



Ministry of Agriculture and Forestry of Lao PDR



Enabling poor rural people
to overcome poverty

Partnerships for Irrigation and Commercialisation of Smallholder Agriculture (PICSA)

Project Implementation Manual (PIM)

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Currency equivalents

Fiscal year: 1 January to 31 December

| | | |
|----------------------|---|---------------|
| Currency Unit | = | Lao Kip (LKP) |
| US\$1.0 (March 2019) | = | LAK 8,564 |

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 decimal | = | 0.01 acre |

Abbreviations and acronyms

| | |
|--------|---|
| ADB | Asian Development Bank |
| AFN | Agriculture for Nutrition Project |
| AIF | Agri-business Investment Facility |
| AWPB | Annual Work Plan and Budget |
| BMZ | German Ministry for Economic Cooperation and Development |
| CCA | Climate Change Adaptation |
| COSOP | Country Strategic Opportunities Programme |
| Costab | Budgeting software |
| DA | Designated Account |
| DAFO | District Agriculture and Forestry Office |
| DoI | Department of Irrigation |
| DETEAP | Department of Technical Extensions and Agriculture Processing |
| DONRE | District Office of Natural Resources and Environment |
| DPI | Department of Planning and Investment (MAF) |
| DSA | Daily Subsistence Allowance |
| DSEDC | District Socio-Economic Development Committee |
| EU | European Union |
| ERP | Lao PDR Emission Reductions Programme through Improved Governance and |

Sustainable Forest Landscape Management (ERP, BMZ/GCF-funded, to be implemented by GIZ).

| | |
|---------|--|
| Farmod | Farm modelling economic and financial software |
| FGIF | Farmer Group Investment Facility |
| FNML | Southern Laos Food and Nutrition Security and Market Linkages Programme |
| GAP | Good Agricultural Practice |
| GCF | Green Climate Fund |
| GoL | Government of Lao Peoples Democratic Republic |
| HH | households |
| IFAD | International Fund for Agricultural Development |
| KM | Knowledge Management |
| Kumban | Cluster of villages / administrative unit |
| LAK | Lao Kip (national currency) |
| LWU | Lao Women Union |
| LtB | Letter to the Borrower |
| MAF | Ministry of Agriculture and Forestry |
| MoES | Ministry of Education and Sports |
| MoH | Ministry of Health |
| MoF | Ministry of Finance |
| MONRE | Ministry of Natural Resources and Environment |
| M&E | Monitoring and Evaluation |
| PAFO | Province Agriculture and Forestry Office |
| PDR | People's Democratic Republic |
| PIM | Programme Implementation Manual |
| PLUP | Participatory Land Use Plan |
| PPP | Purchasing power parity |
| SACCC | Smallholder Adaptation to Climate Change Component - FNML |
| SLM | Sustainable Land Management |
| SNRMPEP | Sustainable Natural Resource Management & Productivity Enhancement Project |
| SRIWMSP | Sustainable Rural Infrastructure and Watershed Management Sector Project |
| SSSJ | Community-based Food Security and Economic Opportunities Programme 'Soum Son Seun Jai' |
| ToR | Terms of Reference |
| USD | United States Dollar |
| UXO | Unexploded Ordnance |
| VAT | Value Added Tax |
| VC | Value Chain |
| WA | Withdrawal Application |
| WOCAT | World Overview of Conservation Approaches and Technologies |
| WoP | Without-project |
| WP | With-project |

A. THIS DOCUMENT

Function and Status

1. This draft Project Implementation Manual (PIM) provides guidelines for implementing the *Partnerships for Irrigation and Commercialisation of Smallholder Agriculture (PICSA)* Project. The PIM describes how PICSA will invest in intensified agriculture, value chains and improved nutrition and how the project will be managed. This is supported by standard formats, terms of references (ToRs), agreements and examples; as well as by an Annual Work Plan and Budget and a Procurement Plan for the first stage of the Project. This PIM is accompanied by a stand-alone Financial Management Manual (FMM) and Project Procurement Guideline (PPG). Basic instruction for financial management and procurement are included in the Letter to the Borrower (LtB) dated 14 November 2019.

2. The PIM is to be read in conjunction with the main Project Design Report. This PIM was drafted by IFAD and has been once carefully reviewed by the PGT and other implementing agencies and by all major stakeholders in the Project; changes have been made where appropriate. The PIM will be submitted to IFAD again to review any changes proposed as a result of the review to require the concurrence of IFAD before such a change is included as an approved project implementation procedure or approach. Finalisation of the project implementation procedures, coordinated by the Department of Irrigation (DOI) of the Ministry of Agriculture and Forestry (MAF), is a condition for effectiveness of the financing of the Project. The finalisation of the PIM is therefore a matter of priority.

3. Once IFAD financing for PICSA has become effective, the Project Implementation Manual, together with the provisions for financial management and procurement, will form the basis for the Project's systematic implementation. Experience in implementing the Project may necessitate amendment of the PIM. If so, the Project Steering Committee (PSC) duly informed by the Programme Governance Team (PGT) and the concerned project partners, proposes appropriate changes, which will become effective upon IFAD concurrence.

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4. The second chapter provides a background description of PICSA, which provides the reader background to understand the procedures described in the following chapters. At the same time, the project description in chapter B forms a basis for sections describing the Project that are to be included in the Project's progress reports, technical publications and brochures.

5. Chapter III will describe the set-up and functioning of project management, including arrangements for planning, monitoring and evaluation. Separate technical manuals provide guidance for financial management and procurement.

6. Implementation procedures for project components are described in chapter IV, V and VI:

Component 1: Intensified agricultural development

Component 2: Value chains developed

Component 3: Improved nutritional practices

B. PROJECT DESCRIPTION

For use in reports

7. The Government of Lao PDR (GoL) and IFAD agree to allocate IFAD's 11th country allocation to a Project that pursues intensified agricultural production and commercialisation of smallholder agriculture. This Project is named *Partnerships for Irrigation and Commercialisation of Smallholder Agriculture* (PICSA). PICSA is designed as part of a regional programme, financed by ADB/EU and BMZ/GCFA. PICSA provides added value to investments in irrigation infrastructure and catchment management by building market linkages, enhancing commercialisation and intensification of (irrigated) agriculture and supporting improved nutritional practices.

8. PICSA provides irrigation management and market linkage support to irrigation systems rehabilitated under the *Sustainable Rural Infrastructure and Watershed Management Sector Project* (SRIWMSP, ADB/EU-funded); as well as to other irrigated areas and their environments. Both SRIWMSP and PICSA benefit from conservation measures in the upper catchments supported through the *Lao PDR Emission Reductions Programme through Improved Governance and Sustainable Forest Landscape Management Project* (ERP; BMZ/GCF-funded, implemented by GIZ). The combined programme aims to increase farm incomes from high value crops, market produce supply and variety, watershed conservation and nutrition in the four northern provinces of Houaphan, Xieng Khouang, Luang Prabang and Xayaboury.

9. **Rationale.** PICSA's immediate rationale is that higher profits from irrigation systems enable water user groups to finance operation, maintenance and minor system modifications – and thereby to sustain their systems. The wider rationale is that intensified commercial smallholder agriculture in the farming system centred on irrigated wetlands constitutes a strong driver for local socio-economic development, improved nutritional intake and sustainable use of natural resources.

10. **Project objectives.** The Goal to which PICSA will contribute is enhanced livelihood resilience and sustainability within the Project intervention area. The Development Objective – to be attained by the beneficiary households using the outputs provided by the Project – is sustainable and inclusive local economic development. The Development Objective is supported by tangible Project outcomes in the areas of intensified smallholder agriculture, market linkages, and nutrition; and is underpinned by a strong drive for inclusiveness.

11. **Geographic area.** PICSA shares with SRIWMSP an initial focus on 15 irrigation schemes in 12 districts in 4 provinces, where it builds conditions for better system maintenance by enhancing the use of irrigation for the production of high value crops. While malnutrition and poverty are less widespread in these fifteen schemes than in remoter areas, the areas serve as a springboard for linking services and markets to adjacent areas. PICSA addresses clusters of lowland paddy areas ('irrigated wetlands') around and including these 15 schemes, as well as adjacent hill slopes, which have a potential for intensified rainfed crop and livestock production and which are farmed by the same households cultivating lowland paddy, as well as by others, often poorer households in the same communities. PICSA will coordinate with communities through existing Village structures and will support local economic development by enhanced production of high value crops.

12. **Beneficiaries and target group.** The estimated population of the 'PICSA villages' stands at approximately 215,000 (41,000 households at an approximate household size of 5.2). Country statistics suggest that approximately 15% are female-headed households. Only 25% of the population is young (age bracket 15 – 35 years), showing the effects of out-migration, whereas 40% belongs to ethnic groups. While actual percentages per village will show a wide variability reflecting factors such as the population's ethnicity, the establishment date of the village; and its relative remoteness, it is estimated that 5% of the population is extremely poor and practically landless and another 25% are poor (i.e. below the international poverty line). A large group (50%) of the population is near poor and lives below the lower-middle income line, while remaining highly vulnerable to shocks, which can push them

below the poverty line. These three groups constitute the Project’s target group. In addition to the above target group definition (extreme poor, poor and near poor), the Project defines women, youth, ethnic groups and undernourished people as special target categories.

13. Against a scenario of stagnation in rural areas – caused by poor market integration, unsustainable resource usage and adverse nutritional practices – the Project supports better governance to boost market linkages, enhance the irrigated production potential, pursue sustainable natural resources management and improve nutrition practices (see Figure 1). Investments in intensified agricultural production, improved value chains and better nutritional practices combined with continued governance over targeting of opportunities will support emergence of market-led smallholder agricultural production of (irrigated) high value crops in a manner that is both inclusive and nutrition-sensitive. Results from these investments will lead to better incomes and a better health status, which form cornerstones for resilient and sustainable livelihoods in the Project area.

14. Better governance is key to this approach. Agriculture is the main driver of development; while social inclusion of poor, women, youth and ethnic groups together with improved nutritional practices are key determinants of the quality of development. Governance at local level, provided by concerted efforts of the District line agencies and Village Authorities, farmer groups (including WUGs) and value chain partners, ensures the quality of development. PICSA support to better governance of resource use, market conditions and targeting helps build an enabling environment for improving market linkages, intensified production and nutrition practices.

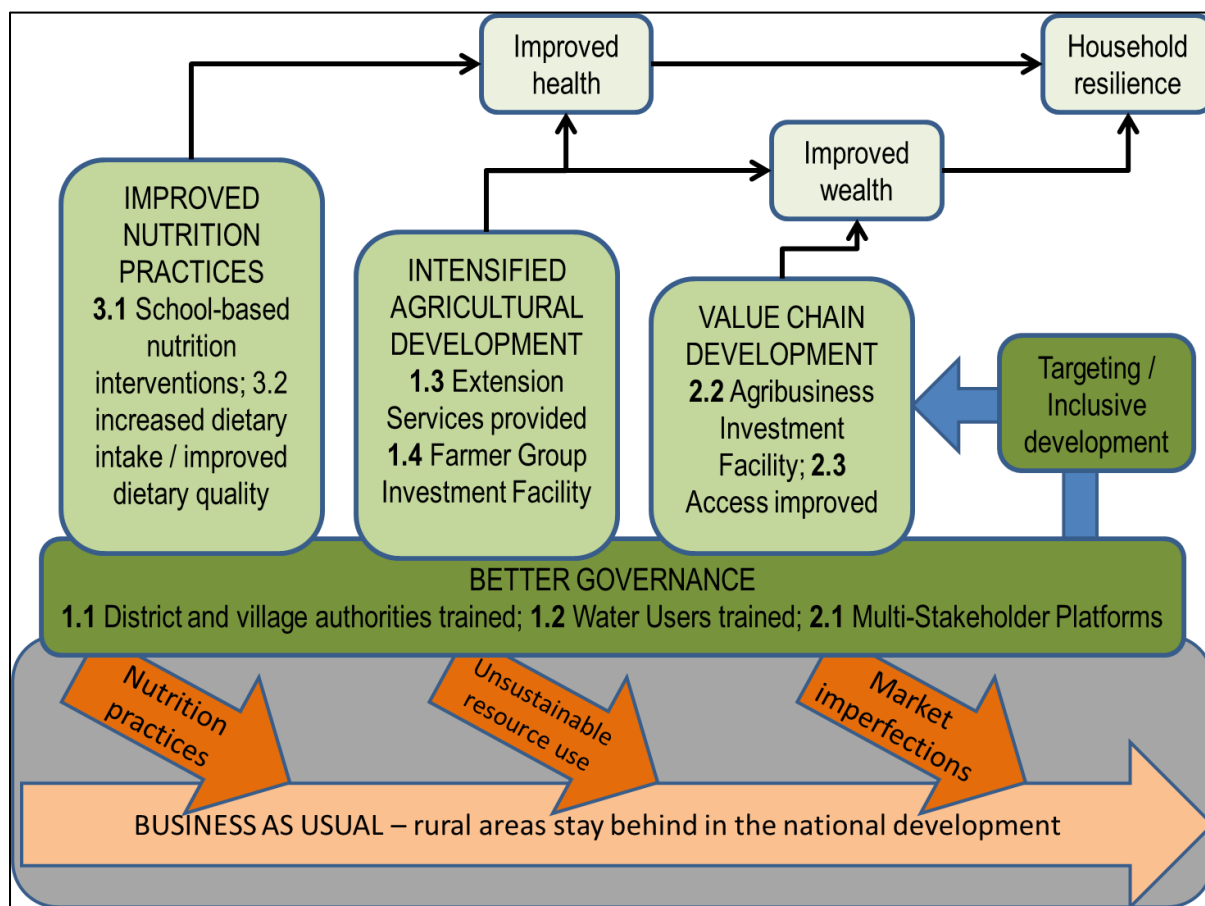


Figure 1: PICSA’s intervention logic and outputs (numbered)

Summary description for brochures

15. The Government of Lao PDR (GoL) and IFAD invest in a Project that pursues intensified agricultural production and commercialisation of smallholder agriculture. This *Project is named Partnerships for Irrigation and Commercialisation of Smallholder Agriculture (PICSA)*. PICSA provides irrigation management and market linkage support to irrigation systems rehabilitated under the

Sustainable Rural Infrastructure and Watershed Management Sector Project (SRIWMSP, ADB/EU-funded); as well as to other irrigated areas and their environments. Both SRIWMSP and PICSA benefit from conservation measures in the upper catchments supported through the *Lao PDR Emission Reductions Programme through Improved Governance and Sustainable Forest Landscape Management Project* (ERP; BMZ/GCF-funded, implemented by GIZ). The combined programme aims to increase farm incomes from high value crops, market produce supply and variety, watershed conservation and nutrition in the four northern provinces of Houaphan, Xieng Khouang, Luang Prabang and Xayaboury.

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C. PROJECT MANAGEMENT

Management principles

17. PICSA applies and builds on national principles for decentralisation and integration:

- Sam Sang – Laos’ approach to decentralisation aims to make Villages centres of development by assigning implementation in the Districts, with the Provincial level playing a coordinating. PICSA is implemented along these lines, with Districts playing a pivotal role in providing Project services to target villages; and concerned Village Authorities providing leadership in targeting and ensuring good usage of these services;
- Convergence Approach – Formulated to guide the integration of different perspectives in the country’s action plan for nutrition; the principle of convergence of the actions of specialised organisations towards a shared higher objective is also significant for other fields of development. PICSA starts from the premise that partnership across government line agencies, disciplines and hierarchies is essential for successful project implementation and management.

18. The above translates into two simple guidelines: (i) Activities will be implemented at the lowest appropriate level, unless it is impossible to facilitate this; 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; but in many cases (esp. implementation of financing facilities and nutrition improvement) several concerned line agencies may be involved.

19. The consequence of these two guidelines is that – to support decentralised implementation – the national Programme Governance Team (PGT) and the Provincial Project Implementation Team (PPIT) are primarily responsible for initiating and enabling the implementation of Project activities by the Districts. 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.

20. PICSA and SRIWMSP are harmonious projects and their coherence and synergy is safeguarded by both projects sharing the same structures for steering and implementation.

Project preparation and start-up

21. The initial stages of a new Project are crucial, as during this period the project management routines are established.

22. **Manuals and Plans.** The Project Implementation Manual includes procedural guidance on the preparation and implementation of activities; which includes:

- **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 Plan** – 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 (see 0);
- Wealth Ranking Methodology (see D.2);
- Guideline on Participatory Water Management (D.4);
- Guideline for the Farmer Group Investment Facility (see D.10);
- Guideline for the Agro-Enterprise Investment Facility (see E.3);
- Guideline for Farm Tracks (E.6) and Village Roads (E.7) including Environmental and Social Checklist.

23. In addition, an **Exit and Scaling strategy** must be prepared and shared with IFAD prior to the project Mid-Term Review (MTR) – see C.21.

24. **Establishment and mobilisation.** The implementing agency (DOI) 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 Programme Governance Team, the Provincial Project Implementation Team and the District Project Implementation Teams. This includes assignment of government staff to these units, as well as the recruitment of key project staffs.

25. **Start-up Workshop.** Once PGT key staff is assigned, a start-up workshop with PGT staff and representatives of the implementing partners is held. The PMU 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.

26. **Orientation meetings for all PGT/PPIT/DPIT staff.** All staff (i.e. assigned government staff and hired key project staffs) will take part in orientation meetings at the start of the project. The objective of the training will develop a clear understanding of project objectives, project components, implementation methodologies of each component/activity, financial arrangements, monitoring and evaluation requirements. The staff orientation for PGT staff is ideally combined with the Start-up Workshop, but will be held as a standalone event, if not otherwise possible. The PGT will organise orientation meetings at Provincial level, with full participation of the concerned provincial and district line agencies.

27. **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 PGT's accounting software, etc.,

Project Steering Committees and Overall Implementation Structure

28. Project steering committees will be formed at all three levels of the project; i.e. national, provincial and district levels. Project Structures for steering and implementation are shared with SRIWMSP.

29. The National Project Steering Committee (NPSC) comprises representatives of MAF, Ministry of Planning and Investment (MPI), Ministry of Finance (MOF), Ministry of Industry and Commerce (MOIC), Ministry of Natural Resources and Environment (MONRE), Lao National Chamber of Commerce and Industry (LNCCI) as well as the Vice Governors of the concerned four Provinces; and is chaired by the Vice Minister of MAF. In view of the nutrition emphasis in both PICSA and SRIWMSP, membership of the Ministries of Health (MoH) and Education & Sports (MoES), as well as the Lao Women Union (LWU) is required. The NPSC will meet annually with additional meetings (and membership) as needed. The mandates of the NPSC are to provide strategic guidance and make major decisions to support project implementation, which in all cases also require IFAD's no objection:

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

30. The steering committee structure and mandates are replicated at Province (PPSC) and District (DPSC) levels, under chairmanship of the respective Provincial or District Vice-Governors. The respective Director of PAFO or DAFO is the vice chair and concerned provincial and districts technical line agencies are represented. Concerned District Vice-Governors are member of the PPSC, while Village Heads are member of the DPSC. The Project Coordinators at Provincial and District levels are member-secretary to their respective meetings. PPSCs meet semi-annually and DPSCs meet quarterly.

31. The PPSC's and DPSC's mandates are:

- Prepare recommendations to the NPSC with respect to AWPB, programme implementation support through regular PSC quarterly and yearly meetings on project status and issues, with practical meeting minutes, timely shared with all implementing partners for following up and implementation reference; and policy dialogues; and
- Take necessary actions to ensure partnerships in rural decentralised implementation of PICSA.

Project Governance Team

32. Implementation of the project is led by a Project Governance Team (PGT) which is located in DOI and oversees both SRIWMSP and PICSA. PGT is led by the PGT Leader who is the Deputy Director General of DoI, who is assisted by a Deputy PGT Leader, a National Project Coordinator (NPC) and a Deputy National Project Coordinator (DNPC). The structure of PGT is shown in Figure 2.

33. The NPC / DNPC reports to the PGT Leader and is deputed full-time to this position to provide leadership for the full duration of the PICSA implementation period. The Project Coordinator leads both SRIWMSP and PICSA.

34. PICSA will finance the following externally recruited consultants who will be located in PGT: (1) Chief Technical Adviser (CTA) who will report directly to the NPC; (2) Finance Management Officer; (3) Procurement Officer and (4) PICSA M&E Officer.

35. PICSA will also finance technical consultants located in PGT as indicated in Figure 1.

36. Terms of Reference for PGT staff and consultants are in Appendix 4.

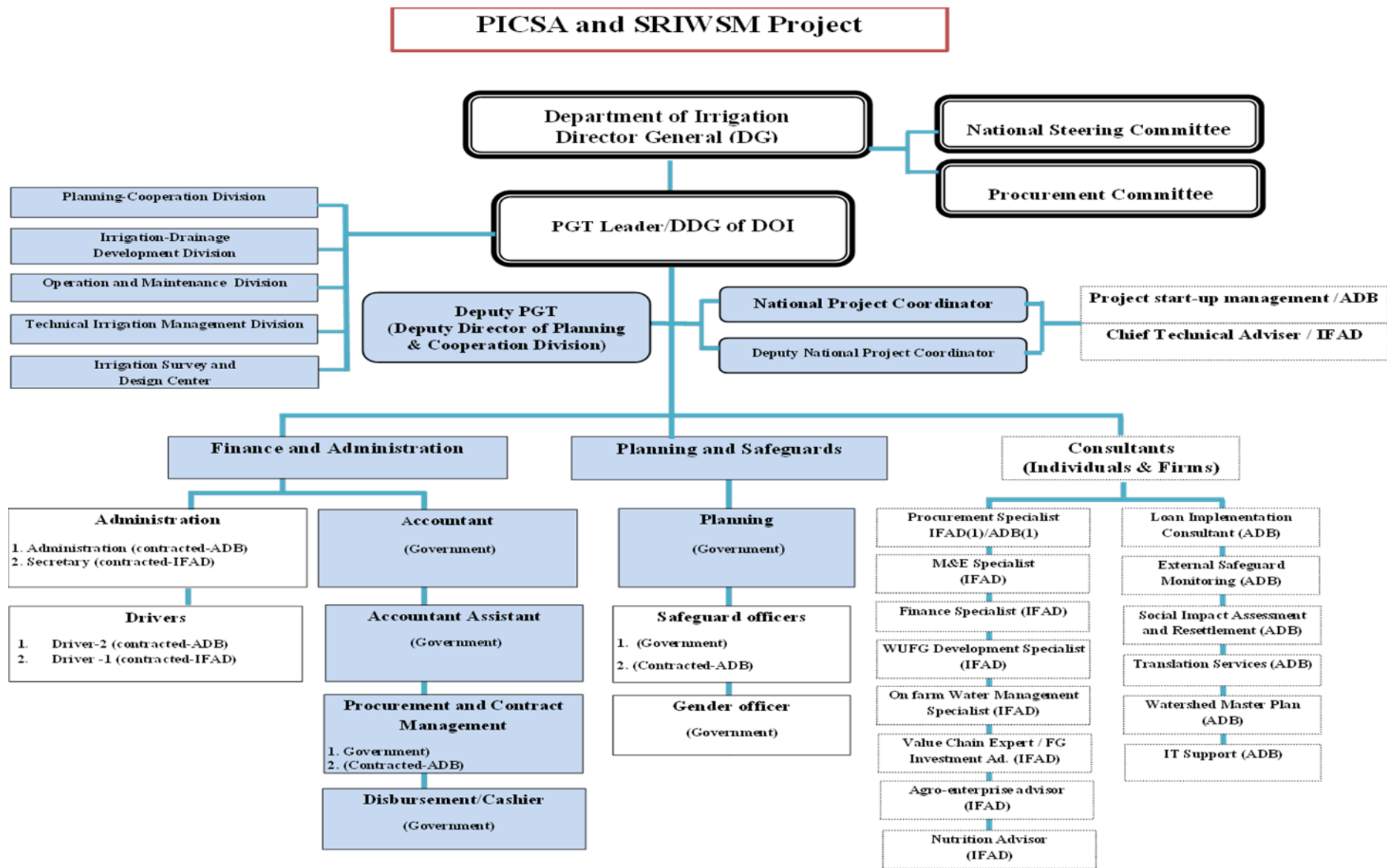


Figure 2: Structure and Staffing of PGT

37. The PGT is responsible for the sound and swift implementation of the Project through decentralized implementation and integrated work processes (see section C.B.1). In addition to the responsibilities defined in the SRIWMSP Project Administrative Manual (PAM), the PGT will undertake the following tasks in connection with PICSA:

- Overall project management and coordination;
- Liaison and coordination with IFAD;
- Secretariat support to the PSC;
- Initiate establishment of structures and procedures for project implementation and facilitate their performance / application;
- Arrange for start-up workshop and orientation meetings to kick-start implementation;
- Adhere by, implement and propose necessary revisions to the project implementation manuals listed in section C.0;
- Consolidate and assure quality of 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 four Provinces; consolidate and review AWPB submissions from PPIT, finalise and submit to PSC for approval;
- Prepare tender documents and support procurement processes undertaken by Procurement Committee. Monitor and support procurement by DDIT.
- Provide technical support to facilitate project coordination and implementation by PPIT and DPIT;
- Ensure and keep 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 action;
- Ensure coherence of PICSA with SRIWMSP and other relevant projects and programmes;
- Prepare for and facilitate (combined) project supervision missions and implementation support missions.

