming practices, infrastructure investments, post-harvest activities etc.) are **economically and environmentally viable after project completion**; this will be ensured through quality community driven process and screening of economic, social and environmental viability of promoted activities;
- **Knowledge management**: project will ensure **that quality replication guidelines and videos** are produced to facilitate continuity and scaling of relevant training and approaches
-

Another set of second important conditions of sustainability highlighted in recent IFAD working papers on sustainability is the crucial importance of **project ownership from government and community organizations** as well as **viability of activities** themselves. In addition to the strong accent on community planning and feedback system, the approaches and interventions included in the present design intend to respond to this imperative by replicating and scaling up activities (tested and proven under AFN I and FNML) that stem from local decision-making processes and planning (farmer nutrition schools, grants facilities, etc.). Considered as a start-up push, these activities are expected to be further developed through contributions and / or subsequent rounds of investments by the communities themselves. This can only occur if the communities gain direct and substantial short-term benefits from demonstrated activities, and if they can mobilise the means to further continue investments.

- As a general principle, AFN II will adopt a **graduation approach** whenever possible, by providing support to existing community-based organizations who have already been established, organised, trained, and coached. Support will be tailored to CBOs existing capacities by adopting dedicated maturity score cards to regularly track progress made by CBOs. This approach is expected to be more efficient by saving on mobilisation costs and time and is also expected to generate quicker and more sustainable results during the 7-year project lifetime. This approach may generate incentives for investment beyond the provision of initial grants to CBOs.

The exit strategy will be further developed with project management unit and implementing agency from start up going to ensure it is owned and adapted to project development. Indeed, the exit strategy development is a process that needs to be owned by local stakeholders, consider local implementation challenges, project changes and shall later lead to a sustainability plan to be signed by relevant entity that need to commit to specific actions.

Exit strategy and sustainability approach

Three approaches to exit strategies

- Phasing down is a gradual reduction of project activities, utilizing local organizations to sustain project benefits while the original donor or implementing agency deploys fewer resources. Phasing down is often a preliminary stage to phasing over and/or phasing out.
- Phasing over entails a transfer of responsibility for activities aimed at accomplishing project goals to another entity. This responsibility can be transferred to the beneficiary community (provided it has enough capacity to deal with it) or to existing organizations (e.g. government, NGOs, other development partners).
- Phasing out refers to a withdrawal of project inputs (food, services provision, technical assistance, etc.) without making explicit arrangements for the inputs or activities to be continued by any other entity, because the project itself resulted in changes that are likely to be sustainable without these.

Sustainability factors and risks

In addition, it is very important to examine the financial, economic, social, environmental, and institutional risks that may affect sustainability and capacities needed to address such risks. As much as possible, It involves differentiated analysis along different target groups (specific target categories being more at risk to lose benefits and targeting mechanisms may not be sustainable).

Sustainability is conditioned by several factors and subject to key risks as summarised in the table next page.

Table 60: Factors contributing to sustainability

Project elements	Sustainability factors	Risks	Mitigation / exit
Public Institutions & enabling policies (nutrition plan, public services etc.)	Converging enabling environment integrating nutrition planning / convergence Governance: Linkage with community/ decentralized extension/public institutions integrating farmers/ Motivated and capable staff Management capacity Funding	Nutrition planning and investments discontinued/no fund Insufficient staffing, Turnover of key personnel and insufficient capacity to retrain No more public support	Phasing over to other projects in convergence districts Graduation of CBOs
Rural institutions /producer groups	Governance & members interest Management capacity Funding / revenue generation Actual benefits delivered by the group Quality linkages to supporting value chain and government partners	Turnover of key personnel Lack of involvement, low inclusion, “elite capture” Actual economic benefits of the groups & its activities Willingness to pay for O&M costs, dues, membership Limited access to finance and capacity to save & manage finance	Graduation of CBOs Linkages between village nutrition plans and district multisectoral planning to effectively use available financial and human resources, provided by development projects.
Public line agencies, nutrition committees	Governance & members interest Management capacity Budget allocation Integration of nutrition planning within SEDP planning and targets	Turnover of key personnel Limited capacity for intersectoral planning and coordination Lack of involvement / commitment by line agencies and local authorities Public budget constraints	Support to multisectoral planning Integration of nutrition plan of action in SEDP
Infrastructures	Ownership of land, buildings, and equipment Climate Resilient design Management and O&M capacity Funding	Climate risks Resource mobilisation: land, water, energy Low capacity for regular maintenance and repairs etc.	Graduation of CBOs Collection of maintenance fee and contributions to regular repairs
Private entities	Viable business models Partnerships (formal, endorsed by line agencies and local authorities)	Regular supply of quality products Market demand fluctuation	Due diligence Networking

Project elements	Sustainability factors	Risks	Mitigation / exit
	Reliable access to market Access to finance Business Management capacity	External risks: climate, pandemic, international conflicts, etc.	Support to business planning and business literacy Market linkages Access to MSMEs finance
Improved agricultural production in APG and home gardens, domestic food processing	Technical and financial viability of proposed options (along market and / or subsistence / FSN etc.) Environmental sustainability (so that underlying natural resource can enable continuation of activities) Resilience to climate, pest, market risks etc. Sustainable supply chain for farmers to obtain required inputs and services and market to continue	Production technology less profitable than other options or farmers face constrain to adopt (labor, cash, land etc.) Farmers cannot access sustainably required inputs/seeds/services to continue No market access to sell if commercial Climate change/pest occurrence etc. require adaptation of practices but no technical advisory available etc.	Community based participatory planning Graduation of APGs into ACs to aggregate demands for infrastructure and services and aggregate products to enhance quality and value addition

Sustainability / exit strategy of the AFN II Project elements

Component 1a:

- Farmers nutrition schools
- Village nutrition committees
- Village nutrition facilitators
- SBCC functions
- Home gardens
- Household food storage and processing practices
- Rice banks
- Etc.

Component 1b:

- Agriculture production groups
- Advisory services : lead farmers, extension services, etc
- Irrigation
- MUS
- Etc.

Component 2:

- MSME
- SUN business network,
- MSME business development support
- MSME Access to finance
- Food Storage and processing facilities
- Access tracks
- etc.

Component 3

- Multisectoral planning
- CSO/NGO (Challenge Fund)
- Partners involvement
- etc.

AFN II draft exit strategy and sustainability matrix

Project elements	Sustainability measures during implementation	Exit approach	Roles and responsibilities after completion	Exit calendar	Funding after completion	Agreement
Farmers nutrition schools	<p>capacity strengthening of Village authorities and community-based organizations: village nutrition committees, village nutrition facilitators</p> <p>Capacity strengthening of District nutrition committees</p> <p>Partners' involvement: NGO/CSO</p>	Phasing down ⁵⁹	<p>Village authorities</p> <p>Village nutrition committee</p> <p>Village nutrition facilitators</p> <p>District nutrition committee (support, M&E, capacity building)</p>	After 3 years of operation of the Farmers Nutrition Schools	<p>Village contributions</p> <p>GoL support</p> <p>NGO/CSO support</p> <p>Other development initiatives</p>	
Irrigation schemes	<ul style="list-style-type: none"> • Site selection process • FPIC • SECAP risk screening, ESCMP measures incl. water balance assessment, climate proofing, etc. • Users' involvement in survey design and construction • Water Users' Groups O&M capacity strengthening • Extension services for irrigated agriculture • Market access support 	Phasing over (transfer)	<p>Formal Transfer of O&M responsibilities to WUG</p> <p>Village authorities' oversight</p> <p>DAFO technical and organizational support</p>	After first 2 years of Operation	WUG irrigation service fee for O&M of the infrastructure	Irrigation law and decrees

⁵⁹ Phasing Down: gradual reduction of project activities, utilizing local organizations to sustain project benefits

Project elements	Sustainability measures during implementation	Exit approach	Roles and responsibilities after completion	Exit calendar	Funding after completion	Agreement
Multi Use water systems	<ul style="list-style-type: none"> • Site selection process • FPIC • SECAP risk screening, ESCMP measures incl. water balance assessment, climate proofing, etc. • Users' involvement in survey design and construction • MUS O&M committee capacity strengthening • Extension services for irrigated agriculture • Market access support 					MoU between project and village authorities and O&M committees
Grant facilities	FPIC Community based participatory planning Provision of support and incentives	Phasing over	CBOs and MSMEs Village authorities' oversight DAFO technical and organizational support	In Year 6 at the latest	CBOs and MSMEs own funds Financial institutions SUN BN Other projects	MoU between project and village authorities and CBOs MoU between project MSME and SUN BN
Access tracks	<ul style="list-style-type: none"> • Site selection process using eligibility criteria: existing tracks alignments, no resettlement required, length < 10km, etc • FPIC • SECAP risk screening, ESCMP measures incl. climate proofing, etc. • Users' involvement in survey design and construction • Access tracks O&M committee capacity strengthening 	Phasing over (transfer)	Formal Transfer of O&M responsibilities to access track O&M committee Village authorities' oversight District Public Works and Transportation technical and organizational support	After first 2 years of Operation	Collection of access track maintenance fees Users' Contributions for regular repairs District support for major repairs (MoU agreement)	MoU between project and village authorities and O&M committees

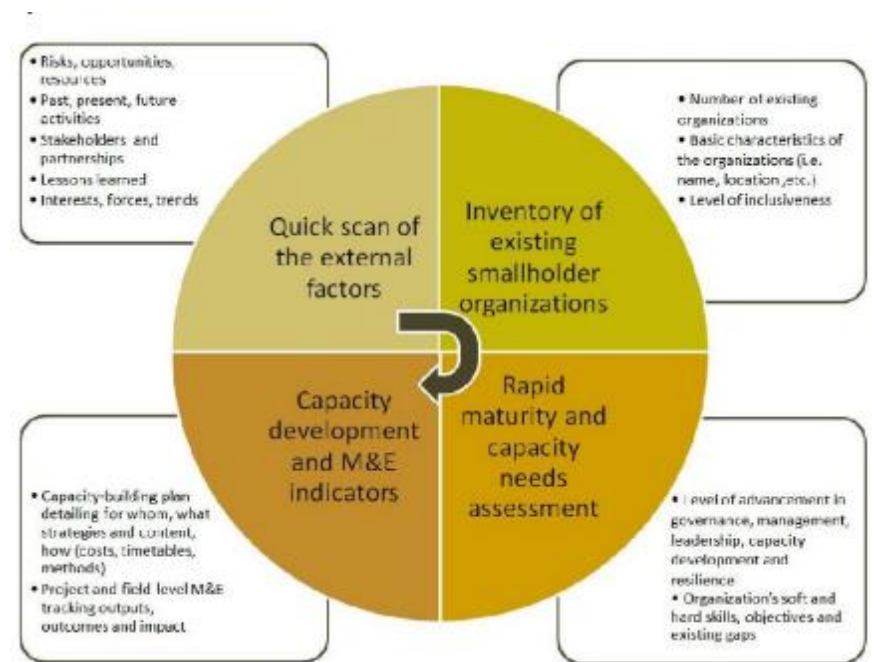
ADDITIONAL CONSIDERATIONS⁶⁰ FOR DEVELOPING THE AFN II EXIT STRATEGY

This section provides indicative additional sections to be reviewed when developing the exit strategy; this includes also some examples and cross references to existing tools

1. Strong rural institutions are at the heart of sustainability and exit strategy.

As it takes time to build strong institutions, it is key that projects identify early which institutions will actually be responsible to deliver services post project and how this will be embedded/ linked to sustainable institutional mechanisms. For instance, in the case of Focus, village institutions, including customary ones (council of elders), have a strong role to play in village planning and governance. Therefore, they shall be engaged from the start. Instead of building new groups, the project shall as much as possible build on existing groups and institutions. For instance, working with women self-help group may provide also a faster entry points to women empowerment and engagement, and may also facilitate financial inclusion. The [IFAD guidelines on strengthening rural institutions](#) provides some steps and tools to implement such process.

Figure 26 IFAD tool kit on social capital



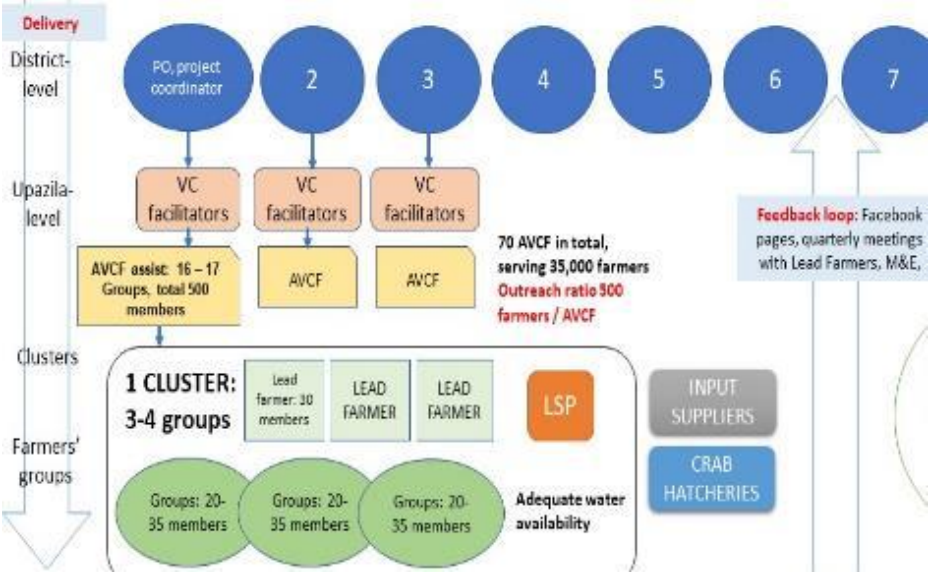
Second, last mile service providers are very important in improving outreach, but they require a lot of capacity building and mentoring to meaningfully support farmers. In addition, it is important to identify how such last mile workers (whether groups, village institutions, community facilitators/resource, lead farmers etc.) will be integrated and coordinated in project / extension delivery from state to local levels. Such requires clear planning, delivery, evaluation/feedback and coordination mechanisms at different level that consider also existing institutions and process. The below provides the example of last mile delivery mechanisms in Bangladesh PACE

In Bangladesh, PACE project manages to reach over 235,000 households along 5 value chains by relying on a decentralized network of partner organizations and their existing

⁶⁰ Guidance and suggestions provided by IFAD regional Agronomist

outreach system from district all the way to local farmer group and efficient cascading of training, meetings and feedback.

Figure 27: Last Mile Delivery in PACE project, Bangladesh



Each partner organization has one value chain expert who supports 8 value chain assistants supporting 600 farmers grouped in 3-4 local clusters gathering 3-4 farmer groups each. In addition, they trained over 5500 local service providers to provide extension services while producing and selling local inputs/seedlings/day old chicks etc.

2. Importance to integrate monitoring tools to keep track of sustainability

It is important to keep track of maturity and sustainability of such last mile systems. Good practices include:

Score card for PO/ WUG group maturity & sustainability plans: governance, management, income generation vs cost, linkages to access services & market, overall sustainability plans etc.

see [IFAD guidelines on engaging with farmer organizations](#), including profiling PO and developing their business plans

IFAD [toolkit on building social capital](#): including also maturity assessment in support cycle and providing specific insights for different types of rural institutions and scaling mechanisms)

Table 61: Example maturity indicators from IFAD guidelines on strengthening rural institutions

Table 3: Maturity indicators

Existing maturity (questions)	Desirable maturity indicators
Governance	
<ul style="list-style-type: none"> Is there a constitution/by-laws guiding your organization? How was it drafted? By whom? How are collectively-owned assets jointly managed in your organization? How do members participate in group activities, including managing jointly-owned assets? How are final decisions made and by whom? 	<ul style="list-style-type: none"> There is a constitution and by-laws, and collectively-owned assets are managed according to the provisions contained in them. There are provisions for the participation of all members in decision-making and managing jointly-owned assets. Clear (written) provisions on decision-making authority.
Management	
<ul style="list-style-type: none"> How are rules/procedures enforced? What types of resources are available to the organizations? How are conflicts managed and solved? Does this change if disputes centre on gender/ethnicity? How does the organization collaborate with other organizations? What methods are used to share lessons within the groups? Are women, youth and indigenous and tribal peoples or any other traditionally excluded group included? 	<ul style="list-style-type: none"> Rules and procedures are enforced through regular meetings and the constitution/by-laws. Financial, physical and human resources are available. If conflicts arise, they are resolved through meetings and the application of the constitution/by-laws, regardless of who is involved. There are partnerships with other organizations and they include exchanges relating to coordination, training, financial support and capacity-building. Lessons are shared within the organization through farmer-to-farmer exchange/contact, workshops, seminars and exchange visits, and methodologies take into account requirements of women, youth and indigenous and tribal peoples and other traditionally excluded groups.
Leadership	
<ul style="list-style-type: none"> How do you elect your leaders? Does gender/ethnicity matter? How? What responsibilities do the group leaders have? And the members? How is the participation of members promoted? Is the participation of women/indigenous and tribal peoples promoted? 	<ul style="list-style-type: none"> Leaders are elected democratically and there is an acceptable turnover. Leaders participate in meetings and activities and mobilize members to participate in meetings, training and activities. The participation of members is sanctioned by the constitution/by-laws and promoted through transparency and by attributing of benefits according to the contributions of members. Members respect regulations and sanctions. There is no evidence that some members would be entirely excluded from consideration or otherwise discriminated against (with respect to regulations/leadership positions).
Capacity-building mechanisms	
<ul style="list-style-type: none"> What methods does the organization use to share lessons with others outside? What types of expertise exist within the organization? What type of SIOs does the group partner with? What benefits have members or the wider community felt as a result of the SIO activities? 	<ul style="list-style-type: none"> Lessons are shared with other smallholders through exchange visits, field days and public meetings. Members' skills are identified and used in the organizations. The organization establishes partnerships with local government, NGOs and research institutions. Members and the wider community view the SIOs as positively contributing to their empowerment and life improvement.
Resilience	
<ul style="list-style-type: none"> How does the group accumulate (institutional) knowledge? What mechanisms does the group use to take advantage of opportunities? What mechanisms of value addition are used by the group? What linkages do they have with government schemes, banks/financial institutions or private companies? 	<ul style="list-style-type: none"> Institutional knowledge is accumulated through record keeping, group visits, group activities and training. A constitution, the organization's registered status and an updated workplan and budget enhance capacity to uptake opportunities. The organization actively tries to add value to its products and activities through training, technologies and resource mobilization.

In addition, it is key to support FO develop viable business plans to deliver sustainable services to farmers (see [IFAD guidance on developing business plans](#)) such mechanisms shall keep track of the business model of such PO, the kind of services they provide to farmers and whether they are able to generate revenues meeting their costs. The figure below provides a typology of services provided by farmer organizations alongside IFAD project (from IFAD tool kit [on FO business model](#))

Table 1. Case studies of business models in IFAD-supported and other projects						
Box no.	Business model	Area 1. Access to financial resources	Area 2. Economic services for smallholders			Area 3. Partnerships with other stakeholders in the value chain
			Services to support production	Services to add value to products	Services to support marketing	
1	Burkina Faso and Mali: UGCPA and Faso Jigi collective marketing systems	X	X		X	X
2	Senegal: ASPRODEB cooperative networks		X		X	X

Survey of last mile extension workers (e.g., Survey monkey in Cambodia ASPIRE): PPL, lead farmers etc.: what services provided, capacity to do so, current income generation & motivation to provide services, which aspirations/way forward beyond project

Interviews/survey district/last mile government extension & institutions: which services currently provided & capacity gaps, which aspirations/vision on way forward

Pathway to income sustainability for community extension workers in Cambodia

In Cambodia Aspire, the project conducted a specific survey for 443 community extension workers on their vision of their "sustainability pathway" (November / December 2021). Although they are paid by the project, they have started diversifying revenue streams options based on pluri-activity: 1) own production activities (~60% of respondents currently) ; 2) employment income?? as representative of private entity delivering the CHAMKA app or renewable energy (20% and 12% respectively), fee for service from local government: ~21% or NGO (11%), 3) fee for technical advice of advice 12.5% or income from brokering of inputs and ag products, (14% of respondents currently). For post project, 55% envisage to remain in the areas by strengthening such revenue streams (41% farm business, 24% advisory for a fee, 18% brokering inputs and 18% through public government)

3. Enabling environment: policy, Sustainable linkages and Partnership are key

This guidance therefore suggest to develop a Summary table on the key linkages and partnership to be developed and sustained.

This section could build on the previous analysis and review expected roles and commitment of main partner institutions to fulfil sustainability requirement, Such section can also contribute to inform policy and scaling up strategy.

The following table could be prepared which examines the different public and private partnership supported by the project, how they are sustained and benefit the communities, eventual scaling up steps and gaps.

Key public-private partners to be involved in exit	Roles and why interested to support	Mechanisms / commitments

The below box provides interesting, localized partnership example from the Charmp2 project set up in the remote Cordillera of the Philippines, with 90% of indigenous people.

The Charmp2 project supported different producer organizations and partnership to support agro-forestry, forest restoration, livelihood activities and community driven infrastructure. To ensure sustainability from the ground, initiated **sustainability plans from Producer organizations and "Municipal"/ Baranguay**

- **PO sustainability** builds on i) review of organization development score card; ii) relevant business plans & risk management; iii) registration with local government Unit & networks
- **Baranguay / Municipal plans** gather the local community vision for sustainability, and signed by all stakeholder: reviewing each PO plans, main partnership created, main services required and committing support from different partners
- Now **consolidating national one** based on updated assessment of PO maturity, updated agreements & policy priorities/scaling

Such partnership plan shall notably clarify which supports remains expected and needed from public agency. Indeed, PO development takes time and there is a greater need for the public sector to play a strong role in policy setting, creating an enabling environment, planning, supervision, certification systems and coordination and accountability beyond project (USAID, 2019 and figure below). Furthermore, government needs to support initial investments and development of required partnership, government may need to cofinance some training, notably for poorest farmers and less commercial activities. It must be willing to invest in a minimum level of supervision and follow up of the activities post project exit.

Figure 28: Government's role in promoting sustainability of Pluralistic Extension Service



4. Exit strategy for knowledge

Sustainability strategy requires and is reinforced if:

- Evidence / quality KM showing that activities work to facilitate scaling, Support to stakeholders
- Quality KM and guidelines for institutions are available to be able to continue and expand some of the activities / re-train local actors
- Sustainable minimal M&E – improvement of data system
- Therefore, as part of exit, the project shall also clarify the role of M&E and knowledge management:
- Which M&E to review improvement of sustainability? Regular implementation of specific score cards?

- Which evidence / KM products required to convince stakeholders ?
- How will the KM & guidelines be available post project? Which institution shall own and use it? Link to training institute? Online training platform?

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex 11: Mainstreaming themes – Eligibility criteria checklist

Mission Dates: 04-18 May 2022

Document Date: 03/12/2022

Project No. 2000003760

Report No. 6231-LA

Asia and the Pacific Division
Programme Management Department

Mainstreaming themes – Eligibility criteria checklist						
	<input checked="" type="checkbox"/> Gender Transformative	<input type="checkbox"/> Youth Sensitive	<input checked="" type="checkbox"/> Nutrition Sensitive	<input type="checkbox"/> Persons with Disabilities	<input checked="" type="checkbox"/> Indigenous Peoples	<input checked="" type="checkbox"/> Climate Finance <input checked="" type="checkbox"/> Adaptive Capacity
Situation analysis	<input checked="" type="checkbox"/> National gender policies, strategies and actors <input checked="" type="checkbox"/> Gender roles and exclusion/discrimination <input checked="" type="checkbox"/> Key livelihood problems and opportunities, by gender	<input type="checkbox"/> National youth policies, strategies and actors <input type="checkbox"/> Main youth groups <input type="checkbox"/> Challenges and opportunities by youth group	<input checked="" type="checkbox"/> National nutrition policies, strategies and actors <input checked="" type="checkbox"/> Key nutrition problems and underlying causes, by group <input checked="" type="checkbox"/> Nutritionally vulnerable beneficiaries, by group	<input type="checkbox"/> National policies, strategies and actors <input type="checkbox"/> Main groupings among PwDs <input type="checkbox"/> Context-based barriers and opportunities for PwDs	<input checked="" type="checkbox"/> International standards, national policies, strategies and key IPs' organizations <input checked="" type="checkbox"/> Main IPs communities, demographic, social, cultural and political characteristics <input checked="" type="checkbox"/> Important livelihoods constraints and opportunities for IPs and their cultural heritage	
Theory of change	<input checked="" type="checkbox"/> Gender policy objectives (empowerment, voice, workload) <input checked="" type="checkbox"/> Gender transformative pathways <input checked="" type="checkbox"/> Policy engagement on GEWE	<input type="checkbox"/> Pathways to youth socioeconomic empowerment <input type="checkbox"/> Youth employment included in project objectives/activities	<input checked="" type="checkbox"/> Nutrition pathways <input checked="" type="checkbox"/> Causal linkage between problems, outcomes and impacts	<input type="checkbox"/> Pathways to PwDs' socioeconomic empowerment using a twin-track approach	<input checked="" type="checkbox"/> Pathways to IPs' socioeconomic empowerment	
Logframe indicators	<input checked="" type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input checked="" type="checkbox"/> Women are > 40% of outreach beneficiaries <input checked="" type="checkbox"/> IFAD empowerment index (IE.2.1)	<input type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input type="checkbox"/> Persons with new jobs/employment opportunities (CI 2.2.1)	<input checked="" type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input checked="" type="checkbox"/> Targeted support to improve nutrition (CI 1.1.8) Outcome level CIs <input checked="" type="checkbox"/> CI 1.2.8 MDDW <input type="checkbox"/> CI 1.2.9 KAP	<input type="checkbox"/> Outreach disaggregated by sex, youth, disability and IPs (if appropriate)	<input checked="" type="checkbox"/> Outreach indicator disaggregated by sex, youth and IPs <input checked="" type="checkbox"/> IPs are > 30% of target beneficiaries	
Human and financial resources	<input checked="" type="checkbox"/> Staff with gender TORs <input checked="" type="checkbox"/> Funds for gender activities <input checked="" type="checkbox"/> Funds for IFAD empowerment index in M&E budget	<input type="checkbox"/> Staff with youth TORs <input type="checkbox"/> Funds for youth activities	<input checked="" type="checkbox"/> Staff or partner with nutrition TORs <input checked="" type="checkbox"/> Funds for nutrition activities	<input type="checkbox"/> Staff with disability inclusion-specific TORs <input type="checkbox"/> Funds for disability inclusion-related activities (including accessibility)	<input checked="" type="checkbox"/> Staff with IPs-specific TORs <input checked="" type="checkbox"/> Funds for IPs related activities, including FPIC	IFAD Adaptation Finance \$6,053,000 IFAD Mitigation Finance \$0 Total IFAD Climate-focused Finance \$6,053,000

<p>ECG Remarks</p>	<p>Gender</p> <p>Gender transformative approaches will be pursued under AFN II. Gender Action Plan and other proven structured approaches will be mainstreamed to ensure that women's voice, roles, assets, adequate labour conditions, and economic opportunities are promoted both at household and community level throughout the project interventions. The project will also address the risk of Gender based violence (including sexual exploitation and abuse) that has surged during the COVID pandemic. the project will contribute to the transformation of rural women economy through capacity building and business development and management increasing their income.</p> <p>Nutrition</p> <p>The project is nutrition sensitive and includes interventions that promote nutritionally diverse and rich foods using domesticated and wild foods and seeds. The project will support community nutrition and gender SBCC activities. The project will facilitate the development of integrated home gardens aiming to produce diversified high nutritious foods. The project will also promote and support the development of post-harvest management, storage, and processing technologies at the household and community levels.</p> <p>Youth</p> <p>Persons with Disabilities</p> <p>Indigenous Peoples</p> <p>The project target beneficiaries include 70% of Indigenous people. A IPs framework, FPIC and grievance redress mechanisms have been designed in coordination with IPs, represented by Civil Society Organisations. Cultural sensitivity of the various ethnic groups will be considered at implementation.</p> <p><input type="checkbox"/> No social inclusion themes</p>
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Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex: Add To Secap Review Note Downscaled Climate Analysis

Mission Dates: 04-18 May 2022

Document Date: 03/12/2022


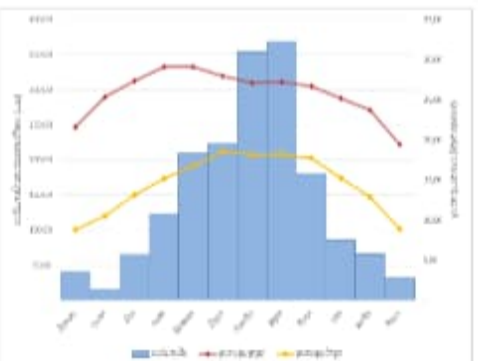
Project No. 2000003760

Report No. 6231-LA

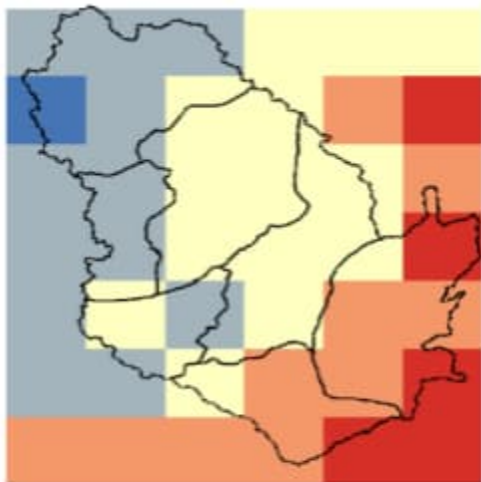
Asia and the Pacific Division
Programme Management Department

Downscaled climate analysis

Table 1: Downscaled climate analysis - Phongsaly Province

Phongsaly province	
Geographic information	
	<p>Phongsaly province is located in the northern part of Lao. Its geographic coordinates are 101°32'17'E' 102°51'13''N and 20°51'11'E' 22°30'10''N. National roads no. 19, 1B, 1A and 2E pass through the province from north to south and the east to west. Nam Ou is a major river in the province. It is geographically made up of mountains (90%), plateau (8%) and lowland (2%). Average elevation of the province is 500-2.280m above mean sea level (AMSL). The climate consists of two seasons, a dry and wet one. Average precipitation is about 1.245.5mm/year. Average minimum temperature is 11.8°C, average maximum temperature is 30.3°C, and average overall temperature is 21.4 °C.</p>
Climate	
 <p>Weather information, 2004-2018</p>	<p>The rainy season is between April and September and the maximum average rainfall is about 353-369mm. The dry season is from October to March and minimum average rainfall is less than other months (16mm). The maximum average temperature occurs in April and May (29°C) and decreases from May to December. Maximum average temperature in December is about 17°C. The highest minimum average temperature occurs in June (18.5°C) and it is lower in January and December than other months (8.8°C).</p>
Climate change Projection	

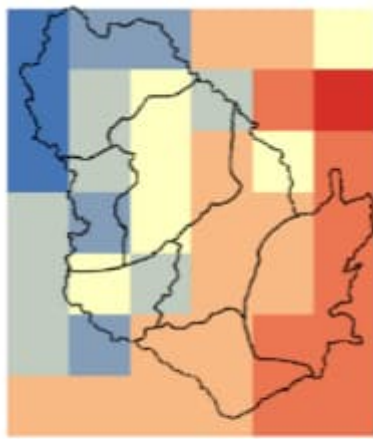
Phongsaly province



ຮູບທີ່ 4-1 ການສະແດງການແຜ່ຂອງອຸນຫະພູມຕໍ່າສະເລ່ຍ ປະເມີນ 1976-2005
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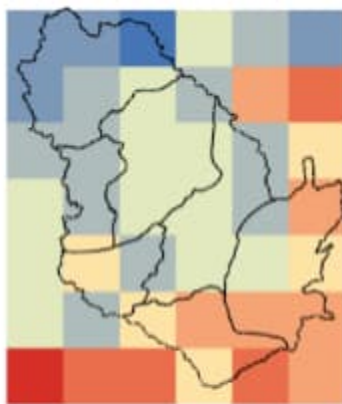
The weather is considered according to NASA's Climate Model (NASA-NEXGDDP) for the climate factors of average minimum and maximum temperature and average rainfall. The scope of the analysis includes a climate baseline for 1976-2005. Two analytical climate Models are applied: RCP4.5 and RCP8.5 for the future from 2021-2050.

Baseline: Analysis of weather data from 1976-2005 shows that the average minimum temperature in Phongsaly province is between 15-18.97°C. The average minimum temperature is 18-18.97°C in Kua and Mai Districts. The average minimum temperature is 16-17°C in Bountai, Phongsaly, and Samphanh districts. In Ngot Ou and Bounneua districts, the average minimum temperature is the lowest (15-16°C).



ຮູບທີ່ 4-2 ການສະແດງການແຜ່ຂອງອຸນຫະພູມຕໍ່າສະເລ່ຍ ປະເມີນ (RCP4.5) ປີ 2021-2050
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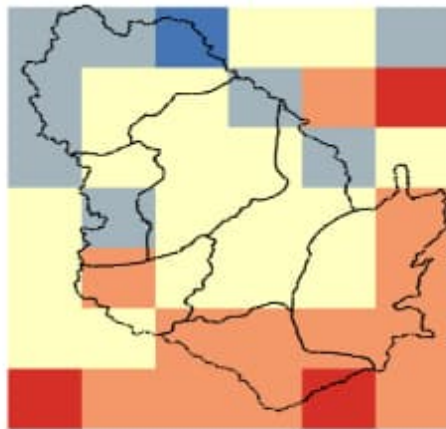
Assuming the RCP4.5 climate analysis (2021-2050), the average minimum temperature in Phongsaly is between 16,5-20°C (an increase of about 1,34°C). The average minimum temperature is higher than in other districts is about 19-20°C (an increase of about 1,33°C) in Kua, Mai, and Samphan Districts. Subsequently, the average minimum temperature is 17-19°C in Bountai, Phongsaly, and Bounneua districts. Ngot Ou district, the average minimum temperature is the lowest (16.5-17°C).



ຮູບທີ່ 5-3 ການສະແດງການແຜ່ຂອງອຸນຫະພູມຕໍ່າສະເລ່ຍ ປະເມີນ (RCP8.5) ປີ 2021-2050
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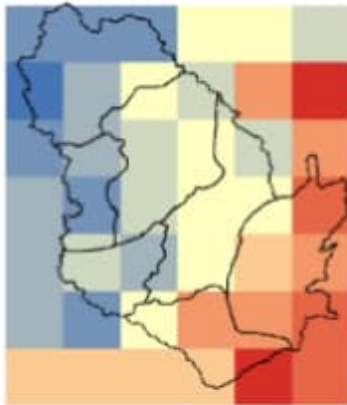
Analysis assumption of weather data from 1976-2005 shows that the average minimum temperature in Phongsaly province is between 15-18,97°C. The average minimum temperature is 18-18.97°C in Kua, and Mai Districts. Subsequently, the average minimum temperature is 16-17°C in Bountai, Phongsaly, and Samphan districts. Ngot Ou and Bounneua districts, the average minimum temperature is the lowest (15-16°C).

Phongsaly province



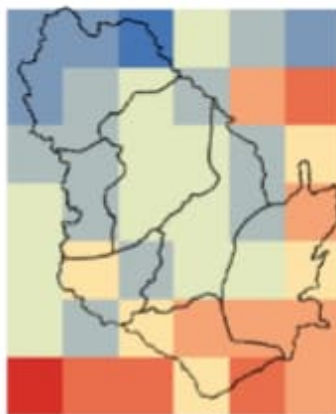
រូប 5-1 ផលប៉ះពាល់អាកាសធាតុ 1976-2005
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Analysis assumption of weather data from 1976-2005 shows that the average maximum temperature in Phongsaly province is between 25,5-28,66°C. The average maximum temperature is 28-28,66°C in Kua district. Subsequently, the average maximum temperature is 27°C in Bountai, Phongsaly, Mai, and Samphan districts. Ngot Ou district, the average minimum temperature is higher than in other districts (25,5-26°C).



រូប 4-3 ផលប៉ះពាល់អាកាសធាតុ វិស័យអាកាសធាតុ (RCP8.5) 2021-2050
 មធ្យមអតិបរមា
 16,5 17 17,5 18 18,5 19 19,5 20 20,47

Assuming that the RCP8.5 climate analysis (2021-2050), the average minimum temperature in Phongsaly is between 16,5-20,47°C. (an increase of about 1,51 °C). The average minimum temperature is higher than other districts is about 19-20,47°C (an increase of about 1,49°C) in Ngot Ou, Bountai, and Bounneua Kua and Mai Districts. Subsequently, the average minimum temperature is 17-18,5°C in Phongsaly and Samphanh districts. The lowest average minimum temperature is 16,5-17 °C in Ngot Ou, Bountai, and Bounneua districts.



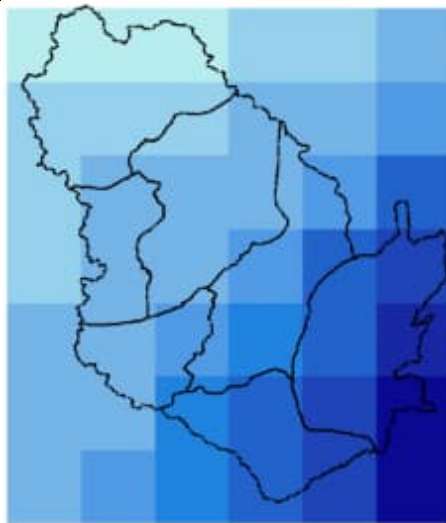
រូប 5-3 ផលប៉ះពាល់អាកាសធាតុ វិស័យអាកាសធាតុ (RCP8.5) 2021-2050
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 21 21,5 22 22,5 23 23,5 24 24,5 25 25,5 26 26,5 27 27,5 28 28,5 29 29,5 30 30,20

Assuming the RCP8.5 climate analysis (2021-2050). the average maximum temperature in Phongsaly is between 16,5-20°C (an increase of about 1,34°C). The average minimum temperature is higher than in other districts is about 19-20°C (an increase of about 1,33°C) in Kua, Mai, and Samphan Districts. Subsequently, the average minimum temperature is 17-19°C in Bountai, Phongsaly, and Bounneua districts. Ngot Ou district, the average minimum temperature is the lowest (16.5-17°C)

Precipitation

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Phongsaly province

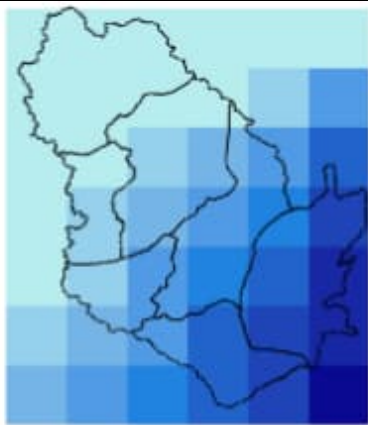


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ប្រមាណ



Baseline: The distribution of average rainfall from 1976-2005 is about 112-130.85mm. Average rainfall distribution in Mai and Kua districts is higher than other districts which is about 128-130.85mm. In Samphanh and Bountai, average rainfall distribution is about 122-128mm. Average rainfall distribution in Phongsaly and Bounneua districts is about 120-122mm and the lowest average rainfall distribution is in Ngot Ou district at 112-122mm.

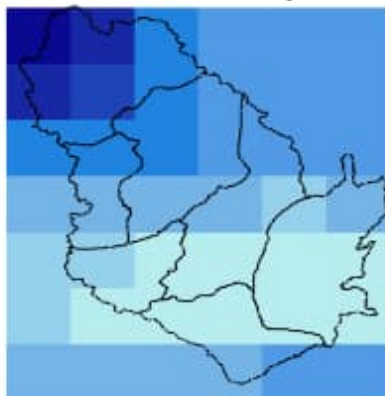


ផ្ទាំង 6-2 បង្ហាញពីការចែកចាយ រំលាយ ប្រមាណ ភ្លៀស មធ្យម ក្នុង រយៈពេល ២០២១-២០៥០ (RCP4.5)

ប្រមាណ



Assuming the RCP4.5 climate analysis (2021-2050), the average rainfall in Phongsaly is between 120-134. The average rainfall distribution in Mai and Kua districts are higher than other in districts which is about 128-134 mm. Subsequently, Samphan and Bountai, average rainfall distribution is about 124-128mm. an average rainfall distribution in Phongsaly and Bounneua districts is about 120-124mm and the lowest average rainfall distribution in Ngot Ou district is 120mm.




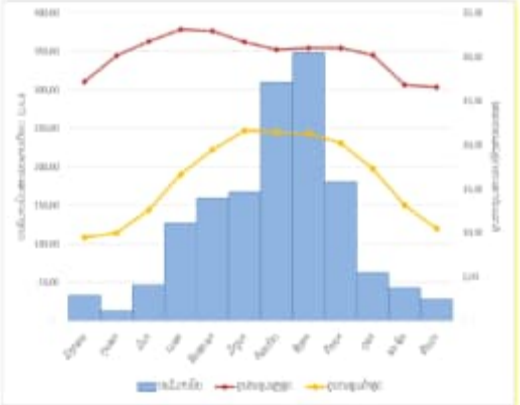
ផ្ទាំង 6-3 បង្ហាញពីការចែកចាយ រំលាយ ប្រមាណ ភ្លៀស មធ្យម ក្នុង រយៈពេល ២០២១-២០៥០ (RCP8.5)

ប្រមាណ

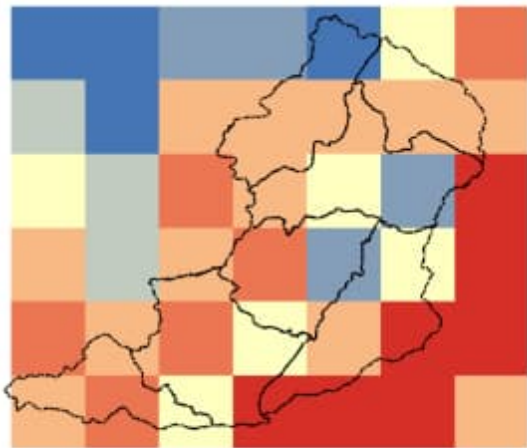


Assuming that the RCP8.5 climate analysis (2021-2050). the average rainfall in Phongsaly is between 145-165,26mm. The average rainfall distribution in Ngot Ou district is higher than other districts which is about 155-165,26 mm. Subsequently, Bounneua and Phongsaly districts, average rainfall distribution is about 150-155mm. An average rainfall distribution in Mai, Samphan, Bountai, and Kua districts is about 145-150mm that is the lowest than other districts.

Table 2: Downscaled climate analysis - Oudomxai Province

Oudomxai province	
Geographic information	
	<p>Oudomxai is a northern province covering an area of 15,370km² of which about 85% is mountainous. The province shares borders with China and Phongsaly to the north, Luang Namtha and Bokeo provinces to the west, Xayabouly to the south, and Luang Prabang to the east. The province is divided into 7 districts, with a total of 472 villages, 59,715 families, and population of 334,350 people (with an equal sex ratio). There are 14 different ethnic groups with 85% being Khmu. It ranges from 300 and 1,800m AMSL. It has approximately 60 rivers offering high potential for hydropower development. About 12% of Oudomxai's forests are primary forests while 48% are secondary ones.</p>
Climate	
	<p>The Northern parts of Lao PDR like Oudomxai have a warmer climate featuring dry winters and hot summers. Temperature averages between 17.7°C and 29.1°C over the year, with lowest temperatures of around 11.3°C in January and the highest around 22.4°C in August. Relative humidity varies from around 45% in March to close to 100% in December, January, and February. Evaporation averages over 55mm, exceeding 45mm for most of the year.</p>
Climate Change Projections	

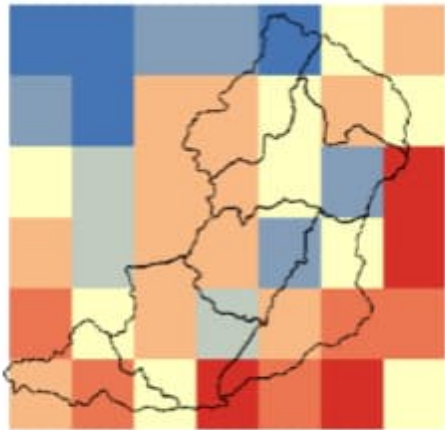
Oudomxai province



រូបភាព 4-1 ប្រែប្រួលអាកាសធាតុ ឆ្នាំ 1976-2005
 ប្រែប្រួលអាកាសធាតុ
 15.5 16 16.5 17 17.5 18 19.13

The weather is considered according to NASA's Climate Model (NASA-NEXGDDP) for the climate factors of average minimum and maximum temperature and average rainfall. The scope of the analysis includes a climate baseline for 1976-2005. Two analytical climate Models are applied: RCP4.5 and RCP8.5 for the future from 2021-2050.

