



Investing in rural people

Kyrgyz Republic

Livestock and Market Development Programme

Supervision report

Main report and appendices

Mission Dates: 5 - 28 November 2014
Document Date: 28-Nov 2014
Project No. 1626
Report No: 3611-KG

Near East, North Africa and Europe Division
Programme Management Department

Contents

Abbreviations and acronyms	iii
A. Introduction	1
B. Overall assessment of LPDP implementation	2
C. Outputs and outcomes	3
D. LMDP implementation progress	10
E. Fiduciary aspects	14
F. Sustainability	18
G. Impact	18
H. Climate Change Impact	18
I. Conclusion	19

List of Tables

Table 1: Assessment of LPDP implementation - key actions	3
Table 2: Component 1 – key actions	8
Table 3: Component 2 – key actions	10
Table 4: Implementation progress - key actions	12
Table 5: Fiduciary aspects - Key actions	17
Table 6: Updated logical framework	24
Table 7: Justification for the revisions in the Project Logical Framework presented above	29
Table 8: Key actions within agreed timeframes	37
Table 9: Physical progress measured against AWP&B	39
Table 10: Financial performance by financier	41
Table 11: Financial performance by financier by component (USD '000)	42
Table 12: IFAD loan disbursements (SDR, as of 31-10-2014)	43
Table 13: IFAD grant disbursements (SDR, as of 31-10-2014)	43
Table 14: Compliance with legal covenants	45
Table 15: Audit log	49
Table 16: Supervision mission schedule	51

Appendices

Appendix 1: Summary of project status and ratings	21
Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs	23
Appendix 3: Summary of key actions to be taken within agreed timeframes	37
Appendix 4: Physical progress measured against AWP&B, including RIMS indicators	39
Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category	41
Appendix 6: Compliance with legal covenants: Status of implementation	45
Appendix 7: Knowledge management: Learning and Innovation	47
Appendix 8: Audit Log	49
Appendix 9: Supervision Mission Schedule and Persons met	51
Appendix 10: Summary of Implementation Support Provided by IFAD	53

Abbreviations and acronyms

APIU	Agricultural Projects' Implementation Unit
CLPDP	Community Livestock and Pasture Development Plans
CPM	Country Programme Manager
EBRD	European Bank for Reconstruction and Development
FAO	Food and Agriculture Organization
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IFAD	International Fund for Agricultural Development
KNAU	Kyrgyz National Agrarian University
KSRILP	Kyrgyz Scientific and Research Institute of Livestock and Pasture
LMDP	Livestock and Market Development Programme
MoAM	Minister of Agriculture and Melioration
MOF	Ministry of Finance
NFCSF	National Federation of Community Seed Funds
NGO	Non-Governmental Organization
PC	Pasture Committees'
PD	Pasture Department
PUU	Pasture Users' Unions
RDF	Rural Development Fund
UNDP	United Nation Development Programme
WFP	World Food Programme

