



Investing in rural people

Kingdom of Lesotho

The Wool and Mohair Promotion Project (WAMPP)

Supervision report

Main report and appendices

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Abbreviations and acronyms

ASAP	Adaptation for Smallholder Agriculture Project
ATOs	Area Technical Officers
AWP&B	Annual work Plan & Budget
BEDCO	Basotho Enterprise Development Corporation
BDS	Department of Building Design Services
CAHWs	Community Animal Health Workers
CLEWs	Community Livestock Extension Workers
DSF	Debt Sustainability Framework
DAPOs	District Animal Production Officers
DAR	Department of Agricultural Research
DLS	Department of Livestock Services
DPCC	District Project Coordination Committee
DPFO	District Project Field Officers
DRRM	Department of Range Resources Management
DVOs	District Veterinary Officers
FA	Financing Agreement
FIT	Field Implementation Team
GoL	Government of Lesotho
IDOC	Infrastructure Development Oversight Committee
ICRAF	International Centre for Research in Agroforestry
LAC	Lesotho Agricultural College
LDSF	Land Degradation Surveillance Framework
LMS	Lesotho Meteorological Services
LNWMGA	Lesotho National Wool and Mohair Growers Association
M&E	Monitoring and Evaluation
MAFS	Ministry of Agriculture and Food Security
MDP	Ministry of Development Planning
MEM	Ministry of Energy and Meteorology
MFRSC	Forestry, Range and Soil Conservation
MSCM	Ministry of Small Business Development, Cooperatives, and Marketing
MTR	Mid Term Review
MPAT	Multidimensional Poverty Assessment Tool
NUL	National University of Lesotho
NRM	Natural Resource Management

OFID	OPEC Fund for International Development
PICSA	Participatory Integrated Climate Services for Agriculture
PCTC	Project Consultative Technical Committee
PCU	Project Coordination Unit
PSC	Project Steering Committee
PIM	Project Implementation Manual
RDF	Rangeland Development Fund
RIMS	Results and Impact Management System
SADP	Smallholder Agricultural Development Project
WA	Withdrawal Application
WAMPP	Wool and Mohair Promotion Project
4P	Public Private Producers Partnership

A. Introduction¹

1. The IFAD Executive Board approved the Wool and Mohair Promotion Project (WAMPP) in September 2014 and the Financing Agreement was signed between IFAD and the Government of the Kingdom of Lesotho on 17 June 2015. The project is financed by the Government of Lesotho (approx. USD 4 million), IFAD with a loan and a Debt Sustainability Framework (DSF) grant (approx. USD 11.6 million 50% loan and 50% grant) and a grant from the Adaptation for Smallholder Agriculture Programme (ASAP) (approx. USD 7 million), in-kind contribution from beneficiaries as well as co-financing in the following amounts: USD 1.5 million from the Lesotho National Wool and Mohair Growers Association (LNWMGA) and USD 12 million from OPEC Fund for International Development (OFID), the latter a loan that has been approved but is yet to enter into force. The Ministry of Agriculture and Food Security (MAFS) are implementing WAMPP over a period of seven years. The project was signed on June 2015 and was launched officially by the Right Honourable Prime Minister of Lesotho on 16 June 2016. The project completion date is 30 June 2022 and the closing date 31 December 2022.

2. In conjunction with the launching ceremony, a four-day start-up workshop took place, during which the programme design was discussed and IFAD-facilitated training sessions were held for key project staff and stakeholders to provide guidance and orientation on issues related to project management, as well as basic IFAD strategies, policies and guidelines. Following the start-up workshop, several targeted implementation support missions were fielded by IFAD with the objective to (i) support the establishment of formal partnerships between the various designated project parties; (ii) provide training on procurement best practices; and (iii) support in setting up financial management systems.

3. The recruitment of most key PCU staff including the: (i) Project Director; (ii) Financial Management Officer; (iii) Procurement Officer; (iv) Knowledge Management Officer; and (v) three Component Managers was completed in June 2016. To date, the position of Monitoring and Evaluation Officer remains vacant, and is expected to be filled in November or December 2017.

4. In August 2016, the PCU submitted to IFAD a five-month start-up work plan and budget and an initial withdrawal application against which IFAD disbursed a start-up advance in the amount of USD 214,000. The start-up advance covered costs incurred by the PCU in fulfilling pre-disbursement conditions.

5. At the time of the first supervision mission to the project undertaken in November 2016, implementation had not yet taken off, notwithstanding the mission noted good preparatory work by the PCU and stakeholders. A large number of activities were still pending, most importantly meeting the conditions precedent to withdrawal. Based on the mission findings, a time-bound action plan of key activities was drawn up and shared with the concerned government ministries, the Lesotho National Wool and Mohair Growers Association and the PCU in early December 2016.

6. From 2 to 13 October 2017, IFAD fielded the second Supervision Mission to Lesotho to review the implementation progress of the WAMPP and provide support to the project team, as required, to enhance performance. The mission focused on reviewing the most recent progress reports and validating the results through discussions with beneficiaries, project partners, stakeholders, private sector and government, to the extent possible. The mission provided implementation support to project staff to ensure fulfilment of conditions for second disbursement. In that connection particular focus was placed on the recruitment of the M&E Officer, finalisation of the first year AWPB and procurement plan, and agreeing on the additional Technical Assistance required in November and December 2017 to review and finalize the PIM based on a revised budget for the next three years to increase disbursement rates, especially of the OFID funds, the TORs for PSC and PCTC, finalisation of partnership agreements with the designated project parties and project structures at District Level, and setting up project management systems.

¹ Mission composition: Mission composition: Stephen Twomlow IFAD Regional Climate and Environmental Specialist and Team Leader, Motsoasele Leballo Rural Development Specialist and Lead Consultant, Godfrey Wanjohi Financial Management and Procurement specialist, Eveline Jordans Value Chains Specialist, Charles Chakoma Livestock Specialist

7. The mission undertook field visits in the project district areas of Berea, Leribe and Quthing. Meetings and consultations were held with Ministry of Agriculture and Food Security (MAFS), Ministry of Forestry, Range and Soil Conservation (MFRSC), Ministry of Small Business Development, Cooperatives, and Marketing, (MSCM), Ministry of Energy and Meteorology (MEM), Ministry of Development Planning (MDP), Ministry of Local Government and chieftainship Affairs (MLGCA) and their respective service departments, LNWMGA, National University of Lesotho (NUL), district administrations and technical services in the visited districts, and discussions with beneficiaries in the visited communities. A wrap-up meeting was held in Maseru on 13th October, 2017 to highlight the mission's findings and recommendations. An Aide-Mémoire was signed as joint agreement of the two parties on assessment of past performance, and related actions and follow-ups for further project implementation.

B. Overall assessment of WAMPP implementation

Leadership/Project management is rated unsatisfactory (2)

8. The mission noted evidence (demonstrative and discussions) that the leadership of the Project Director (PD) can be characterised as a combination of withdrawn, distrustful and confrontational when challenged. This leadership style is viewed negatively by team members and some project partners; and are not conducive to achieving results, building individual and collective team strengths, and fostering trust and participatory implementation of the WAMPP with GoL partners and beneficiaries². There are number critical issues that need to be taken into consideration in realistically determining the likelihood of achieving the WAMPP development objectives.

9. The key one of *Leadership/Project Management* is addressed in paragraph 8 above. However this mission has, through careful and clear discussions with all stakeholders and a sample of beneficiaries, determined that leadership/ executive management is deficient, e.g. potential conflicts of interest in some procurement processes, and, that disbursements after thirty months of the project duration are at less than 15% and that the Mid Term Review (MTR) is less than eighteen months away.

10. A significant portion of the 'Agreed Actions' from the November 2016 Supervision Support Mission, as well as three follow-up support mission in 2017, are still outstanding. Critically, the M&E Officer, Administrator/Receptionist are still to be recruited, District coordination, procurement, revision of the PIM, strategic documents, to name but a few, still remain outstanding (eleven months after being flagged as *Agreed Actions*) with no indication or urgency of being addressed.

8. **Likelihood of achieving development objectives** is rated *moderately unsatisfactory (3)* in view of the fact that professional relationships with agreed parties/partners at interface and operational levels –are at best very strained and a clear communications plan is required to address these relationships and create a space for two way dialogue. In addition, there is need to clarify the role and responsibilities of the Lesotho Agricultural College within WAMPP (which is identified as a strategic partner in the Project Design Report); even though such agreements were flagged as priority items from the last supervision support mission, they still remain outstanding.

9. It is a testament to the non-leadership members of the PCU that measurable delivery, in spite of ineffective executive leadership, on the three components as well as some progress on administrative issues has been achieved during this period. The intervention of TA could assist in the achievement of *WAMPPs development objectives* by Mid Term Review (MTR) planned for February 2019, if agreed actions are implemented successfully and in a timely manner.

² Characteristics of these two styles are: a withdrawn style is characterised by being personally and professionally absent, avoiding professional confrontations and responsibilities, and not acting or acting too late when problems arise. A distrustful style is characterised by leaving team members to fend for themselves, holding back important information, judging team members in a negative way, being suspicious and judging too quickly. These leadership styles can be classified as avoiding: avoidance of demonstrative leadership, and thus not taking control and avoiding interaction with the team members.

Agreed action	Responsibility	Agreed date
MAFS to implement a fast tracked performance based monthly probation for the PD for the next six months	PSC/MAFS PS	From 15 th October 2017

C. Outputs and outcomes

10. **Component A: Climate-smart rangeland management** is rated moderately satisfactory (4). In view of the significant progress made towards the 2017 to 2018 AWPB, approximately 30% of planned activities have been achieved. A great deal of preparatory work has been undertaken, with field activities commencing between the Department of Range Resources Management (DRRM) and International Centre for Research in Agroforestry (ICRAF), and Lesotho Meteorological Services and The University of Reading. With the only outstanding contract/MoU with the National University of Lesotho to be finalised. A good foundation has been established for the next 6 months for the completion of the planned activities.

11. **Sub Component A1 – Effective information for climate smart rangeland management** aims at establishing a new rangeland management baseline for enhanced biophysical monitoring and improved climate information services to reduce climatic risks in the highlands.

12. *A1.1. The draft Rangeland Act* is one of the anticipated outputs as per the design of WAMPP. The November 2016 mission recommended that the three WAMPP component managers review the draft Act to identify how the Act and its implementation could further enhance the activities under WAMPP. Unfortunately, the Legal advisor from MFRSC has asked that this activity does not take place as the Act is still a draft, and a Legal Consultant is being recruited by WAMPP to assist the department to finalise the Act, prior to it being utilised to support WAMPP.

13. *A1.2. Establishment of a national biophysical rangeland monitoring and evaluation system* based on the “Land Degradation Surveillance Framework (LDSF)”. The terms of reference have been completed and contracts negotiated and signed. Final negotiations took a little more time as some National University of Lesotho (NUL) activities were included in the initial drafts and were removed and included in a separate contract now being finalised with NUL. Initial training has now been given by ICRAF to DRRM field staff on the establishment of sentinel sites and the stratified sampling regimes required – both soil samples, infiltration rates, vegetative cover and tree biomass assessments.

14. Following the training DRRM will continue with data collection. DRRM staff are identifying sites on GIS and marking them on the map. ICRAF will be on standby for additional support as needed and will undertake all of the soils analyses and calibration of the satellite images based on the data collected. The outputs of this work will contribute to the real time rangeland management, and overall rangeland assessment and vulnerability maps that will be developed under WAMPP. The DRRM-GIS Unit has participated in all of the training and is guiding the procurement of the necessary GIS computer equipment required at the district level to benefit from this work.

15. *A.1.3 The National Baseline Assessments of Rangelands.* DRRM plan to finalise this activity once the LDSF sites have been established and calibrated in 2018/2019 of project implementation.

16. *A.1.4 Developing the Climate Information systems.* The tendering process, including no objections, for the acquisition of the 5 automatic weather stations to enhance the national meteorological network observation has been completed and the contractual process is with the MAFS Legal Office. Procurement of additional scanners and computers to improve LMSs data management is ongoing. Acquisition of the standard daily rainfall catch gauges and thermometers is still being finalised with Lesotho Meteorological Services (LMS) now that mercury-based thermometers are no longer acceptable under World Meteorological Organisation Standards. LMS to confirm that an affordable daily catch gauge is an appropriate first step in establishing a pilot network of community weather observers based at the Shearing Sheds/Range Management Associations (RMA).

17. With the signing of the contract with the University of Reading training and roll out of the Participatory Integrated Climate Services for Agriculture (PICSA) has begun. The first twenty experts

(training of trainers) from the MFRSC, MAFS, MSCM, MEM/LMS have received a practical introduction to PICSA. They have subsequently rolled out PICSA to four districts (Leribe, Botha-Bothe, Mokhotlong & Thaba-Tseka) where the experts conducted the trainings with support of facilitators from the University of Reading. The participants (57 males, 65 females) were mainly field extension staff from main stakeholder ministries MFRSC, MAFS, MSC) and the climate data capture officers from the MEM/LMS.

18. For this financial year there will be no more training of officers in the remaining six districts as the current PICSA approach only uses rainfall information with a focus on crop production. However, in the case of Lesotho, where the focus is on rangeland and livestock management as well, feedback from the first cadre of trainees have identified that temperature is a second parameter that has a significant impact on the farming system, and the main interest in the country is to apply PICSA in the area of livestock production. On this basis the plan is to concentrate on the four districts and see how the approach performs before it can be rolled out in other districts when the necessary temperature data has been analysed by LMS and incorporated into the PICSA approach.

19. To support the PICSA process and necessary climatic data analysis to commence activities in A1.5 and A1.6 staff from LMS received 10 days training in CLIMSOFT and Data Management (entering and analysis of data) by a consultant from Kenya. There has been additional training of LMS staff on cleaning of data and producing rainfall graphs for Leribe, Botha-Bothe, Thaba-Tseka and Mokhotlong districts that are used for PICSA training. Additional work is now underway to develop the temperature graphs for the first four districts, which are being used in a follow-up trainings/workshops in October and November 2017. An analysis of long term rainfall and temperature records for the other six districts is ongoing so that the improved PICSA process can be rolled out during 2018/2019.

