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**President's memorandum**  
**Proposed additional financing to**  
**Lao People's Democratic Republic**  
**Agriculture for Nutrition Project – Phase II (AFN-II)**

Project ID: 2000003760

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**FOR: APPROVAL**

**Action:** The Executive Board is invited to approve the recommendation for the proposed additional financing contained in paragraph 67.

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## Financing summary

<b>Initiating institution:</b>	IFAD
<b>Borrower/recipient:</b>	Lao People's Democratic Republic
<b>Executing agency:</b>	Ministry of Agriculture and Environment
<b>Total project cost:</b>	US\$48.2 million
<b>Amount of original IFAD loan under the performance-based allocation system (PBAS):</b>	US\$13.2 million
<b>Terms of original IFAD financing:</b>	Blend terms
<b>Amount of additional IFAD loan 1 (PBAS):</b>	SDR 3.803 million (US\$5.2 million)
<b>Terms of additional IFAD financing:</b>	Blend terms
<b>Amount of additional IFAD loan 2 (PBAS):</b>	SDR 1.094 million (US\$1.5 million)
<b>Terms of second additional IFAD financing:</b>	Blend terms Maturity period of 25 years, including a grace period of 5 years, with a service charge of 0.75 per cent and interest rate of 1.25 per cent per annum in special drawing rights (adjustments for single-currency loans)
<b>Cofinancier:</b>	Global Agriculture and Food Security Programme (GAFSP)
<b>Amount of cofinancing:</b>	US\$20.0 million
<b>Terms of cofinancing:</b>	Cofinancing grant
<b>Contribution of borrower/recipient:</b>	US\$4.8 million
<b>Domestic private sector contribution:</b>	US\$0.3 million (in cash) US\$1.1 million (in kind)
<b>Contribution of project participants:</b>	US\$2.1 million (in kind)
<b>Amount of original IFAD climate finance:</b>	US\$6.05 million
<b>Amount of additional IFAD climate finance 1:</b>	US\$3.2 million
<b>Amount of additional IFAD climate finance 2:</b>	US\$1.04 million (of which US\$800,000 is a climate top up)
<b>Cooperating institution:</b>	Directly supervised by IFAD

## **I. Background and project description**

### **A. Background**

1. The Lao People's Democratic Republic Agriculture for Nutrition – Phase II (AFN-II) project (ID: 2000003760, [EB 2022/LOT/P.6](#)) was approved by IFAD's Executive Board on 22 December 2022, became effective on 16 May 2023, and is scheduled for completion on 30 June 2030, with a financial closing date of 31 December 2030.
2. The total project cost is US\$48.2 million, comprising an original loan of US\$13.2 million under the Twelfth Replenishment of IFAD's Resources (IFAD12), a grant of US\$20.0 million from the Global Agriculture and Food Security Programme (GAFSP), of which US\$12.0 million is implemented through IFAD and US\$8.0 million through the World Food Programme (WFP), a contribution by project participants of US\$2.1 million, private sector in-cash and in-kind contributions of US\$1.4 million, a government contribution of US\$4.8 million and a financing gap of US\$6.7 million.
3. To address the financing gap identified and approved at the design stage, the Government requested additional financing of US\$6.7 million in the form of a loan on blend terms under the IFAD12 performance-based allocation system (PBAS) cycle on 13 February 2024. The final reprogramming of the IFAD12 resources allocated US\$5,214,455 ([EB 2024/LOT/P.31](#)) to partially cover the financing gap, bringing it down to US\$1.5 million.
4. On 18 August 2025, the Government requested a second round of additional financing of US\$1.5 million (SDR 1.094 million) to cover the remaining financing gap. In response, the amount of SDR 1.094 million<sup>1</sup> (US\$1.5 million) was allocated under the IFAD13 PBAS cycle.
5. As the financing gap was identified and approved at the design stage, this second additional financing request does not alter the original project cost or necessitate an extension of the completion or closing dates.

### **B. Original project description**

6. The goal of AFN-II is to enable 28,000 vulnerable households living in the project area to improve their incomes by 20 per cent by 2030.
7. The development objective is to enable 28,000 vulnerable households living in the project area to improve their food and nutrition security, to enhance their climate resilience and to increase smallholders' incomes by 2030.
8. The project duration is seven years (2023-2030).
9. The project impacts will be assessed across five indicators: (i) food insecurity reduced by 20 per cent, as measured by the Food Insecurity Experience Scale; (ii) nutrition: 14,400 women reporting meeting the minimum dietary diversity requirement; (iii) poverty: 16,800 households with a 20 per cent improvement in income; (iv) climate resilience: 16,800 households with a 30 per cent increase in climate change resilience (measured by the IFAD Resilience Scorecard); and (v) women's empowerment: 28,000 women demonstrating improved economic, social and cultural empowerment (measured by the IFAD Empowerment Index).

## **II. Rationale for additional financing**

### **A. Rationale**

10. AFN-II is the second phase of the successful Agriculture for Nutrition – Phase I (AFN-I) project, which concluded in December 2022 with a satisfactory rating of 5

<sup>1</sup> The rate applied to convert the amount in United States dollars to special drawing rights (SDR) is the International Monetary Fund (IMF) rate on 30 September 2025.

in the project completion report dated 27 June 2023. The project was designed and approved with a total cost of US\$48.2 million, consisting of an IFAD loan of US\$13.2 million and a GAFSP grant of US\$20.0 million, along with contributions from the private sector, project participants and the Government of US\$8.3 million and an original financing gap of US\$6.7 million. In December 2024, the Executive Board approved US\$5,214,455 to partially cover the original financing gap, resulting in the current financing gap of US\$1.5 million.