A. Introduction¹

1. An IFAD mission visited the Kyrgyz Republic from 5 to 28 November 2014 to undertake a supervision of and provide support to the Livestock and Market Development Programme (LMDP-I, IFAD Grant No. G-I-DSF-8113-KG and Loan No. L-I-891-KG). This was the first supervision mission in addition to start-up and implementation support activities carried out in 2013-14. The main focus of the mission was to review the status of LMDP, identify key issues and constraints, and propose further steps.
2. The mission had meetings with Mr. Taalaibek Aidaraliev, Minister of Agriculture and Melioration (MoAM), Mr. Abdumalik Egemberdiev, Director of the Pasture Department (PD) under the MoAM, Mr. Samir Osmonoliev, Director of the State Inspectorate for Sanitary and Phytosanitary Security, Mr. Mairambek Tairov, Director of the Agricultural Projects' Implementation Unit (APIU), Mr. Kuvanychbek Ismailov, ARIS Executive Director, Mr. Rysbek Nurgaziev, President of the Kyrgyz National Agrarian University (KNAU), and heads of other implementing agencies, including the Veterinary Chamber, the Kyrgyz Scientific and Research Institute of Livestock and Pasture (KSRIILP), and the National Federation of Community Seed Funds (NFCSF).
3. The mission conducted field visits to eight model Pasture Users' Unions (PUU) in Issyk Kul and Naryn oblasts during November 6-12, and November 15-16, where it observed trainings of the Pasture Committees' (PC) members on elaboration of the revised Community Livestock and Pasture Development Plans (CLPDP), attended community focus groups' testing of tools for participatory institutional assessment of PCs and PUUs. These model PUUs serve as a platform for testing revised and newly developed approaches and methodologies within the project before scaling them up at a larger extent. The mission visited also other PUUs in Issyk Kul oblast, met with private veterinarians, women dairy processing groups, and representatives of small dairy processing enterprises. In the course of the field visits, the mission held discussions with representatives of *aiyl okmotu* (local government body) and deputies of *aiyl kenesh* (local elected council), ARIS regional and district staff, as well as with livestock farmers, including women groups (Appendix 9: Supervision Mission Schedule and Persons met). In addition, mission members participated and made presentations at the international conference on Improvement of Pasture Management in Central Asia co-funded by the IFAD-financed projects in the Kyrgyz Republic and Tajikistan on November 17-19, 2014. The conference was aimed at policy makers and practitioners working in pasture management in five Central Asian countries to facilitate exchange of knowledge and experience among them and with international experts, to further strengthen their skills and provide a foundation for formulation of country level visions in pasture management reforms. Meetings were also held with the representatives of donor agencies in Kyrgyzstan, including GIZ, FAO, EBRD, UNDP, UN Women, WFP, and local NGOs such as Camp Ala-Too and Rural Development Fund (RDF) to agree on coordination of various initiatives.
4. This Supervision Report reflects the mission's main findings and recommendations, and documents the major agreements reached with concerned authorities as discussed at the wrap-up meetings on November 19, 2014 with Mr. Murzaev, Head of the Public Investment Program Division in the Ministry of Finance (MOF) and on November 21, 2014 with Mr. Kerimaliev, Deputy Minister of Agriculture and Melioration.
5. The mission expresses its sincere appreciation for the cooperation and hospitality extended by Government Authorities, the APIU and ARIS, as well as by Pasture Committees in Issyk Kul and Naryn oblasts.

¹ Mission composition: Mr. Frits Jepsen, IFAD Country Programme Manager (CPM), Ms. Anara Jumabayeva, Senior Economist, Team Leader; Ms. Asyl Undeland, Community Development and Institutions Specialist; Ms. Isabella Mazzarella, IFAD Programme Assistant. The mission was accompanied by Mr. Kanat Sultanaliev, IFAD Country Presence Officer in the Kyrgyz Republic.

B. Overall assessment of LPDP implementation

6. The Livestock and Market Development Programme became effective on 17 July 2013, and constitutes an investment of USD 25.8 million (KGS 1.2 billion), of which the IFAD Grant amounts to about USD 10 million (SDR 6,500,000) or 38.8% of total project costs; the IFAD Loan amounts to approximately USD 10 million (SDR 6,500,000) or 38.8% of total project costs; a contribution by the Government of about USD 520 000 (2% of total costs) which includes contributions from its budget primarily to cover a part of vaccines costs and taxes. The Veterinary Chamber would provide around USD 88 000 (less than 1% of the total project costs) to meet some of its operational expenses. Approximately USD 5.2 million (20%) would be provided by the beneficiaries as co-financing of the Community Livestock and Pasture Development Plans (CLPDPs) and other grants. The project, scheduled for completion in March 2018 (31-03-2018, 30-09-2018 for the Grant), has been officially operational for 16 months or 29% of its 56-month implementation period. As of 31 October 2014, IFAD Grant disbursement amounts to SDR 991,447 (ca USD 1,521,156), accounting for 15% disbursement of the IFAD Grant, while for the IFAD Loan disbursements amount to SDR 962,945 (ca USD 1,478,225) yielding almost 15% disbursement rate. The overall financial performance of the project is rated as **moderately satisfactory**.

7. A geographic extension of the Programme (LMDP II) covering the three additional oblasts of Batken, Osh and Jalalabad was approved by the IFAD Executive Board in December 2013 and was declared effective on 4 September 2014. In addition to the above mentioned components, LMDP II includes a range of climate change adaptation interventions funded by a grant from the Adaptation for Smallholder Agriculture Programme (ASAP).

8. The development goal of the programme is to contribute to reduction of poverty and enhanced economic growth in Issyk Kul and Naryn oblasts, and Toguz Toro rayon of Jalalabad oblast. The programme's objective is to generate livestock productivity increases in the target areas, through (i) more productive and accessible pasture areas and increased supplementary feed available to community livestock; (ii) healthier livestock with lower levels of mortality; and (iii) market partnerships in the milk value chain.

