

Kyrgyzstan

Livestock and Market Development Programme II Supervision Report

Main report and appendices

Mission Dates: 7-21 October 2019
Document Date 16/01/2020
Project No. 1100001709
Report No. 5262-KG

Near East, North Africa and Europe Division
Programme Management Department

Abbreviations and Acronyms

AHSC	Animal Health Sub-Committees
AKJ	Association of Pasture User Unions “Kyrgyz Jaiyty”
APIU	Agricultural Projects’ Implementation Unit
ARIS	Community Development and Investment Agency
ASAP	Adaptation for Smallholder Agriculture Programme
CPMLDP	Community Pasture Management and Livestock Development Plan
DPLF	Department of Pastures, Livestock and Fisheries
FAO	Food and Agriculture Organization of the United Nations
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GoK	Government of Kyrgyzstan
HACCP	Hazard Analysis Critical Control Point
IFAD	International Fund for Agricultural Development
KM	Knowledge Management
KNAU	Kyrgyz National Agrarian University
KGS	Kyrgyz Som (national currency)
KSRLPI	Kyrgyz Scientific and Research Livestock and Pasture Institute
KSVRI	Kyrgyz Scientific Veterinary Research Institute
LMDP	Livestock and Market Development Project
MAFIM	Ministry of Agriculture, Food Industry and Melioration
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MTR	Mid-term Review
OIE	World Organization for Animal Health
PCRG	Project Coordination and Reference Group
PUU	Pasture Users’ Union
SIVPS	State Inspectorate for Veterinary and Phytosanitary Security
SM	Supervision Mission
SOE	Statement of Expenditures
USAID	United States Agency for International Development
VC	Veterinary Chamber
WB	World Bank

A. Project Overview

Region:	Near East, North Africa and Europe Division	Project at Risk Status:	Not at risk
Country:	Kyrgyzstan	Environmental and Social Category:	B
Project Name:	Livestock and Market Development Programme II	Climate Risk Classification:	2
Project ID:	1100001709	Executing Institution:	Ministry of Agriculture and Melioration
Project Type:	Livestock	Implementing Institutions:	not available yet
CPM:	Mikael Kauttu		
Project Director:	not available yet		
Project Area:	not available yet		

Approval Date:	11/12/2013	Last audit receipt:	27/06/2019
Signing Date:	07/04/2014	Date of Last SIS Mission:	08/11/2019
Entry into Force Date:	06/08/2014	Number of SIS Missions:	6
Available for Disbursement Date:	07/04/2015	Number of extensions:	1
First Disbursement Date:	21/05/2015	Effectiveness lag:	8 months
MTR Date:	not available yet		
Original Completion Date:	30/09/2019		
Current Completion Date:	30/09/2020		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	Debt Sustainability Framework	\$10,999,743
	IFAD	\$10,999,921
	ASAP Trust Fund	\$9,999,520
Domestic Financing breakdown	Other Domestic	\$175,000
	National Government	\$269,800
	Beneficiaries	\$7,083,940
Co-financing breakdown,		
Project total financing:		\$39,527,924

Current Mission

Mission Dates:	7-21 October 2019
Days in the field:	4
Mission composition:	Mr. Mikael Kauttu, Country Director Mr Mikael Kauttu, Country Director Ms Anara Jumabayeva, Senior Economist, Team Leader Mr Brien Norton, Pasture Management and Livestock Specialist Mr Zholdoshbek Dadybaev, Veterinary Specialist Ms Alaa Abdel Karim, Financial Management Specialist Mr Nino Gogsadze, Procurement Specialist Mr Oliver Mundy, Environment and Climate Specialist
Field sites visited:	Oblasts of Batken, Osh and Jalalabad

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		5	Assessment of the Overall Implementation Performance		5

Effectiveness and Developmental Focus	5	Project Management	5
Effectiveness	4	Quality of Project Management	5
Targeting and Outreach	5	Knowledge Management	4
Gender equality & women's participation	5	Value for Money	5
Agricultural Productivity	5	Coherence between AWPB and Implementation	5
Nutrition	4	Performance of M&E System	5
Adaptation to Climate Change	5	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	5

Sustainability and Scaling-up	5	Financial Management and Execution	5
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	3
Partnership-building	5	Quality of Financial Management	5
Human and Social Capital and Empowerment	5	Quality and Timeliness of Audit	5
Quality of Beneficiary Participation	5	Counterparts Funds	5
Responsiveness of Service Providers	5	Compliance with Loan Covenants	5
Environment and Natural Resource Management	5	Procurement	5
Exit Strategy	4		
Potential for Scaling-up	5		

Relevance	5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

An IFAD mission visited Kyrgyzstan from 7 to 21 October 2019 (individual travels vary) to undertake a Supervision mission of and provide support to the Livestock and Market Development Project-II (LMDP-II) (IFAD Grant No. 2000000439, ASAP Trust Grant No. 2000000440 and Loan No. 2000000438). So far, there were two supervision missions and a Mid-term Review (MTR) in addition to start-up and a number of implementation support missions carried out during 2015-2018. The objective of the mission was to assess continued project relevance, effectiveness in achieving the objectives, effectiveness of the project's targeting and gender mainstreaming strategy, efficiency in project implementation, impact on food security and incomes of the rural poor to reduce rural poverty in the project area. In addition, the mission: (i) provided implementation support to improve project performance; and (ii) provided guidance for the resolution of outstanding implementation issues and obtained agreement on further steps. The procurement review was undertaken in a separate mission during 1-7 October 2019, while the financial management assessment took place in the first week of November 2019.

The mission had meetings and discussions with Mr. Choduev, Minister of Agriculture, Food Industry and Melioration (MAFIM); Mr. Mukanbetov, Minister of Economy (MOE); Mr. Abdybaly, Deputy Minister of Finance (MOF); Mr. Jumakanov, Director of the State Inspectorate for Veterinary and Phytosanitary Security (SIVPSS); Mr. Asrandiev, Chairman of the Russian-Kyrgyz Development Fund (RKDF); Mr. Tuleev, Director of the Agricultural Projects' Implementation Unit (APIU); Mr. Aitiev, ARIS Executive Director; Mr. Egemberdiev, Chairman of the Association of Pasture User Unions "Kyrgyz Jaiyty" (AKJ); staff of the Department of Pastures, Livestock and Fisheries (DPLF) under the MAFIM; and other heads of the implementing agencies, including the Kyrgyz National Agrarian University (KNAU), KyrgyzHydromet, the Department for Disease Prevention and State Sanitary and Epidemiological Surveillance under the Ministry of Health (DDPSESS), the Centre for Registration and Certification of Veterinary Drugs, Animal Feed and Additives (CRCVDFA), Veterinary Chamber (VC), the Kyrgyz Scientific and Research Livestock and Pasture Institute (KSRLPI) and the Kyrgyz Scientific and Research Veterinary Institute (KSRVI). The mission visited the project area during 8-10 and 19th October and held discussions with officials of Aiyl Okmotu ((AO) - local government body) and Aiyl Kenesh ((AK) - local elected council), ARIS regional and district staff as well as with representatives of 20 Pasture User Unions (PUUs) and their groups, as well as 3 beneficiary groups of Component 3. Altogether, the mission spent four days in the field travelling in four groups to ensure a wide coverage. In addition, meetings were also held with the representatives of donor agencies in Kyrgyzstan, including GIZ, FAO, WB and Camp Alatoo, to agree on coordination of various activities and initiatives.

Key Mission Agreements and Conclusions

The project, initially scheduled for completion in September 2019 (30-09-2019), has been officially extended for one year.

The disbursement rates for the IFAD Loan, Grant and ASAP Grant as of 15 October 2019 are 76%, 71% and 92% respectively. The project disbursement rate is rated as **moderately satisfactory (4)**. It is estimated that the project funds will be fully used until the new completion date. The overall financial performance of the project is rated as **satisfactory (5)** (see further in the fiduciary section). The following key activities have been conducted since the last supervision to date: (i) completion of 444 micro-projects (MP) on pasture infrastructure and animal health (totalling to 793 MPs); (ii) social mobilization activities for 31,344 PUUs' members and trainings for 12,889 PUUs' members on climate change and adaptation, preparation, implementation and monitoring of the CPMLDPs, legal issues of pasture management, procurement, financial management and sustainability of investments; (iv) establishment of 50 Community Fodder Seed Funds (CFSF) and their capacity building by the AKJ (totalling to 91 CFSFs); and (v) registration of 866 private veterinarians on a fee basis at Veterinary Chamber Registry in 2019 (these are part of the cumulative total 2,569 registered private vets up today, including 1,703 without fees); (vi) 35 MPs under Component 3 are in the process of delivering equipment and goods.

The project continues generating a wide range of improvements in nutrition and food security, quality of life, and control over physical and natural assets; this was observed by the mission during the field trips. The impact survey for LMDP-I confirms: (i) increase in fixed assets by 10.1%; (ii) rise in monthly meat consumption by 30.8%, meat products by 33.7%, milk by 41.2% and dairy products by 39.5%; (iii) increase in milk yield by 4% and in animal liveweight by 20-50% (depending on the type of animals); (iv) increase in collection of pasture fees by 44% and decrease in number of disputes regarding pasture access by 47%; and (v) reduction in incidence of brucellosis in cattle by 61%. It is expected that LMDP-II will generate results of a similar magnitude. Incidences of brucellosis and echinococcosis in humans in the KR decreased by 30% from 1,124 cases in 2014 to 787 in 2018, and 23% from 1,181 cases in 2014 to 906 in 2018, respectively. However, implementation of some micro-projects and some activities is behind schedule, and this has caused the extension of the project.

Nevertheless, in view of the significant progress made in 2019 and visible results on the ground, the project's overall performance is rated as **satisfactory (5)**.

Basically, all the actions agreed during the last supervision mission have been performed (as reported by APIU, see Additional Aspects), however not in full or of satisfactory quality. It has been agreed that the following key actions (KA)

would be undertaken (including those that have not been entirely completed):

Action	Responsibility	Deadline	Status
Approval of National Program for Development of Pasture Management and Livestock Breeding for 2019-2023 by the Government. Comments and recommendations from IFAD should be considered.	DPLF/PROG	ASAP	Agreed
Completion of detailed community-based mapping for all 454 PUUs.	ARIS and DPLF/APIU	Sep 2020	Agreed
Develop and implement a communication and dissemination strategy for weather forecasts and alerts. The strategy should identify key audiences (including herders and livestock owners), specify information products (e.g. bulletins) and lay out dissemination channels (website, email, SMS, weather app), so that the right information reaches people at the right place and time. The World Bank project could help to develop and implement the strategy.	Hydromet	May 2020	Agreed
Develop protocols on how to manage and update geospatial pasture data and how to operate the web-platform of the DPLF. It has to clarify what data is on the platform, where it comes from, how is it updated and who manages/updates it.	DPLF/APIU	Dec 2019	Agreed
Conduct an economic efficiency analysis of all MPs implemented under Component 3 and a sample of MPs implemented by PUUs (10-15% of all PUUs). The analysis should identify their economic performance and benefits for the rural economy (e.g. employment, income generation for suppliers, especially small holder producers, economic efficiency indicators).	ARIS	July 2020	Agreed
Preparation of a Capacity building program and budget to support the Association of Private Vets (APV). To be implemented before the project completion.	APIU, ARIS and APV	Dec 2020	Agreed

D. Overview and Project Progress

Component 1: Community-Based Pasture Management and Vulnerability Reduction

Progress in this component has accelerated over the past 12 months with increasing expenditure on micro projects (MP). As of October 2019, US\$18.82 million were disbursed, an increase of \$7.44 million from \$11.38 million in 2018. The \$18.82 million comprises the IFAD loan (63%), IFAD grant (63%) and 79% of the ASAP grant. On paper, \$8.88 million remain unspent in loan and grant funds (32% of original loan and grants), but in practice these residuals would be reduced by at least 40% to account for changes in exchange rates. The project is on track to reach its spending targets, with some funds held in reserve to complete detailed mapping of all PUU pasture areas. It is expected that the planned activities will be completed and allocated funding will be fully disbursed by the new completion date. The status of the key agreed actions during the last mission in September-October, 2018 can be found in the section on Additional Aspects (as reported by APIU). However, some critical activities have not been fully concluded or of unsatisfactory quality. The component is satisfactory.