Provincial Project Implementation Team

38. The Provincial Project Implementation Team (PPIT) is led by the full-time Provincial Project Coordinator (PPC) for both PICSA and SRIWMP.

39. Focal Points from Provincial Agriculture and Forestry Office (technical sections of PAFO: irrigation, agronomy, extension, forestry and livestock), Department of Industry and Commerce, and other provincial technical line agencies as required, are seconded into the PPIT to support the Agro-Enterprise Financing Facility and value chain development activities.

40. The following externally recruited staff are attached to PPIT: (1) Provincial Project Accountant; (2) Provincial Development Adviser; (3) Provincial Farmer Group Investment Adviser.

41. TOR for PPC and externally recruited PPIT staff are in Appendix 4.

42. The PPIT is responsible for sound and swift implementation of the Project through decentralized implementation and integrated work processes (see section C.B.1). In addition to the responsibilities defined in the SRIWMSP Project Administrative Manual, the PPIT will undertake the following tasks in connection with PICSA:

- Coordinate preparation of the PICSA AWPB, including ensuring a balanced application of Project resources across the Districts. Consolidate AWPB submissions from DPIT and submit to PGT;
- Coordinate PICSA activities and integrate these with activities of SRIWMSP and other related donor-financed programmes;
- Liaison and communication between PGT and DPIT;
- Coordinate technical support to DPIT and District technical agencies from Province level as needed;
- Monitor implementation progress.
- Prepare progress statements and reports in line with PGT requirements and formats.

District Project Implementation Team

43. The District Project Implementation Team (DPIT) is led by the full-time District Project Coordinator (DPC). Focal Points from District Office of Irrigation (DOI,

44. Focal Points from District Agriculture and Forestry Office, and the Departments of Industry & Commerce, Health and Education & Sports, as well as in the Women's Union, the Youth Union and other district technical line agencies as required, are seconded into the DPIT to support activities related to agricultural intensification, value chain development and improvement of nutritional practices.

45. The following externally recruited staff are attached to DPIT: (1) District Project Accountant; (2) District M&E Officer; (3) District Agriculture Extension Adviser; (4) Cluster Facilitators (3 – 4 per District).

46. TOR for DPC and externally recruited DPIT staff are in Appendix 4.

47. The DPIT is responsible for sound and swift implementation of the Project through integrated work processes (see section C.B.1). The DPIT will undertake the following tasks in addition to duties emerging from the SRIWMSP implementation:

- Prepare the PICSA AWPB for the District, ensuring a balanced application of Project resources across the Villages and submit to PPIT for review.
- Manage project funds transferred from PGT;
- Coordinate implementation activities of District technical agencies;
- Coordinate PICSA activities and integrate these with activities of SRIWMSP and other related donor-financed programmes;
- Ensure timely and complete collection and reporting of M&E data;
- Prepare progress statements and reports in line with PGT and PPIT requirements and formats.

Project implementing partners and concerned line agencies – Project implementation

48. PICSA's components and the outputs thereunder are delivered through decentralized line agencies:

- **Intensified agricultural development:** Ministry of Agriculture and Forestry and especially its Departments of Irrigation, Planning and Finance and Agricultural Extension and Agro-Processing; as well as the Ministry of Natural Resources and Environment;
- **Value chains developed:** Ministry of Industry and Commerce, Chamber of Industry and Commerce, especially its SME Support Centre;
- **Improved nutritional practices:** The Convergence agencies - Ministry of Agriculture and Forestry; Ministry of Health (MoH) and Ministry of Education and Sports (MoES), Lao Women Union (LWU) and Youth Union.

Agreements for project implementation

49. PICSA is expected to engage with partners to achieve project ambitions. This is specifically the case for the SME Support Centre (SSC) established by the Lao National Chamber of Commerce and Industry (LNCCI) is partner in training prequalified enterprises in development of business cases for consideration of the Agro-Enterprise Investment Facility (AIF). PICSA will sign a Memorandum of Understanding (MoU) which defines the mutual obligations of PICSA and SSC. A draft MoU is included in appendix 5.

Social, Environmental and Climate Assessment Procedures

50. A Social, Environment and Climate Assessment Procedures (SECAP) Review Note has been prepared for PICSA in accordance with IFAD standards. Based on this review, PICSA is classed in Environmental and Social Risk Category B, with moderate climate change risk profile. An Environmental and Social Management Plan (ESMP) has been prepared and is attached as Appendix 8.

51. **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)**, particularly to prevent harmful use of agriculture chemicals and to prevent soil erosion.
- **Efficient and sustainable use of water resources.** Irrigation developments supported by PICSA will be below 100ha 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-courses. Operation and maintenance planning of roads should take into account tasks needed for environmental protection (e.g. keeping drainage channels clean). The DPIT in partnership with the District Public Works and Transport Office **will develop a guideline and checklist** for ensuring environmental sustainability of PICSA roads;
- **Avoid or minimize land acquisition:** PICSA will not support any development that requires involuntary resettlement of 20 or more people. Any involuntary resettlement should be avoided wherever possible. In case involuntary resettlement is needed, the provisions of the Decree for Compensation of Impact of Development Projects (Decree 84 dated 5 April 2016) will apply.
- **Compliance with environmental laws and regulations:** a list of relevant environmental laws and regulations from the SECAP Review Note is included in Appendix 8.

52. **Climate risks.** The project will adopt a combination of avoidance, adaptation and mitigation measures to reduce the possible negative impacts of climate change related natural events on project outcomes. These are tailored to upland and lowland areas and include both technical and institutional capacity building measures.

53. 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 trainings to promote sustainable land and water management practices and improved technologies that will enhance climate change resilience.

54. The following table from the Project Design Report includes a matrix of measures to counter the specific climate risks affecting the Project area.

| Table: Climate Related Risk Avoidance, Adaptation and Mitigation | | | |
|---|--------------|--------------|-----------------|
| Risk | Avoid | Adapt | Mitigate |
| Flood / inundation | | | |

| Table: Climate Related Risk Avoidance, Adaptation and Mitigation | | | |
|---|---|---|---|
| Risk | Avoid | Adapt | Mitigate |
| Roads | No investment in slopes of more than 25% | Erosion protection (bio-engineering) and adequate toe and cross drainage | Road management vested in local authorities; swift repairs to any damage |
| Irrigation | No investment in intake structures | Support small-scale Multi-Use water Systems on higher lands; support on-farm irrigation works and equipment | Remove on-farm irrigation equipment during high flood risks |
| Crops | No high value crop production on highly vulnerable areas. | Focus on paddy cultivation in lowlands during the wet season | Vegetable production on well-drained uplands in wet season and in lowland schemes during dry season |
| Landslides and erosion | | | |
| | No investments on slopes of more than 25% | Introduce Good Agricultural Practices (e.g. from WOCAT ^a Laos); invest in permanent cover (fruit trees, grasses) | Intensified production in potential areas to reduce pressure on steeper slopes, upper catchments and forested areas |
| Drought | | | |
| | Do not support schemes with an inadequate water supply | Shift to high value crops (requiring less water than paddy) | Enhance water use efficiency (drip, sprinkler); enhance water harvesting and storage capacity (small ponds and tanks) |
| Extreme hot spells | | | |
| | | | Introduce Good Agricultural Practices (mulching, minimum tillage, agro-forestry to improve shade cover, shade cloth) |

Targeting and Gender

55. ‘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, particularly the FGIF Guideline, the AIF guideline, and in implementation of Component 3.

- **Extreme poor** – predominately found among ethnic groups and with a high prevalence of malnutrition will be provided with support to improve their nutrition through Integrated Homestead Food Production, nutrition education, WASH interventions and employment opportunities created by intensified agricultural production and (nutrition-sensitive) value chain activities. Village authorities will be asked to stimulate the extreme poor’s participation in these opportunities.
- **Poor and near poor** – based on group formation, this group will be provided with a financing facility in favour of poorer households and aimed at agricultural intensification. Village authorities will be instrumental to identify beneficiaries and promote formation of groups in an inclusive manner. An active role of village authorities in the development of market linkages will ensure transparency of agreements and thereby reduce risks for vulnerable households.

- **Women** – to contribute to tackle constraints faced by rural women, PICSA will adopt an inclusive approach to ensure that women and men equally benefit from project’s intervention. 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 cultural and social based roles and constraints, limited Lao language and technical skills. Inclusion of women, including those from ethnic groups, in a proportional way in farmer groups accessing financing facilities is an important criterion of the project.
- **Undernourished** - The project will target nutritional vulnerable people in the project area, with emphasis on women, children and adolescent girls by supporting the nutrition teams at District and village-level. They will be involved in school-based interventions that focus on (irrigated) school gardens and school ponds for cultivating nutrient-rich food to improve school meals and to provide nutrition education to pupils, parents and teachers. Attention will also be given to a nutrition support fund for investment in Integrated Homestead Food Production. The emphasis is on producing a balanced diet, with surplus sold locally. In promoting high value crops, the project will give preference to products that have a nutritional value as well as a market value.
- **Youth** – A sizeable portion of youth in the age bracket of 15 – 35 years migrate out of the project area as job seekers. Creation of competitive employment opportunities would reduce migration. The project is therefore designed to provide return from labour above the prevailing market rate. Moreover, the Agro-Enterprise Investment Facility (AIF) provides the opportunity to target female and male youth with business start-up assistance in niche production (e.g. organic farming), trade, and post-harvest processing.
- Annual Work Plan and Budget (AWPB) and Procurement Plan (PP).

56. Procedures for financial management and procurement are elaborated in stand-alone manuals. This section describes the interface between activity planning, financial management and procurement.

57. **Tools of management control.** Management control over the performance of the Project is exerted through a combination of planning (this section), monitoring & evaluation (section 0) and knowledge management (section 0). The Project’s M&E Officer has a key role in ensuring the proper use of available tools; in ensuring coherence between the tools and – most crucially – in engaging staff of the Project and its implementing partners in their application.

58. **Logical Framework.** Point of departure for preparing the AWPB and the PP; and also for the M&E function, is the Project’s Logical Framework. The Logical Framework is regularly updated to reflect implementation experience as well as sometimes IFAD’s evolving reporting requirements (see Appendix 1 for the Logical Framework included in the PDR). Targets for outputs and outcomes can be updated (but not fundamentally changed) as and when needed and will be reviewed and confirmed during annual Supervision Mission. Higher order targets can be updated during the Mid-Term Review Mission (see section 0).

59. **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 PGT compiles the Annual Work Plan and Budget in accordance to IFAD guidelines and formats. The draft 2020 AWPB with detailed tables and narratives and the 18-month Procurement Plan are revised and will be separately shared with IFAD for no objection.

60. The AWPB is prepared in accordance to the financial year of the Government of Lao PDR, and shall include IFAD 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, but an exception shall be made for the first full financial year in the project’s duration (i.e. 2020). 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 and / or changed emphases in project implementation and a listing of key events for the years to come.

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

62. The steps in preparation of the AWPB and PP are:

- **District-wise planning framework.** In order to facilitate rural decentralized planning, the PGT prepares a tentative resource allocation per District (for the targeted villages), including an overview of generic eligible activities. This allows the DPIT a starting point for defining their plan for the coming years. The PGT shall also provide formats for recording the proposed Annual Work Plan and Budget. The PGT has a lead role in projecting and balancing resources among the Districts. This also includes that in subsequent years, the PGT revises the allocation to a District in view of its achievements, its capacity as well as the involvement of other financiers with that 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 PGT will prepare an AWPB. It is submitted to IFAD no later than 30 days before the beginning of the relevant Financial Year. To this end, the following planning process will be indicated in the following parts(See c);
- **Annual planning workshops** – Annual planning workshops for PICSA – and preferably for other projects as well – 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 meeting during September / October. Compilation of AWPB at national level, by PGT, takes place within October/November, followed immediately by submission to IFAD for prior review and to the NPSC for concurrence. The workshops are bottom-up and inclusive, involving representations from concerned targeted villages, from DPIT / PPIT staffs and from partner agencies. The workshops take note of successes, analyse drawbacks, and discuss ways forward. Annual goals are set reflecting the targets in the Log Frame.
- **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.

63. 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.

Financial management, procurement and governance

64. **Risk assessment.** The inherent fiduciary risks for PICSA are high. This takes into account 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 (Appendix 7). In the face of these risks, the PICSA design includes:

- (a) **Staffing.** PICSA will hire a Financial Management officer at PGT, while each PPIT and DPIT is provided with an Accountant to support financial management. Administrative staff are hired and trained to ensure consistency in processes.
- (b) **Financial Management Manual.** A 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 IPSAS¹ cash basis accounting policies and procedures for accounting and financial reporting;
- (c) **Accounting software.** PICSA will use accounting software established by SRIWMSP in the PGT for all financial reports, while PPITs or DPITs will record transactions in spreadsheets following stipulations in the FMM;

Project financing / co-financing strategy and plan

65. The total cost of the project is estimated at USD 30.25 million. The IFAD loan will finance USD 21.04 million of total project costs². The beneficiaries will finance USD 5.51 million, the private sector will contribute USD 1.56 million and USD 2.16 million for Government. Of which USD 1.72 million is in the form of taxes and duties, the remainder of the Governments obligation is the government officer's salary and office accommodations. The breakdown of the costs by the components and financiers is presented in below table.

Project costs by component and financier (USD'000)

| | IFAD Loan | | Government | | beneficiaries | | Private sector | | Total | |
|--|--------------|-------------|-------------|------------|---------------|-------------|----------------|------------|--------------|--------------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| A. Component-1: Intensified agricultural development | 11.64 | 65.2 | 0.72 | 4.0 | 5.51 | 30.9 | – | – | 17.86 | 59.0 |
| B. Component 2: Value chains developed | 5.63 | 73.6 | 0.47 | 6.2 | – | – | 1.56 | 20.4 | 7.65 | 25.3 |
| C. Component 3: Improved nutritional practices | 1.14 | 87.5 | 0.16 | 11.9 | – | – | – | – | 1.3 | 4.3 |
| Total | 18.41 | 68.7 | 1.34 | 5.0 | 5.51 | 20.6 | 1.56 | 5.8 | 26.81 | 88.6 |
| D. Project management | 2.63 | 76.4 | 0.81 | 23.6 | – | – | – | – | 3.44 | 11.4 |
| Grand Total PICSA Costs | 21.04 | 69.5 | 2.16 | 7.1 | 5.51 | 18.2 | 1.56 | 5.2 | 30.25 | 100.0 |

Disbursement

66. PICSA's withdrawal of funds and its use of loan proceeds is governed by IFAD's Loan Disbursement Handbook (LDH). Procedures for disbursement, financial reporting and maintenance of appropriate project records are described in the Letter to the Borrower (LtB).

67. **Flow of Funds.** The Ministry of Finance (MoF) maintains and operates a Designated Account (DA) denominated in US dollars in the Bank of Lao PDR to receive the loan proceeds. The DA is administered using imprest account arrangements, in which an initial amount of loan is advanced and replenished periodically based on justified expenditures. The maximum advance provided by IFAD to the DA will be defined as the Authorised Allocation (AA) in the LtB and is foreseen to amount to USD 2.0 million. This may be amended by IFAD in the course of Project implementation.

68. The PGT maintains two Project Accounts (PA) in Lao Kips (LAK) and in US dollars (USD) in a commercial bank for day-to-day project operations. The PA shall be funded and replenished as necessary from the Designated Account. Requests for transfers, including supporting documents, shall be forwarded from the PGT to MoF via the MAF Department of Planning and Finance (DOPF), as per the standard practice in GoL.

¹ These are procedures defined by the International Public Sector Accounting Standards Board (IPSASB)

² The IFAD loan of PICSA is SDR 9.5 million or USD 13 million and about USD 8 million from the closure of NSLCP-RFSP will be transferred to PICSA.

69. The Provincial Agriculture and Forestry Offices (PAFOs) and District Agriculture and Forestry Offices (DAFOs) maintain project sub-accounts in Lao Kips (LAK) in commercial banks for day-to-day project management and specified activities by the PPITs and DPITs. The project sub-accounts are funded and replenished on a monthly basis from resources held in the Project Account, upon approval and a request from PPIT and DPIT to PGT, via DOPF. Transfers to the Project sub-accounts are treated as Advances (Accounts Receivable) and registered in the accounting software. The advance will remain within predefined thresholds (Table 1), which may be amended during Project implementation.

Table 1: Advance threshold for project accounts (USD)

| Project unit | Number of units / project accounts | Advance threshold (USD) |
|--------------|------------------------------------|-------------------------|
| PGT | 2 | 300,000 |
| PPIT | 4 | 3,000 |
| DPIT | 19 | 10,000 |

70. For the investment facilities, upon receiving complete and sufficient documentation from the DPITs, PGT requests via DOPF the transfer of funds from the DA or PA account to the enterprises or farmer groups concerned. Direct, rather than cascading fund flows help maintain the pace of implementation. The Flow of Funds is visualised in Figure 3.

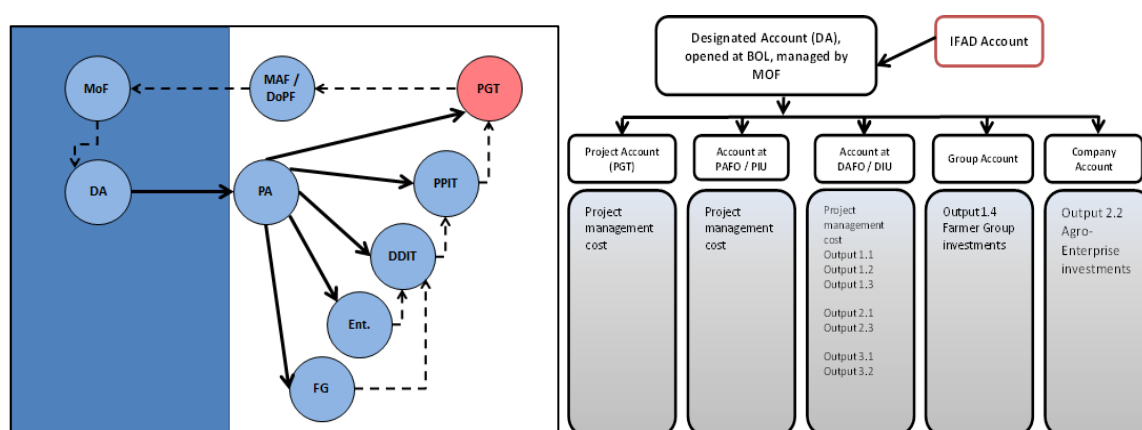


Figure 3: Flow of Funds diagrams

71. **Disbursement procedures.** Advance withdrawal is the principal method of disbursement of the loan. The first withdrawal (initial advance) from the loan account to the DA is conditional upon: (i) evidence that the DA is opened; (ii) authenticated specimen signatures of each person authorised to operate the DA; and (iii) sufficient evidence of the authority of the persons who will sign Withdrawal Applications (WA) on behalf of the government. Subsequent transfers are based on WAs accompanied by Statements of Expenditure (SOE). The SOE threshold, foreseen as USD 50,000, will be established in the LtB and can be adjusted during Project implementation. Disbursement from the loan account through Direct Payment (i.e. bypassing the DA) is exceptional and must be accompanied by a signed copy of the contract and supporting documents confirming the eligibility of the expenditure.

72. **Government and beneficiary contributions.** 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.

Procurement.

73. Procurement shall be carried out in accordance with Lao PDR's Public Procurement Law (2017), MOF's Public Procurement Instructions of 13 February 2019 and subsequent public procurement regulations as long as they are consistent with IFAD Project Procurement Guidelines (2010 version). In case of contradiction between IFAD Guidelines and national regulations, the former will take precedence.

74. Procurement will be undertaken: (i) for the overall project by the Procurement Committee of MAF with support from PGT; (ii) for decentralised activities (trainings and extension services, nutrition interventions, village to village access road, etc.) by PPITs and/or DPITs with approval by district procurement committee; (iii) for the AIF by agro-enterprise applicants; and (iv) for the FGIF by farmer groups.

75. Procurement of goods, works and services under the AIF will be carried out by awarded applicants/enterprises. The AIF Guideline (to be prepared during project start-up) will provide detailed procurement procedures and requirements, following the experience from FNML and AFN.

76. Procurement of infrastructure investments and input packages under Farmer Group Investment Facility (FGIF) will be carried out by farmer groups through force account method and/or simplified local shopping with technical support from DPIT/district staff. Contributions by farmer group are met in term of labour, locally collected construction materials and cash. Project financing is for purchasing construction materials, equipment, capacity building and production input packages through simplified local shopping method, with at least 3 quotations where possible. The FGIF Guideline, (to be prepared during project start-up) will provide detailed procurement procedures and requirements, following the experience from FNML and AFN.