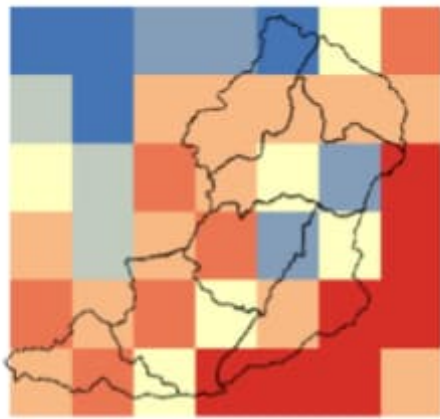
Baseline: Weather data from 1976-2005 shows that the average minimum temperature in Oudomxai province is between 15.5-19.13°C. The average minimum temperature is 15.5-17°C in Namor, La and Xai Districts. Houn and Pakbeng, and a portion of Nga, and Pakbeng districts, have an average minimum temperature of 18-19.13°C.



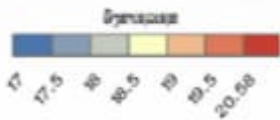
រូបភាព 4-2 ប្រែប្រួលអាកាសធាតុ ក្រោយឆ្នាំ 2021-2050 (RCP4.5)
 ប្រែប្រួលអាកាសធាតុ
 17 17.5 18 18.5 19 19.5 20.44

The RCP4.5 climate analysis (2021-2050), the average minimum temperature in Oudomxai province is between 17-20.44°C (an increase of about 1.33°C). The average minimum temperature is about 17-19°C (an increase of about 1.33°C) in a portion of Namor, Xai, Beng and Nga districts. An average minimum temperature is 19.5-20.44°C in a part of Pakbeng, Nga, and Houn Districts. An average minimum temperature in Namor increase by about 1.34°C, while Nga district temperature gradually increase than other district is about 1.31°C.

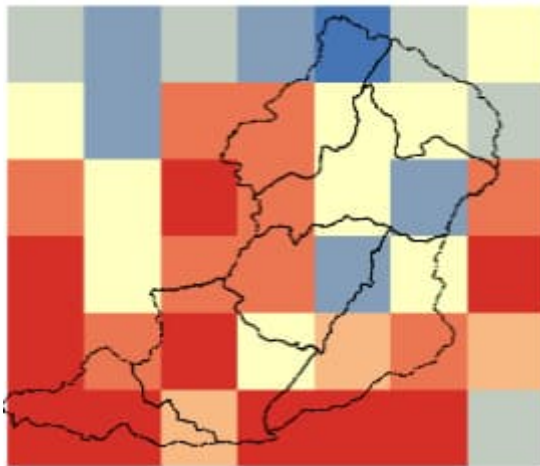
Oudomxai province



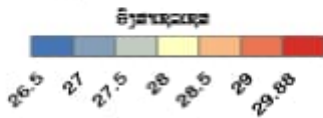
ផ្លូវ 4-3 ប្រតិបត្តិការស្ថានភាព វេទនាសីតុណ្ហភាព (RCP8.5), ឆ្នាំ 2021-2050



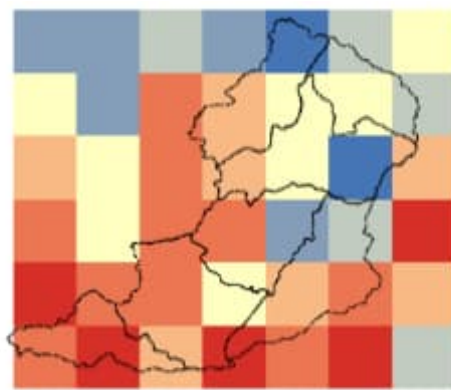
The RCP8.5. The average minimum temperature in Oudomxai province is between 17-20,58°C (an increase of about 1,49°C). The average minimum temperature is about 17-18,5°C in a portion of Namor, Xai, Beng and Nga districts. An average minimum temperature is 19,5-20,58°C in a part of Namor, Nga, and Houn Districts. An average minimum temperature in Namor increase by about 1,50°C, while Nga district, average minimum temperature gradually increases than another district is about 1,47°C.



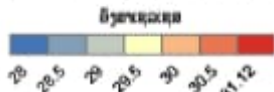
ផ្លូវ 5-1 ប្រតិបត្តិការស្ថានភាព ឆ្នាំ 1976-2005



Baseline: Analysis of weather data from 1976-2005 shows that the average maximum temperature in Oudomxai province is between 26.5-29.88°C. Average maximum temperature is 31.12°C (an increase about 1.24°C) in Pakbeng district. Average maximum temperature is between 29.88 °C in Pakbeng district. Houn and a part of Nga districts have an average maximum temperature between 28-29°C. Namor, Xai, La and Nga districts have an average maximum temperature between 26.5-28°C.

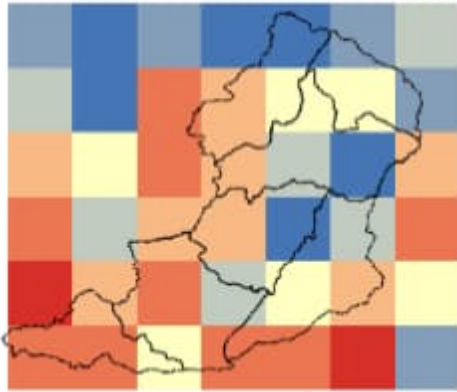


ផ្លូវ 5-2 ប្រតិបត្តិការស្ថានភាព វេទនា សីតុណ្ហភាព (RCP4.5), ឆ្នាំ 2021-2050



RCP4.5 climate analysis. The average maximum temperature in Oudomxai province is between 28-31,12°C. (an increase of about 1,274°C). The average minimum temperature is about 19-20,47°C (an increase of about 1,49°C) in Pakbeng District. Average maximum temperature is between 29,5-30,5 °C in Houn, and a part of Beng and La districts. Namor, Xai, La and Nga districts, average maximum temperature is between 28-29,5°C.

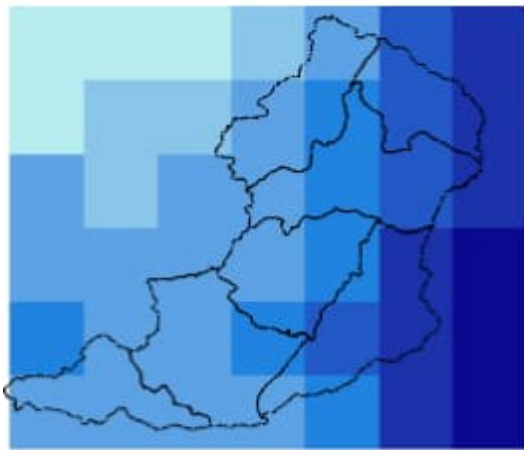
Oudomxai province



ផ្លូវ 5-3 ប្រមាណនៃសីតុណ្ហភាព មធ្យមអតិបរមា ក្រោយ (RCP8.5), ឆ្នាំ 2021-2050
 សីតុណ្ហភាព
 28.5 29 29.5 30 30.5 31 31.40

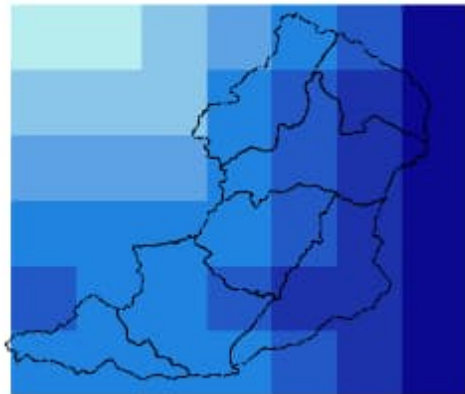
RCP8.5 climate analysis (2021-2050). The average maximum temperature in Oudomxai province is between 28,5-31°C. (an increase of about 1,525°C). The average maximum temperature is between 30-31°C in Pakbeng Houn, and a part of Nga districts. Average maximum temperature is between 28.5-30.5 °C in Namor and part of Beng, La, and Nga districts.

Precipitation



ផ្លូវ 6-1 ប្រមាណនៃប្រេស៊ីប៊ីតាស្យុង មធ្យម ឆ្នាំ 1976-2005
 ប្រេស៊ីប៊ីតាស្យុង
 116 117 120 122 124 126 127.56

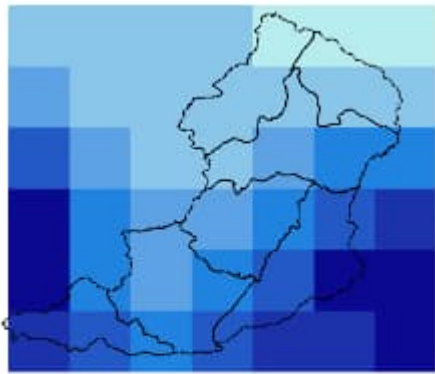
Baseline: The distribution of average rainfall from 1976-2005 is between 117-126mm. Average rainfall distribution in Nga is between 124-126mm which is higher than other districts. In Xai and La districts, average rainfall distribution is between 122-124mm. Average rainfall distribution in Pakbeng, Houn, Beng, and Namor districts is between 117-120mm.



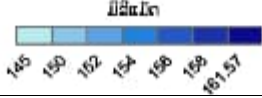
ផ្លូវ 6-2 ប្រមាណនៃប្រេស៊ីប៊ីតាស្យុង ក្រោយអន្តរកាល ក្រោយ (RCP4.5), ឆ្នាំ 2021-2050
 ប្រេស៊ីប៊ីតាស្យុង
 117 120 122 124 126 128 130.19

RCP4.5 (2021-2050). The distribution of average rainfall is between 122-130.19mm (an increase of 3.82mm). Average rainfall distribution in Nga, Xai, and La districts is between 128-130.19mm (an increase of 3.65mm). Pakbeng, Houn, Beng, and Namor districts, have an average rainfall distribution between 122-124mm (an increase of 3.94mm).

Oudomxai province


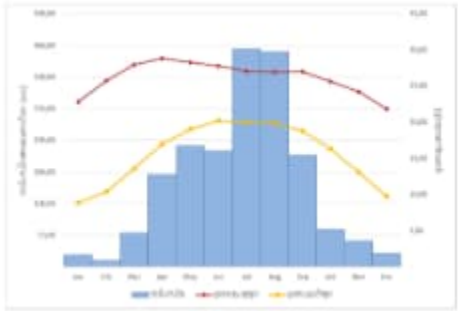
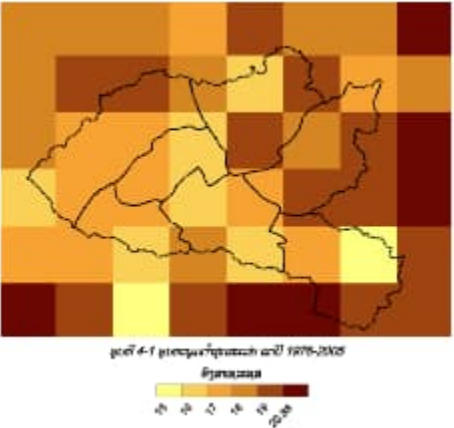


រូបថត 6-3 បែងចែកចំនួនមធ្យមនៃការធ្លាក់ទឹកភ្លៀង (RCP4.8) ឆ្នាំ 2021-2050

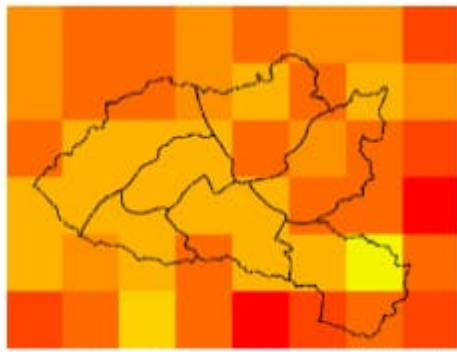


RCP4.8 (2021-2050): The distribution of average rainfall is between 145-161.57mm (an increase of 30.95mm). The average rainfall distribution in Namor, La, and apart of Xai districts is between 145-150mm (an increase of 26.87mm). In Nga, Beng, Xai and Pakbeng districts, average rainfall distribution is between 156-161.57mm (an increase of 32.78mm).

Table 3: Downscaled climate analysis - Xiengkhouang Province

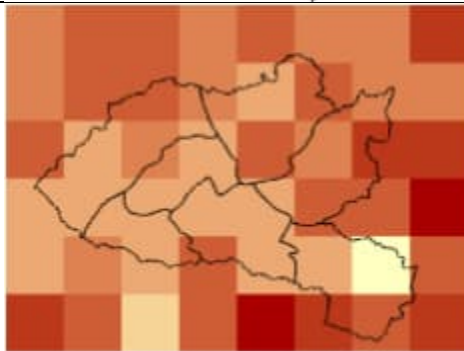
<p>Xiengkhouang Province</p>	
<p>Geographic information</p>	
 <p>ຜູ້ຕັ້ງ 1 ພື້ນທີ່ ທາງພື້ນທີ່ ທາງພື້ນທີ່ ທາງພື້ນທີ່</p>	<p>Xiengkhouang province covers an area of 15,880 square kilometres and has a largely mountainous topography. The province borders Luang Prabang to the northwest, Houaphanh province to the northeast, Vietnam to the east, Bolikhamxai to the southeast, and Xaysomboun province to the southwest. Apart from floodplains, the largest expanse of level land in the country is the Xiengkhouang Plateau. This area is characterized by rolling hills and grassland whose elevation averages 1,300m ASML. The capital city is at an elevation of about 1,000m ASML. The Kham District is in a low-lying basin at an elevation of about 600m AMSL.</p>
<p>Climate</p>	
 <p>ຜູ້ຕັ້ງ 2 ພື້ນທີ່ ທາງພື້ນທີ່ ທາງພື້ນທີ່ ທາງພື້ນທີ່</p>	<p>The rainy season in Xiengkhouang province is between April to September and the average maximum rainfall is about 345mm. The dry season is from October to March. In February, average minimum rainfall is less than other months (10mm). The maximum temperature occurs in April (28°C). The temperature decreases from May to December. Maximum temperature in December is 21°C. The minimum temperature of 9°C occurs in June.</p>
<p>Climate change projections</p>	
 <p>ຜູ້ຕັ້ງ 4-1 ພື້ນທີ່ ທາງພື້ນທີ່ ທາງພື້ນທີ່ ທາງພື້ນທີ່</p>	<p>The weather is considered according to NASA's Climate Model (NASA-NEXGDDP) for the climate factors of average minimum and maximum temperature and average rainfall. The scope of the analysis includes a climate baseline for 1976-2005. Two analytical climate Models are applied: RCP4.5 and RCP8.5 for the future from 2021-2050.</p> <p>Analysis assumption of weather Baseline: Weather data from 1976-2005 shows that the average minimum temperature in Xiengkhouang province is between 15-20.88°C. The average minimum temperature is 18°C in Phoukoud, Pek, Phaxay and Khoun districts. In Nonghad, average minimum temperature is 20°C.</p>

Xiengkhouang Province



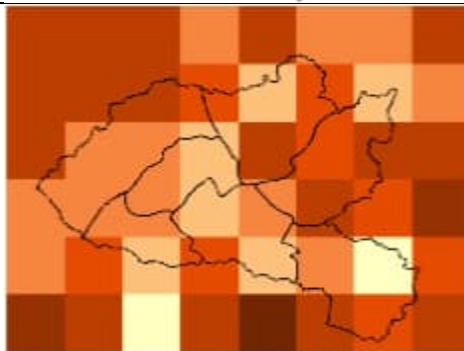
ຖານີ 4-2 ການວິເຄາະອາກາດ ທາງເສດຖະກິດ ທີ່ມີຄວາມໝາຍ (RCP4.5), ປີ 2021-2050
 ອຸນຫະພູມຕໍ່າ
 16 17 18 19 20 21 22

RCP4.5 climate analysis (2021-2050): the average minimum temperature in Xiengkhouang province is between 16-22.16°C (an increase of about 1.29°C). The average minimum temperature is about 18°C (an increase of about 1.294°C) in Phoukoud, Pek, Phaxay, Khoun and Mok districts. In Nonghad, average minimum temperature is 22°C (an increase of about 1.29°C).



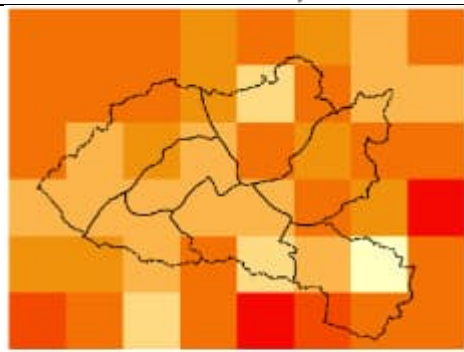
ຖານີ 4-3 ການວິເຄາະອາກາດ ທາງເສດຖະກິດ ທີ່ມີຄວາມໝາຍ (RCP4.8), ປີ 2021-2050
 ອຸນຫະພູມຕໍ່າ
 16 17 18 19 20 21 22

RCP4.8 climate analysis: the average minimum temperature in Xiengkhouang province is between 16-22.33°C (an increase of about 1.436°C). The average minimum temperature is about 18°C (an increase of about 1.294°C) in Phoukoud, Pek, Phaxay, Khoun and Mok districts. In Nonghad, average minimum temperature is 20°C (an increase of about 1.426°C).



ຖານີ 5-1 ການວິເຄາະອາກາດ ປີ 1976-2005
 ອຸນຫະພູມສູງ
 24 25 26 27 28

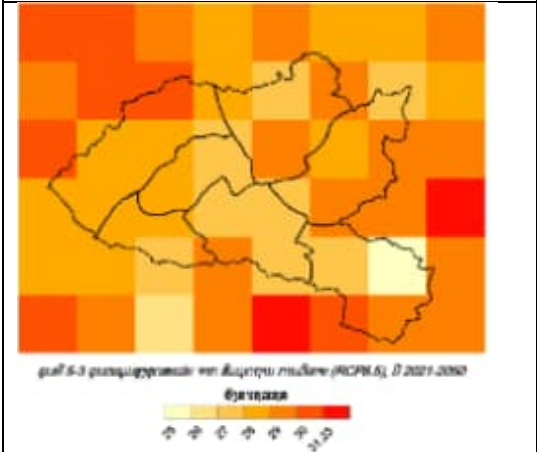
Baseline: Analysis of weather data from 1976-2005 shows that the average maximum temperature in Xiengkhouang province is between 24-28°C. The average maximum temperature is about 24-25°C in the Nonghad and Pek districts.



ຖານີ 5-2 ການວິເຄາະອາກາດ ທາງເສດຖະກິດ ທີ່ມີຄວາມໝາຍ (RCP4.5), ປີ 2021-2050
 ອຸນຫະພູມສູງ
 25 26 27 28 29

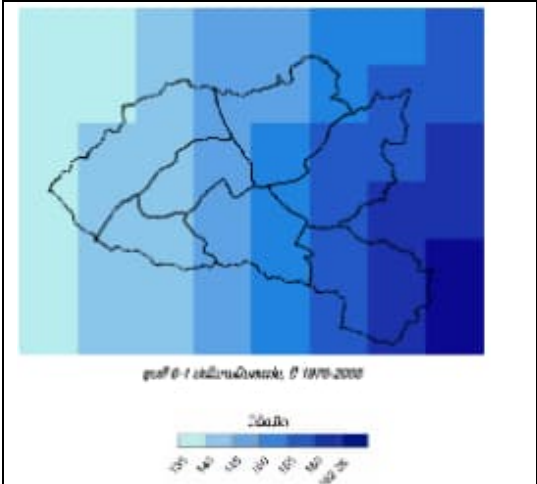
RCP4.5: The average maximum temperature in Xiengkhouang province is between 25-29°C (an increase of about 1.29°C). The average maximum temperature is between 27-28°C (an increase of about 1.273°C) in Kham and Nonghad districts. Mok has an average maximum temperature between 25-26°C (an increase of about 1.233°C).

Xiengkhouang Province

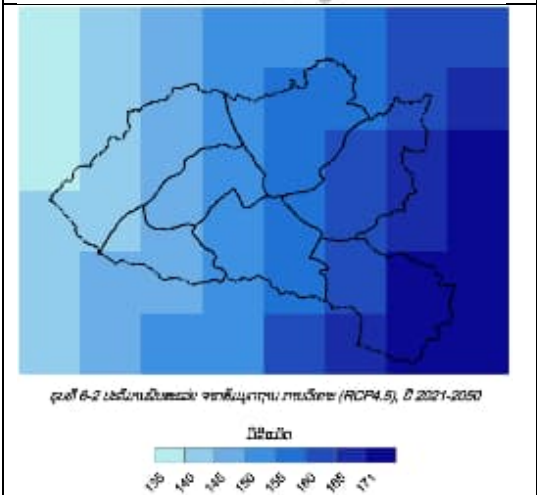


RCP8.5 climate analysis (2021-2050). The average maximum temperature in Xiengkhouang province is between 25-29°C (an increase of about 1.5°C). The average maximum temperature is 29°C (an increase of about 1.503°C) in Kham and Nonghad districts. In Khoun and Mok districts, the average maximum temperature is 27°C (an increase of about 1.487°C).

Precipitation

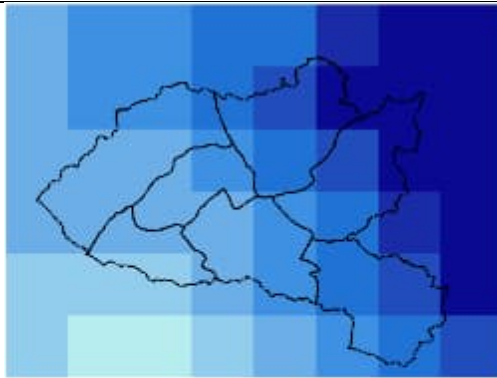


Baseline: The distribution of an average rainfall from 1976-2005 is between 135-160. Average rainfall distribution in Nonghad and Mok district is between 150-160mm which is higher than other districts. Average rainfall distribution is between 140-145mm in Phoukoud and Phaxay districts.



RCP4.5 (2021-2050). The distribution of an average rainfall is between 140-171mm (an increase of 5.301mm). Average rainfall distribution in the Phokhoud district is between 140-145mm (an increase of 5.301mm). Mok district has average rainfall distribution between 160-171mm (an increase of 7.39mm).

Xiengkhouang Province


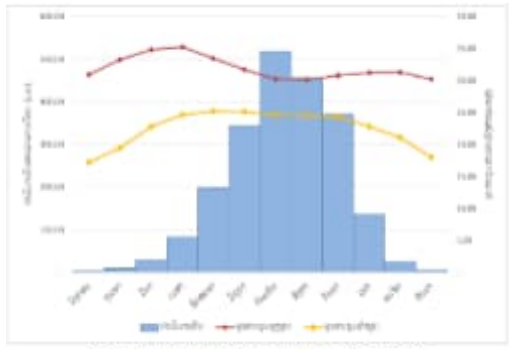
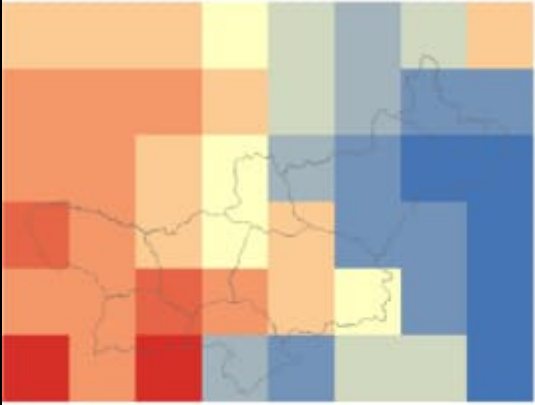


ຖານີ 5-3 ສະແດງການແຜ່ກາຍຂອງ ການລົງຄຽມ ການລົງຄຽມ (RCP4.8), ປີ 2021-2050

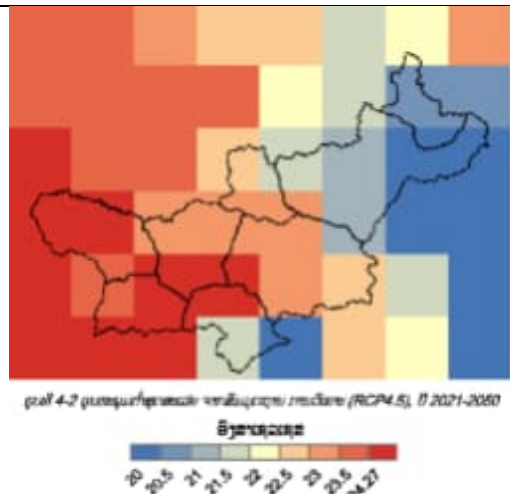


RCP4.8 (2021-2050): the distribution of average rainfall is between 160-211.26mm (an increase of 32.278mm). Average rainfall distribution in Phaxay district is between 160-170mm (an increase of 21.619mm). In Kham and Mok districts, average rainfall distribution is between 190-211.26mm (an increase of 42.970mm).

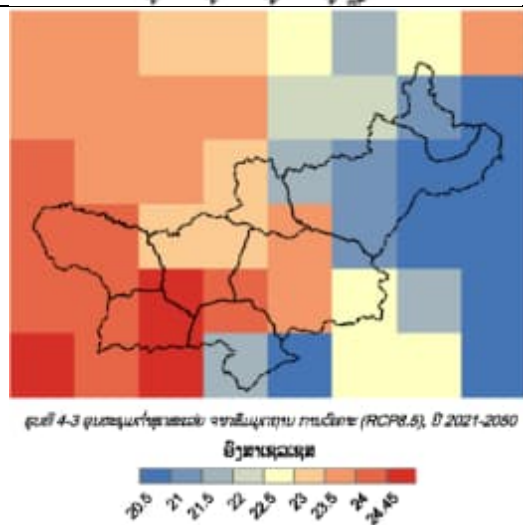
Table 4: Downscaled climate analysis - Salavan Province

Salavan province	
Geographic information	
	<p>Salavan province covers an area of 16,389 km². The province borders Savannakhet province to the north, Vietnam to the east, Sekong to the southeast, Champassak province to the south, and Thailand to the west. It is volcanic in origin with mountains and wide valleys. The central part of the province comprises the Bolovens Plateau. The western part of Salavan province is delimited by the Mekong River while the eastern part is delimited by the Lao-Vietnamese border. In addition to the Bolovens Plateau and the Mekong, the topography includes plains and a mountainous region near the border with Vietnam.</p>
Climate	
	<p>The rainy season in Salavan province is between April and October and average maximum rainfall is about 517.3mm in July. The dry season is in November to May. In December and February, average rainfall is 5.3mm and 3.6mm, respectively. Average maximum temperature occurs in April at 35.3°C. The temperature decreases from April to August to about 30.1°C. Minimum temperature is in December at 21°C. The minimum temperature occurs in May and June (25°C). Average minimum temperature is 17-18°C.</p>
Climate change projection	
	<p>The weather is considered according to NASA's Climate Model (NASA-NEXGDDP) for the climate factors of average minimum and maximum temperature and average rainfall. The scope of the analysis includes a climate baseline for 1976-2005. Two analytical climate Models are applied: RCP4.5 and RCP8.5 for the future from 2021-2050.</p> <p>Baseline: Analysis of weather data from 1976-2005 shows that the average minimum temperature in Salavan province is between 18-23.13°C. The average minimum temperature is 18-20°C in Samoiy and Taoiy districts. In Khonsedone, Nakhonpheng and a portion of Vapi, Salavan and Laongam districts, average minimum temperature is 22-23.13°C.</p>

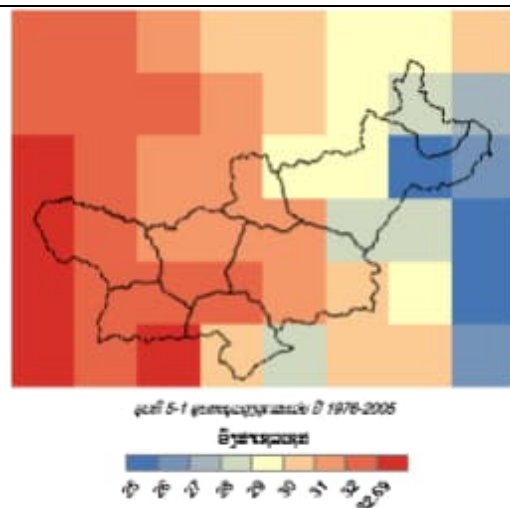
Salavan province



RCP4.5 climate analysis (2021-2050): the average minimum temperature in Salavan province is between 20-24.27°C (an increase of about 1.12°C). The average minimum temperature is 20-21°C (an increase of about 1.08°C) in Samoiy and Taioy districts. In Nakhonpheng, and a portion of Khongsedon, Vapi, Salavan and Laongam districts, average minimum temperature is 23-24.27°C (an increase of about 1.13°C).

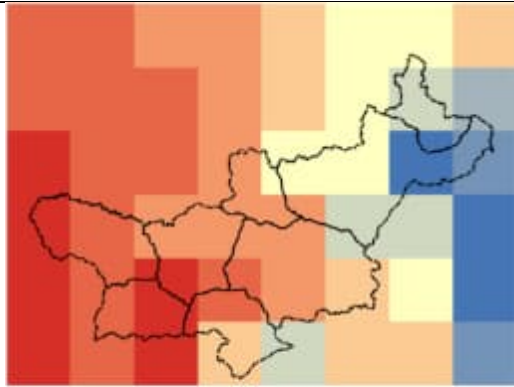


RCP4.8 climate analysis: The average minimum temperature in Salavan province is between 20.5-24.45°C (an increase of about 1.29°C). The average minimum temperature is 20.5-21.5°C (an increase of about 1.25°C) in Samoiy and Taioy, and a portion of Laongam districts. In Khongsedon, a portion of Nakhonpheng, Vapi, and Laongam districts, average minimum temperature is 24-24.45°C (an increase of about 1.31°C).



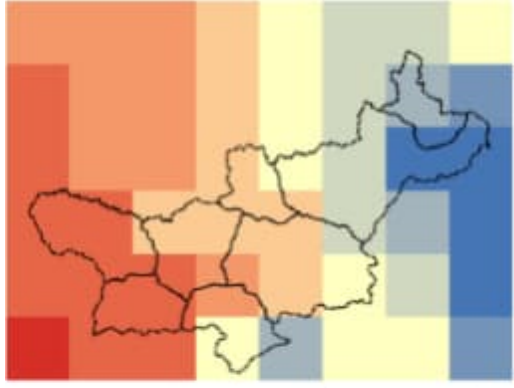
Baseline: Analysis assumption of weather data from 1976-2005 shows that the average maximum temperature in Salavan province is between 25-32.69°C. The average maximum temperature is 31-32.69°C in Nakhonpheng, Khongsedone and a portion of Vapi, LaoNgam and Salavan districts. In Taioy and Samouy districts, average maximum temperature is 25-29°C.

Salavan province



ຮູບທີ່ 5-2 ການສຶກສາອຸປະສົງອາກາດສະໄໝໃໝ່ (RCP4.5), ປີ 2021-2050
 ອຸນຫະພູມສະເລ່ຍ
 15 20 25 30 35 40 45

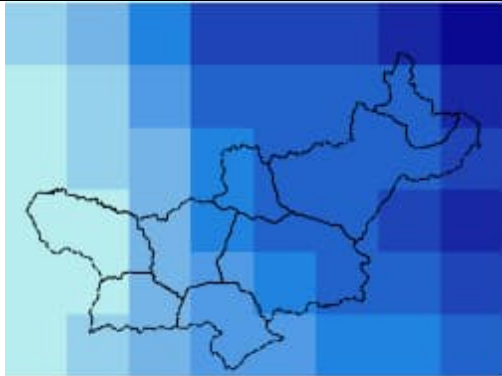
RCP4.5 climate analysis (2021-2050): the average maximum temperature in Salavan province is between 26-33.38°C (an increase of about 1.107°C). The average maximum temperature is 32-33.83°C (an increase of about 1.093°C) in Nakhonpheng, Khongsedone and a portion of Vapi, LaoNgam and Salavan districts. In Taoiy and Samouy districts, average maximum temperature is 26-30°C (an increase of about 1.014°C).



ຮູບທີ່ 5-3 ການສຶກສາອຸປະສົງອາກາດສະໄໝໃໝ່ (RCP8.5), ປີ 2021-2050
 ອຸນຫະພູມສະເລ່ຍ
 15 20 25 30 35 40 45

RCP8.5 climate analysis (2021-2050): the average maximum temperature is 27-34°C (an increase of about 1.322°C) in Salavan province. The average maximum temperature is 33-34°C (an increase of about 1.344°C) in Nakhonpheng, Khongsedone and a portion of Vapi, LaoNgam and Salavan districts. In Taoiy and Samouy districts, average maximum temperature is 27-30°C (an increase of about 1.266°C).

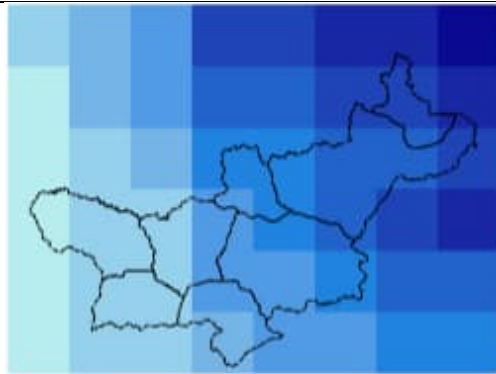
Precipitation



ຮູບທີ່ 6-1 ການສຶກສາອຸປະສົງອາກາດສະໄໝໃໝ່, ປີ 1976-2005
 ມັນຕົວ
 155 160 165 170 175 180 185 190 192.75

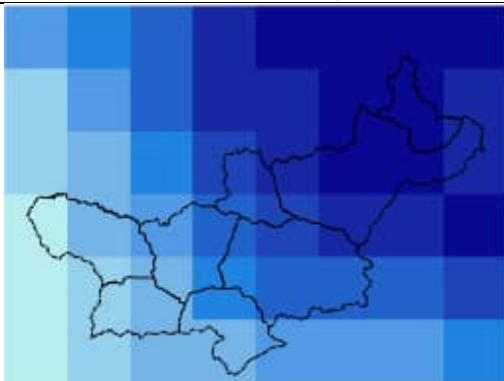
Baseline: The distribution of an average rainfall from 1976-2005 is between 155-180mm in Salavan province. Average rainfall distribution in Taoiy, Samoiy, and a portion of Salavan and Toumlan district is 180mm. In Nakhonpheng, Khongsedone, Vapi, and LaoNgam districts, average rainfall distribution is between 155-170mm.

Salavan province



ຜູ້ຮັບ 6-3 ແຜນທີ່ປານສະໄໝອະນາໄມພາຍໃນ ການລົງທະ (RCP4.5) ປີ 2021-2050
 ມິລິແມັດ
 160 170 180 190 200 210 220 230 240 250 260


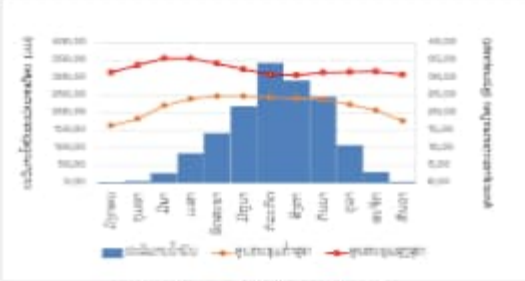

RCP4.5: The distribution of an average rainfall is between 170-205mm (an increase of 13.70mm). Average rainfall distribution in Taoyi, Samoiy, and a portion of Salavan and Toumlan district is between 190-205mm (an increase of 19.02mm). In Nakhonpheng, Khongsedone, a portion of Vapi, and LaoNgam districts, average rainfall distribution is between 160-180mm (an increase of 8.38mm).



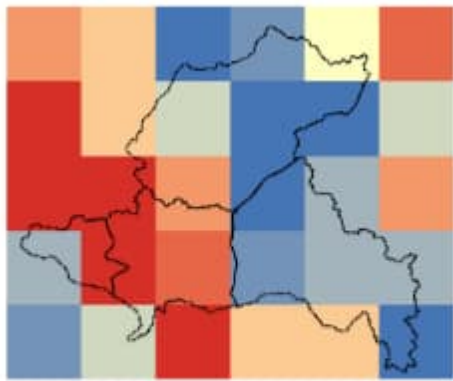
ຜູ້ຮັບ 6-3 ແຜນທີ່ປານສະໄໝອະນາໄມພາຍໃນ ການລົງທະ (RCP4.8) ປີ 2021-2050
 ມິລິແມັດ
 190 200 210 220 230 240 250 260 270 280 290 300

RCP4.8 (2021-2050): the distribution of average rainfall is between 190-235.38mm (an increase of 45.89mm). Average rainfall distribution in Taoyi, Samoiy, Salavan, Toumlan and a portion of Vapi district is between 220-235.88mm (an increase of 47.83mm). In Khongsedone, LaoNgam districts, average rainfall distribution is between 190-200mm (an increase of 40.08mm).

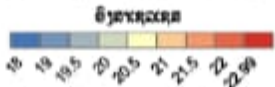
Table 5: Downscaled climate analysis - Sekong Province

<p>Sekong Province</p>	
<p>Geographic information</p> 	<p>Sekong province is located in the Southern part of Lao PDR and has a total area of 7,665 km² or 766,500 hectares. Approximately 5,037 km² (65%) is mountainous, 2,325 km² (30%) plateau, and about 388 km² (5%) flat areas. It has 4 districts: Lamam, Thateng, Kalum, and DakChung, two of which are classified as poor. Sekong Province consists of 10 ethnic groups with different lifestyles, customs, and languages. There are 111,375 people and 55,709 females, with an average population density of about 14.37 people/square kilometres. The total number of families there is 14,891.</p>
<p>Climate</p>	
 <p>ປຶ້ມ 3 ສະໜອງ ສະຖານີ, 2004-2019¹</p>	<p>The rainy season in Sekong province is from April to September and average rainfall is about 343.02mm in July. The average rainfall in August and September is greater than 250mm. The dry season is from October to May. The maximum temperature occurs in April (about 35.7°C). The temperature decreases from May to August then there is a gradual increase to November. Minimum temperature in January is 16°C. The minimum temperature occurs on June and July (24.8°C).</p>
<p>Climate change projection</p>	
 <p>ປຶ້ມ 4-1 ຕົວຢ່າງການປະເມີນອຸນຫະພູມ ປີ 1976-2005</p> <p>ອຸນຫະພູມ</p> <p>16.5 17 17.5 18 18.5 19 20 21 21.87</p>	<p>The weather is considered according to NASA's Climate Model (NASA-NEXGDDP) for the climate factors of average minimum and maximum temperature and average rainfall. The scope of the analysis includes a climate baseline for 1976-2005. Two analytical climate Models are applied: RCP4.5 and RCP8.5 for the future from 2021-2050. Analysis assumption of weather data from 1976-2005 shows that the average minimum temperature in Sekong province is between 16.6-21.87°C. The average minimum temperature is 16.5-19°C in the Kalum and DakChung districts. In Thateng district, average minimum temperature is 18.5°C. The average minimum temperature is 19°C in Lamum District.</p>

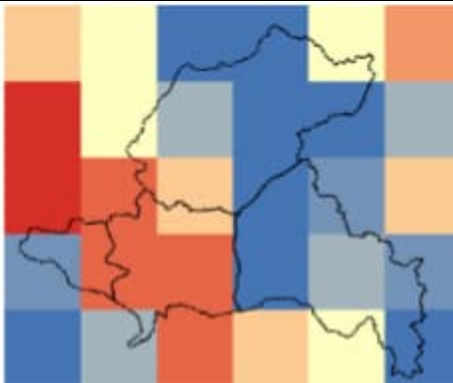
Sekong Province



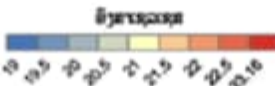
ຮູບ 4-2 ການສະແດງການປ່ຽນແປງອຸນຫະພູມສະເລ່ຍ (RCP4.5) ປີ 2021-2050



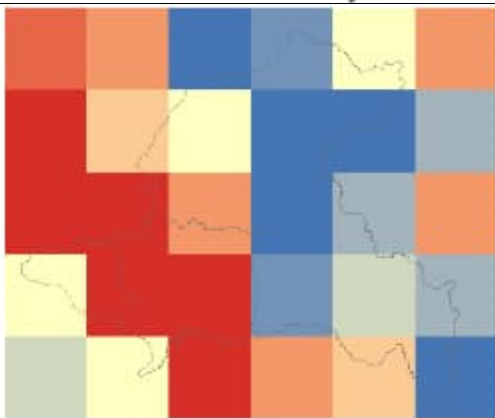
RCP4.5 climate analysis (2021-2050): The average minimum temperature in Sekong province is between 18-22.99°C (an increase of about 1.10°C). The average minimum temperature is 18-21°C in Kalum and DakChung districts. In Thateng and Lamam districts, average minimum temperature is 20-22.9°C (an increase of about 1.12°C). The average minimum temperature is 19°C in Lamum District.



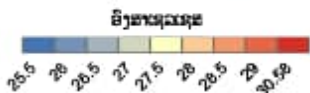
ຮູບ 4-3 ການສະແດງການປ່ຽນແປງອຸນຫະພູມສະເລ່ຍ (RCP8.5) ປີ 2021-2050



RCP4.8 climate analysis: The average minimum temperature in Sekong province is between 19-23.16°C (an increase of about 1.25°C). The average minimum temperature is 19-22.5°C (an increase of about 1.23°C) in Kalum and DakChung districts. In Thateng and Lamam districts, average minimum temperature is 19.5-23.16°C (an increase of about 1.28°C).

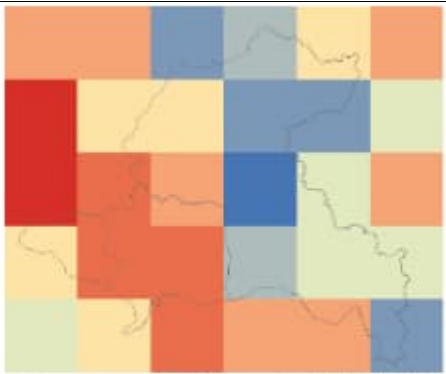


ຮູບ 5-1 ການສະແດງອຸນຫະພູມສະເລ່ຍ ປີ 1976-2005



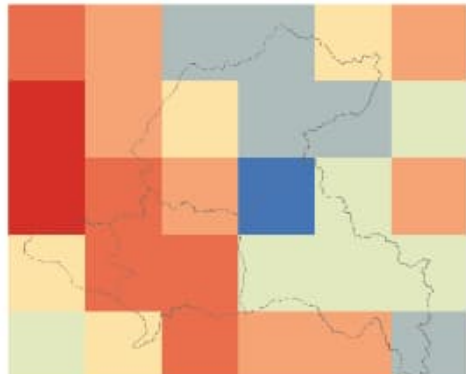
Analysis assumption of weather data from 1976-2005 shows that the average maximum temperature in Sekong province is between 25.5-30.58°C. The average maximum temperature is 27.5-30.58°C in the Lamam and Thateng districts. In the Kalum and DakChung districts, average maximum temperature is 26.5-28.5°C and 26-28°C, respectively.

Sekong Province



ສູນທີ່ 5-2 ອຸນຫະພູມສູງສຸດສະເລ່ຍ ຈາກ ສິມູເລຊັນ ການເມັດກະ (RCP4.5), ປີ 2021-2050
 ອົງສາເຊລຊຽດ
 25.23 26 27 28 29 30 31 31.64

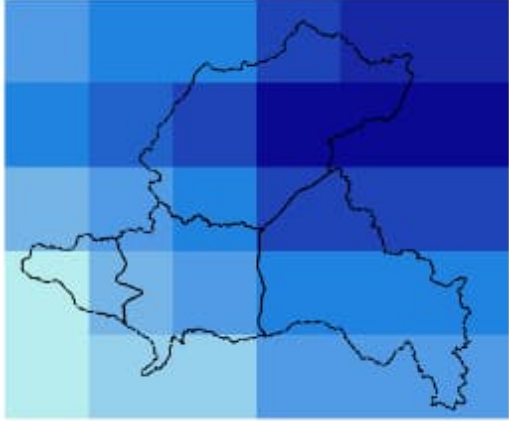
RCP4.5 climate analysis (2021-2050): the average maximum temperature in Sekong province is between 25.23-31.64°C (an increase of about 1.038°C). The average maximum temperature is 28-31°C (an increase of about 1.062°C) in Lamam and Thateng districts. In Kalum and DakChung, average maximum temperature is 25.23-30°C (an increase of about 1.015°C).



ສູນທີ່ 5-3 ອຸນຫະພູມສູງສຸດສະເລ່ຍ ຈາກ ສິມູເລຊັນ ການເມັດກະ (RCP8.5), ປີ 2021-2050
 ອົງສາເຊລຊຽດ
 25.46 26 27 28 29 30 31 31.89

RCP8.5 climate analysis (2021-2050): The average maximum temperature in Sekong province is between 25.46-31.89°C (an increase of about 1.277°C). The average maximum temperature is 29-31°C (an increase of about 1.304°C) in Thateng and Lamam districts. In Kalum and DakChung, average maximum temperature is 25.46-30°C (an increase of about 1.249°C).