11. To address the current financing gap, the Government has requested a second round of additional financing on blend terms, in SDR. Following reprogramming of the IFAD13 PBAS cycle, IFAD allocated SDR 1.094 million (US\$1.5 million) to cover critical activities budgeted within the current financing gap. This funding will support investments in agricultural cooperatives, multi-use water systems, small-scale irrigation schemes, food processing and storage facilities, and rural access tracks. Securing this funding is essential for achieving the project's original outreach targets and sustaining the momentum established in phase I.
12. Since its inception in May 2023, AFN-II has undertaken two supervision missions (April and May 2024 and May 2025) and two implementation support missions (October 2023 and November 2024), all of which confirmed the project's design and relevance.

#### **Special aspects relating to IFAD's corporate mainstreaming priorities**

13. In line with IFAD's mainstreaming commitments, the project has been validated as:
  - ☒ Including climate finance
  - ☒ Gender-transformative
  - ☒ Nutrition-sensitive
  - ☒ Prioritizing Indigenous Peoples
  - ☒ Including adaptive capacity
14. **Gender.** The Lao People's Democratic Republic is ranked 120<sup>th</sup> of 189 countries on the United Nations Development Programme Gender Inequality Index for 2021 (adjusted for gender equality).<sup>2</sup>
15. Women hold 22 per cent of parliamentary seats<sup>3</sup> and 54.4 per cent of girls have completed a lower secondary level of education, an improvement of 55 per cent since 2019.<sup>4</sup> In 2021 and 2022, the World Economic Forum ranked the country first worldwide in terms of women's economic participation and opportunity, but women still face constraints in educational attainment (ranked 109<sup>th</sup>), health and survival (ranked 55<sup>th</sup>) and political empowerment (ranked 116<sup>th</sup>).<sup>5</sup>
16. **Food security and nutrition.** According to the World Health Organization benchmark, more than 80 per cent of the Lao population is unable to afford a healthy diet. The triple burden of malnutrition – high stunting, wasting and anaemia rates – remains a key challenge and coexists with increasing rates of overweight and obesity.
17. One third of children under the age of five remain chronically malnourished (stunted) and there are large regional disparities. The prevalence of wasting stands at 11 per cent.<sup>6</sup> Current estimates indicate that stunting in the first 1,000 days of a child's life costs the Government 2.4 per cent of GDP per year.

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<sup>2</sup> UNDP, 2021.

<sup>3</sup> World Bank, 2024.

<sup>4</sup> World Bank, 2023.

<sup>5</sup> World Economic Forum, 2022.

<sup>6</sup> United Nations Children's Fund, Multiple Indicator Cluster Surveys (MICS) 2023.

18. **Indigenous Peoples.** The Government recognizes 50 main ethnic groups and 160 subgroups. The Lao-Tai group represents 67 per cent of the population. There are three major non-Lao-Tai ethnolinguistic groups, namely the Mon-Khmer (21 per cent of the population), the Hmong-Lu Mien (8 per cent) and the Sino-Tibetan (3 per cent).
19. Ethnic groups in the project area are usually the poorest and most affected by food and nutrition insecurity. This is due to various factors related to limited access to education, health care, clean water and sanitation, and poverty gaps and social dietary norms.
20. **Climate change.** The key climate change vulnerabilities in the country are caused by flooding and droughts, with the agricultural sector being most vulnerable. Climatic variability, in particular an increase in the frequency and severity of droughts in some parts of the country, is already limiting water availability for household production in dry seasons, despite abundant surface and groundwater resources.
21. Most of the climate models predict an increase in annual precipitation rates, with larger changes under higher emission pathways.

## **B. Description of geographical area and target groups**

22. The project area comprises 500 villages from 20 districts in six provinces, namely Oudomxay, Phongsaly and Xieng Khouang provinces in the north and Saravane, Sekong and Attapeu provinces in the south.
23. The target population is 168,000 people in 28,000 households, representing about 33 per cent of the combined population of the target districts of approximately 502,000 people. The target groups are poor and near-poor smallholder farmers and their household members who are at risk of food insecurity and malnutrition and living in the target districts. The target population will include: (i) children under five years of age; (ii) adolescent girls aged 10 to 19; (iii) women of reproductive age aged 15 to 49 years; (iv) youth aged 15 to 35; and (v) others, 50 per cent of them female. The project will support vulnerable households and individuals most likely to be left behind, such as women-headed households (2 per cent), persons with disabilities (2 per cent), Lao migrants returning to rural areas due to COVID-19 (5 per cent) and ethnic groups other than Lao-Tai (at least 70 per cent).
24. The proposed additional financing was included in the original project design and does not require any change in the intended geographical area and target groups.

## **C. Components, outcomes and activities**

25. The project components and subcomponents are shown in the table below.

Table 1  
**Project components, subcomponents and activities**

<i>Component 1</i>	<i>Component 2</i>	<i>Component 3</i>
<b>Establishment of community-driven agriculture- and natural resource-based nutrition interventions (WFP and IFAD)</b>	<b>Improvement of business partnerships and market access (IFAD)</b>	<b>Enabling environment and partnerships (IFAD and WFP)</b>
<i>Subcomponent 1.1: Improved nutritional status of women, children, girls and other vulnerable groups (WFP and IFAD)</i>	Activity 1: Support to micro, small and medium-sized enterprises in food supply chains	Activity 1: Multisectoral planning and coordination (WFP)
Activity 1: Farmer nutrition schools and women's empowerment	Activity 2: Multi-stakeholder business platforms	Activity 2: Partnerships
Activity 2: Establishment of integrated home gardens	Activity 3: Market-related infrastructure	Activity 3: Project management
Activity 3: Processing and conservation of domestic foods		
Activity 4: Management of local food sources and wild foods		
Activity 5: Community nutrition- and gender-related social and behavioural change communication activities		
<i>Subcomponent 1.2: Improvement of agricultural productivity for selected commodities (IFAD)</i>		
Activity 6: Strengthening of community-based organizations		
Activity 7: Agriculture / rural advisory services improved		
Activity 8: Construction and upgrading of climate change adaptation infrastructure (irrigation / multiple-use water systems)		