77. Procurement of works under Sub-component 2.3 – Improved Access will be carried out by DPITs with technical support of provincial and district line agencies concerned following 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. Construction of village to field access will be implemented by villagers using FGIF procedures.

78. The project will recruit a fulltime Procurement Officer at PGT. She/he will be responsible for procurement planning and implementation at PGT; training, supporting PPITs/DPITs staff, ABIF applicants and Farmer Groups undertaking procurement activities at provincial and district levels. A Procurement Committee including representatives of related government line agencies will be established for each procurement activity undertaken at national, provincial and district levels.

79. **Procurement Guidelines.** Draft Procurement Guideline has been produced for review and approval by the GoL. The reviewed guidelines shall together with the Project Implementation Manual and the Financial Management Manual be submitted for IFAD approval. Guidelines describe procurement planning; procurement methods for works, goods and services; documentation and prior review requirements.

80. **Procurement Plan.** IFAD review of and no objection to the Procurement Plan is compulsory, and any changes and amendments to the plan are subject to IFAD's No Objection.. Subsequent updates must adhere to the template in the Procurement Guidelines.

81. **IFAD's prior review requirements.** Procurement decisions shall be subject to prior review by IFAD for any contract for goods, works and non-consulting services estimated to cost USD 60,000 and above; as well as for any contract of consulting services estimated to cost USD 30,000 and above. All direct contracts for goods and civil works and single source selection for service providers above the prescribed procurement and selection method thresholds shall be subjected to IFAD prior review. The aforementioned thresholds may be modified by IFAD during implementation.

82. IFAD has introduced an application (web-based software) named No Objection Tracking Utility System (NOTUS) in 2018 for submission and processing all project requests (including AWPB,

Procurement Plan, procurement steps subjected to IFAD prior review, project guidelines and manuals etc.) for IFAD's prior review and no objection. PICSA is expected to use NOTUS for submission of the AWPB, procurement plan and procurement documents for IFAD's prior review and no objection.

83. **Governance and anti-corruption measures.** IFAD's Policy on Preventing Fraud and Corruption is reflected in IFAD's legal framework (Project Procurement Guidelines³, General Conditions for Agricultural Development Financing⁴, IFAD's Code of Conduct⁵), which applies to all recipients of IFAD financing and, thereby, to PICSA.

84. The PGT will ensure that all PICSA's activities are implemented within a framework of transparency. This framework will include measures to ensure that both procurement (either carried out by PPITs, DPITs or directly by the PGT) and the selection of agro-enterprises and farmer groups that will benefit from PICSA's investment facilities, are carried out in accordance with IFAD rules and project's design specifications. Other measures under the framework for transparency include:

- Publication of sourcing, tendering and contracting processes at central, provincial and district offices;
- Participation of representatives of end-users in bid assessments;
- Prompt communication to bidders of bid evaluation outcomes;
- An internal code of conduct to be signed by all Project staff;
- A code of business ethics to be included in agreements/contracts signed with partners and beneficiaries. The code of conduct and the code of business ethics will be included in the PIM after review by implementation partners;
- Annual project audits, that will include a routine assessment to companies and farmer-group grants participating in PICSA;
- IFAD's direct supervision which inter alia will address fiduciary compliance;
- Involvement of stakeholders (especially farmers and their organisations) in programming, implementation and M&E of PICSA activities;
- Evaluation and impact assessment outsourced to independent institutions.

85. **Auditing and Public Disclosure.** Annual accounts will be audited by a private firm in accordance with International Standards on Auditing (ISA, specifically IDA 705) and the IFAD Handbook. The audited project financial statements together with the auditor's opinion will be submitted to IFAD within 6 months from the end of the fiscal year. Compliance with financial reporting, auditing requirements and the performance of the auditor will be monitored regularly and during supervision missions. The annual audit enables the auditor to express an opinion on whether PICSA's financial statements present fairly, in all material respects, its financial position at the end of the fiscal year, and whether the results of its operations and cash flow are in conformity with the accounting standards applied by PICSA.

86. IFAD promotes public disclosure of projects financial information to enhance transparency and accountability. IFAD will disclose PICSA's audit reports, as appropriate, in line with the IFAD's disclosure policy. Management Letters issued by auditors are not subject to public disclosure by IFAD.

Monitoring and Evaluation (M&E)

87. **M&E Plan.** Monitoring and evaluation (M&E) is used (i) to monitor implementation of the AWPB and inform project management of any issues requiring attention; (ii) track achievements against the indicators in the Project's Logical Framework; and (ii) to assess the quality of the Project's performance. Both the assessment of implementation performance and the tracking of progress are used by the project management to identify necessary remedial actions.

³ <https://www.ifad.org/web/guest/document-detail/asset/39438991>

⁴ <https://www.ifad.org/web/guest/document-detail/asset/39500875>

⁵ <https://www.ifad.org/web/guest/document-detail/asset/40186603>

88. The M&E function for PICSA will be described in an M&E plan. Preparation of this plan, oversight over its implementation and drawing conclusions for management action are the responsibility of the M&E Officer/PGT. The M&E Plan is to be developed within of the first year of the Project period. The plan will be regularly updated. The following points will be included in the plan:

- M&E plan objective (i.e. to enable Project Management to take informed decisions for ensuring the Project's success);
- Overview of indicators, data sources and frequency and method of reporting. Monitoring indicators will be disaggregated according to gender, socio-economic status and age to the extent possible so as to enable a proper assessment of whether the project is indeed reaching its intended target beneficiaries, most poor, especially women, youth and vulnerable groups. **The monitoring indicators** will include:
 - a) Indicators included in the Log Frame (Appendix 1) – these cover impacts, effects, outcomes and outputs of the Project;
 - b) Indicators needed for updating the Integrated Project Risk Matrix (see section C.19);
 - c) 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 PICSA;
 - d) 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.
- A description of **methods of collecting data and information**, including the responsibilities. This generally includes:
 - a) Regular recording of activity data in progress reports from the PPIT and DPIT, compiled on at least a quarterly basis;
 - b) Regular recording of expenditures against activities – again 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 project 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. The surveys will measure Household Resilience (see below, and Appendix 6);
 - e) Compilation of data from Village Profile (section D.2) 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.
- **Occasional studies** (e.g. the KAP survey on nutrition- see Section F.6) that assess either the existing conditions or the quality of achievements in a specific field of work. The PGT/M&E officer relies 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. A description of the reports to be produced (see 0) with responsibilities for each report.

89. 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 will consume much time from DPIT staff and village authorities;

90. **Data Collection Responsibilities.** 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 and PPIT and DPIT, will be responsible for direct and oversee 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 DPITs and PPITs 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 staffs at PGT 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 PGT 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 PGT will engage others as needed, based on the discussion with M&E Officer.

91. **Analytical work.** The M&E Officer is responsible to analyse M&E data, use data to formulate useful advice to project management, 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 to discuss and identify lessons learned.

92. **Household resilience.** PICSA 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 PICSA. This index has to be included in baseline, midterm and end line surveys. Appendix 6.

Knowledge Management (KM) and Knowledge Sharing (KS)

93. The PICSA CTA will assist the project to prepare its KM strategy during its 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 and Sector Working Group on Agriculture and Rural Development and other Sub-Sector working Groups under MAF on SRIWMSP and PICSA experience in irrigation development 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. PICSA 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 programmes.

94. The Project website will be established within the first quarter of second year of implementation and used as a knowledge sharing tool. The PGT 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 PGT will strive to build a culture of knowledge documentation and sharing within the project and actors outside the Project in this knowledge management process.

Staffing and capacity building

95. The project will recruit one full-time national M&E officer and 19 district M&E officers to be responsible for M&E and KM/KS. These are responsible for guiding the overall M&E strategy and implementation of related activities within the Project and 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 will ensure that PICSA M&E including surveys and studies are coordinated with SRIWSMP. The National and District M&E officers will ensure that the M&E/KM system allows 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.

96. A detailed M&E and KM manual with specific M&E/KM approaches and methodologies, tasks and responsibilities for stakeholders, and time-line for M&E/KM activities will be developed by the project, and the M&E/KM staff will receive capacity building accordingly.

97. **Documentation.** PICSA 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.

Reporting

98. The PGT will produce recurrent and occasional reports.

99. **Recurrent reports.** These are reports that are part of the PGT's reporting on the Project. These reports review progress and achievements (or the lack thereof) and describe and / or recommend remedial action at the level of project management. The PPITs and DPITs 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 PPITs and DPITs which will consolidate all the physical progress made on all sub-components. This report will also cover overall expenditures under each component.
- **A Quarterly Progress Reports (QPR)** will be prepared by PGT, 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;
 - An update of the combined exit and scaling strategy (see 0) is included or attached to the first Annual Progress Report.
- **Periodic survey reports** – to be published in year 1, 3 and 6 for the baseline, mid-term and end-line surveys respectively. Reports are prepared by a contracted party but published after approval by the NPSC;
- **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 be 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.

100. **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 across the 19 Project Districts;
- The field studies on Participatory Irrigation Management. The studies are formulated and prepared in the context of the intended contribution of the Project to policy review on irrigation management in Laos;
- Fact-finding surveys – undertaken or commissioned by the M&E specialist to review specific elements of the programme and especially how these relate to targeted beneficiaries, costs, benefits and development pathways assumed during project design.
- Risk Management

101. 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 PGT.

102. Key risks identified during the design of PICSA are listed in the Integrated Project Risk Matrix (Appendix 7). 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.

103. 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

104. 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?

105. If any new risks (not included in Appendix 7) are identified, these should be added to the updated IPRM.

106. The updated IPRM will be reviewed by the IFAD project supervision mission.

Sustainability

107. The Project aims to place a new foundation under the rural economy in the project area; comprising of linking smallholder agriculture with emerging markets; and of a stronger hand in improving rural livelihoods of especially the disadvantaged groups. Sustainability of this intervention 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 – in order to at least safeguard the new level of productivity and market integration, but ideally aimed towards 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 decentralized government line agencies concerned (Village, District and Province).

108. **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.

109. **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?

110. **Management responsibility.** The Project Director and Coordinator are responsible for preparing the Exit and Scaling Strategy. They will do so in an interactive manner, involving relevant stakeholders and pursuing their commitment.

Supervision Mission (SM) and Implementation Support Mission (ISM)

111. Supervision Missions for PICSA will be combined with the review missions for SRIWMSP and ERP in order to help maintain the coherence between the projects.

112. IFAD will provide Supervision and Implementation Support. Supervision Missions (including Mid-term and Completion Reviews) take place annually, whereas Implementation Support is conducted six months after SM or on a needed-basis. The PGT is to take a proactive role in signalling topics and/or issues to be reviewed by these Missions; as well as is suggesting decisions for which agreement between IFAD and the GoL is required. All SM and ISM are concluded by a wrap-up meeting chaired by the Deputy Minister of MAF or authorized representatives.

113. The Supervision Missions’ review covers: (i) physical and financial progress as measured against AWPBs; (ii) progress of the activities carried out by the Project implementing partners; (iii) emerging achievements in terms of outputs and outcomes of the Project; and (iv) lessons learned on strategic aspects of the Project (e.g. irrigation management). Special attention will be given to review (i) the way in which the Project contributes to development outcomes; (ii) the success of the targeting of specific beneficiary groups (including women), (iii) the exit and scaling strategies of the project; and (iv) the management of fiduciary and procurement processes.

114. The Mid-Term and Completion Reviews will take place in year 3 and year 6 respectively to assess overall project outreach, outcomes and impact. Both Missions 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. The Completion Review will provide recommendations based on lesson learnt that should be taken into consideration while designing similar projects in future for similar contexts.

115. ToRs for the SM and ISM are prepared before each Mission and IFAD sends a Mission Announcement Letter to the GoL (MOF or MAF). The PGT facilitates the Missions in its programme

and the associated logistics. The Mid-term and Completion Missions are to be preceded by the mid-term and end line surveys, respectively.

D. COMPONENT 1: INTENSIFIED AGRICULTURAL DEVELOPMENT

116. This component prepares and assists provincial and district authorities and farmer groups to optimise and sustain productive use of natural resources, by enabling, promoting and starting-up agricultural intensification in areas where conditions allow (esp. irrigated and irrigable lands).

Step 1 - Train District and Project staff

117. There will be one training session in each District (19 districts) during which DPIT staff, including the project staff, are assisted by the Provincial Development Advisor in preparing for the development of the village profile (step 2) and the organisation of the village meetings (step 3). The sessions will cover:

- A review of the Project concept, especially in relation to the activities taking place with the village authorities;
- A definition of the village authorities – it is suggested to work with the socio-economic development committee comprising of the village leader, two deputies, and the representatives for the Lao Women’s Union, the Youth Union and Planning, etc. It is however important to keep a degree of flexibility to allow for specific circumstances in each Village;
- Review of a format for the Village Profile. These profiles are to be very concise but should include:
 - (i) Village name and – where available – year of establishment;
 - (ii) Basic demographic information, including the ethnic composition of the village;
 - (iii) Outcomes of the village wealth ranking exercise;
 - (iv) Information on land resources, including irrigated lowlands;
 - (v) Existing Farmer Groups and Water User Groups;
 - (vi) Existing and potential agricultural intensification activities;
 - (vii) Existing marketable commodities and market linkages.
- How to conduct the wealth ranking exercise (see step 2);
- How to prepare and conduct the Village Meeting (step 3)
- Distribution of responsibilities between DAFO staff, other District Offices concerned and project staff (especially the cluster facilitators).

Step 2 – Prepare a Village Profile

118. This step consists of village data collection and planning / prioritisation of PICSA activities in the village. This activity can be brought forward into the start-up phase as the outcomes feed into the process of AWPB preparation. Village profile exercises organised after project effectiveness should involve representatives of the Farmer Group Investment team (i.e. a qualified staff member of DAFO to work as Farmer Group Investment Coordinator and one Farmer Group Investment Advisor hired as project staff). The outcome of this step would be a specification of the activities to be considered for PICSA support in each of the 353 villages. The step is conducted by the staff assigned in step 1 and the Village Authorities (VA).

119. The Village Authorities (VA) will conduct a wealth ranking of all households in the village to support targeting decisions. PICSA will prepare a simple wealth ranking methodology based on the GoL’s Decree on Criteria for Poverty Graduation and Development (Decree no. 348 dated 16th November 2017) and taking account of good practice in other projects. Outcomes of the wealth ranking exercise will be publicly reviewed in the village meeting and adjustments will be made if necessary.

120. The VA will provide the information to complete the village profile. The village profile and the wealth ranking information are documented with the original kept at the Village, and copies collected

for reference at the District level. The village profile including the ranking will be confirmed during the Village Meeting (Step 3).

121. Subsequent to preparing the Profile, the PICSA representatives and the VA will plan the Village meeting. This includes defining the lead role by the VA, defining the role of the PICSA representatives, setting a date and time and preparing an agenda.

Step 3 – Conduct Village Meeting

122. The Village meeting will be led by the VA with appropriate representation of the PICSA representatives. The meeting agenda will include:

- Opening by Village Leader and explanation of the objectives
- Introduction of the PICSA support that could be made available to the Village; and of the conditions under which this is given. Emphasis to be given to the need for inclusive development;
- Review and confirmation of the wealth ranking;
- Review and confirmation of the information in the Village Profile, with special emphasis on the farmer groups, existing activities, key commodities and ideas for future intensification of agriculture;
- If nutrition activities are aimed at this village – discussion of the areas in which support will be concentrated and on the availability of households willing to invest in supplying ingredients for school meals

123. The Village Profile and the Village meeting can be repeated as and when needed, but take place at least once a year to evaluate development outcomes and to prepare for the next Annual Work Plan and Budget.

Step 4 – Train Water User Farmer Groups

124. Water User Farmer Groups (WUFG) on existing wetlands, as well as new groups formed after investments are made in small-scale irrigation on sloping land (and provided the group has more than ten members) are to be trained during the course of the Project in improved management of their scheme. The training should enable the WUFG to maintain their infrastructure (including the financing thereof); to operate the infrastructure (including water distribution and differential access to land in the dry season); and to improve the infrastructure (by small modifications that allow diversification of irrigated crops, including modifications supported by the Farmer Group Investment Facility).

125. The content of the training will be in a PICSA *Participatory Water Management Guideline* to be prepared by the On-Farm Water Management Specialist during the start-up period of the project. The Guideline will cover the following topics:

- Potential for producing high value crops (HVC) on irrigated lands – with due attention to the use of pressurised irrigation for vegetable crops. This can be combined with a site visit to a location of intensive vegetable production;
- Implications of production of HVCs for the management of the system – re-arrangement of dry season land access; inclusion of additional farmers in the dry season; need to use residual moisture from wet season cropping for production of winter crops; need for timely repairs of the intake and the main canal for an early start of winter irrigation; need for canal lining to reduce distribution network losses; need for on-farm irrigation equipment including pumps, drips and sprinklers; and so on.
- How to improve irrigation scheme management? – mobilisation of labour and resources for system repairs; development of internal rules for orderly operation and maintenance; irrigation service fees and so on;
- How to improve the irrigation scheme? – explanation of the use of FGIF resources for investment in irrigation schemes (headworks and other major interventions excluded; potential

for on-farm irrigation infrastructure and equipment); Identification of ideas for irrigation scheme improvement;

- Steps for improving scheme management – participants are asked to discuss within their WUG the need of their WUFG for follow-up support by the PGT/DOI representative / cluster facilitator, with respect to (i) improving scheme management (byelaws, irrigation service fees, maintenance planning and rotation scheduling); and (ii) agricultural intensification in the scheme’s command area using the FGIG. Interested WUFGs are to register their interest with the Village Authorities who shall convey this interest to the Project team.

126. The Cluster Facilitators shall, through the VA, establish contact with most WUFGs in the project area. Each WUG shall be invited to send two representatives to a District-level Irrigation Management training, along with the chairperson of the village agricultural committee. Such sessions are organised for a maximum of approximately 20 participants and shall be highly interactive. If possible, the venue of the training will be an irrigation scheme where irrigated high value crops are successfully produced.

127. The curriculum for the WUFG training shall be developed on the basis of the above by the Project’s WUFG Development Specialist and the On-farm Water Management Specialist. Training sessions can be repeated if and when needed – with modified design and with the aim of motivating as many WUFGs as possible to (i) invest in better system management and (ii) to invest in intensification of high value crop production in their commands, using the FGIG.

Step 5 – Coach WUFG

128. Based on the inventory included in the WUG training and on the interest for follow-up support registered by the WUFGs, PICSA will, through PGT staff and cluster facilitators with backstopping of the PICSA irrigation experts, provide coaching to individual WUFGs. Aim is to enhance the cultivation of profitable crops (i.e. high value crops or bulk products with an attractive margin) in irrigated commands through better management of the existing systems and through investment in further intensification of high value cropping in the command areas.

129. To gauge progress, DOI staff seconded to PGT will maintain a record of the concerned WUFGs, the support rendered to them; their response (byelaws formulated, irrigation schedule made, irrigation fee defined, volume of maintenance fund); and the effect in terms of high value cropping.

130. Coaching will always include a joint evaluation with the WUFG of the preceding irrigation season and the identification of a plan with do-able steps for the forthcoming season.

Step 6 – Support WUFG application to and utilisation of FGIG

131. Once WUGs – or sub-groups thereof – embrace the possibility to invest for agricultural intensification and especially the cultivation of high value crops (in the dry season, but also in the wet); the cluster facilitators, together with the Farmer Group Investment Advisors and concerned departmental staff will render hands-on support to the group for preparing an investment proposal under the FGIG.

132. The FGIG supports on-farm irrigation infrastructure and equipment, such as multi-use water supply systems; storage tanks and ponds, distribution canal lining, pumps and irrigation networks for drip and sprinkler. The application for this support is similar to Step 12 ‘Support Farmer Group application to FGIG’ and described in further detail there.

Step 7 – Identify Agricultural Extension Priorities

133. Some ideas for investment in agricultural intensification will emerge from the village profiles and experienced DAFO and PAFO staff will be able to suggest further ideas, but to continue to feed the investment process with viable ideas for good agricultural practices and agricultural diversification new knowledge needs to be inserted.

134. The Project Coordinator and the Agricultural Advisors play an important role in identifying valid ideas and parties for innovation and in coordinating their introduction in the project area. Third parties

can include private sector agents willing to source products from the area or interested to provide inputs. Modest financing of their involvement in transferring knowledge to farmers will help them increase their commercial coverage and will result in further opportunities for farmers producing for the market. Third parties also include knowledge- and research organisations that provide specialised knowledge in the field of agriculture. This includes the national agricultural research centre and affiliated international organisations such as WOCAT, CIP, IWMI, etc.,

135. The Project Coordinator, with the Agricultural Advisors, is responsible for ensuring a steady flow of innovative ideas to the Provincial and District Agriculture and Forestry Offices. This is to provide the District level extension staff associated with PICSA to determine priorities for investing in agricultural extension (step 8).

Step 8 – Plan and implement agricultural extension priorities

136. Funds for agricultural extension are available at District level and within the subsidies for capacity building provided under the FGIF. It is the role of the Extension Unit's representative in the DPIT to make sure that user-paid extension (i.e. paid out of FGIF) and extension efforts funded through the DPIT are complementary; with the latter focussing on bringing innovative concepts to the project area. The Extension Unit's representative in the DPIT and the PICSA Agricultural Extension Expert, in close coordination with the FGI-team, will together form the extension team for PICSA and will prepare an extension action plan comprising of Unit-led extension and supplementary extension by third parties including other farmers and farmer groups. This plan and its annual update is an input in the preparation of the AWPB for PICSA implementation in the District.

137. The extension activities must aim for maximum impact in terms of replication of existing and new Good Agricultural Practices (GAP). The District extension team will therefore not only keep record of the activities undertaken through PICSA, but also document the actual application and replication of innovations.

138. Farmers' most prominent source of knowledge on farming is other farmers. Accordingly, a considerable part of the flow of knowledge to PICSA beneficiary farmers is expected to come from peer farmers via informal and formal exchange of experiences. Support to model farmers and organised farmer-to-farmer extension events are integral parts of the project approach, aiming at stimulating and strengthening 'horizontal learning' between farmers. The extension team should initiate exchange visits by facilitating and by assisting recipient farmers (i) in having a good agricultural practices to show which is relevant for the visitors; (ii) having a clear programme for explaining, showing and assessing the good practices; and (iii) having adequate resources for receiving their visitors (including training materials). Presence of extension staff is useful in helping farmers respond to difficult questions and in giving farmers the opportunity to present constraints (e.g. availability of quality seeds) to the District.

139. **User-paid extension.** Farmer groups investing in agricultural intensification (Step 9 and 10) receive funds for capacity building in relation to their investment. The groups can apply for up to USD 100 per member for tailor-made technical support planned by the group itself, incl. support from private extension agents and service providers; activities promoting partnerships between farmer groups and the private sector; and farmer-to-farmer and group-to-group exchanges. Model farmers are central in ensuring the farmer investment groups' success. Each group should be affiliated to a model farmer selected by the community. The model farmers receive financial and technical support to improve their farm practices. In return, their farms serve as demonstration sites, and the model farmers share their experience with the farmer groups and the wider farming community.