20. An initial challenge faced in this activity has been the turnover of key LMS staff who had been trained and then went on to other duties or studies abroad. There is now a new team of three people who have been dedicated to perform project LMS related activities who will require further support in data management.

21. *A1.5 Prepare climate risk and vulnerability maps for rangelands and target hot spots.* This activity has been delayed as all of the activities to be undertaken by the National University of Lesotho in Components A and B have been rolled into a single performance based contract that is now being finalised with MAFS.

22. The start-up of *A1.6 Establishing an early warning system for climate risks based on an SMS system, and A1.7 Strengthened institutional adaptive capacity to implement adaptation measures* are planned for 2018/2019.

Sub Component A2 Climate Smart Participatory Rangeland Management has been designed to establish a nationwide, community-based climate resilient rangeland management. Focus has been on

23. *A2.1 Sensitisation of communities on WAMPP.* To date project focused sensitisation meetings have occurred in 8 out of 10 District Administrations (Thaba Tseka and Buthe Butha to be completed) with 170 participants (104 males; 66 females) and in 20 out of 23 Principal Chiefdoms with 793 participants (527 males, 266 Females). General feedback from all the meetings was appreciative with the Districts and communities gaining an initial understanding of the project. But all requested for follow up meetings of at least one day's duration to further review activities and time lines. The Component A manager was invited to make a presentation to full District meetings and this work is in progress with three follow up meetings made to date. Common feedback from all of the meetings is a need to review the current range regulations to better address trespass of areas set aside for conservation during the grazing season and a call for regular project meetings to review progress and maintain community spirit on at least a quarterly basis. From a simple logistical perspective it is impossible for the Component A Manager to do this on their own – it is essential that the District Project Field Officers (PFOs) are recruited and capacitated by the PCU to do this.

24. *A2.2 Review and Development of Best Practice Guidelines* for secured access to rangelands and establishment of Rangeland Management Associations and Village Grazing Schemes. The consultant for the review has been identified and the contractual process is ongoing. However, for this activity to progress it is essential that the operational structures at district level need to be established as soon as possible.

Agreed action	Responsibility	Agreed date
<i>The National Baseline Assessments of Rangelands.</i> DRRM plan to finalise this activity once the LDSF sites have been established and calibrated.	DRRM/PCU	31 Mar 2019
Support MFRSC in finalization of the draft Range Management Act	PCU/DRRM	28 Feb 2019
Complete the time series analyses of rainfall and temperature data for 6 other districts to facilitate roll out of PICSA	LMS/PCU	31 Mar 2018
Complete selection, sampling and calibration of the LDSF sites	DRRM/ICRAF/PCU	31 Mar 2018
Sign contract with NUL and begin planned activities	PCU/NUL/DRRM	30 Nov 2017
Develop District and Community Level communications plan and implement– at least quarterly	PCU	31 Oct 2017

25. **Component B: Improved Merino Sheep and Angora Goats Production and Management** is rated *moderately satisfactory (4)*. PCU and stakeholders have shown progress in signing various MoUs and agreements, initiated procurement of veterinary drugs and stock feeds and acquired breeding stock for the Quthing Stud. This component aims at supporting the smallholder merino sheep and angora goat producers to increase the production of superior quality wool, mohair and red meat.

26. The PCU has completed most of the work related to implementation arrangements, notably the performance-based contract between MAFS and LNWMGA, sub-leasing contract for Quthing Stud, and the ToR for the breeding policy among others. These agreements are a precondition for the field level implementation as outlined below in sub component B.2. The technical annex provides further step-by-step guidance to the PCU and stakeholders in order to commence activities as stipulated in the Financing Agreement.

27. Overall, the component manager has made significant strides in fulfilling AWPB 2017/2018, close to 45% completion in spite of administrative challenges and bottlenecks. However, the project would benefit greatly if PCU would concentrate on implementation support to stakeholders rather than carrying out activities, especially those specific to LNWMGA. Key agreements and contracts have been signed, supply contracts initiated and recruitment of key sheep stud staff is underway.

28. **Sub-Component B.1: Improved livestock nutrition.** NUL, DAR, DoC, and LAC have submitted a review of available literature on forage production and management, in Lesotho and similar regions of South Africa. The review falls far short of the guidelines outlined by the 2016 supervision mission and requires major revision. PCU, NUL, LAC and DLS need to finalize the review and come up with suitable forage varieties for demonstrations on forage production for the current planting season. Improved utilization of crop residues, such as urea treatment, should be planned for 2018. Training of Community Livestock Extension Workers (CLEWs) is still expected to commence in 2018/19, however, development of the curriculum; production of manuals and training programmes by DLS should commence as soon as possible. Clews' training is dependent on the appointment of PFOs who will monitor and mentor the CLEWs.

29. **Sub-Component B.2: Improved livestock breeding.** The sub-lease agreement between MAFS and LNWMGA for the lease of Quthing Stud was signed in 12 January 2017 and handed over in 15 March 2017. Adverts for the recruitment of a farm manager and tractor operator have been published. The farm manager selection should concentrate predominantly on farm management and business skills, and community relations rather than knowledge of livestock production. Meanwhile, 286 plus five (donated) quality pedigree Merino ewes and nine stud rams

have been procured and moved onto the farm. Procurement of farm machinery and equipment is being finalized and delivery to the Quthing Sheep Stud is expected in December 2017.

30. Urgent required actions are: (i) rehabilitation of sheep handling infrastructure; (ii) repair of fences and water infrastructure; (iii) rehabilitation of the rangelands; and (vi) establishment of planted forages. For proper upkeep of the sheep a farm business plan spelling out investments in infrastructure, capital equipment and general farm improvements, and projected incomes over a three-year period should be developed without delay. Recruitment of a national breeder and an international breeding consultant has to be concluded, as without a breeding plan, mating of the sheep remains on hold. IFAD has issued a No Objection to the appointment of the breeders. The national breeder will be appointed on a three-year call down contract to support the annual breeding cycle for both the merino sheep and angora goats. A major concern is one of community grazing rights; community engagement is ongoing process to manage these potential conflicts.

31. **Sub-Component B. 3: Improved animal health.** The tender for the supply chain for drugs and vaccines has been issued and will be sent for IFAD NO. Meanwhile, preparations for the training of community animal health workers (CAHWs) are at an advanced stage with the training protocol developed in conjunction with the IFAD/World Bank funded Smallholder Agricultural Development Project (SADP). Potential CAHWs to be identified in consultation with LNWMGA and non-affiliated shearing sheds. The training facility at Quthing Stud farm has been renovated. CAHWs are key in distributing drugs and vaccines to livestock farmers and will be trained before the supply chain is established. Budget estimates and bills of quantities for the renovations to the National Diagnostic Laboratory to enable handling of disease diagnoses for sheep and goats has been received from Department Building Design Services (BDS), Ministry of Public Works and Transport is being discussed.

32. The policies, guidelines and operating procedures for the management of the Supplement Feed and the Animal Health Drugs Revolving Funds managed by LNWMGA need to be agreed and ensure that private sector traders and non-affiliated shearing sheds are not excluded from accessing drugs and supplemental feeds through the two funds.

Agreed action	Responsibility	Agreed date
Revise literature review, identify adapted forage varieties and establish on-farm demonstrations.	NUL, DAR, LAC, PCU	30 Nov 2017
Recruit key staff; (i) farm manager, (ii) national and international breeders, for Quthing stud farm (LNWMGA Exec Board participate in the recruitment panels)	LNWMGA, PCU	Oct 2017
Develop a farm business and management plan for Quthing stud farm	LNWMGA, MAFS/MSCM	Nov 2017
Re-advertise and award tenders for supply chain for animal feeds and forage seeds.	LNWMGA, PCU	Jan 2018
Develop Curriculums for CAHWs and CLEWs and conduct training of CAHWs	LNWMGA, PCU, SADP, DLS	March 2018
Prepare the policies, guidelines and operating procedures for the management of the Supplement Feed and the Animal Health Drugs Revolving Funds	LNWMGA/PCU/ traders association	31 Dec 2017
Develop a sustainable water management plan for the Quthing Stud (as a replacement for the old system)	LNWMGA	30 Nov 2017

33. **Component C: Wool and mohair fibre handling and marketing** is rated *moderately satisfactory* (4). Overall, a lot of groundwork has been done under component C, and several activities have started or will start by the end of October 2017. There is active support from the Marketing Department of MSCM and BKB. Some activities are affected by delays. Notably the progress on infrastructure activities has been slow, although it is expected that through outsourcing tasks to consulting engineering firms' implementation will soon pick up.

34. Sub-Component C.1a: Shearing Shed Association members are trained for viable enterprise development. Some training activities for classers and recorders have taken place, and the work on policy development/legal framework for wool and mohair trade has started. Many other activities are about to start, with delays for a large part due to procurement issues.

35. BKB is a crucial and constructive partner in improving the wool and mohair handling and marketing. BKB has been selected by LNWMGA members during their recent AGM to auction not only their wool but also their mohair (instead of using Cape Wool and Mohair). BKB has supported WAMPP in training activities for recorders, and plans to support training for classers and shearers. BKB has appointed a representative in Lesotho and is appointing more staff for a smooth administrative process. The mission advises PCU to formalise the cooperation in a Public Private Producers Partnership (4P) agreement and action plan.

36. Technical support to private traders is needed; otherwise the image of the Lesotho clip is tarnished. In addition, farmers who feel comfortable to use private trading stations should not be marginalized. Private traders now only get licences on the basis of compliance with tightened regulations from MSCM.

37. WAMPP has taken initial steps to explore the possibilities for a partnership with the Basotho Enterprises Development Corporation (BEDCO), which is a parastatal of the Government of Lesotho. The primary responsibility of BEDCO is the establishment and development of Basotho-owned enterprises. Though not identified in the design, the partnership would be beneficial to support the enterprise development at shearing sheds, in cottage industries and in the meat value chain. The mission supports the formalization of this partnership.

38. Sub Component C.1b: Shearing shed facilities and infrastructure are provided. Infrastructural Development Oversight Committee (IDOC) was established with the objective of facilitating infrastructural development. In consultation with stakeholders IDOC has refined criteria for construction of climate resilient shearing sheds that include green technologies (e.g. Solar power), identified areas in need of new shearing sheds, shearing sheds that need rehabilitation and feeder roads for the current financial year.

39. BDS has submitted in May 2017 a detailed assessment report, but since then no further progress has been made. This delay is caused by: i) dependence on BDS, who are unable to provide the services on time; ii) delays in getting Bill Of Quantities and bidding documents to start procurement; and iii) lack of engineering expertise in PCU due to delay of engagement of advisory services of a consulting engineering firm. WAMPP now has started to outsource these tasks to private firms, such as for example the design of the new shearing sheds. The PCU must continue to engage with the BDS to obtain a letter of consent for the recruitment of private firms.

40. The delays are not only affecting disbursement rates, the OFID funds completion date is September 2019, only two years away. PCU needs to develop a realistic plan and budget based on actual costs for infrastructure activities financed by OFID for the next two years.

41. Furthermore, the mission recommends that WAMPP develop a strategy for beneficiary participation in planning, oversight during construction and Operation & Maintenance. Several projects in the region provide good examples of effective beneficiary participation, for example RLEEP in Malawi in construction of several roads, bridges and warehouses in an IFAD/OFID funded project and PASP in Rwanda. Also, a strategy for in-kind contributions by farmers needs to be developed, based on common approaches in Lesotho. PCU is advised to network with SADP and other development partners and construction projects in Lesotho and in the region to gather best practices.

42. Sub-component C2: Cottage industry and niche market development, Output C.2 Women cottage group members are trained in business and technical matters. Under this sub-component activities are about to start. A study on the market and policy for cottage industries has received IFAD NO (09/10/17). Training on business development will also be implemented shortly. It is emphasised that activities to improve the sector should start from the demands of the market: clients and market access should be the driving force.

43. MSCM decided that strategic mechanisms should be developed to attract the youth to this potential industry. Collaboration between Lesotho Mohair Trust, the MSCM and WAMPP can stimulate to attract the youth. PCU is advised to investigate possibilities for the Trust to support young designers.

44. **Sub-component C3:** Promotion of livestock auctions and district slabs, Output C.3 District Livestock auctions, and slaughter slabs are constructed. A red meat value chain study was meant to be the starting point for activities in this sub-component. Procurement is in its final stages, which means the study is about to start. The national abattoir has reopened, but only slaughters cattle and sheep. WAMPP/MSCM should influence the abattoir to also slaughter goats. Two qualified private Auctioneers have been appointed and, together with MSCM staff, were trained in South Africa. WAMPP is advised to develop a 4P agreement with them. MSCM is advised to involve them in drafting the auction plan.

45. BDS has submitted a detailed report on rehabilitation of slaughter facilities and auction yards. Together with Component A manager, the most degraded range areas were chosen as priority areas for works to start. Through outsourcing design of slaughter slabs, and preparing BOQs and bidding documents for slaughter slabs and auction yards, procurement for construction should start soon.

Agreed action	Responsibility	Agreed date
Formalise an agreement for the 4P partnership with BKB	PCU/MSCM	31 Jan 2018
Prepare a detailed plan for partnership with BEDCO for next FY	PCU, MSCM, BEDCO	31 Jan 2018
Develop a realistic two year plan and budget for activities financed by OFID	PCU	31 Dec 2017
Develop a strategy for beneficiary participation in construction and O&M, including their in-kind contributions.	PCU	31 Dec 2017
Investigate possibilities for the Mohair Trust to support young designers	PCU, MSCM	30 Nov 2017
Formalise an agreement for the 4P partnership with private auctioneers and involve them in drafting the auction plan.	PCU, MSCM	30 Nov 2017
Outsource tasks for the design, BOQs and bidding documents for slaughter slabs and auction yards	PCU	30 Nov 2017

D. WAMPP implementation progress

Quality of project management

46. *PCU establishment* – The establishment of the PCU is still incomplete, in spite of the November 2016 mission explicitly stating that the finalisation of the appointment of the outstanding members of the PCU should be treated as a priority. Specifically, the delay on the appointment of the Monitoring and Evaluation (M & E) Officer has negatively impacted on the completion of key PCU actions such as the baseline survey and the design of the WAMPP M & E system. The recruitment will be completed by 31 December 2017. Further, the lack of a WAMPP Administrative Assistant is evident in those records, documentation, and the logging and tracking of project requests (to legal, HR and Directors and No Objection to MAFS and IFAD respectively) are not systematically followed up or recorded.