Sub-component 1.1 Community Risk-mitigation Pasture Management and Investments

Overall progress on the subcomponent is satisfactory.

CPMLDPs Investment Projects. An ambitious program of CPMLDPs identified 982 MPs of which 793 (81%) have been completed. Altogether MPs comprise an investment of \$17.92 million: 73% IFAD funds, 21% in community cash and 6% in local labour and materials. The principal investment has been the purchase of machinery with 343 MPs costing \$12.36 million (69% of total) for hay harvesting and baling, transport, and road renovation and maintenance. The second

emphasis has been on pasture infrastructure with 387 MPs costing \$3.08 million (17% of total) for water supplies, bridge construction, reconstruction of pasture-access roads and livestock trails, and for herders' cottages. Animal health protection received the benefit of 226 MPs at \$1.94 million (11% of total) in the form of AI points, veterinary service points and pharmacies, shearing units, slaughter facilities, Beccari pits, and dippers for small ruminants. Finally, direct pasture improvement MPs (46 in number costing 3% of total) were allocated towards erosion prevention, pasture fences, and water systems including irrigation of fodder fields.

These MPs contribute substantially to improvements in pasture forage and animal health across all PUUs. Renovation of bridges, roads and trails, and installation of water points has opened up grazing areas that were inaccessible, or unavailable due to lack of drinking water. The reported income of LMDP-II's PUUs from the use of agricultural and specialized machinery is about U\$144.5 thousand in 2018. Moreover, road rehabilitation works using this machinery were valued at approximately U\$77.3 thousand in the same year.

Updating the CPMLDPs. More than 90% of PUUs of the LMDP-II area have now updated CPMLDPs with digital maps in hand. The reminder should be done by the end of this year.

PUU strengthening. More than 31,000 people from the PUUs participated in social mobilization activities of ARIS in 2019 (26% women). These activities related to Institutional Assessment (IA) of PUUs, village meetings on selection of Jayit Committees (JCs or Pasture Committees (PC), hand-over of MPs, and annual reporting of the JC to the communities. More than 5,500 people (17% women) participated in the trainings conducted by ARIS for PUU on climate change and adaptation; preparation, implementation and monitoring of CPMLDPs; veterinary and animal husbandry issues, and sustainability of PUUs. The Institutional Assessment conducted in 2019 resulted that 97% of PUUs/JC performed well and scored higher than 70%. ARIS and AKJ will continue to strengthen capacity of the PUUs.

Community Fodder Seed Funds. A feature of fodder management introduced in LMDP-1, the CFSF program has successfully improved forage resources for 95 CFSFs in LMDP-1 oblasts and 91 under LMDP-2. In LMDP-1 most of the seed consisted of high-quality barley seed, but in LMDP-2 Lucerne seed has also been distributed. The program is implemented by communities. Part of the seed harvest remains with the participating HHs and part is returned to the Fund. A board of 5 people governing CFSF operations may decide to sell surplus seed.

Sub-Component 1.2 – Pasture Institutional Strengthening

Overall progress on the subcomponent is satisfactory.

Institutional Strengthening of DPLF. The project has supported the DPLF and in return received expert advice on a number of issues, particularly pasture inventory. A principal product emerging over the past 12 months is a document on a National Program for Development of Pasture Management and Livestock Breeding for 2019-2023. This strategy document has been reviewed by relevant government agencies and is being revised by DPLF before going to the Prime Minister's office for approval. The mission reviewed the draft of this Program and found it rather generic; comments and recommendations have been provided and have to be taken into consideration in the final document.

Institutional strengthening of the Kyrgyz Scientific and Research Livestock and Pasture Institute. The KSRLPI provides technical support to LMDP in the form of pasture seed collection, community seed increase, and pasture monitoring protocols. The KSRLPI has conducted a research programme monitoring 5 demonstration pasture plots in Batken, Jalalabad and Osh regions. The report on this research has been submitted to APIU and includes the key findings, outcomes and outputs of its research work as well as a menu of technical solutions for pasture improvements and adaptation to climate change.

Republican Association of Pasture Users' Unions (AKJ). The AKJ continues to provide valuable support to the project implementation especially in regard to the capacity building of the PUUs and JCs. AKJ has oversight over all PUUs in Kyrgyzstan and therefore is in a position to make general observations. The main issues that PUUs are dealing with are: (1) high turnover of PC chairs; (2) increase in livestock numbers causing pasture degradation; (3) border conflicts among PUUs, and between PUU pastures and SAEPF pastures; and (4) implementation of the new Budget Code whereby money collected by the PUU are transferred to the Ayil Okmotu instead of being previously held by the PC. Rising livestock numbers can be easily addressed by better grazing management, including rotational grazing. New PC chairs need training on their role and responsibilities. The AKJ has set up mobile schools to address this issue. There are 28 mobile schools altogether in LMDP oblasts, one school per raion. The current training is in 3 modules: legislative and legal issues; border conflict resolution; and improving pasture condition. The best among a group of PCs is assigned to deliver the mobile training. The focus is on helping new PC chairs to do their job, and the chosen PC trainer receives extra training to carry out this function.

Detailed and accurate mapping of PUU pastures will help to resolve some of the border conflicts that arise between PUUs. ARIS recently piloted such an exercise for 12 PUUs that combines Soviet-era paper maps with digital information and on-ground inspection. This has revealed overlaps that expose a negative change in pasture area averaging around 1,000 ha per PUU. The project aims to complete this detailed mapping task for all 454 PUUs of the country, but the effort is time-consuming and requires contracting several companies. ARIS will seek support from Giprozem in this important task.

There has been a major disagreement between the MAFIM and State Agency for Environmental Protection and Forests

(SAEPF) over how to manage grazing lands under the two jurisdictions that are used by the same PUU. A regulation from 2016 that deals with this problem has only recently been implemented. The regulation allows the PUU or individual livestock owner to make an agreement with SAEPF that defines the SAEPF pasture, specifies a pasture ticket to be collected by the PUU, and indicates how the ticket revenue will be shared by the PUU and SAEPF, with potential for investment on SAEPF lands for roads, bridges and waterpoints.

An assessment by the mission states that the current management of geospatial information on pastures is chaotic. The team recommends developing and applying geospatial data standards. A first demo of a pasture analysis tool based on Google Earth Engine that allows analysis on rainfall, temperature and snowfall looks promising. The project will also collaborate with the EO4SD CR to benefit from their free geospatial services to further strengthen the CCA aspects of CPMLDPs.

Early Warning System (EWS). A web-platform for the DPLF has been set up. It visualises basic climate data, weather alerts, pasture areas, livestock numbers and pasture infrastructure. The platform's current name "EWS" is misleading, and should be renamed to "pasture information system" to reflect additional functions (such as data provision for CPMLDPs). The DPLF does not have the capacity or the expertise to operate a 24-hour EWS. The dissemination of forecasts and alerts should be the responsibility of HydroMet. The agency is constantly improving their forecasts and issues alerts (using SmartMet), but has only a limited number of channels to disseminate information. Currently forecasts reach pasture users, but in a very inefficient way involving four intermediary parties. HydroMet should broaden their communication channels and information products to inform PCs directly with the information they need.

Component 2. Livestock Health and Production Services

Overall progress on the component is satisfactory.

Sub-component 2.1. Strengthening Veterinary and Community Animal Health Services

Overall progress on the subcomponent is satisfactory.

A brief review of Veterinary Services of the KR shows its progressive development which has been noted in the OIE and IFAD missions' reports, and it is also confirmed by the interviewed project beneficiaries. With respect to general management and provision of regulatory services, SIVPSS has evidenced remarkable progress. It has been supported by the project through strategic investments made since 2016 in infrastructure, legislation, data management, and technical skills. In return, SIVPSS has demonstrated the high competencies and stability of its leadership. Additional investments in risk analysis and continuing education will further strengthen this general management pillar.

Private Veterinarians (PV) have become the main force in implementing the state programs to prevent cross-border and zoonotic diseases, conducting animal identification as well as in meeting the demand of animal owners for veterinary services at field level. Over the past two years, the state veterinary service has been able to provide 100% of the PVs' needs in vaccine against major animal diseases. This year the ranks of PVs have been replenished by KNAU's graduates whose education was financed by the project. Two vets from each PUU have participated in trainings organized by the project on 19 topics identified by MAFIM, and another 6 trainings will be conducted before the end of the project. These vets should disseminate the knowledge gained among their colleagues.

The Veterinary Chamber (VC) began registering private vets and para-vets for a fee (KGS 1,500 (US\$21.7) for 2-year registration) since August 2019. Up to today there are 866 registered vets/para-vets (57 women) in the VC's register and around KGS1,200,000 of the collected fee. The number of registered vets can be increased with Vet Inspectorate's help by prohibiting the veterinarian activities without registration as well as through the VC's proper outreach activities among vets. Along with the proper registration work, the activities on the regulation of private veterinary practice (monitoring compliance by veterinarians with professional conduct standards, handling customer complaints, etc) have not yet begun. The charter of the VC as well as the composition of the VC Council has been changed several times. However, the Chairman of the VC Council and Executive Director have been working since the foundation of the CV and remain on their positions. The VC has not achieved the required financial sustainability. This is recognized by the OIE experts and the KR Chief Veterinary Officer (CVO). The need for financial and technical support was noted in the letters from the KR Jogorku Kenesh and MAFIM. The mission's opinion is that the support of the VC should be carried out for the years 2019 – 2020 in parallel with the VC's efforts to change the situation with funding the same people in key positions for more than three years. It is understood that after this period, the veterinary chamber should be able to generate the income necessary for sustaining its operations.

Sub-component 2.2. Animal Health Education and Capacity Building

Overall progress on the subcomponent is satisfactory.

KNAU has received significant assistance under the project in equipping its FVM&B with a laboratory and other equipment necessary for the training of future vets. The mission confirms that all goods received are used for their intended purpose and are in working condition. This year KNAU was able to graduate 100 veterinarians of which 87 began to work as private vets in the project area. KNAU fulfilled all the tasks stipulated by the project except for providing veterinary packages for graduates and finding finance for implementation of the twinning program which was agreed with

the veterinary faculty of Barcelona University (Spain).

Association of Private Veterinarians (APV) should play a leading role in improving the skills of its members in order to provide quality services and diversify income-generating activities. Unfortunately, the National APV established with FAO support is not active in this field. Five people including at least two vets from each PUU have participated in trainings organized by the project on 19 topics identified by MAFIM. For the remaining project time, it is planned to conduct trainings on 6 more topics. In the future, training should be the responsibility of APV. This requires capacity building of the APV itself. It is proposed that APIU and ARIS together with the APV make a program and budget of such support to be reviewed by IFAD and implemented before the project completion.

Component 3. Diversification and Market/Value Chain Initiatives

Overall progress on the component is moderately satisfactory.

Substantial achievements were made since the last mission. In the process of implementation there are 18 MPs in Osh oblast, which are for beekeeping (5 MPs), intensive orchard farming (3 MPs), processing of wool (3 MPs), greenhouses (3 MPs), logistical storage of fruits and vegetables (2 MPs), fruit drying (1 MP) and production of *kurut* (traditional dried sour yogurt). There were 13 MPs in Batken region, including for greenhouses (4 MPs), milk processing and MCCCs (2 MPs), wool processing (2 MPs) and one each for intensive orchard, production of *kurut*, logistical center, fruit drying, greenhouse, and slaughterhouse. There are only 4 MPs in Jalalabad region, including for intensive apple tree orchard, slaughterhouse, beekeeping, and production of *kurut*. Out of 35 MPs four have been completed; the remainder are anticipating delivery of equipment and goods.

The mission visited some selected MPs, and it is pleased to note that interviewed beneficiaries expressed their satisfaction with the investments. However, the mission continues having concerns that some of them are not viable or lacking understanding of the public good nature of grants. It was agreed that ARIS would make an economic efficiency analysis of all MPs and present it to IFAD. This is considered as on-the-job training of beneficiaries as it would allow to careful analysis of estimated cash flows and, if required, propose actions to improve performance of the investments. This will also be a good opportunity to clarify the public benefits of MPs.