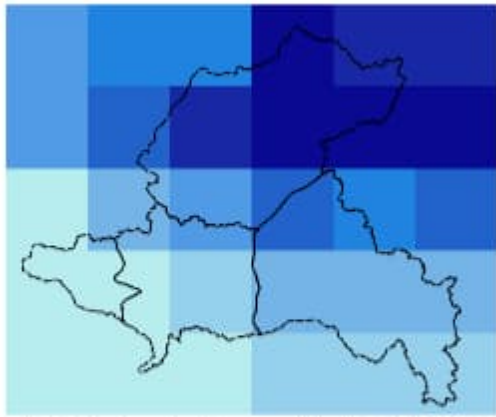
Precipitation



ສູນທີ່ 6-1 ບັນນິທານພູມອຸນຫະພູມ, ປີ 1976-2005
 ມິລີແມັດ
 170 172 174 176 178 180 182 184 187.28

Baseline: The distribution of an average rainfall from 1976-2005 is between 170-178.28mm in Sekong province. Average rainfall distribution in Kalum District is 176-178.28mm. In Thateng district, average rainfall distribution is between 170-172mm.

Sekong Province

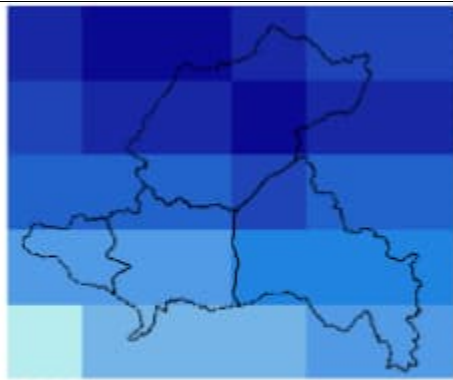


ຮູບທີ 6-2 ແຜນທີ່ການແຜ່ກາຍຄ່າສະເລ່ຍການລົງເນື້ອນນ້ຳ (RCP4.5), ປີ 2021-2050

ປີເສັ້ນຕົວ

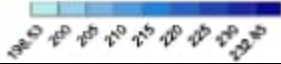


RCP4.5 (2021-2050): The distribution of average rainfall from 1976-2005 is between 190-209.36mm in Sekong province. Average rainfall distribution in Kalum district is 196-209.36mm. In Thateng district, average rainfall distribution is between 190-192mm.



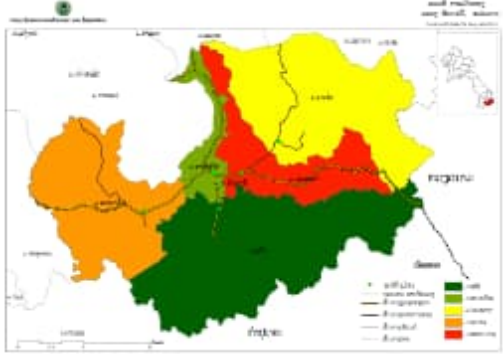
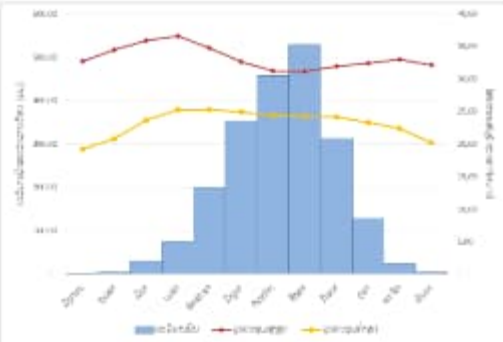
ຮູບທີ 6-3 ແຜນທີ່ການແຜ່ກາຍຄ່າສະເລ່ຍການລົງເນື້ອນນ້ຳ (RCP8.5), ປີ 2021-2050

ປີເສັ້ນຕົວ

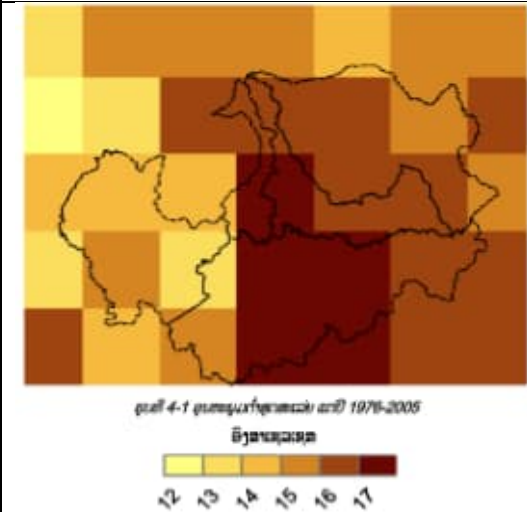


RCP4.8 (2021-2050): The distribution of average rainfall from 1976-2005 is between 198.53-232.85mm in Sekong province. Average rainfall distribution in Kalum district is 215-232.85mm. In Thateng and Lamam districts, average rainfall distribution is between 200-210mm.

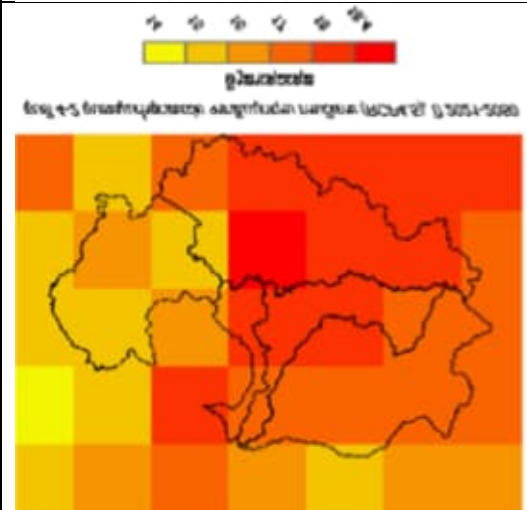
Table 6: Downscaled climate analysis - Attapeu Province

Attapeu Province	
<p>Geographic information</p> 	<p>Attapeu Province is located in the southern part of Lao PDR and is approximately 838 km from Vientiane. It has a total area of 1,032,000 ha. Attapeu Province is located between the latitudes 14° 17'32" and 15° 17'22" N, Longitude 106° 10' 9" to 107° 35'55" E. The province borders Sekong Province to the North, the Kingdom of Cambodia to the South, Vietnam to the East, and Champassak province in the West.</p>
<p>Mountainous area covers 52% of the province, plateau 14%, and plains 34%. The average landscape is 85-1,500m AMSL. There are two seasons: the dry season from late October to April and the rainy season from the end of May to the end of October. Average rainfall in the province from 1996 to 2009 was about 2.344.8mm on average and the maximum temperature was 21.1°C. The average temperature is 33.6°C. Forest covers 33.4% of the province or an area of 546,357 ha. There is a total of 38,700 ha of arable land, equal to 2.42% of the entire province. Attapeu Province consists of 5 districts, namely Saysettha, Phuwong, Sanamxay, San Sai and Samxay. There are 145 villages (44 are urban), 27 are village clusters and 11 focus areas for development. During the fiscal year 2016-2020, there were 32,313 households with a population of 151,848 persons total and 76,046 females (2018 data). The average population density is about 27 people/km. The population growth rate is 2.4% per year. There are 11 ethnic groups: Lao, Yuru, Daliang, Tao, Yah, Bua, Arak, Aoi, Thein, Daeng, and Yahe. There are 24 poor villages accounting for 16.5% of all. Villages with 1,862 poor families accounted for 7.76% of all families.</p>	
Climate	
	<p>The rainy season in Attapeu province is from May to October and average rainfall is about 520mm in August. The dry season is from November to March. The minimum average rainfall occurs in January at 10mm. The maximum temperature occurs in April (about 36°C). The temperature decreases from May to July then gradually increases from August to November. The average temperature in July is 30°C. Minimum temperature in January is 19°C.</p>
Climate change projections	

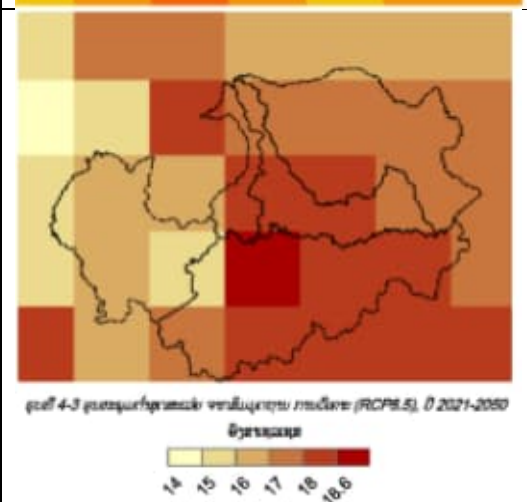
Attapeu Province



The weather is considered according to NASA's Climate Model (NASA-NEXGDDP) for the climate factors of average minimum and maximum temperature and average rainfall. The scope of the analysis includes a climate baseline for 1976-2005. Two analytical climate Models are applied: RCP4.5 and RCP8.5 for the future from 2021-2050. Analysis assumption of weather data from 1976-2005 shows that the average minimum temperature in Attapeu province is between 13-17°C. The average minimum temperature is 16-17°C in Phovong, Saysettha and Samakkhyxay districts. In Samamxay, the average minimum temperature is 13-14°C.



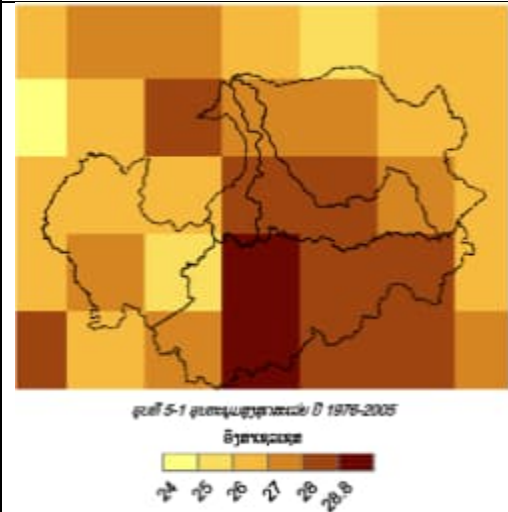
RCP4.5 climate analysis (2021-2050): the average minimum temperature in Attapeu province is between 15-18.4°C (an increase of about 1.13°C). The average minimum temperature is 18-18.4°C (an increase of about 1.13°C) in Phovong. In Samamxay district, average minimum temperature is 15-16°C (an increase of about 1.15°C).



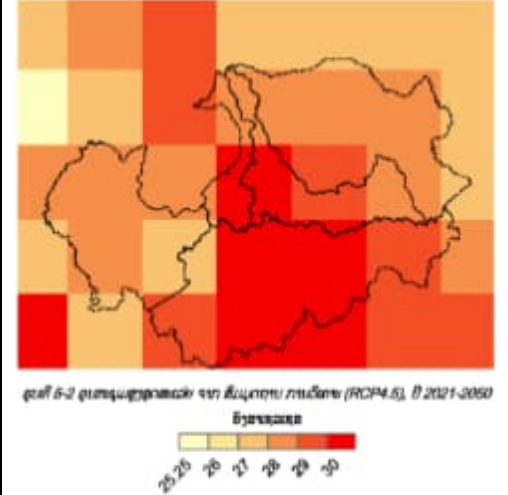
RCP4.8 climate analysis: The average minimum temperature in Attapeu province is between 14-18.6°C (an increase of about 1.27°C). The average minimum temperature is 18-18.6°C (an increase of about 1.28°C) in Phovong. Sanxay, Saysettha and Samakkhyxay districts have an average minimum temperature of 17-18°C (an increase of about 1.26°C). In Sanamxay district, average minimum temperature is between 14-16°C (an increase of about 1.31°C).

Attapeu Province

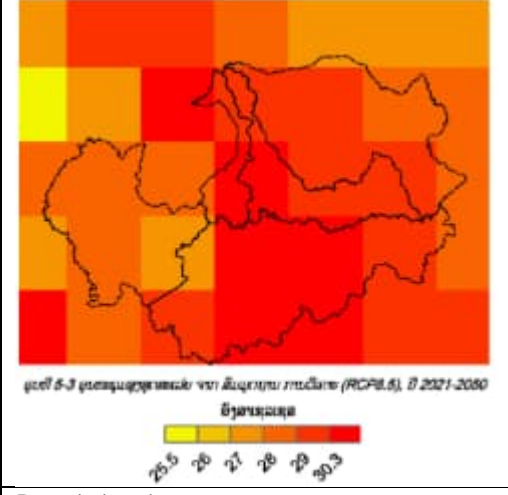
Attapeu Province



Analysis assumption of weather data from 1976-2005 shows that the average maximum temperature in Attapeu province is between 24-28.8°C. The average maximum temperature is 28-28.8°C in Phouvong district. In Sanxay, Saysettha and Samakkhyxay districts, average maximum temperature is 26-27°C. In Sanamxay district, average maximum temperature is between 24-26°C.



RCP4.5 climate analysis (2021-2050): the average maximum temperature in Attapeu province is between 26-30°C (an increase of about 1.060°C). The average maximum temperature is 28-30°C (an increase of about 1.059°C) in Phovong, Samakkhyxay and Saysettha districts. In Samamxay district, average maximum temperature is 26-27°C (an increase of about 1.086°C).



RCP8.5 climate analysis (2021-2050): the average maximum temperature in Attapeu province is between 26-30.3°C (an increase of about 1.292°C). The average maximum temperature is 28-30.3°C (an increase of about 1.290°C) in Phovong, Samakkhyxay and Saysettha districts. In Samamxay district, average maximum temperature is 25.5-27°C (an increase of about 1.327°C).

Precipitation

Climate change hazards occurred every two years up to 1992. They have since increased and intensified occurring once or twice a year since then. Between 1996 and 2009, floods were the most common event, followed by storms, droughts, and epidemics such as malaria, typhoid, and H5N1. Major floods occurred from 1966 to 2009 and have affected infrastructure, health, education, industry, etc. A 2005 flood, for example, caused heavy damage and a loss of 29 million US\$. A flood in July 2018 affected the north, central, and southern provinces. In Xepian-Xe Namnoy and Attapeu province, a hydropower saddle dam collapsed. The same year heavy floods occurred three times in 17 provinces and 90 districts affecting 268,000 people.

Two primary types of droughts may affect Lao PDR, meteorological ones (usually associated with a precipitation deficit) and hydrological ones (usually associated with a deficit in surface and subsurface water flow and potentially originating in the region's wider river basins).

Droughts have also been regular and frequent, occurring in 1996, 1998, and 2003. More recently, a severe drought in 2015 was partly driven by a strong El Niño event and damaged tens of thousands of hectares of upland, rice, and fruit crops ([CFSAM](#), 2020).

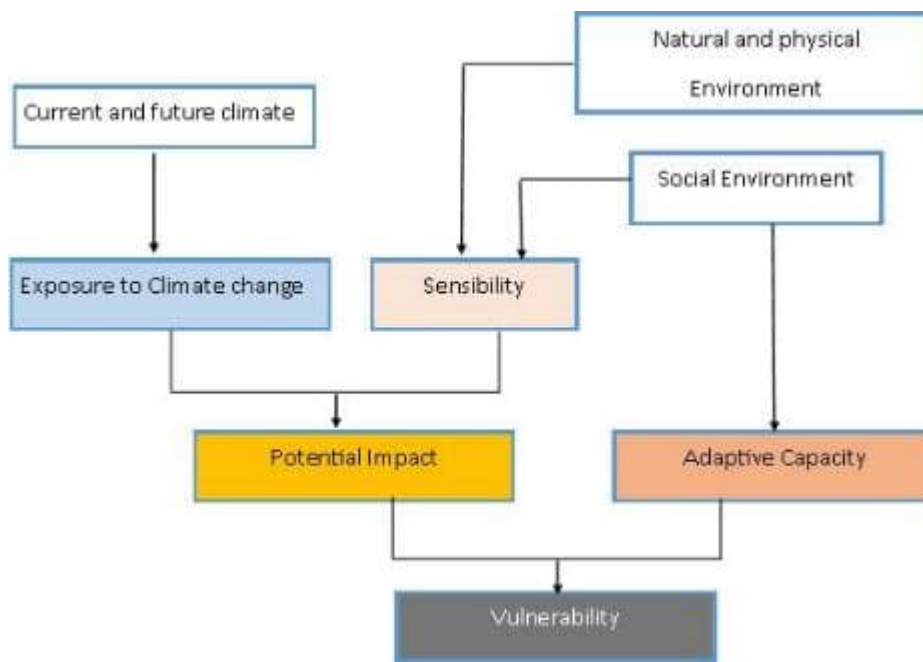
Prolonged drought conditions from May to December 2019 in the north, and severe floods in August and September in the southern and central parts of the country, severely affected the 2019 main (wet) season rice paddy crop, the country's primary food staple.

According to drought forecasting, there are 6 provinces in Lao PDR at a high risk of drought. Drought also directly affects water resources and hydropower as well as agricultural production.

The Ministry of Natural Resources and Environment envisions moving toward 2030 with a focus on greening the country while achieving sustainable economic, social and industrial development and building capacity for climate change adaptation. The strategic plan for the natural resource and environment sector (2016-2025) presents strategy and framework for moving in a greener and more sustainable direction.

The GoL has adopted a strategic climate change and action plan for 2013-2020. In 2015 and 2019, the government adopted a national action plan for minimizing climate change and limiting global temperature rise to 2°C. Climate change decree No 321/GoL was passed on 18/9/2019. It represents significant legislation and a road map for relevant sectors at the central and local level. It also includes community participation in climate change management. The 8th National Socio-economic Development Plan (2016-2020) included climate change adaptation as a priority and this has extended into the 9th plan (2021-2025).

Recently, Lao PDR has assessed vulnerability and risk linked to climate change based on the IPCC principles, which provide technical guidance on assessing vulnerability as shown in the chart below.



Vulnerable assessment component

Sources: MONRE, 2020

Vulnerability assessment centres on the potential for variations in precipitation and impacts such as storms, floods, droughts, and the like based on data and future forecasting.

Projected climate future scenarios may involve an increase in temperatures along with a decrease in rainfall during the dry season and thus longer and more severe droughts. Climate change and an increase in frequency and magnitude of the aforementioned events are expected to create greater food insecurity particularly in rural areas. 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 or transfer mechanisms.

An increase in floods is expected to have implications for agricultural lands along the Mekong River and its tributaries. Climate change might lead to a loss in agricultural production (in particular of rice)¹, impacting the economy and national food security. Increased impacts of climate change will increase migration and displacement due to a higher rate of natural disasters and poverty and thus other impacts due to epidemics and health problems.

Lao PDR is one of the Southeast Asian countries most vulnerable to climate change (CC). Alongside high vulnerability, it has low readiness. There is thus great urgency for action and a need for investment and innovation to improve readiness.

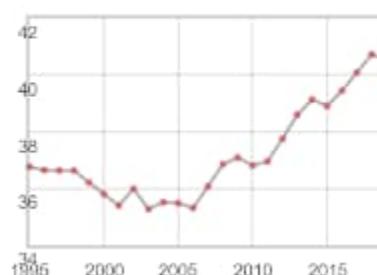
¹ Using the IFAD Climate Adaptation in Rural Development (CARD) Assessment Tool is recommended for consideration during detailed design

Figure 1: ND-GAIN index (Lao PDR)

High climate vulnerability and/or exposure to climate shocks is reflected in the Notre Dame Global Adaptation Initiative (ND-GAIN) vulnerability and readiness index. In 2019, the ND-GAIN index for Lao PDR was 40.5 (ranked 137 out of 182 countries). By comparison, Vietnam is ranked 99th but Cambodia is ranked 151st.

As shown in the figure on the right, the ND-GAIN index for Lao PDR has steadily increased since 2006, indicating an improving readiness to cope with climate change impacts.

ND-GAIN Country Index score over time



However, it has been limited due to its high dependence on climate-sensitive natural resources and its low adaptive capacity. The key vulnerabilities in the Lao PDR are caused by flooding and droughts, with the agricultural sector (and those who depend on it) most vulnerable to CC. Climatic variability, especially 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.

The agriculture sector is highly vulnerable to shocks linked to climatic and geologic threats. Agriculture accounts for 20% of GDP and employs 73% of the labour force. While a wealth of adaptive technologies for climate change amelioration exists in the Lao PDR, 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 CCA capacity amongst smallholder farmers.

Climate change is already negatively impacting smallholder agricultural production, productivity, and food security, necessitating urgent and effective measures for building and/or strengthening adaptive capacities, methods and technologies. Poor, often ethnic groups are the most vulnerable to CC impacts, lacking the resources, services and systems that may enable them to cope and adapt. To respond to these challenges, the government has developed a long-term vision for addressing negative CC impacts, which is detailed in their Strategy on Climate Change. Capacity must be strengthened at the individual, household, community, local level and all layers of government to ensure effective action is taken to reduce vulnerability to climate shocks.

Lao PDR ratified the United Nations Framework Convention on Climate Change (UNFCCC) in 1995 and the Kyoto Protocol in 2003. As a party to the Convention, the country has actively participated in the Convention process and submitted the First National Communication (FNC) to the UNFCCC in 2000 and thereafter developed the Enabling Activities II, a National Capacity Self-Assessment (NCSA), and a National Adaptation Programme of Action (NAPA). Lao PDR's Second National Communication to the UNFCCC (NC2) reports a transition in the country's precipitation regime over the 20th century towards more intense precipitation periods and an increase in the frequency of months with more than 600mm of rainfall. Patterns of precipitation remain influenced by the complex relationship between the Southeast Asian climate and the El Niño-Southern Oscillation.

Under the framework of the [National Strategy on Climate Change](#), Lao PDR submitted the updated and enhanced Nationally Determined Contribution (NDC) to the UNFCCC in March 2021. It defines priority actions in the agriculture sector as follows: using flood and drought tolerant rice and vegetable varieties; climate adaptive production practices (SRI, CSA, agroforestry, crop diversification; composting and Effective Microorganisms (as demonstrated in FNML project and EM+ Cambodia); reducing GHG emission from paddy

fields; water harvesting and water savings technologies; plastic lined ponds for fish culture; bio-safety measures for poultry production; agro-climate information services (linkages with LACSA); and using renewable energies (solar pumps, solar dryers, etc.).

b. Downscaled climate risks and vulnerability assessment

The climate risks and vulnerability assessment conducted by the Ministry of Natural Resources and Environment (MoNRE) in 2020 provides an idea of the level of vulnerability in the six provinces as summarized below:

Table 7: Level of climate vulnerability in the six target provinces

Provinces	Level of Vulnerability to climate change	
Phongsaly	Highly vulnerable to climate change at the level 4	
Oudomxai	Highly vulnerable to climate change at the level 4	
Xiengkhouang	Highly vulnerable to climate change at the level 4	
Salavan	Highly vulnerable to climate change at the level 4	
Sekong	Highly vulnerable to climate change at the level 4	
Attapeu	Moderate vulnerable to climate change at the level 3	

Sources: *Climate change risk vulnerable assessment, MONRE, 2020*

Further downscaled information is available at district level for each of the six target provinces (MoNRE, 2020)

Table 8: Downscaled climate vulnerability assessment - Phongsaly Province

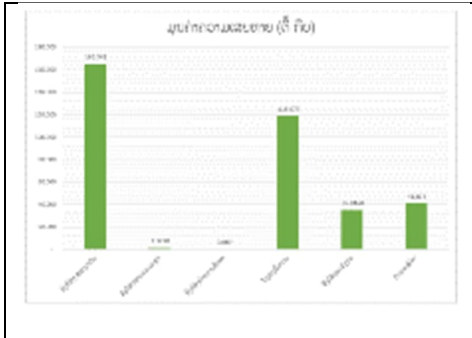
<p>Map showing Exposure Assessment for Phongsaly Province. The map is color-coded from yellow (low) to dark red (high). The legend below the map shows five categories: 1 (yellow), 2 (orange), 3 (red), 4 (dark red), and 5 (darkest red). Districts like Khu and Bountai are in category 2, Phongsaly is in category 3, and Ngot Ou is in category 4.</p>	<p>Exposure Assessment</p> <p>Phongsaly province's exposure to climate change ranges from low to high. The project area districts, such Khu, Bountai, Phongsaly, have a moderate level. Only Ngot Ou district is assessed as having a high level.</p>
<p>Map showing Sensitivity assessment for Phongsaly Province. The map is color-coded from yellow (low) to dark brown (high). The legend below the map shows five categories: 1 (yellow), 2 (orange), 3 (red), 4 (dark red), and 5 (darkest red). Districts like Khu and Ngot Ou are in category 5, Phongsaly and Samphanh are in category 4.</p>	<p>Sensitivity assessment</p> <p>Sensitivity to climate change is high to highest. The project districts such as Kua and Ngot Ou are the highest. Phongsaly and Samphanh are at high level.</p>
<p>Map showing Adaptive capacity assessment for Phongsaly Province. The map is color-coded from red (low) to green (high). The legend below the map shows five categories: 1 (red), 2 (orange), 3 (yellow), 4 (light green), and 5 (dark green). Districts like Samphan, Bounnuea, and Ngot Ou are in category 2, while other districts are in category 3.</p>	<p>Adaptive capacity assessment</p> <p>Adaptive capacity is at a low level. Samphan, Bounnuea, and Ngot Ou have a moderate level.</p>

	<p>Vulnerability assessment</p> <p>Climate change has been increasing recently and affecting infrastructure as well as livelihoods. Results shows that vulnerability to climate change is in the range of high to highest in Phongsaly province. Ngot Ou, Kua, Mai are at the highest level.</p>
	<p>Impact of Climate events</p> <p>Phongsaly province has been affected by extreme climate change events from 2014 to 2019 such as floods, storms, and landslides resulting in livelihood loss and infrastructure damage to bridges, roads, irrigation, water supplies, schools, hospitals, electricity grids, and houses. Losses dues to extreme events are shown in the figure on the left. The total loss was estimated at about 41 billion kips in 2018, 38 billion kips in 2016, and 30 billion kips in 2014. In 2015, loss was about 96,925,000.00 kips.</p>

Table 9: Downscaled climate vulnerability assessment - Oudomxai Province

	<p>Exposure Assessment</p> <p>Oudomxai province's exposure to climate change is assessed as low in all districts.</p>
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<p>ຮູບທີ 8-2 ແຜນທີ່ ຄວາມອ່ອນໄຫວ ຂອງ ອຸດົມໄຊ</p>	<p>Sensitivity assessment</p> <p>Sensitivity to climate change of Oudomxai province is at a high to highest level. Namor, Beng, Nga, Houn, and Pakbeng Districts have adaptive capacity at the highest level.</p>
<p>ຮູບທີ 8-3 ແຜນທີ່ ຄວາມສາມາດໃນການປັບຕົວ ຂອງ ອຸດົມໄຊ</p>	<p>Adaptive capacity assessment</p> <p>Adaptive capacity to climate change in Oudomxai province is generally low, but there is much variation between districts. Among the target districts, Beng district has high adaptive capacity and Nga district medium adaptive capacity. Adaptive capacity in the two other target districts, La and Pakbeng, is low and very low, respectively.</p>
<p>ຮູບທີ 8-4 ແຜນທີ່ ຄວາມອ່ອນໄຫວ ຂອງ ອຸດົມໄຊ</p>	<p>Vulnerability assessment</p> <p>Climate change has been increasing recently and affecting infrastructure as well as livelihoods. Results show that vulnerability to climate change is the range of high to highest. Climate vulnerability is assessed as high in La, Xai, Beng, Nga, and Houn districts and very high in Pakbeng along the Mekong corridor (an AFN II target district).</p>



Impact of Climate events. Oudomxai province has been severely affected by weather events. From 2017 to 2019, events such as floods, storms, and landslides resulted in threats to livelihoods as well as infrastructure damage (to bridges, roads, irrigation, water supplies, schools, hospitals, electricity grids, houses).

Table 10: Downscaled climate vulnerability assessment - Xiengkhouang Province

	<p>Exposure Assessment</p> <p>Xiengkhouang shows variable overall levels. The Kham District is highly vulnerable to climate change. Phek and Mok districts have exposures to climate change at moderate levels. Nong Hat and Phaxay districts exposure to climate change is at low levels. Poukoud and Khoun districts are at very low levels.</p>
	<p>Sensitivity assessment</p> <p>Sensitivity to climate change in Xiengkhouang province is moderate to highest. Phoukoud, Phaxay, Phek, Khoun, and Mok Districts are highly sensitivity to climate change. Nonghed and Kham districts are highly, and moderately sensitive to climate change, respectively. Xiengkhouang province is highly sensitive to climate change, resulting in high poverty rate among the population and a high percentage who have no access to clean water and sanitation.</p>
	<p>Adaptive capacity assessment</p> <p>Xiengkhouang province has a low to high level of adaptive capacity. Kham, Phoukhoud, and Phaxay have a low level. Phek and Khoun have higher capacity than other districts due to accessibility to electricity, water supply, transportation and education.</p>

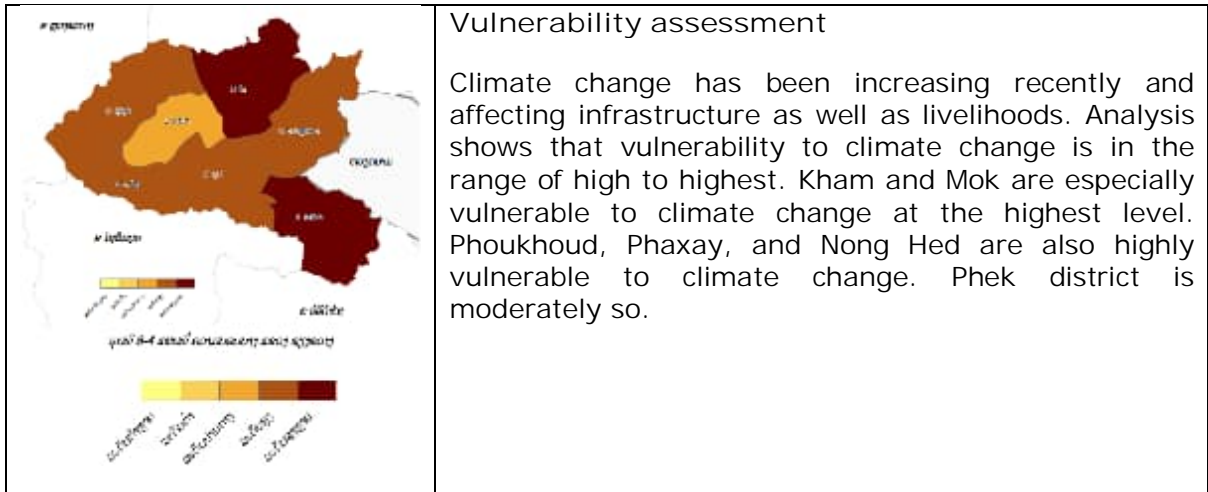
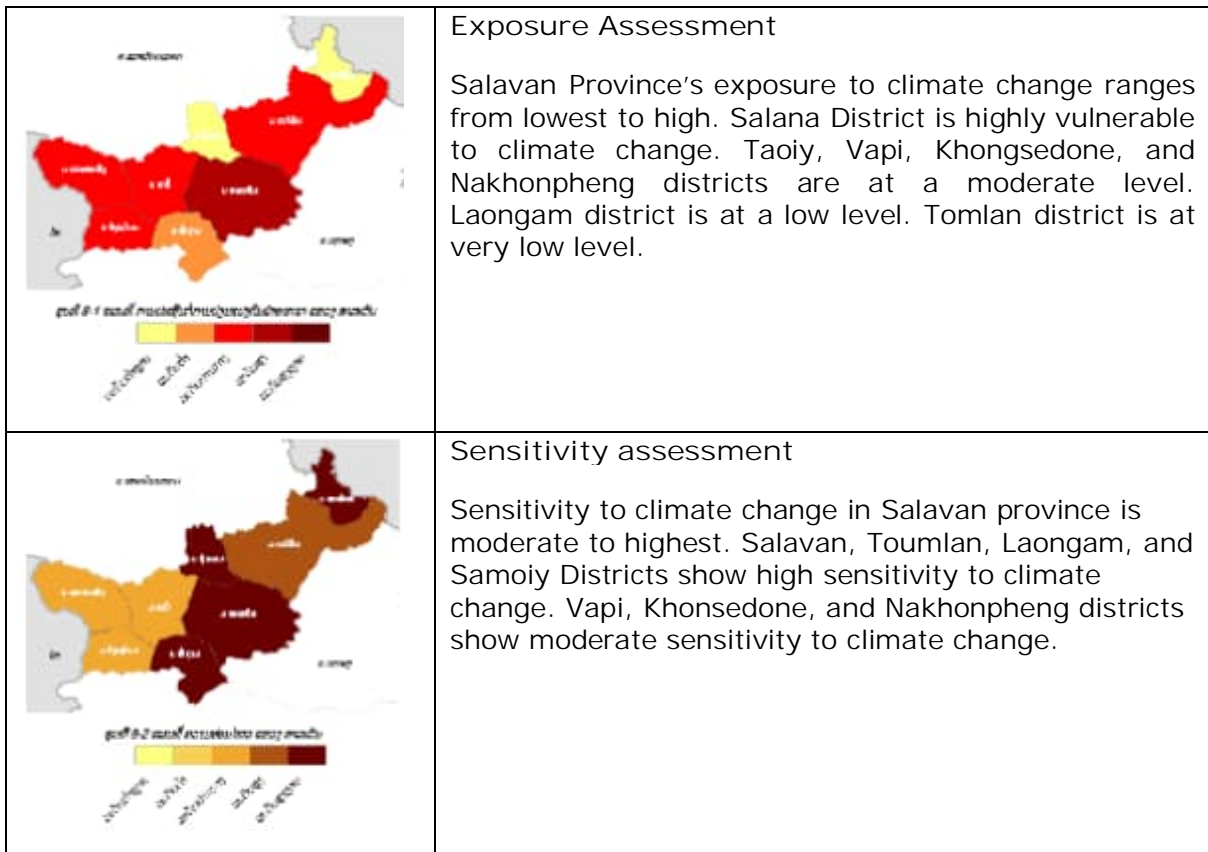


Table 11: Downscaled climate vulnerability assessment - Salavan Province



<p>Map showing adaptive capacity assessment for Salavan province. The legend indicates five levels: 1 (red), 2 (orange), 3 (yellow), 4 (light green), and 5 (dark green). Districts are color-coded according to these levels.</p>	<p>Adaptive capacity assessment</p> <p>Salavan province has adaptive capacity ranging from lowest to high level. Toumlan has the lowest adaptive capacity. Khongsedone, Nakhonpheng, Vapi, Taoiy, and Samouy also have low adaptive capacity. Laongam and Salavan have moderate capacity.</p>
<p>Map showing vulnerable assessment for Salavan province. The legend indicates five levels: 1 (light yellow), 2 (orange), 3 (brown), 4 (dark brown), and 5 (darkest brown). Districts are color-coded according to these levels.</p>	<p>Vulnerable assessment</p> <p>Climate change has been increasing recently and affecting infrastructure as well as livelihoods. Results shows that vulnerability to climate change is the range of moderate to highest. Toumlan is especially vulnerable. Subsequently, Salavan, Taoiy, and Samouy districts are highly vulnerable as well. Khongsedone, Vapi, and Laongam are at a moderate level.</p> <p>Salavan province has generally level 4 (high) vulnerability to climate change.</p>

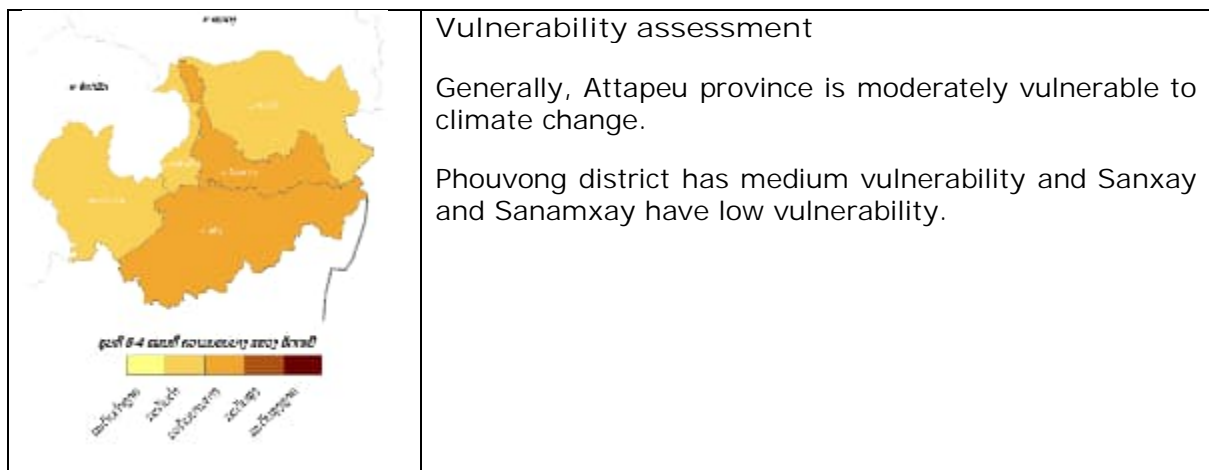
Table 12: Downscaled climate vulnerability assessment – Sekong Province

<p>Map showing exposure assessment for Sekong Province. The legend indicates five levels: 1 (yellow), 2 (orange), 3 (red), 4 (dark red), and 5 (darkest red). Districts are color-coded according to these levels.</p>	<p>Exposure Assessment</p> <p>Sekong Province's exposure to climate change ranges from lowest to moderate. Kalium District is moderately vulnerable. Tateng and Lamam districts have a low level. Dakchung district is at the lowest level.</p>
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	<p>Sensitivity assessment</p> <p>Sensitivity to climate change in Sekong province is assessed as at the highest level. Kalum, Dakchung, Tateng, and Lamam Districts are highly sensitive to climate change.</p>
	<p>Adaptive capacity assessment</p> <p>Sekong province has adaptive capacity ranging from moderate to the highest level. Kalum, Tateng, and Dakchung have moderate adaptive capacity. Lamam has the highest.</p>
	<p>Vulnerability assessment</p> <p>Climate change has been increasing recently and affecting infrastructures as well as livelihoods. Results show that vulnerability to climate change ranges from moderate to highest in Sekong province. Kalum and Dakchung are especially highly vulnerable. Generally, Sekong province has generally level 4 (high) vulnerability to climate change.</p>

Table 13: Downscaled climate vulnerability assessment – Attapeu Province

<p>Map showing Exposure Assessment for Attapeu Province. The entire province is colored yellow, indicating very low exposure. A legend below the map shows five categories from yellow to dark red.</p>	<p>Exposure Assessment</p> <p>Attapeu Province's exposure to climate change is assessed as very low.</p>
<p>Map showing Sensitivity assessment for Attapeu Province. The province is colored in shades of brown and red, indicating high to very high sensitivity. A legend below the map shows five categories from yellow to dark red.</p>	<p>Sensitivity assessment</p> <p>Sensitivity to climate change in Attapeu province is high to very high. Phouvong and Samakxay Districts are highly sensitive to climate change. Samamxay, Saysettha, and Sanxay have high sensitivity to climate change resulting in high poverty rates and high percentage who have no access to clean water and sanitation.</p>
<p>Map showing Adaptive capacity assessment for Attapeu Province. The province is colored in shades of green and yellow, indicating low to high capacity. A legend below the map shows five categories from red to green.</p>	<p>Adaptive capacity assessment</p> <p>Attapeu province has low to high capacity. Saysettha district has low adaptive capacity. The target districts (Sanxay and Phouvong) have medium adaptive capacity and Sanamxay has high adaptive capacity.</p>



The AFN II project will directly contribute to implementing the priority actions determined by the enhanced Nationally Determined Contribution. In addition, AFN II will also directly contribute to the COSOP 2018-2024 strategic objectives as updated at MTR in 2021. These objectives are that smallholders have: (i) enhanced resilience to natural shocks and improved food security and nutrition and (ii) enhanced access to financial services and markets.

AFN II will mainstream cross-cutting interventions with multiple benefits for adaptation and mitigation, including through biodiversity and nature-based solutions. It will also strongly focus on social inclusion and climate change adaptation throughout its interventions and support rural households to anticipate and adapt to climate shocks. To do this is will:

- Strengthen communities and groups to better plan for local conditions and needs and increase social capital;
- Promote crop diversification and access to last-mile technical advisory services to mitigate risks related to pests, diseases and extreme weather events (flash floods, droughts) for smallholder farmers. This will involve LACSA in piloting weather-based crop planning, developing early warning systems, and promoting integrated pest management.
- Leveraging and expanding existing agro forestry activities, including fruit trees, and forest conservation measures to preserve forest ecosystem services and NFTP contributions to diversified livelihoods and nutrition.
- Supporting beneficiary communities to better protect, conserve, and sustainably use wild food areas since a large part of the daily diets comes from wild foods collected from forests and other natural areas.
- Promoting flexible, multiple-use water (MUS), storage, and irrigation systems to develop production while mitigating climate constraints (e.g. during a dry spell in the wet season for instance);
- Climate proofing small-scale infrastructure such as irrigation systems and access tracks;
- Improving food conservation practices and post-harvest value addition through processing, storage facilities, and rice banks;
- Enhancing market and business linkages to generate diversified income streams;
- Supporting the installation of water harvesting systems;
- Ensuring that project-supported infrastructure reduces disaster risks, increases production, and diversifies livelihoods;
- Doing on-farm research and scaling-out of proven CSA technologies for smallholder farmers (drip irrigation, effective micro-organisms, erosion control measures, drought resistant crops, etc.);s
- Building cooperation and partnerships.

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex: Additional Annex On Lessons Learned

Mission Dates: 04-18 May 2022

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Project No. 2000003760

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Asia and the Pacific Division
Programme Management Department

Notes to the PDR: Background information and lessons learned

Additional information on the social context.

Basic social infrastructure coverage is improving: 84% of all households have access to improved sources of drinking water (versus a national target of 90% for 2020), but in remote rural areas, coverage is only 65% and even 58% for the poorest quintile of the population. The quality of drinking water remains a concern with contamination by E. coli reaching 73% in urban area and 88% in rural areas. Even in rural areas, the use of bottled water is common. The proportion of the population using improved sanitation facilities has reached 74% versus a national target of 75% for 2020.

Social security schemes provide partial insurance coverage to government staff and private company employees. Coverage remains low at around 15% of the working-age population and workers in the informal sector of the economy remain excluded from social safety nets. Most agricultural work and informal sector work are characterized by low incomes, poor working conditions, and inadequate access to social protection and workplace representation.

The Government is committed to leaving no one behind and has adopted its first National Social Protection Strategy for 2021-2025. The Strategy is built around three main pillars: improving social health insurance, extending social security, and establishing the groundwork for social assistance programmes.

Worker migration to neighbouring countries (mostly Thailand, but also Korea and Japan) generates remittances back to Lao PDR that constitute an important cash income for approximately 10% of all households in both urban and rural areas. Prior to the pandemic, about 300,000 documented Lao workers were working in Thailand and approximately the same number in the services sector of Lao PDR. Over the last decade, remittances increased sharply from an estimated US\$42 million in 2010 to more than US\$296 million in 2019, or about 1.6% of GDP. As a result of the COVID-19 pandemic, the remittance inflow is estimated to have decreased by 22% in 2020 to around US\$232 million (World Bank data). Data from December 2020 to March 2022 indicate that a staggering 360,509 migrant workers have returned to Lao PDR from Thailand since the start of the pandemic (Source: Ministry of Labour and Social Welfare).

However, the Government is facing critical social problems associated with irregular and unsafe migration, in terms of migrants' rights and well-being, the risk of cross-border transmission of livestock disease, human trafficking, and other crimes against basic human rights. Women migrants are at higher risk due to their lower educational levels and concentration in low-paid low-skilled occupations.

Other social issues are on the rise in rural areas, stemming from the involuntary displacement of villages as part of village reorganization policy or resettlement due to development projects. Rural communities have lost access to productive land and have faced issues linked to the influx of foreign workers. Drug addiction is also becoming more widespread in rural areas and in 2021 the Government declared drug prevention and control a "national agenda" priority.

Additional information on the agricultural and rural development context

Agriculture constitutes 60% of employment and most labour is self-employed in small-scale family farming, mostly for subsistence. As per the findings of the latest Lao Census of Agriculture, 2019/2020 (LCA III), the number of agricultural households⁴⁸ increased

⁴⁸ The new definition of an agricultural household used in the LCA III 2019/2020 is a: "household that owns agricultural land of 0.1 hectare or more; 5 cattle or more; 10 goats or pigs; and 50 poultry livestock or more".

from 782,939 in 2010/2011 to 851,000 households in 2020, an 8.6% increase. The combined number of agricultural households in the six target provinces (one third of the 18 provinces of Lao PDR) represent 25% of the total number of agricultural households nationwide.