9. The programme has three principal inter-related components as well as the required support for programme management and implementation as follows: 1) Community Based Pasture Management; 2) Livestock Health and Production Services; 3) Market and Value Chain Initiatives; and 4) Programme Management. The Community-based Pasture Management component has two sub-components: (i) Community Pasture Management and Investments; and (ii) Pasture Institutional Strengthening. The Livestock Health and Production Services component has three sub-components: (i) Strengthening Veterinary and Community Animal Health Services; (ii) National Disease Control Programme; and (iii) Animal Health Education and Capacity Building. The Market/Value Chain Initiatives has no sub-component but a number of activities. The provision for Programme Management is presented as two sub-components: (i) Programme Management; and (ii) Monitoring and Evaluation.

10. Since the programme became effective, it has managed to undertake all preparatory activities, like development of the Programme Implementation Manual (PIM) and its approval by both the Programme Reference Group (PRG) and IFAD; recruitment of the related additional staff and consultants; conduct of an official start-up workshop and regional seminars; elaboration of training modules and project promotion booklets; mobilisation of 125 Pasture User Unions (PUUs); development of a draft template CLPDP; and commencement of vaccination programmes on brucellosis and echinococcosis.

11. Now all preparatory activities have been completed, and programme implementation was largely in line with the 2013 Annual Work Plan and Budget (AWPB) and is closely following the 2014 AWPB. It is expected that in 2014 the programme will largely meet its targets. In view of the above the programme's overall performance is rated as **satisfactory**.

12. For the effective implementation of the programme, the following key actions need to be undertaken (as detailed further throughout the Supervision Report):

Table 1: Assessment of LPDP implementation - key actions

Agreed action	Responsibility	Agreed date
Finalisation of 2015 AWPB	APIU Director, ARIS LMDP Coordinator	End December 2014
Submission of a revised unified PIM (for both LMDPI and LMDPII) to IFAD and PCRG for approval	APIU	End December 2014
Submission of baseline survey report and complete establishing the project M&E system including MIS	APIU	End December 2014
Issue the revised Veterinary Law	APIU, MoAM	End December 2014
Provision of detailed recommendations for the Veterinary Law/Code	APIU/OIE	End January 2015
Provision of detailed recommendations for the Animal Health Educational Programme	APIU/OIE	Mid February 2015
All draft changes to legislation related to pasture management to be submitted to IFAD for comments	PD	End December 2014
Analysis of legal issues to be conducted and recommendations developed	PD/PROG	End December 2014
Prepare and submit report on the results of the pilot (consortium's) activities in the first 8 PUUs, revised manual for the preparation of CLPDPs and action plan	ARIS	End December 2014
Preparation and submission to IFAD of first ten CLPDPs	ARIS	End April 2015
Preparation and submission to IFAD of first ten grant sub-projects	ARIS	End May 2015

C. Outputs and outcomes

Component 1: Community Based Pasture Management

13. This component supports approximately 125 PUUs in the programme area in upgrading Community Livestock and Pasture Development Plans (CLPDPs), and in utilizing focus groups to ensure that different target groups are fully involved in the planning, prioritization and decision making process. The outcome from the component would be more productive and accessible pasture areas and increased supplementary feed available to community livestock. The component has two subcomponents: 1.1 Community Pasture Management and Investments, which aims to improve the productivity, use of and access to the pastures coming within the 125 PC/PUU areas; and 1.2 Pasture Institutional Strengthening would strengthen and build the capacity of national level institutions to develop a cadre of technically qualified specialists in pasture management and improvement.

14. This component is slightly lagging behind schedule. So far, about USD 27,000 have been disbursed out of the total allocated IFAD Loan of USD 6.3 million or less than 1% and USD 490,000 out of the total allocated IFAD Grant of USD 4.7 million or 10%. However, the foundations have been laid for a rapid scaling up of activities within the next few months. Delays were mostly caused by the seasonality of livestock transhumant grazing, with a short spring period when the condition of grasslands can be assessed and monitored to conduct preparation of the CLPDPs. As the major hardware investments of the project fall under this component there is an impression of a very low disbursement percentage. However, many preparatory activities (without major financial implications) have been completed. The component's implementation performance is thus assessed as **satisfactory**.

15. Sub-component 1.1 Community Pasture Management and Investments (performance is rated as **satisfactory**) aims at improving the productivity, use of and access to pastures by providing financing to support the following activities: (i) legal and regulatory reform; (ii) pasture boundary demarcation; (iii) upgrading of CLPDPs; (iv) community/CLPDP investment projects; and (v) the community fodder seed programme.