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus

Effectiveness	Rating: 4	Previous rating: 4
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Justification of rating

The impact survey for LMDP-I confirms: (i) increase in fixed assets by 10.1%; (ii) rise in monthly meat consumption by 30.8% and milk by 41.2%; (iii) increase in milk yield by 4% and in animal liveweight by 20-50% (depending on the type of animals); and (iv) increase in collection of pasture fees by 44% and decrease in number of disputes regarding pasture access by 47%. It is expected that LMDP-II will generate results of a similar magnitude. Incidences of brucellosis and echinococcosis in humans decreased by 30% from 1,124 cases in 2014 to 787 in 2018, and 23% from 1,181 cases in 2014 to 906 in 2018, respectively. However, implementation of some micro-projects and some activities is behind schedule, and this has caused the extension of the project. Thus, some outcomes would be delayed.

Log-Frame Analysis & Main Issues of Effectiveness

Component 1. The implementation of the component is on track with the new extended timeline, and it is expected that the planned activities will be completed, allocated funding will be disbursed by the new closing date. Achievement of results is in line with the outline in the LF: 189 PUUs have been formed, they have developed combined pasture management and animal health plans, most of JCs collect 100% of planned pasture fees, which are slowly increasing. 793 MPs were implemented out of 986 MPs planned.

Component 2. The animal health/veterinary institutions (VC, AHSC, FVM&B) have largely implemented the planned activities; AHSCs are well established and active in all PUUs; and the VC started generating income from the fee collection; VC has proved to be a good practice for other Central Asian countries when meeting OIE standards. Private vets are now equipped with motorcycles and basic veterinary practice equipment. They continue to receive training offered by the project, and the continuous education (CE) programme of technical modules from the FVM&B started in early 2019.

Component 3. Overall, implementation of Component 3 has been delayed, but it is going as planned with the new project completion date. ARIS is in process of delivering equipment for recipients of the grants and it is expected that all MPs will

be generating incomes by the end of the project.

Development Focus		
Targeting and Outreach	Rating: 5	Previous rating: 5

Justification of rating

Implementation remains satisfactory in targeting vulnerable groups. The legal status for the PUUs as territorial public self-governing bodies ensures that all livestock holders have access to pasture resources. Social mobilization activities have ensured the participation of smallholders and poor households to engage in pasture management and access project benefits. FGDs were conducted with smallholders to strengthen their voices in the selection of MPs. Visited JCs reported that vulnerable households pay lower rates for pasture fees and usage of machinery procured by the project. Governance arrangements on the accountability of JCs to PUUs via village meetings, publishing information on info-boards seem to be working effectively.

Main issues

The following **target groups** were defined at design: (i) vulnerable households primarily among small livestock producers; (ii) women-headed households; (iii) other livestock producer households; and (iv) community veterinarians. The targeting strategy at the design stage was based on identifying poor households through the state system of social benefits (each poor household holds a social passport) and wealth ranking. However, that strategy did not work. Smallholders use pastures for grazing purposes mostly through shepherds hired by the AO and through large livestock holders who graze their own and additional animals on summer pastures. Since poor households and smallholder livestock owners do not use pastures directly, their interest in the activities of the PUUs has been very limited.

Legislation was elaborated to ensure that all pasture users have access to pasture resources through user organizations at the community level, registered as local self-governing unions. It regulates the accountability of the JC to members of the PUUs, who elect chairpersons and approve CPMLDPs, annual pasture use plans and reports on their implementation. The vision has been to avoid elite capture of pasture lands.

Social mobilization activities of ARIS engaged over 517 641 participants in the target area. PUU members are invited to village meetings to establish CPMLDPs, discuss their implementation, assess JC performance and select investment MPs. Poor households and smallholders as well as women groups form focus groups to channel their suggestions. An informational campaign, dissemination of information at village meetings and various community events raised awareness on the work of the JCs, collection of pasture fees and implementation of annual plans. All data on social mobilization, capacity building is gender disaggregated.

The 2018 mission recommended that ARIS and AKJ facilitate all JCs to issue **pasture tickets** directly to livestock owners and not to shepherds. Such interaction with JCs would not only improve access to information on pasture management but also allow feedback channelling from users to the JCs. ARIS and AKJ are currently working on this.

The **project-funded investments** are mostly of public goods that benefit all members of the PUUs. JCs met in the field reported that all livestock owners – the wealthy and the poor – benefit from the investments and better access to pastures and are able to increase their livestock assets. ARIS recommends the JCs to apply preferential treatment to poor and women-led households. All visited JCs reported that vulnerable households pay lower rates for pasture fees and usage of machinery.

The targeting of **Community Fodder Seed Funds** seems to be promising. The groups who receive seed are comprised of wealthier and poorer households. This is to the benefit of the poorer households because they can access the resources of wealthier households (e.g. machinery, services, inputs) to produce fodder as a group.

Private vets and animal health workers have been successfully targeted by the project and have received project benefits. They are now equipped with motorcycles and basic veterinary practice equipment and have undergone substantial capacity building.

The targeting of **Component 3** needs to be assessed at a later stage. MPs still have to be jointly assessed to determine the benefits for the rural economy and poor households. For example, a dairy facility in Markaz that the mission visited sources its milk from 20-30 small livestock holders, that are all women. This provides them with income. The factory aims to employ more staff (currently 50% women) and purchase more milk from producers, including small ones.

Gender equality & women's participation	Rating: 5	Previous rating: 5
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Justification of rating

The project's gender targeting is satisfactory. The project is making efforts to empower women in PUUs and JCs. Particularly noteworthy are the 20 trainings on animal health specifically for women. Equipping women with technical

knowledge will strengthen their position, involvement, and their decision-making capacities. Due to the large demand, an additional 60 trainings on animal health are to be rolled out until the end of the project.

Main issues

The **Gender Strategy** for LMDP I and II for 2017-2018 was developed and implemented jointly by ARIS. This plan should be extended to the end of LMDP II, given the project's extension.

Female **representation** in the JCs increased from 8% in 2016 to 24% in 2018, and is 23.6% in 2019. This is still below the target of 30%, but significant progress has been made compared to when the project started. It is important to highlight that LMDP-II is implemented in areas where women are more isolated due to patriarchal and religious norms. There are currently 3 female JC chairpersons, one less than in 2018. Women make up about half of members of the AHSCs.

Social mobilization of ARIS engaged women in developing CPMLDPs and selecting investments. Women were engaged in evaluating the annual performance of the JCs, in village meetings approving CPMLDPs, and reports on their implementation. There were conferences organized in each region on Women in Livestock. Social mobilization activities of ARIS engaged over 517 641 participants of whom 28.7% were women. Out of the 907 trainings to strengthen the capacities of PUU and JC, only 12% were female participants; a figure that the project wishes to increase in the remaining last year. The contract of the ARIS Gender Specialist was extended. She was involved in mobilising women in communities, engaging with women's councils in villages, and organizing individual meetings, workshops and trainings.

The project conducted **trainings for veterinarians and animal health workers**, of which 12.8 % (or 1,451 participants) were female. In the past year, 20 trainings on animal health have been conducted specifically for women, reaching out to around 860 female participants. Due to the high demand, ARIS intends to conduct another 60 trainings for women on animal health. The mission team strongly supports this objective considering that women take care of animals during the winter season. These trainings will be organized in those communities where male out-migration is highest and where livestock is a major source of income.

Under **Component 3**, 14 out of the 35 successful MP applicants are women. The project stated that women were behind many of the other applications, though the official applicants are men. One small dairy factory the mission visited in Markaz municipality stated that 50% of the employees are women. Of the 20-30 households that deliver milk, female household members are the ones milking and selling the produce. Women groups underwent training on business planning and marketing and will receive funding for small-scale processing.

With regards to **communication**, four gender-related videos were prepared. Three of them featured the role of women in livestock production. One video portrayed the work of a chairwoman. Booklets were prepared about the project, pasture management plans and statistics on gender coverage in the country, etc. These materials complement existing communication materials that the project has developed such as a magazine on women in PUUs. AKJ issues a quarterly newsletter with a section focused on women.

Agricultural Productivity	Rating: 5	Previous rating: 5
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Justification of rating

The M&E system regularly provides relevant output/outcome information and confirms that LMDP-II is on course of meeting its development objectives of increasing livestock productivity in the target areas. The impact survey for LMDP-I has confirmed that the indicator on lactation period of 180-269 days had a steady positive trend (in 2014 - 58%, in 2016 - 60% and in 2018 - 68.1%), while milk yield per day per cow has increased too: in 2018 the vast majority of cows gave an average 3 - 7 liters per day (87.1%), while in 2014 and in 2016 this indicator was 65%. Overall, the impact survey for LMPD-I has observed an increase in milk yield by 4% and in animal liveweight by 20-50% (depending on the type of animals). It is expected that LMDP-II would achieve similar results.

Main issues

The project has increased livestock production in terms of bigger and healthier animals, higher peak milk yield and growth in herd numbers. The project has employed several avenues of intervention to achieve improvements, the principal one being proper use of equipment provided through MPs. 1) Winter fodder reserves have been increased by growth of specialized fodder crops and dedicated hay fields; 2) Areas of previously unused or underutilized pasture have been opened up by bridge construction and road renovation; 3) Pasture resting strategies have been adopted which improve the quantity and quality of forage on offer. Sustainability of these improvements will be tested over the next 2-3 years. Full realization of potential livestock production will come with breed improvement.

Nutrition	Rating: 4	Previous rating: 4
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Justification of rating

It has to be highlighted that the project is not categorized as nutrition-sensitive at its design. It has set a specific goal and

objective on nutrition but has not mainstreamed nutrition across its activities. Following the recommendations of last year's mission, the project has gathered ideas but not yet organized concrete activities to raise awareness on better child nutrition in activities under Component 3. Despite not having specific activities on nutrition, the project contributes to tackling the underlying causes of malnutrition through successfully increasing agricultural production and promoting sustainable natural resource management.

Main issues

The project has specific **objectives and indicators** on nutrition. The overall goal is to reduce the prevalence of child malnutrition by 10 percent. The development objective is 15 percent of poor households to have improved nutrition and food security from increased consumption of meat and dairy products. The impact pathway for nutrition has not been specified and the assumption was that increased production of animal products will lead to improved child nutrition.

Malnutrition is monitored through the baseline survey, mid-term review and project completion survey. The baseline survey for LMDP-II in 2016 recorded over 21.6 percent of children under 5 to suffer from chronic malnutrition. Anthropometric data of children were not collected in the midterm survey in 2016. Information is lacking to assess if child malnutrition has been reduced. This can only be determined at project completion.

Component 1 has increased household livestock assets. Households could improve their nutrition by consuming more dairy products, or by selling animals to purchase nutritious foods.

There are activities implicitly related to nutrition. **Component 3** has potential nutrition entry points; however, this component is in its early stages. One dairy factory in Kadamzhai district that the mission visited will double its production through the project intervention. The company stated that its primary customers were kindergartens and schools to which it was supplying cottage cheese, *kurut* and milk. This could have a positive impact on child nutrition. Other food processing facilities (e.g. green houses, fruit drying, slaughter houses) supported by Component 3 could increase the supply of nutritious foods, in particular during winter months and early spring.

Adaptation to Climate Change	Rating: 5	Previous rating: 4
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Justification of rating

The project is strengthening the resilience of pastoral production systems. Livestock owners and herders are better able to react to weather hazards induced or worsened by climate change. The project supported incorporating a section on CCA in CPMLDPs, has provided specific trainings on CCA, and developed several KM products. The number of MPs having a stronger orientation towards climate change adaptation has increased. JCs receive weather forecasts for the next 10 days, though the dissemination of weather information and alerts is still very inefficient. The project promotes fodder production. The project has to be cautious of the rising livestock numbers. Without a meaningful change in herd and grazing management, winter, spring and autumn pastures may face a higher risk of degradation.

Main issues

MPs of PUUs have been key in strengthening the pastoral system. Pasture infrastructure provides herders with more options to react to changing conditions – such as bad weather induced or worsened by climate change. Livestock mobility and flexible management practices are key elements in pastoral systems and are essential for CCA. Water points are essential in times of drought. Shelters protect livestock against weather extremes. Bridges are essential for herders to move their livestock in order to avoid weather hazards. PUU's have been encouraged to use the third tranche of MP financing to invest in activities that have a stronger orientation towards climate change adaptation such as improving pasture quality through fencing or reseeded. 46 of such projects on pasture improvement have been conducted in total. The third tranche included 25 of them.