47. The current office equipment needs (individual offices and configuration, vehicles, office technical needs, etc.) has not been fully procured, and this again has hampered the effective running of the PCU. Further, the November 2016 and subsequent 2017 support missions have emphasized to the PCU that IFAD HQ is available to provide support and guidance if requested; but this offer has hardly been utilized.

48. *Project Steering Committee (PSC).* The PSC inaugural meeting was in January 2017 and 4 subsequent meetings have been held, however no indication to the mission has been made that the final meeting of the calendar year has been scheduled. The minutes of the meeting held in January 2017 were with the mission, and it is strongly recommended that the timetable for future PSC meetings reflect strategic project activities such as verification of the annual work plan and budget and prior to supervision missions.

49. *PIM review.* The mission found that PCU with implementing agencies have still to update the draft PIM, dated December 2014. The topics to be updated and expanded include field operation procedures at the district level, manuals, M&E and the financial management system. It is agreed that the revision of the PIM will coincide with a support mission planned for 3-20 December 2017 when a three year rolling budget will be developed to assist with backlogs and prioritising programming of the OFID funds.

50. *Implementation coordination at district level.* As was noted during the November 2016 mission, project coordination between national and district level remains primarily through the vertical structure of the line ministries. An effective district level coordination mechanism still needs to be set up. The ToRs for WAMPP Project Field Officers (PFO), in each district were agreed and given NO in April 2017 (five months ago). Each line ministry will recruit - through internal competition - a number of PFOs (MAFS 4, MFRSC 3 and MSCM 3). MAFS and MFRSC have advertised these positions and are in the process of short listing. MSCM has indicated that they initially had a problem seconding these staff; however after discussion and clarification from this mission consultant on the recruitment process, senior management of the MSCM have agreed to begin the competitive recruitment process as soon as possible. HR of MSCM is preparing a note to explain the decision and this will be discussed by 3 PSs.

51. As per the 2016 mission recommendation, the PCU still needs to prepare an action plan to assist in setting up the District Project Coordination Committee (DPCC) and the Field Implementation Team (FIT) as per project design. The PFO and DPCC then need to take a lead in providing operational guidance and coordinating local level planning, preparation of inputs into AWPB, supervision of activity implementation and contracts with service providers, provide technical backstopping of FIT and facilitate knowledge management activities. This reflects the actions stated in Component A.

Agreed action	Responsibility	Agreed date
Appoint the WAMPP PFOs in all Districts,	PCU, MAFS, MFRSC and MSCM	30 November 2017
Establish the District Project Coordination Committee (DPCC) and the Field Implementation Team (FIT) as per project design	PCU, MAFS, MFRSC and MSCM	30 November 2017

52. **Coherence between AWPB and Implementation** is moderately satisfactory (4) with implementation for components A and C standing at around 30% and component B at 45% of planned activities completed or in the process of being completed in the next 6 months. However, in terms of overall expenditure it will be lower as none of the infrastructure has been constructed yet, many procurement processes for equipment need to be completed and the first invoices from University of Reading and ICRAF are still to be paid.

53. The current AWPB is very detailed in terms of costs, etc. and it is difficult to get an overview. In terms of monitoring progress against AWPB the mission would like to propose an agreed action that the AWPB is consolidated (or collapsed) into a workable spreadsheet that lists the activities, targets, and budgeted amount in a page for each component. If columns are added to show progress you have your physical and financial progress report.

Agreed action	Responsibility	Agreed date
Common format for the AWPB to monitor progress by preparing a consolidated AWPB, as a simple spreadsheet that lists the components, outcomes, outputs, activities, targets, and budgeted amount. Add columns for reporting physical and financial progress quarterly.	PCU	31 Dec 2017

54. **Monitoring and Evaluation (M&E)** is still rated *unsatisfactory* (2) in view of the still vacant position of the M&E Officer and thus the absence of the project M&E system. Currently the Project Director is responsible for the M&E activities with assistance from the Knowledge Management Officer (KMO). It is critical that a qualified and experienced candidate fills the position before the end of 2017, and Technical Assistance agreed to establish the Monitoring Information System in Q4 2017/18.

55. *The baseline survey*, which will include the Results and Impact Management System (RIMS) and the Multidimensional Poverty Assessment Tool (MPAT), has been prepared along with the sampling framework, with technical assistance from IFAD. The training for the enumerators was planned for mid-October, but will be delayed until the M&E officer is in post, with the baseline report finalized early in 2018.

56. The IFAD mission supported the PCU in reviewing the ORMS compliant log frame and the revised First and Second Level RIMS indicators. A full list of the indicators is included in the technical annex.

57. **Knowledge management and Communications** is rated *moderately unsatisfactory* (3). The draft Knowledge Management strategy has been reviewed by the supervision mission and additional advice sought from IFAD Communications team as to next steps in its revision and finalisation.

58. Overall the draft strategy does not follow accepted practices within the Knowledge Management and Communications communities established during the IFAD South-South workshop that the WAMPP PD attended, in Rwanda in October 2016. As a consequence, the mission has grave concerns that the WAMPP PD has not effectively capacitated the KM Officer in best practices. As a result, the current KM strategy is not communicating its message to those it's intended to influence; as it is not learning from best practice, and seeking guidance as appropriate, which is available to all participants of the South-South workshop. *Knowledge Management and Communications* are inextricably linked and the project needs to consider both together to ensure both inter and intra communications of lessons and best practices occur throughout the various institutions that WAMPP works with or is accountable to.

59. It is essential that the WAMPP brand is established by developing corporate identity elements, including a project logo, and standardised templates for reports and power point presentations; along with a generic overview of the WAMPP network that clearly shows the project structures, reporting lines, fund flows; and how the three components need to be integrated to achieve the desired national outcome of a Sustainable Wool and Mohair Value Chain. (e.g. Schematics/Infograms). Despite these shortfalls the KM officer has documented a number of key activities and achieved a degree of media coverage, which is to be commended.

60. A Project KM and Communications Strategy Template that has been developed by IFAD communications staff, and subsequently revised and validated at various workshop in Africa, is attached as a technical annex on Communications that includes a candid review of the draft strategy shared with the mission. It is essential that WAMPP uses the template to finalize their KM and Communications strategy, and understand that the communications of knowledge is a multiple process of not only knowledge generations, but also the harvesting of best practice from other initiatives that can be shared within the WAMPP community to improve the overall operational efficiency and impact.

61. **Gender and Youth** is rated *moderately unsatisfactory* (3), as no specific targeting strategy has been developed yet. Field level implementation is still minimal. A few meeting/training activities under components A (Principal Chiefs and District Council meeting) and C (classers, recorders) show a balanced participation by men and women. The IFAD mission wishes to highlight that the targeting strategy should ensure that gender consideration should be mainstreamed in all project activities. Community mobilization for the rangeland related activities should ensure that both male and female will be involved in the planning and decision making for planning and management of rangelands. Shearing Shed Associations management structure and business planning should include women, on a preferential basis. Activities of training and capacity building will need to give emphasis on women's participation where applicable and detailed in the revised PIM.

62. **Youth**. WAMPP will include a number of activities targeting the youth. For example, there will be focused training sessions for youth in Natural Resource Management (NRM) and their representation in NRM user groups will be encouraged. 25% youth participation in rangeland management planning and activities will be encouraged. Vocational training will also be offered to youth in commercial enterprise management of shearing shed associations and in wool and mohair business development.

63. **Poverty focus** is rated *moderately unsatisfactory* (3), given the absence of a strategy and pending start of many activities. WAMPP design included three target groups of which the following two focus on rural poor: (i) poor rural dwellers that can access the value chain through value adding activities or have the potential to become producers and (ii) poor rural dwellers whose skills can be improved for textile / garment production for niche markets.

64. **Effectiveness of targeting approach** is rated *moderately unsatisfactory* (3). Since last year, the project has not yet developed a targeting strategy that ensures the inclusion of the three targeting categories. The PCU will need to ensure that gender; youth and rural poor are included in the relevant project activities and carefully monitor their participation. The mission again emphasises therefore that all data and indicators under the M&E system should be disaggregated by age, gender, and target group to ensure effective monitoring of the targeting.

Agreed action	Responsibility	Agreed date
Prepare a targeting strategy supported by an action plan for gender, youth and poverty focus, and ensure M&E system disaggregates by age, sex, and target group, as part of the Revised PIM.	PCU	30 Nov 2017

65. **Innovation and learning** - is rated *moderately satisfactory* (4) in light of the reflective learning that has taken place during the initial PICSA training and engagement with the IFAD small grant project, Innovations in Smallholder Agriculture Climate Change Resilience (ISASAR) Project in South Africa.

66. **Climate and Environment – Environment** – is rated *moderately satisfactory* (4) with good progress being made on the PICSA training, especially the early reflections on initial training of trainers, and subsequent actions taken to fast track the time series analyses of temperature data to make the process more applicable to the rangelands and livestock. Foundation work undertaken to establish the LDSF sentinel sites with DRRM staff taking a lead in the process. However, it is essential that the contract with NUL is expedited to ensure the various activities in both components A and B are initiated to ensure the vulnerability mapping is completed and the necessary work and experimentation to support the development of climate smart rangeland and livestock stock systems is initiated. There are no anticipated adverse environmental impacts and the project will promote approaches and techniques of environment protection and resource conservation to the beneficiaries, development of climate resilient building standards. Where appropriate green energy technologies, particularly solar will be promoted to power lights, weighing scales and electric wool clippers.

67. **Partnerships' performance** is rated *moderately satisfactory* (4). The only pending agreement is the service contract with the National University of Lesotho which is under review and expected to

be signed in November 2017. Relations with LNWMGA require careful management in the next 12 months to ensure they meet the requirements of both their MoU and Service Agreement with MAFS and should be the focus of the Project Director and Senior Management from MAFS. This mission has engaged with the Executive Committee of the LNWMGA to foster stronger understanding and ownership of WAMPP. This requires specific executive management from both MAFS and WAMPP to strengthen this collegial partnership. In addition the mission supports the proposed partnership with BEDCO as detailed in Component C. There is some concern over the lack of interaction between WAMPP and Lesotho Agricultural College (LAC) despite the responsibilities detailed in the PDR. This requires urgent attention by the executive management of MAFS and WAMPP.

Agreed action	Responsibility	Agreed date
WAMPP participates in LNWMGA Executive Committee meetings and the Annual General Meeting.	Project Director	Ongoing
Expedite an Action Plan MoU between WAMPP and LAC that details LAC's role and responsibilities as per the PDR; especially collaboration with NUL and DARR in implementing on-farm research activities.	MAFS and PD	30 Nov 2017

E. Financial management

68. **Overview:** The overall rating for financial management is *moderately unsatisfactory* (3). The lack of approved PIM (which includes Financial Management Procedures), a dedicated accounting software as well as delayed Audit reports exposes the Project financial management to risks. The MAFS and PCU have complied with all the conditions precedent in the IFAD Financing Agreement, which had to be complied with before the withdrawal of the Designated Account authorized allocation or the combined initial deposit of USD 1.5 million. However, several of the conditions precedent before withdrawal applications for replenishment are submitted for claim, remain outstanding, but the PCU and MAFS are working on them and their finalisation is expected by 30 November, 2017. The disbursement so far has been for the Authorized Allocations of IFAD Loan and Grant and ASAP Grant amounting to USD 1.5 million. The expenditures incurred therefrom amount to USD 727,183 and the WAs will be submitted as soon as the disbursement conditions are complied with.

69. **Review of the Progress made on the Agreed Actions of April Financial Support Mission:** Out of the 13 agreed actions from the last mission 7 have been fully implemented. The remaining 6 are at various stages of being addressed and finalization is expected by 31 December 2017. The remaining include submission of the PIM to IFAD for approval, Installation of the multisite accounting software, contracted audit firm for the performance audit of activities carried out by LNWMGA. **Procurement of a short term project Consulting Engineering Firm, recruitment of Additional accountant at LNWMGA and upgrade of the SAGE Pastel Accounting Software at LNWMGA.**

70. **Status of LNWMGA FM Capacity:** The situation remains the same as reported in the last FM support mission in April 2017. The mission accompanied by PCU held discussions with the Administrative Manager of the LNWMGA. The outstanding key issues as discussed were: (a) Immediate upgrading and enhancement of financial Management capacity by; (i) installing the Pastel Accounting software; and (ii) recruitment of an additional Accountant, and; (b), appointment of the Auditor for performance audit as required by the Financing Agreement. In addition, the mission recommends that the LNWMGA recruits a procurement officer with the aim of meeting the procurement standards under which WAMPP is operating.

71. The mission notes that implementing the Business plan of the Quthing Stud Farm will involve significant financial management activities including the requisite Financial Planning through the AWPB, financial transactions data capture and accounting and Financial reporting and statutory and performance audit. Consequently, in addition to setting up the FM systems in the HQ, a robust and result oriented Pastel Accounting systems must be set up in the farm.

72. **Submission of the Project Implementation Manual (PIM).** The PIM has been submitted to IFAD for approval and IFAD has returned the draft with comments for the PCU to deal with. The PCU has not concluded on the IFAD comments for they are of the opinion that they require help in resolving them. IFAD has planned for another TA mission in December 2017 to assist with the revision of the PIM and development of a three year rolling budget that will ensure that the OFID funds are programmed in a timely manner.

73. **Accounting Software.** A contract for the TOMPRO software has been concluded and the systems Accountant is being recruited by IFAD with the aim of designing the chart of accounts and ensure effective, timely and accurate accounting reporting systems. The chart of Accounts design will be based on the GoL accounting codes so as to ensure that the programme financial resources and expenditures there from are also accounted for to satisfy the GoL requirements. This task will be carried out in Q4 of January 2017/2018.