Total agricultural land areas covered 1.56 million hectares in 2019/2020, decreasing from 1.62 million hectares in 2010/2011, due to the conversion of agricultural land linked to urbanization, infrastructure projects, and other land uses. Agricultural land use is distributed as follows: annual crops (1.07 million hectares or 69%); perennial crops (130,000 hectares, or 8%); unexploited/fallow land (154,000 hectares, or 10%); and pasture (204,000 hectares, or 13%). The land area dedicated to pasture has dramatically increased since the last census in 2010/2011.

Just under half of the total agricultural land area is owned by smallholders with less than 3 hectares. The predominant land tenure modality is temporary ownership, renewed annually by paying land taxes. Only about 8% of total agricultural land is female-owned. However, this varies by AFN II target province ranging from 3% in Phongsaly to 13% in Salavan (See the SECAP note in Annex for land tenure aspects). Salavan is also the target province with the highest percentage of women (16%) making decisions about agricultural production at the household level.

Table 9: Selected productive assets owned by agricultural households (HHs) in the target provinces

AFN II target provinces	Av. Land holding size Ha / HH	Av. Cattle ownership Heads /HH	Av. Swine ownership Heads /HH	Av. Goat ownership Heads /HH	Av. Chicken ownership Heads /HH
Phongsaly	2.2	0.8	1.1	0.2	22.4
Oudomxai	2.8	1.8	1.1	0.9	25.6
Xiengkhouang	3.0	6.8	1.2	0.3	35.7
Salavan	2.8	3.8	0.8	0.8	19.5
Sekong	2.2	1.9	0.9	0.2	19.6
Attapeu	2.7	2.6	0.6	0.6	20.8
Av. 6 prov.	2.6	3.0	1.0	0.5	23.9
Av. Nationwide	2.7	4.2	1.0	0.8	28.9

Rice remains the dominant crop, produced by 90% of all agricultural households (with only 5% for commercial purpose) and covers almost 70% of agricultural land (source: LCA III, 2020). The average paddy yield across the country is 3 tons per hectare, although it varies across the three main paddy production systems: 3 tons/ha for rainfed lowland paddy production in wet season; 4 tons/ha for irrigated lowland paddy production in dry season; and 2.2 tons/ha for rainfed upland rice under slash and burn agriculture. Subsistence farming does not generate sufficient commercial surplus and creates insufficient cash income to cover basic household expenditures. Rural households rely on off-farm work (casual labour), collecting Non-Timber Forest Products (NTFP), and/or receiving remittances to generate cash income. Low land and labour productivity are key factors driving workers out of the agricultural sector and to seek employment in other economic sectors or abroad.

Livestock is an integral part of the diversified farming systems and is aimed at self-consumption (of cattle, goats, pigs, chickens), rather than commercial purposes. With generalised mechanisation, there is little integration between livestock and crop components of the farming system. In recent years, livestock has been significantly impacted by diseases such as the African swine fever virus.

The main constraints to farming reported by respondents located in mountainous areas in the 2019/2020 census of agriculture were, in order of priority: (i) lack of access tracks to

production areas; (ii) lack of inputs (seeds, pest control); (iii) inadequate (sloping) agricultural land; (iv) lack of access to market outlets; (v) agricultural produce price fluctuations; (vi) shortage of labour and linked low returns to labour; and (vii) lack of irrigation for year-round production.

All these issues were reported by between 30% to 40% of respondents in mountainous areas, compared to less than 5% in flat plains. The census confirmed that farmers in remote areas face multiple constraints and are disproportionately disadvantaged in terms of infrastructure, access to services, and inputs. Sloping land also constrains intensification and contributes to low labour productivity. In the absence of irrigation, farmers are also more vulnerable to climate events such as drought.

In the past two decades, the sector has diversified towards export commodities in response to the ever-increasing demand from neighbouring external economies for rubber⁴⁹, raw materials for animal feed mills (maize, and more recently cassava), and food products (banana, watermelon, beans, vegetables, etc.). Apart from a few products, such as coffee and tea, exports are comprised of a limited number of higher value-added products for niche markets.

In the Southern uplands, the coffee subsector has attracted public and private investments in production, processing, and export to European and US markets. In 2019/2020, 47,000 households were involved in coffee production. In recent years, cassava production has increased dramatically, even replacing coffee and cardamom plantations in Southern Lao. The agricultural census reports 13,000 households involved in cassava production (versus 2,600 households in 2010/2011) over a production area of more than 18,000 ha (versus 600 ha in 2010/2011).

Between 2015 and 2020, agricultural exports, albeit driven by unprocessed commodities (such as roots and tubers/cassava, sugar cane, fruits and vegetables) grew on average by about 15.5% per year, representing more than one-fifth of the country's exports in 2020. Some of these cash crops are sensitive to pests (e.g. fall army worms affecting maize crops, locust infestation in the north) and diseases (e.g. virus borne diseases affecting cassava such as witches' broom disease and cassava mosaic disease).

The fast transition from subsistence to commercial agriculture has had multiple short and long-term repercussions for smallholders in the remote uplands. Improved road and rail connectivity with China in the North and Vietnam in the South have provided opportunities for cross border investments in the form of land concessions, land leasing, and contract farming arrangements. In turn, smallholder farmers engaging in commercial agriculture have increased their productivity and generated cash income. This trend has contributed to poverty reduction in northern and southern Lao, the AFN II target areas. The World Bank estimated that between 2012 and 2018, higher incomes generated from commercial agriculture accounted for 80% of the poverty rate decline.

On the other hand, the shift to commercial agriculture has generated more pressure on agricultural soils (decreasing soil fertility, land degradation, deforestation) and on water resources for irrigation. Use of chemical fertilisers and pesticides has also increased, but uneven quality and poor application practices have severely impacted the environment and are affecting the health of smallholder farmers and their families, including children ([Agrilinks](#), 2022). In return, such environmental degradation leads to higher vulnerability to landslides, reduced water retention, and decreased biodiversity and availability of NTFP which are important traditional sources of food, medicine, and income.

Due to the poor business environment and risks associated with product aggregation among loosely organized smallholder producers, agricultural value chains are still underdeveloped and are not realising their full potential. Producers and buyers both suffer

⁴⁹ Rubber production involved 92,000 households in 2019/2020, versus 66,500 households in 2010/2011.

from poorly regulated value chains, price fluctuations, and opportunistic behaviours (speculative pricing, side-selling, adulteration of products, breach of agreements, etc.).

Moving forward, better structured Producers' Organizations (POs) would facilitate aggregation of products as well demands for critical infrastructure (e.g., collection points, storage areas), farm inputs (e.g., improved seeds, fertilizers, tools, and pumps), and services. Access to credit is a particularly salient constraint affecting producers and private entity investment in the value chains. Farmer access to credit remains limited due to the risks associated with lending to smallholders without adequate collateral. Microfinance coverage in remote rural areas remains minimal.

Better organised POs would also facilitate service delivery to their members. Rural advisory services delivering to the last mile is a critical element in strengthening informal POs and supporting their graduation towards formal agricultural cooperatives (ACs) that are able to invest in high-value production, post-harvest, storage, and processing. Better product aggregation at PO/AC level would overcome one of the bottlenecks hampering the development of more reliable and efficient supply chains.

Sustained organizational support to graduate informal POs into formal ACs and introducing technical innovations is needed. However, rolling-out ICT solutions is not feasible until network coverage and (digital) literacy have improved in target areas. In Lao PDR, 28% of the farming population hasn't attended school (19% for men and 32% for women) and only 30% has attended primary school.

Lessons learned

The lessons learned below are a compilation of stock taking based on previous and on-going IFAD-funded projects including: phase 1 of AFN to be completed in December 2022; the FNML project for which the completion report was published in June 2021; and the on-going PICSA project. Best practices of development partners and local institutions are also integrated, in particular from the previous partnerships with NAFRI and CDE. The lessons learned from the latter resulted from a review for the current COSOP 2020-2024 conducted in December 2021.

i. Overall approach: scaling up the integrated nutrition-sensitive approach of AFN phase 1

AFN II is a scaling up the GAFSP-funded Strategic Support for Food Security and Nutrition (SSFSN) Project, which was later renamed the Agriculture for Nutrition Project (AFN I: afn.gov.la/). AFN II will specifically scale-up in three AFN I target provinces (Oudomxai, Phongsaly and Xiengkhouang) and in three other ones in the South (Salavan, Sekong, Attapeu) which were target provinces of the IFAD-funded FNML and led to significant positive impacts on income, poverty and nutrition⁵⁰.

As such, the proposed project builds on lessons learned from the AFN I project which demonstrated that promoting small and medium-scale agriculture development, including integrated home gardens, concurrently with intensive nutrition and hygiene related activities, have led to positive changes in nutritional outcomes, particularly stunting prevalence, and in increasing incomes across target groups.

In addition, to strengthening the resilience of the local systems in times of food insecurity and market disruptions, AFN II will scale-out the proven concepts of "rice-banks" developed successfully in Lao PDR by WFP. This will specifically be done to address food shortage

⁵⁰ The 2021 outcome survey showed that: (i) household income increased by 56% on average; (ii) the percentage of households with a per capita income of less than US\$270 decreased from 70% at baseline in 2017 to 49.7% in 2021; (iii) 83.4% of women in the surveyed households consume at least 5 out of 10 major food-groups; (iv) incidence of underweight children under 5 (CU5) decreased from 23.9% at baseline to 18.4% in 2021; and (v) incidence of stunting in CU5s decreased from 47% to 44%.

periods and improve access to staples. Rice banks benefit the very poor and food insecure households by bridging the lean months and avoid indebtedness.

Beyond the set of successful initiatives, AFN missions have shown that overall synergies between components and project interventions have started to materialize and are important success factors. Nutrition-sensitive awareness, knowledge, and practices are being disseminated by community-based organizations (nutrition committees, APGs) and village volunteers (village nutrition facilitators, lead farmers, and village veterinary workers). The link between nutrition and agriculture is becoming more evident with cross-learning between demonstrations, APGs, and integrated home gardens. Further integration of nutrition, health, and agriculture can be achieved with better coordination at district level. The district nutrition planning process encourages harmonization of approaches and synergies between nutrition-related projects currently being implemented in the 12 convergence districts. Scaling-up of the project approaches and models has already started and Farmer Nutrition Schools have been replicated successfully in other provinces. AFN II will continue to promote such synergetic approaches around multi-sectoral nutrition plans.

AFN II will further scale up integrated planning, benefiting from the initial lessons learned and training documents prepared in phase 1. The project faced initial difficulties in district multi-sector planning and technical collaboration to support implementation of the National Nutrition Strategy and Plan of Action 2016–2020 (NNSPA). In addition, the project will be able to use practical planning tools which support village nutrition committees to develop simplified village level integrated plans. AFN II will further upgrade and scale up the use of such tools.

The IFAD nutrition action plan for 2019-2025 ([IFAD, 2019](#)) states than some of the lessons learned are that supplementary funds are a key driver for mainstreaming nutrition outcomes and that partnerships with local organizations are crucial for supporting project implementation, policy engagement, and increased public awareness. The design of AFN II incorporates these lessons learned by mobilising GAFSP funds and pursuing a fruitful partnership with WFP, which has been instrumental in the success of phase 1.

ii. COVID-19 impacts on food and nutrition security

Some overall lessons have been learned on the COVID-19 pandemic impacts on Food and Nutrition Security in the Asia Pacific Region⁵¹ that also reflect the situation in Lao PDR. The shock of the pandemic reduced demand for nutritious diets by decreasing the amount of money households had available to spend on food, specifically by increasing unemployment and decreasing incomes, especially linked to informal jobs and remittances.

Reduction or loss of incomes increased the affordability gap for households who were unable to afford nutrient adequate diets. This pushed households who could previously afford nutrient adequate diets to no longer be able to. Non-affordability of nutrient-adequate diets also increased due to rising food prices, especially for nutritious foods, resulting from supply constraints and distribution challenges. Reduced access to nutritious diets means a deteriorating nutrition situation since nutritious foods are often the first to be dropped from household menus in difficult financial situations ([WFP, July 2022](#)).

iii. Project implementation timeframe

All previous projects under the IFAD portfolio in Lao PDR have experienced implementation delays due to setbacks in mobilising technical assistance and establishing project procedures (including accounting software, project implementation manuals, etc.). As a result, all projects, including AFN I, have requested an extension to achieve their expected outputs and outcomes.

⁵¹ WFP: Assessing and mitigating the impact of shocks on food security and nutrition in the Asia Pacific region: Lessons from the COVID-19 response for informing the Global Food Crisis response, July 2022.

iv. Start-up delays

To avoid delays in the start-up phase of the project, the existing AFN I structure, processes, and tools will be maintained and updated to ensure a swift transition to AFN II. Capacity strengthening will be carried out for key project staff (FM, procurement, M&E, etc.) and AFN I technical guides and manuals will be updated. Overall, risks of delays at start-up are mitigated by maintaining the management systems already in place.

Decentralised approach: the government's "Three Build" policy

The decentralised approach in line with the government's "Three Build" policy, aims at empowering district and village levels in local development decision-making processes and enhancing their planning and investment capacities. In line with this policy, AFN I showed that the Group Support Team (GST) at the district level is important in providing services and support to target communities. The GST will be strengthened in AFN II through the support of a TA team.

v. Grant mechanisms

The grant mechanism for Agricultural Production Groups (APGs) was introduced in Lao PDR based on the experience of IFAD funded projects in Viet Nam. This approach was successfully promoted under AFN I and PICSA and will be further scaled up under AFN II with some improvements.

The previous "hand over" approach, where the project procured equipment and inputs for the groups as implemented under the IFAD-financed Soum Son Seun Jai - Community-based Food Security and Economic Opportunities Programme (SSSJ), was inefficient due to inherent procurement timelines. Inputs were generally of low quality and delivered after the start of the production season.

To overcome these constraints, AFN and PICSA have adopted a more decentralised approach, where grants are provided to the groups and procurement of equipment and inputs is done by the producer groups themselves, with technical support of project teams at district level. This community-led process increased ownership and commitment of farmers and has proven overall more efficient. However, the investment planning process still needs to be streamlined to avoid complex documentation that is beyond the capacity of remote communities.

These grants are meant to be one-off investments and should not be managed as revolving funds. Experience from previous projects has shown that establishing accounting and record keeping systems at group level is resource intensive and challenging given the low level of literacy and weak capacity of district staff. Governance and oversight functions for such revolving funds are generally delegated to village authorities who do not have the required accounting skills.

The latest supervision report for AFN stated that "establishing revolving funds mechanisms on an ad-hoc basis at the farmer's group level without adequate accounting and oversight functions may be counter-productive". This lesson is taken in account in the design of the APG grants under AFN II. It is critical that all grants are to be retained by the beneficiaries at group level after project completion. Collecting grant funds from target villages to allocate to other villages for new investments after project completion should be strictly prohibited.

vi. Agriculture Production Groups and graduation into Agricultural Cooperatives

The first phase of the AFN project, as well as FNML and the on-going PICSA project, has demonstrated that supporting APGs and Water Users Groups (WUGs) has a direct positive impact on agricultural productivity. APGs are small self-help groups of smallholder farmers, both men and women, engaged in mixed subsistence/semi-commercial production of

nutritious commodities such as vegetables, rice, mushrooms, small animals (goats, pigs, poultry, frogs, fish), and forest products (cardamom, galangal, bamboo shoots, wild foods species, etc.). Crop and livestock production surplus have generated diversified income for APG members and the number of households living under the poverty line decreased by 20% over 5 years.

In FNML, 350 APG investment subprojects were implemented in the following activities: 176 APGs in crops production consisting of commercial vegetable, coffee, cassava, cardamom, *Persea kurzii* or [yang bong](#), etc.; 156 APGs in livestock and fish raising (chicken, pigs, goats); and 18 APGs in non-food products (bamboo, rattan handicraft). The average income generated from these investments is reported to be LAK 3,321,181 per households (equivalent to US\$369 /household at the 2020 exchange rate of LAK 9,000/US\$).

In the [completion report for FNML](#), one of the factors mentioned for success was: “poverty targeted, community-based and participatory approaches, together with matching grant and capacity building supported by the project to increase participation and empower local benefiting villages and communities in implementation and taking over of different project interventions”.

The second phase of AFN will build on these achievements by scaling up the APG network in target areas. Depending on the specific needs of each community at village level, the project will strengthen the capacity of existing groups (including groups established by FNML in the three southern provinces) and will facilitate the establishing and development of new groups (with at least 50% female members; 25% youth members, and 70% people from EG groups).

In addition, AFN II will adopt a graduation approach to support clustering of APGs by geographic units or production pocket areas in order to aggregate demand in terms of infrastructure for storage or marketing (collection points for instance). This process is expected to result in the graduation of small-scale APGs into formally registered Agricultural Cooperatives (ACs) that will be better positioned to deliver services to their members, access finance, and develop business relationships with reliable private partners.

vii. Nutrition

The IFAD action plan for nutrition identified opportunities for investments in integrating nutrition considerations into stages of the food value chain beyond production (storage, processing, distribution, marketing, etc.), an area where efforts have been stepped up through more focused support to nutrition-sensitive value chains.

The Farmer Nutrition School (FNS) approach under AFN I was found to be very effective at both empowering women and improving diets and nutritional status⁵². The FNS survey found that 90% of women that participated in FNS sessions and received the home garden cash grant perceived that their nutrition status improved and 95% reported that their child’s nutrition status improved. In addition, 96% stated that their nutritional knowledge improved while 85% stated that their farming knowledge improved. Furthermore, 85% of pregnant women reported that they could work less during pregnancy.

In AFN I, a total of 23,000 home garden cash grants of US\$ 120 were distributed to women that participated successfully in the FNS modules. During the FNS sessions the women learnt how to make a simple home garden plan and budget and received basic agriculture knowledge, further enhanced by monitoring visits from the DAFO project team. The approach of merging nutrition messaging with practical home garden implementation and accompanying cash grant for inputs resulted in a 68% increase in vegetable production,

⁵² WFP, 2020, Farmer Nutrition School Household Impact Survey.

43% increase in poultry production, and an impressive doubling in sales of agriculture products from the home garden.⁵³

viii. Climate resilient agriculture

FNML in cooperation with NAFRI and CDE have developed an approach to promote climate resilience agricultural production practices. Several models have proven to be adequate in the target areas for example : (i) Mixed yang bong trees (*Persea kurzii*) and broom grass plantation in slope areas; (ii) rice cum fish in paddy fields; (iii) Integrated Fish and Livestock; (iv) Integrated farming systems; (v) GAP for Vegetables and Fish culture in plastic-lined ponds; (vi) integrated goat raising in yang bong based agroforestry systems; (vii) vegetable production on sloping land with sustainable land management (SLM) practices; (viii) vegetable production under greenhouses or net houses; (ix) crop association pf coffee and ginseng with soil bunds against erosion (SLM); (x) an enhanced coffee production model; and (xi) vegetable garden irrigation using solar pumps.

Some of these practices have been documented in the [Sustainable Land Management database](#) under WOCAT managed by CDE. A total of 22 SLM technologies are described and available in both English and Lao language for dissemination by extension agents.

One of the key lessons from FNML is that adoption of climate resilient agriculture practices varies from one activity to another. Innovative technologies relevant to farmers are those that are simple, low cost, climate resilient technologies that are accessible to remote communities.

ix. Market linkage mechanism.

The FNML completion report stated that 46% of the financed APGs (162 APGs) including 2,911 households, had generated income from sales of their farm products, indicating market linkages were established.

The approach of business partnerships along value chains has faced difficulties in implementation. The FNML completion report highlighted that, apart from ensuring good technical assistance and facilitation support, the project should concurrently provide matching grant opportunities to both the lead firms and APGs from the initial years of project implementation. For this, the District Industry and Commerce Office (DICO) and the Chamber of Trade and Commerce (CTC) should engage and play lead roles in promoting inclusive business partnerships right at the beginning and continue supporting the chain actors after the project phases out.

In essence, the agricultural extension efforts should be based on market demand (pull factors) rather than based solely on the decisions of individual APGs. To ensure aggregation of products and effective synergies with potential buyers, the Multi-stakeholder platforms (MSP) should facilitate investment decisions in a coordinated manner through early interactions with producers and buyers. The grant mechanisms for APGs and MSMEs should also be mobilised in synergy rather than separately.

x. Last mile service delivery channels.

In the absence of credible rural service providers in remote areas, the role of community-based ones has proven critical. Village Cluster Staff, Lead Farmers, Village Agriculture Technicians and Village Veterinary Workers play a vital role in delivering last mile service to individual farmers and informal farmers organizations.

A cascading system of Training of Trainers (ToT) and coordination / backstopping meetings from central level agencies (NAFRI) to DAFO, village technicians and APGs would be more efficient than direct support of central level agencies to village level. In addition, as seen also in Cambodia and Bangladesh, the production of quality inputs by lead farmers to

⁵³ AFN, 2021, Annual Impact Survey

supply APG members can prove to be a profitable business model. This is the case where local input supply is bundled with last-mile advisory services and market linkages. Similarly, female village nutrition facilitators are the key drivers of nutrition training and home garden establishment.

AFN II aims at supporting the graduation of these community-based service providers into rural entrepreneurs by combining service delivery with cash generating activities (such as input production). This model has been developed with a certain success in other countries, but it remains to be demonstrated in the remote areas of Lao PDR.

xi. Women empowerment

AFN I has had visible and unprecedented success in women's empowerment by supporting the emergence of female Village Nutrition Facilitators (VNF) in community-led nutrition activities. Supervision missions have clearly identified this initiative as one of the highlights of AFN I. As AFN I will phase out physical interventions in convergence districts, the sustainability of the role of village nutrition facilitators may be secured in the short term thanks to support from district nutrition committees and resources provided by multiple donor projects in the convergence districts. Over the long run, providing incentives to (VNF) beyond the project lifetime should be discussed with target communities and district nutrition communities from the start.

AFN II will also build on lessons learned on gender empowerment resulting from the planned AFN I end-line survey, completion review, and final gender assessment.

xii. Wild foods

The importance of wild foods in the local diet has been highlighted in the above Section "Special aspects relating to IFAD's corporate mainstreaming priorities – Food Security and Nutrition".

AFN II will work together with local communities, and specifically with women, through participatory research, building on their local knowledge, to identify these wild foods, their management practices within their ecosystems, and their potential for domestication on farm and home gardens for use in household diets.

Specific attention will be given to nutrient-dense Neglected and Underutilized Species (NUS). In a recent [policy paper](#), key elements⁵⁴ to ensure seasonal food availability in transitioning shifting agriculture systems were identified: (i) mapping/identifying sources of wild edible resources; (ii) ensuring a clear distinction is made during assessment between regenerating fallows and mature forests; and (iii) policy feedback on land use planning approaches to revisit the Forest and Agriculture Land Allocation policy.

This new intervention is in line with the findings highlighted in the IFAD Action for Nutrition (2019-2025) plan that identifies opportunities in further exploring the linkages between environment, climate, and nutrition when there is clear potential for win-win opportunities to deliver synergistic effects.

xiii. Environment and natural resources

All agricultural technologies and practices introduced by AFN I and FNML are environmentally friendly. New cropping and livestock production techniques introduced by the project, especially the simple and low-cost ones such as making composting, bio-fertilizers, fish raising in paddies, pest control and management, etc., are easily adopted and replicated by farmers through farmer to farmer extension.

⁵⁴ ICIMOD (2021). Ensuring seasonal food availability and dietary diversity during and after transition of shifting cultivation systems to settled agriculture. Policy brief. International Centre for Integrated Mountain Development.

Other technologies are more expensive and may be too complicated for this even though they can support better climate change adaptation, for example, greenhouses for vegetable growing all year round, solar energy for water pumps in places without electricity, and fish raising in plastic ponds for areas with water shortages.

Relatedly, AFN conducted a limited pilot of land titling. The MTR mission found that this activity is too complex and time consuming to be achieved at any scale with the limited project resources. As part of this activity, the project also conducted a pilot of Land Use Planning (LUP) in ten villages. Building on these conclusions, AFN II has not included investments in land titling and LUP but will support rural communities in implementation these land use plans. They will be related, in particular, to the promotion and conservation of wild foods species that contribute to nutritional outcomes.

xiv. Sustainability of investments in water and access infrastructures

The FNML completion report also stated that sustainability of investments in water infrastructures require: "(i) good capacity building and decentralization of the tasks to district agencies; (ii) close coordination between district agencies and WUGs during survey and design of the schemes that ensure secure water sources and sufficient volume for the planned serving areas; (iii) good village management structure and regulation in place, with capacity building, hands-on support, and regular supervision from district agencies; and (iii) sufficient funds for O&M generated from the water users and budget commitment from the districts in case of major repairs and maintenance". This is in line with AFN I findings.

These findings are also in line with the opportunities identified in the IFAD Action Plan for Nutrition 2019-2024 in terms of increasing investments in water, hygiene (and to certain extent sanitation). These constitute the main contribution that IFAD projects can make to the health determinants of malnutrition without going beyond its mandate and scope of intervention.

The AFN MTR mission determined that some investments in rural access tracks/roads were of low technical quality, reflecting budget constraints. The terrain is very challenging for construction and cutting costs results in environmental damage and poor sustainability. Cost-effectiveness of infrastructure should be ensured by eliminating schemes with excessive cost per beneficiary or with insufficient climate proofing. The MTR report recommended that where the budget is insufficient for technical and environmental sustainability, road schemes should be cancelled. These findings were confirmed during the last field visits of the supervision mission conducted in June 2022. AFN II has included investment in rural access tracks for up to 300 km of rehabilitation and upgrading of existing alignment not exceeding 10km in length per sub project. These investments are pending mobilisation of additional financial resources to fill the funding gap.

xv. Exit strategy

The [FNML completion report](#) (IFAD, June 2021) stated clearly that exit strategy should be "developed and used right from the start of project implementation so that all agencies understand their responsibilities and proactively demand for technical assistance and capacity building support in order to fulfil their assignments and gradually take over the project activities and results".

In consultations conducted during the design process, the importance of exit strategy and sustainability have been discussed with target groups, line agencies, and local authorities. The exit strategy in annex reflects this participatory process to secure the sustainability of the project's investments and interventions beyond project completion.

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex: Afn2 Procurement Matrix

Mission Dates: 04-18 May 2022

Document Date: 03/12/2022

Project No. 2000003760

Report No. 6231-LA

Asia and the Pacific Division
Programme Management Department

PDR Annex 10: IFAD Procurement Risk Matrix - Part A Country Level
Based on MAPS II – ASSESSMENT OF NATIONAL PROCUREMENT SYSTEM ([PRM](#))

Pillar I – Legal, Regulatory and Policy Framework					
Indicator # and Sub-Indicator #	Sub-Indicator Description ¹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
1	The public procurement legal framework achieves the agreed principles and complies with applicable obligations.				
		[procurement consultant to insert key findings from existing MAPS or own assessment]	[procurement consultant to indicate H, S, M, or L]	[procurement consultant to insert key measure to be undertaken by the project]	[procurement consultant to indicate H, S, M, or L]
1(a)	Scope of application and coverage of the legal and regulatory framework	Apply to ministries, agencies, local administrative authorities, state enterprises, local and foreign individuals, legal entities and organizations relating to public procurements in Lao PDR.	M	Project to introduce Procurement Manual to integrate IFAD Procurement procedures.	L

¹ The Indicators and Sub-Indicators are extracted from OECD-MAPS II of 2017 in order to harmonise with other MDBs and to save time and effort in conducting Part A assessments in case a recent MAPS II assessment has been conducted for the borrower's country system. The criteria to be applied in assessing each Sub-Indicator are those of OECD-MAPS II.

1(b)	Procurement methods	For works, goods, and non-consulting services: 1. Open bidding; 2. Limited bidding; 3. Request for quotations (Price Comparison); 4. Direct contracting. For consulting services: QCBS, QBS, CQS, LCS, FBS, and SSS	L		L
1(c)	Advertising rules and time limits	Publicly advertise on newspaper (Vientiane Times for English and Vientiane Mai Newspaper for Lao). Sometimes, advertisement in English is also found in Vientiane Mai Newspaper. Frequency: Usually 2 times/week x 2 weeks, sometimes more.	M	GOL to develops a procurement website for the procurement to be more focused and provincial and district PMUs can also post procurement notice.	L
1(d)	Rules on participation	No limitation. SOE can participate the same as private. However, there is no SOE participated in tenders in agricultural sector. International bidders are normally Vietnamese and Chinese for big contracts financed by ADB and WB, not for contracts financed by IFAD.	L		L
1(e)	Procurement documentation and specifications	Harmonized SBDs are used for works, goods, and non-consulting services. IFAD's RFP is used for consulting services. The harmonised SBD are available in Lao language.	M	Project to use IFAD's tender documents for works, goods, and non-consulting services. IFAD tender documents need to be translated into Lao.	L

1(f)	Evaluation and award criteria	<p>Evaluation is carried out by Bid Evaluation Committee (BEC) appointed by the minister, heads of agencies or governors, mayor, chief of district, chief of municipality or by relevant assignees. BEC is not dismissed after contract signing, it remains during contract implementation.</p> <p>Usually, 1 BEC is set up for 1 project and that remains during the project implementation. There is a threshold for which contract is go to minister which contract go to director general of the department.</p> <p>Award criteria are stated in tender document. For goods and works apply pass/fail. 1 envelope is usually used, but sometimes 2-envelope is used for big contracts. Recently, GOL introduced life cycle cost for goods to be put in evaluation.</p>	M	Tender Committee to be formed in PMU. Concerned ministries can review and appraise evaluation results. This will help to accelerate procurement progress.	L
1(g)	Submission, receipt and opening of tenders	Tenders are submitted and receipted at time and location mentioned in the tender document. Bid opening is carried out right after the deadline of bid submission. The bidders sign on the list and receipts are provided on request for record.	L		L

1(h)	Right to challenge and appeal	<p>Bidder may submit complaint to project owner or procuring entity within fourteen (14) days prior the contract signing. Complaint will be resolved within 15 days, if not, it will be transferred to higher level or court. Complaint can go to Government Inspection Committee under presidential office.</p> <p>No complains have been received by MAF so far.</p>	L		L
1(i)	Contract management	<p>Project owners or procuring entities appoint project management for managing contracts to ensure the quantity, quality and timeframe in works, goods and/or services and consulting services contracts. Outputs shall be approved and certified by inspection and certification committees. If technical and quality certifications are required, such certifications shall be from engineers or independent experts.</p> <p>For contract variation, GOV does not have limit regulations on the value or time.</p>	M	Independent construction supervision shall be compulsory for works	L
1(j)	Electronic Procurement (e-Procurement)	<p>Not applied yet. E-procurement is already mentioned in harmonized SBD. However, there is no installed facilities for E-Procurement to be executed yet.</p>	M	GOL to develop an electronic procurement system for the country	L

1(k)	Norms for safekeeping of records, documents and electronic data.	The signed contract, documents and procurement related information shall retain at least ten (10) years period. However, no norms for safekeeping are mentioned. In practice, in addition to the hardcopy, project staff usually make electronic copy for record keeping. Only procurement officer can keep the original records.	L		L
1(l)	Public procurement principles in specialised legislation	Public procurement principles are specified in Public Procurement Law. Procurement under Public Private Partnership (PPP) Arrangement comprises of (i) Build, own, operate (BOO), (ii) Build, operate, transfer (BOT) and others which risks are transferred to private sector. Procurement under Public Private Partnership (PPP) arrangement shall be procured under open bidding procedure.	L		L
2	Implementing regulations and tools support the legal framework				
2(a)	Implementing regulations to define processes and procedures conditions	Instruction to implement Public Procurement Law 0477/MOF dated 13/2/2019 and Decree 1995/MOF dated 24/6/2019. Public Procurement Manual (being update). MOF is responsible for update the procurement instruction.	L		L
2(b)	Model procurement documents for goods, works and services	Mentioned in Instruction 0477/MOF dated 13/2/2019, Instruction 1995/MOF dated 24/6/2019, and Procurement Manual	L		L

2(c)	Standard contract	The contract is in the harmonized SBD. Currently, projects use harmonized bidding document for works, goods, and non-consulting services (IFAD bidding documents for works and goods have not translated into Lao yet) and IFAD's RFP for consulting services	M	Projects to use IFAD standard bidding documents (Need to translate into Lao)	L
2(d)	User's guide or manual for procuring entities (insert link to manual if possible)	The documents are supposed to be provided by MOF through a link. However, the link is currently dead. MOF has Public Procurement Division under the Department of State Assess Management.	M	Projects to develop guidelines and manuals to details IFAD's procedures and requirements.	L
3	The legal and policy frameworks support the sustainable development of the country and the implementation of international obligations				

3(a)	Sustainable Public Procurement (SPP)	<p>By Law: The government promotes public procurement by identifying appropriate procurement measures and procedures, through staff training, supply of equipment and facilities to build infrastructure ensuring such activity is carried out in an effective and efficient manner.</p> <p>The government encourages and promotes local and foreign individuals, legal entities and organizations to participate in bidding for works, goods, services and consulting services based on the basis of equality.</p> <p>The government promotes public procurement by protecting the rights and interest of the government, individuals, legal entities or organizations and preserving the environment for green sustainability.</p> <p>Government agencies start to build in-house capacity for their staff.</p>	L		L
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3(b)	Obligations deriving from international agreement	By Public Procurement Law, the state promotes relations of cooperation with foreign countries, regional and international organizations in relation the public procurement by exchanging experiences, sharing data and information, technologies, organizing seminars and upgrading of technical capacity and implementation of international conventions and treaties to which the Lao PDR is a party. In case of discrepancies between GOL and donor procedures the Project PIM or PAM will be used. IA select procedures following project setup.	L		L
Consolidated findings for Pillar I		Legal, Regulatory and Policy Framework are assessed to be medium risk. However, with mitigation measures, the risk will be low.			
Pillar II – Institutional Framework and Management Capacity					
4	The public procurement system is mainstreamed and well-integrated with the public financial management system				
4(a)	Procurement planning and the budget cycle	By Public Procurement Law and instructions, procurement plans are prepared in accordance with the budget plans approved by the National Assembly	L		L
4(b)	Financial procedures and the procurement cycle	Financial procedures are not mentioned. Common practice for procurement office to check the availability of fund before solicitation of tenders.	M	No solicitation of tenders/proposals takes place without certification/confirmation of the availability of funds	L

5	The country has an institution in charge of the normative/regulatory function				
5(a)	Status and legal basis of the normative/regulatory institution function	Public Procurement Division of MOF under Public Assess Department. Ministry of Agriculture and Forestry (MAF) has Project Management Division in charge of procurement.	L		L
5(b)	Responsibilities of the normative/regulatory function	Public Procurement Division of MOF: providing advice to procuring entities, drafting procurement policies, proposing changes/drafting amendments to the legal and regulatory framework, monitoring public procurement, providing procurement information, managing statistical databases, preparing reports on procurement to other parts of government, developing and supporting implementation of initiatives for improvements of the public procurement system, providing tools and documents, including integrity training programmes, to support training and capacity development of the staff responsible for implementing procurement.	L		L
5(c)	Organisation, funding, staffing, and level of independence and authority	After project completion, the Project Coordination Office is dismissed. There is no accumulative of experience and knowledge. The head and the vice-head of project coordination office belong to government and get remuneration from GOV. Recently, GOL wants to promote the procurement to project management divisions in ministries.	L		L

5(d)	Avoiding conflict of interest	The harmonised SBD is used. No former process for avoiding conflict of interest.	M	BEC members to signed on the declaration forms	L
6	Procuring entities and their mandates are clearly defined.				
6(a)	Definition, responsibilities and formal powers of procuring entities	Responsibilities are defined in the Public Procurement Manual. The roles of BEC are well defined. Decision-making stay at ministry for NCB. For NS that is delegated to the Director General of Ministry's department. At provincial and district levels the decision making is governor for NCB and head of PAFO and DAFO for NS.	L		L

6(b)	Centralised procurement body	<p>The government centrally manages public procurements in a unified manner countrywide and delegates direct responsibility to the Ministry of Finance in coordination with the Ministry of Planning and Investment, ministries, agencies, local administrative authorities and other parties concerned.</p> <p>Public procurement management authorities include:</p> <ol style="list-style-type: none"> 1. The Ministry of Finance; 2. Provincial/capital Departments of Finance; 3. District/ town/city Finance Offices. 	L		L
7	Public procurement is embedded in an effective information system				
7(a)	Publication of public procurement information supported by information technology	Procurement information is accessed through newspapers at central level. In district and provincial level. Laos does not have an integrated information system (centralised online portal) that provides up-to-date information and is easily accessible to all interested parties at no cost.	M	Strengthen information publication and dissemination at provincial and district level by a public procurement system due to the difficulties in accessing and publishing procurement on newspapers.	L
7(b)	Use of e-Procurement	Not use E-Procurement yet	M	GOL to introduce E-Procurement.	L
7(c)	Strategies to manage procurement data	The system to collect data has not available. E-Procurement is not available. ADB and WB projects published contract awards on their websites.	M	GOL to introduce procurement management system and E-Procurement.	L

8	The public procurement system has a strong capacity to develop and improve				
8(a)	Training, advice and assistance	Training programme for departments within ministry level is now starting. However, it is not a permanent training programme. A training programme is co-organised by IFAD/ILO and advisory. PPD also provide advisory.	M	GOL to setup regular training programme. Projects to organize training courses for procurement staff to promote internal capacity building and maintain capacity.	L
8(b)	Recognition of procurement as a profession	Procurement is recognised as a specific function, with procurement positions defined at different professional levels. JD is in the TOR. It is well defined at the central level. Procurement Officer, procurement assistant, and procurement consultant. The appointments and promotion are competitive and based on qualifications and professional certification. Staff performance evaluation is done annually. Procurement staff are being trained by donors.	L		L
8(c)	Monitoring performance to improve the system	The country has not established and consistently applies a performance measurement system that focuses on both quantitative and qualitative aspects. Not yet as the database is not available. Debarred list is not available or accessible. Strategic plans, including results frameworks, are in place and used to improve the system is laid with PPD	M	GOL to establish a monitoring system together with database collection and retain.	L

Consolidated findings for Pillar II	Institutional Framework and Management Capacity is assessed to have medium risk. GOL needs to establish a public procurement system and E-procurement to mitigate these risks.				
Pillar III – Public Procurement Operations and Market Practices					
9	Public procurement practices achieve stated objectives				
9(a)	Procurement Planning	<p>Needs analysis and market research guide a proactive identification of optimal procurement strategies.</p> <p>The procurement planning is based on past experience and partially with market price update. The requirements and desired outcomes of contracts are clearly defined. Sustainability criteria, such as abnormal low bid price, are used to ensure value for money.</p>	L		L

9(b)	Selection and contracting	<p>Multi-stage procedures are used in complex procurements to ensure that only qualified and eligible participants are included in the competitive process. However, not in IFAD's projects. Harmonised SBDs are used. It is not a problem for broad participation from potential competitors in civil works and goods. However, for consulting services, the duration is extended sometimes due to the lack of competitors, as a result of market limitation.</p> <p>Procurement methods are chosen, documented and justified in accordance with the purpose and in compliance with the legal framework, i.e. thresholds in the instructions for implementing Public Procurement Law. Procedures for bid submission, receipt and opening are clearly described in the procurement documents and complied with. This means, for instance, allowing bidders or their representatives to attend bid openings, and allowing civil society to monitor bid submission, receipt and opening, as prescribed in the BD.</p> <p>Throughout the bid evaluation and award process, confidentiality is ensured. Appropriate techniques are applied, to determine best value for money based on the criteria stated in the procurement documents and to award the contract.</p>	L	GOL to announce contract award publicly.	L
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		Contract awards are announced to participated bidders only.			
9(c)	Contract management in practice	<p>Delays is common practice in contract implementation for goods, such as imported goods, and works, e.g. large civil works contracts located in remote areas and due to the weather. BEC involved in goods and works with the support of engineer.</p> <p>Invoices are examined, time limits for payments comply with good international practices, and payments are processed as stipulated in the contract. Contract amendments are reviewed.</p> <p>Procurement statistics are not available and no system is in place to measure and improve procurement practices.</p>	M	Construction supervision consultant should be used for construction works.	L
10	The public procurement market is fully functional				
10(a)	Dialogue and partnerships between public and private sector	Open dialogue with private sector is not found. No government programme to build capacity among private companies, including for small businesses and training to help new entries into the public procurement marketplace was observed.	M	GOL to expedite dialogue and partnership with private sector.	L

10(b)	Private sector's organisation and access to the public procurement market	The private sector is still limited and has not yet been developed. There is no restrict for private sector to participate in public procurement.	L		L
10(c)	Key sectors and sector strategies	Key sectors associated with the public procurement market are identified as transport and public works and health, which have higher risk because of centrally control.	M	GOL to decentralize the procurement in these sectors.	L
Consolidated findings for Pillar III		Public Procurement Operations and Market Practices are assessed to have relatively medium risk. GOL to promote dialogue with private sector and decentralize procurement to mitigate the risks.			
Pillar IV – Accountability, Integrity and Transparency of the Public Procurement System					
11	Transparency and civil society engagement strengthen integrity in public procurement				
11(a)	Enabling environment for public consultation and monitoring	<p>A transparent and consultative process is followed when formulating changes to the public procurement system has not been observed. No programmes to build the capacity of relevant stakeholders to understand, monitor and improve public procurement was found.</p> <p>The system to get input, comments and feedback from civil society has not yet available.</p>	M	GOL to establish consultation and getting feedback system.	L

11(b)	Adequate and timely access to information by the public	Procurement notices are published in newspapers. All stakeholders have adequate and timely access to information as a precondition for effective participation. Bidding documents are sold at LAK 1-200,000 for NS and LAK 500,000 for NCB. Bidders can access to information.	M	GOL to introduce a public procurement system. Bidders can access freely to procurement information and getting bidding document free.	L
11(c)	Direct engagement of civil society	Community can participate in the formulation of PP in IFAD projects. No restriction for citizen to observe. In general, no legal/regulatory and policy framework allows citizens to participate in the procurement process. No evidence for direct participation of citizens in procurement processes through consultation, observation and monitoring was found.	M	GOL to promote the participation of citizens in supervising and monitoring process.	L
12	The country has effective control and audit systems				
12(a)	Legal framework, organisation and procedures of the control system	External financial audit also check procurement in addition to the finance. MOF conduct internal check by before making payment. However, the results are limited.	M	GOL/donors to introduce procurement audit.	L

12(b)	Co-ordination of controls and audits of public procurement	No written procedures that state requirements for internal controls or written standards and procedures (e.g. a manual) for conducting procurement audits. State audit and National Inspection will get involve only when there are complaints. Financial external audit is carried out annually.	M	GOL/donors to introduce procurement audit.	L
12(c)	Enforcement and follow-up on findings and recommendations	The Project and lined Ministries will solve issues as recommended in financial auditing reports. Project coordination offices are responsible to follow-up on the implementation of audit recommendations.	L		L
12(d)	Qualification and training to conduct procurement audits	No specific training for procurement audit.	M	MOF to provide training for procurement audit and setup criteria for accredit procurement auditors for projects.	L
13	Procurement appeals mechanisms are effective and efficient				
13(a)	Process for challenges and appeals	A process for challenges is setup. For projects, it will go from Project Office to In charge department to lined Ministry. At MOF, Public Procurement Division is in charge. State Inspection authority is involved when there are complaints. Procedures for challenges are clearly defined in BD. Time frame is defined in Public Procurement Law.	L		L

13(b)	Independence and capacity of the appeals body	Inspection Authority does not involve in procurement and does not charge fee. The one who approve the contract award is authorised to suspend the procurement process, e.g. minister or governor.	L		L
13(c)	Decisions of the appeals body	<p>The decision is based on information relevant to the case and consideration of the relevant information.</p> <p>No regulation on publishing the decision. If complaint come to PPD, PPD will issue written respond to complainer and that is the same for IA.</p>	L		L
14	The country has ethics and anti-corruption measures in place				

14(a)	Legal definition of prohibited practices, conflicts of interest, and associated responsibilities, accountability and penalties	<p>Definitions of fraud, corruption and other prohibited practices in procurement, consistent with obligations deriving from legally binding international anti-corruption agreements are stated in Public Procurement Law.</p> <p>There is no definitions of the individual responsibilities, accountability and penalties for government employees and private firms or individuals found guilty of fraud, corruption or other prohibited practices in procurement, without prejudice of other provisions in the criminal law.</p> <p>There is no definitions and provisions concerning conflict of interest, including a cooling-off period for former public officials.</p>	M	GOL to introduce definitions on individual responsibilities and penalties for employees and firms and definitions of conflict of interests and the declaration of undertakings.	L
14(b)	Provisions on prohibited practices in procurement documents	Provisions on prohibited practices are defined in instruction to bidder and contract forms in the harmonized SBD and Procurement Manual	L		L
14(c)	Effective sanctions and enforcement systems	<p>Procuring entities have clear procedure for reporting allegations of fraud, corruption, and other prohibited practices. However, the system is not systematically applied, and reports are consistently followed up by law enforcement authorities.</p> <p>A system for suspension/debarment has not yet available.</p>	M	GOL to introduce a sanction/debarment system.	