A CCA and environment section has been added in most **pasture management plans**. CPMLDPs lay out measures to mitigate CCA, such as reseeded and fodder production. JCs have also been encouraged to incorporate information on the prevention of natural hazards (such as landslides and flash floods) provided in reports issued by the Ministry of Emergencies.

With regards to **knowledge awareness and products**, the ARIS climate change expert conducted 36 trainings specifically on climate change with 775 participants, and co-facilitated 8 trainings on pasture management plans with 185 participants. The APIU climate specialist has i) undertaken a review of climate-related policies and investment projects in Kyrgyzstan, ii) supported DPLF in the development of a National Program for Pasture Management and Livestock Development 2019-2023 that includes a section on climate change adaptation, and iii) been involved in a capacity building program for DPLF staff to deal with CCA related to pasture management. ARIS published a manual and briefings on the impacts of climate change on pastures.

Positive is that JCs visited in the field reported that they receive weather forecast bulletins from Hydromet. They regard them as valuable information. Herders, on the other hand, stated they do not trust the information they receive and rely on their own assessments. They also use other weather information websites.

The current **dissemination of weather information (and alerts)** is inefficient. Bulletins issued by Hydromet are passed from the DPLF to ARIS headquarters, then to ARIS regional staff until they reach the JCs who then still have to inform herders, especially those in remote areas with no web reception.

The planned **Early Warning System** is complicated. A web-platform for the DPLF has been set up and visualises basic climate data, weather alerts, pasture areas, livestock numbers and pasture infrastructure. The platform's current name "EWS" is misleading. The DPLF does not have the capacity or the expertise to operate a 24-hour EWS. The dissemination of weather forecasts and alerts should be the responsibility of Hydromet. The agency is constantly improving their forecasts and is making good use of a server provided to them, but have only a limited number of channels to disseminate information (mainly their website and bulletin distributed via email to selected recipients). They should broaden their communication channels and information products to inform JCs directly with the information they need.

International consultants are developing a **pasture analysis tool** based on Google Earth Engine that allows it to conduct analysis of historic climate data on rainfall, vegetation and snowfall. A first demo is being tested and looks promising.

The project will also collaborate with the **EO4SD CR[1]** to benefit from their free geospatial services on CCA to further strengthen CCA aspects of CPMLDPs.

[1] Earth Observation for Sustainable Development programme, Cluster on Climate Resilience.

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: 4	Previous rating: 4
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Justification of rating

Institutions and policy engagement is moderately satisfactory. PUUs and JCs have become prominent institutional structures managing pastures, which are recognized by local government and users. Capacity of these institutions has increased. There are still issues related to state policy and strategy on their further development, legal foundation of these institutions, issues of boundaries and inventory, government support in terms of funding to implement their mandate, turnover of JC chairpersons, and other issues related to their sustainability which need to be addressed.

Main issues

The project has not shied away from confronting policy and legal issues that are an impediment to achieving project goals. The conflict between SAEPF and MAFIM on access and ticket fees for grazing by PUU livestock on forest pastures has been resolved. Boundary conflicts remain between some PUUs, but the detailed mapping of PUU pasturelands being done by the project should settle those issues. The boundary dispute with Tajikistan and trespassing livestock is more of a challenge. LMDP has played a major role in shaping pasture-use policy behind the scenes. A key policy issue is the status of LMDP equipment and the uncertain status of PUU finances.

The high turnover among JC chairs has caused potential disturbance to smooth functioning of JCs, but the disruption is reduced through the establishment of mobile schools that target fresh JC leadership with peer-delivered training. This innovation is under the auspices of AKJ, which will become, along with DPLF, a repository of information and consolidated data pools generated by the project. The hope is that this body of knowledge will inform the improvement and development of training modules. The risk is that after the project is over there will be a phase of exhaustion and stagnation in institutions responsible for pasture-management activities.

The legal status of PUUs and JCs is still uncertain. At present there is the appearance of AOs taking over PUU financial functions. That makes it difficult for the JC to manage its resources for PUU revenue; although the PC may receive various remuneration it is at the behest of the AO. There is a danger that the PUU model of pasture-ticket income will tempt other entities to encroach on the PUU domain.

The status of local associations of PUUs also needs to be clarified. At present these associations perform a useful role in coordinating the sharing of equipment, especially heavy equipment used for road maintenance and bridge works.

PUUs in LMDP-2 have received technical and financial help from the project. That support will disappear with the termination of the project. PUUs with large pasture areas and large numbers of livestock, generally spread across several villages, have sufficient pasture-ticket income to manage independently of the project. Smaller PUUs may need to combine their resources to succeed in the post-project world, and that may require a coordinating and supervisory body to create a legal collaboration.

The Pasture Law of 2009 needs to be periodically reviewed to see if there needs to be additional amendments, to ensure the smooth and efficient operation of PUUs and the PCs. Special attention may need to be applied to the presence and role of women in JC activities and capacity building. There are at least two female heads of JCs; they serve as excellent role models for other women to emulate.

Institutions and policy engagement in the veterinary domain are moderately satisfactory. This is noted in the last OIE report (2018). At the current stage it is needed to clarify the duties and functional responsibilities of the main players in the veterinary domain that should be reflected in legislation acts.

PVs have become the main force in implementing state programs as well as meeting the demand of animal owners for veterinary services. Another player in this area is the veterinarian of the AO. Its functions and role are not completely clear, which requires intervention from the project to facilitate negotiations.

The Association of Private Veterinarians (APV) should play a leading role in improving the skills of its members in order to provide quality services. Unfortunately, the National APV is not active in this field. For the time left, the project should initiate appropriate activities with APV to increase the potential of APV effectiveness.

Partnership-building	Rating: 5	Previous rating: 4
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Justification of rating

LMDP I and II have established strong partnership with various government and donor agencies alike, working actively in pasture and forest management, education and disease control. The project formed partnerships with local NGOs in designing various methodologies and tools for pasture management.

Partnership among the KSVRI, MOH-SES and the SIVPS could be strengthened, particularly where each has some responsibility for reporting or controlling diseases in animals that can be transmitted to humans. Ideally both human and veterinary epidemiology experts would sit in the same office to work on common problems.

Main issues

Partnerships have been essential to the effective implementation of LMDP-1 and LMP-2. These partnerships include government agencies such as DPLF and KSRLPI, apart from the project institutional vehicles like ARIS and APIU. In addition to IFAD, international agencies such as GIZ and FAO have contributed expertise to the project. LMDP has taken generous advantage of the available relevant partners.

LMDP-I and LMDP-II have been implemented in parallel with the WB funded Pasture Management Improvement Project (implemented in Chuy and Talas regions). A number of approaches and products were developed in close partnership of the two projects. There is a need to bring even more synergy at the completion stage to consolidate all products.

GIZ has been a valuable partner for the project and several actions have been conducted together, especially in regard to supporting development of pasture management vision and policy. DPLF, APIU and ARIS are discussing with all partners the proposed National Program for Pasture Management and Livestock Development. The project conducted a large-scale conference presenting results of LMDP-I.

Human and Social Capital and Empowerment	Rating: 5	Previous rating: 5
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Justification of rating

The project's performance in human and social capital and empowerment is considered as satisfactory. The project's philosophy is based on empowerment of community institutions to manage pastures, improve animal health and prevent zoonotic diseases through capacity building, information dissemination and raising awareness. The social mobilization process has successfully engaged poor, women, youth as well as other livestock holders in elaboration of CPMLDPs, in implementing investment plans, participatory monitoring and evaluation of CPMLDP implementation, and in assessing performance of JCs.

Main issues

The capacity of poor and women-headed households is developed in regard to prevention of zoonotic diseases, through affordable and simple means of communications, such as mobile phone text messages and announcements on TV. The project has transferred knowledge and skills to a large number of beneficiaries. The project has demonstrated that when empowered, PUU members monitor and participate in activities of JCs and benefit from the improved access to pastures, fodder seeds and investment grants. The focus on the poor, women and on children needs to be continually mainstreamed in the project.

Evidence from the field shows that JCs collaborate amongst each other and with other rural actors. The PUU in Zerger municipality decided to use project funding to build a proper bridge in 2018. Now around 20,000 animals from 8 municipalities use the bridge. The bridge has also improved social relationships of people living on each side of the river. There are examples where several PUUs jointly invested into one MP to better access pastures. One visited PUU invested in a water distribution point for the Water User Association.

Quality of Beneficiary Participation	Rating: 5	Previous rating: 5
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Justification of rating

Participation of beneficiaries in project activities is high. Social mobilization and information campaigns ensure that a majority of community members are informed and able to participate in decision-making processes. Most communities decided to invest in improving public goods from which all members of the community can benefit. JCs cooperate closely with the local government.

Main issues

The project employs **community-based methods of social mobilization**. ARIS social mobilization activities involved so far over 517 641 participants, including 28.7% women. ARIS conducts village meetings and organizes FGDs with a wide range of stakeholders including small livestock holders, poor households, women groups, large livestock holders and village leaders. At these meetings, community members define and approve investments, assess JCs' performance, elaborate CPMLDPs and report on their implementation. Herders, the principal users of rangelands, are also consulted and contribute to CPMLDPs.

In some areas the connection of JCs with users has become weaker with AO management taking over decision-making processes. This happened partially due to legal changes in the Pasture Law that implies that AO heads are to serve as a chairperson of the JC council. This provision was later revoked, but the practice of AO heads *de facto* supervising JCs has remained. In addition, the investments made and goods procured by the project were transferred by ARIS in 2015 to the balance of the AOs. Later, to remedy this problem, the project introduced an arrangement that AO transfer these goods (machinery, computer equipment, and etc.) to the operational management of JC. However, there is still a risk that AO will take over all procured machinery from the JCs after the completion of the project. That made JCs *de facto* subordinate to the AO and weakened their accountability to PUUs. ARIS with support of the lawyer from the PROG is in the process of reviewing all PUUs operational management contracts to ensure that they are secure and their terms are guaranteed at least for 5 years after the project completion. Some MPs for the purchase of equipment are still being implemented. Regarding the contracts that have been reviewed, the guarantee periods are at least 5 years from the date of acceptance.

Following the recommendation of last year's supervision mission, AJK and ARIS have developed **aggravances redress mechanism** at local and national levels to strengthen governance and users' engagement arrangements. A description of the mechanism is found in the SECAP section.

Outcomes from the project are directly beneficial to village households. These outcomes include, for example: reduced human disease (brucellosis and echinococcosis), access to needed services (PVs, brochures on sanitation and disease prevention), advice on natural resource management (pasture improvement plans), etc.

The strategies and methods developed under the project are applicable and replicable to other community-based development projects in the country.

Responsiveness of Service Providers

Rating: 5

Previous rating: 5

Justification of rating

The project engages a number of individuals and companies as service providers in each region, a team of consultants who are assigned at national, regional and district levels, agricultural extension staff, and private veterinarians at the field level. The quality of services is generally good, but there is some variation with the quality of performance across the project; which can still be expected given that short time within which the Kyrgyz private veterinary sector has been developed.

Main issues

Private veterinarians are the main group of service providers. The project has increased their effectiveness by building veterinary service points, slaughter sites and Beccari pits, and by giving each PV a motorcycle to facilitate mobility around villages in the PUU. Experts employed by the project have assisted in GIS training and digital map preparation and application. In addition, specific local consultants have been hired to provide technical support to PUU/PC activities, but the quality of advice is often unreliable. There is a shortage of trained extension staff, although ARIS field officers do an excellent job of coordinating field visits by technical personnel. There is definitely room for improvement.

Knowledge and skills of farmers often limits their ability to absorb and apply technical advice. The project has implemented a comprehensive capacity building program for PUU members and JCs. The mobile school system focuses on PC chairs that are struggling with their role in the PUU. It is important to maintain training and capacity building activities after the project finishes, to refresh lessons learned and nurture new JC members.