Step 9 – Establish Farmer Investment Groups

140. The Farmer Group Investment Facility (FGIF) enables groups of targeted farmers to develop minor infrastructure for irrigation and market access; and to invest in agricultural production. The facility also supports young and model farmers to invest into profitable, productive farming systems based on Good Agricultural Practices (GAP) in order to introduce improved and innovative technologies to the farming communities. In line with the Government policy, Good Agricultural

Practices (GAP) will be implemented under PICSA, specifying procedures to create food for target smallholder farmers or further processing that is safe and wholesome, using sustainable methods. This will be implemented in line with the Decision on Good Agriculture Practices for Produce Quality Management Standards No.: 0539/MAF, issued on 09 February 2011.

141. A total of 1,033 farmer groups will be supported by the facility, of these 333 (about one per village) for small-scale infrastructure, and 700 (in average two per target village) for agricultural input packages. Seven hundred young and model farmers (in average two per target village) will receive grants for establishment of ecologically and economically suitable demonstration units using Good Agricultural Practices. At the end of the project, at least 80% of the participating households are expected to report increased agricultural production, with an estimated average rate of return above 10%.

142. Initially, each village can set up one Infrastructure Investment Group (WUG or sub-group thereof, or road user group in case of village-to-farm tracks) and two Agricultural Investment Groups, and nominate two model or young farmers for support by the investment facility. Participation in an infrastructure investment does not exclude from participation in one agricultural investment group; model and young farmers can also be group members with full membership rights. In case of redundant funds at later stages of the project, more groups and model farmers can be supported in villages with previously successful track record, and successful groups can apply for a follow-up subsidy. Spreading innovation to a larger group of beneficiaries would, however, be preferred.

143. To start up formation of farmer groups willing to invest, the FGI team joins the village meetings (step 3). The FGI team contributes relevant information, including Multi-Stakeholder Platform outcomes, where available at that time (Component 2). The village meeting discusses existing and potential investment ideas and nominates potential model farmers. Subsequently, the FGI team, the village authorities and interested farmers narrow down the list of proposals discussed during village meetings. Self-selected farmer groups are established based on inclusive membership, with an elected group leader, a set of simple internal regulations. Where available, model farmer(s) are included in or linked to the group connected; and in many cases, the model farmer is also the group leader. There is no upper limit for the number of participating households for infrastructure projects – but around 30 is considered a likely average; for agricultural input packages, groups shall not have more than 20 members. Collective action especially in regard to use of machinery and facilities or group-based marketing is encouraged. However, except for activities with joint ownership of assets and joint action required beyond the implementation of the investment, groups are expected to remain informal without sustained group activities after completion of the investment.

Step 10 – Support applications to and utilisation of the FGIF

144. A *Guideline for the Farmer Group Investment Facility* (FGIF) will be developed during project start-up and shared with IFAD for No Objection. The FGIF will operate under the following main principles:

The rationale for the FGI Facility is to combine substantial beneficiary contributions with subsidies for capacity building and financial expenditures. The main part of beneficiaries' 50% contribution to the investment is in kind, but, in line with group members' financial capacity, groups are expected to carry a share of the financial expenditures. Supported groups receive the full share of their poor members' financial investments as subsidies, and 75% for medium wealth and 50% better-off members;

During the investment planning process, it must be ascertained that the intended investment does not carry risks to create negative social (vulnerable groups) or environmental (e.g. deforestation, pollution) side-effects. Such investments are not eligible for project support, unless suitable mitigation measures are incorporated into the investment;

145. Upon establishment of farmer groups, a structured and streamlined FGI application process enables the groups to plan and prepare for their investments. The FGI team, located at DAFO, supports the farmer groups in applying for subsidy on their investments. The team coordinates with other District

line agencies: Agriculture and Forestry (etc.); Trade and Commerce; etc., and reports to the District Social and Economic Development Committee (DSEDC). The Provincial Farmer Group Investment Advisor and his/her counterpart provide oversight on behalf of PICSA. The Cluster Facilitators assist the FGI team with intensive coaching and supervision of farmer groups during the investment process.

146. The investment application comprises: (i) the application format; (ii) a short description of the investment including basic parameters, including justification for, how the investment adapts new or improves existing production techniques; (iii) a simple cost/benefit calculation proving the financial viability of the investment; (iv) a capacity development plan stipulating providers and measures to ensure technical assistance; (v) maps and drawings describing location and layout (for infrastructure investments); and, (vi) an investment plan stating expected amounts of inputs required (land, labour, local material, purchase of material and services). The FGI team facilitates the connection of the group with relevant providers of inputs and technical assistance.

147. Once investment applications are prepared, they are submitted to the District Social and Economic Development Committee (DSEDC) for review, prioritisation and final approval during meetings that are organised quarterly or upon demand. Upon approval, a Grant Agreement stipulating the investment process and conditions for support is signed by all group members, by the Village Head and the chairman of the DSEDC. After processing the approved application, the subsidy is transferred directly from the Project Account to the bank account of the farmer groups.

148. The responsibility for the implementation of the investments lies with the group. The group is entitled to withdraw and use the funds according to its investment plan. Cluster Facilitators and FGI team supervise the groups regularly during implementation, to support and also to ensure transparency and accountability. Upon completion, with support from the FGI team, the group compiles a concise completion report. Only after review and approval by the DSEDC, ownership of the investment is vested with the beneficiaries. In case of substantial contract breaches, the project has the right to withdraw all remaining funds and all items purchased from grant funds for recovery.

149. One year after completion of the investment, a simple post-investment evaluation is carried out by the FGI team to determine the outcome of the investment and assess the profitability of the investment.

E. COMPONENT 2 – VALUE CHAINS DEVELOPED

Step 1 – Identify agricultural commodities and prepare Rapid Local Commodity Value Chain Analyses

150. Outputs 2.1 and 2.2 are the responsibility of the provincial Agro-Enterprise Development (AED) teams of the four provinces, consisting of a National Agro-Enterprise Development Advisor, based in PGT, and his/her key counterparts at Provincial Office of Industry and Commerce (POIC) and PAFOs and related provincial agencies. The AED team also maintains oversight over the PICSA Farmer Group Investment activities at District level. The Advisor has technical and organisational lead within the team. The AED team receives technical support from an International Agricultural Value Chain Expert (ToRs are included in Appendix 4).

151. Upon recruitment and initial introduction of the AED team and the project approach to local partners, one of the AED team's first tasks is to identify commodities to receive preferential support from the project. The market assessments for the 15 SRIWMSP-funded schemes (where relevant), consultations with local government (province and district levels), other organisations working in the target area with agricultural development and results from village profiles (Component 1 – step 2) inform the preliminary selection of two value chain commodities (or commodity groups with similar biophysical features; e.g. vegetables, or dry season grain crops) in each district. The overall criterion for selection is the commodity's potential for positive impact on the target group. Relevant commodities are assessed and ranked, based on their (i) potential for competitiveness; (ii) potential for growth (by quality or quantity); (iii) share of added value availed by the target group; (iv) potential for up-scaling; and (v) cross-cutting issues (e.g. nutrition, gender, vulnerable groups, environment, climate impact). The selection of commodities can be changed later in the process, when better information, esp. information from village and private sector level, is available. Selected commodities can be phased-out and replaced by others that are promising better results.

152. Once the preliminary selection of commodities is done, the AED team collects and compiles further information on framework conditions, actors, processes, and the added value at each link through Rapid Local Commodity Value Chain Analyses (at least 2 per district; total 38), which also includes a first assessment of challenges and opportunities. This initial step is used to list and rank potential interventions, and also to identify potential partners for the Agro-Enterprise Investment Facility (Step 3).

Step 2 – Establish District Multi-Stakeholder Platforms (MSPs)

153. Local commodity-based Multi-Stakeholder Platforms (MSPs) have the purpose to improve value chain governance by enhancing coordination and strengthening relationships between actors within selected value chains. In some districts, the local governments already organise similar events; in these cases, the existing initiatives should be taken up and further developed, rather than establishing parallel structures⁶.

154. Value Chain development through MSPs is a process-oriented approach. The main measured output is the number of events organised in the framework of multi-stakeholder platforms – including MSP meetings (314 expected), promotional events, sub-group meetings, bilateral and multilateral meetings between VC actors; informal visits to VC actors with the purpose of coaching or information collection are not to be counted. The target value is at least 1,000 events over the lifetime of the project, averaging to 9 organised events per district and year.

⁶ For detailed background on organisation and facilitation of MSPs, see Brouwer, H. and Woodhill, J. et.al. 2015. The MSP Guide – How to design and facilitate Multi-Stakeholder Partnerships. Centre for Development Innovation, Wageningen University and Research, Netherlands.

155. MSP events are expected to lead to improved market linkages – the target is to increase the number of formal farmer groups – market linkages established as outcome of multi-stakeholder platforms with 350, about 19 per district.

156. Impact will be assessed when updating the Value Chain Analyses at the end of the project intervention, by estimating changes in added value within the chain, and by attributing this to internal or external actors. Due to the high flexibility of the MSP process, and the difficulty to attribute changes unambiguously to single factors, no target value is set.

157. The process of stakeholder engagement and coordination includes identification of opportunities and challenges, development of mutual understanding, definition of roles for coordinated and joint actions. MSPs also act as broker for technology innovations, especially when specific market demands require specific production methods (e.g. fattening of cattle, organic production etc).

158. MSP activities are closely interlinked with the investment activities of farmer groups supported under output 1.4; Partners of MSP activities are linked to the Agro-Enterprise Investment Facility (Step 3 and 5), where relevant.

159. Outcomes of MSPs are difficult to predict, as they depend on the initial context, commitment of participants, skills, coordination and commitment of facilitation and the scope of feasible improvement options that can be identified. Possible outcomes are:

- Improved market transparency and market information e.g. by providing transparent information on price and traded volumes;
- Improved linkages between VC actors in terms of number and quality – new partnerships may evolve and existing ones may be strengthened;
- Joint and coordinated action, e.g. group and cooperative formation, involving business associations;
- Promotion and lobbyism towards the government and its role in providing enabling framework conditions for trade and commerce;
- Mutual understanding between VC actors and conflict resolution resulting in a broader feeling of ownership of developed activities.

160. Upon completion of the VC Analyses, Multi-Stakeholder Platform (MSP) assemblies are convened on district level. An MSP assembly consists of relevant stakeholders within a value chain, including farmer representatives, farmers' and private sector organisations, government representatives, traders, processing enterprises, input suppliers, consumer representatives and financial institutions.

161. For the first MSP meeting, previously identified actors (Step 1) are invited. The following points are on the agenda:

- Introduce and explain the MSP concept, including the project related activities; discuss scope and expectations;
- Present and verify the Commodity Value Chain Analysis, using discussion to add further details and viewpoints;
- Discuss participants' viewpoints on challenges and opportunities for positive intervention; add information from VC Analysis and context, where necessary; prepare and rank lists of challenges, fields for improvement and potential interventions;
- Pick possible interventions with good potential and feasibility, and identify related key stakeholders; and
- Plan for follow-up action involving key stakeholders: formation of sub-groups, contact with actors interested in further support.

Step 3 – Identify and prepare candidate enterprises for AIF support

162. The Agro-Enterprise Investment Facility (AIF) has the purpose to strengthen commercial actors – micro, small and medium agro-enterprises as well as commercial farms with strategic position in the

value chain – so they can perform their role for their own benefit as well as for the benefit of related smallholder households. Larger businesses are targeted by other interventions (including SRIWMSP), allowing PICSA to focus on MSMEs. The facility has a special focus on promoting a new generation of young rural entrepreneurs. Grant beneficiaries receive technical and financial support to strengthen their business skills, and to carry out investments with good potential for profitability and positive side-effects to target farmers. Subsidies are used to reduce especially the small enterprises' business risk and to promote fair business practices with producers. Small enterprises with small investment requirements can apply for full grant finance, while for larger investments; enterprises are required to contribute a progressive share either from own capital or from formal credit. It is a particular objective of the facility to link participating enterprises to Business Development Services including formal financial institutions to cover their growing demand. A *Guideline for the Agro-Enterprise Investment Facility* will be prepared during project start-up and shared with IFAD for review and NoL AIF operates under the following main principles:

163. All items in the investment plan that need to be purchased are eligible for grant financing, including machinery, office material, IT and vehicles. Existing enterprise resources, own labour and local material available at no financial cost are considered as enterprise contributions.

164. The share and size of the grant depends on the size of the financial investment, with the rationale that small enterprises, planning for small investments, have larger constraints to access funds than larger enterprises with more capital-intensive investments. For larger investments, it is expected that a larger share of investment costs is covered by either own equity or by formal credit. Linking rural enterprises to banks and relevant microfinance institutions is integral part of the SSC courses (see paragraph 166). Investments up to USD 2,500 (Category I) are 100% grant financed; investments up to USD 15,000 (Category II) attract 100% grant for the first USD 2,500 and 50% grant for the expenditures from USD 2,501 and up to 15,000; investments over USD 15,000 (Category III) attract 100% grant for the first USD 2,500, 50% grant for the expenditures from USD 2,501 and up to 15,000 and 25% for expenditures from USD 15,001 and up to 50,000.

165. The Provincial AED Teams are responsible to ensure the smooth operation of the facility. Identification of candidates is made during the numerous networking activities carried out by the team in cooperation with partners and partner organisations. Information about the facility is disseminated widely, with focus on young rural entrepreneurs (e.g., amongst members of the Chamber of Commerce and Industry (CCI), at agricultural colleges, amongst members of the Lao Women's Union and Lao Youth). Potential candidates for the AIF are also identified or confirmed during Multi-Stakeholder Platform events (Steps 2 and 4), where strategic actors within the relevant value chains are convened.

166. The project will work closely with the Provincial SME Support Centres (SSC) under the Lao National Chamber of Commerce and Industry (LNCCI), offering Business Development Support services, and specifically, preparatory business planning, financial management training and coaching during investment implementation. Trainings can be tailor-made to the requirements of AIF applicants, and focus particularly on the development of the grant application and its auxiliary documents. The participation of applicants at these courses will be obligatory for all enterprises legally required to have a business license.

167. Application for support by AIF is open to all individuals and businesses with relevance to the value chains promoted under the MSP or to activities supported by the Farmer Group Investment Facility (output 1.4) including but not restricted to wholesale traders, processing entities, input providers, licensed farmers' organisations and farm equipment repair and maintenance shops. Female and young applicants have a preferential status.

168. The AED Team pre-screens interested candidates with investment plans on the background of the following criteria:

- Assessment of personal characteristics of the applicant reflecting on the investment perspective: reliability, commitment, educational background and professional experience;
- Profitability and economic viability of the planned investment;
- Potential for positive impact towards the target group;
- Cross-cutting issues (e.g. nutrition, gender, vulnerable groups, environment, and climate impact).

169. Selected candidates are eligible for an initial capacity development grant up to USD 1150 per applicant to be used for participation at relevant trainings and other learning opportunities, and for advisory services in regard to the development of the AIF application. The applicants are coached through the application process by the AED Team and linked to relevant service providers, market links and sources of knowledge.

Step 4 – Facilitate continued stakeholder coordination

170. After the initial MSP meeting, follow-up action is organised flexibly, including break-off sub-committees and bilateral communication with key stakeholders; the composition and agenda of the MSP can change over time according to participants' perception of problems and relevance of the platform. The AED team's ability to understand the context, to proactively interact with relevant actors and to organise and facilitate meetings and events is decisive for the success of the MSP.

171. During the Project lifetime, annual MSP meetings are arranged for information and coordination. In between annual meetings, the AED Team works with thematic subgroups, individual businesses (using the AIF, where relevant), in bilateral (e.g. trader – farmer groups, SME - bank) or other settings. In doing so, it strengthens business capacities and promotes interaction among key actors.

172. When promising interventions have been identified, and stakeholder commitment has been ensured, collaborative action is planned for. Bilaterally or in subgroups, detailed action plans are developed, resources, support and stakeholder contributions are secured. It is important to find a good balance applying timely and consequent follow-up and close involvement of stakeholders, but without overstressing their capacity.

173. Most MSP interventions will in the given context fall under the following categories:

- Facilitating market linkages between farmer groups and buyers/processors of primary products, where farmer groups, supported by the FGI Facility, develop production capacity in regard to quantity and quality, and pool their sales towards a single buyer under contract conditions;
- Goal-oriented capacity development of VC actors with support from the Agro-Enterprise Investment Facility;
- Sector advocacy and support to local government agencies to solve specific bottleneck problems identified under MSP meetings.

174. **Exit Strategy:** It is not expected that the platforms turn into formal public organs – the expected main outcome of the platforms during project duration is increased awareness and ability for networking and coordination. However, before project end, it should be discussed with local governments at district and provincial level, and with relevant stakeholders, whether there is local commitment to continue the dialogue and exchange that has been promoted by PICSA, and how future activities should be organised.

Step 5 – Support applications and utilisation of the AIF

175. The AIF aims at supporting a total of at least 204 MSME with investment packages, of these 50 young entrepreneurs aged 35 or less. It is expected that at least 80% of the supported MSME report increasing net-turnover due to investments (outcome), and that the average Rate of Return to investment calculated 1 year after completion of investments is higher than 10%.

176. This output is closely interlinked with other outputs: MSME investment supported by the facility must have a beneficial effect on project farmer groups supported under the Farmer Group Investment Facility (FGIF, output 1.4), either by fair trade linkages, or by providing crucial services to target

farmers. The MSPs (output 2.1) facilitate new or improved market linkages between farmer groups and agro-enterprises.

177. Once the applications and its auxiliary documents prepared in Step 3 are collected by the AED Team, they are to be checked and rated, following an objective set of criteria. The checked and rated applications are then submitted to the District Socio-Economic Development Committee. During sessions convened quarterly or upon demand, the District Committee reviews all applications for final approval. Investment Grant Agreements for approved applications are signed by the applicant and the chairman of the District Committee.

178. Upon processing and clearing for payment by DPIT and PGT, the grant is transferred directly into the grantee's personal or business bank account. The AED Team coaches and supervises the investment process, with the support from external consultants, where necessary. The PICSA District Accountant/DPIT verifies that purchases are made following the Grant Agreement. All items purchased with grant money remain property of the project until an investment completion report including documentation for purchases is submitted and approved by the Project District Accountant/DPIT.

179. One year after investment completion, the AED Team organises an evaluative appraisal of the supported investments involving the grant recipient, including a concise progress report since the completion of the investment, a simple benefit calculation resulting in an annual Rate of Return to the investment, comments regarding challenges encountered and recommendations given to the enterprise.

180. **Exit Strategy:** The AIF is a temporary institution ending with the project. If successful in promoting lead enterprises to apply good business management practices and to forge long-term relationships with farmers and farmers groups; the enterprises will both be more capable to reinvest, as well as be more eligible for business credit from banking institutions.

Step 6 – Support FGIF-assisted farm track development

181. Farm tracks are short, simple earth roads that can be constructed by communities or local contractors. Farmer groups may wish to propose the construction / rehabilitation of a farm track under the FGIF. This requires DAFO staff related to rural development, in partnership with District Public Works and Transport Office (DPWTO) to be involved in the approval process and in providing guidance to implementation.

182. **Approval.** The FGIF resources can only be used for works not having adverse social or environmental impact. This means that farm tracks are excluded from the facility when:

- FGIF 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.

183. The FGIF agreement for subsidising farm track construction or rehabilitation will specify the group's responsibility for operating the road (e.g. restricting access based on road size and weather conditions) and for maintaining it (refilling potholes, draining overly wet patches, etc.). The Village Authorities will be witness to this agreement to ensure the continued commitment of the farmer group.

Step 7 – Select priority village-to-village roads

184. Each village – prompted by component 1, steps 2 and 3 – may propose priority village to village roads for rehabilitation. Prioritisation in keeping with the available resources will take place at District level and will be reviewed at Provincial level to ensure coherence with the road development planned for the Province as a whole. This requires the PPIT to coordinate well with the DPIT and with the Provincial Department of Public Works and Transport. The resources available for village to village

road rehabilitation are limited and works must be prioritised to provide connectivity for areas of agricultural intensification that would otherwise go ignored.

185. PICSA will only finance rehabilitation of existing village-to-village roads. New lines of road are not eligible. Proposed roads are not eligible if any of the following apply:

- PICSA resources are to be used for the purchase of land for the road;
- The road needs 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 in any of the villages.

186. Based on the village proposals, DPIT will prepare a table showing for each road:

- Number of PICSA target villages linked to market by the road;
- Number of households in the villages linked to market by the road;
- Area of agricultural land in the villages linked to market by the road;
- Length of the road;
- Number and type of structures needed (bridges, culverts etc)
- Approximate estimated cost;
- Any other important information relevant to priority of the road.

187. DPIT will then use the information in the table to select the highest priority roads for implementation. The DPIT prioritisation will be reviewed and confirmed by PPIT.

188. An operation and maintenance plan will be prepared for all roads, showing responsibility for funding and implementing maintenance activities.

Step 8 – Design and implement village to village roads

189. After selection of the priority village to village roads, DPIT will work with the District Public Works and Transport Office to prepare detailed designs, cost estimates and Bills of Quantities for the roads. Based on this, DPIT will procure services for the construction of the road; using the stipulations in the Project Procurement guidelines.

190. An operation and maintenance plan will be prepared for all roads, showing responsibility for funding and implementing maintenance activities.

191. Village-to-village roads will be cancelled at the design stage if it is found that:

- The road will have a severe negative environmental or social impact;
- The road will require involuntary land acquisition;
- The road will not be sustainable because of high maintenance costs, or no institution able to take responsibility for maintenance;
- The cost of the road is much higher than estimated at the planning step.

192. DPIT will procure a contract for construction of the road by competitive tendering in accordance with the Procurement Guidelines. Through DPWT, DPIT will supervise the construction of the road including ensuring quality of construction and compliance with the ESMP.

F. COMPONENT 3: IMPROVED NUTRITIONAL PRACTICES

193. This component promotes improved dietary intake among nutritionally vulnerable groups. Efforts to increase availability and accessibility of food with high nutrient value are accompanied by nutrition education. Nutrition interventions are carried out in Xayaboury and Luang Prabang Provinces. Nutrition interventions are complementing nutrition activities of partners and are in support of the National Nutrition Strategy and Plan of Actions.

194. Activities under this component will be implemented by the key Provincial and District Nutrition Committees including three main agencies: Agriculture, Health, Education, as well as other related agencies: Lao Women Union, Youth, etc., The team from the three agencies including Lao Women Union will be fully engaged to support the Provincial and District Nutrition Committees in implementing the government convergence approach, focussing on steps 1 to 5 below.