16. The legal and regulatory reform is being led by the Pasture Department (PD), which continues to elaborate legal and regulatory documents related to pasture management and use. The PD, with support from the Pasture Reform Outreach Group (PROG) comprised of a team of national consultants, has prepared several changes to the existing legislation, such as introduction of a provision to the Administrative Code on monetary sanction for “damage to natural and cultivated pastures by grazing livestock on pastures allocated for resting according to the agreed pasture rotation scheme; by grazing livestock earlier than the established time for grazing; and using stock for passing livestock without relevant permission. Sanctions also could be imposed for driving vehicles on grasslands”. Such a penalty, though not significant in monetary terms (about 500 Soms), can be an effective instrument for PCs to enforce implementation of the CLPDP approved by the local council and adherence to its decisions by all community members. Several revisions have been made to other legal documents concerning institutional arrangements for allocation of land use rights to hunting reserves, etc. The mission expressed its support to such efforts, but has reiterated that all draft legal documents related to the programme should be discussed with IFAD. The PD should submit prepared draft changes to the Pasture Law to IFAD for discussion and comments before submitting them to the Government and to the Parliament for adoption. This is a crucial agreement between IFAD and implementing agencies to follow. The mission agreed with the PD that this would be done by the end of December 2014.

17. Meetings with the members of PCs and other key stakeholders revealed that there are still difficulties, which PUUs and PCs face in the existing legislation. Concerns were expressed by the PCs’ leaders regarding inventory of actual livestock numbers because many households try to hide real numbers for many reasons, such as linkage between number of livestock possessed by households and their eligibility for social benefits. Other concerns raised by livestock farmers relate to encroachment of agricultural lands and land of settlements on pasture lands, construction of sheds and other facilities on pastures, which inhibit access to these pastures. There are still confusion and disputes regarding regulation of different types of use of pasture resources and pasture land, such as hunting, extraction of mineral resources, mining, and recreational activities. There is much confusion regarding taxation of PCs with sales tax and profit tax. A large portion of collected pasture use fees go to the local budget as land tax (usually about one third of the annual pasture fee), sales tax is about 3.75%, profit tax is also about 3%. Tax authorities consider the funds collected as pasture use fees as transaction and thus impose these two additional taxes. In addition, PC’s chairperson and accountant pay income tax and social payments (17.25% of salary), which with other taxes decrease the already minor amount received as pasture use fees. In PUUs visited in Issyk Kul and Naryn oblast, average annual payment per head of small ruminant is 8-14 Soms and per head of cattle about 65-80 Soms. In one well-functioning PUU, the collection of pasture fees in 2013 was 1,050,033 Soms (about USD 21,000), while all tax payments amounted to about one third or 27% of the total income. For young institutions that are providing a public good, such a tax burden jeopardizes sustainability. These are just examples of several issues raised by the PCs regarding the legal framework. The mission agreed with the PD’s PROG, that it will conduct an analysis of all issues faced by the PUUs and PCs in the existing legislation. This analysis should be conducted in a comprehensive manner based on a methodology approved by IFAD. The mission agreed with the PD’s PROG, that it would develop a methodology for such a review and analysis and submit to IFAD for approval by the end November 2014. The review and analysis are to be completed and submitted to IFAD by the end of December 2014.

18. With the high turnover of PC chairperson in many PUUs, it is very important to constantly raise awareness of pasture legislation among all members of the PCs. The analysis of issues related to legislation will serve as a foundation for further work of the PD and PROG on legislation and development of the legal training module. It was agreed that the legal advisor and training coordinator of the PROG will develop a legal training module and submit it to IFAD for approval by the end of January 2015. Training of trainers (CDSOs) needs to be completed by the end of March 2015 and training of all 125 target PUUs on legal issues will need to be conducted before the end of April 2015. The mission overall assessment of the quality of beneficiary participation is satisfactory.