The trend towards digital pasture maps and using them to make management decisions is a challenge for technical GIS service providers. They must be encouraged to gather field data, work with PUU members and get away from their desks and computers. The potential for using remotely sensed resources is great but expert support is limited.

The private veterinarians should train apprentices in animal health services, so that the value of the veterinarians can be extended into more livestock-owning HHs. Graduates in veterinary medicine from KNAU should be encouraged to spend time in remote villages for practical experience and to strengthen village veterinary practice. Animal health is generally not a big problem in LMDP oblasts, but vigilance in observing disease incidence is necessary to avoid health crises and to maintain healthy herds. HHs can be trained to recognize disease symptoms and call on veterinary aid immediately, if necessary.

PUU HHs generally rely on private veterinarians for nutritional advice for their livestock. This is a critical issue for winter feeding when female animals are pregnant and are likely to receive inadequate supplies of energy and protein.

As foreign breeds such as Brown Swiss and Angus cows and Ghissar sheep become more prevalent in LMDP PUUs, PUU members should be taught to deal with breed-specific characteristics. For example, mating of Ghissar ewes by local rams is physically difficult. Brown Swiss cows may be more susceptible to dystocia (birthing problems) than local cows.

Quality of some AI service providers is inadequate, they still need to improve knowledge and skills on AI. Given that many of them have already completed some training, it seems the organization of advanced training through a “tutor – apprentice” approach at field level should give better results.

The lack of a sustainable supply of liquid nitrogen is still a major problem in the provision of AI services. Recently, the media announced the opening of a liquid nitrogen plant in the south of the country. It is necessary to contact them and determine their capabilities for uninterrupted supply to AI service providers.

In places where AI has not yet become widespread, in order to meet the needs of villagers in improving the breed, it is recommended to use the experience of the Bai Alai project (Alai and Chon Alai regions) implemented by the Aga Khan Foundation on the use of natural insemination methods.

Environment and Natural Resource Management

Rating: 5

Previous rating: 5

Justification of rating

The natural resource base has improved in the project target areas. The pressure on pastures has reduced because of better pasture management enabled through better planning tools, improved infrastructure, increased livestock mobility, fodder production, and access to new grazing areas. The commitment of PUUs and the willingness of herders to pay for better resource governance are amongst the greatest achievements of the project. Rising livestock numbers may threaten sustainability if livestock husbandry practices are not improved. The draft National Program for Pasture Management and Livestock Development lays out guidelines to avoid the future degradation of winter, spring and autumn pastures and needs to be implemented.

Main issues

JCs members have a greater **understanding and knowledge** on pasture maintenance and improvement. ARIS conducted a number of trainings on pasture management as well as environment and climate. Participatory assessment of pasture health has been very important in raising awareness on establishing community-based NRM. ARIS has plans to roll out further trainings on pasture management as well as on environment and climate. ARIS published a manual on the impacts of climate change and restoration technologies for degraded lands. Four training videos on good pasture management are currently under production. Other materials such as briefs and a poster have been produced.

A climate and environment section has been added in most **pasture management plans**. CPMLDPs flag overgrazed areas and specify measures to mitigate land degradation, such as reseedling, no-grazing areas and fodder production. Herders met in the field said they have been involved in formulating CPMLDPs and are implementing them. According to ARIS, 80 plans have weak sections on climate and environment, and need improvement. The project aims to address this in the upcoming training series.

Forty-six **MPs** (with a total value of US\$ 366,908) are specifically on pasture improvement. Most of them (29 MPs) put up fencing to improve grazing management. The mission also visited MPs on irrigation systems for fodder production, and fenced areas to produce grass seed for reseedling degraded pastures. The numerous MPs on pastures infrastructure (367) give herders the means to manage their pastures more effectively and reduce grazing pressures. For example, the PUU in the Zerger municipality built a bridge shortening the travel distance to spring and summer pastures by 80 km. Around 20,000 animals from 8 municipalities now use the bridge. More animals leave to summer pastures on time, allowing the community to rest their overgrazed winter pastures around the village.

Community Seed Funds have started to improve the quantity and quality of livestock fodder. This means that grazing pressures will be further reduced on winter pastures.

Livestock numbers have increased thanks to project interventions. Summer pastures are abundant, but spring and autumn and in particular winter pastures are the bottleneck and are vulnerable to degradation. The main strategy to cope with degradation is to access new pastures. This approach will become ineffective as soon as there are too many

livestock that reside on spring and winter pastures waiting for the snow to melt. Without a meaningful change in husbandry practices the problem of degradation is only postponed and may even worsen, undermining the entire system. It is recommended that the National Program for Pasture Management and Livestock Development should lay out solutions to tackle this problem emphasising measures such as progressive pasture use fee/animal taxation, pasture rotation and increased fodder production with increasing productivity per animal, without undermining transhumance.

Exit Strategy	Rating: 4	Previous rating: 4
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Justification of rating

The project exit strategy is rated as moderately satisfactory. While APIU and ARIS have not yet elaborated and submitted to IFAD an Exit Strategy as agreed during the last mission, an International consultant has been recruited to prepare such a strategy and some consolidation activities has started. The mission agreed with APIU and ARIS to submit the Exit Strategy to IFAD by the end of January 2020. Consolidation of all procured goods, produced results, materials accumulated need to be inventoried, reviewed and suggestions made on their further use. Budgetary support to the GIS Platform is still unclear.

Main issues

Little progress has been made in developing an exit strategy for LMDP-II since the last supervision mission. All consolidation and exit activities were to be completed for LMDP-II by February 2020. So far, an international consultant has been hired to develop an exit strategy for LMDP-I, and under a separate contract a consultant will write a report assessing the effectiveness of the LMDP-I exit strategy. There is a delay in executing an exit strategy for LMDP-I. All data and project materials need to be consolidated by ARIS and eventually transferred to DPLF and other relevant stakeholders. This process is behind schedule for LMDP-I and has barely begun for LMDP-II. Part of the process is to utilize the ARIS portal for storing project materials and data. The Issues and Actions identified in 2018 still apply

Agreed Action	Responsibility	Agreed Date
Exit Strategies Two Outlines of the Exit strategies for APIU (implementing partners) and ARIS (with implementing partners) with the plans to be prepared and sent to IFAD.	APIU/ARIS	02/2020

Potential for Scaling-up	Rating: 5	Previous rating: 5
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Justification of rating

LMDP-II is implemented based on approaches developed and used in the LMDP I. Such phasing allows modifying and refining methodologies based on lessons learned. The WB PMIP, which is being implemented in Chui and Talas, also follows objectives similar to those of the LMDP objectives, approaches and activities, and covering other regions outside of the LMDP-I/II project area. The developed products, such as training modules and guidelines, are complementary and shared between projects. Project documents and products have been mainstreamed into operation of state counterparts and are being replicated by several other donors, such as GIZ, USAID, and FAO.

Main issues

For effective scaling up of most interventions and approaches, DPLF, APIU and ARIS will review lessons learned, analyze them and prepare various suggestions for revision and mainstreaming of legislation, normative acts, and practices.

The conference organized by ARIS for the LMDP-I completion in September 2019 was a good opportunity to present gained knowledge and outcomes, which could be used and scaled up by other institutions and development partners. A similar event is expected for the LMPD-II completion.

Increasing revenue for PUUs Rural HH in Kyrgyzstan depend on livestock for subsistence and basic elements of the household economy. Prosperity is the key to scaling-up potential and the sustainability of interventions, like those in LMDP-II. The project interventions have led to higher PUU incomes in general. Income from pasture tickets increased dramatically over the first 3 years of the project as pasture users became more transparent in reporting livestock ownership and JCs became more vigilant in collecting grazing fees. But income from pasture tickets has now levelled off, and JCs are looking for ways to boost their revenue, particularly in the light of LMDP-II ending in September 2020. Some JCs have raised the grazing fee for PUU members based on better pasture condition, availability of expanded pasture area and consequent higher livestock productivity. Some JCs decided to invite livestock owners who traditionally trespassed on their pastures to enter agreements that require a higher price for grazing tickets. For example, Sary-Tash JC will charge outside groups three times the price of a ticket paid by PUU members. The improvement in carrying capacity resulting from MPs is associated with an increase in PUU livestock numbers, which by itself raises revenue from

grazing tickets. Machinery acquired through LMDP MPs can not only serve the needs of the PUU or AOs that owns it but can also be leased to other PUUs or to local HHs for private/personal activities. Revenue from leased equipment can satisfy up to 20% of PUU budgets. JCs are also becoming innovative in obtaining revenue from non-livestock sources such as tourist camps on summer pastures and honey production from bees. These strategies and opportunistic diversification improve the prospects for sustainability of PUUs when the project closes.

In some cases the fresh expansion of PUU grazing land amounts to thousands or even tens of thousands of hectares. As a result, grazing pressure is spread over a larger area, grazing pressure declines and carrying capacity immediately increases, and previously heavily grazed areas can be rested. Both rested areas and newly accessible pasturelands raise the quantity and quality of pasture forage available. Particular benefit derives from equipment that facilitates fodder production for winter feed, such as hay cutters and balers and trucks for transporting hay. Fences create opportunities to set aside hay-making areas and small irrigation systems allow production of legume fodder crops such as Lucerne and Sainfoin. Winter is a critical period for livestock reproduction; females are pregnant in anticipation of spring births. More storage of high-quality winter fodder increases birth weights and progeny survival.

At issue is the effective dissemination of information on PUU performance and the role of interventions such as equipment for infrastructure improvements and fodder production. This is where an effective extension service is critical. The project has been a success, and the story needs to be told and demonstrated.

c. Project Management

Quality of Project Management	Rating: 5	Previous rating: 4
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Justification of rating

The project has been officially extended for one year. The extension was mainly required to allow for completion of micro-projects, but partly caused by the internal disturbances in the near past within the key implementing partners – APIU and ARIS. The mission is pleased to note that selection of the APIU Director led by the MAFIM was recently concluded, and Mr. Tuleev has been appointed for this position. However, the mission regrets to acknowledge that the APIU's LMDP Coordinator (Mr. Elzarbek Sharshenbek) left the project for another job. Overall project performance is rated as satisfactorily mainly thanks to the professional performance of the former coordinator.

Main issues

The proposed arrangements are built on the implementation arrangements for the AISP. The planning, budgeting and reporting process follow the established system of implementing IFAD projects, including the preparation of Annual Work Plan and Budgets (AWPBs). The staff is recruited in line with PIM and with TORs approved by IFAD. The specialists have relevant experience and qualifications. Salary and DSA rates and employment conditions are regulated by a number of MOF decrees. Capacity of the key APIU and ARIS staff has been enhanced through the various training courses.

The project is seeking support from two existing bodies when and as required, namely the MAFIM Steering Committee and the ARIS Supervisory Body. In addition, in accordance with conditions of the Financing Agreement, a **Project Coordination and Reference Group (PCRG)** has been established to provide guidance for Project management.

In line with the Financing Agreement and the PIM, Memoranda of Understanding have been signed between the APIU and all the implementing partners. Overall, all the partners have demonstrated good accomplishment.

It looks like that both APIU and ARIS management are now settled and performing in a satisfactory manner.

Meetings of the PCRG have been recontinued with the recent one held in September 2019.

The mission reminds that according to the Financing Agreement, the MAFIM is responsible for the overall project coordination and should not interfere with the project day-to-day implementation.

Knowledge Management	Rating: 4	Previous rating: 4
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Justification of rating

APIU now has only one person in charge of Knowledge Management (KM) and M&E, who was not able to do much on KM. The APIU communication specialist continues performing well on guiding various service providers in preparation of materials to be broadcasted on the national and local TV stations and in mass media. ARIS has started KM activities that have already demonstrated good outreach. As agreed with the previous mission, five video-based courses for JCs have been prepared and to be shortly disseminated to PUUs and other concerned entities. However, transfer of the KM products is still at very initial stage.

The public awareness campaigns by the SIVPS are well organized and information is made available on social media, e.g. Facebook.