74. *Review of the performance of the 2017/18 AWPB:* The mission notes that overall the cost estimates and impacts appear over ambitious. The budget estimates for 2017/18 represent 53% of the IFAD Loan and Grant, and ASAP and OFID grants. With hindsight and the in country procurement challenges this was not a realistic estimate. This was the first budget of the project team and re-emphasises a lack of willingness of the WAMPP executive to take on board best practice and learn from other projects. Unfortunately this means that the performance for the 6 months to 30 September 2017 against the budget estimates is only 7%. This is too low compared to the expected norm of 50% expenditure for the half financial year. The WAMPP team faced the challenges of procurement, which slowed implementation, and hence the low performance levels. A number of consultancies and contracts for goods and service are in the process of being finalized and it is hoped that the performance rate of the Budget will improve significantly during the second half of the financial year. In the meantime, the project will prepare a 3 year strategic rolling budget which will address the aspects of over budgeting and the most effective ways to utilise both the OFID funds and funds that should have been programmed in the first two years of the project.

Table 1: Performance Assessment of the 2017/18 AWPB

Description		12 MTHS BUDGET	6 MTHS TO 30.09 2017 ACTUAL PERFORMANCE	
Category of Expenditure			USD '000	USD '000
I	Consultancies	1,802	152	8%
II	Goods, Services and Inputs	4,088	125	3%
III	Workshops	2,153	83	4%
IV	Salaries and Allowances	1,229	185	15%
V	Operating Costs	1,499	223	15%
	Total	10,771	769	7%

75. **Statements of Expenditure (SoEs) Review:** The expenditure to date incurred from the IFAD and ASAP financing amounts to approximately USD 727,123 and representing 48% of USD 1.5 million of the combined Authorised allocations. The submission of the requisite WAs for claim for replenishment has not yet been carried out because there are financing agreement covenants which have not been met, specifically the recruitment of the M&E officer. However, the mission reviewed at random a 30% portion of the expenditures and the bulk of them were found to be eligible for claim. Meanwhile, it was agreed that the outstanding WAs and the supporting SoEs will be prepared in readiness for submission as soon as the conditions for disbursement are met.

76. **Designated Accounts.** The combined authorised allocations for IFAD Loan and Grant amounting to USD 1 million, and including the **USD 214,000** as pre-finance advance, have been fairly accounted for. To date USD 538,169 have been spent consistently with the specific AWPB. In addition an amount of USD 36,000 equivalent have been used to pay VAT and this has not been refunded by

GoL as is stipulated in the Financing Agreement (FA). Other expenditures including salaries and rent on behalf of the GoL amounting to USD 78,000 have been paid from this account. The cash balance remaining is USD 348,000. The VAT and other dues from GoL will be refunded by the 30 November 2017.

Table 2: Reconciliation of the IFAD loan and Grant DA

Item	Description	Value (USD)	
1	Combined Authorised Allocations		1,000,000
2	Balance in the Designated Accounts	248,144	
3	Balance in the operation Programme Account	99,580	
4	Expenditures Pending WA(s) preparation and submission	538,171	
5	VAT due from GoL	35,878	
6	Rent and Salaries Due from GoL	78,227	
	Total		1,000,000

77. **The authorised allocation for ASAP Grant amounting to USD 500,000**, is fairly accounted for. As at 31 August 2017, expenditures amounting to USD 189,014 have been spent consistently with the specific AWPB. In addition an amount of USD 2,770 equivalent has been used to pay VAT and this has not been refunded by GoL as is detailed in the FA. The cash balance remaining amount to USD 307,316. It was agreed that as soon as the conditions for disbursement as detailed in the FA are complied with, the WA will be submitted by 30 November 2017. In addition the VAT and other dues from GoL will be refunded by the same date.

Table 3: Reconciliation of the ASAP Grant DA as at 31 August 2017

Item	Description	Value (USD)	
1	Authorised Allocation		500,000
2	Balance in the Special Account	307,908	
3	Balance in the Operational Account	(592)	
4	expenses	189,014	
5	VAT due from GoL	2,770	
6	Due to GOL	(149)	
7	Advance not yet accounted for	1,049	
	Total		500,000

Disbursement

78. **The combined allocation of IFAD Loan and Grant of SDR 7.7 million** has been disbursed at SDR 731,000 or USD 1 million representing 9.5% of the total financing. This is only the Authorised allocation and the advance for pre-financing. So far no additional WAs have been submitted. The expenditures incurred as at 31 August 2017 and since project inception, and yet to be submitted to IFAD for claim amount to USD 538,169. The delay is due to pending compliance with the disbursement conditions. Based on these expenses the Loan and Grant utilisation is estimated at 6%. As for disbursement, and based on the above expenses the rate projected rate of disbursement that includes the Authorised allocation is 14.5%.

Table 4: Combined IFAD Loan and Grant Disbursement and projected utilisation as at 31 August 2017.

Category	Original Allocation	Disbursements		Pending Expenditure		Projected Utilisation	Projected Balance	Projected Utilisation	Projected Balance	
	A	C		D		E=C+D	F=B-E	G=E/D	H=F*1.38	
	SDR'000	SDR'000	%age	USD'000	SDR'000	SDR'000	SDR'000	%age	USD'000	
I	Consultancies	960	-	0%	2	1	1	959	0%	1,323
II	Goods Services and Inputs	1,840	-	0%	137	99	99	1,741	5%	2,402
III	Workshops	720	-	0%	109	79	79	641	11%	885
IV	Salaries and Allowances	2,120	-	0%	118	85	85	2,035	4%	2,808
V	Operating Costs	1,260	-	0%	173	125	125	1,135	10%	1,566
99	Unallocated	760	-	0%	-	-	-	760	0%	1,049
	Sub-total	7,660	-	0%	538	390	390	7,270	5%	10,033
99Z	Initial deposit	-	731							
	Total	7,660	731	9.5%						

79. The **ASAP financing of SDR 4.7 million or USD 7 million** is disbursed at USD 500,000 or 8% of the total financing, and comprising of the authorised allocation only. The expenditure incurred to date amount to USD 189,014 and is yet to be submitted for claim to IFAD for replenishment. Based on these expenses the disbursement is projected at 11% including the authorised allocation.

Table 5: ASAP Grant Disbursement as at 31 August 2017

Category	Allocation	Disbursements		Pending Expenditure		Projected Utilisation	d Balance	Projected Utilisation	Projected Balance	
	A	C		D		E=C+D	F=B-E	G=E/D	H=F*1.38	
	SDR'000	SDR'000	%age	USD'000	SDR'000	SDR'000	SDR'000	%age	USD'000	
I	Consultancies	1,560	-	0%	149	108	108	1,452	7%	2,004
II	Goods Services and Inputs	430	-	0%	-	-	-	430	0%	593
III	Workshops	1,510	-	0%	11	8	8	1,502	1%	2,073
IV	Salaries and Allowances	450	-	0%	-	-	-	450	0%	621
V	Operating Costs	200	-	0%	29	21	21	179	11%	247
99	Unallocated	460	-	0%	-	-	-	460	0%	635
	Sub-total	4,610	-	0%	189	137	137	4,473	3%	6,173
99Z	Initial deposit	-	368							
	Total	4,610	368	8%						

80. **OFID Loan** financing is yet to be accessed by the Project. However, withdrawal application of USD 1 million was submitted in September 2017, and a notification of funds release to the Project was received on 9 October 2017. The funds therefore are expected to reach the Project soon.

GOL Counterpart Fund contribution

81. The project is still using the M3 million (USD 220,000 equivalents) contributed by the GoL in 2016/17 financial year. This has not been adequate for the VAT, salaries and Rent amounting to USD 132,000 and paid from IFAD and ASAP financing, and remains un-refunded. As at 31/08/2017, these funds were wholly exhausted. For 2017/18, financial year the provisions in the AWPB is USD1.4 million while the GoL printed estimates have provided only M5 million or USD 400,000 equivalents. The procurement of goods and services is expected to escalate during the second half of the financial year and financing of the requisite VAT will require more funds than provided for in the GoL printed estimates. No funds have been disbursed by GoL to the project, so far in this financial year. It was agreed that GoL will remit the provided funds of USD 400,000 equivalent so as to repay the backlog of the above dues from GoL. Further GoL should improve on these provisions in the Printed estimate, so as to cater fully for the increased VAT and other payments as provided in the approved AWPB.

82. **Procurement Plan:** The 2017/2018 Procurement plan has cost estimates of USD 5.8 million. This plan includes Goods at USD 3 million, Consultancies at USD 908,000, Rehabilitation/

construction of wool sheds at USD 1.7 million, and office items at USD 187,000. This plan appears overly ambitious and although the capacity has been increased with the recruitment of procurement Assistant the range and volume of procurement items and units are perhaps too large and too varied to be effectively carried out in a timely and efficient manner. The mission reviewed the detailed table and found some inconsistencies with the AWPB. **It was agreed with the PCU that these will be amended to harmonise the plan with the AWPB.** The management and coordination with the legal office of MAFS relative to clearing the contracts has been an ongoing challenge and this has contributed to delays of the procurement delivery. The PD must lead the documentation and exercise management of the oversight of this process through a fortnightly review of the progress of achievement reported by Procurement Officer. To support this process it is essential that WAMPP initiates a Procurement Register that tracks ALL procurement for goods and services, with a special emphasis on the procurements that require a NO from IFAD.

83. Procurement Contract management. The consultancies and construction is expected to generate a wide range of technically oriented and voluminous contracts. These will require deepened coordination and management and cannot be effectively and efficiently handled by the relevant component head and the Procurement head alone. It is recommended that the PCU dedicate fortnightly meetings for review and problem solving deliberations on the procurement plan which will result in action plans with specific delivery dates and persons responsible for deliverables. The meetings should be having influential persons co-opted from BDS, the MAFS and any other GoL department that may assist in the implementation of the relevant contract.

84. Strategic Way forward: -The rehabilitation of shearing sheds, building of new ones access roads requires services of a Consulting Engineering Firm. The project is recruiting these services and it should be expedited. Once recruited they should assist in the formulation of a 3 year strategic implementation plan of all civil works of roads and buildings. The plan should include specific details on the timing of implementation, design, construction deadlines and costs. The strategic plan will inform and guide the subsequent AWPBs, Procurement Plans, and individual action plans. It is essential that there is a procurement plan that is linked to the AWPB to ensure that the necessary goods and services are procured in a timely fashion. All TRs will be prepared at least 6 months in advance to ensure timely procurement of the consultancies.

Compliance with the Loan covenants

85. The review indicates that WAMPP is not following the conditions set out in the financing agreement. This includes the payment of VAT from the IFAD and ASAP financing. Other breaches include delayed implementation of disbursement conditions which includes: a) Submission of revised and updated PIM to IFAD for Approval; b) Installation and use of the Accounting software; and c) LNWMGA to contract Independent Audit Firm for performance Audit of Project activities assigned thereto.

86. **External audit:** The financial year 2016/17 was the first year of implementation. The Auditor General of the Kingdom of Lesotho has undertaken the field audit and the process is in the final stages of completion. Due to unforeseen external circumstances the audit was not completed on time and the audit report was not submitted within the set deadline of 30 September 2017. IFAD has given a NO for a delayed submission granted until 27 October 2017. It is hoped the audited financial statements will be submitted by that date.

87. **Financial statements and Reports:** The Mission reviewed the Draft Financial statements for audit submitted to the auditors and considered it adequate and consistent with the IFAD recommended template.

88. **Financial Management Technical Assistance:** As reported in the last mission, the installation of the Accounting Software will require technical assistance for ensuring that the chart of accounts, financial data posting and capturing procedures are properly installed, and reporting templates are properly developed and put in place. In addition, the technical assistance will ensure that the installed software is producing accurate and intended Accounts and financial reports. A Financial Management

Specialist with deep knowledge of the detailed workings of the accounting software is in the process of being recruited. The mission further proposes a 2-level assignment of 4 weeks, spread into a 2-week period at installation stage, another 1 week assignment in the 3rd month of operation and after installation, and a final week at financial year end preparation of the draft accounts for audit. This will be initiated by IFAD in Q3 2017/2018 on the understanding that the TOMPRO software will have been installed.

Agreed action	Responsibility	Agreed date
Revise and submit the PIM for IFAD for Approval	PCU/MAFS/IFAD	31 Dec17
Procure and install Accounting software.	PCU	31 Oct 18
Contract independent Audit Firm for performance Audit of Project activities by LNWMGA	PCU/LNWMGA	30 Nov17
Recruit TA for financial Management support	IFAD	31 Oct 17
Prepare TORs in advance for consultancies included in the procurement plan	PCU	Ongoing
Recruit additional Accountant and procurement officer at LNWMGA	LNWMGA	30 Nov17
Upgrade the SAGE Pastel Accounting software at LNWMGA	LNWMGA	30 Nov17
Prepare the WAs for replenishment for the expenditures incurred up to 30 September 2017	PCU	15 Nov17

F. Sustainability

89. **Institution building** *is rated moderately satisfactory (4)*. The WAMPP implementation relies on a close collaboration mechanism between the line ministries and their vertical technical networks, and the strengthening of community-based and beneficiary-driven organizations such as the shearing shed associations, involving the existing institutions and using them as an entry point in project implementation. The institutional building is an ongoing process.

90. **Empowerment.** It is still too early to assess the empowerment and social sustainability, although PCU has implemented a number of awareness raising initiatives in the components.

91. **Quality of beneficiary participation.** The project is still in the process of preparatory work for implementation of field activities, and as such has not yet reached out directly to beneficiaries. In order to achieve its development goal the project needs to ensure 1) the effective integration of the three components at beneficiary level and 2) a readiness by farmers to change their behaviour and practices related to flock numbers and management. As benefits from rangeland development typically take up to five years to materialise, WAMPP needs to prepare for strong, and immediate, incentives to be available simultaneously, including i) information on cull – swaps 2 for 1: when, how, where do improved sheep/goats come from etc. ii) higher value for meat through auctions and improved slaughter facilities, iii) reduce stock losses by controlling theft, predators, shelters/windbreaks, weather forecasts and SMS alerts. At the same time enforcement/compliance measures will need to be in place.

Agreed action	Responsibility	Agreed date
Prepare action plans for effective integration of the components at field level	PCU, PFO, DPCC and FIT	March 2018
Prepare for strong, and immediate, incentives to be available simultaneously in order for farmers to change behaviour.	PCU	2018/2019

92. **Responsiveness of service providers.** It is still too early to assess the performance and the responsiveness of service providers after only six months of full implementation.

93. **Exit strategy** cannot be assessed at this stage. Until the PCU has finalised the PIM and developed their targeting strategy it is too early to pass any substantive comments on the exit strategy completion.