Step 1 – Refine target area selection

195. Further targeting is required to direct the nutrition intervention at areas where it is most needed. PICSA component 1 and 2 target beneficiaries in 353 villages in 19 Districts. Component 3 targeting differs from this, as it focusses on pockets of malnutrition in the 19 Districts. Villages may overlap, but not necessarily so. As a first step, the PICSA PGT/national nutrition advisor/PPIT/DPIT, together with the concerned Provinces and Districts will review available nutrition data to prepare a list of priority nutrition intervention villages. Prioritisation is needed as PICSA resources are limited. Both the school-centred intervention (output 3.1) and the integrated food production output (3.2) will be targeted at the selected villages.

196. For selection of schools, additional considerations include the potential to improve water supply to the school; the commitment of the school to develop a garden to support preparation of school meals; and the prevention of overlap with other support programmes. Support will be limited to primary and lower secondary schools.

Step 2 – Establish or improve school gardens and/or ponds

197. Resources are available to invest in school gardens. These will be applied as a contribution to the establishment of new gardens, or the improvement of existing gardens. The school, together with the village authorities and the Parent and Teacher Association (PTA) will provide a matching contribution; e.g. in terms of labour for fencing and land preparation.

198. A representative of the District Nutrition Committee (not necessarily from Education and Sports Office) will approach interested schools and jointly develop a school garden establishment or improvement plan. The plan includes the garden as well as – where feasible – construction of a pond. The pond may be used for watering the garden, but should primarily support the production of animal protein (fish, frogs and etc). Given the scarcity of water, lining of the pond should be considered. The plan will also address the continuity of the investment; i.e. how the running costs will be met over the subsequent years.

199. The PICSA contribution to garden and pond can be used to buy inputs, equipment and materials. Plan for school ponds and gardens must be agreed by the Village authorities.

Step 3 – Enhance / develop water supply

200. A small amount of money is available to help improve the supply of water to the garden, so that the garden's water consumption does not compete with the water supply of the school. Where the school has no water supply, development of Multi-Use Systems for drinking and gardening water should be considered. This includes re-use of grey water.

201. The District Nutrition Committee will coordinate – through the DPIT – with concerned Technical Offices to find viable technical solutions to improvement of the water supply. At the same time, attention shall be given to the proper usage of the limited water resources, including careful watering of the gardens and prudent but wise usage of water for drinking, sanitation and hand washing.

202. Plans will be developed and coordinated in the same way as in step 2.

Step 4 – Provide nutrition education around school gardens / ponds

203. Schools will be the centre for nutrition promotion activities and supportive activities will be extended to associated villages and households. The PICSA PGT/national nutrition advisor will work with PPIT and DPIT to develop training curricula for different target groups, using the school garden and the preparation of school meals as opportunities for practical orientation. This will help visualise the farm-to-fork approach.

204. The training courses will be targeted at teachers, pupils, the school's cooks and parents. The District Nutrition Committee, nutrition committees at village level, PTA and others will be fully involved in implementing the curricula, using the PICSA management principles that: (i) activities will be implemented at the lowest appropriate level; and (ii) implementation of all project activities requires the full involvement of Convergence Teams.

Step 5 – Promote balanced school meals

205. Most schools have access to resources for providing a meal at school. PICSA's support aims at making these meals as healthy as possible. This would demonstrate both the feasibility of preparing a healthy meal with little resources; as well as contribute to the dietary intake of the school's pupils.

206. There are several ways in which PICSA extends this support: the development of gardens (step 2 and 3); the education of target groups (step 4); the provision of cooking utensils (this step); as well as the promotion of local production of relevant food items for supply to (inter alia) the school (steps 7 to 9). Members of the Lao Women Union (LWU) will support the preparation of meals for the pupils. Through the support rendered to the preparation of school meals, they will gain practical experience in preparing balanced meals.

Step 6 – Assess local perceptions of good nutrition

207. In order to understand constraints for healthy diets better, a Knowledge, Attitude, Practice (KAP) assessment will be conducted with special emphasis on food beliefs and taboos. Food taboos among ethnic groups especially for women and girls are a driver of low dietary quality and under nutrition. Restrictions are often against animal source protein.

208. The PICSA Nutritionist will prepare a ToR for this study (covering 19 Districts) and coordinate procurement with the Procurement Officer. The study will be planned and coordinated with the Districts and outcomes will be shared through interactive meetings in all Districts. The study will also produce a summary statement specifically for use in village meetings and nutrition education sessions. The study and its outcomes will make use of and build on a survey planned by WFP of the drivers of food choices. The result of step 6 is a better understanding of constraints to healthy diets.

Step 7 – Support Integrated Homestead Food Production (IHFP)

209. Healthy diets are not only determined by nutrition knowledge but also by food availability and accessibility and therefore, PICSA supports poor households to produce more nutritious food for their own consumption. Integrated Homestead Food Production (IHFP) combines plant-based food production with production of primarily fish and frogs but also poultry where feasible on homesteads and adjacent land, aiming to boost production of high nutrient value food. IHFP results in inputs in healthy diets at household level as well as an occasional surplus that can be sold-off locally.

210. PICSA provides starter packs for integrated food production specifically for the 5% poor households in the Project area. Beneficiaries will be selected by the Village Authorities based on the results of Wealth Ranking and will form into small groups (average 6 members) with similar requirements. The VA together with the DPIT ascertain the viability of providing a starter pack for each member to the group; and define the contents of the packs. Procurement will be carried-out by DAFO based on specifications and beneficiary agreements that are confirmed by the VA. Beneficiaries are expected to contribute labour.

211. A majority of schools receive financial resources to purchase food for school meals. This provides the beneficiary households of the IHFP starter packs an opportunity to supply their occasional surplus production to schools as a 'market'. PICSA promotes this linkage as it reinforces the behavioural change that the Project seeks with respect to food production, preparation and intake.

Step 8 – Provide nutrition extension

212. Extension officers of the District Nutrition-related agencies and Village Nutrition Teams will be trained to conduct nutrition sessions. Agricultural and health extension agents will work in teams to promote food production and accessibility and nutrition knowledge.

213. Nutrition extension by extension officers of the District Nutrition-related agencies and the Village Nutrition Teams needs to be focused on behavioural change. The KAP survey (step 6) provides inputs, but nutrition extension should not solely focus on transfer of knowledge, but also include ample attention for skills and attitudes. A key message should be developed, which incorporates perspectives like: *'Caring for the members of your household starts with providing better nutrition to all'* and *'A healthy meal for all is possible if you use the resources that are at hand'*.

214. The National Nutrition Advisor of PICSA will prepare training materials and conduct a Training of Trainers with technical extension teams from the provincial and district nutrition related agencies (agriculture, education, health and LWU). The training will include extension methods and communication skills on agriculture practices and nutrition related activities. The Provincial and District teams will then train Village Nutrition Teams and the Village Authorities. Based on this training, the Village Nutrition Teams will teach elderly people, pregnant women, mothers with newly born baby and adolescent girls on key agriculture and nutrition practices.

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Appendix 1: PICSA 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 | | | | | | | NOTE: The term 'resilience' explicitly includes climate resilience, whereas 'sustainability' must be understood in economic, institutional, social and environmental terms (including climate risk resilience). The latter applies to the term 'sustainable' in the Project Development Objective in like manner. |
| | Total - number | 0 | 76,752 | 191,880 | Project M&E records / Progress Report | semi-annual | PGT, PPIT, DPIT | |
| | Males - Number | 0 | 38,376 | 95,940 | | | | |
| | Females - Number | 0 | 38,376 | 95,940 | | | | |
| | Young - Number | 0 | 19,188 | 47,970 | | | | |
| | Not Young - Number | 0 | 57,564 | 143,910 | | | | |
| | Young females - number | 0 | 9,594 | 23,985 | | | | |
| | Ethnic groups - number of people | 0 | 30,701 | 76,752 | | | | |
| | Non-ethnic groups - number of people | 0 | 46,051 | 115,128 | | | | |
| | 1.a Corresponding number of households reached | | | | | | | |
| | Total households | 0 | 14,760 | 36,900 | | | | |
| | Non-women-headed households | 0 | 12,546 | 31,365 | | | | |
| | Women-headed households | 0 | 2,214 | 5,535 | | | | |
| | Target group households | 0 | 13,120 | 32,800 | | | | |
| | 1.b Estimated corresponding total number of households members | | | | | | | |
| | Household members | 0 | 76,752 | 191,880 | | | | |
| | Groups receiving project services | | | | | | | |
| | Groups - Number | 0 | 980 | 2,450 | | | | |
| | Villages receiving project services | | | | | | | |
| | Villages - Number | 0 | 350 | 350 | | | | |
| Project Goal | Enhanced livelihood and climate resiliencies and sustainability within the project intervention area | | | | | | | |
| 1 | # target group households (extreme poor, poor, near poor) reporting enhanced resilience | 0 | 9,184 | 22,960 | a household resilience index included in the surveys | Project start, midterm and completion | PGT (outsourced) | |

| Results Hierarchy | Indicators | | | | Means of Verification | | | Assumptions |
|------------------------------|--|-----------|----------|------------|--|---------------------------------------|------------------|--|
| | Name | Baseline | Mid-Term | End Target | Source | Frequency | Responsibility | |
| Development Objective | Sustainable and inclusive local economic development | | | | | | | |
| 2 | % of households below the poverty line | 30 (est.) | 20% | 5% | Baseline, midterm and completion surveys | Project start, midterm and completion | PGT (outsourced) | Economic and social stability in target provinces and districts |
| 3 | % of women reporting improved quality of their diets (CI 1.2.8). This is a proxy indicator for community health - see also indicator 16. | 50 (est.) | 60 | 80 | Baseline, midterm and completion surveys | Project start, midterm and completion | PGT (outsourced) | |
| Outcome 1 | Intensified agricultural development | | | | | | | |
| 4 | Cropping intensity in lowland paddy fields (proxy for farming system intensity) | 110% | 120% | 140% | Project M&E records | Annually | DPIT | Greater local economic development results in a stabilisation or reduction of out-migration |
| 5 | % of households reporting adoption of new/improved inputs, technologies or practices (CI 1.2.2) | 10 (est.) | 20 | 50 | Baseline, midterm and completion surveys | Project start, midterm and completion | PGT (outsourced) | Sound disaster risk management and disaster response |
| Output 1.1 | Decentral implementation strengthened | | | | | | | |
| 6 | # of Districts with more than 15 staff trained in project implementation and management procedures | 0 | 19 | 19 | Project M&E records | semi-annual | DPIT | Adequate continuity in the positions and postings of government staff at all levels |
| 7 | # of village authorities trained in leading Local Economic Development | 0 | 350 | 350 | Project M&E records | semi-annual | DPIT | Government maintains its support for a strong implementation role of the Districts (Sam Sang decree put to practice) |
| Output 1.2 | Water users' groups trained | | | | | | | |

| Results Hierarchy | Indicators | | | | Means of Verification | | | Assumptions |
|-------------------|---|----------|----------|------------|--|---------------------------------------|------------------|--|
| | Name | Baseline | Mid-Term | End Target | Source | Frequency | Responsibility | |
| 8 | # of groups supported to sustainably manage natural resources and climate-related risks (CI 3.1.1) assessed by WUGs using up-to-date water distribution and O&M plans | 0 | 175 | 438 | Project M&E records | semi-annual | DPIT | Collaboration and commitment among agencies involved in promoting commercialisation of smallholder agriculture |
| Output 1.3 | Extension Service provided | | | | | | | |
| 9 | number of persons trained in production practices and/or technologies (CI 1.1.4) | 0 | 11,200 | 28,000 | Project M&E records | semi-annual | DPIT | Valid agricultural innovations available from research institutions and private sector |
| Output 1.4 | Farmer Group Investment Facility established | | | | | | | |
| 10 | Number of rural producers' organisations supported (CI 2.1.3) by FGIF | 0 | 980 | 2,450 | Project M&E records | semi-annual | DPIT | Farm households are able to finance their part of the investment facility |
| Outcome 2 | Value chains developed | | | | | | | |
| 11 | % of households reporting an increase in sales of farm products | 0 | 20 | 50 | Baseline, midterm and completion surveys | Project start, midterm and completion | PGT (outsourced) | |
| 12 | % of participating enterprises having a positive net return on investment | 0 | 80 | 90 | Thematic survey | Midterm and completion | PGT (outsourced) | |
| Output 2.1 | Multi-Stakeholder Platforms established | | | | | | | |
| 13 | # of multi-stakeholder platform meetings held | 0 | 125 | 314 | Project M&E records | semi-annual | DPIT | Private investors are interested in investing in business opportunities in smallholders agriculture along conditions promoted by the programme |
| Output 2.2 | Agro-Enterprise Investment Facility established | | | | | | | |
| 14 | Number of rural enterprises accessing business development services (CI 2.1.1) | 0 | 102 | 255 | Project M&E records | semi-annual | PPIT | Local enterprises are able to finance their part of the investment facility |

| Results Hierarchy | Indicators | | | | Means of Verification | | | Assumptions |
|-------------------|--|-----------|----------|------------|--|---------------------------------------|------------------|--|
| | Name | Baseline | Mid-Term | End Target | Source | Frequency | Responsibility | |
| Output 2.3 | Access improved | | | | | | | |
| 15 | Number of kilometres of roads constructed, rehabilitated or upgraded (CI 2.1.5) by Project's village to village roads' support | 0 | 202 | 504 | Project M&E records | Annually | DPIT | Communities assume responsibility for use, maintenance and management of facilities invested in by the Project |
| Outcome 3 | Improved nutritional practices | | | | | | | |
| 16 | % of women reporting improved quality of their diets (CI 1.2.8) assessed by % of women meeting the Minimum Dietary Diversity Score (women consume at least five out of the defined 10 defined food groups daily) | 50 (est.) | 60 | 80 | Baseline, midterm and completion surveys | Project start, midterm and completion | PGT (outsourced) | |
| Output 3.1 | School-based nutrition interventions established | | | | | | | |
| 17 | # of schools serving improved meals of adequate nutritional value | 0 | 64 | 160 | Project M&E records | semi-annual | DPIT | Collaboration and commitment among agencies involved in national convergence approach |
| 18 | # of new school gardens established | 0 | 40 | 100 | Project M&E records | semi-annual | DPIT | |
| Output 3.2 | Increased dietary intake and improved dietary quality | | | | | | | |
| 19 | # of households provided with targeted support to improve their diets (CI 1.1.8) | 0 | 680 | 1,700 | Project M&E records | semi-annual | DPIT | |

| | 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> | | | | | | | | | | | | |

Template of Procurement Plan (PP)

Project code No.: 2000003089

Project name: Partnerships for Irrigation and Commercialization of Smallholders' Agriculture (PICSA)

| COST AB/AWPB Code | Description of Bid Package/ Contract | Loan/Grant Categories | Unit | Quantity | Unit Cost (USD) | Estimated Cost (USD) | IFAD funding (USD) | Gov't funding (USD) | Enterprise/Farmer Group Contribution (USD) | No. of Contracts | Procurement Method | IFAD Review (Prior/Post) | Implementing Agency | Procurement time schedule | Contract duration | Remarks |
|--------------------------|---|------------------------------|-------------|-----------------|------------------------|-----------------------------|---------------------------|----------------------------|---|-------------------------|---------------------------|---------------------------------|----------------------------|----------------------------------|--------------------------|----------------|
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| Notes: | - QCBS: Quality and Cost Based Selection |
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- ICB: International Competitive Bidding
- NCB: National Competitive Bidding
- NS: National shopping
- LS: Local shopping
- SLS: Simplified Local Shopping
- FA: Force Account
- DC: Direct Contracting
- TBD: To be determined
- QBS: Quality-based Selection
- FBS: Fixed Budget Selection
- LCS: Least Cost Selection
- CQS: Selection Based on Consultant's Qualifications
- IC: Individual Consultant
- SSS: Single Source Selection

Appendix 3: PICSA organisational chart

1. This appendix shows two visualisations of the PICSA organisational set up. The first one shows which agencies are involved in steering and implementation; the second one locates deputed and hired staff in relation to the layers of the PICSA organisation.
2. While not included in the diagrams for reasons of simplicity, the steering committees and the governance / implementation teams also ‘house’ the agencies and staff for SRIWMSP.

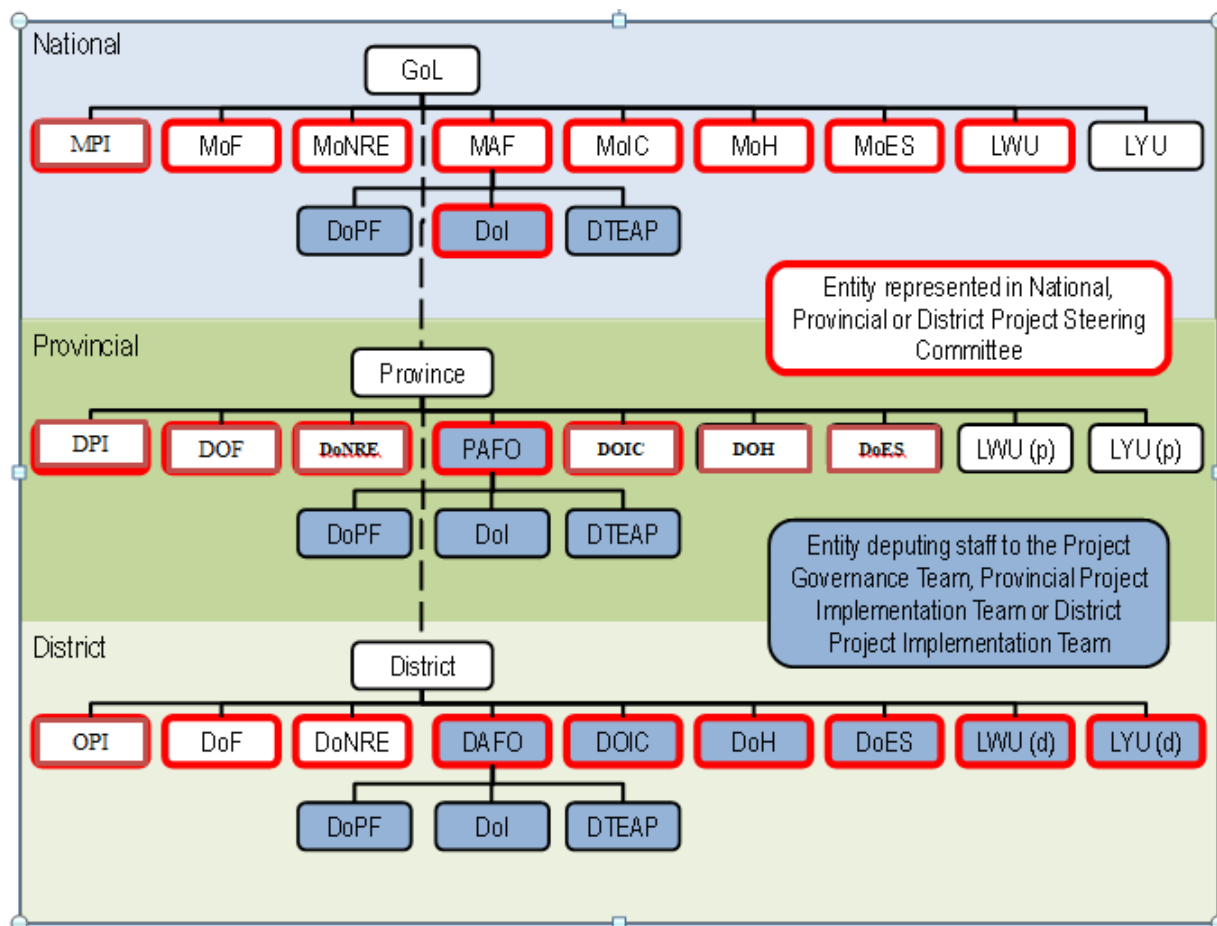


Figure 4: Membership of Steering Committee and Governance / Implementation Teams at national, Provincial and District levels

| National Level | | | |
|----------------|------------------------------|----------------------------|---|
| PGT | Deputed | Hired | Note: staff from similar disciplines (irrigation, CV, Roads and Nutrition) form implementation team |
| | National Project Director | CTA | |
| | National Project Coordinator | Finance Management Officer | |

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|-------------------------|--------------------------------|--------------------------------|--|
| | DOI Technical Staff | M&E Officer | |
| | DETEAP Technical Staff | WUFG Dev Specialist | |
| | DOPF Technical Staff | OFWM Specialist | |
| | | Irrigation and O&M Specialist | |
| | | International VC Specialist | |
| | | Nutrition Advisor | |
| | | Agro-Enterprise Advisor | |
| Provincial Level | | | |
| PPIT | Provincial Project Coordinator | Provincial Project Accountant | |
| | DOIC | | |
| | DOI Technical Staff | Provincial Development Advisor | |
| | DETEAP Technical Staff | FGI Advisor | |
| | DOPF Technical Staff | | |
| District Level | | | |
| DDIT | District Project Coordinator | District Project Accountant | |
| | DOI Technical Staff | M&E Officer | |
| | DETEAP Technical | Cluster Facilitators | |

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| | Staff | | |
| | DOPF Technical Staff | Agri Extension Advisor | |
| | Staff from convergence agencies (Agriculture, Health, Education, LWU and etc.,) | | |
| | Staff from line agencies as required | | |

Figure 5: Location of PICSA staff (GoL deputed and hired staff)

Appendix 4: Terms of Reference

1. This appendix contains Terms of Reference 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 organisation 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.

Position 1: National Project Coordinator

Position 2: Chief Technical Advisor

Position 3: Financial Management Officer

Position 4: Procurement Officer

Position 5: Monitoring and Evaluation Officer

Position 6: Provincial Project Coordinator

Position 7: District Project Coordinator

Position 8: Accountant (Province)

Position 9: Accountant (District)

Position 10: Local Development Expert

Position 11: Cluster Facilitator

Position 12: WUG Development & O&M Specialist

Position 13: On-Farm Water Management Specialist

Position 14: National Irrigation O&M Specialist

Position 15: Agricultural Extension Expert

Position 16: Farmer Group Investment Advisor

Position 17: International Value Chain Expert

Position 18: Agro-enterprise advisor

Position 19: Nutrition Advisor

Position 20: District M&E and KM Officer

2. GoL counterpart positions at the PPIT and DPIT – other than the Provincial Director and District Coordinator – are not provided with a Terms of Reference, as they will get their task assignment through the decrees for the establishment of the organization structure for PICSA. It is understood, however, the GoL will second the following staff to PICSA. Their number will reflect the size of the target population per District:

- Agro-Enterprise Development Coordinator from the Provincial Office for Industry and Trade (POIC) and agro-enterprise workers from the District Office for Industry and Trade
- Irrigation engineers from the DAFO / DOI
- Agricultural Extension Workers from DAFO / DAETP, as well as from the Kumban and village levels (if available)
- Farmer Group Investment Coordinators from DAFO / DAETP
- Engineers from the Office of Public Works and Transport in connection with the village to village tracks

- Health workers, Educational staff, nutrition extension staff and Women and Youth workers from the District Offices of Health, Education, Agriculture and the Women's and Youth Unions, respectively, to engage in component 3 activities.