Value for Money	Rating: 5	Previous rating: 5
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Justification of rating

LMPD implements its activities within the budgets indicated in PDR. Government closely monitors the coherence of Project plans and actuals. As was mentioned in the Section on Effectiveness, the project is likely to reach the planned number of households, thus keeping the planned cost to input ratio. The interviewed and surveyed (impact survey for LMDP-II) beneficiaries report healthy margins, thus reaching project targets at the outcome level. According to M&E system, LMPD is on course to meet its development objective of increasing livestock productivity in the target areas. Drawing on the assessment and EFA of the previous LMDP1, in view in particular of successful continuation of the activities of the veterinary inspection and the private veterinary services where returns for money spent are significant, it can be reasonably expected that the value for money is satisfactory.

Main issues

The mission visited some selected MPs under Component 3 and has concerns that some of them are not viable. It was agreed that ARIS would conduct an economic efficiency analysis of all MPs implemented under Component 3 and a sample of MPs implemented by PUUs (10-15% of all PUUs). The analysis should identify their economic performance and benefits for the rural economy (e.g. employment, income generation for suppliers, especially small-holder producers, economic efficiency indicators). This exercise is viewed by the mission as a tool to assess estimated cash flows and to provide recommendations for improved performance. This report is to be submitted to the IFAD's project completion mission.

Coherence between AWPB and Implementation	Rating: 5	Previous rating: 4
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Justification of rating

Actual disbursements under all components are in line with the forecasts in the 2019 AWPB. In 2018-2019, the project has largely caught up with the planned schedule, and the forecasts strongly suggest that the project would disburse all the funds by the new completion date.

AWPB Inputs and Outputs Review and Implementation Progress

The IFAD Loan and Grant budget is viewed by the Government as part of the national budget. AWPB consists of several sections that are prepared by the respective Component Specialists and consolidated by the APIU Director and Chief Accountant in line with PIM and the available project funds by the end of a year and submitted to IFAD for no objection. IFAD provided its non-objection to the 2019 AWPB in January 2019. So far, the payments on 2019 AWPB are US\$7.26 million yielding a payment rate of 52%. However, this rate differs from one component to another, and is 54% for Component 1, 46% for Component 2 and 27% for Component 3.

Performance of M&E System	Rating: 5	Previous rating: 5
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Justification of rating

The project's M&E systems provide adequate and timely data to monitor and report on project management performance. M&E data is collected in orderly fashion and reported to IFAD. APIU has been meeting the monitoring requirements of the Government and IFAD but should further systematise their efforts by developing an M&E database that better captures the activities of all eleven implementing agencies. ARIS is using an effective M&E system that allows field staff to enter information on project activities.

M&E System Review

APIU consolidates project reporting to IFAD and Government institutions. The APIU databases comprise the following: i) DOGS for containment of echinococcosis; ii) NADIS, RADIS for brucellosis. In addition, the project manages or accesses special-purpose databases as needed, such as the database run by the pasture department for collecting data on key parameters of PUUs. The APIU however lacks a centralized database for project outputs. The mission recommends that the APIU explore the possibility to expand the APIU's 1C accounting system to create an integrated database for all of finances, procurement and project outputs. During the mission it was decided to change the indicators 1.1a and 1.1b to measure average % increase in livestock productivity rather than % of households with productivity increases. This provides more accurate information about the project's effect. There is no loss in data given that these indicators were introduced recently in the first place.

ARIS is storing its output-level data, e.g. on trainings, village investments and mobilization activities, in the 1C accounting system, linking it with expenditures. Data is disaggregated by gender. ARIS also has a GIS database holding information on the locations of micro-projects, main land uses, pasture types, disputed pastures, pastures managed under the department of forestry, etc. IFAD has received pasture map contours and micro-project locations. Data should be made

more accessible for PUUs and municipalities to use, especially in view of project completion. ARIS has collected data on milk yields and weight gains of livestock as proxy indicators on pasture condition.

Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)

Rating: 5

Previous rating: 5

Justification of rating

Although the project design pre-dates IFAD's SECAP requirements, the project has achieved positive environmental and social outcomes for local communities by improving the management of pasture resources and mainstreaming CCA across its activities. MP proposals have been checked to determine whether occupational health and environmental standards are in line with Kyrgyz law. JCs met in the field confirmed that occupational health concerns were respected. Users have been trained on the safe usage of equipment. Infrastructure development is at a small scale and site-specific, with no damaging environmental effects. Rural dirt roads on pastures have been rehabilitated and are maintained, but no new roads have been constructed. A grievance redress mechanism has been established.

SECAP Review

AKJ and ARIS have set up a grievance-redress mechanism. Consultations were held among the PUUs to provide input on what an effective mechanism could look like. The following grievance-redress mechanism was developed for the pasture users: at village level, a pasture user can bring complaints to the executive body of the PUU - the Pasture Committee. They will try to resolve the conflict. If it is not possible to resolve the complaint at PUU level, the complainant can approach a superior agency - the district association (DA PUU). If still dissatisfied, all questions are forwarded to the AKJ.

The specialists of AKJ regularly organize preventive measures at district level to prevent and resolve conflicts between departments and pasture users. For example, AKJ provided legal advice in the period of March 11-12, 2019 according to the Resolution of the Government of the Kyrgyz Republic No.192 on the procedure for using and regulation of the State Forest Fund of the PC/PUU in Issyk-Kul region. Representatives of district administrations, local self-government bodies, local leskhozoes and chairpersons of the JCs/PUUs took part in the working meetings organized by AKJ.

d. Financial Management & Execution

Acceptable Disbursement Rate

Rating: 3

Previous rating: 3

Justification of rating

Automated rating based on IFAD disbursement data; As at 31st of October 2019, the project has disbursed 91.75% from ASAP grant, 74.72% from IFAD grant and 76.36% from IFAD loan. LMDP II has entered into force in August 2014, first disbursement was in May 2015. Project completion date has been extended one year to be on the 30th of September 2020. The project has less than one year to disburse SDR 4.3 million which forms 21% from IFAD loan, grant and ASAP grant.

Main issues

As of date, commitments are \$26K for APIU and around \$260K for ARIS. Project is planning to disburse the remaining amount of the three financial instruments as follows:

Financial Instrument	November - December 2019	January – December 2020	January – 31 st of March 2021
IFAD Loan	\$ 530 042	\$ 2 500 000	\$ 250 000
IFAD Grant	\$ 207 000	\$ 2 460 000	\$ 500 000
ASAP Grant	\$ 790 833	0	0
Total	\$ 1 527 875	\$ 4 960 000	\$ 750 000

After including the planned disbursement for 2019 (\$1.5 million), project would disburse 27% from total financing in 2019 which is almost the same percentage for 2018 (26%).

Project disbursement rate is low especially when compared to the AWPB total budgeted amount. For instance, by the end of 2019, disbursed rate out of total budget will be 51%. Disbursement rates should be monitored on systematic and regular basis in order to ensure that the full allocation is disbursed by the project closing date. The following table summarizes the financial performance for each financier as at the 14th of Oct 2019;

	IFAD Loan	IFAD Grant	ASAP Grant
Actual utilization	65%	59%	79%
Unspent	35%	41%	21%

Agreed Action	Responsibility	Agreed Date
Strictly to monitor disbursement at both implementing entities The disbursement rates should be monitored on systematic and regular basis in order to ensure that the full allocation is disbursed by the project closing date.	APIU/ARIS Directors	
Quarterly disbursement plans Project to submit an updated disbursement plan at the end of each quarter.	APIU	

Fiduciary aspects

Quality of Financial Management

Rating: 5

Previous rating: 5

Justification of rating

Overall, finance management in both agencies is satisfactory. However, budget monitoring processes must be enhanced to ensure that performance is in line with AWPB. ARIS must ensure that internal controls over PUUs are strengthened especially for contracts and payments performed by PUUs. Vacancies in the internal audit division must be filled to ensure that the division is capable of carrying out its work.

Main issues

Staffing; APIU finance unit includes Finance Manager, Disbursement Specialist and an Accountant who currently works on IFAD projects only. Whereas ARIS finance unit consists of Finance manager, Disbursement Specialist and two Regional Accountants that works on IFAD and other IFIs projects. One vacancy for another Disbursement Specialist to be filled after ATMP Project Coordinator is recruited. In addition, the Internal Audit division, that consists of three staff, has two vacancies since the beginning of the year. Staff turnover at ARIS must be monitored to ensure that the organization has healthy environment. After a meeting with the finance manager, she advised that resignation of the 7 staff last year, 2 internal auditors this year is based on staff own desire.

Budget;

Project must work on enhancing budget monitoring processes in order to ensure that financial performance is in line with AWPB. Budget monitoring is available through automatically generated reports from 1C and the weekly meetings to track disbursement and actual performance. At APIU, it was not easy to link the AWPB, the procurement plan and the SOE statements. "Reference to AWPB" was not informative and is not linked to the AWPB. Project is advised to update the AWPB with the reference number or the budget line/code that will be used in the SOE.

At ARIS, it was not easy to link Procurement plan to the contracts in the SOE sampling to check IFAD review status. As adopted by APIU, it is advised to include the package number from the procurement plan in the contract number or identify another way to link the lines in the SOE statement to the procurement plan.

SOE sampling; for both agencies, categories are identified only when the Accountant/Disbursement Specialist enters the transaction to 1C. It is advised that category/budget code is included and identified in the paper work where documents are checked and signed by the finance managers and the project coordinators.

ARIS; almost all payments included completion certificates or act of acceptance which are signed by the PUUs. As a

verification measure, it would be more accurate to have the completion certificates verified and signed by the Community Social Mobilizers as well. In addition, from the checked sample, no completion certificates were enclosed for construction payments. Project must arrange to include a proof of completion for all type of payments as a supporting document: Delivery slip (for goods), Statement of works or Progress Certificate (for works), Final report (for services), attendance sheet (for staff/consultants).

Internal Control; mainly measures must be adopted by ARIS to reduce the risk of the internal controls related to PUUs. As noted by the auditors in the audit report for 2018; project must strengthen internal controls related to PUUs contracts. In particular, delivery dates must be included in the contracts to avoid any future disagreements and to prevent suppliers from violating their delivery terms. Moreover, ARIS must enhance the monitoring process for (1) payment schedules that are included in contracts concluded by PUUs and (2) supporting documents of PUUs to control discrepancies between invoices and contracts.

Moreover, both agencies must ensure monthly preparation and signing of bank reconciliation for all designated and transit accounts.

Agreed Action	Responsibility	Agreed Date
Support PUUs in the contracting process Either by conducting a training or a meeting to clarify and strengthen main findings raised by the auditors (delivery dates, payment schedules and supporting documents.	ARIS	11/2019
Linkage between AWPB and procurement plan – ARIS AWPB or procurement plan to include a reference number/code that allow linkage between both documents.	ARIS	12/2019
Linkage between AWPB and SOE – APIU AWPB to include a reference number/code that could be linked to the SOE statement.	APIU	12/2019
Ensure PPU's contribution is requested and paid timely Encourage PUU's to provide their contributions and request for respective grant funds payments according to contractual terms of payments.	ARIS staff in charge of PUUs' activities	

Quality and Timeliness of Audit

Rating: 5

Previous rating: 5

Justification of rating

Timely submission and informative financial statements but adherence to IFAD new reporting guidelines is required

Main issues

The audit report was received on time. Statements are informative, however adherence to the new guidelines in IFAD financial reporting and auditing handbook.

Agreed Action	Responsibility	Agreed Date
Changes on the presentation and titles of the financial statements to be as per IFAD guidelines 1-Funds received and expenses statement titles to be changes to sources and uses of funds. 2-Statement of withdrawal application and DA statement and reconciliation to be included in the main financial statements. 3-Transfers to operating accounts to be disclosed clearly. 4- Inclusion of breakdown of other income and other expenses in the notes.	Finance management and auditors	03/2020
Audit opinion to include all mandatory financial statements as per IFAD reporting and auditing handbook Audit opinion for 2018 did not include Statement of withdrawal application and DA statement and reconciliation.	Finance management and auditors	03/2020

Counterparts Funds

Rating: 5

Previous rating: 5

Justification of rating

As at 14th of October 2019, government contribution reached 98% (\$266K) out of total estimated \$270K whereas beneficiaries' contribution formed 64% out of total estimated \$7 million.

Main issues

At ARIS there is unreported in kind contribution from beneficiaries provided from each oblast. At this stage project is facing some difficulties calculating these amounts for all oblasts. It was advised to start with creating a mechanism for calculating big items such as land, labour, offices spaces.