14(d)	Anti-corruption framework and integrity training	The country has Anti-corruption Law.	L		L
14(e)	Stakeholder support to strengthen integrity in procurement	No civil society involved in public procurement.	M	GOL to promote the involvement of civil society in procurement.	L
14(f)	Secure mechanisms for reporting prohibited practices or unethical behaviour	Secure, accessible and confidential channels for reporting cases of fraud, corruption or other prohibited practices or unethical behaviour, legal provisions to protect whistle-blowers, and these are considered effective are mentioned in Anti-corruption law.	L		L
14(g)	Codes of conduct/codes of ethics and financial disclosure rule	There are no regulations on code of conduct on procurement.	M	GOL to introduce code of conduct for government officials	L
Consolidated findings for Pillar IV		Accountability, Integrity, and Transparency of the Public Procurement System are assessed as medium risk. Some mitigation measures are proposed.			
Consolidated findings at country level		[to be determined by the SPO]	[to be determined by the SPO]	[to be determined by the SPO]	[to be determined by the SPO]

IFAD PRM - Part B Project Level

ASSESSMENT OF THE PROJECT'S PROCUREMENT IMPLEMENTATION ARRANGEMENTS

Assessment Area # and # of related criterion of assessment	Description of Assessment Criterion	Findings regarding possible non-compliance with Project Objectives & IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
1	ASSESSMENT OF PROJECT COMPLEXITY				
		[procurement consultant to insert key findings from own assessment]	[procurement consultant to indicate H, S, M, or L]	[procurement consultant to insert key measure to be undertaken by the project]	[procurement consultant to indicate H, S, M, or L]
1(a)	Project is new of its kind and introduces new procurement methodologies	No. The project was developed based on the success of AFN1	L		L
1(b)	Project investment value is high and includes substantial inter-dependent procurement contracts that require advanced sequencing and coordination skills	No. The investment contains small contracts and many of them will be conducted by farmer groups.	M	Need to have clear and simple guideline/manual for grant to farmer groups and Project Procurement Guideline/Manual.	L
1(c)	Project area is geographically spread in different locations	Yes. It locates in 5 provinces, including 2 provinces in the North and 3 provinces in the South.	S	Decentralize procurement and increase coordination and supervision.	L
1(d)	Project includes a number of implementing partners	Yes. There are 2 implementing partners, including IFAD and WFP. Strategic partners are NAFRI, LARReC, World Fish, Oxfam Novib.	S	Regularly coordinate among partners.	L

	and cooperating agencies				
1(e)	Project involves community participation in procurement activities which calls for detailed monitoring requirements by IA	Yes. Some procurement activities required community participation, especially those to be implemented by farmer groups.	M	Need to have clear and simple guideline/manual for grant to farmer groups and Project Procurement Guideline/Manual.	L
1(f)	Project is classified with High or Substantial SECAP risks (including security risks)	No. The Project is classified as low SECAP risk	L		L
1(g)	Project is in a Fragile State with weak governance structures	No. The Project is under design stage.	L		L
Overall Assessment of the risk posed by Criterion 1		The Project complexity is assessed as medium risk as its location is spread and the implementation required the coordination among partners and participation of farmer groups.	M		
1. ASSESSMENT OF IMPLEMENTING AGENCY CAPACITY (Process/Procedures, Personnel and Performance/Product - 3Ps)					
2.1	PROCESS/PROCEDURES				
2.1.1	ASSESSMENT OF IA's Procurement Legal & Regulatory Frameworks (Procurement Rules, Methods and Processes) <i>(Section 2.1.1 is to be filled only if the IA is an autonomous national agency or a private entity which is allowed to have a separate legal framework for procurement other than the national procurement law/regulations which was assessed under Part A)</i>				
2.1.1(a)	IA procurement methods for Goods, Works and NCS (non-consulting services)				

	are consistent with IFAD Project Guidelines				
2.1.1(b)	IA Procurement methods for Consulting Services are consistent with IFAD Guidelines and prioritize Quality.				
2.1.1(c)	Access to IA bidding opportunities and bidding/procurement documents is unrestricted for foreign firms				
2.1.1(d)	Bidders, IA procurement staff and the general public have free access to the legal and regulatory framework documents				
2.1.1(e)	The mandatory Minimum number of received quotations/bids in competitive procurement methods				

	is consistent with IFAD PPF ¹				
2.1.1(f)	IA's standard Bidding /Procurement Documents and standard contracts (including contractual dispute resolution) are consistent with IFAD standard procurement documents in structure and contents				
2.1.1(g)	IA's standard Bidding/Procurement Document incorporate IFAD SECAP requirements (to what extent?)				
2.1.1(h)	IA's standard prequalification documents are consistent with IFAD's and qualification criteria reflect needed past experience, production capacity and financial/cash flow sufficiency				
2.1.1(i)	Bid evaluation criteria are objective, proportionate and				

¹ PPF: Project Procurement Framework

	based on VFM considerations in the case of Goods/Works/NCS (lowest evaluated cost, Merit Point, lowest price or life cycle cost) and emphasize Quality in the case of consultancy services consistent with IFAD's PPF.				
2.1.1(j)	Minimum number of days for advertised procurement under IA's competitive bidding processes is consistent with IFAD PPF				
2.1.1(k)	Bidders' clarification procedure by the IA is consistent with IFAD PPF				
2.1.1(l)	Bids received by IA prior to the deadline are securely stored and a receipt is given to the bidder				
2.1.1(m)	Bid securities are securely stored				
2.1.1(n)	IA's Public bid openings are				

	conducted for advertised procurements immediately after the submission deadline (within an hour of receipt of bids)				
2.1.1(o)	Minutes of bid opening meetings are recorded and sent to bidders who submitted bids				
2.1.1(p)	No negotiations at award stage are conducted with the successful bidder that aim at changes in offered bid price or scope unless foreseen in the selected procurement method and stipulated in the bidding documents				
2.1.1(q)	Under IA procurement rules, bidders have access to a Bidders' Complaint mechanism consistent with IFAD requirements				
2.1.1(r)	Contract awards are advertised publicly by the IA within				

	reasonable time of contract signature.				
Overall Assessment of the risk posed by Criterion 2.1.1					
2.1.2	IA's Procurement Strategy and Procurement Planning Process				
2.1.2(a)	The IA's preparation of its annual procurement plan is preceded by conceptualization of a Procurement Strategy based on market research, previous experience and own capacity assessments	Project prepared annual Procurement Plan based on experience from other projects and market survey. Cost estimates were also provided by DAFO and Office of Public Works and Transport.	L		L
2.1.2(b)	IA's procurement plans are prepared ahead of time and in tandem with request for budget appropriation to MOF (or competent authority in case on autonomous bodies).	Yes, PP is prepared based on the draft AWPB which was initiated from villages, districts, and provinces. PP is usually prepared from Oct-Dec. of this year for the coming year.	L		L
2.1.2(c)	IA's procurement department staff participate in the annual work planning processes	Yes. NPCO's procurement staff participated in preparation of annual work plan.	L		L
2.1.2(d)	The project's Procurement Strategy adequately addresses	Yes, PP was prepared based on recommendations from villages, districts, and provinces. The decentralization of	L		L

	project complexity, IA's internal capacity and experience as well as market supply capacity	procurement is based on capacity and experience of IA at provincial, district, and village levels.			
2.1.2(e)	IA's procurement plan for the project is consistent with the project's annual work plan/budget (AWPB)	Yes.	L		L
2.1.2(f)	IA's Procurement Plans follow an effective format with planned and actual rows for tracking progress achieved across the 3 different categories of procurement	Yes, the PP followed IFAD's PP template	L		L
Overall Assessment of the risk posed by Criterion 2.1.2		IA's Procurement Strategy and Procurement Planning Process were assessed to have low risk.	L		L
2.1.3	Procurement Management and Contract Administration systems and internal control /audit procedures				
2.1.3(a)	IA's standard contracts for procurement of Goods, Works and Services generally consistent with IFAD contracts	NCB contract forms are taken from harmonized SBDs for works and goods and related non-consulting services. They are consistent with IFAD contracts. IFAD RFP is used for consulting services.	L		L
2.1.3(b)	IA's standard contracts for procurement of Goods, Works and	Yes, additional annexes were added to the contract from for IFAD's SECAP and self-certification requirements.	L		L

	Services implement IFAD's SECAP requirements				
2.1.3 (c)	The IA has established internal control systems with Segregation of Authority including effective separation between procurement and financial management	Yes, the function of procurement and financial management is separated. In NPCO, Financial unit has 5 staff and Procurement Unit has 3 staff.	L		L
2.1.3(d)	The IA has an effective internal audit function in addition to independent and timely external financial audit (having specialized "procurement audit" is a plus)	Project Management Division of MAF plays the role of internal audit. IA external financial audit is carried out annually. No specialized procurement audit was carried out.	M	MAF to initiate specialized procurement audit for projects.	L
2.1.3 (e)	IA has established contract management procedures and contract management forms for monitoring progress against Time, Cost, Quality and Scope of the signed contracts for Goods, Works and Services.	PMU uses Excel spreadsheet and IFAD's ICP-CMT system for contract monitoring. Works and goods contracts in districts are updated to NCPO monthly by PAFOs and DAFOs.	L		L
2.1.3 (f)	The IA develops a comprehensive	The Project had small contracts. There is no comprehensive contract management plan.	L		L

	Contract Management Plan for major contracts with clear indication of roles and responsibilities	Works and goods contracts were managed by VITs and DAFOs. Term of consulting services contract of consultants at NPCO were 1-year and they are renewed yearly.			
2.1.3 (g)	IA's procedures for initiation and approval of Contract Variations are established and clear	The coordinator make proposal for contract variation for consulting services and submit to MAF for approval. For works, VITs proposed and submit to DAFO/PAFO/NPCO. No variation in civil works and goods contracts in the project.	L		L
2.1.3 (h)	Contract Amendments beyond a prescribed threshold (not exceeding 15% of time duration or contract value) require higher level approvals	No contract amendments.	L		L
2.1.3 (i)	IA has established procedures for receipt/acceptance of contract outputs in Goods, Works and Services	Goods and Works: BECs at central, provincial, and district will certify the outputs. Consulting services: reviewed by project coordinator and CTA	L		L
2.1.3 (j)	IA has established procedures for receipt/approval of deliverables and approval of payments for Goods, Works and Services	Works and goods: use inspection form/ completion certificate/ handover certificate Consulting services: notes through email	L		L
2.1.3 (k)	IA's payment procedures lead to	There were some delays in payments due to i) lengthy internal approval and ii) availability	L		L

	timely payments to the contracted parties in line with IFAD standard contracts	of fund. The delay was usually about 2 months. However, the delay was rare.			
2.1.3 (l)	IA's Contractual Dispute Settlement procedures always provide for amicable settlement and stipulate arbitration for contracts with foreign contracted parties	The Project did not have contract with foreign parties. There was no dispute in contract management.	L		L
2.1.3 (m)	The IA has well-developed claim assessment procedures for initiating own claims or for verification of validity and costing of contractual claims filed by the contracted parties	Goods: delivery notes, list of goods Works: construction completion report, completion certification, invoice.	L		L
Overall Assessment of the risk posed by Criterion 2.1.3		Procurement Management and Contract Administration systems and internal control /audit procedures were assessed to have low risk.	L		L
2.1.4	RECORD KEEPING				
2.1.4(a)	A serial-numbered procurement file is maintained for each procurement activity (with records from	Records for contracts were filed for each province/district and categorized for works, goods, and services. NCPO started scanning hardcopies to keep them in digital format.	L	In the future, all of the documents should be scanned and kept in digital format.	L

	requisition to acceptance/receipt of goods/works/services)				
2.1.4 (b)	Original contracts secured in a fire and theft proof location	The original copies are stored at villages and districts. They are filed in normal conditions. Villages keep documents in cabinets at village offices.	L		L
2.1.4 (c)	A separate contract file is maintained with a copy of the contract and all subsequent contractual correspondence e.g. contractual notices by supplier, contractor, purchaser or employer; a detailed record of all changes or variation orders issued affecting the scope, quality, timing or price of the contract; records of invoices and payments, progress reports, certificates of inspection, acceptance and completion; records of claim and dispute and their outcomes; etc.)	Yes, contract and supporting documents.	L		L

2.1.4 (d)	The IA Procurement & Contract Files are maintained for at least 7 years beyond project closure in a secure place.	According to the law, these documents will be retained for 10 years	L		L
2.1.4(e)	The IA maintains an up-to-date Contract Register that records all ongoing contracts (with names, prices and dates) per procurement category for ease of retrieval of contract data	The Project is using IFAD's CMT and excel file for monitoring.	L		L
Overall Assessment of the risk posed by Criterion 2.1.4		Record keeping is assessed to be satisfied with low risk.	L		L
2.2	IA's PERSONNEL CAPABILITIES: IA's Procurement Personnel Capabilities and Procurement resources (systems and facilities).				
2.2(a)	The IA has a dedicated Procurement Department/Unit with a Director and a team of experienced staff	The Project has 1 procurement officer, 1 procurement assistant, and 1 procurement consultant (part-time)	L		L
2.2(b)	The IA's Procurement Unit has previous experience with donor/IFI-funded procurement procedures	Yes, all procurement staff had previous experience with donor funded procurement procedures.	L		L

2.2 (c)	IA's regular annual procurement volume exceeds expected project procurement in value and complexity (i.e. the IA normally conducts more and more complex procurement than what is required as part of the project)	No, the volume is based on the approved AWBP and the Procurement Plan.	L		L
2.2 (d)	IA's procurement staff have Job Descriptions that cover all foreseen functions of the intended project procurement	Yes, JD for each position was described in the TOR.	L		L
2.2 (e)	The number and qualifications of the staff of the IA Procurement Department are sufficient to undertake the additional procurement that will be required under the proposed project	Yes, the project is going to be completed in June 2022, so a few procurements are going on.	L		L
2.2 (f)	The IA Procurement Department has adequate facilities such as PCs, internet connections, photocopy facilities,	NPCO's procurement unit had sufficient equipment, such as computers, printer, scanner. However, the office was too small not enough space for storing records.	L		L

	printers, safes etc. to undertake the foreseen project procurement				
2.2 (g)	The IA's Procurement Department staff are certified practitioners or have attended relevant procurement training programs	No, the certified practitioners are not required in Laos. Procurement staff participated in IFAD's procurement trainings.	L		L
2.2 (h)	The IA's Procurement Department staff are capable of working in one of IFAD's official languages	Yes, they can work in English.	L		L
2.2(i)	The Project Director is issued a Project Charter granting him/her sufficient authority to control and authorize project activities (documented in PIM)	There was no charter. The duties were mentioned in TOR. Procurement staff were authorized to control the quality of the works.	L		L
2.2 (j)	The IA has access to claim initiation or claim assessment experts either internally or externally especially for large value contracts with foreign vendors.	The Project did not have foreign vendors.			

Overall Assessment of the risk posed by Criterion 2.2	IA's Procurement Personnel Capabilities and Procurement resources were assessed as low risk.	L		L
2.3	IA's PERFORMANCE (PRODUCTS & PAST EXPERIENCE) - guided by quantitative indicators of Pillars II and III of OECD MAPS II (based on performance of the previous year)			
2.3(a)	% of the total annual IA contracts that are awarded in open and restricted bidding	About 99%	L	L
2.3(b)	Percentage and value of IA's annual contracts that are awarded under direct contracting (single source)	Very small, about 1%	L	L
2.3(c)	IA's Efficiency in completing the bidding process (open and restricted) for Goods (measured in time from advertisement to contract award and signature)	The Project progress was assessed to be good.	L	L
2.3(d)	IA's Efficiency in completing the bidding process (open and restricted) for Works (measured in time from advertisement to contract award and signature)	The Project progress was assessed to be good.	L	L
2.3 (e)	IA's Efficiency in completing the	The Project progress was assessed to be good.	L	L

	competition process for Services (measured in time from advertisement to contract award negotiations and signature)				
2.3(f)	% of bidding documents for Goods/ Non-Consulting Services and Works in the last one or two years where more than one amendment to the bidding documents was issued	There was no amendment.	L		L
2.3(g)	% of RFPs for consulting services where more than one amendment to the RFP was issued	No amendment.	L		L
2.3(h)	% of procurement competitions in Goods /Non-Consulting Services, Works and Consulting Services that failed or were cancelled	1 NCB contract	L		L
2.3(i)	Average number of responsive bids in Goods/Non-consulting Services, Works and	Goods and works: 4 bids Consulting services (for firms): 2-3 firms	L		L

	Consulting Services competitions				
2.3(j)	% of procurement competitions for Goods/ Non-Consulting Services, Works and Consulting Services conducted electronically	No	M	GOL to introduce E-Procurement system	L
2.3(k)	% of contracts awarded to SMEs in the previous year	Not available in Laos.	L		L
2.3(l)	% of procurement competitions and contracts that integrate sustainable procurement considerations (at least 1 social/labour plus 1 environmental criteria)	Small contracts and all of them are integrate sustainable. Community participated in procurement and implementation. The intervention did not cause impact on environment.	L		L
2.3 (m)	Percentage of IA's contracts for Works with cost over-runs above 10% of initial contract price.	No cost overrun	L		L
2.3 (n)	Percentage of IA's contracts for Works with time over-runs above 10% of initial contractual duration	No time overrun	L		L
2.3 (o)	Average number of complaints received	No complaints were received	L		L

	from bidders as to the fairness of bidding documents or contract award				
2.3(p)	% of bidders' appeal decisions that were accepted and enforced (with ruling against the IA)	No	L		L
2.3 (q)	% of Vendors Invoices paid on time in Goods/Non-Consulting Services, works and Consulting Services contracts.	99%	L		L
2.3 (r)	Is the general quality of documents produced by the IA's Procurement Department in line with IFAD's expected quality levels: i. Quality of Bidding Documents for Goods/NCS and Works ii. Quality of RFP for Consulting Services iii. Quality of Bid Evaluation Reports	The quality is good.	L		L

	iv. Quality and adequacy of responses to bidders' qualifications				
2.3 (s)	Management / Procurement Audit: i. % of IA contracts subjected to specialized procurement audit ii. the IA timely implements recommendations	Don't have specialized procurement audit. Project has financial audit only.	M	MAF to do specialized procurement audit for projects	L
Overall Assessment of the risk posed by Criterion 2.3		IA performance was assessed as low risk	L		L
Overall Assessment of the risk posed by Criterion 2		Assessment of implementing agency (Process/Procedures, Personnel and Performance/Product) shows low risk	L		L
Overall Assessment of the risk posed by Part B			[inherent risk to be determined by the SPO]	[net risk to be determined by the SPO]	
Overall Assessment of the risk posed by Parts A and B			[inherent risk to be determined by the SPO]	[net risk to be determined by the SPO]	

Lao People's Democratic Republic

Agriculture For Nutrition - Phase 2 (AFN II)

Project Design Report

Annex: Afnii Final Secap Appendices

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Asia and the Pacific Division
Programme Management Department

Abbreviated Environmental Social and climate Management Framework

At design review stage in September 2022, the moderate risk category for climate was validated, but the Environmental and Social risk category was revised as high, in view of the risks related to the presence of ethnic groups (Indigenous People) in the project area.

For High-Risk projects, and in the case the project sites have not yet been selected, an Abbreviated Environmental, Social and Climate Management Framework (ESCMF¹) should be developed. ESCMFs sets out the principles, rules, guidelines, and procedures for screening, assessing, and managing the potential environmental, social and climate risks and impacts of forthcoming but yet undefined interventions.

The abbreviated ESCMF is used to examine project risks and impacts (both positive and negative) when there are multiple subprojects and the affected persons, risks and impacts cannot be determined until the programme or subproject details have been identified.

The Abbreviated ESCMF specifies the most likely applicable environmental, social and climate policies and requirements and how those requirements will be met through procedures for the screening, assessment, approval, mitigation, monitoring and reporting of environmental, social, and climate risks and impacts associated with the activities to be supported.

1. Overview/Background on intended Project/Programme:

The Agriculture for Nutrition phase 2 (AFN II) is a scaling-up phase, expanding from the Government's twelve priority "convergence districts" in four northern provinces to twenty districts in six provinces, including: Phongsaly, Oudomxay, Xieng Khouang in the north and Salavan, Sekong and Attapeu in the south.

Over a total of 500 target villages, AFN II will support 125 villages in convergence districts already having received support in the first phase, as well as 375 villages in non-convergence districts, including villages supported by the recently completed IFAD-funded FNML project in the three southern provinces. Village selection will follow the same criteria, including the government criteria for Poverty Graduation and Development defined by the Decree 348.

The executing agency is the Ministry of Agriculture and Forestry, through its Department of Planning and Cooperation (DoPC). The main project personnel responsible for future assessment and implementation of proposed sub-projects are Dr Phommy Inthichack, DoPC Deputy Director General and Mr Sisovath Phandanouvong, AFN I national project coordinator and head of the National Project Coordination Office (NPCO).

Summary of the project/programme.

The Project Goal is to enable 28,000 vulnerable households living in the project area to improve their income by 20%, by 2030.

¹ This outline has been adapted from similar templates developed by UNDP and the World Bank, for guidance on the structure of environmental and social management frameworks

The Project Development Objective is to enable 28,000 vulnerable households living in the project area to improve their food and nutrition security, enhance their climate resilience and increase smallholders' income by 2030.

Component 1 (Community-driven agriculture and natural resources-based nutrition interventions establishment) will have two main outcomes. The first outcome is to improve the nutrition Knowledge, Attitudes and Practices (KAP) of the targeted poor and near poor smallholder farmer households who are most at risk of food and nutrition insecurity, further exacerbated by the COVID-19 pandemic. This outcome will be achieved through Sub-component 1a: Improved nutritional status of women, children, girls, and other vulnerable groups, which is supervised and implemented by WFP in close cooperation with MAF and the Provincial Agriculture and Forestry Offices (PAFO), District of Agriculture and Forestry Offices (DAFO) and provincial and district convergence agencies (education and sports, health and LWU).

Subcomponent 1a will produce the following outputs: (i) 28,000 households receive improved nutrition services and training (FNS, SBCC, training, promotion of wild foods in local diets), (ii) 15,000 people -mainly women- implement home garden grants and receive training, (iii) 400 villages receive support for food conservation and storage, including 250 rice banks.

The second outcome of Component 1 is to enable the aforementioned households to adopt environmentally sustainable and climate-resilient technologies and practices in order to increase and diversify their agricultural production, manage their natural resources more sustainably, increase their income, and enhance their resilience to climate threats and COVID-19 pandemic impacts and other threats, including the current economic crisis. This outcome will be achieved through Sub-Component 1b: Improved agriculture productivity of selected commodities, which will be supervised by IFAD and implemented by MAF and its decentralized offices at provincial and district levels (PAFO and DAFO).

Subcomponent 1b will produce the following outputs: (i) 22,400 household members receive productivity enhancement support by implementing grants for Agriculture Production Groups (APGs), (ii) 10,000 households receive inputs or services on climate resilient or sustainable agriculture practices, (iii) 68,000 ha of land-area receive improved production support, (iv) 970 producer-based organizations are supported (860 APGs and 100 WUG).

Component 2 (Business Partnerships and Market Access improvement) aims at improving physical access to markets, processing and storage. It will produce the following outputs: (i) build or rehabilitate 375 processing, storage, and market facilities (storage, collection points, etc.), (ii) support 600 producers' organisation (APGs) to engage in formal partnerships/agreements or contracts with public or private entities in food value chains, through Multi-Stakeholder Platforms (MSP) and matching grant facilities, (iii) 50 MSMEs join the SUN Business Network as new members and receive business development, marketing support and access to finance, (iv) rehabilitate existing rural access tracks.

Component 3 (Enabling environment and partnerships) aims at improving multisectoral planning in support to achieving the target set in the NPAN 2021-2025 as well as improving service delivery to the rural communities by involving CSOs. It will deliver the following outputs : (i) 30 substantive deliverables on food security and nutrition processes are completed in the form of multisectoral nutrition plans linked with the current NPAN and SEDP for the period 2021-2025, and (ii) 5 knowledge products are completed with project support related to agriculture, natural resources management (promotion of wild foods), and food/nutrition security to contribute to policy dialogue and preparation of NPAN and SEDP for the period 2026-2030. (iii) around 40 CSO directly contribute to support communities in implementation of their village nutrition plans and other nutrition -sensitive interventions involving women, youth, ethnic groups and People with disabilities.

The project interventions are identified based on a community based participatory planning approach and are not fully defined at design stage. The ESCMF aims at providing the framework for risks assessment and mitigation / management measures for each type of foreseen subprojects to be financed by AFN II.

2. Potential Environmental, Social, and Climate Risks and Impacts:

2.1 Social and Environmental risks

At design stage, the revised screening process highlighted the following potential social and environmental risks:

Biodiversity

The screening process did not identify any significant risks in terms of impacts on biodiversity. The project primarily supports existing agricultural areas, already under production status and managed by members of formal and/or informal producers' organisations. The project could potentially involve or lead to impacts/risks to migratory wildlife but there is no evidence that would be the case. The project will implement a number of best management practices to avoid or reduce the migration of the wildlife. AFN II will not impact on any sensitive areas or result in loss of natural habitat and biodiversity.

However, the project's targeting strategy will systematically exclude interventions and activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. wetlands, National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)

Resource Efficiency and Pollution Prevention

2.6 The project is likely to involve inputs of fertilizers and other modifying agents, however the related risks are expected to be minor and dispersed. The project will involve inputs suppliers and producers' organisations to promote safe and efficient use of fertilisers and modifying agents. Good Agricultural Practices (GAP) will be promoted for vegetable production in particular. In the case of inputs of fertilizers risks mitigation, the project will promote the use of biofertilizer and encourage integrated pest management. In addition, the project will encourage and promote agroecology practices to reduce the use of fertilizers. Where feasible, the project will promote the use of alternative eco-friendly plastic sheets in ponds, for integrated home gardens and APG investments.

2.7 The project is not expected to involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry. Pesticides are generally applied on industrial crops only (maize, sugar cane, rubber and banana plantations for export, etc.) and not on food crops. AFN II will only promote sustainable production of food crops and the use of wild foods and will exclude industrial crops that do not contribute to nutritional outcomes.

2.8 The project interventions will not be located in an area which is being, or has been, polluted by an external source (e.g. a mine, smelter, industry). This risk will be included in the ESCMP and areas polluted by an external source will be avoided / excluded from the target areas.

2.9 The project will not involve interventions in livestock, to the exception of backyard poultry production that will be small scale and dispersed by nature.

Nutrition

Identified risks related to nutrition are: (i) inability to access target groups of women and girls with social behaviour change communication (SBCC) activities, (ii) inability to access to ethnic groups with different (non-Lao) languages, (iii) inability to target activities for landless and most poor segment of the target population, disadvantaged groups not able to participate effectively, (iv) insufficient cohesion within farmer groups and communities.

To address these risks, the project will ensure all the target groups including women and girls get involved and participate in each SBCC activity. The project will ensure the active participation of the ethnic groups, get their consent through FPIC and provide translation services to remove the language barriers, by involving community mobilisers recruited locally. The project will not provide land to the disadvantaged groups/landless households, but they will actively participate in the project activities requiring little or no land (integrated home gardens for instance) and engage in collaboration and cooperative activities with other target groups. The project will strengthen partnership and cooperation in farmer groups and communities' members allowing identification and exploration of opportunities while building skills together.

Cultural heritage

The project will exclude areas of interventions that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage. Involvement of community through village profiles, community mobilisation and FPIC procedures will provide ample opportunities to identify and avoid such risks.

Indigenous people

In the five target provinces and pre-identified districts, ethnic groups represent 85% of the population. It is almost certain that the project will be seated in areas where "indigenous people" or ethnic groups are present. Stakeholders' consultations and FPIC process will be adopted at an early stage of project interventions. The project will not affect indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible) either directly or indirectly.

AFN II is an Agricultural and rural development project that will promote agricultural technologies and production that directly contribute to nutritional outcomes and commercial surplus production where possible. It will also facilitate business linkages with private actors in the value chain development and improve social / community level infrastructure. The project also intends to support demand driven services to individuals (matching grants, rural entrepreneurs, community-based organisations and small and medium-sized enterprise development)

Under Activity 1a.4 (Local food sources, wild foods management), AFN II includes interventions specifically designed to directly promote the ethnics groups knowledge and practices related to local, wild seeds and foods for sustainable production and improved nutrition

Working conditions

Through its interventions under component 2, the project will support the emergence of entrepreneurs for aggregation of fresh produces. There will be no significant interventions in agro-processing other than "cottage industry" type of post-harvest operations. There will be no operations where producers and other agricultural workers could be potentially exposed to significant occupational and safety risks.

In any case, the project will ensure that the private partners involved in the project implementation will comply with national labour laws and international commitments in terms of workers’ safety, gender inequalities, discriminations, forced labour, working children, and other indecent working conditions. Due diligence will be conducted through the requirements of the charter of the SUN business network.

The project interventions will not result in temporary or permanent physical displacement. There is no foreseen direct involvement of financial intermediaries.

Under these assumptions, the Environmental and Social risks are assessed as high.

2.2 Climate risks

The main climate risks identified at design stage are determined by an analysis of the climate hazards at provincial level, and assessments of exposure, sensitivity and adaptative capacity.

Step 1: Hazard identification

The ThinkHazard report indicates that the expected hazards in the project intervention area are assessed as “High” for river flood , coastal and urban floods (not applicable for the target areas of the project located in rural upland areas), landslide, cyclone, extreme heat and wildfires. Water scarcity (agricultural droughts and/or dry spells) is assessed as Low².

Table 1: Hazards identification (Think Hazard report for Lao PDR)

	Phongsaly	Oudomxay	Salavan	Sekong	Attapeu
River flood	Very Low	Low	Medium	Low	High
Coastal flood ^x	n.a	n.a	n.a	n.a	n.a
Urban Flood ^x	n.a	n.a	n.a	n.a	n.a
Landslide	High	High	High	High	High
Cyclone	High	High	High	High	High
Water Scarcity	Low	Very Low	Very Low	Very Low	Very Low
Extreme Heat	Medium	Medium	Medium	Medium	Medium
Wildfires	High	High	High	High	High

^x not applicable to the project setting
^{*}(agricultural droughts and/or dry spells)

Future climate scenarios for the period 2040-2059 indicate³ that under the RCP 8.5 climate models:

- the expected average temperature change is higher than 1 degree Celsius compared to the baseline mean temperature
- average rainfall change is higher than 10% compared to the baseline average rainfall
- Climate variability and frequency and intensity of extreme events are expected to be larger than the baseline
- The project is not expected to be a significant emitter of greenhouse gases

Under the findings above, the Hazard risk index is estimated as 6.9.

² ThinkHazard report : “there is a 1% chance drought will occur in the coming 10 years”
³ Future projections on climate variability are available on the World Bank Climate Change Knowledge Portal (CCKP)

Step 2: Exposure Assessment

The project's provincial and district targets have been determined at the concept note stage, but some adjustments have been made during the detailed design process, based on a set of criteria and with involvement of subnational stakeholders. The Lao PDR geography features exposed areas to weather-related natural hazards, including tropical areas (rainforests) and riverbanks.

The project targets agricultural systems, ecosystems or livelihoods that are exposed to weather-related hazards. Agricultural production (both crops and livestock) is frequently affected by rainfall variability, prolonged droughts, changes in temperature or pests and diseases. The biodiversity in the project area is likely to be affected by changes in climate variable.

The agricultural value chain (production, storage, processing and marketing) are also exposed to climate related hazards and rural infrastructure are also likely to be affected by flooding, landslides, changes in temperatures, and extreme winds.

The exposure risk index is of 5.38, as per the SECAP off-line screening tool.

Step 3: Sensitivity Assessment

The Lao PDR is not affected by conflicts or population displacement. The INFORM Health conditions score is 1.7 for Lao PDR (<5), implying that diseases do not increase the population's vulnerability and do not significantly affect their capacity to address potential weather-related hazards. There is no evidence that COVID (an event with relatively short-term immediate consequences) would increase the population's vulnerability to climate change and its medium / long-term impacts.

The income of the target population is by nature diversified as a coping mechanism to climate variability, market uncertainties and pest and disease outbreaks that regularly affect the rural livelihoods. The agriculture primary role in the upland livelihoods is to cover the household's food consumption with close interrelations with wild foods collection. Cash income in contrast generally comes in majority from off-farm activities (labour wage, small trade, etc.) and remittances. The ADB agriculture, natural resources, and rural development sector assessment, strategy, and road map for Lao PDR noted that "Many rural households generate only 30%–40% of their income from agriculture, with the remainder coming from off-farm sources including casual labor, paid employment, government salaries, and remittances from extended family members" (ADB, 2018). The AFN I midline study indicated that the proportion of on-farm income was on average 36.6% in Phongsaly Province, 45.2% in Oudomxay Province, and 45.2% in Houaphanh Province. On-farm income was higher in Xieng Khouang (75%) possibly related to better access to irrigation. (Source: AFN Midline survey data). Nevertheless, social inequalities (e.g. based on gender, youth, indigenous persons and other marginalized groups) are being exacerbated by climate change.

The human development⁴ score is above 5 (score of 5.7) and the Multidimensional Poverty Index is above 5 (score of 7.5); both aspects trigger a YES response in the offline screening tool.

The sensitivity index is 4.29, as per the SECAP off-line screening tool.

Step 4: Adaptive capacity and climate resilience

To some extent, Lao PDR still lack disaster coping capacity although it has been improving recently (DDR score of 6.1 as per the INFORM tool) and climate and weather information

⁴ HDI 2019 = 0.613 (<https://hdr.undp.org/en/countries/profiles/LAO>)

services are not effectively being delivered to farmers, rural dwellers, and end users. However, the country has an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs.

To some extent, the government or other institutions (including projects and CSO/NGOs) support the target population/communities with the necessary social and economic resources to prepare for or respond to climate-related events. The target community carry out agricultural adaptation, through diversified farming systems and multiple sources of income, including off-farm wage labour and remittance. Nevertheless, the target population still lacks the economic means or support to adjust or adapt their activities in response to weather-related shocks.

Farmers still face difficulties in accessing adequate financial credit and loans that are tailored to their needs. The lack of MFI outreach in rural areas and requirements for collateral for loans remain a key constraint for smallholder farmers to access financial services. Agricultural insurance is inexistent in remote rural areas. Rural infrastructures (access roads, irrigation, electricity) have improved over the last decades but in many areas these infrastructures are not effectively delivering services to farmers and rural dwellers.

The adaptive capacity score (as returned by the SECAP off-line screening tool) is 3.75.

Validated climate risk classification: As per the IFAD off-line screening tool, the climate risk score is calculated as 4.28 and the risk classification is assessed as "moderate".

3. Project Administrative Structure, Management, and Implementation

3.1 Legal and institutional framework for the project.

National laws, regulations, and policies relevant to AFN II are listed and described in the main SECAP review note.

The revised Environmental Protection Law (EPL, 2013) is the nation's principal environmental legislation. The EPL set up unified environmental management for environmental resources with the objective of preserving and facilitating sustainable use of natural resources. The EPL includes measures for the protection, improvement, mitigation and restoration of the environment and guidelines for environmental management and monitoring. MONRE is responsible for implementation of the EPL and various ministries have issued guidelines for implementing provisions of the EPL.

Lao PDR regulations applicable to the development of infrastructure projects include the Ministerial Instruction No. 8030/MONRE (2013) and the Environmental Assessment Guidelines (2012) which provide direction to the environmental and social assessment process in Lao PDR. Additionally, the more recent Ministerial Instructions on Public Involvement in the Process of Environmental Impact Assessment of Investment Projects provide updated guidance on the environmental and social assessment process.

The EPL and the related regulations form the national legal framework, based on which the project may require additional measures to fully comply with IFAD SECAP requirements. This principle guarantees that the most stringent regulations and requirements to screen and address social, environmental and climate risks are applied at project and subproject levels. The SECAP safeguard provisions are summarised in the section 3.3 below.

3.2 Project review and approval process

The screening risk matrix for the Agriculture for Nutrition phase 2 (AFN II), was prepared at concept note stage in April 2022. The SECAP compliance review dated 4 May 2022 validated both the preliminary Environmental and Social risk rating and Climate risk classification as moderate. As required, the following additional documentation was

prepared: (i) Environmental, Social and Climate Management Plan (ESCMP); (ii) Indigenous Peoples Plan; (iii) FPIC Implementation Plan; (iv) Project Grievance Redress Mechanism; (v) Stakeholder Engagement Plan; and (vii) a literature review of climate assessments, including a downscaled analysis of climate risks and vulnerabilities in target districts. These documents were included in the SECAP review note in annex 5 of the Project Design Report ahead of the Design Review Meeting (DRM).

At design review stage in September 2022, the moderate risk category for climate was validated, but the Environmental and Social risk category was revised as high, in view of the risks related to the presence of Indigenous People (IP) in the project area.

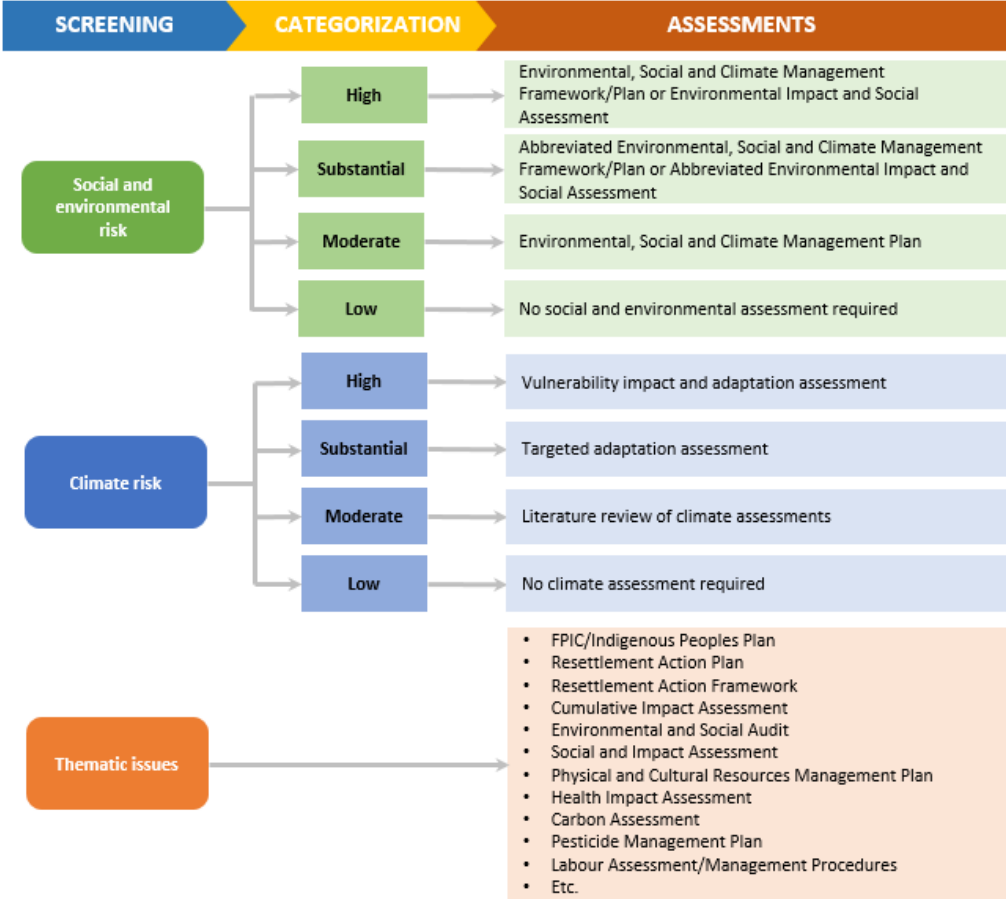
As per the IFAD SECAP guidelines, 2021 edition, for projects with High and Substantial environmental and social risks and impacts, the due diligence process entails a critical review of the documentation provided by the borrower/recipient/partner. This should involve site visits and interviews with project representatives and other stakeholders by independent environmental and social specialists. These specialists should gain first-hand knowledge of the project and meet with representatives of affected groups to discuss environmental and social concerns, and information needs. This provides IFAD with a more holistic view of the project's major environmental and social risks and impacts, and the project's mitigation resources.

As per the guidance above, the project design process included a due diligence process, a detailed literature review (including downscaled climate vulnerability analysis) as well as site visits, interviews and consultations with beneficiaries and target groups, line agencies and other stakeholders. List of persons involved in the consultations is available in Annex 1 of the SECAP review note.

The design team included independent specialists, namely a Climate Change and Environment Specialist /NRM Specialist /SECAP and an Indigenous People and Gender Specialist.

3.3 Safeguard provisions built into the project cycle

In accordance with SECAP guidance, the safeguard provisions were built in the project from concept note stage, with a preliminary SECAP review note prepared in April 2022 at concept note stage. The screening, risk categorisation and assessments were conducted as per the flow chart below:



Source: IFAD SECAP 2021 edition, Vol. 1, page 28.

For procurement related aspects, the design included the following provisions:

The general integration of SECAP requirements into procurement documents is described into ANNEX 4, Volume 1 of the SECAP.

The project specific risks as identified by the SECAP online tool and that have implications for procurement are related to : use of fertilisers and labour and working conditions.

Resource Efficiency and Pollution Prevention: 2.6 Could the project involve inputs of fertilizers and other modifying agents?

Labour and Working Conditions: Could the project involve children (a) below the nationally defined minimum employment age (usually 15 years old) or (b) above the nationally defined minimum employment age but below the age of 18 in supported activities or in value chains?

These Environmental and Social issues can be dealt with best through procurement mitigation measures that the Borrower must be required to put in place with respect to procurement parameters like:

1. Technical Specifications
2. Bidder Qualification
3. Bid Evaluation Criteria
4. Contract Clauses

For Example, if use of harmful types of pesticide is an issue in the project area, then it can be dealt with through the specifications of the pesticide and both the ES specialist and the SPO will agree that the project will use a "WHO-FAO approved pesticide and that WHO-FAO codes for safe labelling, packaging, handling, storage, application and disposals of pesticide are respected".

If the project involves work in a sensitive cultural heritage area or an area where biodiversity is to be protected, then the successful past experience of the contractor in working in such zones is critical and the ES specialist will select "Bidder qualification" and "Bid Evaluation Criteria".

If labour conditions or indigenous peoples' rights are often compromised in the project's area, then the ES specialist may select "Contract Clauses" and give whatever further guidance is possible for SPO.

If deforestation or extensive use of natural resources in the project area is an issue identified by the ES specialist, then the ES specialist will choose "specifications" and "Bid Evaluation Criteria" and agree with the SPO to specify legally-harvested timber (or timber certified with the relevant label) and agree as to the evaluation criteria to be used to promote resource efficiency (e.g. evaluation criteria to favour energy efficient pumps, efficient transformer sub-stations, fuel saving equipment etc.).

The ES specialist, relevant members of the PDT and the SPO will need to consult together and pool their collective expertise in the various disciplines in order to arrive at the right mitigation measures to be reflected in the PRM. In this manner downstream work by the SPO in prescribing the project requirements for the Procurement Plan (PP) and PDR are facilitated and can be readily reflected in the PIM and the choice of bidding documents and contract provisions.

Table: E&S safeguards relevant to procurement

E&S safeguards relevant to procurement	Risk rating	Consequence	Guidance for Senior procurement officer
Resource Efficiency and Pollution Prevention 2.6 Could the project involve inputs of fertilizers and other modifying agents?	Moderate	Minor The project only requires minimal amounts of fertilizer	Fertilizer related risks should be addressed through project procurement in the technical specifications, bidder qualification, bidder evaluation criteria, and contract clauses.
Labour and Working Conditions 5.3 Could the project involve children (a) below the nationally defined minimum employment age (usually 15 years old) or (b) above the nationally defined minimum employment age but below the age of 18 in supported activities or in value chains?	Moderate	Minor The project does not operate in sectors or value chains where the employment of children has ever been reported.	Child labour related risks should be addressed through project procurement in the technical specifications, bidder qualification, bidder evaluation criteria, and contract clauses. 1/

3.4 Consultations to be undertaken

The list of persons involved in consultations during the design is available in Annex 1 of the SECAP review note.

Final consultations were conducted after DRM in October 2022 with the main project personnel responsible for future assessment and implementation of proposed sub-projects, at DoPC and NPCO levels.

Consultations are embedded throughout the project cycle process at project and subproject levels, from targeting, targeting, planning, implementation, and monitoring.

At subproject level the first consultations at village level will be to disseminate project information and seek Free Prior Informed Consent from the communities, including women, youth, ethnic groups / IP and other vulnerable people. The consultations at village level will also be an opportunity to finalise the draft FPIC Plan and Stakeholder Engagement Plan by the PMU staff responsible for social inclusion, environment and climate (to be finalised in the first year of the project). The FPIC procedure is described in Appendix 4 of the SECAP.