94. **Potential for scaling up.** It is still too early to systematically assess the project potential for scaling up without operational implementation i.e. an approved PIM and Targeting Strategy.

G. Other

95. **Impact on Physical/financial assets.** Physical and financial assets will be assessed at the end of the first full year of implementation.

96. **Impact on Food security.** It is too early to assess the project direct impacts on food security as to date no activities have been mainstreamed that will have an impact on the income of smallholder farmers and households.

97. **Quality of natural asset improvement and climate resilience.** It is too early to draw conclusion on the project performance in this regard due to the absence of operational implementation and related systematic assessment. However, activities in component A1 will provide baseline information, as will the MPAT Baseline survey in the next 6 to 12 months.

H. Conclusion

98. Project implementation of WAMPP since the November 2016 mission has not moved at the pace as expected; this can be attributed to the unstructured manner in which the PCU is operating, and not having an expected administrative process and protocols in place. This continued shortcoming must be addressed as a matter of urgency.

99. *Project Implementation:* There are significant concerns as to the slow rate of project disbursements, (currently at 9.5%) and implementation. Proactive strategies have not been undertaken to address these challenges at PCU level; such strategies must now be implemented.

100. PD to provide participatory leadership, guidance and coaching to the PCU staff members, and to encourage staff to actively participate in learning opportunities.

101. PCU to follow GoL and IFAD policies on project implementation and management, and specially apply standard management practices.

102. PD to ensure that outstanding conditions for the next WA are addressed, particularly the appointment of the M & E Officer, as well as other PCU staff, and the revision of the PIM and the preparation of the 3-year AWPB process.

103. Closer support, supervision, and participation with the strategies being implemented for Component A, B, and C by the PD; ensuring formalised documentation and reporting processes so as to enhance partnerships amongst the principle ministries as well as the NUL, LMS and LAC.

104. *The National Baseline Assessments of Rangelands.* DRRM plan to be finalised as a matter of priority and utilised in the M & E process of the WAMPP.

105. *Prioritise partnerships and support to the LNWMGA:* The LNWMGA are strategic partners and beneficiaries of the WAMPP, closer working relationships and support to the national executive needs to be deliberately pursued, particularly with activities relating to the Quthing Stud Farm.

106. The PCU must prioritise the establishment of the District Project Coordination Committees (DPCC) and the Field Implementation Teams (FIT) as per project design, as they are a key interface at district level between the WAMPP and the beneficiary farmers.

107. With the support mission scheduled for December 2017, the PCU must prioritise the revision and updating of the Project Implementation Manual (PIM) and preparation of the 3-year workplan and budgeting process (AWPB) for approval by IFAD before end January 2018.

108. IFAD and the Government of Lesotho endorse the findings of the supervision mission.

Summary of agreed actions

Agreed action	Responsibility/Whom	Agreed date	Progress
Leadership/Project management - MAFS to implement a fast tracked performance based monthly probation for the PD for the next six months	PSC/MAFS PS	From 15 th October 2017	
Component A: Climate-smart rangeland management			
<i>The National Baseline Assessments of Rangelands.</i> DRRM plan to finalise this activity once the LDSF sites have been established and calibrated	DRRM/PCU	31 Mar 2019	
Support MFRSC in finalization of the draft Range Management Act	PCU/DRRM	28 Feb 2019	
Complete the time series analyses of rainfall and temperature data for 6 other districts to facilitate roll out of PICSA	LMS/PCU	31 Mar 2018	
Complete selection, sampling and calibration of the LDSF sites	DRRM/ICRAF/PCU	31 Mar 2018	
Sign contract with NUL and begin planned activities	PCU/NUL/DRRM	30 Nov 2017	
Develop District and Community Level communications plan and implement– at least quarterly	PCU	31 Oct 2017	
Component B: Improved Merino Sheep and Angora Goats Production and Management			
Revise literature review, identify adapted forage varieties and establish on-farm demonstrations.	NUL/DAR/LAC/PCU	30 Nov 2017	
Recruit key staff; (i) farm manager, (ii) national and international breeders, for Quthing stud farm (LNWMGA Exec Board participate in the recruitment panels)	LNWMGA/PCU	31 Oct 2017	
Develop a farm business and management plan for Quthing stud farm	LNWMGA/MAFS/MSCM	30 Nov 2017	
Re-advertise and award tenders for supply chain for animal feeds and forage seeds.	LNWMGA/PCU	31 Jan 2018	
Develop Curriculums for CAHWs and CLEWs and conduct training of CAHWs	LNWMGA,PCU, SADP, DLS	March 2018	
Prepare the policies, guidelines and operating procedures for the management of the Supplement Feed and the Animal Health Drugs Revolving Funds	LNWMGA/PCU/ traders association	31 Dec 2017	
Develop a sustainable water management plan for the Quthing Stud (as a replacement for the old system)	LNWMGA	30 Nov 2017	
Component C: Wool and mohair fibre handling and marketing			
Formalise an agreement for the 4P partnership with BKB	PCU/MSCM	31 Jan 2018	
Prepare a detailed plan for partnership with BEDCO for next financial year	PCU/MSCM/BEDCO	31 Jan 2018	
Develop a realistic two year plan and budget for activities financed by OFID	PCU	31 Dec 2017	
Develop a strategy for beneficiary participation in construction and O&M, including their in-kind contributions.	PCU	31 Dec 2017	
Investigate possibilities for the Mohair Trust to support young designers	PCU/MSCM	30 Nov 2017	
Formalise an agreement for the 4P partnership with private auctioneers and involve them in drafting the auction plan.	PCU/MSCM	30 Nov 2017	

Outsource tasks for the design, BOQs and PCU bidding documents for slaughter slabs and auction yards		30 Nov 2017
Project implementation progress		
<i>PCU establishment</i> – The establishment of the PCU is still incomplete, in spite of the November 2016 mission stating this as an 'Agreed Action'	PCU/MAFS	31 Oct 2017
<i>Implementation coordination at district level.</i> As was noted during the November 2016 mission, an effective district level coordination mechanism still needs be set up. The ToRs for WAMPP Project Field Officers (PFO), in each district were agreed and given NO in April 2017; recruitment still outstanding must now be prioritised.	PCU/MAFS/MFRSC/MSCM	30 Nov 2017
Establish the District Project Coordination Committee (DPCC) and the Field Implementation Team (FIT) as per project design	PCU/MAFS/MFRSC/MSCM	30 Nov 2017
Coherence between AWPB and Implementation Common format for the AWPB to monitor progress by preparing a consolidated AWPB, as a simple spreadsheet that lists the components, outcomes, outputs, activities, targets, and budgeted amount. Add columns for reporting physical and financial progress quarterly.	PCU	31 Dec 2017
Effectiveness of targeting approach Prepare a targeting strategy supported by an action plan for gender, youth and poverty focus, and ensure M&E system disaggregates by age, sex, and target group, as part of the Revised PIM.	PCU	30 Nov 2017
Partnerships' performance WAMPP participates in LNWMGA Executive Committee meetings and the Annual General Meeting.	Project Director	18 Oct 2017 (didn't attend this one) & Ongoing
Expedite an Action Plan or Scope of Services between WAMPP and LAC that details LAC's role and responsibilities as per the PDR; especially collaboration with NUL and DARR in implementing on-farm research activities.	MAFS and PD	30 Nov 2017
Fiduciary Aspects		
Financial Management Overview: The lack of approved PIM (which includes Financial Management Procedures), a dedicated accounting software as well delayed Audit reports exposes the Project financial management to risks.	PCU/MAFS	31 December 2017
Revise and submit the PIM for IFAD for Approval	PCU/MAFS/IFAD	31 Dec17
Procure and install Accounting software.	PCU	31 Oct 18
Contract independent Audit Firm for performance Audit of Project activities by LNWMGA	PCU/LNWMGA	30 Nov17
Recruit TA for financial Management support	IFAD	31 Oct 17
Prepare TORs in advance for consultancies included in the procurement plan	PCU	Ongoing
Recruit additional Accountant and procurement officer at LNWMGA	LNWMGA	30 Nov17
Upgrade the SAGE Pastel Accounting software at LNWMGA	LNWMGA	30 Nov17

Prepare the WAs for replenishment for the PCU expenditures incurred up to 30 September 2017		15 Nov17
Revise and submit the PIM for IFAD for Approval	PCU/MAFS/IFAD	31 Dec17
Procure and install Accounting software.	PCU	31 Oct 17
Sustainability		
Institution building		
Prepare action plans for effective integration of the components at field level	PCU, PFO, DPCC and FIT	31 March 2018
Prepare for strong, and immediate, incentives to be available simultaneously in order for farmers to change behaviour.	PCU	2018/2019

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Kingdom of Lesotho		Project ID	2000000053	Loan No. DSF Grant No. ASAP Grant No.	2000000819 2000000818 2000000817
Project	Wool and Mohair Promotion Project				Top-up Loan/DSF/Grant/ASAP FI No.	
Date of Update	13 October 2017					
Supervising Inst.	IFAD					
No. of Supervisions	2	No. of Implementation Support/Follow-up missions	4			
Last Supervision	13 Oct 2017	Last Implementation Support/Follow-up mission				

					USD million	Disb. rate %
Approval	19-Sep-2014			Total financing	38.96	
Agreement	17-Jun-2015	Effectiveness lag	9.0	IFAD Total	18.61	9.5
Entry into force	17-Jun-2015	PAR value	-----	IFAD loan	5.80	9.5
First disbursement				DSF grant	5.80	9.5
MTR		Last amendment		IFAD grant		
Original completion	30-Jun-2022	Last audit		ASAP grant	7.00	8.0
Current completion	30-Jun-2022			Domestic Total	5.52	3.0
Current closing	31-Dec-2022			Gov.	3.98	6.0
No. of extensions	0			LNWMGA	1.54	0
				External Co financing Total	14.82	
				OFID	12.00	0
				TBD	2.83	0

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	3	1. Quality of project management	3	2
2. Acceptable disbursement rate	3	2	2. Performance of M&E	2	2
3. Counterpart funds	3	2	3. Coherence between AWPB & implementation	3	4
4. Compliance with financing covenants	2	2	4. Gender focus	4	3
5. Compliance with procurement	4	3	5. Poverty focus	4	3
6. Quality and timeliness of audits	n/a	2	6. Effectiveness of targeting approach	3	3
			7. Innovation and learning	4	4
			8. Climate and environment focus	4	4
			9. Partnerships	2	4

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Climate-smart rangeland management	4	4	1. Institution building (organizations, etc.)	4	4
2. Improved livestock production and MGT	4	4	2. Empowerment	n/a	4
3. Wool and mohair fibre handling and marketing	4	4	3. Quality of beneficiary participation	n/a	4
			4. Responsiveness of service providers	n/a	4
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	n/a	4

B.5 Justification of ratings

The overall quality of financial Management remains moderately unsatisfactory. The disbursement in its third year is 9.5% and below the 42% expected for this stage of implementation. Counterpart funds have not been adequately provided given the accumulated backlog of VAT amounting to USD120, 000. The FM capacity is weak in terms of lack of the needed accounting software. The other issue is lack of Accounting and Reporting procedures manual. The delayed Audit report increases the risks of the FM.

Implementation since the November 2016 has not moved at the pace expected from the ambitious AWPB for 2017/18 despite numerous TA support missions in 2017 aimed at assisting the project in meeting the financing covenants. Although the three individual components have developed the necessary partnerships and platforms from which project activities have commenced, the integration and development of targeting and implementation guidelines required for an accelerated execution are still to be completed. This overall poor performance can be attributed to the unstructured manner in which the PCU operates, and not having the expected M&E, Targeting, Procurement and Administrative process and protocols in place. If by the April 2018 supervision mission the AWPB performance does not surpass 50% a rating of 3 will be given.

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	n/a	4
C.2 Food security	n/a	4
C.3 Quality of natural asset improvement and climate resilience	n/a	4
C.4 Overall implementation progress (Sections B1 and B2)	3	3

Little further progress can be reported for both financial and physical terms, since there has been little progress in procurement or expenditures since the November 2016 supervision mission, so it is still not possible to give a risk status. Similarly for Food Security and natural asset improvement and climate resilience. However, when the MPAT Survey is completed and activities in component A1 further initiated there will be baseline from which assessment can be made – Hopefully by April 2018 and the next supervision mission there should be some positive impacts of the PICSA training in the first 4 districts.

Although progress in the 3 project components show a coherence and consistency with design, the overall project management and lack of progress in meetings conditions precedent for the withdrawal of further IFAD funds is putting the further implementation of the project at risk.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4
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Despite an initially good start with strong TA support, many critical programme management actions detailed in the November 2016 supervision mission are still to be started, let alone completed. If left incomplete the motivation and commitments made by the component managers and their partners will be in jeopardy. The project still needs to complete its targeting strategy and develop an effective coordination mechanism at the district level. This includes the finalization of recruitment of the M&E officer, and recruitment of the Administrator and the 10 District Field Officers.