Compliance with Loan Covenants

Rating: 5

Previous rating: 5

Justification of rating

Project follows the Loan covenants. The details with regards to the status of implementation and compliance with Project FA covenants can be found in Appendix 3 of the Supervision Report.

Procurement

Procurement

Rating: 5

Previous rating: 4

Justification of rating

The procurement is rated as satisfactory. Procurement processes follow the IFAD Guidelines and the national legislation, where applicable. Both APIU and ARIS procurement units are staffed with qualified professionals. Both procurement teams have greatly facilitated the revision process. The current procurement review reveals no major non-compliances. It has to be noted that the majority of the activities have been implemented through National Shopping. Hence, the review of the capacity is based on looking at the simplified procurement processes. It is recommended that IFAD updates the Project Risk Assessment matrix (PRM) for Kyrgyzstan [for the on-going or new projects] and update the thresholds based on the updated risk-approach. An in-depth analysis is included in Supervision report.

Procurement Review

The APIU and ARIS implement procurement activities separately and independently, following the arrangements under the PIM. The mission reviewed procurement activities for each, separately.

The mission finds the APIU procurement processes to be satisfactory. The Procurement plan is constantly updated, activities are correctly grouped, methods properly applied, the bidding documents are of high quality and the online contract register system is in place. Document retrieval is easy.

For ARIS, procurement processes are found to be satisfactory as well, with some room for improvements. The strategic planning of procurement activities should be considered. Filing and document retrieval would need to be strengthened. Gaps in document filing were noted during the last supervision mission too, the absence of delivery acts or the absence of the signature of the committee member. All the missing delivery acts were immediately provided and filed during the

mission. The bidding documents of ARIS are of good quality too. The online contract register in place sends automated reminders on the contract end date.

For the contract monitoring purposes, it is recommended for both teams to have a function to also trail deadlines of contracts with different instalments/multiple delivery dates. This is to ensure all delivery dates are traced, the late deliveries identified, and the relevant sanctions applied. Finally, ARIS may consider having a dedicated professional for its community-based procurement, given the high volume of work, which can compromise the quality of overall procurement processes.

The applied form of Procurement Plan for both fully reflects the process of procurement activities, there are procurement monitoring tools inherited and the actual dates updated. Yet, the PP of ARIS enlists all the procurement activities starting from the beginning of the project until the current year. This can be practical for internal monitoring purpose, but for the revision and planning purposes, and following the Financing Agreement, the procurement unit should provide the PP for 12 months along with the annual budget for IFAD's No Objection. It is also recommended that ARIS procurement team groups or separates activities correctly under the PP. From the procurement revision perspective, to understand which procurement methods should apply (based on the thresholds provided, and through checking the compliance against the approved budget), it is important to enlist the activities correctly and group or separate them as actually planned to be implemented.

To ensure the uniformity of IFAD templates along with the projects and divisions, the mission recommends for both teams to use the new IFAD PP template for the next year which includes additional information to facilitate revision and ensure traceability. The new template has been shared with both teams and has been agreed to be used.

As per IFAD, only project expenditures incurred/committed before the project completion date (PCD) are eligible under the financing. This means that all procurement activities are completed, the relevant contract signed, and the goods delivered, and services rendered/completed before the project completion date. Hence, both APIU and ARIS need to ensure the remaining procurement activities are strategically planned and fully completed by the extended date, September 2020.

Both, ARIS and APIU procurement units would benefit from participating in IFAD procurement training to be held in Rome on December 2019.

e. Key SIS Indicators

Likelihood of Achieving the Development Objective	Rating: 5	Previous rating: 4
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Justification of rating

With the extension, DO is likely to be achieved.

Assessment of the Overall Implementation Performance	Rating: 5	Previous rating: 4
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Justification of rating

With the extension, the project is likely to be fully disbursed, with good quality implementation.

F. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling up		
Exit Strategies Two Outlines of the Exit strategies for APIU (implementing partners) and ARIS (with implementing partners) with the plans to be prepared and sent to IFAD.	APIU/ARIS	02/2020
Financial Management & Execution		
Support PUUs in the contracting process Either by conducting a training or a meeting to clarify and strengthen main findings raised by the auditors (delivery dates, payment schedules and supporting documents.	ARIS	11/2019
Linkage between AWPB and procurement plan – ARIS AWPB or procurement plan to include a reference number/code that allow linkage between both documents.	ARIS	12/2019
Linkage between AWPB and SOE – APIU AWPB to include a reference number/code that could be linked to the SOE statement.	APIU	12/2019
Changes on the presentation and titles of the financial statements to be as per IFAD guidelines 1-Funds received and expenses statement titles to be changes to sources and uses of funds. 2-Statement of withdrawal application and DA statement and reconciliation to be included in the main financial statements. 3-Transfers to operating accounts to be disclosed clearly. 4- Inclusion of breakdown of other income and other expenses in the notes.	Finance management and auditors	03/2020
Audit opinion to include all mandatory financial statements as per IFAD reporting and auditing handbook Audit opinion for 2018 did not include Statement of withdrawal application and DA statement and reconciliation.	Finance management and auditors	03/2020
Strictly to monitor disbursement at both implementing entities The disbursement rates should be monitored on systematic and regular basis in order to ensure that the full allocation is disbursed by the project closing date.	APIU/ARIS Directors	
Ensure PPU's contribution is requested and paid timely Encourage PPU's to provide their contributions and request for respective grant funds payments according to contractual terms of payments.	ARIS staff in charge of PUUs' activities	
Quarterly disbursement plans Project to submit an updated disbursement plan at the end of each quarter.	APIU	

Livestock and Market Development Programme II

Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members										
	Household members			503 500							
	1.a Corresponding number of households reached										
	Households			95 000							
	1 Persons receiving services promoted or supported by the project										
	Females			251 750							
	Males			251 750							
	Total number of persons receiving services			503 500							
	Poor smallholder household members supported in coping with the effects of climate change										
	Females										
	Males										
	Total household members			648 000							
Project Goal Goal. Contribute to the reduction in poverty and enhanced economic growth in pasture communities	25% of targeted population with increased climate resilience (ASAP)										
	Increase in climate resilience			25							
	10% reduction in the prevalence of children's malnutrition										
	Child Malnutrition			10							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Development Objective Development Objective. Improved livestock productivity and enhanced climate resilience of pasture communities reflected in improved and equitable returns to livestock farmers.	O.1 .The volume of livestock and livestock product sale covered by the project households increased on average by 15% in comparison with the pre-project level of sales (identified as a result of initial situation survey)										
	Increase in livestock products sale			15							
	O.2. Monthly consumption of meat and dairy products increased by xx% for 15% of targeted poor HHs (KG or L per month)										
	Increase in meat/dairy consumption			15							
Outcome Outcome 1. More productive and climate change resilient pastures and increased additional fodder accessible to livestock	1.1.a Increase in milk productivity										
	Average increase in milk production (Milk yields per year (liter / cow / year)			15							
	1.1.b Increase in meat productivity										
	Average increase in weight of cattle (Average live weight (Kg) of cattle sold in local markets)										
	1.2.a Additionally 225 MT of high quality/ refined barley available in project communities by the end of the project period										
	High quality barley available			255	192						
	1.2.b 45 000 MT fodder available in project communities by the end of the project period (40% barley/60% fodder)										
	Fodder produced			45 000	3 338	4 944	11				
	1.2.c. 20% reduction of mortality rate caused by disasters (ASAP)										

Results Hierarchy	Indicators							Means of Verification		Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility
	Decrease in mortality rate			20	5	20	100			
Output Output 1.1 Climate risk-mitigation pasture and animal health management plans incorporating needs and priorities of the poor and women	1.1.1. 189 approved pasture management and animal health plans in the project area effectively integrating climate risk mitigation and adaptation measures (ASAP)								Annually	
	Number of Plans			189						
	1.1.2. Disputes regarding access to pastures reduced by 10% from BS.								Annually	
	Reduction in disputes			10						
	1.1.3. Increase in collected pasture fees by 20% by the end of the project								Annually	
	Increase in fees collection				19	19				
Output Output 1.2 Resilient and sustainable investments prioritized in community pasture management and animal health plans presented and used	1.2.1. 648 000 men and women (30% of target population) have access to infrastructure (water; shelter; connectivity roads) that is climate resilient and environmentally sound (ASAP)									
	Males			324 625	76 805	461 031	142			
	Females			324 625	54 465	483 411	148.9			
	3.1.4 Land brought under climate-resilient practices									
	Hectares of land			17 000						
	Land under climate-resilient practices									
	Land area			17 000						
Output Output 1.3 Institutions involved in pasture management are strengthened and have capacity to integrate climate risk management into management plans and policy making	1.3.1. 314 Pasture Users' Unions (PUUs) benefiting from a functional early warning system for extreme climate events, hazards (heat and cold waves, floods, frost and drought) (ASAP)									
	Number of PUUs			314						
	Community groups engaged in NRM and climate risk management activities									
	Groups			505						

Results Hierarchy	Indicators							Means of Verification		Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility
Outcome Outcome 2. Veterinary care of animals improved	2.1. Percentage of persons/households reporting adoption of new / improved inputs, technologies or practices (veterinary services)								Annually	M&E officer
	Households				0.62	2.34				
Output Output 2.1 Community vets provide animal health and production services on a regular basis	2.1.2. 380 veterinary packages provided to PVs									
	Number of Vet Packages			380		378	99.5			
	2.1.3. 75 AI businesses being operated by PVs by the end of the project									
	Number of Businesses operational by eop			75		59	78.7			
	1.1.4 Persons trained in production practices and/or technologies									
	Men trained in crop				9	68				
	Women trained in crop				9	9				
	Men trained in livestock			378						
	Women trained in livestock									
	Total persons trained in crop				18	77				
	Total persons trained in livestock			378						
Output Output 2.2 Animal Health Committees providing support to Pasture Committees on animal health	2.2.1. Number of functioning AHSC to the end of the project								Quarterly	District project quarterly reports. Project M&E records
	Number of operational AHSC			189		189	100			
Output Output 2.3 Educational support for animal health services operating more efficiently	2.3.1. 120 new vets entering veterinary practice and PVs upgrading their skills								Annually	
	Vets upgrading skills			120	441	441	367.5			

Results Hierarchy	Indicators							Means of Verification		Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility
Outcome Outcome 3. Income from additional income generation activities benefits communities prone to climate change	C.3.1. Beneficiaries' household income increased at least by 20% from additional income activities (ASAP)								Annually	
	Income increase			20						
	C.3.2. Number of rural producer organizations engaged in formal partnerships/agreements or contracts with public or private entities (partnerships between farmer groups and processors/market intermediaries formed)									
	Number of RPOs cooperating with Public/Private sector			25	32	32	128			
Output Output 3.1 Higher quality and volumes of milk available for assured markets	3.1.1.a. Number of rural producer organizations supported (milk collection/cooling centers established)								Quarterly	Project M&E records. Records from milk processing plants
	RPO organisations supported			6	2	2	33.3			
	3.1.1.b. Number of rural producer organizations supported (women's processing groups operating in the Project area)								Quarterly	
	Number of Women Groups supported			9	14	14	155.6			
	3.1.2 15% increase in price per liter of milk gained by producer increased									
	Increase in milk sale profit			15						
	3.1.3. Value added in milk improved									
	Added value			20						
Output Output 3.2 Additional income-generating activities supported to enhance risk-coping mechanisms	3.2.1.a Number of rural producer organizations supported (groups established engaged in economic activities-handicrafts)									
	Number of RPO supported (handicrafts)			9	14	14	155.6			

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Number of RPO supported (Kurut)			9	5	5	55.6				
	Number of RPO supported (horticulture)			9	3	3	33.3				
	3.2.2.c At least 40% of grants to women groups										
	Women groups receiving grants			10	14	14	140				
	3.2.1.d Number of rural producer organizations supported (women led groups)										
	Female			10							
	3.2.2.a Grants for economic diversification disbursed to new enterprises established-handicrafts										
	Number of grants (handicrafts)			9	5	5	55.6				
	Number of Grants (kurut)			9	14	14	155.6				
	Number of grants (horticulture)			9	3	3	33.3				