Position 1: National Project Coordinator (NPC)

| | |
|--------------------------|--|
| Job title | National Project Coordinator |
| Short description | The National Project Coordinator is a senior DOI employee deputed full-time to this position to provide leadership for the full duration of the PICSA implementation period. The Project Coordinator leads both SRIWMSP and PICSA |
| Objective | Enhanced livelihood resilience and sustainability within the project intervention area |
| Results | <ul style="list-style-type: none"> • Project management principles (decentralised implementation, joint actions) applied • Timely and constructive interaction with MAF, implementation partners and service providers at strategic level • Timely and constructive interaction with donors and project financiers (ADB, EU, IFAD, BMZ, GCF and others) at strategic level |
| Reporting to | Project Director and National Project Steering Committee |
| Tasks | <ul style="list-style-type: none"> • Represent the projects on behalf of the Ministry of Agriculture and Forestry at strategic level • Safeguard the strategic agreement with respect to the to-be-implemented projects between the concerned partners and financiers • Delegate project implementation to the lowest appropriate level • Promote integration of activities and convergence of agencies during project implementation • Safeguard the consistency of the projects to national policies, in particular Sam Sang • Establish a culture of frank recognition of problems and of prompt resolution of the same |
| Qualifications | <ul style="list-style-type: none"> • Senior position within the Ministry of Agriculture and Forestry • Moral leadership • Diplomatic skill |

Position 2: Chief Technical Advisor (CTA)

| | |
|--------------------------|--|
| Job title | Chief Technical Advisor |
| Short description | The Chief Technical Advisor is a full-time hired project staff assigned to provide day-to-day leadership of the <i>Partnerships for Irrigation and Commercialisation of Smallholder Agriculture (PICSA)</i> throughout its 6-year implementation period |
| Objective | Enhanced livelihood resilience and sustainability within the project intervention area |
| Results | <ul style="list-style-type: none"> • Project management principles (decentralised implementation, joint actions) applied • Timely and constructive interaction with MAF, implementation partners and service providers • Timely and constructive interaction with IFAD |
| Reporting to | Project Director and Coordinator PICSA |
| Tasks | <ul style="list-style-type: none"> • Provide overall leadership over the organisation of deputed government staff and hired project staff dedicated to PICSA at National, Provincial and District levels; • Direct the implementation of PICSA in accordance to the Loan Agreement, Letter to the Borrower, the Project Design Report and the project implementation manual (PIM); • Establish the organisation of PICSA at all levels and ensure its continuity; |

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| Job title | Chief Technical Advisor |
| | <ul style="list-style-type: none"> • Introduce the work routines as described in the PIM, Financial Management Manual, Procurement Guideline and Guidelines for Financing Facilities, etc.,; • Apply a management philosophy that pursues that (i) project activities will be implemented at the lowest appropriate level in line with government decentralisation policy; (ii) project activities will be implemented through the involvement of at least two entities; • Propose and take remedial efforts to keep PICSA on a steady course towards achieving its goal and objectives; • Ensure timely and candid reporting of the project's plans, physical and financial progress, achievements and challenges to the National Project Steering Committee and to IFAD; • Ensure the quality of the PICSA 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 | <ul style="list-style-type: none"> • Background in rural development and / or agriculture, with preference for experience with diversification of irrigated agriculture and for experience in market linkage development • More than ten years of experience in a managerial position • Experience in working with international financing institutions is essential • Fluency in written and spoken English • Demonstrated skills in people's management and communication • A problem-solving attitude |

Position 3: Financial Management Officer (FMO)

| | |
|--------------------------|--|
| Job title | Financial Management Officer |
| Short description | The Financial Management Officer is a full-time hired project staff assigned to ensure management of the Project's funds in keeping with the PICSA Financing Agreement and its underlying documents. |
| Objective | Ensure resources allocated to PICSA are used correctly and transparently and provide value for money |
| Results | <ul style="list-style-type: none"> • Timely flow of funds from IFAD to the activities to be financed by PICSA • A high standard of financial management at all levels of the PICSA project organisation • A Financial Management Manual acceptable to IFAD • Up-to-date financial information included 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 |
| Reporting to | National Project Coordinator, PICSA |
| Tasks | <ul style="list-style-type: none"> • Provide overall leadership in the field of financial management; • Engage proactively with technical staff, procurement officer, M&E Officer and others as relevant to jointly ensure that project activities provide a high value for money; • Prepare and update the PICSA Financial Management Manual (draft available); • Establish and regularly update the financial management in the designated software; • Ensure implementation of the financial management function in accordance to the Financial Management Manual and to the stipulations of |

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| Job title | Financial Management Officer |
| | <p>the Financing Agreement;</p> <ul style="list-style-type: none"> • Initiate timely action to ensure coherence between budget and expenditure; including proposing reallocation among categories (if justified); and • Report any malpractices promptly to the Project management |
| Qualifications | <ul style="list-style-type: none"> • At least 8 years' experience in leading financial management of large and complex operations. • Experience in working with international financing institutions is essential • Adequate skill in written and spoken English • Experience in skill development of financial management staff • Skills in working with accounting software and with spreadsheets software • A team player with a problem-solving attitude |

Position 4: Procurement Officer (PO)

| | |
|--------------------------|--|
| Job title | Procurement Officer |
| Short description | The Procurement Officer is a full-time hired project staff assigned to ensure that the Project's funds are used for procuring goods, works and services in keeping with the PICSA Financing Agreement and its underlying documents. |
| Objective | Ensure resources allocated to PICSA are used correctly and transparently and provide value for money |
| Results | <ul style="list-style-type: none"> • Project procurement activities managed and undertaken in compliance with IFAD Project Procurement Guidelines and PICSA Procurement Guidelines; • Capacity of PGT, PPITs and DPITs staff, AIF applicants and Farmer Groups built for undertaking decentralised project procurement activities; |
| Reporting to | National Project Coordinator, PICSA |
| Tasks | <ul style="list-style-type: none"> • Provide overall leadership in the field of procurement; • Engage proactively with technical staff, financial management staff, M&E Officer and others as relevant to jointly ensure that project activities provide a high value for money; • Proactively coordinate procurement with project staff, counterparts and project partners in order to facilitate successful implementation of project activities; • Contribute to the overall project planning, monitoring and evaluation, assessment of results, and communication; • Ensure that all programme procurement strictly guidelines are followed; • Supervise the process and procedures of contract management of the goods and services procured by each implementing agency to ensure accountability; • Undertake regular field visits to the project provinces and districts to oversee and provide hand-on support to PPITs and DPITs, AEIF applicants and Famer Groups undertaking procurement activities, such as preparation of bidding documents/quotations/request for proposals, preparation of bid/quotation/proposal evaluation reports, solving procurement-related matters to ensure that they all follow all procurement procedures and provide them guidance, where required; and • Report any malpractices promptly to the Project management and provide clarification to IFAD requests concerning procurement-related matters. • |
| Qualifications | <ul style="list-style-type: none"> • At least bachelor degree in business administration, finance, economics, project management or related field; • At least 5 years relevant work experience on procurement; experience with donor- funded projects (IFAD, WB, ADB...) is desirable; |

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| Job title | Procurement Officer |
| | <ul style="list-style-type: none"> • Good communication skills and experience of working effectively with local authorities and ethnic minorities; Knowledge and skills of participatory approaches for capacity building; • Analytical capabilities and skills to deal with legal documents, contractual agreements and procurement-related matters; • Good report writing and communication skills in Lao and English • A team player with a problem-solving attitude |

Position 5: Monitoring and Evaluation Officer (M&EO)

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|--------------------------|--|
| Job title | Monitoring and Evaluation (M&E) Officer |
| Short description | The M&E Officer is a full-time hired project staff (50% PICSA, 50% SRIWMSP) assigned to ensure that the project's progress, achievements and challenges are known and understood and provide a basis for well-informed management decisions. |
| Objective | Ensure resources allocated to PICSA are used correctly and transparently and provide value for money |
| Results | <ul style="list-style-type: none"> • An up-to-date M&E Manual • Timely collection, processing and analyses of the data specified in the M&E Plan • Timely, accurate and candid Project Progress Reports, including drafts for a management reflection on the progress, achievements, challenges and necessary management action • Involvement of and interaction among relevant actors with respect to drawing lessons from PICSA and SRIWMSP; and with respect to preparing proposals for informed decisions with respect to the projects and to national irrigation management policies |
| Reporting to | National Project Coordinator, PICSA |
| Tasks | <ul style="list-style-type: none"> • Provide overall leadership in the field of monitoring, evaluation and knowledge management and sharing; • Engage proactively with technical staff, procurement officer, and others as relevant to jointly ensure that project activities provide a high value for money; • Provide timely and adequate information across all levels of the organisations (Village, District, Province, National levels) to assist the project in the preparation and finalization of the Annual Work Plan and Budget; • Involve project staff and others in defining the lessons learned from both PICSA&SRIWMSP projects; • Pursue interaction among concerned staff and parties to prepare well-argued proposals for management decisions (project management, national conference on irrigation management, etc.); • Define terms of reference for the baseline, mid-term and end line surveys and oversee and guide the work of the contracted service provider; • Coordinate all occasional studies and surveys to be undertaken by the project(s); • Initiate timely action to ensure coherence between plans and achievements, including preparation of management decisions; and • Report any malpractices promptly to the Project management. • Prepare and update the PICSA&SRIWMSP M&E manual (reflecting the overall guidance given in the Project Implementation Manual based on available draft); • Set up M&E system of both PICSA&SRIWMSP project; • Develop the overall framework of the Project M&E in line with the |

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| <p>Job title</p> | <p>Monitoring and Evaluation (M&E) Officer</p> <p>Project document M&E plan;</p> <ul style="list-style-type: none"> • Guide and coordinate the review of project log-frame; • Provide technical advice for the revision of the performance indicators; • Ensure realistic and intermediate and end-of-project targets are defined; • Lead and coordinate the base-line survey, mid-term and end-line survey of the project in coordination with project partners; • Ensure data, information and lessons learned, as well as knowledge management products are stored and can be retrieved easily; • Train and coach financial and technical staff involved in providing monitoring data and information, including the provision of data collection and reporting formats; • Confirm the key indicators, including the IFAD RIMS indicators, to be monitored by the overall project reporting system, consistence with the PICSA log frame indicators and the IFAD Guide to Project M&E; • Refine the proposed system design including the additions proposed to existing reporting systems, including the arrangements for beneficiary impact monitoring so that: (i) programme management (DPIT and PPIT and the PGT) can make appropriate decisions concerning programme activities and implementation arrangements; and (ii) government agencies and external financing agencies are informed in a timely fashion; • Ensure that the incorporation of the Ministry of Agriculture and Forestry M&E Database or similar into the monitoring system to monitor programme performance against the indicators at objectives, output and activity levels and outcome is effective and revise the system as necessary; • Support a simple and operational monitoring and reporting system to be followed by the M&E staff of the PGT that facilitates the analysis of the data by M&E staff; • Revise as necessary the proposed formats for reporting to the PICSA, IFAD and the MAF based on the formats agreed; and • Provide trainings to M&E staff of the PGT, PPIT, DPIT and concerned line agencies on reporting and monitoring systems that are in use; • Oversee and execute M&E activities included in AWPB with particular focus on results and impacts as well as in lessons learning; and • Assist in the preparation of project reports. Guide staff and executing partners in preparing project reports in line with approved reporting formats and ensure timely submission. This includes quarterly progress reports, annual project report and ad-hoc technical reports |
| <p>Qualifications</p> | <ul style="list-style-type: none"> • Five years' experience in monitoring, evaluation and knowledge management of large and complex operations. • Experience in working with international financing institutions is a pre • Adequate skill in written and spoken English • Experience in leading decentralized staff in M&E • Experience in facilitating knowledge management with multiple stakeholders • Skills in working with spreadsheets, word processing and presentation software, • A team player with strong analytical facilities |

Position 6: Provincial Project Coordinator (PPC)

| | |
|--------------------------|--|
| Job title | Provincial Project Coordinator (Province) |
| Short description | The Provincial Project Director is a senior employee deputed full-time to this position to provide leadership for the full duration of the PICSA implementation period within the Province of Houphan / Xieng Khouang / Luang Prabang / Xayaboury. The Project Director leads both SRIWMSP and PICSA |
| Objective | Enhanced livelihood resilience and sustainability within the project intervention area |
| Results | <ul style="list-style-type: none"> • 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 |
| Reporting to | PAFO Director of the concerned Province. For day-today project coordination and communication with the PICSA Coordinator at national level |
| Tasks | <ul style="list-style-type: none"> • Maintain constructive relationships with the departments and partners involved in project implementation at Provincial level • Provide overall leadership over the organisation of deputed government staff and hired project staff dedicated to PICSA at the Province; • Direct the implementation of PICSA in accordance to the Project Design Report and the Annual Work Plan and Budget • Maintain the organisation of PICSA 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 PICSA on a steady course towards achieving its objectives • Ensure timely and candid reporting of the project's plans, progress, achievements and challenges to the Project Governance Team • Ensure the quality of the PICSA 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 | <ul style="list-style-type: none"> • Senior position within the Provincial Government • 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 |

Position 7: District Project Coordinator (DPO)

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|--------------------------|--|
| Job title | District Project Coordinator |
| Short description | The District Project Coordinator is a senior employee deputed full-time to this position to provide leadership for the full duration of the PICSA implementation period within the District of insert name of one of 19 Districts. The District Coordinator coordinates the implementation of activities at District level of both PICSA and SRIWMSP |
| Objective | Enhanced livelihood resilience and sustainability within the project intervention area |
| Results | <ul style="list-style-type: none"> • 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 |
| Reporting to | DAFO Director of the concerned District. For day-to-day project coordination and communication with the Provincial Project Coordinator and the PICSA National Project Coordinator |
| Tasks | <ul style="list-style-type: none"> • Maintain constructive relationships with the departments and partners involved in project implementation at District level • Provide overall leadership over the organisation of deputed government staff and hired project staff dedicated to PICSA at the District; • Direct the implementation of PICSA in accordance to the Project Design Report and the Annual Work Plan and Budget • Maintain the organisation of PICSA 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 PICSA on a steady course towards achieving its objectives • Ensure timely and candid reporting of the project's plans, progress, achievements and challenges to the Project Governance Team • Ensure the quality of PICSA 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 | <ul style="list-style-type: none"> • Senior position within the District Government • Background or proven experience in rural development and / or agriculture • Demonstrated skills in people's management and communication • A problem-solving attitude |

Position 8: Accountant (Province)

| | |
|--------------------------|--|
| Job title | Accountant (Province) |
| Short description | The Provincial Accountant is a full-time hired project staff assigned to ensure management of the Project's funds in keeping with the PICSA Financing Agreement and its underlying documents. |
| Objective | Ensure resources allocated to PICSA are used correctly and transparently and provide value for money |
| Results | <ul style="list-style-type: none"> • Timely flow of funds from IFAD to the activities to be financed by PICSA • A high standard of financial management of PICSA resources at Provincial |

| | |
|-----------------------|---|
| Job title | Accountant (Province) |
| | <p>level</p> <ul style="list-style-type: none"> • 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 |
| Reporting to | Provincial Project Coordinator and/or PICSA National Project Coordinator/Financial Management Officer |
| Tasks | <ul style="list-style-type: none"> • 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 backstopping to the District Accountants • Report any malpractices promptly to the Project management |
| Qualifications | <ul style="list-style-type: none"> • Five years' experience in project accounting • Experience in working with international financing institutions is a pre • Skills in working with spreadsheets software. Experience with accounting software is a pre • A team player with a problem-solving attitude |

Position 9: Accountant (District)

| | |
|--------------------------|--|
| Job title | Accountant (District) |
| Short description | The District Accountant is a full-time hired project staff assigned to ensure management of the Project's funds in keeping with the PICSA Financing Agreement and its underlying documents. |
| Objective | Ensure resources allocated to PICSA are used correctly and transparently and provide value for money |
| Results | <ul style="list-style-type: none"> • Timely flow of funds from IFAD to the activities to be financed by PICSA • A high standard of financial management of PICSA 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 |
| Reporting to | District Project Coordinator/Provincial Project Coordinator/National Project Coordinator/Provincial Accountant/National Financial Management Officer. |
| Tasks | <ul style="list-style-type: none"> • 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 famer groups on correct administrative procedures for the FGIF facility and to small enterprises for the AIF facility • Report any malpractices promptly to the Project management |
| Qualifications | <ul style="list-style-type: none"> • 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 |

Position 10: Provincial Development Advisor (PDA)

| | |
|--------------------------|---|
| Job title | Provincial Development Advisor |
| Short description | The Provincial Local Development Advisor is a hired project staff stationed at Provincial level for a duration of two years to strengthen the role of Village Authorities and Districts in the development processes supported by PICSA. |
| Objective | Village Authorities and Districts pursue PICSA activities as a way to achieve sustainable and inclusive local economic development |
| Results | <ul style="list-style-type: none"> • Project management principles (decentralized implementation, joint actions) applied • 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 Village Authorities and District Departments |
| Reporting to | Provincial Project Coordinator/National Project Coordinator/CTA |
| Tasks | <ul style="list-style-type: none"> • Guide the implementation of steps 2 and 3 of component 1 (Prepare a village profile, Conduct village assembly) in keeping with the Project Implementation Manual • Establish strong practices for targeting development activities (including PICSA) in the Village authorities • Pursue continuity of the above two points beyond the duration of the position; • Provide leadership and backstopping to the Cluster Facilitators responsible to support the village authorities in their role • Ensure synergy between village authorities and districts with respect to PICSA implementation • Ensure consistency in approaches across all Districts in their Province; as well as with activities supported by peers in the other three Provinces; • Support the Project management in providing an enabling environment for decentralized implementation |
| Qualifications | <ul style="list-style-type: none"> • Background in rural development and / or community development • Five years' experience in a similar role • Demonstrated skills in people's management and communication • A problem-solving attitude |

Position 11: Cluster Facilitator (CF)

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|--------------------------|---|
| Job title | Cluster Facilitator |
| Short description | The Cluster Facilitator is a hired project staff stationed at District level for a duration of two years (with possible extension and/or transfer) to support the Village Authorities of and beneficiary groups in three villages in managing the local development processes supported by PICSA. |
| Objective | Village Authorities, WUGs, farmer groups and local enterprises pursue PICSA activities with the explicit aspiration to contribute to sustainable and inclusive local economic development |
| Results | <ul style="list-style-type: none"> • 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 |
| Reporting to | District Coordinator/Provincial Development Advisor, |
| Tasks | <ul style="list-style-type: none"> • Support Village Authorities, WUGs, farmer groups and local enterprises in the implementation of all project activities at village level for components 1 and 2 in keeping with the Project Implementation Manual • Establish strong practices for targeting development activities (including PICSA) in the Village Authorities • Establish strong practices of cooperation within WUGs and farmer groups, including attention to vulnerable group members • Ensure consistency in implementation across all cluster facilitators working in the same district; • |
| Qualifications | <ul style="list-style-type: none"> • Graduated from an agricultural college and well-acquainted with rural life and communities; • Good interactive and communication skills • A problem-solving attitude |

Position 12: WUG Development Specialist

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|--------------------------|---|
| Job title | WUG Development & O&M Specialist |
| Short description | The WUG Development Specialist is a hired project staff stationed at national level for an 18-month period who provides backstopping to PICSA staff (deputed and hired) in strengthening water user groups' capacities in using, caring for and |

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| Job title | WUG Development & O&M Specialist |
| | improving their irrigation systems; inter alia by making use of PICSA support. |
| Objective | WUGs are able to ensure continued care, utilisation and improvement of their irrigation systems |
| Results | <ul style="list-style-type: none"> • Guidelines for orientation of WUGs towards better management of their system and organisation • Capacities in DAFO/DoI of orienting WUGs on better management of systems and organisations • A clear focus in WUGs and DoI on improving system and on-farm water management (rather than on provision of new infrastructure) |
| Reporting to | National Project Coordinator/CTA, |
| Tasks | <ul style="list-style-type: none"> • Guide the implementation of steps 4, 5 and 6 of component 1 (Train water WUGs, Coach WUGs, Support WUG investments through PICSA financing facility) • Coordinate activities closely with the On-farm water management specialist • Prepare training programmes for WUG orientation, based on interactive methodologies and including site visits; • Prepare a PICSA guideline on participatory water management, for use by the DoIs at PAFO and DAFO; • Orient PAFO and DAFO irrigation staff on participatory irrigation management through interactive methodology, including on-site application of the lessons learned (hands-on learning); • Contribute to lessons learned and policy recommendation with respect to Participatory Irrigation Management |
| Qualifications | <ul style="list-style-type: none"> • Irrigation engineer with five years' experience supporting participatory water management organisations (WUAs, WUGs). Experience in hill irrigation is a pre • Experience with pressurised irrigation, and irrigation of other crops than paddy • Demonstrated skills in training and coaching • Basic English language skills • A problem-solving attitude |

Position 13: On-Farm Water Management Specialist

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| Job title | On-Farm Water Management Specialist |
| Short description | The On-Farm Water Management Specialist is a hired project staff stationed at national level for an 18-month period who provides backstopping to PICSA staff (deputed and hired) in strengthening water user groups' capacities in enhancing the productivity of their irrigation systems; inter alia by making use of PICSA support. |
| Objective | WUGs are able to establish cropping patterns that make the most out of the available water resources |
| Results | <ul style="list-style-type: none"> • Guidelines for orientation of WUGs towards better productivity and higher cropping intensity of their system • Capacities in DAFO/DoI for orienting WUGs on irrigation agronomy • A clear focus in WUGs and DoI on improving system and on-farm water management (rather than on provision of new infrastructure) |
| Reporting to | National Project Coordinator/CTA |
| Tasks | <ul style="list-style-type: none"> • Guide the implementation of steps 4, 5 and 6 of component 1 (Train water WUGs, Coach WUGs, Support WUG investments through PICSA financing facility) • Coordinate activities closely with the WUG Development & O&M Specialist • Prepare training programmes for WUG orientation, based on interactive methodologies and including site visits; |

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| Job title | On-Farm Water Management Specialist |
| | <ul style="list-style-type: none"> • Prepare a PICSA guideline on irrigation agronomy, for use by the DoIs at PAFO and DAFO; • Orient PAFO and DAFO irrigation staff on irrigation agronomy through interactive methodology, including on-site application of the lessons learned (hands-on learning); • Contribute to lessons learned and policy recommendation with respect to Participatory Irrigation Management for commercial smallholder agriculture |
| Qualifications | <ul style="list-style-type: none"> • Irrigation agronomist with five years' experience supporting crop diversification under irrigated conditions. • Experience with pressurised irrigation, and irrigation of other crops than paddy • Demonstrated skills in training and coaching • Basic English language skills • A problem-solving attitude |