C.6 Risks Short description of major risks for each section and their impact on achievement of development objectives and sustainability

Outcomes and outputs	At severe risk as implementation could come to a stop by the end of Dec as the project will run out of money unless the next withdrawal application is submitted
Implementation progress	Incomplete management structure – strong focus required on developing the district level implementation mechanisms
Fiduciary:	The lack of experience of the FM team, Financial Management procedures (as part of the delayed PIM), as well the delayed TOMPRO software pose risks to the financial management. The requisite application of the Best Accounting and management practices is not guaranteed and assured..
Project management	M&E officer, Administrative Officer and District Field Officer still to be recruited
Sustainability	Too early to say

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Incomplete management structure at district levels	Appoint district project field officers and develop the district level implementation and reporting mechanisms	30/11/2017	ongoing
Develop farm and business plan for Quthing Stud farm	Complete recruitment of the Stud Farm Manager and staff. Prepare farm business and management plan (including water supply)	30/11/2017	ongoing
No agreement between National University of Lesotho and WAMPP	Expedite performance based contract between WAMPP and NuL	30/11/2017	Ongoing
Fiduciary: Keep a close follow-up of the above issues through the Management letter and during the next follow-up missions.	During the follow-up missions by the IFAD Finance officer and the CPM	A TA mission is planned for December 2017	

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Results Hierarchy	Indicators					Means of Verification			Assumptions
	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	Responsibility	
Goal: boost the economic and climate resilience of poor wool and mohair producers in the Mountain and Foothill Regions of Lesotho.	<ul style="list-style-type: none"> Reduction in the prevalence of child malnutrition: Households with improvement in household assets ownership index (RIMS Level III) Poor smallholder household members supported in coping with the effects of climate change - disaggregated by sex (ASAP core) 	39.2%	-		32.7%	<ul style="list-style-type: none"> Baseline, mid-term and completion impact surveys LVAC reports Qualitative studies to complement indicator-based data. Disaster Management Agency (DMA) reports 	Phase review	PCU	<ul style="list-style-type: none"> Stable macro-economic conditions Stable political environment
Development Objective: (i) Smallholder livestock producers generate higher incomes and more sustainable livelihoods: (ii) Smallholder livestock producers increase their ability to cope with and recover from climate shocks	<ul style="list-style-type: none"> Resilience increases (MPAT index #9) 25,000 households report a reduction in hunger period by year 7 50,000 households with improved income by Year 7 	0	-		10% 50% 50%	<ul style="list-style-type: none"> MPAT index #9, Baseline and completion surveys LDFS sentinel sites monitoring soil cover, and erosion risk Qualitative studies to complement indicator-based data. On-going monitoring of wool and mohair production and sales 	Phase review	PCU	<ul style="list-style-type: none"> Livestock owners (SSAs) have free access to international auction floor
Outcome 1 Livestock producers manage rangelands in sustainable and climate smart way	<ul style="list-style-type: none"> Land under climate resilient practices (ASAP core) International and country dialogues on climate supported policies (ASAP core) 	280,000 ha 0			600,000 ha 1	<ul style="list-style-type: none"> Results of the Biophysical baseline and subsequent surveys Rangeland management Act passed by national parliament 	Annually once	DRRM, LMS, PCU component officer	<ul style="list-style-type: none"> Chiefs accept to delegate management authority to RMA to issue grazing permits Herders continue to refuse to sell unproductive animals (R)

Results Hierarchy	Indicators					Means of Verification			Assumptions
	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	Responsibility	
Outputs 1.1 A new Rangeland Management Baseline is established for enhanced biophysical and climatic monitoring	<ul style="list-style-type: none"> A biophysical baseline for rangelands and grazing areas established in all districts 	0		10	10	<ul style="list-style-type: none"> LDSF 	Annually	DRRM in the MFLR and LMS in the MEMWA, PCU component officer	<ul style="list-style-type: none"> Local and traditional leadership are supportive Intra-community conflicts disrupt progress (R)
1.2 Community based Climate Resilient Rangeland Management established	<ul style="list-style-type: none"> Individuals engaged in NRM and climate risk management activities (ASAP) Community groups engaged in NRM and climate risk management activities (ASAP) Environmental management plans formulated (RIMS) 			25,000 100 75	50,000 200 150	<ul style="list-style-type: none"> Survey and Monitoring reports on implemented plans and rehabilitated areas 	Annually	PCU component officer, M&E officer, DRRM	
Outcome 2: Smallholder sheep and goat producers increase the production of superior quality wool and mohair	<ul style="list-style-type: none"> Share of superior mohair and wool quality increases above baseline for LNWMGA members by year 7 	-			20%	<ul style="list-style-type: none"> Shearing shed records 	Annually	PCU component officer, M&E officer, LNWMGA	<ul style="list-style-type: none"> Heavy snow, frost and drought negatively impact availability of forage rangeland crop residues and cultivated forage (R) Demand for quality wool and mohair remains constant or increase
Outputs 2.1 Sheep and goat extensionists and producers are trained in improved feeding practices	<ul style="list-style-type: none"> 260 Community Livestock Extension Workers (CLEW) are trained in improved feeding and breeding practices, of which 20% women Number of persons trained in production practices and/or technologies. 	-		260 7000 men 3000 women	260 7000 men 3000 women	<ul style="list-style-type: none"> District livestock reports Training reports Research publications 	Quarterly	PCU component officer, M&E officer, LNWMGA	<ul style="list-style-type: none"> Forage seeds and feed inputs are available at affordable prices at shearing sheds Extension staff are willing to remain in rural areas

Results Hierarchy	Indicators					Means of Verification			Assumptions
	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	Responsibility	
2.2a A National Breeding Programme is established to boost wool and mohair production 2.2b An exchange programme for substitution of unproductive sheep and goat with quality breeding stock is established	<ul style="list-style-type: none"> National elite breeding flock of sheep and goats established Rams and bucks distributed to herders under the Exchange Programme by year 7 			flock 450 sheep, 200 goats	flock of 1000 sheep and 500 goats 2000 Rams 1000 buck	<ul style="list-style-type: none"> LNWMGA reports Training reports District livestock reports Breeding Centres reports Research publications 	Quarterly	PCU component officer, M&E officer, LNWMGA	<ul style="list-style-type: none"> Breeding Centres are leased to LNWMGA Improved genetic stock is available in numbers required by farmers Livestock auctions are organised and slaughtering slabs are operational
2.3 Community based Animal Health Services established and staff trained	<ul style="list-style-type: none"> Disease surveillance, prevention and response system established Community animal Health Workers (CAHWs) are trained in improved health services, of which 20% women 				Done 208 males 52 females	<ul style="list-style-type: none"> DLS Disease surveillance reports Training reports Quarterly LNWMGA reports 	Quarterly	PCU component officer, M&E officer, LNWMGA	<ul style="list-style-type: none"> CAHWs are willing to remain in rural areas Vet drugs are available and affordable to livestock producers
Outcome 3: Livestock producers increase market returns from wool and mohair systems	<ul style="list-style-type: none"> Increase in profits from wool and mohair 				20%	<ul style="list-style-type: none"> BKB and other outlet market reports Shearing Shed records Cottage industry records 	Annually	PCU component officer, M&E officer, MTICM, LNWMGA	<ul style="list-style-type: none"> Livestock owners (SSAs) have free access to international auction floor International market returns sustain industry vitality Access to supply top
Output 3.1a: Shearing Shed Association members are trained for viable enterprise development	<ul style="list-style-type: none"> SSA trained in enterprise management, having a business plan and operating in profit Number of persons trained in income-generating activities or business management. 			135	135 135	<ul style="list-style-type: none"> LNWMGA Progress reports SSA Annual Reports Wool broker "Fibre Track" SSA reports BKB Fibre track 	Quarterly	PCU component officer, M&E officer, MTICM, LNWMGA	<ul style="list-style-type: none"> Farmers are willing to adopt market oriented practices Depressed fibre prices affect flow of wool and mohair through SSAs (R) Loss of especially shearers to more remunerative SA labour market (R)

Results Hierarchy	Indicators					Means of Verification			Assumptions
	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	Responsibility	
Output 3.1b: Shearing shed facilities and infrastructure are provided	<ul style="list-style-type: none"> Increased value of infrastructure developed/upgraded to support shearing sheds CI Roads constructed, rehabilitated or upgraded 				USD6.0 m 50 km	<ul style="list-style-type: none"> LNWMGA Progress reports SSA Annual Reports SSA reports 	Quarterly	PCU component officer, M&E officer, MTICM, LNWMGA	<ul style="list-style-type: none"> Consulting engineering firm recruited to support design process
Output 3.2 Women cottage group members are trained in business and technical matters	<ul style="list-style-type: none"> Number of persons trained in income-generating activities or business management. 			160	160	<ul style="list-style-type: none"> Enterprise reports WAMPP progress reports Quarterly business monitoring reports 	Quarterly	PCU component officer, M&E officer, MTICM,	<ul style="list-style-type: none"> The SSA are able and willing to provide good quality mohair (A) Links between the cottage women group and financial institutions is facilitated by the project and MTICM (A)
Output 3.3 District Livestock auctions, and slaughter slabs are constructed	<ul style="list-style-type: none"> Auction sites/district slabs constructed/ rehabilitated 			17	22	<ul style="list-style-type: none"> WAMPP progress reports MTICM documentation of auctions District slab reports 	Quarterly	PCU component officer, M&E officer, MTICM, LPMS	<ul style="list-style-type: none"> Few buyers are prepared to purchase grade D and C livestock through auctions (R) Farmers are not willing to sell unproductive animals at the market price established through auctions (R)

Appendix 3: Summary of key actions to be taken within agreed timeframes

Agreed action	Responsibility	Agreed date	Status
Complete the set-up of operational management structure from district to national levels	MDP, MOF, MAFS, MFRSC, MSCM, LNWMGA, PCU	By 30 Nov. 2016	No Progress. October 2017 mission have made this a priority
Outcome 1 Livestock producers manage rangelands in sustainable and climate smart way			
Use the draft Rangeland Act to help form a common focus in planning the project implementation activities under different technical components	PCU and involved implementing partners	By 30 Nov. 2016 and continuously for the next AWPB	Legal advisor Ministry Forestry not happy that it is used for sharing as it is still the draft. Legal consultant recruited to assist the department to finalise of the act.
Revise the contract with ICRAF to ensure the digitalization and analysis of 30 years of synoptic weather maps be led and undertaken by the National University of Lesotho.	MFRSC, PCU and ICRAF	By 21 Nov. 2016	NUL activity removed from ICRAF. ICRAF finalised. Still finalising contract with NUL in collaboration with component B
MoUs/contracts with LMS, ICRAF and Reading revised to reflect the close collaboration with NUL in achieving the expected deliverables.	MAFS, MFRSC and PCU	By 21 Nov. 2016	MoU with LMS/Ministry of Energy & Meteorology signed. Contract with Reading and ICRAF signed.
Outcome 2: Smallholder sheep and goat producers increase the production of superior quality wool and mohair			
Start planning for the training of CLEWS and CAHWs	PCU, LNWMGA, NUL, LAC, DLS	31 March 2017	Protocol for training CAHWs has been designed and manual prepared in collaboration with SADP. CLEWs training to be moved to start April 2017.
Specify details of leasing of Quthing Sheep Stud in the agreement between MAFS and LNWMGA to provide clear guidance for operational roll-out	MAFS, LNWMGA, PCU	By 21 Nov. 2016	Leasing agreement negotiated and signed. Recruitment of key stud staff underway and procurement of machinery commenced. A full management plan still required
Initiate the establishment a supply chain for veterinary drugs and vaccines	LNWMGA, PCU, district-level implementers	By 31 Dec. 2016	Procurement processes commenced
Outcome 3: Livestock producers increase market returns from wool and mohair systems			
Revise agreement between MAFS and LNWMGA and MoU between MAFS and MSCM and incorporate the technical aspects of component C before signing	MAFS, LNWMGA, MSCM and PCU	By 21 Nov. 2016	MoU revised and signed.
Organize awareness meetings with Department of Marketing technical staff at Central and District levels to define their roles and responsibilities in WAMPP.	PCU, MSCM	By mid-Dec. 2016	Two meetings were held, quarterly meetings planned
Revise ToR of Policy Development Wool and Mohair trading, start procurement after NO IFAD	PCU	By 21 Nov. 2016	ToR were revised, consultant started work early Sept.
Revise ToR of Red Meat Value Chain Study, start procurement after NO IFAD	PCU	By 30 Nov. 2016	ToR revised, bid closed, new ToR and single source procurement
Management actions Agreed March 2017			
Conditions precedent to withdrawal should be addressed:	MDP, MOF, MAFS, MFRSC, MSCM, MoLG, MEM, and LNWMGA	By 30 Nov. 2016	All banks accounts have been opened and are operational. PSC and PCTC established and PCR functioning. First WA
(a) Opening of all three DAs and Project Accounts			
(b) Deposit adequate counterpart to			

Agreed action	Responsibility	Agreed date	Status
cover the first year AWPB (c) Establish PSC and PCTC (d) Establish PCU and appoint all key staff with prior endorsement of IFAD (e) Performance-based agreement between MAFS and LNWGMGA MoU between MAFS and MFRSC, MSCM, MoLG and MEM			deposited and second pending recruitment of the M&E officer. All MoUs agreed and signed and Performance Based Agreement with LNWGMGA negotiated and signed
Revise the PIM in a participatory manner once the district-level implementation coordination mechanism is in place for participatory planning.	PCU	Prior to first replenishment of IFAD fund advance	The PIM is still in a draft format and requires urgent revisions to accommodate the lessons learned since November 2016 and be finalised
Establish the District Project Coordination Committee (DPCC) and the Field Implementation Team (FIT) as per project design	PCU	By 31 March 2017	Not completed – awareness meetings with Chiefs and District Councils have been undertaken as part of the three components. However, the ToRs, reporting structures and funds flows need to be organised
Fill the position of M&E Officer at PCU with a highly qualified candidate and if needed through external recruitment	MAFS and PCU	By 31 March 2017	Recruitment processes completed and draft No Objection reviewed by IFAD. The signed NO needs to be submitted so the recruitment process can be completed
Undertake the baseline survey and submit the report to IFAD	PCU	By 30 April 2017	Delayed due to a number of issues. Enumerators recruited, additional questions added to the MPATT and survey translated digitized. Survey planned for November 2017 and will be implemented jointly with SADP
Institute monthly internal reports from PCU component managers	MAFS, MFRSC, MSCM	Starting from Dec. 2016	Reporting guidelines still need to be implemented. Ad hoc at present and needs to be added to the PIM
Ensure timely preparation of quarterly progress reports, with the most recent progress reports shared with stakeholders and future missions such as annual supervision, MTR and completion.	PCU	Starting from 1 January 2017 and continuously	Work progress and needs to be improved. Component managers are preparing quarterly reports, but it does require coordination and aggregation by the PD
Prepare a targeting strategy supported by an action plan for gender, youth and poverty focus	PCU	By 31 March 2017	This still needs to be done
Fiduciary			
The Government should transfer the required amount of counterpart funds as soon as possible to support the implementation of current AWPB	Treasury, MOF	By 31 Dec. 2016	On going
Proceed to procurement plan for the current fiscal year	PCU	Start as soon as possible	On going
Appoint the project auditors	MAFS, PCU	By 31 Dec.	Appointed, but 2016-2017