## **D. Costs, benefits and financing**

### **Project costs**

26. The total cost for the seven years of AFN-II is estimated at US\$48.2 million, disaggregated as follows: an IFAD original loan of US\$13.2 million, IFAD12 additional financing of US\$5.2 million (SDR 3.803 million); the proposed SDR 1.094 million (US\$1.5 million) second additional financing from IFAD13 PBAS allocation; a GAFSP grant of US\$20.0 million (US\$12.0 million implemented through IFAD and US\$8.0 million implemented by WFP); project participant contributions of US\$2.1 million; private sector contributions of US\$1.4 million; and a government contribution of US\$4.8 million.
27. Climate change adaptation activities in subcomponents 1.2 (improvement of agricultural productivity for selected commodities), and activities 2.3 (market-related infrastructure) and 3.3 (project management) are counted as adaptation finance. As per the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total amount of IFAD climate finance for this project is estimated as US\$10.29 million, of which the amount of the second additional IFAD climate finance is US\$1.04 million.

Table 2  
**Original and additional financing summary**  
 (Thousands of United States dollars)

	<i>Original financing</i>	<i>Additional financing</i>	<i>Second additional financing</i>	<i>Total</i>
IFAD loan	13 234	5 214	1 500	19 948
GAFSP grant (IFAD/Ministry of Agriculture and Environment)	11 997	-	-	11 997
GAFSP grant (WFP)	7 996	-	-	7 996
Project participants (in kind)	2 132	-	-	2 132
Private sector (in kind)	1 156	-	-	1 156
Private sector (in cash)	289	-	-	289
Borrower/recipient	4 777	-	-	4 777
Financing gap	6 714	(5 214)	(1 500)	-
<b>Total</b>	<b>48 295</b>	<b>-</b>	<b>-</b>	<b>48 295</b>

Table 3  
**Additional financing (IFAD12 and IFAD13): project costs by component and financier**  
 (Thousands of United States dollars)

<i>Components</i>	<i>Second additional IFAD loan</i>	
	<i>Amount</i>	<i>%</i>
Component 1: Establishment of community-driven agriculture- and natural resources-based nutrition interventions	963	64
Component 2: Improvement of business partnerships and market access	537	36
Component 3: Enabling environment and partnerships	-	0
<b>Total</b>	<b>1 500</b>	<b>100</b>

Table 4  
**Additional financing (IFAD12 and IFAD13): project costs by expenditure category and financier**  
 (Thousands of United States dollars)

<i>Expenditure category</i>	<i>Second additional IFAD loan</i>	
	<i>Amount</i>	<i>%</i>
<b>Investment costs</b>		
A. Work	-	-
B. Goods, services and inputs	-	-
C. Grants and subsidies	1 500	100
D. Consultancies	-	-
E. Training	-	-
<b>Total investment costs</b>	<b>1 500</b>	<b>100</b>
<b>Recurrent costs</b>	<b>-</b>	<b>-</b>
A. Operating costs	-	-
<b>Total recurrent costs</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 500</b>	<b>100</b>

Table 5  
**Project costs by component and project year**  
 (Thousands of United States dollars)

<i>Components</i>	<i>2024</i>		<i>2025</i>		<i>2026</i>		<i>2027</i>		<i>2028</i>		<i>2029</i>		<i>2030</i>		<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	
Component 1	2 583	9	6 612	24	8 315	30	6 787	24	2 218	8	866	3	409	1	27 790
Component 2	9	0	505	7	1 393	19	2 044	27	2 552	34	889	12	45	1	7 437
Component 3	2 636	20	1 712	13	2 179	17	2 189	17	1 661	13	1 366	10	1 325	10	13 069
<b>Total</b>	<b>5 228</b>	<b>11</b>	<b>8 829</b>	<b>18</b>	<b>11 887</b>	<b>25</b>	<b>11 020</b>	<b>23</b>	<b>6 431</b>	<b>13</b>	<b>3 121</b>	<b>6</b>	<b>1 779</b>	<b>4</b>	<b>48 295</b>



**Financing and cofinancing strategy and plan**

28. The IFAD loans of US\$18.4 million (original and additional) and the proposed second additional loan of SDR 1.094 million (US\$1.5 million) are on blend terms and will finance 41 per cent of total project costs. IFAD's share of recurrent cost is 1.3 per cent of total project financing and 3 per cent of IFAD financing.
29. Other cofinancing sources account for 59 per cent of the total project financing with 42 per cent international cofinancing and 17 per cent domestic cofinancing. These include the GAFSP grants, implemented by IFAD and the Ministry of Agriculture and Environment (MAE) and WFP; in-kind project participant contributions; in-kind and cash contributions from the private sector; and counterpart contributions from the Government.

**Disbursement**

30. The revolving fund modality under the report-based disbursements system will be the mechanism used for withdrawing funds from IFAD financing. Quarterly interim financial reports will be used as a basis for submission of withdrawal applications to IFAD and will be submitted to IFAD within 30 days through the IFAD Client Portal (ICP) financial execution module to provide cash flow forecasts and request disbursements from IFAD. Advance withdrawals through a revolving fund approach will be the principal method of disbursement.
31. Government, project participant and private sector contributions will be incorporated into the annual workplan and budget (AWPB) and will be identified in the project accounts.