Position 14: Irrigation O&M Specialist

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|--------------------------|---|
| Job title | Irrigation O&M Specialist |
| Short description | The Irrigation O&M Specialist is a hired project staff working from the PGT at national level for a total of 12 months of intermittent missions throughout the implementation period of PICSA; charged with enhancing the quality of the project support towards irrigated commercial smallholder agriculture and with making available the lessons learned for review of national policies. |
| Objective | MAF, PAFO and DAFO irrigation staff are more capable to support WUGs in enhancing the productivity and profitability of irrigation |
| Results | <ul style="list-style-type: none"> • Quality assurance of the combined Guidelines for support to participatory irrigation management and irrigated crop diversification under PICSA • Consistency between and quality of the inputs of the WUG Development & O&M Specialist and the On-Farm Water Management Specialist • A clear contribution to decision-making at national level with respect to participatory irrigation management policies and their implementation |
| Reporting to | National Project Coordinator/CTA |
| Tasks | <ul style="list-style-type: none"> • Guide the implementation of steps 4, 5 and 6 of component 1 (Train water WUGs, Coach WUGs, Support WUG investments through PICSA financing facility) • Backstop activities and products of the WUG Development & O&M Specialist and the On-Farm Water Management Specialist • Engage with senior irrigation staff on overall policy and approaches towards participatory irrigation management; including diversification of irrigation technology and irrigated crops • Prepare in an interactive manner lessons learned and policy recommendation with respect to Participatory Irrigation Management for commercial smallholder agriculture |
| Qualifications | <ul style="list-style-type: none"> • Irrigation engineer or agronomist with ten years' experience supporting participatory irrigation management. Experience in South East Asia and hill irrigation is a pre • Excellent advisory skills and experience with policy development • Analytical skills and presentation skills |

Position 15: District Agricultural Extension Advisor

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| Job title | District Agricultural Extension Advisor |
| Short description | The District Agricultural Extension Expert is a hired project staff working with the District Project Implementation Team to ensure that a diverse and effective |

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| Job title | District Agricultural Extension Advisor |
| | extension effort gets underway with the help of PICSA 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 (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 | <ul style="list-style-type: none"> • 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 investment facility for agricultural intensification |
| Reporting to | District Coordinator/National Project Coordinator/CTA |
| Tasks | <ul style="list-style-type: none"> • Guide the implementation of steps 7, 8 and 9 of component 1 (Identify extension priorities, plan and implement extension priorities, establish farmer investment groups) • Collaborate with and support the extension staff attached to the DPIT as well as the DAFO extension staff in general; • Identify with the DPIT 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 DPIT 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 the use of model farmers (supported by component 2) 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 | <ul style="list-style-type: none"> • 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 organisation of farmer-to-farmer exchanges • Excellent communication skills • A problem-solving attitude |

Position 16: Provincial Farmer Group Investment (FGI) Advisor

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| Job title | Provincial Farmer Group Investment Advisor |
| Short | The Farmer Group Investment Advisor is a hired project staff <i>based at the PAFO</i> |

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| Job title | Provincial Farmer Group Investment Advisor |
| description | <i>working with the PPIT and DPIT</i> to lead the Farmer Group Investment (FGI) team, which is tasked to support farmer groups in the preparation, application, implementation and evaluation of investments and to link them to relevant services, markets and sources of knowledge. |
| Objective | To ensure smooth processes of investment identification, planning, grant application and implementation of investments supported under the Farmer Group Investment Facility in order to optimise its long-term benefits to target farmers and the wider farming community. |
| Results | <ul style="list-style-type: none"> • Identification, preparation and successful implementation of investments supported under the Famer Group Investment Facility |
| Reporting to | Provincial Project Director, National Project Coordinator/CTA |
| Tasks | <ul style="list-style-type: none"> • Align and coordinate with relevant actors on province and district levels: notably PAFO, DAFO – Departments of Extension, Irrigation, Crop Production and Livestock, Provincial and District Socio-Economic Development Committee, POIC, District Office for Trade and Commerce, District Youth Union, Lao Women’s Union. • Participate and contribute to Multi-Stakeholder Platform events organised at district level. • Train and supervise Cluster Facilitators in their role of coaching of farmer groups. • Participate at preparatory village assemblies and contribute with relevant information. • Facilitate identification of supported commodities and model farmers, and formation of farmer groups for investment purposes. • Support identified candidates and groups in writing applications for the FGI facility. • Support linking model farmers and farmer groups with traders, technical support and input providers. • 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 | <ul style="list-style-type: none"> • Completed tertiary education on relevant fields: agriculture, (farm) business management (BSc level or higher); • At least 3 years’ experience with farmer extension, farm investment, marketing of agricultural products or similar. Working experience with ODA projects is a pre • good understanding of basic farm economics • Good team player with facilitation and networking skills • A problem-solving attitude |

Position 17: International Value Chain Expert

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|--------------------------|--|
| Job title | International Value Chain Expert |
| Short description | The International Value Chain Expert is a hired project staff working from the PGT at national level for a total of 10 months of intermittent missions throughout the implementation period of PICSA; charged with enhancing the quality of the project support towards development of value chains benefiting smallholder farmers in the Project area |
| Objective | POCT and DOCT staff are more capable to support micro-, small- and medium enterprises in developing their business capacities especially in relation to products sourced from local smallholder farmers |
| Results | <ul style="list-style-type: none"> • Quality assurance of the processes used for the Multi-Stakeholder Platforms (MSP) and the Agro-enterprise Investment Facility (AIF) |

| | |
|-----------------------|--|
| Job title | International Value Chain Expert |
| | <ul style="list-style-type: none"> • Updated Guidelines for the Farmer Group Investment Facilities and the Agro-enterprise Investment Facility (drafts available) • Backstopping to PICSA staff (seconded and hired) in the field of commercialisation of agriculture |
| Reporting to | National Project Coordinator/CTA |
| Tasks | <ul style="list-style-type: none"> • Guide the implementation of steps 6 and 7 of component 1 (Establish farmer groups, support FGIF applications) and steps 1 to 5 of component 2 (Identify commodities and analyse value chains, MSPs, prepare AIF candidates; facilitate coordination, support utilisation of AIF) • Backstop activities of the concerned staff at Provincial and District level • Enhance consistency in the implementation of the FGIF and the AIF across Districts and Provinces • Support continued and enhanced cooperation with the Small Business Service Centre of the Chamber of Commerce • Engage with senior Trade and Commerce staff to address strategic concerns in value chain approaches that aim to benefit smallholder farmers |
| Qualifications | <ul style="list-style-type: none"> • Tertiary education within relevant field: agriculture, business management or similar • 10 years working experience with agro-enterprises, Value Chain promotion and/or SME promotion • Required set of skills: Analytical skills and strategic oversight |

Position 18: Agro-enterprise advisor

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| Job title | Agro-enterprise advisor |
| Short description | The Agro-enterprise advisor is a hired project staff based in Vientiane working from the PGT at National level; and has the lead of the Provincial Agro-Enterprise Development teams of 4 provinces located in the Provincial Office for Industry and Commerce, Department of SME Promotion. The team organises provincial and district-level Multi-Stakeholder Platforms that facilitate and improve linkages between Value Chain actors, 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 | Priority value chains are more profitable for all through better coordination of producers, regulators and buyers and through higher business acumen in especially small- and medium sized enterprises |
| Results | <ul style="list-style-type: none"> • Commodity-based Multi-Stakeholder Platforms leading to new and better relationships between relevant Value Chain actors • Agro-enterprises with good potential to increase value of traded commodities for mutual benefit of enterprise and producer |
| Reporting to | Provincial Director, National Project Coordinator |
| Tasks | <ul style="list-style-type: none"> • Align and coordinate with relevant actors on national, provincial and district level, notably the Provincial Office for Industry and Commerce, the Provincial Agriculture and Forestry Office, the Provincial Chamber of Commerce and Industry, the District Agriculture and Forestry Office, District Office for Trade and Commerce, District Socio-Economic Development Committee, District Youth Union, District Lao Women's Union, the Lao Farmers' Network, agricultural colleges, traders, input suppliers and others • Train and supervise District Farmer Group Investment teams • 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 producers/farmer groups and supported |

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|-----------------------|---|
| Job title | Agro-enterprise advisor |
| | <p>agro-enterprises</p> <ul style="list-style-type: none"> • Identify and preselect potential candidate agro-businesses for support via the Agro-enterprise Investment Facility • Link identified candidates to training providers and counsellors that support them in writing applications for the AI facility • Support AI facility applicants links with traders, technical support and input providers • 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 | <ul style="list-style-type: none"> • 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. |

Position19: National Nutrition Advisor (NNA)

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|--------------------------|---|
| Job title | Nutrition Advisor |
| Short description | The Nutrition Advisor is a hired project staff working from the PGT at national level for a period of 2 years; charged with enhancing the intensity and quality for the PICSA-supported activities in the field of nutrition in the project area |
| Objective | 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 around integrated food production in schools and around homesteads |
| Results | <ul style="list-style-type: none"> • Guidance on implementation of the PICSA activities in the field of nutrition • Consistency between nutrition activities and investments across Districts and Provinces • Capacity of DPIT nutrition staff in delivering activities aimed at behavioural change |
| Reporting to | National Project Coordinator / CTA |
| Tasks | <ul style="list-style-type: none"> • Ensure nutrition is adequately integrated in work instructions, the M&E system, the Annual Working Plans/Budget and Progress reports; • Assist DPITs in implementing all steps under component 3 (targeting, school gardens, ponds, water supply, nutrition education around schools, school meals, 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; • Design a survey of Knowledge Attitudes and Practice with respect to food and nutrition practices • 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 |

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| Job title | Nutrition Advisor |
| | <p>society organizations, etc.) to support implementation and the provision of technical assistance;</p> <ul style="list-style-type: none"> • Facilitate the implementation of nutrition-sensitive activities in close collaboration with relevant stakeholders (e.g. implementing partners, extension workers, community service providers); • Develop practical guidance for the implementers of the PICSA nutrition component • Coordinate capacity building and training sessions on nutrition-sensitive interventions for PICSA staff (deputed and hired); • Perform other duties related with nutrition, as required in the overall operations of the project. |
| Qualifications | <ul style="list-style-type: none"> • 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 |

Position20: District M&E and KM Officer (DM&E-KM)

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|--------------------------|---|
| Job title | District M&E and KM Officer |
| Short description | The District M&E and KM Officer is responsible for the oversight and coordination of all M&E activities undertaken within the district under the PICSA. The M&E and KM officer stations at DAFO to develop needed forms and formats for collecting data from the field, monitoring all project related activities at district and village levels in use of these tools and formats. |
| Objective | The district M&E and KM Officer will oversee the correct use of the tools, forms and formats, the timely submission of associated data and reports, and the collation and analysis of project data before sending it to the Provincial Development Advisor and National M&E Advisor. |
| Results | <ul style="list-style-type: none"> • Ensuring the information is provided to the PAFO and PGT in the required formats and reports in a timely fashion. The district M&E and KM Officer effectively communicates PICSA physical and financial achievements and related issues. The district M&E and KM Officer reports directly to the District Project Coordinator and is guided by the Provincial Development Advisor and National M&E Advisor. |
| Reporting to | National Project Coordinator / CTA/DAFO/PAFO |
| Tasks | <p>1. Monitoring and Evaluation (M&E)</p> <ul style="list-style-type: none"> • Contribute to the development of standard M&E systems, tools, forms and formats and supervise project activity implementation in the correct and timely fashion, by using the M&E systems, tools and formats; • Collate and analyze M&E information at the district level, and provide consolidated data and associated reports required under PICSA and MAF; • Support the design and implementation of special, small, evaluative studies required under PICSA for continuous learning and improvement; • Provide support in the alignment of existing Annual Work Plan and Budget (AWPB) indicators and targets to ensure that they are appropriately executed and adequately linked to the achievement of strategic objectives of the project; • Contribute to the development of the Annual Work Plan and Budget (AWPB), and detailed quarterly activity implementation plans, ensuring alignment with Project strategy, agreement on annual targets and inclusion of M&E activities; |

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| Job title | District M&E and KM Officer |
| | <ul style="list-style-type: none"> • Monitor implementation of the AWPB and detailed activity implementation plans at district levels and provide advice to management on issues/delays as required. Monitor implementation progress against targets; • Conduct regular visits to monitor the implementation of activities at field level including PICSA village activities and the support to formed WUFGs, etc., throughout its whole process; • Train and mentor relevant staff in M&E principles and techniques; • Undertake routine district data entry into the M&E system as developed by the M&E Advisor at PGT; • Undertake periodic reviews of the progress and performance of project activities implemented at district level; • Assist in the preparation of district monthly, quarterly and semi-annual and annual progress reports for the Project; • Undertake any other duties as required by the District Project Coordinator and the National Project Coordinator. <p>2. Knowledge Management (KM)</p> <ul style="list-style-type: none"> • Develop and implement a system to identify, analyze, document and disseminate lessons learned from project management and implementation; • Convene and facilitate periodic knowledge sharing and learning workshops in the district covering key thematic areas; • Document, package and disseminate lessons periodically as they are identified and validated; • Facilitate exchanges of experiences by supporting and coordinating Project participation in workshops, contributions to the PICSA or IFAD-Laos learning events, and providing PICSA contributions to other relevant government, project or development partner networks; • Update district social media page on a regular basis with the activity implementation and progress information; • Take relevant pictures and short videos of project activities and make a database as instructed by the National M&E Advisor for further use; • Identify the lead farmers and make a database to share it with National M&E Advisor; and • Identify good practices in the district and document the practices to be further analysis by the PGT and National M&E Advisor. |
| Qualifications | <ul style="list-style-type: none"> • The candidate should have least 2 year working experience with tertiary qualifications in agriculture, social sciences, economics, or other relevant fields. • The candidate must be familiar with the M&E and KM requirements of internationally funded development projects in the agricultural sector. Candidates with prior experience of at least 1 year in the same or similar position for an international donor in Lao PDR, would be preferred; • S/he should be computer literate in common software packages (e.g. Microsoft Word, Excel and ideally Access); • The candidate should possess good presentation, coordination and organizational skills • The candidate must have practical skills in work planning and reporting; • The candidate must have strong communication skills, especially writing skills |

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| Job title | District M&E and KM Officer |
| | (English language skills will be an advantage). |

Appendix 5: Memoranda of Understanding

1. This appendix contains building block for the Memoranda of Understanding (MOU) that need to be developed for the implementation of the capacity building of small-and medium enterprises in connection to the Agro-enterprise Investment Facility, where is the intended implementation partner.
2. The draft provided here is to be developed further in an applicable MoU format. Both agreements need prior review from IFAD and may be subject to legal review.

Memorandum of Understanding between the Ministry of Agriculture and Forestry and the Lao National Chamber of Commerce and Industry

Whereas the Lao PDR Ministry of Agriculture and Forestry (MAF), represented by the Partnerships for Irrigation and Commercialisation of Smallholder Agriculture (PICSA) project financed by the IFAD, pursues the goal of strengthening Agricultural SMEs in inclusive rural value chains; and

Whereas the Lao National Chamber of Commerce and Industry (LNCCI), represented by the SME Service Centre with TA by the ILO, coordinates SME technical advisory services for improved SME investment planning and management skills.

The PICSA-MAF and the SSC-LNCCI (the “Parties”) agree as follows:

I. Scope of the Agreement

I.I. This document and its two annexes form the entire MoU between the Parties (the “MoU”). The annexes:

- Annex 1: PICSA Guidelines for the Agro-Enterprise Investment Facility;
- Annex 2: SSC Laos In Business Package.

I.II. The objective of the partnership is to:

- Jointly identify and support Agro-enterprises as lead SMEs interlinked with project-supported farmer groups in inclusive rural value chains;
- Help the Agro-enterprises prepare Business Plans and Financial Plans by using the “Laos In Business” toolkit;
- Based on Business Plans and Financial Plans, develop applications for co-financing of Agro-enterprises’ proposed investments to the Agro-Enterprise Investment Facility and to financial institutions;
- Support Agro-enterprises to successfully implement the investments supported by the Agro-Enterprise Investment Facility.

II. Commitments by the parties

II.I. The SSC-LNCCI, commits to the following:

- (a) Coordinate, monitor and provide quality assurance for a Business Development Service (BDS) network;
- (b) Through provincial Chambers of Commerce and through participation in commodity-based local Multi-Stakeholder Platforms, identify Agro-enterprises in PICSA target areas as potential candidates for support from the Agro-Enterprise Investment Facility of PICSA;
- (c) Coordinate the roll-out of the “Laos In Business” BDS service package with identified Agro-enterprises, against payment for the services directly by the Agro-enterprises; This includes: (i) Support the Agro-enterprises in drafting their business plans, financial plans and grant applications according to PICSA standard; (ii) Provide individual and group-based business management assistance to the Agro-enterprises in successful implementation of their investments.

II.II The PICSA-MAF commits to the following:

- (a) Within the framework of local, commodity-based Multi-Stakeholder Platforms, with participation of LNCCI-SSC, Provincial Chambers of Commerce and Sector Associations, identify and preselect Agro-enterprises in target areas as potential candidates for support from the Agro-Enterprise Investment Facility;

- (b) Provide up to USD 1,000 per applicant as capacity building grant to up to 224 identified Agro-enterprises in the target area, to be used for procurement of Business Planning BDS support services through the SSC network and other capacity building measures;
- (c) Upon approval by the respective District Socio-Economic Development Committees, provide co-financing to Agro-enterprises. The co-financing is in three categories (i) Category I: 100% grant finance for investments up to USD 2,500, (ii) Category II: 50% grant finance for financial investment between USD 2,501 and 15,000, (iii) Category III: 25% grant finance for financial investment between USD 15,001 and up to USD 50,000.

II.III The Parties assign reference focal points in Vientiane Capital, xx xx, to serve as direct liaison to coordinate the joint activities.

II.IV. The Partnership Activity will be performed from the date of signing and will be completed by xx xxx or other date fixed by any extension approved by the Parties.

The undersigned, duly appointed representatives of the Parties, confirm this Agreement.

Ministry of Agriculture and Forestry **Lao National Chamber of Commerce and Industry**

Title:

Title:

Name:

Name:

Place and Date:

Place and Date:

Appendix 6: PICSA Household Resilience Index

3. The purpose of the index is to present a set of questions for monitoring changes in resilience that can be integrated into the PICSA's M&E system in line with the project's theory of change, outcomes and outputs. The approach draws on a set of guidelines⁷ developed by DFID to enable projects that they support to report resilience (mainly resilience to climate change). These guidelines are being tested and adapted by IFAD in a few countries.
4. Resilience is defined as the ability of a system, household or person to cope with changes and shocks (recover, learn and adapt or transform). There are multiple factors that can determine resilience. Typically these include the status of: social networks / community institutions and their relationships to higher level institutions and organisations; land and natural resource governance systems; diversity in: crops / livestock, income sources and livelihoods opportunities; wealth and asset ownership; quality of diets (health and nutrition); savings and access to finance; access to markets, transport and social services; and early warning systems and preventive strategies.
5. As a starting point the index considers the main risks of shocks or gradually increasing stresses related to climate change, natural, economic and social events that could negatively impact on the livelihoods of different project target households / groups and which may prevent them from exiting poverty or cause them to fall back into poverty. Based on this assessment a set of simple questions have been identified which relate to certain project outputs that are considered key for improving resilience of the project target groups.
6. The factors identified as being key for improving resilience that PICSA is anticipated to have a significant impact on, are: access to community / social networks, institutions and organisations; access to land and water; nutrition / quality of diets; diversity of income sources; and level of savings (cash and in assets) and access to emergency relief (cash or food).
7. The following key questions have been identified for monitoring resilience against the above factors (overleaf):

⁷ See [DFID KPI4-methodology](#).

| Questions | Score ⁸ |
|---|--------------------|
| 1. Are you or someone in your household a member of one of the following groups: Producer Group? <input type="checkbox"/> Water User Group? <input type="checkbox"/> Other? <input type="checkbox"/> If other, please specify: _____ | |
| 2. Have you or someone in your household participated in planning for the development of your village? Yes <input type="checkbox"/> | |
| 3. Does your household have access to land for productive use in: Upland or hillside areas? <input type="checkbox"/> Lowlands? <input type="checkbox"/> | |
| 4. Do you have access to water for production in: Wet season? <input type="checkbox"/> Dry season? <input type="checkbox"/> | |
| 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"/> | |
| 6. Does your household grow vegetables during the: Wet season? <input type="checkbox"/> Dry season? <input type="checkbox"/> | |
| 7. Do all members of your household eat animal source protein (meat, fish, frogs or insects): (a) At least 3 days a week? <input type="checkbox"/> (b) Every day? <input type="checkbox"/> | |
| 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"/> | |
| 9. What sources of income do you have? Sale of crops / livestock? <input type="checkbox"/> Processing or trading? <input type="checkbox"/> Employment? <input type="checkbox"/> Other? <input type="checkbox"/> If other, please specify: _____ | |

⁸ 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.

| Questions | Score ⁸ |
|--|--------------------|
| <p>10. To help you in an emergency or sudden difficult situation, do you have access to:</p> <p>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"/></p> <p>If other, please specify: _____</p> | |
| <p>Total score:</p> | |

Attachment 1: Analysis of key risks, potential impacts, project interventions and resilience scorecard questions.

The following matrix presents the summary analysis of the key vulnerability risks, their potential impact on the PICSA target groups, a summary of how the project interventions will address these risks and the associated scorecard questions aimed at monitoring changes in resilience.

| Type of risk | Potential impacts | Project interventions | Resilience scorecard questions |
|--|--|--|--|
| <i>Social networks / community organisations</i> | | | |
| <ul style="list-style-type: none"> • Weak social networks & participatory community planning processes. | <ul style="list-style-type: none"> • Social exclusion & lack of support during crises, especially for ethnic minorities. | <ul style="list-style-type: none"> • Water User & Producer Group formation & training / capacity building. • Village participatory planning of project investments. | <p>1 Are you or someone in your household a member of one of the following groups? Producer Group? <input type="checkbox"/> Water User Group? <input type="checkbox"/> Other? <input type="checkbox"/> 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> |
| <i>Land & water</i> | | | |
| <ul style="list-style-type: none"> • Lack of access to land & water for production. • Extreme weather conditions. • Inadequate O&M of infrastructure. | <ul style="list-style-type: none"> • Greater incidence of poverty due a limited land (& water) access, especially for people living in upland areas. • Flooding, landslides & water-logging during wet seasons & water shortages during dry periods or droughts. | <ul style="list-style-type: none"> • Improve access to water for production in both lowlands & uplands, incl. climate proofing of infrastructure & other climate adaptation measures (see note on climate risk assessment & adaptation measures). • For landless poor, provide off-farm & other employment opportunities (addressed in Q11, below). • Training & capacity building for WUGs in O&M. | <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 Does your household have access to water for production during the: 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> |
| <i>Food security & nutrition</i> | | | |
| <ul style="list-style-type: none"> • Limited crop diversity / heavy reliance on rice as the primary source of food. • Inadequate | <ul style="list-style-type: none"> • Extreme malnutrition & stunting, especially affecting woman & children. | <ul style="list-style-type: none"> • Support crop diversification, specifically increased vegetable production in both upland & lowland areas & in wet & dry seasons (several, interrelated interventions). | <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</p> |

| Type of risk | Potential impacts | Project interventions | Resilience scorecard questions |
|---|--|---|---|
| nutrition knowledge. • Cultural “taboos” in food consumption amongst ethnic minorities, especially for women & children. • Early marriage by girls. | | • School-based nutrition interventions, incl. est. of gardens & ponds, preparation of healthy meals & training in nutrition, sanitation & hygiene. • Village group investments in various projects for improving nutrition & village level training on production of nutritious foods, healthy diets, household economy, food taboos, intra-household food distribution, women’s workload, early marriages, teenage pregnancies, water sanitation and hygiene. | insects): (a) At least 3 days a week? <input type="checkbox"/> (b) Every day? <input type="checkbox"/> 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"/> |
| <i>Income, savings & emergency relief</i> | | | |
| • Limited diversity of income sources & lack of savings / access to emergency relief. | • Lack of cash to address immediate needs during a crisis or to invest in recovering from a crisis / set-back. | • Several interventions to diversify and increase income and to make better investment decisions. | 9 What sources of income do you have: Sale of crops / livestock? <input type="checkbox"/> Processing or trading? <input type="checkbox"/> Employment? <input type="checkbox"/> Other? <input type="checkbox"/> If other, please specify. 10 To help you in an emergency or sudden difficult situation, do you have access to: Savings? <input type="checkbox"/> Assets or livestock you can sell? <input type="checkbox"/> <input type="checkbox"/> Village “rice bank? <input type="checkbox"/> Emergency credit? <input type="checkbox"/> Other? <input type="checkbox"/> <input type="checkbox"/> If other, please specify. |

Attachment 2: List of additional or alternative questions.