Kyrgyzstan

Livestock and Market Development Programme II Supervision Report

Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

Mission Dates: 7-21 October 2019
Document Date 16/01/2020
Project No. 1100001709
Report No. 5262-KG

Near East, North Africa and Europe Division
Programme Management Department

Appendix 1: Financial: Actual financial performance by financier; by component and disbursements by category

Table 1A: Financial performance by financier as at 14th of October 2019

Financier	Appraisal (USD '000)	Actuals (USD '000)	Balance	Percent Actual
IFAD Loan	11 000	7 176	3 824	65%
IFAD Grant	11 000	6 534	4 466	59%
ASAP Grant	10 000	7 907	2 093	79%
Beneficiaries	7 084	4 535	2 549	64%
Government	270	266	4	98%
Total	39 354	26 418	12 936	67%

Table 1B: Financial performance by financier by implementing agency as at 14th of October 2019

Financier	Appraisal (USD '000)	APIU		ARIS		Total	
		Actuals (USD '000)	Percent Actual	Actuals (USD '000)	Percent Actual	Actuals (USD '000)	Percent Actual
IFAD Loan	11 000	1 007	9%	6 169	56%	7 176	65%
IFAD Grant	11 000	1 927	18%	4 608	42%	6 534	59%
ASAP Grant	10 000	623	6%	7 284	73%	7 907	79%
Beneficiaries	7 084	0	0%	4 535	64%	4 535	64%
Government	270	125	46%	141	52%	266	98%
Total	39 354	3 681	9%	22 737	58%	26 418	67%

Republic of Kyrgyzstan
Livestock And Market Development Programme II (LMDP II)

Table 1C: Financial performance by financier by component (USD '000) as at 14th of October 2019

Component	IFAD loan			IFAD Grant			ASAP Grant			Beneficiaries			Government			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1-Community-based Pasture Management and Vulnerability Reduction	10 173	6 324	62	7 751	4 721	61	9 780	7 775	44	6 256	4 535	72	214	166	77	34 349	23 521	68
2-Livestock Health and Production Services	200	136	68	2 242	1 588	71				570	0	0	37	74	201	3 049	1 798	59
3-Diversification and Market/Value Chain Initiatives (ARIS)				745	64	9	220	132	0	258	0	0	2	8	400	1 225	204	17
4-Project Management (APIU)	627	716	114	262	166	61							17	18	104	906	895	99
Total	11 000	7 176	65	11 000	6 534	59	10 000	7 907	79	7 084	4 535	64	270	266	98	39 354	26 418	67

Republic of Kyrgyzstan
Livestock And Market Development Programme II (LMDP II)

Table 1D: IFAD loan disbursements (SDR '000), as at 14th of October 2019

Category	Category description	Original Allocation	Disbursement	Balance	Per cent disbursed	W/A pending
I	Equipment, Goods & Vehicles	320	256.9	63	80.31%	
IV	Grants					
	a. Pasture/Livestock Improvement	6 330	3 941	2 388	62.26%	
V	Operating Cost	400	477	(77)	119%	
	Unallocated	150	0	150	0%	
	Initial deposit (APIU)		97	(97)		
	Initial deposit (ARIS)		724	(724)		
	Total	7 200	5 497	1 702	76.36%	

Table 1E: IFAD grant disbursements (SDR '000), as at 14th of October 2019

Category	Category description	Original Allocation	Disbursement	Balance	Per cent disbursed	W/A pending
II	Consultancies	4 350	2 630	1 719	60.47%	
III	Training and Workshops	900	577	322	64.16%	
IV	Grants					
	b. Value Chain, Diversification	300	7.2	292.7	2.43%	
	c. Other	1 500	1 035	464	69.03%	
	Unallocated	150	0	150	0%	
	Initial deposit (APIU)		320	(320)		
	Initial deposit (ARIS)		540	(540)		
	Total	7 200	5 112	2 087	71%	

Table 1F: ASAP grant disbursements (SDR '000), as at 14th of October 2019

Category	Category description	Original Allocation	Disbursement	Balance	Per cent disbursed	W/A pending
I	Equipment, Goods & Vehicles	370	414.7	(44.7)	112.09%	
II	Consultancies	30	2.6	27.3	8.79%	
III	Training and Workshops	5	2.7	2.2	54.55%	
IV	Grants					
	a. Pasture/Livestock Improvement	5 860	4 636	1 223	79.12%	
	b. Value Chain, Diversification	145	81.4	63.5	56.15%	
V	Operating Cost	55	22.5	32.4	41.06%	
	Unallocated	35	0	35	0%	
	Initial deposit (APIU)		74.9	(74.9)		
	Initial deposit (ARIS)		728.7	(728.7)		
	Total	6 500	5 963	536	91.75%	

Republic of Kyrgyzstan
Livestock And Market Development Programme II (LMDP II)

Kyrgyzstan

Livestock and Market Development Programme II Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 7-21 October 2019
Document Date 16/01/2020
Project No. 1100001709
Report No. 5262-KG

Near East, North Africa and Europe Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B

Component/Outcome Sub-component or Output	Indicator	Unit	Period: 01-01-2019 to 31-10-2019			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
Component 1: Community Based Pasture Management and Vulnerability Reduction								
Sub-component 1.1.: Community Risk-Mitigation Pasture Management and Investments	Legal and regulatory reform							
	Development/finalization/update of regulatory legal acts (RLA) on pasture management	RLA	4	4	100	4	4	100
	Completing pasture boundary demarcation							
	International technical assistance on development of remote sensing in pilot AOs	assistance	1	1	100	1	1	100
	Community Fodder Seed							
	Procurement of seeds and fertilizers for new CSFs	No of CSF	50	50	100	50	50	100
Sub-component 1.2 – Pasture Institutional Strengthening	Support to DPLF - Development of CPMUP							
	Specialist on climate change adaptation and pasture state assessment	Person	1	1	100	1	1	100
	DTC in Osh region (9 pers.), DTC in Jalal-Abad region (6 pers.), DTC in Batken region (3 pers.)	Person	18	18	100	18	18	100
	Climate change adaptation							
	Procurement and of equipment and tools, software for early warning system (EWS) and GIS platform	equipment			100			100
	Development of training programmer and module on pasture climate change adaptation for pasture users (ToT)	Training module	4	4	100	4	4	100
	Capacity improvement for national specialists of DPLF, ARIS, Kyrgyzhydromet in working with software, maintaining the machinery supplied, GIS-server and Web-server	workshop	4	4	100	4	4	100
	CPMUP improvement including climate change adaptation issues	CPMUP	189	189	100	189	189	100
	DPLF database							
	Training specialists of DPLF, RDAD, PC on working with the database.	PUU	189	189	100	189	189	100
	Development of research plans with a							

	focus on climate change (KLPR)							
	Conducting research in model farms	farm	5	5	100	5	5	100
	Development of cereal forage grass seed production in the selected communities (seed collection).	kg	121	121	100	121	121	100
	Student Incentive Programme (KNAU)							
	Updating the curriculum with the focus on climate, training of trainers (technological faculty)	curriculum	1	1	100	1	1	100
	Community mobilization							
	Village meetings (spring and autumn meetings)	meeting	1072	1009	94			
	Institutional assessment of PUU	PUU	189	189	100			
	Increasing the capacity of the members of PUU/PV (trainings on various topics)	PUU	189	189	100			
	Investment of the PUU's pasture management plans (Implementation of micro-projects)	PUU	189	189	100			
	Technical assistance to "Kyrgyz Jaiyt" Association (AKJ)	organization	1	1	100			
	Local study tours for PUU/PV	tour	4	4	100			
	International study tours	tour	1	0	0			
Component 2: Livestock Health and Production Services								
<i>Sub-component 2.2.: Animal Health Education and Capacity Building</i>	Strengthening Veterinary Chamber							
	TA and training (short-term TA)	consultation	1	1	100	1	1	100
	Veterinary Education and Training (KNAU)							
	Procurement of laboratory equipment for strengthening clinical base of the Veterinary Medicine and Biotechnology Faculty	supplies	5	5	100	5	5	100
	Student Incentive Programme (KNAU)							
	Financing contracts for students and their scholarships enrolled under LMDP-2	person	68	63	93	63	63	100
	Field and practical works with students from KNAU VM&BF	person	68	63	93	63	63	100
	International training, seminars, courses for young KNAU staff	Tours	3	3	100	3	3	100
	Updating the capacity improvement and	tours	5	5	100	5	5	100

	training program for teachers (sharing experience with vet. faculty at other universities)							
	Strengthening the Kyrgyz Scientific Research Veterinary Institute (KSRVI)							
	Implementation of strategies to control FMD, sheep pox, PPR and pasteurellosis	monitoring	7	7	100	7	7	100
	Procurement of equipment, diagnostic and consumable materials to conduct researches.	Diagnostic kit	6	6	100	6	6	100
	Local study tours for PUU/PV	tour	2	2	100			
	Increasing the capacity of the members of PUU/PV (trainings on various topics)	PUU	189	189	100			
Component 3. Diversification and Market/Value Chain Initiatives								
	Grants to value chain	Business plan	44	34	73			
Component 4: Project Management								
<i>Agricultural Projects Implementation Unit (APIU)</i>	Implementation of the LMDP-2 Procurement Plan							
	Conduct procurements in accordance with PP approved by IFAD	procurement	35	34	97	35	34	97
	Graduates - young veterinarians incentive programmer (payment to mentors)	person	36	35	97	36	35	97
	Monitoring & Evaluation							
	International training and study tours for APIU	person	6	6	100	6	6	100

Kyrgyzstan

Livestock and Market Development Programme II Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 7-21 October 2019
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Near East, North Africa and Europe Division
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Appendix 3: Compliance with legal covenants: status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B.6b	Separate Ledger shall be setup and maintained within each Designated Account	Continuous	Complied with	Separate Ledger are maintained
Section E.1.a	The Programme Implementation Manual approved by IFAD	Disbursement condition	Complied with	Updated PIM was approved by IFAD
Section E.1.b	The Programme Coordination and Reference Group (PCRG) has been duly established	Disbursement condition	Complied with	PCRG was established by the MOA order
Section E.1.c	The APIU and ARIS have been fully staffed to the satisfaction to the Fund	Disbursement condition	Complied with	
Section E.1.d	Subsidiary agreement between ARIS and MOF acceptable to IFAD should be concluded	Disbursement condition	Complied with	
Section E.1.e	The Designated and Programme Accounts shall have been duly opened	Disbursement condition	Complied with	Two Designated Accounts have been opened with Kyrgyz Investment and Credit Bank and Project bank account for ea source of finance have been opened with same bank
Section E.1.f	Financial Management system and accounting software shall have been operational	Disbursement condition	Complied with	
GC Section 4.08	Eligible Expenditures	IFAD financing proceeds to be use exclusively to finance Eligible Expenditures	Complied with	
GC Section 7.01	Annual Work Plans and Budgets and Procurement Plans to be submitted to Fund	No later than 60 days before beginning of each Fiscal Year	Complied with	Draft AWPB of 2019 was submitted in December 2018 and approved by IFAD in January 2019
GC Section B.8	Availability of Grant Proceeds and Counterpart Funds	Continuous	Complied with	
GC Section 7.05	Procurement of goods, civil works and services in accordance with the IFAD Procurement Guidelines	Continuous	Complied with	
GC Section 7.08	Lead project agency shall insure all goods and buildings used in the project against such risks and in such amounts as shall be consistent with sound commercial practice	Continuous	Complied with	
GC Section 8.02	Monitoring, establishment of information management system	Continuous	Complied with, but requires update	
GC Section 8.03	Progress Reports to be submitted to IFAD on a six-monthly basis	No later than six weeks after the end of each six-month period	Complied with	
GC Section 8.03	A Mid-Term Review to be carried out jointly by Borrower and IFAD	No later than 36 months after the Effective Date	Complied with	MTR has been carried out during 16 July – 10 August 2017
GC Section 9.02	Submission of Financial Statements	Within 4 months after the end of each fiscal year	Complied with	.
GC Section 9.03	Audit Reports on project accounts of each year to be submitted to Fund	Within 6 months after the end of each fiscal year	Complied with	