**Summary of benefits and economic analysis**

32. The results of the economic analysis over a 20-year period show that the project is very profitable, with a net present value of LAK 507,621,786,567 (US\$34,281,385) and an economic rate of return of 26 per cent.
33. A sensitivity analysis confirms that the project would remain profitable in the event of an increase in costs of 28 per cent, a decrease in benefits of 17 per cent, an 11 per cent cost increase or a decrease in benefits of 10 per cent. The project would also remain profitable if benefits were delayed by one year.

**Exit strategy and sustainability.**

34. The draft exit strategy included in of the project design report (annex 11) 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 exit strategy is being further refined during the ongoing implementation to ensure it is owned by MAE and adapted to project development.

**III. Risk management****A. Risks and mitigation measures**

35. The overall project risk is moderate.
36. **Financial risks.** The financial management inherent risk is substantial and residual risk is moderate.
37. Mitigation actions include budget monitoring reports to cover explanations for variance and annual fixed assets verifications; enhancing accounting and reporting by installing the Project Accounting System Standard Edition (PASSE) at the provincial level, ensuring timely acquittal of implementing partner advances and providing capacity-building for new finance staff at the central and district units.
38. Risks associated with the coordination of several donor projects are being mitigated by the decentralized implementation structure.

Table 6  
Overall risk summary

<i>Risk areas</i>	<i>Inherent risk rating</i>	<i>Residual risk rating</i>
Country context	Substantial	Moderate
Sector strategies and policies	Moderate	Moderate
Environment and climate context	Substantial	Moderate
Project scope	Moderate	Low
Institutional capacity for implementation and sustainability	Moderate	Moderate
Financial management	Substantial	Moderate
Project procurement	Moderate	Moderate
Environment, social and climate impact	Moderate	Low
Stakeholders	Moderate	Moderate
<b>Overall</b>	<b>Moderate</b>	<b>Moderate</b>

## B. Environment and social category

39. The environmental and social risk for the project is assessed as moderate. The project is being implemented in the areas inhabited by ethnic groups. As required by IFAD's Social, Environmental and Climate Assessment Procedures (SECAP), an Indigenous Peoples plan and a free, prior and informed consent plan have been prepared and will be operationalized and monitored during project implementation. Risks under other SECAP standards are mostly rated as low or, in a few cases, moderate.

## C. Climate risk classification

40. The project's climate risk is moderate. Key climate-related hazards identified in the project area are landslides, cyclones and extreme heat. Water scarcity is assessed a low, as long as the abundant surface and groundwater resources can be mobilized in a sustainable manner.

## D. Debt sustainability

41. The Lao People's Democratic Republic is assessed to be in external and overall debt distress under the Low-Income Countries Debt Sustainability Framework as per the IMF debt sustainability assessment of 2024. The country is eligible for blend terms under IFAD13 as it is classified as a gap country above the operational cut-off for International Development Aid eligibility for more than two consecutive years. Therefore, Lao People's Democratic Republic is not eligible for Debt Sustainability Framework or Borrowed Resource Access Mechanism financing under IFAD13. The country's risk rating and debt sustainability had deteriorated since the May 2023 debt sustainability assessment due to an adverse macroeconomic environment (through a strong exchange rate depreciation), an expansion of debt coverage to include guaranteed debt, expenditure arrears and the issuance of domestic debt to recapitalize state-owned banks.

# IV. Implementation

## A. Compliance with IFAD policies

42. The original AFN-II design is in line with the country strategic opportunities programme (COSOP) 2018-2024, extended to 2025, and with the new COSOP currently under development. The project will directly contribute to IFAD's strategic objectives for the period 2016-2025, and IFAD cross-cutting priorities and related policies, strategies and action plans will be mainstreamed through a gender-transformative, Indigenous Peoples-focused, nutrition-sensitive and climate finance approach.

43. No adjustment will be made to the original project design report. The second additional financing will be partially covering activities foreseen at design under the financing gap.

## **B. Organizational framework**

### **Management and coordination**

44. The lead programme agency is the MAE through the Department of Planning and Cooperation (DoPC), which has overall responsibility for project implementation and delegates a national project coordinator (NPC). The national project coordination office (NPCO) directly manages project implementation in collaboration with the province and district-level project coordinators, technical departments (e.g. the National Agriculture and Forestry Research Institute) and line agencies. The NPCO will be supported by a full-time international chief technical advisor and a technical assistance team.
45. Overall, the national project steering committee provides policy direction and strategic guidance. The provincial project steering committees approve the AWPBs, and the annual progress and financial reports prepared by districts. The district socioeconomic development committees act as district project steering committees. They meet quarterly to endorse the district AWPB and review the semi-annual project progress reports.

### **Financial management, procurement, and governance**

46. The implementation arrangements follow the structure, policy, and processes already in place for project implementation. As indicated, MAE is the implementing agency, through the DoPC. The NPCO handles the financial management of the project. MAE, through the NPCO, is accountable to the Government and IFAD for the proper use of funds in line with legal agreements.
47. The financial management risk for this project is moderate due mainly to weak financial accounting, reporting and fiduciary weaknesses inherent in community-driven development projects. Project accounting systems will be consistent with international accounting standards. The financial procedures manual will be subject to IFAD and government's clearance, and fiduciary officers will undergo training and capacity-building activities as needed.
48. The withdrawal and use of funds by AFN-II will be governed by the IFAD project financial management and financial control handbook for borrowers and the financing agreement. The disbursement procedures, financial reporting and maintenance of appropriate project records have been described in detail in the project financial management and financial control arrangements letter.
49. The annual financial statements for the project will be subject to annual audit by private independent auditors in compliance with the International Standards on Auditing and according to terms of reference acceptable to IFAD.
50. As custodian of the funds in the project account, the NPCO undertakes the key financial management tasks. The financial management officer at the NPCO is responsible for the actual management of these tasks and will report to the NPC. The MAE, 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 government requirements, and internal financial controls will be regularly applied.
51. **Funds flow and disbursement arrangements.** The existing designated account for AFN-II will continue to be in use for the additional financing. In addition, use of the existing sub-accounts or operating accounts established in commercial banks will continue. The designated 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. Both annual and longer-term workplans will be formulated for the project, defining the project activities to be implemented and detailing the activities year by year. Quarterly and yearly contract award and disbursement plans will be prepared, in line with which the government regulations and activities timeline as well as IFAD's requirements. The utilization of the additional financing loan proceeds will commence after effectiveness.