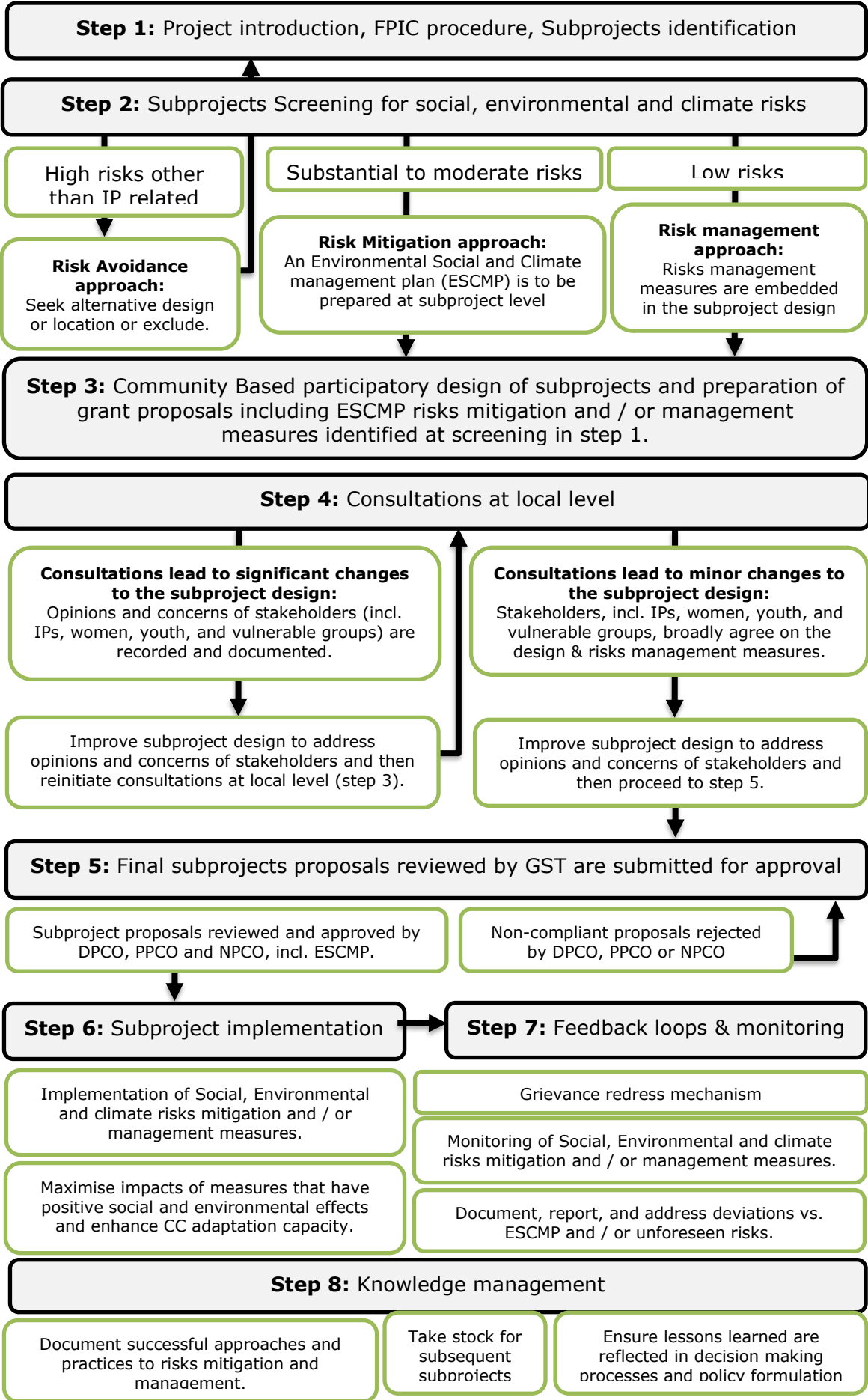
If the project team and the communities agree in principle in implementing the project in the selected village, then identification of subproject can be initiated in line with PIM.

Once subprojects have been pre-identified, the Social, Environmental and climate risk screening is to be conducted by involving the community as a whole and with facilitation from the GST with technical support from ENR/CC and social inclusion specialists at NPCO.

The second stage consultations will be held to design and consolidate the subproject proposal within the community, before the proposals are submitted for approval at district, province and national levels.

4. Procedures for Screening, Assessment and Management:

The procedures for reviewing and addressing potential environmental, social and climate risks and impacts of specific project activities, sub- projects, is a step wise process with 8 distinct steps as summarised in the flow chart below. All subprojects are subject to this process.



Step 1: Project introduction, FPIC procedure, Subprojects identification

This first step is for the project and the preselected villages to agree on a possible collaboration between AFN II and the villages. The potential agreement will result from three initial activities namely: project introduction / information dissemination, subproject pre-identification and FPIC procedures. The FPIC agreement is a prerequisite for further steps. In case an agreement between the project and the pre-selected village is not reached, the project is to select another target village and repeat the process in step 1.

Step 2: Subprojects Screening for social, environmental and climate risks

Once collaboration between target community and the project has been agreed upon and formalised in an FPIC document, all the pre-identified subprojects are to be screened using screening check lists to be developed at the start of the project, in line with SECAP screening checklist.

Screening will include screening of environmental, social, and climate risks and impacts (With a particular attention to IFAD and national thresholds as per environmental impact assessment regulation) and determining applicable standards and the appropriate types of assessment needed to address identified impacts; and, preparing action plans for avoiding, reducing, mitigating and managing adverse impacts, including development of specific management plans. Management plans should be designed so that they can adapt to changes in both project design, and environmental/social/climate variability.

The downscaled climate vulnerability analysis included in the SECAP should guide the assessment of climate risks in target districts.

The screening process will result in **determining the risk category** of the pre-identified subprojects.

For High-risk project (other than IP related risks that are likely to be high in most cases), the approach is to reconsider the concerned subproject and seek alternative design or location. If not possible, the high-risk subprojects should be excluded and made ineligible to funding by AFN II.

For moderate to substantial risk, communities will be required to prepare an ESCMP attached to the funding proposal. They will receive support from GST and ENR/CC and social inclusion specialists.

For low-risk subprojects, the subproject proposals should include risk management measures to mitigate these risks and maximise positive impacts on social and environmental aspects.

Step 3: Design of Subprojects and preparation of grant proposals including ESCMP risks mitigation and management measures identified at screening

Step 4: Consultations at local level

The consultations at local level involve the local authorities at village level, village organisations including Lao Women Union, elders, youth union, etc, the community members, including women, youth, and the district line agencies. The consultations are facilitated by the Group Support Team with regulatory, technical and capacity building assistance from the ENR/CC and social inclusion specialists as well as a other sector TA at NPCO depending on the nature of the subproject.

If opinions and concerns of the target community and / or other project stakeholders result in a major change to the subproject design, then the community are to revise and improve the design as in step 2.

If stakeholders, including IPs, women, youth, and vulnerable groups, broadly agree on the design & risks management measures, and opinions and concerns result in minor changes to the subproject design, the community is responsible for addressing these changes in the proposal and proceed to step 4.

Step 5: : Final subprojects proposals reviewed by GST are submitted for approval

The subproject proposals are to be reviewed by GST before starting the approval process. The GST will be in charge of ensuring that subproject proposal are complete, adequate and that risk are identified and adequately addressed. The template and approval processes are described in the PIM.

Steps 6 and 7: Implementation and monitoring of subprojects.

Subprojects and mitigation measures are to be implemented by the target communities. Monitoring will be under the responsibility of the GST. The M&E TA at district level will report to the M&E specialists at NPCO for consolidation at central level.

For subproject implemented by CSO/MSMEs, monitoring will be done at NPCO with support from the relevant TA.

Monitoring of subproject implementation will include compliance with SECAP requirements and follow up of grievances to be recorded, verified and addressed by the project.

Step 8: Knowledge management

This step is under the overall guidance of the KM specialists and include: Documenting successful approaches and practices to risks mitigation and management, Take stock for subsequent subprojects and Ensure lessons learned are reflected in decision making processes and policy formulation.

5. Abbreviated Environmental, Social and Climate Management Plan (ESCMP)

The subproject ESCMP will include the elements below, following guidance provided:

5.1 Identify when specific subprojects require an ESCMP

An ESCMP is required when a proposed subproject has moderate to substantial social, environmental and / or climate risks.

To determine the environmental and social and environmental risk categories and the climate risk category for each subproject, the screening checklists in Annex are used.

Given that 85% of the population in target district belongs to ethnic groups, it is foreseen that most if not all subprojects will be in the high-risk category for social impacts. Therefore, an ESCMP will most likely be required for all subprojects, at least to screen, assess and mitigate risks related to the presence of IP.

For other social risks as well as environmental and climate risks, the subproject ESCMP will include mitigation measures in line with the project-level ESCMP available in SECAP.

5.2 Describe how mitigation will be planned and implemented

Mitigations will be planned as an integral part of the subproject proposals to be prepared by the target communities with the assistance from GST. The mitigation measures are to be aligned with the ones set out in the project level ESCMP and SIAP in annex of the SECAP.

The implementation of mitigation measures will be embedded in the subproject proposals. The communities will be responsible for implementing the mitigation measures, in coordination with relevant stakeholders and with assistance from the GST. The ENR/CC specialist and the social inclusion specialist will ensure that planning and implementation

of mitigation measures are adequate and in line with national regulations and SECAP requirements.

5.3 Identify when mitigation should take place, and who reviews and approves the plans

Mitigation measures will take place for the first interaction between the project team and the potentially selected target villages and communities. The project will only be implemented after the project has been introduced, explained and that collaboration is agreed. A formal FPIC procedure will be a pre-requisite to any project intervention in target villages. See SECAP Appendix 4 for the detailed FPIC procedure.

The subproject plans are prepared by the target communities and CBOs themselves as part of the community based participatory approach of the project. The subproject proposals including risk screening and mitigations measures are to be reviewed by the GST with technical support from the ENR/CC and social inclusion specialists. The approval process follows the project organisational structure from DPCO, PPO to NPCO. NPCO is ultimately responsible for approval and funding of the subproject proposals. NPCO is also responsible to ensure compliance with safeguards provisions.

5.4 Identify for the specific ESCMP, two-to-three safeguard performance indicators

The safeguards performance indicators will be included in the subproject level ESCMP. At project level, at least two main indicators should be measured including: (i) number of FPIC procedures completed in line with requirements and standards, (ii) number of grievances received, addressed and resolved by the project.

5.5 Determine who is implementing the safeguard provisions of the specific subproject

Mitigation measures will be implemented throughout the cycle of subprojects implementation from planning, implementation, monitoring and evaluation. The target communities are the key stakeholders responsible for implementing safeguards provisions. The communities will receive support from the GST to design and implement mitigations measures set out in the subprojects proposals. The ENR/CC and social inclusion specialist will provide regulatory and technical assistance to GST to ensure that mitigation measures are adequately designed and implemented.

At subproject level, a stakeholders' engagement plan and a grievance redress mechanism will be an integral part of the ESCMP.

In the case of support to MSMEs and CSOs, the corresponding entities will be in charge of implementing mitigation measures in particular in regard to child labour and working conditions.

5.6 Determine timing and cost of these procedures for the subproject

Funding for implementation of the ESCMF is included in the project budget cost tables. Associated costs consist in two full time safeguard specialists (ENR/CC and social inclusion) and travel and training costs. Further details can be found in the budget of the Project Document.

6. Institutional Arrangements and Capacity Building:

The overall responsibility to ensure that the project complies with national laws and regulations lies with the project executive agency, namely MAF through DoPC and NPCO.

NPCO receives technical assistance on Social, Environmental and Climate aspects from the ENR/CC specialist and the Social Inclusion Specialist.

The main stakeholders in preparing and implementing subprojects are the communities themselves, including village authorities, CBOs, community members including women, youth ethnic groups, vulnerable people, etc.

The communities take the lead in the risk screening and in the decision-making process regarding risks mitigations measures. This process and the preparation of the ESCMP is facilitated by the Group Support Team, composed of representatives from district line agencies and the DPCO team managed by the District Project Coordinator (DPC). (See organigram of the project in PIM).

Table: responsibilities for ESCMF implementation

Steps	Subproject main stakeholders	Implementation / Facilitation	Technical support, capacity building	Review and Approval
Step 1: Project introduction, FPIC procedure, Subprojects identification	Village authorities, CBOs, community members including women, youth ethnic groups, vulnerable people	GST	ENC/CC specialist Social inclusion specialist Technical TA at NPCO and DPCO levels	DPCO, PPCO and NPCO
Step 2: Subprojects Screening for social, environmental and climate risks	Idem	GST	ENC/CC specialist Social inclusion specialist Technical TA at NPCO and DPCO levels	DPCO, PPCO and NPCO
Step 3: Community Based participatory design of subprojects and preparation of grant proposals including ESCMP risks mitigation and / or management measures identified at screening in step 1.	Idem	GST	ENC/CC specialist Social inclusion specialist Technical TA at NPCO and DPCO levels	DPCO, PPCO and NPCO
Step 4: Consultations at local level	Idem	GST	ENC/CC specialist Social inclusion specialist Technical TA at NPCO and DPCO levels	DPCO, PPCO and NPCO
Step 5: Final subprojects proposals reviewed by GST are submitted for approval	idem	GST	ENC/CC specialist Social inclusion specialist Technical TA at NPCO and DPCO levels	DPCO, PPCO and NPCO
Step 6: Subproject implementation	Idem	GST	ENC/CC specialist Social inclusion specialist	DPCO, PPCO and NPCO

			Technical TA at NPCO and DPCO levels	
Step 7: Feedback loops & monitoring	Idem	GST	ENC/CC specialist Social inclusion specialist Technical TA at NPCO and DPCO levels	DPCO, PPCO and NPCO
Step 8: Knowledge management		GST	ENC/CC specialist Social inclusion specialist KM specialists	DPCO, PPCO and NPCO

The ToR for the ENR/CC specialist and the social inclusion specialist are available in Annex of the PIM. These two specialists will be in charge of providing NPCO and GST with regularity and technical guidance to ensure compliance. They also will be responsible for capacity building of GST teams to ensure screening and mitigation measures are designed, implemented, and monitored adequately.

The draft FPIC Plan and Stakeholder Engagement Plan will be finalized in the first year of project implementation by the PMU staff responsible for social inclusion, environment and climate, including by drawing on consultations with partners and with communities as part of PRAs and village planning processes (no additional budget will be required).

7. Stakeholder Engagement, information disclosure and Grievance Redress:

The mechanisms to provide stakeholders and potential affected communities avenues to provide feedback or grievances, and receive responses, with regard to the implementation of specific activities, policies, or regulations are described in Appendix of the SECAP: Stakeholder Engagement plan in Appendix 3 and Grievance redress mechanism in Appendix 5.

8. Costs and Budgetary Considerations.

The costs to implement and monitor the subproject level ESCMPs should be included in the subproject proposals. The ESCMP should contain preliminary cost estimates. During implementation, the ESCMP should be revised once construction and operational activities are well defined. Information should also be provided on the responsibilities for reporting, work plan, procurement plan, cost estimates and mechanisms for corrective action.

9. Environment, Social and Climate Management Plan Matrix.

The project level ESCMP matrix must be integrated into the project’s implementation manual or developed as a stand-alone guidance document for the project management unit late in the design stage.

Annex 1 to ESCMF: IFAD exclusion list

IFAD environmental and social exclusion list

IFAD will not knowingly finance, directly or indirectly, projects involving the following:

- (i) Production or activities involving harmful or exploitative forms of forced labour,¹¹⁶ or practices which prevent employees from lawfully exercising their rights of association and collective bargaining;
- (ii) Production or activities involving harmful or exploitative forms of child labour;¹¹⁷
- (iii) Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples;
- (iv) Activities prohibited by host-country legislation or international conventions relating to the protection of biodiversity resources, cultural heritage, or other legally protected areas;¹¹⁸
- (v) The production, trade in or use of any product or activity deemed illegal under host country (i.e. national) laws or regulations, international conventions and agreements, or subject to international phase-out or bans, such as:
 - (a) Products containing polychlorinated biphenyls (PCBs);
 - (b) Pharmaceuticals, pesticides, herbicides and other hazardous substances subject to international phase-outs or bans;¹¹⁹
 - (c) Ozone-depleting substances subject to international phase-outs regulated by the Montreal Protocol;¹²⁰
 - (d) Wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);¹²¹ and
 - (e) Transboundary trade in waste or waste products as defined by the Basel Convention;
- (vi) Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests;
- (vii) Production or trade in wood or other forestry products other than from sustainably managed forests;
- (viii) Production or trade in alcoholic beverages (excluding beer and wine), tobacco or drugs;
- (ix) Marine and coastal fishing practices such as blast fishing, large-scale pelagic drift net fishing using nets in excess of 2.5 km in length or fine mesh net fishing harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats;
- (x) Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit;
- (xi) Production of, trade in or use of unbounded asbestos fibres;
- (xii) All mining, mineral processing and extraction activities;
- (xiii) Production or trade in radioactive materials;¹²³
- (xiv) Gambling, casinos and equivalent enterprises, trade related to pornography or prostitution;
- (xv) Contribute to money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion;
- (xvi) Production and distribution, or investment in media that are racist, antidemocratic or that advocate discrimination against an individual, group or part of the population;
- (xvii) Activities prohibited by host country legislation or other legally binding agreements regarding genetically modified organisms (GMOs);
- (xviii) Production of or trade in palm oil unless from growers and companies with internationally recognised certification¹²⁴, or undergoing certification¹²⁵
- (xix) Production of soy in the Amazon region or trade in soy produced in the Amazon region, unless from growers with internationally recognised certification

Source: IFAD SECAP 2021 edition, Vol. 1, Annex 5.

10. Environment, Social and Climate Management Plan Matrix

Environment, Social and Climate Management Plan Matrix

(ESCMP)

ESCMP Matrix						
Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
1) Environmental						
Potential threat to forest and biodiversity resources including						
Encroachment or expansion of agriculture in forest area	The project will only support APGs grants proposal where it is clearly stated that the investments will not expand in forest areas. The activities will conform with existing Land Use plans (LUP) and by-laws, delimiting the production areas. Activity 1a.4 (wild foods) will promote forest conservation. Activity 8 will only upgrade existing irrigation schemes	Community based planning (APG grants proposals) See VDP risk screening in grant manual in PIM	NPCO with DAFO, PAFO ENR/CC specialist Agriculture and advisory services specialist Agriculture development advisors at district level	Baseline, Midline and endline impact studies Village authorities ENR/CC specialist reports	Baseline, Midline and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab
Excessive harvesting of forest products, especially timber for construction	Timber for construction will only be sourced in delimited forest areas where this is permitted by LUP and by laws. Village authorities are in charge of allowing timber harvest.	FPIC, village authorities, APGs, Community based participatory planning (CBPP)	AFN II PMU with DAFO, PAFO ENR/CC specialist Agriculture and advisory services specialist Agriculture development	Baseline, Midline and endline impact studies ENR/CC specialist reports NAFRI / CDE reports and KM products	Baseline, Midline and endline. Yearly	

ESCMP Matrix						
Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
	Activity 1a.4 (wild foods) will promote forest conservation and sustainable harvesting of wild food and aquatic species and domestication		advisors at district level NAFRI and CDE for Activity 4, component 1a			
Degradation of Existing walking trails.	Only existing canals with a command area of less than 100ha and existing access tracks with length of less than 10 km will be eligible for AFN II support. O&M committees are in charge of avoiding degradation (by livestock divagation) and regular maintenance. Consultations to identify alternative pedestrian travel routes.	FPIC Consultations with village authorities and O&M committees VDP proposals risk screening (see manual in annex of PIM)	AFN II PMU with DAFO, PAFO Engineers ENR/CC specialist Social Inclusion Specialist	Baseline, Midline and endline impact studies Engineers' reports Social inclusion specialist report	Baseline, Midline and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab Social inclusion specialist costs included in Costab
Increased water pollution from agriculture runoff due to the use of fertilizers and pesticides	(i) Promoting Integrated Pest Management; (ii) Promote organic fertilizer use (e.g. natural compost, manure...(iii) Mulching, right balance of organic and inorganic fertilizer; (iv) Training and advice on proper use of pesticide and fertilizers, regular soil testing; (v) Improved fish	Village authorities, APGs, Community based participatory planning (CBPP) for APG grants	AFN II NPCO with DAFO, PAFO ENR/CC specialist Agriculture and advisory services specialist Agriculture development	Baseline, Midline and endline impact studies APGs grants proposals screening Agriculture and advisory services specialist reports	Baseline, Midline and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab

ESCMP Matrix						
Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
	pond management to keep water healthy: restricting use of antibiotics and medicines, proper aeration keeps the water healthy; (iv) Introducing waste water management system; (v) Enhanced testing and enforcement regime for pesticides especially at wholesale market and strategic location		advisors at district level			
Soil Erosion	On road embankment slopes, slopes of all cut, etc., vegetation will be planted as soon as construction activity in that immediate area has been completed. On sections with high filling and deep cutting the side slopes will be graded and covered with brush and grass, etc. Bio engineering shall be applied with supporting farmers Risk screening in VDP proposal (CBBP)	Village authorities O&M committees	AFN II NPCO with DAFO, PAFO ENR/CC specialist Engineers	Baseline, Midline and endline impact studies Engineers' reports Social inclusion specialist report	Baseline, Midline and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab

ESCMP Matrix						
Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
Land and soil degradation	(i) Tillage operation and grazing will be controlled in land with moderate to steep slopes (5 ⁰ -30 ⁰). Conservation terraces will be promoted in such lands.; (ii) Cultivation will be discouraged in land with slope more than 30-degree (iii) Integrated Pest Management approach will be promoted to discourage use of chemical fertilizers and pesticides to conserve soil vegetative cover; (iv) Crop varieties which demands excessive use of fertilizer and water will be discouraged; (v) Landslide prone areas will not be selected for any kind of value chain. If value chain activities are planned proximity to such areas, adequate land cover practices such as plantation will be encouraged.	Village authorities APG grant proposals (CBPP) and risk screening in APG proposals	AFN II NPCO with DAFO, PAFO Agriculture and advisory services specialist Agriculture development advisors at district level	Baseline, Midline and endline impact studies APGs grants proposals screening Agriculture and advisory services specialist reports	Baseline, Midline and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab
Threat (such as chances of particular pathogen or pest arriving, population declines of native species, altering key	Introduction of only certified/verified varieties, 'in accordance with national legislation and international conventions (e.g. International Plant	Village authorities APG grant proposals (CBPP) and	AFN II NPCO with DAFO, PAFO Agriculture and advisory services specialist	Baseline, Midline and endline impact studies APGs grants proposals screening	Baseline, Midline and endline. Yearly	No additional cost required

ESCMP Matrix						
Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
ecosystem process like hydrology, nitrogen fixation etc.) from introduction of exotic varieties and breeds	Protection Convention IPPC), whichever is most stringent.’ Promotion of wild species, protection and domestication	risk screening in APG proposals	Agriculture development advisors at district level NAFRI/CDE	Agriculture and advisory services specialist reports NAFRI/CDE		ENR/CC specialist costs included in Costab
Improving productivity of crops and livestock may cause misuse of chemical fertilizers and pesticides, negatively affecting soil and water quality, causing health and pollution problems and possible degradation of the bio-diversity	CBPP APG grant proposal risk screening Training of farmers in the proper handling and use of agri-chemicals, Promotion of alternative non-chemicals practices for soil fertility restorations (mulch, compost, crop rotations, green and animal manure, etc.) Application of conservation agriculture systems, and introducing of the environmental friendly agriculture practices.	Village authorities APG grant proposals (CBPP) and risk screening in APG proposals	AFN II NPCO with DAFO, PAFO Agriculture and advisory services specialist Agriculture development advisors at district level	Baseline, Midline and endline impact studies APGs grants proposals screening Agriculture and advisory services specialist reports	Baseline, Midline and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab
Social						
Potential increase on the workload on women (especially from road maintenance activities)	(i) Ensure women’s participation from the activities planning phase; (ii) Promote awareness of smallholders and entrepreneurs on work	Follow FPIC, SIAP guidelines	AFN II NPCO with DAFO, PAFO Social inclusion specialist	Baseline, Midline and endline impact studies Social inclusion specialist report	Baseline, Midline and endline. Yearly	No additional cost required

ESCMP Matrix						
Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
	division; (iii) Ensure that women are not over-represented in the maintenance work for the newly rehabilitated roads; (iv) Ensure women’s participation in capacity building events; (v) Develop and implement GESI guidelines (SIAP already provided in annex of SECAP)		Engineers	Engineers’ reports		Social inclusion specialist costs included in Costab
See Social Inclusion Action Plan (SIAP) in Appendix 2 of SECAP						
Climate Change						
Flood and landslide	Potential Interventions guided by Community Based participatory Planning with climate risk assessment at planning stage (i) Project will screen interventions areas/ location/ sites and use criteria which will exclude activities in flood and landslide prone areas and allow investments only in land where farmers are traditionally farming; (ii) Banks of fish ponds raised	Village authorities O&M committees LaCSA	AFN II NPCO with DAFO, PAFO ENR/CC specialist Engineers	Baseline, Midline and endline impact studies VDP proposal risks screening ENR/CC specialist reports Engineers’ reports	Baseline, Midline and endline. Yearly	No additional cost required ENR/CC specialist costs included in Costab

ESCMP Matrix						
Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
	to prevent flood, farmers will be encouraged to use fish-net, store tanks; (iii) Development of sound site selection criteria and regular field inspection visits by Engineer.					
Drought, water shortage	<p>Potential Interventions guided by Community Based participatory Planning with climate risk assessment at planning stage</p> <p>(i) Improve management practices: small irrigation, water efficient technologies, infield water harvesting, water catchment pond; (ii) Selection of drought tolerant species will be encouraged; (iii) Mandatory provisions of crop, livestock and other value chain-based enterprises insurance</p>	<p>Village authorities</p> <p>O&M committees</p> <p>APGs</p> <p>LACSA</p>	<p>AFN II NPCO with DAFO, PAFO</p> <p>Agriculture and advisory services specialist</p> <p>Agriculture development advisors at district level</p> <p>ENR/CC specialist</p>	<p>Baseline, Midline and endline impact studies</p> <p>APGs grants proposals screening</p> <p>Agriculture and advisory services specialist reports</p> <p>ENR specialist reports</p>	<p>Baseline, Midline and endline.</p> <p>Yearly</p>	<p>No additional cost required</p> <p>ENR/CC specialist costs included in Costab</p>
Change in (livestock and crop) disease timing and outbreaks	<p>(i) Promotion of IPM; (ii) Capacity building and awareness events to maximize use of bio chemicals and fertilizers (iii) Promotion of crop, livestock and other value</p>	<p>Village authorities</p> <p>O&M committees</p> <p>APGs</p>	<p>AFN II NPCO with DAFO, PAFO</p> <p>Agriculture and advisory services specialist</p>	<p>Baseline, Midline and endline impact studies</p> <p>APGs grants proposals screening</p>	<p>Baseline, Midline and endline.</p> <p>Yearly</p>	<p>No additional cost required</p> <p>ENR/CC specialist</p>

ESCMP Matrix						
Environmental/Social and climate Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of Verification (Monitoring and reporting)	Frequency of Verification	Cost Estimate
	chain-based enterprises insurance	LACSA	Agriculture development advisors at district level ENR/CC specialist	Agriculture and advisory services specialist reports ENR specialist reports		costs included in Costab

IFAD Climate adaptation options for rainfed crop sector and AFN II interventions

[\[adaptation\]](#)

Suitable Adaptation options for AFN II	Technical feasibility	Cost-benefit ratio	Addresses climate risks	Accessibility for smallholders	Suitability	Total Score	AFN II Component promoting the adaptation option
Construct new water harvesting infrastructure	3	3	3	3	Suitable	12	Component 1b, activity 8
Develop irrigation systems in areas where water supply is plentiful	3	3	3	3	Suitable	12	Component 1b, activity 8
Make use of integrated systems involving livestock and/or aquaculture to improve resilience.	3	3	3	3	Suitable	12	Component 1a, activity 2 Component 1b, activities 6 and 7
Implement Agroforestry techniques	3	3	2	3	Suitable	11	Component 1a, activity 4, Component 1b, activity 6
Improve pest and disease control practices	3	3	2	3	Suitable	11	Component 1b, activities 6 and 7
Cooling (indoor systems) or provide shade (e.g. trees)	3	3	2	3	Suitable	11	Component 1a, activity 4, Component 1b, activity 6
Introduce new varieties of existing crops, e.g. with greater drought or flood resistance	3	3	2	2	Suitable	10	Component 1a, activity 4, Component 1b, activity 6
Diversify agricultural activities within single farm units, e.g. introduction of agro-forestry systems	3	2	2	3	Suitable	10	Component 1a, activity 4, Component 1b, activity 6
Diversify agricultural crops available to farmers/ introduce new crops	3	3	2	2	Suitable	10	Component 1a, activity 2 Component 1b, activity 6
Build expertise in the use of climate forecast information for improvement	2	3	3	2	Suitable	10	Component 1b, activity 7

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Suitable Adaptation options for AFN II	Technical feasibility	Cost-benefit ratio	Addresses climate risks	Accessibility for smallholders	Suitability	Total Score	AFN II Component promoting the adaptation option
of cropping strategies and yield forecasting							
Change post-harvest practices, for example the extent to which grain may require drying and how products are stored after harvest.	3	2	2	3	Suitable	10	component 1a, activity 3 Component 2 (all activities)
Provide information to institutions and carry out awareness raising activities	3	2	2	3	Suitable	10	All 3 components
Provide institutions with the equipment and / or budget to deliver additional services	3	2	2	3	Suitable	10	All 3 components
Diversify livelihoods / create income sources from activities other than agriculture	2	2	3	2	Suitable	9	Component 2
Increase range of water sources (and collection/ storage facilities)	3	2	2	2	Suitable	9	Component 1b, Activity 8
Modify farming techniques to reduce impacts on vulnerable ecosystems, such as forests or wetlands	2	3	2	2	Suitable	9	Component 1a, activity 4, Component 1b, activity 6
Research traditional farming practices to identify approaches that may be suited to a different climate	3	2	2	2	Suitable	9	Component 1a, activity 4, Component 1b, activity 6
Use intercropping where appropriate	3	2	2	2	Suitable	9	Component 1b, Activity 6
Train staff to build understanding of climate change / improve operational performance in dealing with climate risks	3	2	2	2	Suitable	9	Component 1b, activity 7, Component 3, activity 1b
Climate resilient plant genetic resource identification, conservation and dissemination	2	2	2	3	Suitable	9	Component 1a, activity 4
Re-schedule planting and harvesting dates	2	2	2	2	Suitable	8	Component 1b, Activity 6

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Suitable Adaptation options for AFN II	Technical feasibility	Cost-benefit ratio	Addresses climate risks	Accessibility for smallholders	Suitability	Total Score	AFN II Component promoting the adaptation option
Introduce new tillage and drainage methods to reduce soil erosion	2	2	2	2	Suitable	8	Component 1b, Activity 7
Identify alternative sources of water supply during drought	2	2	2	2	Suitable	8	Component 1b, Activity 8

Appendices to SECAP note

Appendix 1- List of persons met during consultations

Appendix 2- Social inclusion action plan

Appendix 2a - Indigenous Peoples Planning Framework (IPPF)

Appendix 3- FPIC Implementation Plan

Appendix 4- Grievance Redress Mechanism

Appendix 5- Stakeholder Engagement Plan

SECAP Appendix 1: Person met during Consultations

(Detailed design mission, May 2022)

No	Name & Surname	Position	From	province	Phone Number
1	Dr Alai Phonvisay	AFN II Design mission team (EFA)	IFAD	Vientiane	22238579
2	Mr Sopha Siththison	Deputy DDJ of DAEC	DAEC	Vientiane	59232127
3	Mr. Toula	Interpreter	IFAD	Vientiane	020 77810796
4	Mr Khamtanh Khandeng	M & E Adviser	NPCO	Vientiane	22209407
5	Mr Latsamee Simmalayvong	AFN Admin	NPCO	Vientiane	56713318
6	Mr Vilasak Chanthamit	KM	NPCO	Vientiane	22227322
7	MS Chanthalay Morlakoth	Assistant Accountant	NPCO	Vientiane	29997225
8	Ms Chiengkham	Finance Manager	NPCO	Vientiane	22423359
9	Mr. Somsay Sihalad	Coordination AFN	DAEC	Vientiane	56682244
10	Mr Vanhthieng	DDJ Of MAP	DDJ, MAF	Vientiane	22232776
11	Ms Phatsaly	Deputy Of MAP	DLS, MAP	Vientiane	59309999
12	Mr Bounteang	Technical	DOI, MAP	Vientiane	55446691
13	Mr Bounthieng	Deputy Of Irrigation	DOI, MAP	Vientiane	29892365
14	Dr Inpone	Technical	DOPC, MAF	Vientiane	22208558
15	Mr Boundeth	Deputy DDJ of DOPC	DOPC, MAF	Vientiane	
16	Mr Somphathai	Director Of Project Management Division	DOPC, MAF	Vientiane	59878265
17	Ms Phacsabaikhid	Technical	DOPC, MAF	Vientiane	23353129
18	Ms Seangkeo	Head Of Deputy	DOPC, MAF	Vientiane	56128999
19	Ms sesomphet	Head Of Division	DOPC, MAF	Vientiane	22239722
20	Mr Chu Thuan Dat	Procurement Advisor	IFAD	Vientiane	
21	Mr Jouve Manu	AFA2 Design	IFAD	Vientiane	56113535
22	Mr Soulivhan Pattivong	CPO	IFAD	Vientiane	56635350
23	Ms Phoukham Sipaseuth	AFN II Design team (Gender)	IFAD	Vientiane	99998188
24	Ms Saluckchid	Technical	LWU's	Vientiane	29797929
25	Mr Pareophon	Technical	MOIC	Vientiane	58884349
26	Mr Sesungvone	Technical	MPI	Vientiane	55587459
27	Mr Oulaitham	Coordination AFN	NAFRI	Vientiane	98976875
28	Mr Soulivong	Deputy Of NAFRE	NAFRI	Vientiane	22238289
29	Mr Souksavanh Sohanouvong	PAR technician	NAFRI	Vientiane	55609902
30	Mr Kroungsivilay Malaythong	DNPC	NPCO	Vientiane	22200644
31	Mr Sisombath Chanthavongsa	Procurement	NPCO	Vientiane	22228059
32	Mr Sisovath Phandanouvong	NPC	NPCO	Vientiane	
33	Mr Soulisone Khantisouk	M&E and Planning	NPCO	Vientiane	59585783
34	Mr Sounthone Senesouk	Procurement	NPCO	Vientiane	55688183
35	Mr Viladath Souvannavong	Head division DoA	DoA	Vientiane	55626298
36	Ms Phonesavanh	Assistant Accountant	NPCO	Vientiane	23145153
37	Ms Sonethavy Vongsamphan	Accountant	NPCO	Vientiane	54005288
38	Mr Edwin De KORTE	CTA AFN	WFP	Vientiane	
39	Mr Jan Delbaere	Country Director	WFP	Vientiane	
40	MS Maree Bouterakos	Head Of Nutrition	WFP	Vientiane	

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No	Name & Surname	Position	From	province	Phone Number
41	Mr. Outhai Sihalath	Deputy Head of Program	WFP	Vientiane	20 55505033
42	Mr. Dale Wilson	Climate Change Officer	WFP	Vientiane	20 5570 6722
43	Ms. Joelle Dahm	Programme Policy Officer	WFP	Vientiane	20 58505239
44	Ms. Khangneun Oudomphone	Programme Policy Officer-Nutrition	WFP	Vientiane	20 2242 3235
45	Ms. Manithaphone Mahaxay	Vulnerability Analysis and Mapping Officer	WFP	Vientiane	20 55221241
46	Mr Seangphranomphone	Deputy Of MAP		Vientiane	97255780
47	Ms. Viengsamai	Technical	Administrative Office	Sekong	020 91166267
48	Mr. Thongsavanch	Deputy Office	BCC	Sekong	020 22297244
49	Mr. Chanthavong	Office	Dakcheung	Sekong	020 59734473
50	Mr. Somphon Saysouvanh	Deputy Mayor	Dakcheung District	Sekong	020 92552919
51	Mr. Bounthavi Singsukmerng	Technical	District Administration Officer	Sekong	020 97605008
52	Ms. Kaithong Chanthasouk	Vice President	District Lao Women Union	Sekong	
53	Mr. Bounyan Xaysomphon	Officer	Education	Sekong	020 91897747
54	Mr. KhamPay SOUNEVANH	Deputy Office	Education	Sekong	020 55738461
55	Ms. Sounthon Keovanhnala	Deputy office	Finance Division	Sekong	020 96876009
56	Mr. Phetsanon Xayyavong	Deputy	Forestry	Sekong	020 55208777
57	Mr. Sengnavong Keokham	Deputy Office	Forestry	Sekong	020 55707754
58	Mr. Xayyalad	Technical	Forestry	Sekong	020 96789719
59	Ms. Chan	Technical	Forestry	Sekong	020 92223489
60	Ms. Somphet Soukkaserm	Deputy Office	Forestry	Sekong	020 22297933
61	Mr. Bounkan Khaiphanlieng	Deputy Office	Forestry Office	Sekong	020 22299005
62	Ms. Boubphachan Khamla	Technical	Health Office	Sekong	020 96690222
63	Mr. Khampaserd	Deputy Mayor	Kaleum	Sekong	020 99773386
64	Ms. Sounita Bounvilai	Deputy	Lao front for Province	Sekong	020 99841811
65	Ms Alekthorda	Officer	National Lao front	Sekong	020 93333871
66	Mr. Dabo	Deputy	Rural Development	Sekong	020 97855759
67	Mr. Thongkhuon	Head the Officer	Dept of Industry and Commerce	Sekong	020 97444399
68	Mr. Khenphon Chanthavong	Provincial Program Assistant	WFP	Sekong	020 91411755
69	Ms. Khamnoy Chanthadla	HO	WFP	Sekong	020 99777157
70	Mr. Edwin	CTA	WFP-AFN	Sekong	
71	Mr. Khamphan	Head Office	Youth	Sekong	020 29876345
72	Mr. Outhai Vongnornaun	Head Office	Youth	Sekong	020 59108777
73	Mr. Baochon	Officer		Sekong	020 99597680
74	Mr. Bounpon Soukaloun			Sekong	020 55577716
75	Mr. Khamperng	Officer		Sekong	020 97223004
76	Mr. Khansay Xinnavong	Head Office		Sekong	020 55947449
77	Mr. Phetthana Xayyaherng	Deputy Of Unit		Sekong	020 28989096
78	Mr. Saykham Koounpaserd	Officer		Sekong	020 96599529
79	Mr. Saylom Dalasouk	Deputy Of Unit		Sekong	030 9948813

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No	Name & Surname	Position	From	province	Phone Number
80	Mr. Sengnavong Keokhamxaa	Head Of Unit		Sekong	020 55707754
81	Mr. Sermsisouchan	Deputy Of Division		Sekong	020 55678612
82	Mr. Sonphon Bounxayyalad	Head Of Unit		Sekong	020 28372394
83	Ms. Bounthavi Phommaldthala	Deputy Of Unit		Sekong	020 52816655
84	Ms. Koud Xouavongyon	Deputy Of Unit		Sekong	020 99727262
85	Ms. Phetdakeo Phonsalad	Deputy Of Division		Sekong	020 55227123
86	Ms. Siphavanh Phisavong	Officer		Sekong	020 92887602
87	Ms. Sivone Onmane	Deputy Of Unit		Sekong	020 55577644
88	Ms. Souphaphon	Deputy Of Unit		Sekong	020 92244993
89	Ms Souli	Admin	D NLF	Salavanh	52258149
90	Mr Bountha	Head Of DAFO	DAFO	Salavanh	
91	Mr Bounthavy	Officer	DAFO	Salavanh	54265659
92	Mr Loy	Officer	DAFO	Salavanh	97252414
93	Mr Pharpadid	Admin	DAFO	Salavanh	59546561
94	Mr Pinja	Head Of DAFO	DAFO	Salavanh	97262070
95	Mr Soukkhee	Officer	DAFO	Salavanh	95711153
96	Mr Vanhvilai	Health Office	DAFO	Salavanh	52283883
97	Mr ViengSack	Officer	DAFO	Salavanh	56036030
98	Ms Aouheun	Admin	DAFO	Salavanh	
99	Ms Khansavanh	Admin	DAFO	Salavanh	
100	Ms Sonevilai	Admin	DAFO	Salavanh	
101	Mr Phernvilai	Deputy Of DAO	DAO	Salavanh	98445321
102	Mr Bounchan	Deputy Of DICO	District	Salavanh	52176333
103	Mr Dathsalain	Head Of DNRE	District	Salavanh	56847636
104	Mr Domsavanh	Head Of DOES	District	Salavanh	98808279
105	Mr Khamla	Deputy of LWU	District	Salavanh	99947477
106	Ms Boudsadee	Head Of LWU	District	Salavanh	94074775
107	Mr Xaysongkham	Deputy Of Heath	DHO	Salavanh	28855678
108	Ms Koukeo	Officer	DICO	Salavanh	55353641
109	Mr Bounpakone	Officer	DOPI	Salavanh	28880525
110	Mr Phonevilai	Deputy Of DOPI	DOPI	Salavanh	97549444
111	Dr Keodouangchai	Envi climate	IFAD	Vientiane	54615566
112	Ms Aorlady	Officer	P LWUs	Salavanh	91770779
113	Mr Seevanhphrakone	Deputy Of Division	PAFO	Salavanh	24249228
114	Mr Somphon	Deputy Of Division	PAFO	Salavanh	95839459
115	Mr Douangta	Education Manager	Plan Organization	Salavanh	99425486
116	Dr Bounkong Xaysombath	Health Of Province	Salavanh	Salavanh	98777339
117	Mr Biet Xayyabandith	Head Of Youth	Salavanh	Salavanh	030 9566494
118	Mr Boualy	Education & Sport	Salavanh	Salavanh	99864122
119	Mr Bounmee	Deputy Of Division	Salavanh	Salavanh	56355149
120	Mr Chanthakhone	Officer	Salavanh	Salavanh	22280619
121	Mr Inthamao	journalist	Salavanh	Salavanh	98371435
122	Mr Khamseang	Head Of Irrigation	Salavanh	Salavanh	23724499
123	Mr Kingphet	Head Of Division	Salavanh	Salavanh	22282777
124	Mr Sommai	Deputy Of Division	Salavanh	Salavanh	22773808
125	Mr Soulidath	Deputy Of Forestry	Salavanh	Salavanh	92733999
126	Mr Thongdam	TV	Salavanh	Salavanh	99628699
127	Mr Viengxay	National Front	Salavanh	Salavanh	99943330
128	Ms Bounpasong	Planning	Salavanh	Salavanh	22299918
129	Ms Kindavanh	Newspaper	Salavanh	Salavanh	59579719
130	Ms Kub	National Front	Salavanh	Salavanh	
131	Ms Lerddavone	Deputy Of DICO	Salavanh	Salavanh	56774447
132	Ms Sombath	PAFO	Salavanh	Salavanh	91967928
133	Ms Sommany	Officer	Salavanh	Salavanh	0304997882

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No	Name & Surname	Position	From	province	Phone Number
134	Ms Yangkhammany	Head Of LWU	Salavanh	Salavanh	97935921
135	Mr Bounpasith	Head Of Planning	Smuiy District	Salavanh	030 9708674
136	Mr Phouthone	Head Of DICO	Smuiy District	Salavanh	030 4645316
137	Mr Bountha	DAFO	Taaoi District	Salavanh	92338999
138	Mr Phetsouphanh	CDP	Taaoi District	Salavanh	91788999
139	Mr Sunyalath	Head of Education	Taaoi District	Salavanh	0304730120
140	Ms Bounthin	Deputy Mayor	Taaoi District	Salavanh	56188712
141	Mr Bounmee	Deputy Of DOES	Toulan District	Salavanh	22280122
142	Mr Ngieng	Health Office	Toulan District	Salavanh	97920242
143	Mr Seeheng	National Front Office	Toulan District	Salavanh	56864858
144	Mr Souta	Deputy of Youth	Toulan District	Salavanh	59038747
145	Mr Vanhpheng	Deputy Mayor	Toulan District	Salavanh	56360516
146	Mr Phunmaly	CDNT	Woldvision	Salavanh	55412157
147	Mr Keououdone	Officer		Salavanh	54780444
148	Mr Souhavy			Salavanh	22987570
149	Mr Voangsamud	Industry Office		Salavanh	95933348
150	Ms SYkham Sounvilerd	Head Office	D LWUs	Phongsaly	
151	Mr phothong Taisavarth	NPC MAI	AFN MAI	Phongsaly	
152	Mr Bounmexai Vorlakounkham	Admin	DAFO	Phongsaly	
153	Mr Lamkhan Lattana		DAFO	Phongsaly	
154	Mr siamphone Vorladeth	Head	DAFO	Phongsaly	
155	Mr Somphet Phomvichai	Agriculture	DAFO	Phongsaly	
156	Mr Viengsamai Sysongkharm	Head Of DAFO	DAFO	Phongsaly	
157	Mr Viladed Khamsouvhannong	HOD	DAFO	Phongsaly	
158	MS Amphone Phandahak	NPC BOUNTAI	DAFO	Phongsaly	
159	Ms Amphone Vhandaloy	M&E	DAFO	Phongsaly	
160	Ms Bounmala Marwseevong	DAFO KHAO	DAFO	Phongsaly	
161	Ms Daphone Daopaserth	ACCOUNTANT	DAFO	Phongsaly	
162	MS Lak Yuendavong	Deputy Head	DAFO	Phongsaly	
163	MS Orn Saengluangluexai	DNPC	DAFO	Phongsaly	
164	MS Phatsamone	DAFO	DAFO	Phongsaly	
165	Mr YEchit Maneeseth	DAFO	DAFO Office	Phongsaly	
166	Mr Boun Phaenglaoly	Deputy District governor	District	Phongsaly	
167	Mr Khamlerd Inkeo	Deputy District governor	District	Phongsaly	
168	Mr Phongphan Harnsana	Head Of Planing	District	Phongsaly	
169	Mr Salivhan Inthasone	Youth	District	Phongsaly	
170	Mr Xiemgsomphan Chanthaluck	Journalist	District	Phongsaly	
171	Mr Khamlai Phomsavhan	Head Office	DNARE	Phongsaly	
172	Ms Saolak	Deputy Office	ESO	Phongsaly	
173	Mr Khamlai Southiphone	Head Of LWUs	Lao National Front	Phongsaly	
174	Mr Khamkhuan Boutthachit	Head Of PESO	P ESO	Phongsaly	
175	Ms Somsouk Xaiphachan	Deputy of LWUs	P LWUs	Phongsaly	
176	Mr Bounserd Aounkham	DNPC	PAFO	Phongsaly	
177	Mr Visan Vongnakhone	Deputy Head	PAFO	Phongsaly	
178	MS Buapheng Insomdy	PPC PHONGSALY	PAFO	Phongsaly	
179	DR Phonexai Tousaphan	Health office	PHO	Phongsaly	