Agreed action	Responsibility	Agreed date	Status
		2016	audit delayed
The ToRs for auditors of the LNMWGA should be amended to cover the funds provided by WAMPP	LNMWGA	By 31 Dec 2016	On going
M&E Mission April 2017			
Finalize the draft KM strategy	KMO	15 May, 2017	Needs to be completed. The October Supervision Mission has reviewed the draft KM strategy and provided detailed guidance for completion.
Development of WAMPP website	KMO	31 August 2017	No progress
Preparation of the progress report	PCU	1 May, 2017	No progress
Hire the M&EO	PCU/ HR at MAFS	1 June, 2017	Recruitment at NO stage
Send letter to NBS for list of villages	MAFS	1 May, 2017	On going
Send the revised PIM to IFAD for no objection	PCU/PD	21 April, 2017	PIM still to be finalised based on lessons learned
Recruitment of the field coordinators	PCU/ HR at MAFS	1 July, 2017	On going with recruitment process under way

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

Component/ Sub-component or Output	Indicator	Unit	Period: 30-11-2016 to 30-09-2017			Cumulative	Appraisal	
			AWP&B	Actual	%	Actual	Target	%
Component A: Climate-smart rangeland management								
Subcomponent A.1: Information for climate smart rangeland management								
Biophysical baseline for rangelands and grazing areas established	Baseline	Number	0	0	0	10	0	
Training DRRM on LDSF methodology and M&E rangeland status	Number	Number	35	30	86	30		
Weather stations established	Station	Number	0	0	0	5	0	
Daily catch rain gauges and thermometers distributed	Number	Number	0	0	0	200	0	
In-service training of LMS staff in climate change monitoring, evaluation and information services	Men/women	Number	320	140	44	224	70	
Prepare climate risk and vulnerability maps	Map	Number	7	0	0	0	0	
Training of LMS staff on CLIMSOFT by programmers (10 days)	Number	Number	15	13	87	13	87	
Development of Curriculum on climate change and rangeland management	Number	Number	1	1	0	0	0	
Subcomponent A.2: Climate smart participatory rangeland management								
Households covered by new or improved climate information services (RIMS 1.1.15)	HH	0	0	0	0	50000	0	
Holistic range management pilots established	Pilots	5	0	0	0	5	0	
Households are sensitized to improved rangeland management practices	HH	0	0	0	0	50000	0	
VGS and RMAs trained on sustainable rangeland management and the use of climate information	54	0	0	0	200	0		
Environmental management plans formulated (RIMS 1.1.13)	Plans	0	0	0	0	150	0	
Meetings on best practice lessons for RMAs and VGSs	Meetings	54	0	0	0	20	0	

Component/ Sub-component or Output	Indicator	Unit	Period: 30-11-2016 to 30-09-2017			Cumulative	Appraisal	
			AWP&B	Actual	%	Actual	Target	%
Component B: Improved Merino Sheep and Angora Goat Production and Management								
Subcomponent B.1: Improved Animal Nutrition	Reviewed literature to inform fodder trials and demonstrations	Paper	1	1 (needs to be improved)	50	50	100	50
	Supply chain of Animal feeds and forage seeds established	Batches	1	0	0	0	1	0
Subcomponent B.2: Improved Animal Breeding	Breeding farms for supply of breeding stock assessed	Number	10	14	140	14	10	140
	Breeding stock for 2 breeding centres procured	Number	310	300	96.7	300	2360 for 2 breeding centres	12.71
	Farm structures at Quthing sheep stud rehabilitated	Percent	50	0	0	0	100	0
	National and International Breeder Experts engaged	Number	2	0	0	0	2	0
	Initial feeds and drugs for breeding centres procured	Batches	1	1	100	1 batch	1 batch	100
	Farm machinery and equipment for 2 breeding centres procured	Batches	1	0	0	0	2	0

Component/ Sub-component or Output	Indicator	Unit	Period: 30-11-2016 to 30-09-2017			Cumulative	Appraisal	
			AWP&B	Actual	%	Actual	Target	%
Subcomponent B.3: Improved Animal Health	Community Animal Health Workers Trained	Number	80 Men & 20 women	0	0	0	260	0
	Selected facilities at the National Diagnostic Laboratory renovated	%	50	0	0	0	100% for selected facilities	0
	Supply chain of vet drugs and vaccines established	Batches	1	0	0	0	1 batch	0

Component C: Wool and Mohair Fibre Handling and Marketing

Sub-component C.1: Value chain based enterprise enhancement

Wool and mohair trading & policy development		1	0	0	0	3	0
LNWMGA Strategic Plan	Study	1	0	0	0	3	0
SSA trained in enterprise management, having a business plan and operating in profit	Number	660	0	0	0	2220	0
Fibre Classers trained	Men	40	18	45%	18	888	2.03%
Fibre Classers trained	Women	80	22	27.5%	22	2664	.83%
Shearers trained	Number	150	0	0	0	800	0
Shearing sheds recorders trained	Number	30	30	100%	30	210	14.29%
MSCM Recorders trained on computerized records	Number	8	0	0	0	8	0
New shearing sheds constructed	Sheds	6	0	0	0	22	0
Assess shearing sheds in need of renovation	Sheds	10	10	100%	10	46	21.74

Component/ Sub-component or Output	Indicator	Unit	Period: 30-11-2016 to 30-09-2017			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
Existing shearing sheds renovated	Sheds	10	0	0	0	46	0	
Electricity supply to shearing sheds	Number	8	0	0	0	0	0	
Water supply to shearing sheds	Number	8	0	0	0	0	0	
Procurement of shearing sheds equipment	Number	16	0	0	0	177	0	
Access roads constructed / upgraded	Km	14	0	0	0	50	0	
Infrastructural development committee meetings held								
Supervision of construction works	Number	1	0	0	0	1	0	
Shearing sheds inspectorate work	Sheds	180	41	22.78%	41	2198	1.87%	

Component/ Sub-component or Output	Indicator	Unit	Period: 30-11-2016 to 30-09-2017			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			

Sub-component C.2: Cottage industry & niche market development

Assessment and policy development for wool and mohair cottage industry	Study	1	0	0	0	1	0	
Women receive training on enterprise development and product design	Women	20	0	0	0	160	0	
Platform meetings held involving cottage sector stakeholders	Meetings	4	1	25%	1	4	25%	
Cottage industry study tours	Women	12	0	0	0	84	0	

Sub-component C.3: Promotion of livestock sales and district slabs

Auction sales rehabilitated/constructed	Auction yards	12	0	0	0	12	0	
District slaughter slabs constructed	Slabs	3	0	0	0	7	0	
Meat value chain study	Study	1	0	0	0	1	0	

Training on livestock auctioneering	Number	14	14	100%	14	14	100%
Procurement of auctioneering equipment	Number	12	0	0	0	12	0
Sub-component C.1: Value chain based enterprise enhancement							
Wool and mohair trading & policy development		1	0	0	0	3	0
	Study						
LNWMGA Strategic Plan	Study	1	0	0	0	3	0
SSA trained in enterprise management, having a business plan and operating in profit	Number	660	0	0	0	2220	0
Fibre Classers trained	Men	40	18	45%	18	888	2.03%
Fibre Classers trained	Women	80	22	27.5%	22	2664	.83%

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier

Financier	At Design USD '000	Disbursements USD '000'	%age disburse d
IFAD Loan	5,805	500	9%
IFAD grant-	5,805	500	9%
OFID	11,974	-	0%
ASAP	6,999	500	7%
LWMGA	1,545		0%
GOM Counterpart funds	3,978	247	6%
Others	2,805	-	0%
Total	38,911	1,747	4%

Table 5B: Financial performance by financier by component (USD '000)

Component	IFAD LOAN			IFAD GRANT			OFID			ASAP			LWMNGA			GOL			OTHERS			Total			
	Budget at Design	Actual	%	Budget at Design	Actual	%	Budget at Design	Actual	%	Budget at Design	Actual	%	Budget at Design	Actual	%	Budget at Design	Actual	%	Budget at Design	Actual	%	Budget at Design	Actual	%	
A																									
1.1	Information for climate smart rangeland management	149	-	0%	149	-	0%	0	0	0%	1989	206	10%	0	0	0%	83	9	11%	222	0	0.0%	2,592	215	8.3%
1.2	Climate Smart Rangeland Management	57	-		57	-		4185	0	0%	4486	7	0%	0	0	0%		1	0%	820	0		9,605	7	
	Sub-total	206	-	0%	206	-	0%	4185	0	0%	6475	212	3%	0	0	0%	83	10	12%	1042	0	0.0%	12,197	222	1.8%
B																									
B.1	Improved Animal Nutrition	242	1	0%	242	1	0%	0	0	0%	349	1	0%	0	0	0%	556	0	0%	48	0	0.0%	1,437	2	0.1%
B.2	Improved animal breeding	1,461	68	5%	1,461	68	5%	243	0	0%	0	0	0%	1370	0	0%	440	12	3%	426	0	0.0%	5,401	148	2.7%
B.3	Improved animal health	343	3	1%	343	3	1%	481	0	0%	63	0	0%	49	0	0%	132	0	0%	149	0	0.0%	1,560	7	0.4%
	Sub-total	2,046	72	4%	2,046	72	4%	724	0	0%	412	1	0%	1419	0	0%	1,128	13	1%	623	0	0.0%	8,398	157	1.9%
C																									
C.1	Value Chain Based Enterprise Enhancement	231	16	7%	231	16	7%	6594	0	0%	112	0	0%	128	0	0%	96	3	3%	890	0	0.0%	8,282	35	0.4%
C.2	Cottage Industry and Niche Market Development	180	0	0%	180	0	0%	0	0	0%	0	0	0%	0	0	0%	471	0	0%	51	0	0.0%	882	1	0.1%
C.3	Promotion of Livestock Auctions and District Slabs	248	23	9%	248	23	9%	301	0	0%	0	0	0%	0	0	0%	162	1	1%	112	0	0.0%	1,071	47	4.4%
	Sub-total	659	40	6%	659	40	6%	6895	0	0%	112	0	0%	128	0	0%	729	4	1%	1,053	0	0.0%	10,235	83	0.8%
D																									
D.1	Coordination, Knowledge Management and National Monitoring	803	4	1%	803	4	1%	0	0	0%	0	0	0%	0	0	0%	85	1	1%	78	0	0.0%	1,769	9	0.5%
D.2	Project Coordination Unit	2,091	215	10%	2,091	215	10%	171	0	0%	0	0	0%	0	0	0%	800	219	27%	1181	0	0.0%	6,334	650	10.3%
	Subtotal	2,894	219	8%	2,894	219	8%	171	0	0%	0	0	0%	0	0	0%	885	220	25%	1,259	0	0.0%	8,103	659	8.1%
	Total	5,805	330	6%	5,805	330	6%	11,975	-	0%	6,999	214	3%	1,547	0	0%	2,825	247	9%	3,977	0	0.0%	38,933	1,121	2.9%

Table 5C: Combined IFAD loan and Grants disbursements (SDR, as at 31 August 2017)

Category		Original Allocation	Disbursements		Pending Expenditure		Projected Utilisation	Projected Balance	Projected Utilisation	Projected Balance
		A	C		D		E=C+D	F=B-E	G=E/D	H=F*1.38
		SDR'000	SDR'000	%age	USD'000	SDR'000	SDR'000	SDR'000	%age	USD'000
I	Consultancies	960	-	0%	2	1	1	959	0%	1,323
II	Goods Services and Inputs	1,840	-	0%	137	99	99	1,741	5%	2,402
III	Workshops	720	-	0%	109	79	79	641	11%	885
IV	Salaries and Allow ances	2,120	-	0%	118	85	85	2,035	4%	2,808
V	Operating Costs	1,260	-	0%	173	125	125	1,135	10%	1,566
99	Unallocated	760	-	0%	-	-	-	760	0%	1,049
	Sub-total	7,660	-	0%	538	390	390	7,270	5%	10,033
99	Z Initial deposit	-	731							
	Total	7,660	731	9.5%						

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
FA section B 6	Opening of 2 DA accounts		Done	
FA section B 7	Lead Agency to provide USD 3.8 million in counterpart funds		So far done	2016/17 M3 million or USD 220,000 For 2017/18 no funds have been received so far. Application for M3 million or USD 220,000 has been made.
GC Section 4.02/Sec 202. Withdrawals from the Loan and Grant Accounts	(a)After the date of entry into force of the Agreement, the Borrower/ Recipient may request withdrawals from the Loan Account and/or Grant Account for Eligible Expenditures. (b)No withdrawal shall be made from the Loan and/or Grant Accounts until the first AWPB has been approved by the Fund and all other conditions specified in the Financing Agreement precedent to withdrawal fulfilled.	January 2017	Withdrawal Application for Initial Deposit submitted June 2011 Complied	Complied
FA Section E 3	Conditions Precedent before submission of WA for the Initial Deposit of USD 1.5 million.		Complied	
	a) Performance based Agreement with LNWGMA		Complied	
	b) 2016/17 financial AWPB will be submitted for No Objection by IFAD after approval by GoL.		Complied	
	c) The Designated Accounts opened		Complied	
	d) The MoUS with MFRSC and MSCM be signed.		Complied	
	e) The MoU with MEM be signed		Complied	
	f) The appointment of members and formal institution of PSC and PCTC-		Complied	
FA section E 4	Conditions Precedent before submission of WAs for replenishment			
	a) Submission of PIM to IFAD for Approval b) Installation and use of the Accounting software c) LNWGMA to contract Independent Audit Firm for performance Audit		Pending	All pending