52. Internal control. The current approved project implementation manual, along with the financial management manual for AFN-II, will be maintained for the second additional financing.
53. **Accounting systems, policies, procedures and financial reporting.** The existing AFN-II accounting system (PASSE) will be used to record financial transactions and generate financial reports. Interim financial reports will be prepared and submitted through the ICP within 30 days following the end of the quarter together with the related withdrawal applications for justification and advances when required. The reporting currency will be the United States dollar and the transaction currency will be the kip.
54. **Procurement.** Procurement will be carried out in accordance with the Lao Public Procurement Law (2017), the Ministry of Finance's Public Procurement Instructions (2019) and subsequent public procurement regulations, provided they are consistent with IFAD's Project Procurement Guidelines. 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 United Nations and WFP procurement guidelines.
55. Procurement will be undertaken: (i) for the overall project by the MAE Procurement Committee with support from the NPCO; (ii) for decentralized 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 the awarded community-based organizations, in compliance with procurement procedures in the Challenge Fund Guidelines; (iv) for climate change adaptation infrastructure by provincial project teams and/or district project teams with approval by the district procurement committee; (v) for food processing and storage facilities by district project teams with approval by the district procurement committee; and (vi) for the Agriculture Production Group (APG) grants by the farmer groups, in compliance with procurement procedures and requirements in the APG Grant Guidelines.
56. **Target group engagement and feedback and grievance redress.** AFN-II target groups and other relevant stakeholders will participate in the project cycle, from planning to implementation to monitoring and evaluation of project interventions. To ensure that an adequate, transparent and fair formal mechanism is available for all project stakeholders, the project implementation manual provides for a detailed grievance redress mechanism, considering national laws and decrees and GAFSP, IFAD and WFP requirements.

### **C. Monitoring and evaluation, learning, knowledge management and strategic communication**

57. The three principal instruments for planning and monitoring will be the monitoring and evaluation database, the logical framework and the AWPB.
58. **Planning.** Draft AWPBs will be prepared by all concerned districts and provinces and by the district and provincial coordination offices and will then be compiled at the national level. The proposed AWPB will be submitted to IFAD and the national project steering committee for approval.

59. **Monitoring and evaluation.** Key indicators are defined in the logframe and will be reported upon in the semi-annual progress reports. The project's monitoring plan will help to direct project interventions to their target project participants effectively and efficiently.
60. **Learning, knowledge management and strategic communication.** Output, outcome, and impact data generated by the monitoring and evaluation 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. 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.
61. Several dedicated knowledge management and communication products will be produced on behavioural change through social and behaviour change communication, gender-transformative approaches, and the promotion and conservation of wild foods.

#### **D. Proposed amendments to the financing agreement**

62. The original financing agreement will have to be amended to incorporate the additional financing of SDR 1.094 million (US\$1.5 million) under the IFAD13 PBAS cycle. This second additional financing from IFAD was not part of the original agreement.
63. No further adjustment or change is expected.

#### **V. Legal instruments and authority**

64. The financing agreement between the Lao People's Democratic Republic and IFAD constitutes the legal instrument for extending the proposed financing to the borrower/recipient. The signed financing agreement will be amended following approval of the additional financing.
65. The Lao People's Democratic Republic is empowered under its laws to receive financing from IFAD.
66. I am satisfied that the proposed additional financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

#### **VI. Recommendation**

67. I recommend that the Executive Board approve additional financing in terms of the following resolution:

RESOLVED: That the Fund shall provide a loan on blend terms and in SDR to the Lao People's Democratic Republic in an amount of one million and ninety-four thousand one hundred and sixteen special drawing rights (SDR 1,094,116) (equivalent to US\$1,500,000) on blend terms and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario  
President

## Logical framework incorporating the additional financing

Results Hierarchy	Indicators				Means of Verification			Assumptions	Project Yr 1 (2023)			Project Yr 2 (2024)			Project Yr 3 (2025)		
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		Year Targets	Year Results	Cumulative	Year Targets	Year Results	Cumulative	Year Targets	Year Results	Cumulative
Outreach	<b>1 Persons reached by project-supported activities</b>				Project monitoring	Midline , endline , annual	NPCO, M&E	Communities, including women and ethnic groups actively take ownership and actively participate in the interventions.									
	Males - Males	0	21500	43000					0	120	120	9000	4811	4931		909	5840
	Females - Females	0	21500	43000					0	273	273	9000	5495	5768		6092	11860
	Young - Young people	0	10750	21500					0	204	204	4500	5164	5368			5368
	Indigenous people - Indigenous people	0	32250	64500					0	393	393	12600	9174	9567			9567
	Total number of persons receiving services - Number of people	0	43000	86000					0	393	393	18000	10306	10699		7001	17700
	Persons with disabilities - Number	0	560	1400					0	0	0	360	0	0			0
	<b>1.a Corresponding number of households reached</b>				Project monitoring	Midline , endline , annual	NPCO, M&E										
	Households - Households	0	11200	28000					0	393	393	3000	3257	3650			3650