The following list of additional or alternative questions were also considered, which could still be adapted and included or replace those selected above.

Does the village headmen and the village committees contribute to the living conditions of your household?

Can you rely on support from your VDC?

Is your village a good village to live in?

Does your family have access to: rain-fed hillside lands? Irrigated hillside lands? Rain-fed land in the lowlands? Lowlands irrigated land?

Does your family: a) collect resources from forests? b) Use community grazing lands?

Do you have access to safe drinking water throughout the year? Yes

Do children in your family suffer from *diarrhoea at least once a week at certain times in the year*? No

Do you earn an income from: cultivation of lowlands in the wet season; cultivation of lowlands in the dry season; cultivation of sloped land in the wet season; cultivation of sloped land in the dry season; rearing of livestock; processing of agricultural products; products collected from the forest.

Are you able to save (cash or other)? Yes

Do you have reserves that you can use in case of an emergency or sudden difficult situation? Yes

Does one or more members of your household migrate for more than three months per year to earn money for the household?

Multi-stakeholder Platform? More reliable market relations? Do you have a good understanding with the buyers of your products?

Experience periodic water shortages?

[Increased] crop diversification?

Access to (high value) vegetable crops?

Access to school meals?

Diversified income / livelihoods?

Diversity of assets?

Savings (>\$yy)?

[Improved / increased] Access to credit?

Involved in a business enterprise?

Employed?

[Improved / increased] Road access?

[Improved / increased] Market access?

Received training in ?

Appendix 7: Integrated Project Risk Matrix with columns for update in Annual Report

| Risk Category / Subcategory | Inherent Risk | Residual Risk | Updated Risk Assessment for Annual Report | |
|---|-----------------|-----------------|--|---|
| | | | 1. Did this risk affect project implementation during the reporting period (comment) | 3. Assessed Residual Risk for Next Period |
| | | | 2. Were the risk mitigation measures fully implemented (comment) | |
| Country Context | Moderate | Moderate | | |
| <i>Political Commitment</i> | <i>Moderate</i> | <i>Moderate</i> | | |
| <u>Risks</u> Risk that the Government may not be able to provide the resources and the resolve needed to strengthen the role of the Districts in accordance to its own Sam Sang policy. Risk that civil servants do not continue for adequate periods of time in their positions | <i>Moderate</i> | <i>Moderate</i> | | |
| <u>Mitigation</u> The project logframe assumes continuing policy commitment on part of Government and adequate continuity in positions for civil servants | | | | |
| <i>Macroeconomic</i> | <i>Moderate</i> | <i>Moderate</i> | | |
| <u>Risks</u> Country and operational risk that Government debt burden will affect its capacity to finance the project loans and to commit to its counterpart funding. Risk that Macro-economic policy and trade relations with neighbouring countries may negatively affect prospects for commercial irrigated smallholder agriculture in target area | <i>Moderate</i> | <i>Moderate</i> | | |
| <u>Mitigation</u> Financing Agreement includes explicit text on counterpart funding – | | | | |

| | | | | |
|--|--------------------|-----------------|--|--|
| including district levels – and loan recovery Logframe assumes economic and social stability in target provinces and districts | | | | |
| Sector Strategies and Policies | Substantial | Moderate | | |
| <i>Policy Alignment</i> | <i>Substantial</i> | <i>Moderate</i> | | |
| <u>Risks</u> Operational risk that rice self-sufficiency targets conflict with policy directions on high value cropping and commercialisation of smallholder agriculture. Logframe assumes that production targets, if any, reflect policies of diversification and commercialisation | <i>Substantial</i> | <i>Moderate</i> | | |
| <u>Mitigation</u> Include Province, District and Village authorities in steering groups with concerned departments; include Province in SIS-mission wrap-up meetings | | | | |
| <i>Policy Development and Implementation</i> | <i>Substantial</i> | <i>Moderate</i> | | |
| <u>Risks</u> Operational risk whether concerned entities coordinate their activities under the nutrition convergence approach. Logframe assumes collaboration and commitment among agencies involved in national convergence approach | <i>Moderate</i> | <i>Moderate</i> | | |
| <u>Mitigation</u> Project funding for nutrition interventions is conditional upon concerted actions by nutrition convergence agencies | | | | |
| Environment and Climate Context | Moderate | Low | | |
| <i>Project vulnerability to climate change impacts</i> | <i>Moderate</i> | <i>Low</i> | | |
| <u>Risks</u> Country risk that weather extremes affect the productive potential of (part of) the project area | <i>Moderate</i> | <i>Low</i> | | |
| <u>Mitigation</u> PICSA includes measures to avoid, adapt to or mitigate the specific climate risks (see section 3.J of the PDR). <u>Logframe assumption</u> : Sound disaster risk management and disaster | | | | |

| | | | |
|---|--------------------|--------------------|--|
| response. | | | |
| Institutional Capacity for Implementation and Sustainability | Substantial | Moderate | |
| <i>Implementation Arrangements</i> | <i>Substantial</i> | <i>Moderate</i> | |
| <u>Risks</u> Operational risk that lack of capacity with respect to administrative processes affects implementation of technical activities | <i>Substantial</i> | <i>Moderate</i> | |
| <u>Mitigation</u> Financial and administrative support at all implementation-levels financed under the Loan. | | | |
| <u>Risks</u> Operational risk that implementation capacity of Districts is enough to meet the intensive support required to be given to communities and groups during PICSA implementation | <i>Substantial</i> | <i>Moderate</i> | |
| <u>Mitigation</u> Additional staff engaged for community facilitation and for specific technical fields of work | | | |
| <i>Monitoring and Evaluation Arrangements</i> | <i>Substantial</i> | <i>Moderate</i> | |
| <u>Risks</u> The risk that the project executing agency's M&E processes and systems are weak or inefficient, resulting in a limited ability to monitor, validate, analyse and communicate results, capture lessons and adjust implementation to seize opportunities and take corrective actions in a timely manner | <i>Substantial</i> | <i>Moderate</i> | |
| <u>Mitigation</u> Project will engage a full-time contracted M&E Officer (shared 50% with SRIWSMP) who will coordinate and support all aspects of project M&E | | | |
| Financial Management | High | Substantial | |
| <i>Organisation and staffing</i> | <i>High</i> | <i>Substantial</i> | |
| <u>Risks</u> Lack of FM qualified staff under the GoL Structure. | <i>High</i> | <i>Substantial</i> | |

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|---|-------------|--------------------|--|--|
| GOL staff is not sufficient to implement the project on their own, this could hinder the project implementation. Capacity building of the GoL staff and the implementing agency, could be diluted because of the hiring of consultants. | | | | |
| <u>Mitigation</u> PICSA will reinforce its FM capacity through the hiring of qualified FM staff. They will be hired at PGT, PPIT and DPIT levels. The staff will conduct periodic trainings to build the capacity of GoL staff and strengthen the performance of the implementing agency. | | | | |
| <u>Budgeting</u> | <i>High</i> | <i>Substantial</i> | | |
| <u>Risks</u> AWPB process suffer delays and inconsistencies that affect the monitoring and implementation of activities. | <i>High</i> | <i>Substantial</i> | | |
| <u>Mitigation</u> Budgets will be developed by each implementing agency using the agreed work planning templates and as defined in the Financial Management Manual. The project cost tables and the chart of accounts developed for the project will serve as a reference for the preparation of AWPBs. The PPITs and DPITs will need to provide their own annual work plan and supporting budgets for the early consolidation of the PGT. These will be used to develop the cash flow of the project. | | | | |
| <u>Funds Flow / Disbursement Arrangements</u> | <i>High</i> | <i>Substantial</i> | | |
| <u>Risks</u> Possible delays in the submission of financial reports from the PPITs, DPITs, companies and farmer organisations to justify the advances transferred by the PGT. | <i>High</i> | <i>Substantial</i> | | |
| <u>Mitigation</u> The PGT will ensure that the funds flow of the project is managed under imprest arrangements. An adequate threshold will be established | | | | |

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|---|-------------|--------------------|--|--|
| for PPITs and DPITs for a monthly replenishment of their bank accounts. The reporting line will be established under the premise of no delays in the implementation of activities. The FM staff of the PGT will carry out spot-checks to the implementing units to guarantee the quality of the financial reporting an archive management. | | | | |
| <i>Internal Controls</i> | <i>High</i> | <i>Substantial</i> | | |
| <u>Risks</u> It usually takes time for Central and implementing units to comply with internal control systems defined in the FM manual. | <i>High</i> | <i>Substantial</i> | | |
| <u>Mitigation</u> The FM manual for PICSA will include clear internal controls to be adopted project-wide, and supported by regular training as well as monitoring and oversight. The project will be supported at the start-up to speed up the understanding and the importance of their internal control system. | | | | |
| <i>Accounting and financial reporting</i> | <i>High</i> | <i>Substantial</i> | | |
| <u>Risks</u> IFAD funded projects accounting is performed under cash basis. The approach used across the portfolio is inconsistent. Projects used different types of accounting software and follow different procedures. | <i>High</i> | <i>Substantial</i> | | |
| PICSA will follow the IPSAS cash basis of accounting. The chart of accounts will be aligned to government standards and will incorporate the Components and by Disbursement categories defined in the Financing Agreement. The accounting will be carried out on a comprehensive and standardised FM system at the PGT level, which will consolidate the reports provided manually from the implementing units of PICSA and the companies and farmer organisations it supports. PICSA will use the same accounting software selected for SRIWMSP. The accounting procedures will be reflected in the FM manual and aligned where feasible to the ones of SRIWMSP. | | | | |
| <u>Risks</u> | <i>High</i> | <i>Substantial</i> | | |

| | | | | |
|--|-------------|--------------------|--|--|
| <p>The Financial Reports of IFAD funded projects in Lao PDR are produced inconsistently.</p> <p>The financial reporting is not seen as a tool for decision making. The lack of opportune financial information reduces its utility for monitoring implementation of activities.</p> | | | | |
| <p><u>Mitigation</u></p> <p>PICSA will produce its financial statements in accordance with the IPSAS cash basis of accounting.</p> <p>The FM systems and procedures for PICSA will allow annual and quarterly reporting.</p> <p>The PGT will consolidate the financial information produced by the implementing units and will be capable of producing financial information by Component and by Category of expenditure.</p> <p>PICSA will be capable to monitor the physical performance with the financial performance.</p> | | | | |
| <p><u>External Audit</u></p> | <i>High</i> | <i>Substantial</i> | | |
| <p><u>Risks</u></p> <p>The State Audit Organisation (SAO) in Lao PDR audits has capacity constraints.</p> <p>The SAO don't carry out audits for IFAD funded projects.</p> <p>The SAO doesn't apply consistently international standards.</p> <p>Shortcomings on the internal control system of donor funded projects are not well identified.</p> | <i>High</i> | <i>Substantial</i> | | |
| <p><u>Mitigation</u></p> <p>PICSA's annual accounts will be audited by a private firm in accordance with International Standards on Auditing (ISA) and following the IFAD Handbook for Financial Reporting and Auditing.</p> <p>This is also in alignment with what is foreseen for SRIWMSP</p> | | | | |
| <p>Project Procurement</p> | High | Substantial | | |
| <p><i>Capability in Public Procurement</i></p> | <i>High</i> | <i>Substantial</i> | | |
| <p><u>Risks</u></p> <p>Operational risk whether decentral implementation levels can correctly</p> | <i>High</i> | <i>Substantial</i> | | |

| | | | |
|--|-----------------|------------|--|
| handle procurement processes, | | | |
| <u>Mitigation</u> Financial and administrative support at all implementation-levels financed under the Loan. Clear guidelines on procurement procedures; Procurement packages are kept small. | | | |
| Environment, Social and Climate Impact | Low | Low | |
| <i>Resource Efficiency and Pollution Prevention</i> | <i>Moderate</i> | <i>Low</i> | |
| <u>Risks</u> Operational risk that agricultural intensification may coincide with a greater use of pesticides, herbicides, chemical fertiliser and plastics. | <i>Moderate</i> | <i>Low</i> | |
| <u>Mitigation</u> PICSA will promote the use of organic fertilisers, pest and weed control, which are already practiced. Market opportunities exist for expanding organic production of high value crops. Extension efforts that will accompany the intensification will focus on minimizing potential negative impacts arising from intensification. | | | |
| <i>Indigenous People</i> | <i>Moderate</i> | <i>Low</i> | |
| <u>Risks</u> 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 | | | |
| <u>Mitigation</u> About 50% of target population are members of ethnic groups. Participatory approach to planning and implementation will ensure that project interventions are sensitive to the social, economic and cultural needs of indigenous people. | | | |
| <i>Physical and Economic Resettlement</i> | <i>Moderate</i> | <i>Low</i> | |
| <u>Risks</u> Operational risk of environmental impact, land appropriation and compensation issues for investments in infrastructure | <i>Moderate</i> | <i>Low</i> | |

| | | | | |
|--|---------------------------|------------------------|--|--|
| <p><u>Mitigation</u> IFAD to be informed whether SRIWMSP investments in irrigation works and roads comply to ADB safeguards; IFAD supports PICSA investment in minor irrigation infrastructure and last-mile roads but only investments that do not require land acquisition are eligible; PICSA infrastructure investments to be planned by Districts and Villages under conditions of no appropriation of land, guarantees for proper management and inclusive targeting.</p> | | | | |
| <p>Overall</p> | <p>Substantial</p> | <p>Moderate</p> | | |

Appendix 8: Environmental and Social Management Plan (from SECAP review note).

| Risk Type | Impacts and risks | Mitigation |
|------------------------------------|--|---|
| Off-Season Vegetables | | |
| Social | (+) quick and regular income generation (+) market inclusion for land poor HH, women (-) market risks (-) Specialisation, reduced diversification of farming system, impact on food security (-) pollution and health risks related to chemical inputs (expired products) | Risk / Control mitigation strategy Improved / Good agricultural practices (GAP) Monitoring of market fairness and transparency |
| Environmental and climate | (+) reduce pressure on other land use (-) potential concentrated pollution of soil and water (-) decreased agrobiodiversity of seeds (-) disposal of plastic sheets at end of life (-) plastic tunnel on wooden frame vulnerable to climate event (winds, heavy rain) (-) increased pressure from pest and disease | Verification of validity of chemicals Safe use and disposal of pesticides and plastic sheets, metal frame for tunnels |
| Irrigated diversified crops | | |
| Social | (+) quick and regular income generation (+) market inclusion for land poor HH, women (-) market risks (-) Specialisation, reduced diversification of farming system, impact on food security (-) pollution and health risks related to chemical inputs (expired products) | Risk / Control mitigation strategy Improved / Good agricultural practices (GAP) Monitoring of market fairness and transparency |
| Environmental and climate | (+) reduce pressure on other land use (-) potential concentrated pollution of soil and water (-) decreased agrobiodiversity of seeds (-) disposal of plastic sheets at end of life (-) increased pressure from pest and disease | Verification of validity of chemicals Safe use and disposal of pesticides and plastic sheets |
| Fruit production | | |
| Social | + significant income once a year, saving +formal market arrangements + inclusion for poor HH, women +long term land use under tree plantation (-) market risks, contract enforcement (-) possible dominant position of groups and community leaders, group governance issues (-) food crop field conversion, reduced diversification of farming system detrimental to food crops (-) pollution and health risks related to chemical inputs (expired products) | Risk control / limitation strategy Women empowerment and Social inclusion measures GAP measures for orchard management Crop association and agroforestry |
| Environmental, climate | (+) reduced pressure on other land use (+) beneficial tree plantation as base for crop association (-) potential concentrated pollution of soil and water (fungicide) (-) conversion of land use (food crops for tree crops), | Avoidance strategy for issues related to storage: asset ownership and maintenance |

| | | |
|---------------------------|---|--|
| | <ul style="list-style-type: none"> (-) reduced fertilisation and soil cover on terraces (-) decreased agrobiodiversity of seeds (-) climate: increased pest and disease pressure, (+/-) geographic range of crop suitability shift | |
| Fruit cold storage | | |
| Social | <ul style="list-style-type: none"> (+) comparative advantage for group members (reduced loss, higher price after peak season) (+) product value addition (+) social capital building (+) recognition in the value chain (-) ownership of assets (e.g land of storage building) (-) potential dominant position of group and local leader (-) cost benefit ratio of investment and storage capacity vs. production (-) building maintenance and repair requirements (water drainage) | <p>Risk avoidance strategy for storage building.</p> <p>Cost/benefit risk assessment of options for post-harvest technology</p> <p>Site selection: assessment of characteristics (access, exposition) and land ownership status</p> <p>Climate proofing of building design</p> |
| Environmental, climate | <ul style="list-style-type: none"> (+) zero energy evaporative cooling technology (-) risks to asset: landslide, winds, fire risks | <p>Suitable evaporative cooling technology can be designed at smaller scale for storage at individual farm level</p> <p>Complementary Option to storage: physical market at critical points of production areas</p> |
| Roads | | |
| Social | <ul style="list-style-type: none"> (+) better access to services (health, education), information and markets, multi benefit (+) market inclusion for poor and marginalised people (+) possible employment opportunities in case of community-led construction (-) unfair O&M arrangements (-) safety concerns for users (-) maintenance and repairs beyond users capacity and financial means (-) social disruption due to outsiders interference in communities and local resources management | <p>Risk / Control mitigation strategy</p> <p>The project will only promote localised small scale access infrastructures with contribution arrangements on a fair, transparent voluntary basis</p> <p>Consultations and mobilization at all stage of project, informed consent approach</p> |
| Environmental, climate | <ul style="list-style-type: none"> (+) Improved access provide economic opportunities and relieve pressure on Natural resources (-) Degradation of soil during construction and throughout life time (-) Interruption of streams and drainage, water Impoundment (-) Vegetation and soil losses due to water induced erosion (-) climate change and extreme climate events damages | <p>Cost benefit analysis and options assessment</p> <p>Safety measures and insurance during implementation (survey, construction, supervision)</p> <p>O&M plans and environmental management plans prepared and implemented</p> <p>Mixed geotechnical and Bio engineering erosion protection</p> |

| | | |
|-------------------------------|---|---|
| | | <p>and drainage measures</p> <p>Climate proofing</p> <p>Disaster prevention and recovery: Plan climate-related risk management, emergency response, and rehabilitation of damaged rural infrastructure (accountability)</p> <p>Avoidance mitigation strategy</p> <p>Access infrastructures that involve involuntary encroachment on private property will be prescribed</p> |
| Water infrastructures | | |
| Social | <p>(+) better access to water for off-season production</p> <p>(+) market inclusion for remote marginalised communities, income generation</p> <p>(+)possible employment opportunities in case of community-led construction</p> <p>(-)localised encroachment on private property</p> <p>(-)unfair repartition of roles and responsibilities within users groups for operation and maintenance and usage rights</p> <p>(-)maintenance and repairs beyond users capacity and financial means</p> <p>(-)social disruption due to unequal access to water resource</p> <p>(-) loss of crop during rehabilitation works</p> | <p>Risk / Control mitigation strategy</p> <p>The project will only promote localised small scale water infrastructures with contribution arrangements on a fair, transparent voluntary basis</p> <p>Participation of communities at all stage. Local knowledge about water resources and risks are taken in account</p> <p>Mobilise and strengthen Institutions and pro-poor governance of land and water</p> <p>Promote water-efficient irrigation systems (e.g. drip irrigation, sprinkler) as well as innovation (spiral pump, ram pump)</p> <p>Promote water harvesting practices including capture of runoff where feasible</p> <p>Water use: optimisation of size and capacity with water requirements of crops and farming systems. Promote.</p> <p>Crossing points for livestock and existing paths</p> <p>Provisions for climate change proofing Disaster prevention</p> |
| Environmental, climate | <p>(+) better resilience to dry spells</p> <p>(-)Degradation of soil, forest cover, river bank during construction</p> <p>(-)Effect on water resources upstream and downstream of the command area, depletion of the aquifer, and loss of access to water for non-irrigation users (e.g. livestock)</p> <p>(-)inadequate engineering and design of infrastructure, disruption/modification of surface water flow, drainage adjustments, inefficient uses of water</p> | |

| | | |
|--|--|--|
| | | and recovery Avoidance mitigation strategy Water infrastructures that involve involuntary encroachment on private property will be prescribed |
|--|--|--|

List of Laws and Regulations on Environmental and Social Management (from SECAP Review Note)

The key Lao PDR legislation and policies relevant to the environmental and social management of the project include:

- Constitution of the Lao People’s Democratic Republic (1991, amended 2003 and 2015);
- Environmental Protection Law (EPL, 2013);
- 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)
- Public Involvement Guideline (2012);
- Guideline for Consultation with ethnic groups (2012)
- Water and Water Resources Law (1996);
- Forestry Law (2007);
- Wildlife Law and Aquatic Law (2007);
- Decree on Compensation and Resettlement of People Affected by Government Projects (No. 84/GOL, 5 April 2016);
- Law on Grievance Redress 012/NA (December 5, 2014)
- Land Law (2013).
- Law on Handling of Petitions (2015)

In the agriculture sector, relevant regulations related to environmental risk are:

- Irrigation Law
- Regulation on the Control of Pesticides in Lao PDR (2014);
- Decision on Good Agriculture Practices for Produce Quality Management Standards No 0539/MF, issued on 09/02/2011;
- Decision on GAP for Labor Safety, Health and Welfare issued on 9/02/2011 No. 0540/MAF;
- Decision on Good Agriculture Practices for Environmental Management No 0538/MF, issued on 09/02/2011;