19. The PD organized a workshop on LMDP activities for improvement of pasture management for the programme's implementing agencies and chairpersons of PCs of Issyk Kul and Naryn oblasts on April 17, 2014. At this workshop the PD briefed all key stakeholders on changes in legislation related to pasture management, specifically on use of pastures for other than grazing purposes and on administrative sanctions for violation of legislation in pasture use. The PD has prepared a compilation of all legal documents related to pasture management in Kyrgyzstan to be disseminated to all PCs. Since the legislation on pastures is constantly updated and revised, the mission recommends that the compendium of legal documents is printed and compiled in flexible binders so that PCs can easily replace and add legal documents when changes occur.
20. The external pasture boundary demarcation has been conducted within the framework of the Agricultural Investment Support Project (AISP), the predecessor project funded by the WB and IFAD. For various reasons, not all maps with external boundaries produced by the private companies contracted under the AISP were digitalized. The mission recommends that the PD reviews all maps for the target areas produced under AISP and prepares a list of *aiyl aimaks* in Issyk Kul and Naryn oblasts that still need to be digitalized, together with the estimated budget and plan. The list of *aiyl aimaks* with no digital maps, together with budget and plan for the digitalization needs to be prepared and submitted to IFAD for approval by the end of December 2014.
21. There are still disagreements on pasture boundaries between several *aiyl okmotu* in the programme target area. The PD informed the mission that eleven *aiyl aimaks* have disputes over the pasture boundaries. The PD plans to organize a meeting of the State Commission for Pasture Boundary Demarcation to review and approve Government Resolutions on Pasture Boundaries Demarcation except those which have disagreements from at least one party of the dispute. The mission recommends that the PROG prepare a list of all *aiyl aimaks* in the target area that have not yet settled on pasture boundaries together with analysis of the impediments for the mutual agreements and submit it to IFAD by mid January 2014. It is expected that the report with the results of these analyses will also contain recommendations for addressing the disagreements.
22. One of the most critical areas of programme implementation remains the national monitoring of pasture conditions, management and use. The programme has experienced difficulty in accessing geo-botanical data and maps produced by the GIPOZEM for all pastures. In order to be able to develop a monitoring strategy and programme and to establish monitoring site locations it is necessary to have this geo-botanical information available for the programme as soon as possible, otherwise it would adversely affect implementation. It is important for IFAD to have confirmation from the APIU of the availability of this information and maps in order to continue the support for implementation of the community pasture management plans and the grants linked to them. The MoAM has agreed to enable access to this geo-botanical information and maps. The APIU will inform IFAD about progress in meeting this requirement by the end of December 2014.
23. ARIS has recruited a short-term international pasture monitoring specialist from the USA to review the situation with pasture monitoring in the Kyrgyz Republic and develop recommendations for the elaboration of a comprehensive national forage monitoring system. The mission recommends that the PD in collaboration with the Kyrgyz Scientific Research Institute for Livestock and Pasture develops a concept and a preliminary plan for the national pasture monitoring system, considering the findings and recommendations of the report of that specialist.
24. Comprehensive Community Livestock and Pasture Development Plan Guidelines have been developed by the PD with support from the international experts under the AISP. The AISP also facilitated preparation of such plans by all PCs throughout the country. The training on preparation of the CLPDP and backstopping support were provided by Camp Ala Too and the Rural Advisory Services (RAS). The IFAD support mission conducted in the summer 2014 agreed with the APIU, PD and ARIS to select eight PUUs to serve as models to test various revised and new approaches and methodologies. ARIS selected four PUUs in Issyk Kul and four in Naryn oblasts representative of the country in terms of institutional characteristics (PUUs with strong and weak PCs), issues regarding

high pressure on winter pastures (PUUs with a high number of livestock and limited pasture areas), and use arrangements of pastures of the State Forestry Fund.

25. ARIS has established a consortium of several organisations to further upgrade the CLPDP to incorporate issues related to institutional strengthening of the PUUs and PCs, to access to pastures within the State Forestry Fund, to animal health, livestock productivity, climate change and marketing of livestock products. ARIS and the consortium considered all the lessons learned from the AISP while designing a programme for the model PUUs for the development of the CLPDP. The members of the consortium (the PD, CAMP Ala Too, the GIS Center and RDF) with the guidance and support from the ARIS LMDP Team, regional specialists and CDSOs developed and tested revised approaches to pasture condition assessment and preparation of CLPDP in eight model PUUs. This included new elements of utilizing a combination of digitalized maps and the results of the community mapping for planning of pasture management and use, the establishment of monitoring sites for pasture assessment and monitoring, and introduction of sections on improvement of winter fodder and other new sections to the CLPDP mentioned above.

26. The mission expressed its satisfaction with the participatory approach developed by the ARIS LMDP Team in implementation of the testing observed during the field visits and with the preliminary results of the consortium's work. The mission and the ARIS LMDP Team conducted a round table with members of the consortium to discuss preliminary results, and agreed to major changes to be made to the plan and to the manual. ARIS will submit a report on the results of the consortium's work and a revised manual for the preparation of the CLPDP to IFAD by the end of December 2014. This report will include requirements for technical assistance for the further elaboration of the manual for the CLPDP, if needed (e.g. assessment and management of climate change), a detailed plan for scaling up this approach to all PUUs in Issyk Kul and Naryn oblasts and Toguz Toro rayon in Jalalabad oblast.