	<b>1.b Estimated corresponding total number of households members</b>				Project monitoring	Midline, baseline, annual	NPCO, M&E										
	Household members - Number of people	0	67200	168000				0	2358	2358	18000	19542	21900				21900
<b>Project Goal</b> Enable 28,000 vulnerable households living in the project area to improve their income by 20%, by 2030.	<b>16,800 households with increased incomes by 20% (GAFSP Tier 1 indicator)</b>				Impact assessment	Baseline, midline, endline	NPCO, Government analysis	Increased productivity, value addition and market linkages result in increased income.									
	Households - Number	0	6720	16800													
	Households - Percentage (%)	0	24	60													
<b>Development Objective</b> 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	<b>16,800 households with decreased food insecurity by 20% measured by Food Insecurity Experience Scale (FIES) - GAFSP Tier 1 indicator</b>				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 - Number	0	6720	16800											
	Households - Number of people	0	40320	100800											
	Households - Percentage (%)	0	24	60											
	<b>1.2.8 Women reporting minimum dietary diversity (MDDW)</b>				Project monitoring	Baseline, midline, endline	NPCO								
	Women (%) - Percentage (%)	65.5	70	80											
	Women (number) - Females		5040	14400											
	Households (%) - Percentage (%)		70	80											
	Households (number) - Households		5040	14400											
	Household members - Number of people		30240	86400											



	Women-headed households - Households																
	<b>16,800 households with increased climate change resilience by 30%.</b>				Project monitoring	Baseline, midline, endline	NPCO										
	Households - Number	0	15000	16800													
	Households - Percentage (%)	0	53.5	60													
	<b>IE.2.1 Individuals demonstrating an improvement in empowerment</b>				Project monitoring	Baseline, midline, endline	NPCO										
	Total persons - Percentage (%)	0	75	80													
	Total persons - Number of people	0	22400	56000													
	Females - Percentage (%)	0	75	80													
	Females - Females	0	11200	28000													
	Males - Percentage (%)	0	75	80													
	Males - Males	0	11200	28000													
	<b>1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)</b>				Project monitoring	Baseline, midline, endline	NPCO	Nutrition and care feeding practice benefits are understood and relevant to the targeted communities. Target HHs consider									
	Households (number) - Households	0	4320	12600													
	Households (%) - Percentage (%)	51.3	60	70													

	Household members - of	0	25920	75600				environmentally sustainable and climate-resilient technologies and practices as adequate.									
	<b>Proportion of children 6-23 months of age who receive a Minimum Acceptable Diet (MAD)</b>				Project monitoring	Baseline, midline, endline	NPCO										
	Households Number -	11200	14000	16800													
	Households Percentage (%) -	40	50	60													
	Children Percentage (%) -	40	50	60													
	Children Number -	11200	14000	16800													
	<b>3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</b>				Project monitoring	Baseline, midline, endline	NPCO										
	Total number of household members - of	0	36000	90000													
	Households Percentage (%) -	0	22	54													
	Households -	0	6000	15000													
<b>Outcome</b> 2. Stakeholder Feedback	<b>SF.2.1 Households satisfied with project-supported services</b>				Project monitoring	Midline, endline	NPCO, M&E	The project efficiently delivers on its expected outputs and outcomes									
	Household members -	0	53760	134400													

	Number of people																
	Households - Percentage (%)	0	32	80													
	Households - Households	0	8960	22400													
	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 - Number of people		33600	84000													
	Households - Percentage (%)		20	50													
	Households - Households		5600	14000													
Output 2.1   18,000 households provided with targeted support to improve their nutrition	1.1.8 Persons 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 - Number of people	0	17000	34000					0	393	393	7500	9812	10205		6113	16318
	Males - Males	0	8500	17000					0	120	120	3750	4564	4684		546	5230
	Females - Females	0	8500	17000					0	273	273	3750	5248	5521		5567	11088
	Households - Households	0	7200	18000					0	393	393	3000	3010	3403			3403
	Household members benefitted -	0	43200	108000					0	2358	2358	18000	18060	20418			20418

	Number of people																
	Indigenous people - Indigenous people	0	12750	25500					0	393	393	12600	8778	9171			9171
	Young - Young people	0	4250	8500					0	204	204	4500	5039	5243			5243
	Women-headed households - Households	0	259	648					0	0	0	150	0	0			0
<b>Output</b> 2.2   15,000 people benefiting from cash or food-based transfers	<b>Persons benefiting from cash or food-based transfers</b>				Project monitoring	Baseline, midline, endline, annual	NPCO										
	Males - Number	0	600	1500					0	0	0	3000	2023	2023			
	Females - Number	0	6000	13500					0	0	0	3000	2023	2023			
	Females - Percentage (%)	0	40	90					0	0	0	20	13	13			
	Young - Number	0	1500	3750					0	0	0	750	526	526			
	Total persons - Number of people	0	6600	15000								6000	4046	4046			
<b>Output</b> 2.3 22,400 persons trained in production practices and/or technologies	<b>1.1.4 Persons trained in production practices and/or technologies</b>				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									
	Total number of persons trained by the project - Number of people	0	8960	22400					0	0	0	2000	0	0			0