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No	Name & Surname	Position	From	province	Phone Number
180	Mr Chanthavong Savhanxai	Deputy National Lao Front	Province	Phongsaly	
181	Ms Buavone Keoamphone	PPC Oudomxai	Province	Phongsaly	
182	Mr Bounhieng Saensoulun	Deputy District governor	Samphun District	Phongsaly	
183	Mr Photha Khamphanthong	HOFO	WFP	Phongsaly	
184	Mr Thongpheth	PH	WFP	Phongsaly	
185	Mr Bouathong	Head Of Division	Agriculture & forestry	Oudomxay	29815507
186	Mr Sonephet	Vice governor of Beng District	Beng Administration office	Oudomxay	23966658
187	Mr Souliyakhom	Irrigation Unit	Beng DAFO	Oudomxay	98177464
188	Mr Alounxay	Deputy Office	DAFO	Oudomxay	55684841
189	Mr Chanthajone	AFN Coordinator	DAFO	Oudomxay	96596112
190	Mr Chomseng Phongsavath	Agriculture Section	DAFO	Oudomxay	56199009
191	Mr Kiewmouya	Deputy Head	DAFO	Oudomxay	54447814
192	Mr Sivixay Keokhounthong	Head of Section	DAFO	Oudomxay	56538292
193	Ms Vithala	Deputy Of Unit	DAFO	Oudomxay	28762984
194	Mr Somchit Chansavanh	Deputy head	DHO	Oudomxay	28889300
195	Mr Thidbooukhong Keoamphone	Head	DNARE	Oudomxay	95822224
196	Mr Phomma Phommachanh	Head of DoES	DoES	Oudomxay	28433020
197	Ms Nidsakhon	Deputy Of LWUs	La District	Oudomxay	0309060122
198	Mr Bounthan	Head Of Health	Lah	Oudomxay	55575675
199	Mr Xayphone	Deputy District governor	Namor District	Oudomxay	22370081
200	Mr xaypadith	Education and sport	P EDCS	Oudomxay	54165898
201	Mr Khamzung	M & E	PAFO	Oudomxay	29104111
202	Mr Lamphai	M & E	PAFO	Oudomxay	29544275
203	Mr Soulisak		PAFO	Oudomxay	54989895
204	Ms Bouavone	AFN Coordinator	PAFO	Oudomxay	99955156
205	Ms Malaiphun	Head Office In PAFO	PAFO	Oudomxay	23966267
206	Ms Nouksavanh	agricultural section	PAFO	Oudomxay	99950433
207	Mr Bounkeut Sanongxay	Deputy Head	PAFO Oudomxay	Oudomxay	22515765
208	Mr Souphone Mingbouapha	Deputy Of Division	PPDI	Oudomxay	56615599
209	Mr Thongvanh Sayasan	Assistant Project	WFP	Oudomxay	22392272
210	Ms Bouavone Phasouk	Head of Field Office	WFP	Oudomxay	55555703
211	Mr Theung Vanngavong	Head of Unit	Youth	Oudomxay	99273595
212	Mr Khambeng	Head Office		Oudomxay	23957779
213	Mr Oudom	Deputy National Lao Front		Oudomxay	55781522
214	Mr Thongnane	Head of DAFO		Oudomxay	22002299
215	Mr Khamseng Southivong	Deputy head of DAFO	Beng DAFO	Oudomxay	58111146
216	Mr Sisavath Xaisavanh	Unit	Beng DAFO	Oudomxay	22379846
217	Ms Manisone Inthavong	Livestock Unit	Beng DAFO	Oudomxay	29990868
218	Mr Phaysengthong Inthamith	Deputy chair of DLFNC	Beng LFNC office	Oudomxay	59411182
219	Mr Poryang	Deputy Office	D E & S	Oudomxay	22379220
220	Mr Khamphout Southivong	Forestry Sevtion	DAFO	Oudomxay	93447774
221	Mr Sengphet Sivongsak	Deputy Head of Section	DAFO	Oudomxay	23131171
222	Mr Somchanh Ngotsisavath	Technician	DAFO	Oudomxay	22375556

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No	Name & Surname	Position	From	province	Phone Number
223	Mr Thongphanh Chanthavong	Head of Section	DAFO	Oudomxay	93322296
224	Mr Vanhdee	Head Office In DAFO	DAFO	Oudomxay	23165567
225	Mr Vongphet	Agriculture	DAFO	Oudomxay	58420097
226	Mr Khamdeng Siamphay	Head	DIC of Beng	Oudomxay	29933378
227	Ms Malichanh Pathammali	Head of Unit	DLWU	Oudomxay	95755510
228	Mr Bounkam	Deputy Head of DPI Office	DPI Office of Beng	Oudomxay	54005198
229	Mr Khamvong	Head Office	Education and sport	Oudomxay	22376884
230	Dr Khamxay	Head of Office	Health office	Oudomxay	55729321
231	Mr Bountham	Head Office	industry Office	Oudomxay	29116682
232	Mr Houmphun	District governor	La District	Oudomxay	29105555
233	Mr Nengher	Deputy District governor	La District	Oudomxay	225721522
234	Ms Bouahong	Head Of LWUs	P LWUs	Oudomxay	56916356
235	Mr Bounlup	Deputy Of Division	PAFO	Oudomxay	28724914
236	Mr Hong Thamvong	Deputy Of Irrigation	PAFO	Oudomxay	22841939
237	Mr Khamphone	Head Of PAFO	PAFO	Oudomxay	55880075
238	Mr Seesouphun	Head Of Division	PAFO	Oudomxay	99966697
239	Mr Somphone	Deputy Of Division	PAFO	Oudomxay	55680734
240	Mr Xayyadath	Agriculture & forestry	PAFO	Oudomxay	59612221
241	Ms Boualien	Head Of LWUs	PLWU	Oudomxay	58727885
242	Mr Somphun	Health office		Oudomxay	56574918
243	Mr Amuiy	Officer	Health Office	Attapeu	22290003
244	Mr Bouachai		Sanxay District	Attapeu	96503777
245	Mr Bounmee	Deputy Planning	Sanamxay District	Attapeu	4931044
246	Mr Bounsathien	DAFO	Sanamxay District	Attapeu	98362052
247	Mr Bounthavee	Deputy of DOPI	Sanamxay District	Attapeu	0304931044
248	Mr Chidpasong	Deputy Of DAFO	Sanamxay District	Attapeu	22900795
249	Mr Ketsana	Head Of Division	Attapeu	Attapeu	
250	Mr Khaikeo	Head of Unit	DOPI	Attapeu	91883845
251	Mr Khammoun	Head Of DOLNF	National Front Office	Attapeu	95996993
252	Mr Khamphoun	Officer	industry Office	Attapeu	93258889
253	Mr Khamsavanh	Head of Unit	Sanxay District	Attapeu	96792458
254	Mr Khamsing	Officer	Sanxay District	Attapeu	97768283
255	Mr KhamSouk	Officer	Sanxay District	Attapeu	0305666441
256	Mr Khanphone	Deputy Of Division	PAFO	Attapeu	55588863
257	Mr Khanthaly	PARD	PAFO	Attapeu	23283222
258	Mr Khanthaly Phouvong	Head Of Division	Attapeu	Attapeu	23283222
259	Mr Khousamai	Head of DAPO	Sanamxay District	Attapeu	0309045078
260	Mr Miksor	Officer	Sanxay District	Attapeu	
261	Mr Patiya	Head Of Division	Attapeu	Attapeu	55758887
262	Mr Phanlin	Head Of Unit	Sanxay District	Attapeu	0304691381
263	Mr Phetsavanh	Deputy Of Division	Attapeu	Attapeu	99377963
264	Mr Phidxay	Deputy Of Division	Sanxay District	Attapeu	55593070
265	Mr Phongsavath	Officer	Sanxay District	Attapeu	98222280
266	Mr Phoudsamai	Head Of Division	Sanxay District	Attapeu	98966984
267	Mr Phoukhiew	Head Of Youth	District	Attapeu	96529560
268	Mr Phouthone	Deputy Of Division	Attapeu	Attapeu	25464585
269	Mr Phouvang Xayyasith	Deputy	Attapeu	Attapeu	95496572
270	Mr Sesomphone	Officer	Sanxay District	Attapeu	0304996997
271	Mr Seviengchong	Health Office	Sanxay District	Attapeu	98916449
272	Mr Silai	Head Of DOLNF	Lao National Front Office	Attapeu	95506279
273	Mr Sompasith	Officer	Sanxay District	Attapeu	99852223

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No	Name & Surname	Position	From	province	Phone Number
274	Mr Somphone	Head Of Health	Sanamxay District	Attapeu	95687726
275	Mr Somxay	Deputy District governor	Sanamxay District	Attapeu	99814440
276	Mr Somxay	Officer	Xanxay District	Attapeu	92312300
277	Mr Soukdavone	Deputy Of Division	PETO	Attapeu	28996565
278	Mr Soukthavyxay	Officer	Samamxay District	Attapeu	96375707
279	Mr Souvanhsee	District governor	Samamxay District	Attapeu	91433337
280	Mr Souvanhsin	Officer	Xanxay District	Attapeu	95066866
281	Mr Thongsavanh	Officer	Xanxay District	Attapeu	56698998
282	Mr Vanhsee	District governor	Xanxay District	Attapeu	
283	Mr Viengsamone	Deputy Of Unit	Xanxay District	Attapeu	98826645
284	Mr Viengxay Xaysombath	Deputy Of Health	Attapeu	Attapeu	55636037
285	Mr Viladath	MDC Corp	DOPC, MAP	Attapeu	55626298
286	Mr Xaychalern	journalist	Attapeu	Attapeu	96666464
287	Mrs Khaithong	Deputy OF Livestock	Sanamxay District	Attapeu	57018686
288	MrThongxay	Officer	Sanamxay District	Attapeu	96749574
289	Ms Aleechid	HOF	WFP	Attapeu	55528497
290	Ms Auan	PA	WFP	Attapeu	98668839
291	Ms Bounmee	Officer	Sanxay District	Attapeu	55677194
292	Ms Chanthamaly	FA	WFP	Attapeu	55555871
293	Ms Keosamone	Head Of LWU	Sanxay District	Attapeu	56138533
294	Ms Kongta	Deputy Of LWU	ATTAPEU	Attapeu	55004916
295	Ms Nouchone	Officer	ATTAPEU	Attapeu	55317699
296	Ms Phetsamone	Head Office	Health Office	Attapeu	030471822
297	Ms Phouvang	Officer	Sanamxay District	Attapeu	95496572
298	Ms Viengsavanh	Officer	Sanamxay District	Attapeu	0304905745
299	Ms Vongsavanh	Deputy Of Unit	Sanxay District	Attapeu	55164449

SECAP Appendix 2- Social Inclusion Action Plan

SIAP

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
<p>All components</p>	<p>Activity 1 – Apply quotas at the outreach level to ensure women and men, girls and boys, including those belonging to non-Lao Tai ethnic groups, have equal opportunities to participate into project activities and receive comparable social and economic benefits.</p> <p>Identify and monitor the number of People with disabilities within the project beneficiary groups and ensure they are included in the project consultation processes and provided with equal voice and opportunities to participate.</p>	<ul style="list-style-type: none"> - At least 50% of tot. beneficiaries are women - At least 25% of tot. beneficiaries are youth (among tot. youth, 50% are girls) - At least 70% of tot. beneficiaries belong to non-Lao Tai ethnic groups (EG) - No of People with disabilities among project beneficiaries is identified and monitored 	<p>Year 1 - 7</p>	<ul style="list-style-type: none"> - M&E system/Logframe - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions' reports - WFP Annual Country Report 	<ul style="list-style-type: none"> - Design team - NPCO M&E expert - NPCO Social Inclusion Specialist 	<ol style="list-style-type: none"> 1. Promote economic empowerment to enable rural women and men to have equal opportunity to participate in – and benefit from – profitable economic activities. 2. Enable women and men to have equal voice and influence in rural institutions and organizations.
	<p>Activity 2 – Following the initial social assessment conducted at the design stage, conduct a baseline survey including social norms diagnosis (focusing on gender, youth, People with</p>	<ul style="list-style-type: none"> - 1 AFN-2 baseline report including social norms diagnosis is completed 	<p>Year 1</p>	<ul style="list-style-type: none"> - Baseline survey and report - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions' reports 	<ul style="list-style-type: none"> - NPCO management - NPCO M&E expert 	<ol style="list-style-type: none"> 3. Achieve a more equitable balance in workloads and in the sharing of economic and social benefits

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
	disabilities and EG/IP related aspects)					between women and men.
	<p>Activity 3 – Following finalization of activity 2, update this project’s Social Inclusion Action Plan (SIAP) to fine-tune gender/youth/EG/IP mainstreaming and targeted actions across intervention activities.</p> <p>Ensure that the AWPB allocates resources for gender and youth targeted actions.</p>	<ul style="list-style-type: none"> - 1 SIAP is developed - All gender and youth targeted actions are budgeted for in the AWPB 	Year 1 - continued (SIAP is a living document)	<ul style="list-style-type: none"> - AWPB - M&E system - SIAP 	<ul style="list-style-type: none"> - NPCO management - NPCO M&E expert - NPCO Social Inclusion Specialist 	
	<p>Activity 4 – Conduct community consultations as well as sensitization campaigns about AFN-2 gender transformative approaches in all project districts.</p>	<ul style="list-style-type: none"> - regular consultations and sensitization campaigns are conducted 	As often as needed (at least 1 per year)	<ul style="list-style-type: none"> - M&E system - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions’ reports 	<ul style="list-style-type: none"> - NPCO Social Inclusion Specialist - PAFO, DAFO, village authorities 	
	<p>Activity 5 – Provide capacity building to local authorities and line agencies at subnational levels on <i>why</i> and <i>how</i> to identify gender, youth,</p>	<ul style="list-style-type: none"> - all local authorities in the target area are trained on gender, youth, EG/IP, People with disabilities specific issues 	Annually	<ul style="list-style-type: none"> - M&E system - GAFSP semi-annual progress report - IFAD Supervision/Implementatio 	<ul style="list-style-type: none"> - NPCO Social Inclusion Specialist 	

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
	<p>EG/IP, People with disabilities specific issues in the target area.</p> <p>Project staff and local authorities to ensure enforcement of law and national plans regarding gender/youth/EG/People with disabilities issues at all times (e.g., Decree No. 207, Decree 137, NPAGE, NPAVAWVAC, etc.)</p>	<p>- law regarding gender/youth/EG/IP/People with disabilities issues is enforced / respected</p>	<p>Continuou s</p>	<p>n Support/Completion Missions' reports - GRM</p>		
	<p>Activity 6 - Inclusion of women in <u>all</u> project committees (O&M, DMC, NNC, PNC, etc.) decision-making processes and capacity-building activities through quotas aiming for gender-balance and empowerment.</p>	<p>- at least 40% of all project's related decision-making bodies are female - at least 50% of trainees of all project capacity building activities are female</p>	<p>Year 1-7</p>	<p>- M&E system - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions' reports</p>	<p>- NPCO Social Inclusion Specialist - PAFO, DAFO, village authorities</p>	<p>2. Enable women and men to have equal voice and influence in rural institutions and organizations.</p>
C1 - Community-driven agriculture and natural resources-based nutrition interventions establishment						
<p>SC 1.1 - Improved nutritional status of women, children, girls, and other vulnerable groups</p>	<p>Activity 7 – Establish Farmer Nutrition Schools in 15 target districts to promote social behaviour change through e.g., learning sessions on household nutrition including indigenous foods, food security, basic hygiene, etc.</p>	<p>- at least 10,000 community members – of which at least 50% are women - participate in, and benefit from FNS</p>	<p>Year 1-6</p>	<p>- M&E system - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions' reports</p>	<p>- NPCO - WFP, DAFO and LWU</p>	<p>3. Achieve a more equitable balance in workloads and in the sharing of economic and social benefits between</p>

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
<p>(WFP and IFAD)</p>	<p>FNS are open to all community members with priority given to pregnant and lactating women and girls, adolescent girls and mothers with children under 5 years of age.</p>					<p>women and men.</p>
	<p>Activity 8 – Provide USD 120 Home Garden / Livestock Grants to FNS participants, who completed the training and submitted a simple but effective implementation plan to the village authorities. Implementation plans can be written in local language. In this case, the plans will be translated in Lao for processing.</p> <p>Priority is given to WRA (15-49 years), PLW/G, adolescent girls, mothers with children under 5 years of age, and village nutrition facilitators.</p>	<p>- at least 15,000 grants are provided to FNS “graduated” women</p>	<p>Year 1-5</p>	<p>- M&E system - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions’ reports</p>	<p>- NPCO - DAFO - Community Mobilizers hired locally by the project - NPCO Social Inclusion Specialist</p>	<p>1. Promote economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities</p> <p>3. Achieve a more equitable balance in workloads and in the sharing of economic and social benefits between women and men.</p>

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
	<p>Activity 9 – Include gender and youth considerations and gender sensitive language in FNS learning material</p>	<p>- All FNS learning material include gender and youth considerations/gender sensitive language</p>	<p>Year 1-6</p>	<p>- FNS learning material - IFAD Supervision/Implementation Support/Completion Missions’ reports</p>	<p>- NPCO Social Inclusion Specialist - WFP, DAFO and LWU</p>	<p>Gender mainstreaming</p>
	<p>Activity 10 – Pilot Gender Action Learning System methodology (GALS) to complement the village-wide SBCC activities and address the social and cultural bottlenecks at the community level identified at baseline stage (e.g., gender norms and traditional roles preventing absolute gender equality).</p> <p>GALS uses hand-drawn pictures to encourage couples and their children to visualize the future they want for their households, including actions that could be taken against societal ills, such as GBV, “bride kidnappings”, child marriages as well as cultural bias against People with disabilities or among ethnic groups</p>	<p>- GALS is piloted in 50 villages in 5 districts</p> <p>- Communities report on increased gender equity and equality through removed/changed social norms and bias</p>	<p>Year 1-6</p>	<p>- M&E system - PIM - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions’ reports</p>	<p>- NPCO Social Inclusion Specialist - WFP, MAF and LWU</p>	<p>1. Promote economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities.</p> <p>2. Enable women and men to have equal voice and influence in rural institutions and organizations.</p> <p>3. Achieve a more equitable balance in workloads and in the sharing of economic and social benefits</p>

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
	<p>(EG). The tools promote gender transformation and breaking through gender-based barriers at the individual level and within households and networks. These tools include the Vision Road Journey, the Gender Justice Diamond, the Gender Balance Tree and the Challenge Action Tree.</p> <p>The project will also assess whether there is need and capacity in target area to adopt the sequential methodology of GALS, Business Action Learning for Innovation (BALI), to develop business capacity and financial management skills of men and women.</p>					between women and men.
<p>SC 1.2: Improved agriculture productivity of selected commodities (IFAD)</p>	<p>Activity 11 – Promote women participation in APGs and WUGs through established quotas and capacity building providing financial literacy training programs to women and youth to empower their finance</p>	<ul style="list-style-type: none"> - at least 50% of APG and WUG members are female - at least 25% of APG and WUG members are youth (among tot. youth, 50% are girls) - at least 50% of trained APG/WUG members are female 	Year 1-7	<ul style="list-style-type: none"> - M&E system - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions’ reports 	<ul style="list-style-type: none"> - NPCO Social Inclusion Specialist - PAFO and DAFO 	1. Promote economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
	decisions/access to finance	- 25% of trained people are youth (among tot. youth, 50% are girls)				economic activities
	Activity 12 – Support interested women and youth to become Lead Farmers, Village Agriculture Technicians and Village facilitators through established quotas and capacity building	- at least 40% of Lead Farmers, Village Agriculture Technicians and Village facilitators are female - at least 25% of Lead Farmers, Village Agriculture Technicians and Village facilitators are youth (among tot. youth, 40% are girls)	Year 1-7	- M&E system - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions' reports	- NPCO Social Inclusion Specialist - PAFO and DAFO	2. Enable women and men to have equal voice and influence in rural institutions and organizations
	Activity 13 – Conduct gender responsive infrastructure feasibility studies account for the needs of all end users, especially vulnerable or marginalized groups such as women, youth, the elderly and People with disabilities by engaging equally with women and men community members during consultations	- Gender responsive feasibility studies are conducted for all infrastructures to be built	Year 1 - 7	- Infrastructure Feasibility study - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions' reports	- Service provider - NPCO Social Inclusion Specialist	1. Promote economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities.
	Activity 14 - Engage equally with women and men community members during the decision-making process for the planning and	- both women and men, girls and boys, are consulted for the planning and design of sustainable and inclusive infrastructure	Year 1 - 7	- Infrastructure Feasibility study - GAFSP semi-annual progress report - IFAD Supervision/Implementatio		2. Enable women and men to have equal voice and influence in rural

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
	<p>design of sustainable and inclusive infrastructure.</p> <p>Incorporating technical training on the operations and maintenance of the infrastructure that includes minimum quotas of women participants to ensure any interested women is taken into consideration</p>	<p>- at least 40% of people trained in infrastructure maintenance are female if they expressed interest</p>		<p>n Support/Completion Missions' reports</p>		<p>institutions and organizations.</p>
Component 2: Business Partnerships and Market Access improvement						
	<p>Activity 15 – When selecting MSME to be supported in food supply chains, priority is given to MSMEs led by women and/or youth and/or with higher percentage of women and/or youth holding decision-making positions.</p>	<p>- MSMEs led by women and/or youth and/or with higher percentage of women and/or youth holding decision-making positions are prioritized under C2</p>	<p>Year 1 - 7</p>	<p>- M&E system/Logframe - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions' reports</p>	<p>- NPCO Social Inclusion Specialist</p>	<p>1. Promote economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities.</p>
	<p>Activity 16. Provide business literacy and management training and matching grant facilities in the start-up phase of these businesses. They will have access to regular</p>	<p>- at least 5,000 women and girls are provided with business literacy and management training and matching grant facilities</p>	<p>Year 1 - 7</p>	<p>- M&E system - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions' reports</p>	<p>- NPCO Social Inclusion Specialist</p>	

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
	product supply through partnerships with Agricultural Production Groups (APG) supported under component 1.b of the project.					
	1. Activity 17 – Link APG female and youth members to WDFD to support the sustainability of APG investments in production, post-harvest, and marketing	- all interested APG female and youth members are linked to WDFD or other financial institutions for access to finance	Year 1 - 7	- M&E system/Logframe - GAFSP semi-annual progress report - IFAD Supervision/Implementation Support/Completion Missions’ reports	- NPCO M&E expert - NPCO Social Inclusion Specialist	
Component 3: Enabling environment and partnerships						
	2. Activity 18 – Develop and implement gender-sensitive Village Nutrition Plans that include an introduction to gender equality and women’s empowerment within nutrition and food security, etc.	- at least 20 gender sensitive VNPs are drafted and implemented	Year 1-5	- VNPs	- NPCO Social Inclusion Specialist	1. Promote economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit from, profitable economic activities 2. Enable women and men to have equal voice and influence in rural

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
						institutions and organizations 3. Achieve a more equitable balance in workloads and in the sharing of economic and social benefits between women and men
Project management						
M&E	Activity 19 - Gather, collect and analyse data disaggregated by age, sex and ethnicity through M&E system. Include IFAD empowerment index (IE2.1) in the LF and nutrition sensate mandatories CIs	- Outreach is disaggregated by sex, youth, EG/IP - LF includes IFAD empowerment index (IE2.1); Output level CIs; CI 1.1.8; Outcome level CI 1.2.8	Year 1-7	- LF - M&E system	- Design team - NPCO M&E expert - NPCO Social Inclusion Specialist	n/a
KM	Activity 20 - Document lessons learnt, best practices and cases of success on gender and nutrition during project implementation, including case studies on nutrient-dense NUS.	- at least 7 KM products on project's lessons learnt on gender and nutrition are produced and disseminated	Year 3-7	- AFN-2, GAFSP, IFAD, WFP websites and social media - National media - AFN-2 online repository	- NPCO KM expert - NPCO Social Inclusion Specialist	1. Promote economic empowerment to enable rural women and men to have equal opportunity to participate in, and benefit
	Activity 21 - Ensure gender-sensitive	- all KM products - including project progress	Year 1-7	- AFN-2 KM products	- NPCO KM expert	

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
	language in KM products, reflecting awareness of gender issues by including gender-disaggregated data and by using disaggregated rather than collective terms such as farmers, workers, society or families.	reports - are gender sensitive in terms of content and language		- GAFSP semi-annual progress reports	- NPCO Social Inclusion Specialist	from, profitable economic activities.
Human and capital resources	<p>Activity 22 – Include targeting and social inclusion (gender youth, EG/IP, People with disabilities) mainstreaming in the TORs of all project staff with overall responsibility for ensuring that these aspects are given sufficient attention and resources during project implementation. Responsibility for this lies with the project director.</p> <p>A Social Inclusion Specialist is recruited at NPCO level supporting broader social inclusion issues including- Targeting, EG/IP, gender, youth, PEOPLE WITH DISABILITIES.</p>	<ul style="list-style-type: none"> - all project staff TORs include targeting and gender mainstreaming - 1 Social Inclusion Specialist level is recruited at NPCO - social inclusion focal persons are appointed at district level - at least 40% of project staff are female - at least 40% of project staff belong to ethnic groups - all social inclusion targeted activities are planned and budgeted for in AWPBs 	Year 1-7 (as needed in case of staff rotation)	<ul style="list-style-type: none"> - NPCO staff TORs - AWPB 	<ul style="list-style-type: none"> - NPCO management - IFAD/MAF, WFP 	<p>2. Enable women and men to have equal voice and influence in rural institutions and organizations.</p> <p>3. Achieve a more equitable balance in workloads and in the sharing of economic and social benefits between women and men.</p>

Project component & sub-components	Gender responsive activities	Target	Year of impl.	Means of verification	Responsibility	Gender SO met
	<p>Social inclusion focal persons are appointed at provincial and district level.</p> <p>Ensure social inclusion targeted activities are planned and budgeted for in AWPBs (including FPIC, GALS, specific training, sensitization campaigns, etc.)</p>					
Grievance mechanism	Activity 23 – Report any form of GBV and discrimination identified within the targeted communities to the relevant authorities and ensure it is addressed as needed. If confirmed, exclude the perpetrators of GBV from the project activities in liaison with relevant authorities.	- any identified perpetrator of GBV is excluded from the target group	Year 1-7	- Grievance report system	<ul style="list-style-type: none"> - NPCO management - NPCO Social Inclusion Specialist 	

SECAP Appendix 2a- Draft Indigenous Peoples Planning Framework (IPPF)

Executive Summary

1. The Government recognizes 49 ethnic groups and 160 sub-groups, which are classified into four different language families: (i) The Lao-Tai, (ii) The Hmong-Mien, (iii) The Mon-Khmer and (iv) the Sino-Tibetan. The Lao-Tai group represents 67% of Lao PDR`s population, along with three major non-Lao-Tai ethnolinguistic groups, namely the Mon-Khmer (21%), and the Hmong-Lu Mien (8%) and the Sino-Tibetan (3%).
2. The Lao Government Measures have been adopted by intended to improve the living conditions of ethnic groups. In particular, the government has implemented a village reorganisation policy by grouping hamlets into bigger villages. This programme has translated into the relocation of these communities` villages from their original territories to the lowlands or close to main access roads, where they can have better access to education, healthcare, and other services. Forced resettlements have also been carried out to allow for governmental land concessions to private investors of various sectors (mining, hydropower, industrial plantation) (IWGIA, 2021).
3. The consequences of these relocations on ethnic groups have been remarkable, as communities were obliged to give up their traditional livelihoods and lifestyles, their rituals, as well as their sacred relationship with the forest (ASEAN, 2015). Moreover, not all resettled communities have seen improvements in their economic situation. According to Philip Alston, UN Special Rapporteur on extreme poverty and human rights, "those living in poverty, ethnic minorities, and people in rural areas have seen very few of the benefits of the economic boom that the Lao Government has been committed to" (ASEAN Today, 2019).
4. People belonging to ethnic groups in the project area are usually the poorest and most affected by food insecurity and nutrition issues due to various factors related to access to education, healthcare, poverty gaps and dietary social norms. For instance, about 20% of Hmong-Mien households have less than acceptable dietary diversity compared to less than 10% among other ethnic groups. Poverty rates are 10.6% for Lao-Tai ethnic groups compared to 18.1% for the Sino-Tibetans and 32.7% for the Mon-Khmer.
5. In this context, the AFN II design has identified Ethnic Groups (Indigenous People) as a mainstreaming priority, with at least 70% of outreach targeted to be people belonging to ethnic groups.
6. **The Project area** includes six provinces (i.e., Oudomxay, Phongsaly and Xieng Khouang in the North, and Saravane, Sekong and Attapeu in the South of Lao PDR). The combined population of these provinces is 1.34 million people or about two hundred twenty-four thousand households. The combined population in the twenty target districts is 501,880 people (50% female and 50% male) in about 83,646 households (PHC, 2015).

Provinces	Convergence districts	Non-convergence districts	Target districts	Target villages
Phongsaly	Boontai, Samphanh, Khua	Phongsaly, Nhot Ou	5	125
Oudomxay	Lah	Beng, Nga, Pakbeng	4	100
Saravane		Samuoi, Ta-Oi, Toomlarn	3	75
Sekong		Dak Cheung, Kaleum, Lamam	3	75
Attapeu		Sanxay, Phouvong Sanamxay,	3	75
Xieng Khouang	Nong Het	Mok	2	50
6 Provinces	5 Districts	15 Districts	20	500

7. The intended **target population** is 168,000 people in 28,000 households. The target population are poor and near poor smallholder farmers and their household members, who are at risk of food insecurity and malnutrition living in the 20 target districts.

8. Across the 20 target districts, ethnic groups represent 85% of the total population, including **Mon-Khmer** (59%), **Sino-Tibetan** (15%) and **Hmong Mien** (11%). People belonging to non-Lao/Tai ethnic groups are usually the poorest and most affected by food insecurity and nutrition issues due to various factors related to different access to education, healthcare, poverty gaps and dietary social norms. AFN II activities are designed with full consultation of ethnic groups and activities will be implemented applying Free Prior Informed Consent (FPIC). The project will ensure that ethnic groups obtain fair and equitable benefits and opportunities from project-supported activities in a culturally appropriate and inclusive manner. To this end, the NPCO will include a full-time **Social Inclusion Specialist** covering gender, targeting and social inclusion aspects. Relative focal persons will be nominated and trained at district level and quota set as needed.

Description of AFN II ethnic groups and historically underserved local communities

9. Lao PDR is one of the most ethnically diverse countries in South East Asia. The country's population can be categorized into four broad ethno-linguistic families: The Lao-Tai (67%), the Mon-Khmer (21%), the Hmong-Iew Mien (8%), and the Sino-Tibetan (3%). These groups encompass 49 distinct ethnicities and over 200 ethnic sub-groups. Specifically, the Lao-Tai is comprised of eight ethnic groups, the Mon-Khmer thirty-two, the Hmong-Iew- Mien two, and the Sino-Tibet seven.

- The **Tai-Kadai family** includes: Lao, Lue, Phoutay, and other lowland groups, and account for 67% of the national population.
- The **Mon-Khmer family** includes groups such as the Khmu, Khuan, and Samtao that account for 23% of the population.
- The **Hmong, Yao**, and other **Hmong-Tien** groups account for 7%, and the Sino-Tibetan groups account for 3% of the national population.

10. The Lao Tai and other Tai Kadai traditionally live in the lowland, valley floor regions of the country that historically have cultivated paddy, practiced Buddhism, and are integrated into the national economy. These correspond to the Lao-Tai group and represent approximately 65% of the population.

11. The Mon-Khmer traditionally dominate the middle hills and for the most part practice swidden agriculture (rain fed upland hill rice, maize), raise cattle, rely on forest products, and to some extent, are isolated from the dominant lowland culture. Many groups exhibit varying degrees of assimilation and adaptation to Tai-Lao culture. These groups are the original inhabitants of Southeast Asia.

12. The Sino-Tibetan Burma and Hmong Lewmien groups live in the highland areas practicing swidden agriculture growing mainly hill rice, maize, jobs tear, etc. Many of these groups came from Southern China and Vietnam.

13. The Lao Loum generally occupy lowland areas and riverbanks, where agriculture is more productive and infrastructure more developed. Hence, access to healthcare, education and economic opportunity are greatly increased. On the contrary, ethnic groups are still experiencing poverty.

14. The government has made efforts to promote equality among Lao citizens, but apart from the lowland Lao-Tai, most of the other ethnic groups, experience perpetual poverty and lack infrastructure and government services. This is partly because they are mostly living in the most remote and least accessible areas of the country. These factors create elements of structural marginalization associated with a lack of education, healthcare, opportunities, political participation and representation. In order to tackle these challenges, the Government is officially committed to embracing a multi-ethnic dimension in

development issues and to improving people’s living conditions as well as to continue promoting equality of all Lao people in the country.

Table 1. Ethnic groups in the 6 target provinces (sources from provinces –PAFO Statistics Unit, 2022)

Province	No. of Population	% of Ethnic	No. and % of Lao/Tai		No. and % of Mon-Khmer		No. and % of Hong-Eiwmeian		No. and % of Tibeto-Burma		No. and % of Other	
			No.	%	No.	%	No.	%	No.	%	No.	%
Phongsaly	193,242	80.4	145,203	18.9	25,198	20.7	8,811	6.1	78,921	53.6		
Oudomxay	229,110	78.5	20.6	54,281	150,584	60.5	5.7	10,466	12.3	35,340	0.0	00
Xieng Khouang	263,465	51.3	129,540	48.0	55,326	10.0	58 115	41.2	0.1	120		
Salavan	425, 570	41.41	176 187	58.6		59.9						
Sekong	132 044	98	129 320	10	28 078							
Attapeu	161,903	52.57	85, 111	47.43	76, 792	52.57	85,111					

15. Customary management of land and resources is determined through inheritance, marriage, labour, care for elders and other social relations. In lowland areas, paddy land, residential land, and home gardens are transferred on marriage, death or divorce. Among all ethnic groups, household and clan heads or village elders still play a significant role in resolving conflicts. Although arrangements vary, it is common among all ethnic groups that customary authorities manage unassigned land and resources as common property. This allows flexibility according to the changing needs of different families. Communal areas include grazing land, forest and fishing areas, sacred forests, burial areas, and upland shifting cultivation land, including fallow areas. Forest areas are used for different purposes, often by several communities.

16. Lao lowland customary land use For the Lao-Tai groups, which have historically inhabited the Mekong valley basins, the King traditionally owned the land and village customary rules governed its use. Occupants had exclusive usufruct rights and were able to claim unoccupied land based on the principle of ‘land for the tiller’. If the land became abandoned after a period of time, depending on its type, the user would lose all rights.

17. The Lao lowland ethnic group is matrilineal, meaning the husband moves in with his wife’s family upon marriage. Generally, the youngest daughter stays in her parents’ home after she is married to care for them in their old age. She then inherits the family house, and other parcels and moveable property is divided evenly among the other children.

18. For a majority of upland ethnic groups nearly all economic production and decision-making is imbued with a religious component. Nature spirits control the weather and agricultural productivity and earth spirits guard the local territory. Spirits are associated with particular places or locations, others are associated with the village and the household. Buffaloes and rice varieties are also considered to have a spirit. Spiritual dimensions regulate land access and use, and the groups’ relationship to ancestral territory. Rituals ensure balance between the spirit and material worlds, which ensures the community’s well-being.

19. **The Hmong:** which comprise approximately 9% of the population, are patrilineal and patrilineal (Lao Bureau of Statistics/MPI, 2015). They function according to clans (*seng*), the spirit of which protects clan members, their lives and property. Hmong clans determine the boundaries of land and property rights, which are kept within the clan. They also protect the role of men as transmitters or interlocutors of those rights. As Hmong groups have migrated closer to urban centers and Lao-Tai villages, they have tended to move away from patrilineal traditions. Typically settling in the highest upland areas, Hmong have had a reputation for preferring pioneer forms of shifting cultivation, and to be hard working and assertive in acquiring land and property. Their religious and social structures are less related to the ecosystem and more autocratic, allowing for flexibility in the face of external changes, such as in the past relocating entire villages as part of their pioneer shifting cultivation practices.

20. **Austroasiatic (Mon-Khmer) groups:** Austroasiatic groups make up approximately 23% of the population, but 30% of farm households. They are considered bilocally with the married couple alternating between the wife and husband’s parents’

house before eventually forming their own household. Shifting cultivation and accompanying rituals are the foundation of these groups' culture, and they have been described as being "a part of" rather than "apart from" the surrounding ecosystem. For the Khmu (11% of the total population) as for other Austroasiatic groups, land belongs to the spirits and permission to use it is required at each step.

21. Ritual ceremonies require considerable expenditures of livestock and rice for rice wine. Even when villagers face hardship, they continue to perform traditional cultural and religious practices and have shown that ceremonial responsibilities are not readily amenable to change. Khmu relationship to the spirits regulates communal ownership and use of land and resources. Under the guidance of the elders, villagers are generally free to use resources in their territory and traditionally negotiate amongst themselves over which areas to use for shifting cultivation. Households retain use rights to these areas during production. Collective land use allows the family to adapt to changing circumstances, for example, allowing expansion or reduction of the cultivated area according to household size. In times of shortages, rice may be borrowed from clan members or kin. Labour has also been traditionally exchanged on a reciprocal basis during busy times. This maximizes productivity, especially in shifting cultivation communities where labour is often limited. Because of the ritual nature of shifting cultivation amongst Austroasiatic groups, the government's prohibition of it and programmes to relocate populations to the lowlands has often led to sociocultural dislocation and poverty, and impacts to the ecology of the local area.

22. The categorization of the four main ethno-linguistic families in three predominant habitats is discouraged. The National Assembly's official Agreement N°213 of 24 November 2008 only recognized Lao nationality, and therefore regardless of which ethnic background people come from, they are all Lao citizens. The government promotes equal rights and opportunities among all Lao citizens and has declared that all ethnic groups are equal by law in terms of dignity and rights. For this reason, **the term 'ethnic minority' is not used and instead the term 'ethnic group' has been officially accepted.**

23. **Access to land.** Indigenous peoples in Lao are requesting for recognition of their right to own, manage and develop their traditional lands, territories and resources. At the national level, their representatives are advocating for the adoption of the Declaration on the Rights of Indigenous Peoples by the National Assembly. The Declaration is the result of more than two decades of negotiation emphasizes that indigenous peoples' control over their lands, territories and resources will enable them to "maintain and strengthen their institutions, cultures and traditions" and to "promote their development in accordance with their aspirations and needs".

24. Hmong peoples' relationship with their traditional lands and territories is said to form a core part of their identity and spirituality and to be deeply rooted in their culture and history.

25. All Ethnic groups in Laos are also aware of the relationship between the environmental impacts of various types of development on their lands, and the environmental and subsequent health impacts on their communities. Through their deep understanding of and connection with the land, Ethnic communities have managed their environments sustainably for generations. In turn, the flora, fauna and other resources available on Ethnic lands and territories have provided them with their livelihoods and have nurtured their communities. However, according to Ethnic leaders this relationship is increasingly at risk.

26. In recent decades, in the country have reformed constitutional and legal systems in response to calls from indigenous movements for legal recognition of their right to the protection and control of their lands, territories and natural resources (as well as with respect to Ethnic languages, cultures and identities; laws and institutions; forms of government and more).

27. **Vulnerable groups.** Rural women from non-Lao-Tai groups are socially excluded and highly vulnerable during their working lives. For example, they may have a problem

with language due to limited schooling and literacy, which isolates them from the mainstream. This in turn excludes them from training opportunities and they cannot easily participate in decision-making or take up such roles.

28. Women are also subject to the patrilocal and patriarchal structure of society, which limits their mobility after marriage and denies them land and inheritance rights. In terms of rural livelihoods, rural women, and men, especially in the uplands, have been compromised by forest degradation. Their access to cultivable land is restricted, particularly in areas where concessions have been granted. When they produce crops, monopsonies may limit their choice of crop traders.

29. In resettled areas, farmers may have to travel some distance to the fields and face competition for scarce resources. Rural landlessness is becoming an issue, making people vulnerable to exploitation in an environment where non-agricultural employment opportunities are hard to come by.

30. In terms of health, agricultural workers, especially men, may suffer from exposure to toxic chemicals. In general, the health services are not always accessible, adequate or affordable. Women tend to stick to traditional practices in pregnancy and childbirth and those attending clinics may be compromised by some insensitivity to cultural taboos.

31. The maternal mortality rates in Laos remain high despite the government's determination to provide free maternal neonatal and child health care. Since most of the Lao population work in the informal labour sector, they are vulnerable, regardless of gender, location and education. If a person has any kind of accident or illness, they have no social protection and have to depend on family and friends who may be in equally precarious work situations. Anything that affects an income earner can have serious effects on the most dependent members of the household: young children and the elderly.

32. Elderly people in Laos, as everywhere, are increasingly vulnerable as their mental and physical condition declines with age but the youthful country demographics mean the elderly (65 plus) make up just 3.7 percent of the population (LSB, 2012). According to the Ministry of Labour and Social Welfare's strategic plan and vision for 2016–2030, families should care for the elderly and social welfare is only considered for those who are truly destitute (although not on a regular, pension-like basis). Accordingly, medical facilities are designed for acute care and do not cater for the long-term treatment or care that the elderly may need. Senior citizens are therefore particularly vulnerable if their families cannot provide this care. With the surge in the number of migrant workers, the elderly sometimes find themselves in the position of caregivers. Young migrants may leave their children with their elderly parents or resettlement may split the family. This has knock-on effects in terms of the life cycle. An old grandmother may not be in a position to provide good nutrition or to supervise school-aged children, particularly if she relies on irregular remittances from her children. Another risk for elderly people from any wealth quintile or educational level is possible depression as medical facilities to cater for this are limited in Laos. Anecdotal evidence suggests that elderly people may fall into depression due to resettlement as they mourn the loss of their traditional ways of life.

33. Girls and women from many ethnic groups in Laos can be disadvantaged by the patriarchal and patrilocal nature of their communities. Women join their husbands' families on marriage so parents may be less likely to invest in their education. They may take girls out of school when they are under financial stress or to benefit from their labour. Unequal gender relations partly explain women's low access to health services and their tendency to work hard throughout their pregnancies. Women who lack education are often denied access to information due to language and literacy. They may not know their rights unless these are explained by someone who speaks their language and has the correct information. The Lao Women's Union representative at village or district level may not always accurately convey important messages, for example, about the health services. The Millennium Development Goals and Lao Social Indicators Survey data shows that young women's vulnerability is structural. Girls have less chance of studying beyond primary school, they are often married by 14 or 15 and have their first babies before 19. The United

Nations defines high adolescent birth rates as 50/1000 but the rural rates in Laos are 114/1000 (GoL and UN, 2013: 111). Table 3 shows the rates according to ethnic, educational and income variations. The high adolescent birth rates give rise to persistently high maternal mortality rates, calculated at 357 but this hides significant urban–rural disparities (LSB, MoH, ILO, 2012).