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	of Project activities assigned thereto.			
Section 3				
GC Section 4.05/Sec 202. Transfer by the Fund	Upon receipt of an authenticated and satisfactory application for withdrawal from the Borrower/Recipient, the Fund shall transfer to the account specified by the Borrower/Recipient the amount specified therein.		Authorised allocation disbursed by IFAD in January 2017	
GC Section 4.08/Sec 202. Eligible Expenditures	<p>(a) The Financing shall be used exclusively to finance expenditures meeting each of the following eligibility requirements:</p> <p>(i) Expenditure for reasonable cost of goods, works and services required for the Project and covered by the relevant AWPB and procured in conformity with the Fund's Procurement Guidelines.</p> <p>(ii) Expenditure incurred during the Project Implementation Period, except that expenditures to meet the costs of winding up the Project, which may be incurred after the Completion Date but before the Financing Closing Date.</p> <p>(iii) Expenditure incurred by a Project Party.</p> <p>(iv) Expenditure must relate to a category whose allocation has not been depleted, and shall be eligible only up to the applicable percentage.</p> <p>(v) Expenditure shall be otherwise eligible in accordance with the terms of the Financing Agreement as may be amended from time to time.</p> <p>(c) Any payment prohibited by a decision of the United Nations Security Council, shall not be eligible for financing.</p> <p>(d) any payments to a person or an entity, or for any goods, works or services, if making or receiving such payment constitutes a coercive, collusive, corrupt or fraudulent practice by any representative of the Borrower/Recipient or any Project Party, shall not be eligible for financing.</p>		Funds not yet used	
GC Section 7.01/Section 3. Project Implementation	<p>(a)The Borrower and each of the Project Parties shall carry out the Project:</p> <p>(i) with due diligence and efficiency;</p> <p>(ii) in conformity with appropriate agricultural and rural development practices and good governance;</p> <p>(iii) in accordance with plans, design standards, specifications, procurement</p>		Not yet started	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	<p>and work schedules and construction methods agreed by the Borrower/ Recipient and the Fund;</p> <p>(iv) in accordance with the provisions of the relevant Agreement, the AWPBs, and the Procurement Plan;</p> <p>(v) in accordance with the policies, criteria and regulations relating to agricultural development financing laid down from time to time by the Governing Council and Executive Board of the Fund; and</p> <p>(vi) so as to ensure the sustainability of its achievements over time.</p> <p>(b) (i) The Project shall be implemented on the basis of AWPB. The Lead Project Agency shall prepare a draft Project AWPB, which shall include, a detailed description of planned Project activities during the coming Project Year, a Procurement Plan, and the sources and uses of funds.</p> <p>(ii) The Lead Project Agency shall submit the draft AWPB to the oversight body designated by the Borrower/Recipient for its review. When so reviewed, the Lead Project Agency shall submit the draft AWPB to the Fund for comments no later than 60 days before the beginning of the relevant Project Year. If the Fund does not comment on the draft AWPB within 30 days of receipt, the AWPB shall be deemed acceptable to the Fund.</p> <p>(iii) The Lead Project Agency shall adopt the Project AWPB in the form accepted by the Fund.</p> <p>(iv) The Lead Project Agency may propose adjustments in the Project AWPB during the relevant Project Year, which shall become effective after acceptance by the Fund.</p>			Review work will be carried out during missions
GC Section 7.02/Sec 3.04. Availability of Financing Proceeds	(b)The Borrower/Recipient may open and maintain one or more Project Accounts for Project operations in a bank acceptable to the Fund, and shall identify the Project Party responsible for operating such account or accounts.	From March2010	A project accounts has been opened in Standard bank	Complied
GC Section 7.03/Sec 3.05. Availability of Additional Resources	(a) In addition to the proceeds of the Financing, the Borrower/Recipient shall make available to the Project Parties: (i) such funds, facilities, services and other resources as may be required to carry out the Project in accordance with Section 7.01.	Continuous	Expected to done	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	(ii) counterpart funds from its own resources in accordance with its customary national procedures for development assistance.			
GC Section 7.04. Coordination of Activities	In order to ensure that the Project is carried out in accordance with Section 7.01, the Borrower/Recipient shall ensure that the relevant activities of its ministries, departments and agencies, and those of each Project Party, are conducted and coordinated in accordance with sound administrative policies and procedures.	Continuous	Will be monitored as implementation proceeds	
GC Section 7.05. Procurement	(a) Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations; to the extent such are consistent with the IFAD Procurement Guidelines. Each Procurement Plan shall identify procedures, which must be implemented by the Borrower/Recipient to ensure consistency with the IFAD Procurement Guidelines.	Continuous	Done so far	
	(b) The Fund may require that all bidding documents and contracts for procurement of goods, works and services financed by the Financing include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to: (i) Allow full inspection by the Fund of all bid documentation and related records; (ii) Maintain all documents and records related to the bid or contract for three years after completion of the bid or contract; and (iii) Cooperate with agents or representatives of the Fund carrying out an audit or investigation.	Continuous	Will be monitored as implementation proceeds	
GC Section 7.06. Use of Goods and Services	All goods, services and buildings financed by the Financing shall be used exclusively for the purposes of the Project.	Continuous	Will be monitored as implementation proceeds	
GC Section 7.07. Maintenance	The Borrower/Recipient shall ensure that all facilities and civil works used about the Project are properly operated and maintained and that all necessary repairs of such facilities are made promptly as needed.	Continuous	Will be monitored as implementation proceeds	
GC Section 7.08. Insurance	(a) The Borrower/Recipient or the 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	Will be monitored as implementation proceeds	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	(b)The Borrower/Recipient or the Lead Project Agency shall insure the goods imported for the Project against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation in accordance with sound commercial practice.			
GC Section 7.09. Subsidiary Agreements	(a)The Borrower/Recipient shall ensure that no Project Party shall enter into any Subsidiary Agreement, or consent to any modification thereof, inconsistent with the Financing Agreement. (b)The Borrower/Recipient and each Project Party shall exercise its rights under any Subsidiary Agreement to which it is party to ensure that the interests of the Borrower/Recipient and the Fund are fully protected and the Project is carried out in accordance with Section 7.01. (c)No provision of any Subsidiary Agreement to which the Borrower/Recipient is a party shall be assigned, waived, suspended, abrogated, amended or otherwise modified without the prior consent of the Fund. (d)The Borrower/Recipient shall bear any foreign exchange risk under any Subsidiary Agreement to which it is party, unless otherwise agreed by the Fund.	Continuous	Will be monitored as implementation proceeds	
GC Section 7.10. Performance of the Agreements	(a)The Borrower/Recipient shall be fully responsible to the Fund for the due and timely performance of all obligations ascribed to it, the Lead Project Agency and all other Project Parties under any Agreement. To the extent any Project Party enjoys legal personality separate from the Borrower/Recipient, any reference to an obligation of such Project Party in an Agreement shall be deemed an obligation of the Borrower/Recipient to ensure that such Project Party performs such obligation. The acceptance by any Project Party of any obligation ascribed to it in an Agreement shall not affect the responsibilities and obligations of the Borrower/Recipient. (b)The Borrower/Recipient shall take all necessary or appropriate action within its powers to enable and assist the Lead Project Agency and any other Project Party to perform its obligations under an Agreement. The Borrower/Recipient shall not take, and shall not permit any third party to take, any action that would interfere with such performance.	Continuous	Will be monitored as implementation proceeds	
GC Section 7.11. Key Project Personnel	The Borrower/Recipient or the Lead Project Agency shall appoint the Project Coordinator and all other key Project personnel in the manner approved by the Fund. All key Project personnel shall have qualifications	Continuous	Will be monitored as implementation proceeds	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	and experience specified approved by the Fund. The Borrower/Recipient shall exercise best efforts to ensure continuity in key Project personnel throughout the Project Implementation Period. The Borrower/Recipient or the Lead Project Agency shall insure key Project personnel against health and accident risks to the extent consistent with sound commercial practice or its customary practice in respect of its national civil service, whichever is appropriate.			
GC Section 7.12. Project Parties	Each Project Party shall, as required to carry out the Project in accordance with Section 7.01: (a) Promptly take all necessary or appropriate action to maintain its corporate existence and to acquire, maintain and renew its rights, properties, powers, privileges and franchises; (b) Employ competent and experienced management and personnel; (c) Operate, maintain and replace its plant, equipment and other properties; (d) not sell, lease or otherwise dispose of any of the Project's assets, except in the normal course of business or as agreed by the Fund.	Continuous	Will be monitored as implementation proceeds	
GC Section 7.13. Allocation of Project Resources	The Borrower/Recipient and the Project Parties shall ensure that the resources and benefits of the Project, fully practicable, are allocated among the Target Population using gender-disaggregated methods.	Continuous	Will be monitored as implementation proceeds	This will be adequately addressed when the M & E system is improved
GC Section 7.14. Environmental Factors	The Borrower/Recipient and the Project Parties shall take all reasonable measures to ensure that the Project is carried out with due diligence in regard to environmental factors and in conformity with national environmental laws and any international treaties to which the Project Member State may be party. In particular, the Project Parties shall maintain appropriate pest management practices under the Project and, to that end, shall comply with the principles of the International Code of Conduct on the Distribution and Use of Pesticides of FAO, as amended, and ensure that pesticides procured under the Project do not include any pesticide Formulation which would be classified as Extremely Hazardous (Class Ia) or Highly Hazardous (Class Ib) according to the WHO Recommended Classification of Pesticides by Hazard, as amended.	Continuous	Will be monitored as implementation proceeds	
GC Section 7.15.	The Borrower/Recipient and the Fund shall periodically review the interest rates applicable to any credits extended to members of the Target	Continuous	N/A	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Relending Rates	Population, which are financed (directly or indirectly) by the Financing. These reviews shall be conducted jointly with the objective of reaching or maintaining positive interest rates over time. The Borrower/Recipient shall take any appropriate measures, consistent with its policies and the Fund's policies, to achieve that objective. Among such measures, the Borrower/Recipient and each Project Party extending such credits shall endeavour to minimize its costs. For purposes of this Section, the term "positive interest rate" means, in respect of any credit extended by any Project Party, an interest rate which, after giving effect to inflation, permits such Project Party to recover its costs and achieve sustainability.			
GC Section 8.02(a)	The LPA shall establish and thereafter maintain an appropriate information management system in accordance with the Fund's Guide for Project Monitoring and Evaluation with which it shall continuously monitor the Project;	Year 1	Ongoing	
GC Section 8.03/Sec 4.02 and 4.03. Progress Report and Mid-Term Reviews	<p>(a)The Lead Project Agency shall furnish to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered during the reporting period, (iii) steps taken or proposed to be taken to remedy these problems, and (iv) the proposed programme of activities and the progress expected during the following reporting period.</p> <p>(b)The Lead Project Agency and the Fund shall jointly carry out a review of Project implementation no later than the midpoint of the Project Implementation Period (the "Mid-Term Review") based on terms of reference prepared by the Lead Project Agency and approved by the Fund. Among other things, the Mid-Term Review shall consider the achievement of Project objectives and the constraints thereon, and recommend such reorientation as may be required to achieve such objectives and remove such constraints.</p> <p>(c)The Borrower/Recipient shall ensure that the recommendations resulting from the Mid-Term Review are implemented within the specified time therefor and to the satisfaction of the Fund. Such recommendations may result in modifications to the Agreement or cancellation of the Financing.</p>	Continuous	<p>Will be monitored as implementation proceeds</p> <p>MTR is far off</p>	
GC, Section 8.04.	No later than the Financing Closing Date the Borrower/Recipient shall furnish to the Fund a report on the overall implementation of the Project. At		Not yet due	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Completion Report	a minimum, such report shall address (i) the costs and benefits of the Project, (ii) the achievement of its objectives, (iii) the performance by the Borrower/Recipient, the Project Parties, the Fund of their respective obligations under the Agreement and (iv) lessons learned.			
GC Section 9.02. Financial Statements	The Borrower/Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within 4 months of the end of each Fiscal Year.	7		Not complied
GC, Section 4.05/11.10b. Audit of Accounts	The Borrower/Recipient shall: (a) Each Fiscal Year, have the accounts relating to the Project audited in accordance with auditing standards acceptable to the Fund and the Fund's Guidelines on Project Audits (for Borrowers' Use); (b) Within 6 months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower/Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof; (c) if the Borrower/Recipient does not timely furnish any required audit report in satisfactory form and the Fund determines that the Borrower/Recipient is unlikely to do so within a reasonable period, the Fund may engage independent auditors of its choice to audit the accounts relating to the Project. The Fund may finance the cost of such audit by withdrawal from the Loan and/or Grant Accounts.	07 January annually		Not Complied
GC Section 9.04. Other Financial Reports and Information	In addition to the reports and information required by the foregoing provisions: (a)The Borrower/Recipient and the Project Parties shall promptly furnish to the Fund such other reports and information as the Fund shall reasonably request on any financial matter relating to the Financing or the Project or any Project Party. (b)The Borrower/Recipient shall promptly inform the Fund of any condition that interferes with, or threatens to interfere with, the maintenance of Loan Service Payments. (c) The Project Member State shall promptly furnish to the Fund all	Continuous	Will be monitored as implementation proceeds	Complied

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
	information that the Fund may reasonably request with respect to financial and economic conditions in its territory, including its balance of payments and its external debt.			
GC Section 10.05. Evaluations of the Project	(a)The Borrower/Recipient and each Project Party shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementation Period and for 10 years thereafter. (b)“Facilitate”, includes providing timely logistical support by making available Project personnel and equipment and promptly taking such other action as the Fund may request in connection with such evaluations and reviews, but does not include incurring out-of-pocket expenses.	Continuous	Will be monitored as implementation proceeds	
GC Section 11.01. Taxation	(c)The use of any proceeds of the Financing to pay for Taxes is subject to the Fund’s policy of requiring economy and efficiency in the use of its Financing. Therefore, if the Fund at any time determines that the amount of any such Tax is excessive, discriminatory or otherwise unreasonable, the Fund may reduce the percentages of Eligible Expenditures to be financed by the Financing.	Continuous	Will be monitored as implementation proceeds	
GC Section 11.02. Tax Refunds	If the Fund determines at any time that any amount of Financing proceeds have been used to pay Taxes that it has determined to be excessive, discriminatory or otherwise unreasonable, it may require the Borrower/ Recipient to refund such amount promptly to the Fund.	Continuous	Will be monitored as implementation proceeds	
FA Section B.6 Counterpart Financing	The Borrower/Recipient shall provide counterpart financing for the Programme in the amount of USD 3.8 million.	During Programme Implementation Period	Will be monitored as implementation proceeds	
Section 8.04	All notices, requests, reports, documents and other information communications relating to the LA, shall be in English Language.	Throughout Project Implementation period		

Appendix 7: Knowledge management: Learning and Innovation

Learning

Lessons learned in the field during the initial implementation of Participatory Integrated Climate Services for Agriculture in 4 districts identified temperature as a second parameter that has a significant impact on rangeland and livestock productivity, rather than just rainfall, which drives crop production. Consequently staff at the Lesotho Meteorological Services have expanded their data cleaning and time series analyses to include both rainfall and temperature.