	Men trained in crop - Males	0	2240	5600				with support from DAFO	0	0	0	500	0	0			0
	Women trained in crop - Females	0	2240	5600					0	0	0	500	0	0			0
	Young people trained in crop - Young people	0	1120	2800					0	0	0	250	0	0			0
	Indigenous people trained in crop - Indigenous people	0	3136	7840					0	0	0	700	0	0			0
	Men trained in livestock - Males	0	2240	5600					0	0	0	500	0	0			0
	Women trained in livestock - Females	0	2240	5600					0	0	0	500	0	0			0
	Young people trained in livestock - Young people	0	1120	2800					0	0	0	250	0	0			0
	Indigenous people trained in livestock - Indigenous people	0	3136	7840					0	0	0	750	0	0			0
	Total persons trained in crop - Number of people	0	4480	11200					0	0	0	1000	0	0			0
	Total persons trained in livestock - Number of people	0	4480	11200					0	0	0	1000	0	0			0
<b>Output 2.4   10,000 farmers receiving inputs or services on climate resilient or sustainable</b>	<b>Number of farmers receiving inputs or services on climate resilient or sustainable agriculture practices (GAFSP Tier 2 indicator #13)</b>				Project monitoring	Baseline, midline, endline, annual	NPCO	Village Agriculture Technicians, Village Veterinary Workers and Lead farmers									

agriculture practices	Males - Number	0	2400	6000				deliver effective last mile advisory services to APG members with support from DAFO	0	0	0	1200	0	0			
	Females - Number	0	1600	4000					0	0	0	800	0	0			
	Males - Percentage (%)	0	24	60					0	0	0	12	0	0			
	Females - Percentage (%)	0	16	40					0	0	0	8	0	0			
<b>Output 2.5</b>   28,000 hectares of land brought under climate-resilient management	<b>3.1.4 Land brought under climate-resilient practices</b>				Project monitoring	Baseline, midline, endline, annual	NPCO										
	Hectares of land - Area (ha)	0	14000	28000					0	0	0	0	0	0			0
<b>Output 2.6</b>   1,500 persons receiving capacity development support	<b>Persons receiving capacity development support (GAFSP Tier 2 Indicator #10)</b>				Project monitoring	Baseline, midline, endline, annual	NPCO	Technical staff (MAF-PAFO-DAFO-LWU-DNC etc) is available for capacity building activities									
	Males - Number	0	150	750					0	69	69	250	345	414			
	Females - Number	0	150	750					0	30	30	250	82	112			
	Males - Percentage (%)	0	20	50					0	69.7	69.7	50	80.8	78.7			
	Females - Percentage (%)	0	20	50					0	30.3	30.3	50	19.2	21.3			
	Young - Number	0	300	750					0	22	22	125	0	22			
<b>Outcome 3.</b> Business Partnerships and Market access improved	<b>2.2.6 Households reporting improved physical access to markets, processing and storage facilities</b>				Project monitoring	Midline, endline, annual	NPCO										

	Households reporting improved physical access to markets - Percentage (%)	0	9	21													
	Size of households - Number of people	0	45000	108000													
	Households reporting improved physical access to processing facilities - Percentage (%)	0	9	21													
	Households reporting improved physical access to storage facilities - Percentage (%)	0	9	21													
	Households reporting improved physical access to markets - Households	0	2500	6000													
	Households reporting improved physical access to processing facilities - Households	0	2500	6000													
	Households reporting improved physical access to storage facilities - Households	0	2500	6000													

	<b>2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities</b>														
	Number of POs - Organizations	0	200	600				0	0	0	0	0	0		
	Total number of POs members - Number	0	6000	15000				0	0	0	0	0	0		
	Women PO members - Number	0	3000	7500				0	0	0	0	0	0		
	Men PO members - Number	0	3000	7500				0	0	0	0	0	0		
	Young PO members - Number	0	1500	3750				0	0	0	0	0	0		
	Indigenous people PO members - Number	0	4200	10500				0	0	0	0	0	0		
<b>Output</b> 3.1   1,000 producer-based organizations supported	<b>2.1.3 Rural producers' organizations supported</b>				Project monitoring	Midline , endline , annual	NPCO								
	Total size of POs - Organizations	0	10000	25000				0	0	0	900	494	494		494
	Rural POs supported - Organizations	0	400	1000				0	0	0	45	19	19		19
	Males - Males	0	5000	12500				0	0	0	450	247	247		247
	Females - Females	0	5000	12500				0	0	0	450	247	247		247
	Young - Young people	0	2500	6250				0	0	0	225	125	125		125
	Indigenous people - Indigenous people	0	7000	17500				0	0	0	630	396	396		396



	Rural POs supported that are headed by women - Organizations	0	160	400					0	0	0	15	0	0			0
<b>Output</b> 3.2   500 processing, storage, and market facilities constructed and/or rehabilitated	<b>2.1.6 Market, processing or storage facilities constructed or rehabilitated</b>				Proje ct moni torin g	Baselin e, midline , endline , annual	NPCO	Business plans are profitable and sustainable in the foreseen macro-economic context.									
	Total number of facilities - Facilities	0	250	500					0	0	0	0	0	0			0
	Market facilities constructed/rehabilitated - Facilities	0	50	100					0	0	0	0	0	0			0
	Processing facilities constructed/rehabilitated - Facilities	0	50	100					0	0	0	0	0	0			0
	Storage facilities constructed/rehabilitated - Facilities	0	150	300					0	0	0	0	0	0			0
	<b>2.1.5 Roads constructed, rehabilitated or upgraded</b>																
	Length of roads - Km	0	100	300							0			0			0
<b>Output</b> 3.3   50 MSMEs joining the SUN Business Network as new members	<b>Number of MSMEs joining the SUN Business Network as new members</b>				Proje ct moni torin g	Baselin e, midline , endline , annual	NPCO										
	Number of MSMEs joining - Number	0	20	50					0	0	0	0	0	0			
<b>Outcome</b> 4. Multisectoral	<b>Number of nutrition plans developed and endorsed</b>				Proje ct	midline ,	NPCO	Nutrition committees									

planning processes supported					monit oring	endline , annual		active and committed to the nutrition policy implementation.									
	Nutrition plans developed - Number	0	200	401					0	0	0	15	15	15			
	Nutrition plans endorsed - Number	0	187	375													
<b>Output</b> 4.1   30 policy-relevant knowledge products completed	<b>Policy 1 Policy-relevant knowledge products completed</b>				Proje ct moni torin g	midline , final evaluati on	NPCO										
	Number Knowledge Products -	0	12	30					0	0	0	0	0	0			0