Summary of substantive rights and legal framework

34. Until today, Laos does not have a clear regulatory framework or law regarding ethnic groups. To fill the gap, the Decree on Ethnic Affairs was drafted by the Department of Ethnic Affairs (DoEA) under the Ministry of Home Affairs and is currently being revised by the government. The decree, based on a similar document promulgated by the Committee for Ethnic Minorities Affairs (CEMA) in Vietnam, aims to provide a legal basis to deal with Indigenous Peoples issues. It “prescribes the principles, regulations and measures for management, monitoring and assessment of ethnic affairs in order to support the effective implementation, to make ethnic groups have unity, equality, respect, and help each other; to ensure the participation from all ethnic groups to contribute to the national protection and development, protect their legitimate rights and benefit according to the constitution and laws of Lao PDR”.

35. Unfortunately, some provisions of the decree, if adopted in their current form, may worsen the already difficult economic and social situation of Indigenous communities.

36. For example, Article 10.2 advises to “resettle ethnic groups that live in the hardship and undeveloped areas, risky livelihoods areas, development project-affected areas, and special areas to areas that can be developed and create appropriate permanent jobs and employment”. This provision not only allows authorities to forcefully evict Indigenous communities from their lands, but also is in direct conflict with Article 40 of the 2015 Constitution, which guarantees Lao citizens the freedom of settlement and movement.

37. Article 10.7 of the decree directly condemns shifting cultivators and aims at replacing the “old production process” with a new one, which uses science and technology to increase productivity and moves from subsistence and forest-based livelihoods toward agricultural expansion and market-oriented production. This, in turn, conflicts with Article 39 of the 2015 Constitution according to which “Lao citizens have the right to work and engage in occupations which are not contrary to the laws”.

38. In 2019, the government started working on the implementation of the Law on Resettlement and Vocation promulgated in 2018. The law provides a relatively clear structure and set of steps to be taken in relation to resettlement and vocational training of the resettled population. It aims at providing guidance and consistency around the country and, as the law envisions some form of supervision of the activities, it should increase transparency around the resettlement. The provisions on violations show an improvement over previous laws, with a range of sensible responses to violations listed, such as counseling, fines and civil options, rather than just a statement to the effect that violations will be punished.

39. Tenure refers to the relationship, whether legally or customarily defined, among people as individuals or groups, with respect to land and associated natural resources. Rules of tenure define how access is granted, and cover issues ranging from use to transfer to exclusion of others; depending on context, these different rules may be “bundled” in different ways based on a mix of tradition and formal law. In the Lao context, where rural communities depend heavily on a range of natural resources (forests, fisheries, land) and where instruments for formal recognition such as land titling and village forestry have relatively low coverage, tenure in practice varies significantly with local context. This review describes seven sets of processes that influence this context, and therefore shape land and forest tenure in contemporary Laos. These include:

1. Macro-scale forest management,
2. Village-scale zoning and land-use planning,
3. Large-scale investment and infrastructure,

4. Individual land titling,
5. Smallholder cash cropping and contract farming,
6. Community-oriented forestry including but not limited to REDD+, and
7. Community-scale land titling and other forms of tenure recognition.

40. The Land Law currently under revision will not include communal land titling with recognition of communal land ownership, only user rights. From a tenure perspective, the law is weak, but expected in the Lao context where the concept of “community” is only recognized and officially used to refer to the national community, making any reference or recognition of collective rights of Indigenous communities obsolete. Meanwhile, the newly approved Forest Law remains vague when it comes to the recognition of customary rights and tenure. In the upcoming Forest Strategy 2030, the Department of Forestry (DoF) sets a goal to restore 500,000 hectares of “degraded forest” inside the Production Forests Areas (PFAs) by allowing private companies to plant industrial tree species such as eucalyptus. As the strategy categorizes the swidden (shifting) cultivation fields under fallow as degraded forest, it has potential to affect the food security of Indigenous communities. Indigenous communities also face restrictions in accessing lands in National Protected Areas (NPAs) where no individual land titling is allowed.

41. The Constitution (amended in 2015) defines Lao PDR as a multi-ethnic country and enshrines equality and the right of all ethnic groups to protect and promote customs and traditions (Article, 8). Following Article 17 of the Constitution and Article 3 of the 2003 Land Law, land and natural resources belong to the national community and are managed by the state, with the right to devolve user rights to individuals, families, state and economic organizations. Importantly, the recently approved Resolution of the Party’s Central Committee on Land Management and Development (herein referred to as the Party Resolution on Land (Aug 2017) proclaims, “the state must continue to recognize and protect land use rights held by individuals, entities, collectives and the customary land rights of the people”. Articles 16 and 17 of the Constitution, as well as a range of legal instruments, mandate the state to protect property rights, which include possession, use, usufruct, disposition and inheritance.

42. This raises a key issue at the heart of recognizing customary tenure: the tension between the constitutional rights of Lao citizens to use, transfer and inherit land, and the state’s right to manage it (Hirsch and Scurrah, 2015). As discussed in previous sections, the state can grant individuals and organizations short-term (three year) use rights in the form of Land Certificates (2003 Land Law, Article 18 and 48), or permanent use rights in the form of a land title (2003 Land Law, Article 49).

43. A MoNRE Ministerial Direction on Land Registration and Land Titling (No. 6036/MoNRE, 2014) recognizes the “traditional right to use” land occupied in a continuous manner for a long time (Articles 2.1, 1.4), with validation from the village chief and neighbors. Ministerial Instructions on Adjudications Pertaining to Land Use and Occupation for Land Registration and Titling (No. 564/ NLMA, 2007) provide for the recognition of land ownership rights following testimony from the Village Chief and at least four neighboring landowners. Article 26 of Decree 88 on the Implementation of the Land Law (2008) also recognizes customary land-use rights including those of the village community. However, the fact that so many villages in Lao PDR have been resettled since 1975 means the recognition of customary tenure rights based on long time occupation is complicated. There have been internal government debates about the length of occupancy and how this affects land claims, but no legal guidelines have been issued regarding this. For the recognition of customary communal land rights, MoNRE Direction No. 3036 (2014) distinguishes between collective land (*din luam mu*) or land belonging to a group of people within a “collective, production unit, or association” from communal land (*din xoum xon*) which is “commonly owned by a village or ethnic group.” The term “communal land” is often applied in the context of “traditional” (MD No. 6036, 2014) or “customary” land-use rights by entire communities (draft Land Law, 2015). Collective land is also defined in Article 3 of PM Decree No. 88 on the implementation of the Land Law (2008) as “land that the state has granted the right to collectively use by villages, organizations and state organizations, as

specified in Article 59 of the Land Law.” Collective/communal land is also defined in Ministerial Instruction 564/NLMA (2007) on Adjudication of Land Occupation.

44. Right for Issue of Land Title, as land belonging to cooperatives and communal organizations or village lands commonly used by groups of people or ethnic groups in a village. The Party Resolution on Land (Aug 2017) officially adopts the term ‘collective’ land or land use right. MoNRE has explained that the approval committee decided to discard the term ‘communal land’ in favor of ‘collective land’ but that it would retain the same meaning as ‘communal land’. However, no definition of collective land or collective rights is provided in the Party Resolution on Land, and there is no mention if collective land is eligible for titles. Nevertheless, it is expected that this will be detailed in the new Land Law, now under revision.

45. According to the draft Land Law (July 2015), communal land titles include the right to protect, use, usufruct and inheritance but not the right to transfer, e.g., by sale, exchange, handover or bestowal (Article 39, draft Land Law). Eligible land for a communal title, as described in Ministerial Direction 6036/MoNRE (2014), includes village use forests, communal tree plantation areas, agricultural land, ponds, grazing land, cemeteries and ceremonial grounds, sacred or spiritual forests as well as reserved land for future use and allocation. Communal titles may be issued to one or several villages when larger areas are managed jointly (Article 1.3 and 14).

46. There is still much uncertainty about what the detailed content of the new Land Law will be, or when it might be passed. Legislation also protects the rights and interests of farmers (Article 4, Agricultural Law 1998), including the right to “transfer and succeed to [ownership rights in respect of] agricultural activities” (Article 10). The Decree on State Land Lease or Concession also states that “Agricultural land for growing rice or annual crops must be preserved for the farmers” (No. 135/ PM, 2009, Article 43). Customary rights are normally recognized over private land through evidence of use and occupation, such as a land survey certificate (LSC) or a land tax receipt and/ or through verification by neighbours.³¹ In lowland areas, there are few cases of people being dispossessed of their paddy areas, or if villagers lose them it is more possible to negotiate their return (Interview 11, 2015).

47. In upland areas, the payment of land tax means a *de facto* official acceptance of rights even over shifting cultivation fields. Rights to compensation provide further legal recognition of customary tenure rights. In Lao PDR, compensation for involuntary acquisition of customary land and other assets has mainly been determined on a case-by-case basis, with investors and local authorities playing a key role in determining how local forms of tenure are interpreted and the compensation amount. A main reason for this is that many government officials have considered Decree 192 (2005) on Compensation and Resettlement of People Affected by Development Projects, as being cumbersome and expensive for developers. This decree was a condition of World Bank financing for the Nam Theun 2 hydropower project and led the government to adopt international resettlement and compensation standards. For example, Article 5 of Decree 192 considers all individuals and entities residing or making a living within the area as project affected persons and eligible for compensation, including people not living in but with land and buildings in the project area. Compensation is required to be paid for loss of use rights plus loss of assets at replacement cost (Article 6). In particular, the requirement to compensate (and to ensure affected persons are not worse-off) applies to affected persons who do not have a legal TLUC or other proof of land-use right. Replacement land is to be provided with secured land titles and certificates and host communities are also to be compensated (Article 10). Cultural practices and beliefs are to be taken into account (Article 11) and effective grievance mechanisms are required to be established (Article 13). Over the past ten years, implementation of Decree 192 has been patchy. Prime Ministerial Decree 84, issued in April 2016, is supposed to address inconsistencies in the implementation of compensation, but suggests a lowering of standards. Among these is the requirement for documentary proof of land use rights in order to qualify for compensation.

48. Land use planning is the main official process that has been used to strengthen village tenure security in Lao PDR. To delineate village agricultural and forestland, and control shifting cultivation, the government aims to implement land-use planning over the whole country. Official recognition of land use planning dates back to the early 1990s, and PLUP was approved by MAF and the National Land Management Authority (NLMA) in a common manual (MAF and NLMA, 2010). While a land use plan may not have the same legal strength as a land title, an informant felt that for some customary areas, land use planning may offer better tenure security in the long run and over larger parcels of village land. LUPs and subsequent VFMPs may also allow a variety of customary land and resource use rights over areas that cannot be titled, such as protection and conservation forest (Interview 9, 2015).

Summary of social and environmental assessment and mitigation measures

49. The project is anticipated to have an overall positive impact on people from ethnic groups. Through free, prior and informed consultation, ethnic farmers will have opportunities to participate in project planning, implementation, monitoring and evaluation. They could improve their farming knowledge through agricultural trainings, and improve their crop yield through access to high quality seed. Farmers will have chance to improve their income by diversifying their crops based on their local knowledge, and by working together with their fellow farmers to undertake agricultural productive partnerships to ensure to improve their income. They will also benefit from improved irrigation channels, which provide them with more reliable access to water, which help minimize the risk of crop failure due to water shortage.

50. Ethnic women will also benefit from nutrition trainings that are implemented through agricultural extension trainings and social behavior change communication campaigns. Nutrition training are expected to help women adopt good nutrition practices, which help them improve their families' nutritional status. Both men and women of ethnic groups will have equal opportunities to participate in the project. They can choose to join project activities that are culturally appropriate to them.

51. Every effort will be made to avoid adverse impact on ethnic groups such as land acquisition following rehabilitation of existing irrigation systems or any impact on land and income generation activities due to the environmental pollution and restricted water access caused by construction operations. When avoidance is not possible, a Resettlement Action Plan will be prepared in line with project's CRPF to ensure affected households will be compensated for the adverse impact so that their livelihood is not worse off as a result of the subproject. Aside from adverse impacts, ethnic farmers may also benefit from project activities, which will need to be designed in a culturally appropriate manner, and through a process of free, prior and informed consultation. In particular, these activities may include: (i) Establishment and capacity building for farmer groups and their members; and (ii) Mapping, demarcation, and registration of irrigation land/systems in the project area on a block basis (not for individual plots). Where these activities are being carried out in locations where ethnic groups are likely to be benefit, an ethnic group development plan will need to be prepared, based on a social assessment and process of free, prior and informed consultation.

52. An examination of the legal recognition of customary tenure over land and forests in Lao law shows some acceptance of this but provisions are generally weak and poorly implemented. This means rural communities struggle to have their customary rights respected. Some of the difficulties in defending legal rights include impediments faced by customary users in negotiating Lao legal and political systems, a lack of awareness by communities of their legal rights, inadequate conflict resolution mechanisms and unclear legal and political support for communal/ collective land titling. Despite the challenges, there have been some cases of communities effectively defending their customary land and it is important to learn from these experiences. The final section presents key opportunities for strengthening the recognition of customary tenure in policy and practice. One important aspect of this is demonstrating the importance of customary management

for achieving Lao PDR's development goals of enhancing livelihoods and reducing poverty, while also contributing to sustainable resource management and forest protection.

53. Customary tenure exists amongst all ethnic groups throughout rural Lao PDR. It guides the use and management of a range of land types including: residential areas, lowland paddy, shifting cultivation and fallow areas, grazing areas, areas for orchards and gardens, short and long-term cash cropping land, sacred areas, cemeteries, forest areas and water bodies. Customary tenure arrangements apply to land types managed collectively and held privately by individual households or families.

Appropriate benefits

54. To support planning and identification of project activities, targeting the project ethnic groups, during year 1 of project planning, a number of consultations with target project groups – ethnic groups, beneficiaries and village communities - will be conducted to fully understand about village backgrounds, identify challenges, actual needs, main challenges and key potential development opportunities. In addition, social assessment will be also conducted at the beginning of the project to get key inputs support the development of Indigenous Development Plan, a part from related information and data from Base-line Survey of the Project. The Plan will provide detailed inputs with key interventions, budgeting, timeframe and related staffing.

Grievance redress

55. A draft grievance redress mechanism ([GRM](#)) is available in Appendix 5 of the SECAP. It will be established within the affected ethnic group community based on the existing structure from the village mediation unit (VMU) established in all villages, District Office of Justice (DOJ) and DAFO at district level and the Provincial Assembly and PAFO at the provincial level. These institutions will be used and strengthened to receive, evaluate, and facilitate the resolution of concerns, complaints and grievances emanating from within the ethnic group community in accordance with the Law on Handling of Petitions (2015).

56. The VMU at the village level would be comprised of representatives of ethnic group community leaders, and head of mediation unit or village elder person. The grievance redress institution will function, for the benefit of the members of the ethnic group community, during the entire life of the sub-projects, including the defects liability period. Consultation with members of the affected ethnic group community will take place early in the process of the project planning. Prior to sub-project commencement, community leaders will consult with members of the affected community and the whole process is to be well documented. All complaints and grievances will be received in writing, or if given verbally then written at the same time and place, members of the affected ethnic group community and duly recorded by each level of the grievance redress process (community, district, provincial). A template or form could be developed that is easy to understand and to fill in for anyone who wishes to issue a complaint. Members of affected ethnic group communities will be exempted from all administrative and legal fees incurred pursuant to the grievance redress procedures. Grievances related to any aspect of the proposed sub-projects will be dealt with through negotiations with the ultimate aim of reaching a consensus. Grievance redress procedures aim to provide a time-bound and transparent mechanism to voice and resolve social and environmental concerns linked to the sub-projects.

57. These grievance redress procedures are not meant to circumvent the government's inbuilt redress process, nor provisions of the national laws, but rather to address members of ethnic group communities' concerns and complaints promptly, making it readily accessible to all segments of ethnic group communities and scaled to the risks and impacts of the sub-projects. The EGDP will establish the means for members of affected ethnic group communities to bring complaints to the attention of relevant project authorities. Grievance procedures should include reasonable performance standards, including time required to respond to complaints and should be provided without charge to those displaced persons. The EGDP should also state other avenues available to aggrieved persons if the project-related procedures fail to resolve complaints.

58. The ESMF contains details on the grievance redress mechanism for the project. Grievances related to environmental and social issues from directly or indirectly affected ethnic groups as a result of implementation of sub-projects will be resolved by the Grievance Redress Institutions (GRIs) through the project grievance redress mechanism presented in Figure 1. However, the complainant also retains the right to bypass this procedure and can address a grievance directly to the PAFOs or the Provincial Assembly, as provided by law in Lao PDR. At each level grievance details, discussions and outcomes will be documented and recorded in a grievance logbook. The status of grievances submitted and grievance redress will be reported to PAFOs through the monthly report. In order to effectively and quickly resolve grievances PAP and PAH may have, the following process will be applied:

- a. Stage 1: if members of ethnic group communities are not satisfied with the resettlement plan or its implementation and subproject implementation, they can issue a verbal or written complaint to Village Mediation Unit.
- b. Stage 2: if members of the ethnic group community are not satisfied with the result in Step 1, they can file an appeal with the grievance redress institutions at the project level namely DOJ via DAFO. The VMU should make the arbitrated decision within 15 days;
- c. Stage 3: if they are not satisfied with the result of Step 2, they can file an appeal with the Provincial Assembly via PAFO for administrative arbitration after receiving the decision made by the District level Grievance Redress Institutions (DOJ and DAFO). The administrative arbitration organization should make the arbitrated decision within 20 days; and
- d. Stage 4: if they are still unsatisfied with the arbitrated decision made by the administrative arbitration organization, after receiving the arbitrated decision, they can file a lawsuit in a civil court according to the relevant laws and regulations in Lao PDR.

SECAP Appendix 3- Draft Stakeholder Engagement Plan

The Stakeholder Engagement Plan (SEP) outlines the differentiated measures that IFAD and its implementing partners in the project will implement to ensure the effective participation of key project stakeholders, including both men and women and those identified as disadvantaged or vulnerable stakeholders. The SEP aims to catalyze and organize stakeholder engagement and ensure that it effectively takes place in line with IFAD's Social Environmental and Climate Assessment Procedures (SECAP). It aims to ensure that IFAD and its implementing partners provide timely, relevant, understandable and accessible information and consult with all relevant stakeholders in a culturally sensitive manner. The SEPs level of detail is informed by scale and scope of the project, numbers of stakeholders involved, and potential risks and impacts present.

For the purposes of this SEP, project stakeholders are defined as individuals, groups or other entities who are impacted or likely to be impacted directly or indirectly, positively or adversely, by the project. They include individuals or groups whose interests in the project, may affect and who have the potential to influence the project, outcomes in any way. Cooperation and negotiation with the stakeholders throughout the project, development often also require the identification of persons within the groups who act as legitimate representatives of their respective stakeholder group, ie, the individuals who have been entrusted by their fellow group members with advocating the groups' interests in the process of engagement with the Project.

The project has two groups of stakeholders:

Primary stakeholders	Secondary stakeholders
Small holder farmers, vulnerable groups (women and ethnic groups), governed sectors at all levels (national, provincial and district), NPCO and project technical staff, suppliers, private sector.	other government agencies, private sector entities / MSMES, collaborating NGOs/CSOs and other development partners, media.

The project has many executing and implementing agencies with roles and responsibilities in supporting project implementation and management through existing project working arrangements at different levels, namely the monthly technical meeting at district level and quarterly, semi-annual and annual meetings at central, provincial and district levels. . The table below shows their engagement plan based on their roles and responsibilities:

Stakeholder Engagement Plan (SEP)

Stakeholder	Topics of engagement	Responsible party	Form and frequency of engagement
Ministry of Agriculture and Forestry (MAF)	Overall execution and coordination of and technical support to project in partnership with the implementing and executing agencies	Department of Planning and Cooperation, MAF	Project coordination meetings - PSC and technical meetings
Ministry of Health (MOH)	Coordination of and technical support to project (nutrition related activities, etc.) in partnership with local counterparts	MOH (National Nutrition Centre and Dept. of Hygiene and Sanitation)	Project coordination meetings and Nutrition Coordination Meetings

Ministry of Industry and Commerce (MOIC)	Technical support to and coordination to project implementation (value chain, market linkages, etc.,) in partnership with executing and implementing agencies	Provincial and District Industry and Commerce Offices	Project coordination meetings and MSP
Ministry of Finance (MOF)	Execution and coordination of project implementation (account management, fund replenishment, fund flow, etc.,) in partnership with MAF	Department of Public Debt Management, MOF	Project coordination meetings

Monitoring and Evaluation of Stakeholder Engagement Activities

The SEP also clearly lays out a monitoring mechanism to ensure effective implementation of the activities and to enable the project to take corrective measures if required. The stakeholder engagement process will be monitored through: - Review of engagement activities in the field particularly all project activities meeting the SECAP standard; and- Each Project Coordination Unit at provincial and district levels will prepare a half-yearly SEP Implementation Report and submit it to the National Project Coordination Office. Once approved, the report will be disseminated to the stakeholders through periodic consultations and the project website. Overall performance will be reviewed on an ongoing basis to determine the effectiveness of the SEP, including the methods of engagement being used, and their outcomes. The performance indicators listed in the table below will be used to measure progress and implementation of the SEP components.

Performance indicators to be used in stakeholder engagement monitoring

Objectives	Performance Indicators
Provision of information in a timely, accurate and culturally appropriate manner	<ul style="list-style-type: none"> Means used to inform stakeholders about the meetings Advance notice (time) to stakeholders Advance agenda given to stakeholders. Number of meetings, consultations over specified period Type and form of project information provided. Avenues and languages used to provide information to stakeholders. Number of engagements (meetings, workshops, consultations) etc., with stakeholders/year
Stakeholder comments, concerns and feedback are received and incorporated into project activities as appropriate	<ul style="list-style-type: none"> Number of grievances received over a specified period. Nature of participation in stakeholder consultation meetings (gender, age, ethnic groups, other vulnerable groups) Free Prior and Informed Consents received including minutes of meetings over a specified period.

	<ul style="list-style-type: none"> Number and name of stakeholder groups involved in project design, preparation and implementation.
Informed participation by vulnerable groups	<ul style="list-style-type: none"> Number and type of engagement with the vulnerable groups Attendance rates Forms and type of engagement strategies adapted. Number and type of grievances and redress mechanisms adapted. Vulnerable groups are clear on the process and means by which grievances can be raised and addressed
Stakeholder engagement is transparent, inclusive and appropriate	<ul style="list-style-type: none"> Program information disclosed to all stakeholders as requested and according to disclosure mechanism. Representation and percent of resources and loans allocated to vulnerable groups in project activities including women and youth. Information sharing avenues program

Reporting effective implementation of community engagement is vital for building trust and respect with stakeholders. Reporting is crucial in convincing the stakeholders that the project is serious about the complaints lodged by local community, put in place by the project, indeed works. In addition, double checking information, testing the stakeholder's reaction to the proposed mitigation measures, and obtaining further feedback to refine the measures before implementation, getting buy-in from key stakeholders for implementation plans are other major advantages of reporting back system. The process of reporting to the stakeholders will be conducted in the following ways: Frequently updated FAQs to address new concerns that have come to light through stakeholder feedback during planning, pre-construction, construction and operations with the PCO at central and local levels.

Updated concerns, decisions and response report to be disclosed to the stakeholders in a timely and accurate manner.

In addition, to cope with risks and impacts, key stakeholders at different levels are identified and key areas are also indicated, including concerns, methods and a procedure for external communications that includes methods to receive, register, screen and assess, track, respond to and act upon external inquiries and complaints from the public and other related partners regarding project operations.

Stakeholders	Concern	Engagement methods	Information to disclose and report back	Most valuable information to obtain
Small holder farmers (men, women, youth)	Elite capture Participation in project activities Accrual of project benefits Social and climate related risks How to address grievances Weak village-based infrastructure maintenance	Village planning meetings PRAs Organise groups farmer groups (FNS, APGs, cooperatives, SUN Business network) Regular project meetings Infrastructure community groups (WUAS, roads, irrigation etc.,)	Feedback redress mechanism Project social inclusion and targeting plan Village development plans	Village plans Farmer groups engaged and their composition and leadership (men, women, youth, IPs) Project progress reports

				Minutes of the SBN meetings Cases reported and addressed through the GRM Infrastructure plans
Indigenous people / ethnic groups (women, youth)	Exclusion from project activities (gender, age) Social, environment and climate related risks- land Cultural sensitivity	PRAS (gender and youth sensitive) FPIC	IPs framework IPs plan	PRA reports FPIC reports
National Project technical staff (NPCO)	Clear reporting lines Clear roles and responsibilities and performance indicators	Job description and performance indicators Reporting structure/ Organogram PMU staff planning and monitoring meetings	Reporting structure/ Organogram	Meeting minutes AWPB
District level staff	Poor coordination of project activities beneficiaries- hard to reach Access to project logistics and resources Skills and capacities to engage the communities	District level coordination mechanism and linkages with provinces Planning meetings and skills development meetings Linkage with community level resource persons- FNS facilitators, lead farmers Capacity building plan	Project operational plan Progress report	Minutes of meetings and MSPs Outreach reports Progress reports Capacity building reports AWPB
Provincial level technical staff	Poor coordination of project activities Beneficiaries - hard to reach Access to project logistics and resources Skills and capacities to engage the communities	Provincial level coordination mechanism and linkages with districts Planning meetings and skills development	Project operational plan Progress report	Minutes of meetings and MSPs Outreach reports Progress reports Capacity building reports AWPB
Development partners and other government ministries	Weak coordination/convergence with other projects in same project areas leading to duplication	Sector working groups Joint planning at district and village level Project coordination meetings	Operational plans and reports	Minutes Planning reports (national, provincial, district and village levels)
Private Sectors	Few agro-enterprises in rural project areas with entrepreneurial capacity. Limited understanding of the project and means of engagement	Multi-stakeholder platform at district and provincial levels. Project sensitisation meetings/workshop	Technical VC guidelines Call for proposals and sensitisation workshop reports	Technical manuals, technical trainings and guidance

Mass media (TV, Radio, etc.,)	Less timely information sharing and update by project on project achievements to mass media to increase project visibility	Join regular supervision missions, annual and semi-annual meetings Regular update of physical achievements, best practices and lessons learnt to related mass media	Case studies (Videos) Social media reports	Media reports
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Participation and provision of feedback from the target group of the project

The purpose of the feedback mechanisms is to implement participatory systems that allow the target groups and their organizations to participate in a meaningful and continuous way in the planning, monitoring, implementation and evaluation of the Program's interventions. Therefore, the objective of feedback mechanisms is to improve the capacity of the executing teams to respond to the needs of the target group, thus contributing to their empowerment and accountability.

Despite the fact that previous and documented experiences with respect to the implementation of feedback mechanisms in the field of rural and agricultural development programs in Laos have not properly been identified, in general the country's political environment promotes a participatory culture oriented towards fostering active citizenship. Civil society organizations in rural areas include peasant and indigenous organizations also linked to social and agroecological networks and movements, which work to improve spaces for citizen participation and awareness raising on public policies. In general, IFAD funded projects, and those financed by other development partners working in the poorest areas of the country have a proven capacity to implement projects according to inclusive and participatory methodologies. The most successful experiences are related above all to participatory planning and the promotion of spaces for listening and dialogue such as forums and multi-stakeholder round tables, especially at the level of municipal governments. A more detailed analysis of capacities, roles and responsibilities in the different stages of the feedback process will be carried out at the beginning of the Project.

The feedback loop includes the following phases:

- **Design:** The starting point was the definition of the system, which will be carried out in consultation with the target group and other key actors. The Prior and Informed Consultation process with the indigenous peoples was also a fundamental stage in this consultation phase. In general, the feedback system will include mechanisms that seek open and unsolicited comments and suggestions (through suggestion boxes) and feedback mechanisms on specific indicators that are related to the activities of the project, through the conducting small surveys.
- **Data collection:** Data collection methods should be context appropriate and culturally sensitive. These may include semi-structured interviews, focus groups with specific actors (women, youth, or indigenous peoples), or the use of digital media through WhatsApp. Social inclusion measures will be taken into account to ensure broad coverage in line with the definition of the project's target groups.
- **Analysis and elaboration of data:** in this phase the data received is analyzed and systematized, breaking it down by key axes - gender, age, poverty, geographical area, etc. - and comparing them. This analysis will make it possible to identify the main trends in terms of challenges and bottlenecks in the different scope areas of the project and by target group.
- **Inclusive dialogue.** The dialogue is a participatory event in which the results of the survey are presented, including an analysis of the main challenges and problems identified. The dialogue will generate concrete solutions and corrective measures agreed upon by all users.
- **Agreed action and cycle closure:** this is the moment in which the project takes action on the agreed corrective measures. The actions taken will be disseminated through

technical personnel, institutions and local media. Program adaptation through corrective measures will also be documented through the project's knowledge management system and during supervision missions.

Feedback mechanisms will be accompanied by social inclusion measures. These include the following:

- Creation and use of differentiated feedback spaces for women and men, (groups of women producers, organized groups of young people, etc.)
- Use of specific feedback instruments that will be agreed with the different target groups. Respect for the Indigenous Peoples and Communities, prior and informed consultation will be applied.
- Those responsible for feedback activities will receive training on issues of social inclusion, gender issues and conflict management. Technical assistants from the communities themselves will also be privileged.
- Use of specific feedback instruments that will be agreed with the different target groups. Respect for the Indigenous Peoples and Communities, prior and informed consultation will be applied.
- Those responsible for feedback activities will receive training on issues of social inclusion, gender issues and conflict management. Technical assistants from the communities themselves will also be privileged.
- The project's information activities include messages on feedback mechanisms, ensuring its reach to the poorest and most vulnerable geographical areas and groups.
- Measures to strengthen the participation of women (indigenous women, young women and heads of households) in dialogue and decision-making mechanisms, such as the strengthening of spaces and organized groups of women (also through the use of the agroecological notebook) training in self-esteem, leadership and decision-making.

Complaint resolution processes.

In accordance with IFAD's social and environmental policies, an open mechanism will be made available to the target population of the Program to address the claims and complaints of individuals, community authorities or representatives of groups who consider that they have been affected by the project implementation. This implies that said mechanism must be easily accessible to the population and quickly resolved, ensuring that the claims presented are reviewed in an expeditious manner and the solutions are mutually agreed upon and to the satisfaction of the parties involved. The detailed development of the complaints and claims attention mechanism in Annex 5c.

Prevention and Response to Sexual Harassment and Sexual Exploitation and Abuse. The IFAD Policy for the Prevention of and Response to Sexual Harassment and Sexual Exploitation and Abuse-2018 (SEA), applies to recipients of IFAD funds, as well as to third parties contracted with IFAD funds. IFAD ensures that its policy of no tolerance for sexual harassment or SEA is reflected in its operations. At the Project level, the following measures will be applied:

Cases of sexual harassment and/or SEA that arise during the execution of the Project must be registered and have the respective follow-up and resolution through the Complaints and Claims Mechanism (MQR)

The AFN-II Project staff in their capacity as recipient and executor of IFAD funds, respectively, must immediately inform IFAD of any allegation or report of sexual harassment and/or SEA received in connection with the execution of the Project.

As long as IFAD receives evidence based on proven and credible acts that Project personnel have engaged in such conduct in connection with the execution of the Project, it may take appropriate measures, including the immediate removal of the persons involved, pending

future actions. In these cases, IFAD could request the respective investigation by the national authorities, with the purpose of initiating legal proceedings.

All contracts for Project personnel, contractors, service providers and third parties receiving Project funding must include: i) provisions prohibiting acts of sexual harassment or SEA; ii) provisions to establish the obligation to immediately report to AFN-II Project or to IFAD, on incidents of harassment and/or SEA in connection with the actions and activities established in the contract; iii) provisions to allow contract termination based on proven acts of sexual harassment and/or SEA (iv) provisions prohibiting child labour.

SECAP Appendix 4- FPIC Implementation Plan

The Free Prior Informed Consent (FPIC) plan follows the IFAD [How-To-Do-Note](#) on Seeking free, prior and informed consent in IFAD investment projects.

What is free, prior, and informed consent?

Indigenous peoples have the right to self-determination, as well as the right to develop priorities and strategies for exercising their right to development – in other words, the right to participate fully and effectively in decision-making processes that affect them.

IFAD has a duty to ensure they can exercise these rights – and that includes ensuring free, prior and informed consent (FPIC) for our grant and loan recipients.

- Free means no coercion, intimidation, or manipulation was used to obtain consent.
- Prior means that consent is sought sufficiently in advance, with enough time given to respect indigenous peoples' consensus processes.
- Informed means that the information provided covers (at least) the nature, size, pace, duration, reversibility, and scope of the proposed project or activity.

FPIC aims at improving the effectiveness of investments and at enhancing the community ownership of the investment, its results, and moreover, its sustainability.

Under AFN II, the borrowing government (MAF) is responsible for seeking and obtaining FPIC. FPIC is methodologically solicited through consultation and the participation of communities and local institutions at specific stages of the project cycle. Under AFN II, the National Project Coordination Unit will be responsible for seeking FPIC with technical support from the social inclusion specialist.

Free, prior and informed consent should be sought sufficiently in advance of commencement or authorization of activities, taking into account indigenous peoples' own decision-making processes, in phases of assessment, planning, implementation, monitoring, evaluation and closure of a project.

FPIC is a proactive approach to identify development pathways with local communities and it is applied in two scenarios (IFAD, 2015):

- Investment projects that may have an impact on the land access and use rights of rural communities;
- Projects targeting indigenous peoples or rural areas that are home to indigenous and tribal peoples and ethnic minorities.

Based on the above two scenarios, FPIC needs to be sought either during project design or during project implementation, depending on when project activities and/or benefiting communities can be clearly identified. Table below outlines the FPIC requirement according to these two criteria.

1. Socio-Cultural and Land Assessments

The socio-cultural and land tenure assessments will establish:

- o The community stakeholders, landowners and users in the project area (including transient resident populations such as pastoralists, as well as neighbors) who might be affected and who can gain more rights through careful scheme design based on FPIC process, and who have the right to give or withhold consent;
- o Customary laws, informal rules and organizing practices, and claims on land ownership, occupation and use;

- Types of livelihoods and resources communities depend upon;
- Land use mapping indicating existing land use and land use as proposed by the communities to accommodate the project, and as agreed with the village authorities;
- Institutions, governance systems and decision-making process;
- Existing dimensions of traditional leadership (roles and status) and traditional mutual support and solidarity/reciprocity mechanisms etc.;
- Social, economic, cultural and spiritual relations with lands and territories; and,
- Possible consequences for local communities resulting from the change on the status of land, territories and resources emerging from the proposed schemes.

Existing Land Use Plans or GIS-based Local Adaptation Investment Plans (LAIP) developed by NAFRI under FNML will be useful tools in the preparation of the socio-cultural and land tenure assessment.

2. Identification of Decision-Making Institutions and Representatives

In line with the existing customary system of the indigenous community, and the Sam Sang decentralisation policy, the key institutional actors involved with issues of resettlement, property and land rights, access to resources, are the district authorities and line agencies including the District Natural Resources and environment (DoNRE), the village authorities, the community elders (neohom) and other community organisations (LWU, CBOs, etc).

3. Consultations leading to FPIC on the proposed project interventions

Following steps 1 and 2 above, consultations will be held with the target communities in selected villages before planning of interventions is initiated. The GST will be responsible for these consultations with guidance from NPCO and the social inclusion specialist.

The AFN II approach is based on community based participatory planning as a first initial step. The consultations will:

- Confirm that the project will support community-driven initiatives.
- Share the objective and scope of the proposed activities and investments with the communities directly or communities' representatives (existing or elected by the communities in the process);
- Clearly inform the communities' representatives on the actors financing and implementing the project and their respective responsibilities.
- Provide clear and transparent information on the benefits and risks of the project;
- Share the findings of the socio-cultural, land tenure and environmental assessment and reality check/confirmation of findings;
- Engage selected community members or communities' representatives in the resources and social mapping activities, in order to assess ownership, occupation and use of land territories and resources as well as the social dynamics (relationships among the different social groups);
- Share the objective and scope of the mapping exercise with the communities;
- Ensure inclusive participation - men, women, young people, ethnic groups, persons with disabilities, the elderly, representatives of different communities and CBOs present in the same areas and neighboring villages;
- Confirm land tenure status of the land in the selected village,
- Record and address questions, concerns, opinions and comments and seek agreement

This consultation process will be conducted in the preferred language chosen by the community and translation from local languages to Lao will be available in the GST team, with help of community mobilisers.

4. Formalise the Consent Agreement

Once project activities and project sites requiring FPCI agreement are identified, this will be formalised in a written form in Lao language. Where possible and accepted by all stakeholders involved, the consultations can be recorded in the local languages. The effective time at which the consent agreement would be formalised will be agreed upon during the consultation process and needs to be formalised before any investment is made.

The consent agreement will be prepared by the GST with support from NPCO. The format for a consent agreement would, among others, include:

- Project activities on which consent is provided
- Respective expectations
- Proposed project duration, expected results and activities
- Participatory monitoring and verification plan and procedures
- Identification of grievances procedures and mechanisms
- Terms of withdrawal of consent
- Record of process through means and languages accessible to all stakeholders and parties involved.

The FPIC Agreement and record of process will be made available through means and languages that are accessible to all stakeholders and parties involved.

5. Assess FPIC Implementation

To assess compliance with FPIC requirements, the appropriate indicators for measuring progress towards and/or attainment of agreed terms will be defined and linked with a timeframe in the FPIC agreement. Joint MAF/IFAD/WFP supervision missions will also assess implementation of FPIC agreements on regular basis.

6. Loan Agreement

FPIC requirements will be stipulated in the Loan Agreement as a condition to disbursement for programme implementation.

7. Disclosure

IFAD's Policy on the Disclosure of Documents enables project design documents to be disclosed prior to the Executive Board session at which the project is to be considered. Thus, this FPIC Implementation Plan will be disclosed together with the Programme Design Report (PDR), the SECAP and ESCMP, to be submitted for IFAD review before the Executive Board.

8. Documenting the FPIC Process

FPIC process will be documented through minutes of consultations, mapping documents prepared by the communities, videos and audio where feasible, and FPIC agreements/formalisation documents, also keep records of consultations undertaken:

- how participants were selected;
- their roles or accountability links to their communities;
- how they were invited;
- which consultations they participated in;
- what documentation/information they received beforehand and in which language;
- who participated;
- what was discussed.

FPIC agreements

Often FPIC is expressed as an agreement between the designated project management unit (NPCO) and the involved local communities. These agreements should clearly articulate: what has been agreed (e.g. issues, commitments, time frames, budgets, roles, responsibilities); who entered into the agreement (clearly identifying the individuals involved as well as their title and role); and what mechanisms have been set up to maintain dialogue and address disagreements.

FREE PIOR INFORMED CONSENT-FORM To engage in indigenous people’s community-in implementation the project	
Date:	
Localisation:	Province District Village
Name of community/Ethnic Group:	
Project Name:	
The objectives:	
Expected results:	
Key Activity:	
Context of FPIC (agreement) .	
Grievance redress mechanism:	
These contents have been read in indigenous people’s language and understandable by all parties before mutual agreement signing.	
Name:	Signature:
Position: Village authorities / LWU / CBOs committee	
Contact:	
GST	
Name:	Signature:
Other Relevant info: (e.g., any role or position)	
Contact:	

SECAP Appendix 5- Grievance Redress Mechanism (GRM)

IFAD framework

In December 2019, the IFAD Executive Board approved the Framework for Operational Feedback from Stakeholders ⁵, setting out a comprehensive agenda to redouble IFAD's efforts to ensure early, meaningful, and continuing engagement and feedback from populations targeted by IFAD-supported projects and their representatives throughout the project cycle.

In this framework, IFAD established a Complaints Procedure for alleged non-compliance with its social and environmental policies and mandatory aspects of its Social, Environmental and Climate Assessment Procedures (SECAP). The eligibility criteria, process and reporting channels can be found on the IFAD Accountability and complaints procedures [webpage](#).

In 2018, it published its [Policy](#) to preventing and responding to sexual harassment, sexual exploitation and abuse. The policy applies to all IFAD staff, independent of their location, grade, type or duration of appointment, including staff members on loan and all individuals hired by IFAD under a non-staff contract such as consultants and interns. The policy also applies to borrowers and recipients of IFAD funding, as well as third parties contracted using IFAD's funding such as consultants, contractors and vendors.

To support implementing partners in understanding the requirements of this IFAD policy the Ethics Office published a Guide for Borrowers and Recipients of IFAD funding for preventing and responding to sexual harassment, sexual exploitation, and abuse. The Ethics office has published a Guide for Borrowers and Recipients of IFAD funding for preventing and responding to sexual harassment, sexual exploitation and abuse, available [here](#).

IFAD's anticorruption policy establishes zero-tolerance towards prohibited practices, such as fraud and corruption, in IFAD-funded or managed operations and activities. IFAD recently revised its Policy in line with evolving best practices, and now includes obstructive practice as one of its prohibited practices. The revised Policy is being integrated into IFAD's legal framework and applies to all recipients of IFAD financing.

IFAD's legal framework requires IFAD staff, consultants and project parties to promptly notify IFAD of any allegations of fraud and/or corruption in relation to project activities. IFAD's Office of Audit and Oversight (AUO) is to be contacted for reporting at Tel: +39 06 54592888 or by email: anticorruption@ifad.org. These are secure and confidential channels managed by the Investigation Section of IFAD.

National Legal framework for GRM

In Lao PDR, the national assembly has also adopted the Law 35 dated 2014 on grievance redress mechanisms (GRM) and has set up a hotline for citizens to submit comments, complaints, and grievances. In practice, however, this channel has proven relatively inefficient in addressing grievances and complaints. The Compensation and Resettlement Decree No. 84/GOL (2016) also includes provision for GRM.

Citizens generally recourse to informal Village Mediation Units that resolve domestic and local disputes. They are often faster and have the advantage of being available locally. They are thus the most preferred grievance resolution mechanism, more than village heads, police or courts. In a survey conducted in 2015, as many as 75% of the respondents

⁵ See Framework for Operational Feedback from Stakeholders <https://webapps.ifad.org/members/eb/128/docs/EB-2019-128-R-13.pdf?attach=1> and SECAP Appendix 6 for further details.

expressed their satisfaction about the services rendered by the Village Dispute Resolution Committees. These Village Mediation Units function in an informal manner, not within the normative framework and do not record the process. (UN CCA, 2022).

AFN II Grievance Redress Mechanism

To ensure that an adequate, transparent and fair formal mechanism is available for all project stakeholders, the Project Implementation Manual include a detailed grievance redress mechanism, taking in account the national laws and decrees and in compliance with IFAD policies and requirements of: (i) SECAP (for alleged non-compliance with social and environmental requirements); (ii) the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations; and (iii) IFAD’s Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. The grievance redress mechanism also contributes to IFAD core values: Respect (Value others’ diversity, be fair and inclusive), Focus on results (Strive for excellence to achieve project goals), Professionalism (Apply your skills and knowledge, innovate, persevere), Integrity (Be honest, committed, and transparent).

The project grievances redress mechanism is aligned with WFP’s own country-wide Complaint and Feedback Mechanism (CFM) to improve accountability and transparency towards its beneficiaries and serve them more effectively.

The efforts should be made from the commune level to solve the grievance in a participatory way. There will be four levels of grievance in the project. Anyone submitting a grievance may wish to raise a concern in confidence. If the complainant asks to protect identity, it should not be disclosed without his/her/their consent.

The project will provide a template to write grievances (sample is in annex VII). In cases where applicant does not have the writing skills or are unable to express their grievances verbally, the project should facilitate to find a common person to write on behalf of them. The applicant will be allowed to have access to the project focal person to ensure that all the details have been recorded accurately enabling all parties to be treated fairly. Throughout the grievance redress process, the responsible committee will ensure that the concerned applicant is provided with copies of complaints and decisions or resolutions reached.

Figure 1 : Grievance Redress Mechanism

Stage 1 Village Level	There should be proper mechanism to collect grievance at the community level. The project should appoint a focal person from the community or extension worker or a suitable person to collect the grievance. The community level discussion should solve the issue and inform concerned person/group/organization by ___ days* of application. The concerned project team should forward application along with decision, decision process to district authority if applicant is not satisfied.
Stage 2 District level	The district office has to solve and inform to concerned applicants within 15 days*. If applicant is not satisfied, forward to Provincial office.
Stage 3 Province level	The provincial project coordinator may take up to ___ days to solve the problem in close coordination with applicant. If applicant is not satisfied, forward to national secretariat.
Stage 4 NPCOT level	The NPCO consults with concerned parties and solve within ___ days of application receipt.
If not solved	
Option A: Write to IFAD (see contact details in IFAD framework section above)	
Option B: legal action	

Grievance follow up: The NPCO, PPC and DPC coordinators may contact the applicant at a later stage to ensure that the grievance has been satisfactorily addressed and that the project activities do not create any further issues. If the problem persists, it would be treated as a new grievance and re-enter the process.

A simple model of complaint form will be made available to target communities and other stakeholders in several languages, including Lao and local languages.