## Summary of the original Economic and Financial Analysis

Given that the Additional Financing will cover intervention costs under the financing gap identified at design, the Economic and Financial Analysis (EFA) of the original Project Design Report remains valid and relevant, and no further changes are expected.

The primary source of economic benefit identified for the project is derived directly from Sub-components 1a and 1b and Component 2. The rest of the project activities work to create an enabling environment for the project to achieve the intended economic benefit.

Table A

### Primary source of economic benefits of the project

Component	Sub-component	Activity	Model
Component 1: Establishment of community-driven agriculture- and natural resource-based nutrition interventions	Subcomponent 1.1: Improved nutritional status of women, children, girls and other vulnerable groups	Integrated home garden establishment	Integrated home garden for nutrition
	Subcomponent 1.2: Improvement of agricultural productivity for selected commodities	Community-based organizations strengthening	Poultry raising Pig raising Goat raising Cardamom farm Galangal farm Forage farm Fish culture Banana farm Vegetables under greenhouse
		Climate change adaptation infrastructures built and upgraded	Irrigation (wet season rice) Irrigated crop diversification
Component 2: Improvement of business partnerships and market access		Support to MSMEs in food supply chains	Banana processing
		Market related infrastructures	Access to tracks Water supply

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. The results of the financial analysis show that overall the proposed activities are highly profitable with positive NPVs at a discount rate of 10%, and all

proposed activities have a positive impact on food security at the project level for household beneficiaries. Poultry raising, goat raising and irrigation wet season rice and diversification models are the most profitable and less risky activities for target beneficiaries.

The main summary tables of the EFA are provided below.

**Table B**  
**Financial cash flow models**

No.	Model	Working Capital 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

**Table C**  
**Project costs and logframe targets**

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

Table D  
Main assumptions and shadow prices

Financial assumptions	Outputs	Cycles per year	Mortality rate	Yield without project	Yield with project	Output prices	Input prices	
	Poultry	3	30%				Veterinary expense	100 000 LAK
	• Adult chicken sales			180 kg	350 kg	55 000 LAK	Feed (rice bran)	2 000 LAK/kg
	• Eggs sales			0 unit	220 units	1 500 LAK	Animal feed (for chicken)	7 500 LAK/kg
	Pig	2	30%				Parent chickens	100 000 LAK/head
	• Adult pig sales (40 kg)			100 kg	200 kg	35 000 LAK	Animal feed (for pig)	10 000 LAK/kg
	• Piglets sales			100 kg	200 kg	100 000 LAK	Piglet	1 000 000 LAK/head
	Adult goat sales (25 kg)	2	20%	40 kg	500 kg	45 000 LAK	Parent chickens	100 000 LAK/head
	Fish sales (tilapia)	1	20%	150 kg	300 kg	25 000 LAK	Adult goat	1 200 000 LAK/head
	Fresh cardamom	1		200 kg	500 kg	40 000 LAK	Grass seed	30 000 LAK/kg
	Galangal	1					Fingerling	500 LAK/head
	• Dry galangal sales			140 kg	300 kg	25 000 LAK	Cardamom seedling	50 000 LAK/plant
	• Fresh galangal sales			80 kg	200 kg	2 000 LAK	Galangal seedling	10 000 LAK/plant
	Banana	1					Skilled labour (paid)	80 000 LAK/day
	• Banana sales			3 000 kg	7 500 kg	2 000 LAK	Family labour	48 000 LAK/day
	• Banana shoot sales			20 pieces	50 pieces	4 000 LAK	Banana shoots	150 000 LAK/piece
	• Banana blossom and leaf sales			40 pieces	100 pieces	3 000 LAK	Manure	1 000 LAK/kg
	Fresh vegetable sales	2		1 000 kg	2 300 kg	6 000 LAK	Seeds (vegetables)	25 000 LAK/kg
	Wet paddy	1					Fertilizer	50 000 LAK/kg

	• Wet paddy sales			2 000 kg	2 500 kg	2 500 LAK	Seeds (rice)	2 800 LAK/kg
	• Rice bran sales			100 kg	500 kg	2 500 LAK	Soil tillage	100 000 LAK
	Dry season crops	1					Land preparation (garlic, peanut)	500 000 LAK
	Garlic sales			500 kg	700 kg	15 000 LAK	Chemical applications	500 000 LAK
	Peanut sales			1 500 kg	2 000 kg	10 000 LAK		
<b>Economic assumptions</b>	Exchange rate		15 033		Discount rate		10%	
	Standard Conversion Factor		0.985		Cost increase		20%	
	Loan annual interest rate		36%		Income decline		20%	

Table E

**Beneficiary adoption rates and phasing**

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			

Table F

**Economic cash flow**

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.

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
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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

Table G

**Sensitivity analysis**

<b>Situation</b>	<b>NPV ('000 000 LAK)</b>	<b>NPV ('000 US\$)</b>	<b>ERR</b>
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%
<b>Situation</b>	<b>NPV ('000 000 LAK)</b>	<b>NPV ('000 US\$)</b>	<b>ERR</b>
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%