27. ARIS has started social mobilization in all 125 target PUUs of Naryn and Issyk Kul oblasts and Toguz Toro rayon of Jalalabad oblast. The total population of the 125 *aimaks* in 303 villages is about 520,000 people. Social mobilisation started from the information campaign at village level with introductory meetings with villagers on programme objectives, tasks and processes. These meetings were conducted by ARIS at the time of the regular annual spring village meetings and it ensured a high level of participation of local communities. ARIS also conducted round tables at the *aiyl aimak*, rayon and oblast levels with participation of more than 4,200 people, 21 percent of whom were women.

28. RDF as a member of the consortium has developed a participatory tool for institutional assessment of PUU and PCs citizen based on citizen scorecard report method. The mission jointly with the ARIS LMDP Team participated in the testing of this tool by RDF in two model PUUs in Issyk Kul and Naryn oblasts. The tool is visual and easy to use but needs to be supplemented by institutional assessment along clear criteria linked to programme inputs, such as active participation of the PUU in social mobilisation and capacity building activities, quality of pasture management plans and their implementation, collection rate of pasture fees, etc. The mission agreed that ARIS would submit a documented methodology for the PUU/PC institutional assessment and mechanisms for its linkage to the community grants as soon as possible, and not later than the end of 2014.

29. The mission observed that there is still a shortage of information on various issues of pasture management reforms in rural areas, especially in remote villages. It is very important to strengthen informational and overall communication campaigns to enhance participation of a wider segment of the community, especially of the poor, young people and women. The mission agreed with ARIS that it would recruit a capable and experienced PR specialist in the nearest future, who would develop the programme's communication strategy and submit it to IFAD for review by the end of January 2015.

30. ARIS jointly with RDF is developing a revised, more flexible and localized but more effective approach to social mobilisation, considering conditions and traditions of each community. One of the lessons learned from the AISP is that the approach for engagement of women in PCs adopted earlier, with a quota of not less than 20 percent of PC members being female proved to be ineffective. This quota requirement is fulfilled by engagement of women-representatives of

local NGOs, members of the *aiyl keneshes*, and accountants. The mission agreed with ARIS that it would recruit a Gender/Poverty Specialist at the national level to develop inclusion guidelines and methodologies and to support and monitor their implementation on the ground. It is expected that ARIS in agreement with IFAD will finalize the recruitment of the Gender/Poverty Specialist by January 1, 2015. It is also expected that a revised matrix for social mobilisation of communities, with an emphasis on women will be submitted by ARIS to IFAD before the end of January 2015. The gender focus is rated as moderately unsatisfactory

31. The Procurement of office and computer equipment for target PCs, as well as iPads for ARIS CDSOs in Issyk Kul and Naryn oblasts for rapid monitoring and evaluation of field activities has been initiated and it is expected that all equipment will be procured by December 31, 2014.

32. The National Federation of Community Seed Funds (NFCSF) is an implementing partner supported by the programme with the aim to establish revolving fodder seed funds at the community level. The NFCSF has revised its operational manual to reflect the lessons learned from the AISP implementation as well as the objectives and targets of LMDP. These revisions concern requirements to work more closely with PUUs and PCs, to address needs in winter fodder in target communities.

33. The NFCSF has established cooperation with ARIS and its CDSOs at the local level. Regional ARIS specialists provided NFCSF with a list of 32 recommended PUUs in Issyk Kul, and 32 PUUs in Naryn oblasts. Currently, regional consultants of the NFCSF are reviewing these lists to select 16 target PUUs in each oblast to establish seeds funds. The mission discussed with the NFCSF management the process of selection of target PUUs and recommended to discuss with ARIS a possibility to use CLPDP as a foundation for selection of the target villages. Each CLPDP has information on availability of winter fodder and reflects needs in growing fodder seeds. The mission agreed with the APIU and NFCSF, that they will discuss various possibilities of selection of target PUUs with ARIS and come up with a proposal in December 2014.

34. The NFCSF intends to procure this year for a sowing season of 2015 the following seeds: 128 tons of spring barley and 57.6 tons of esparset. In addition, the NFCSF will procure 96 tons of fertilisers. The mission discussed with the APIU a possibility for establishment of mechanisms for flexibility in fodder needs assessment, as well as establishing tri-partite agreements between the NFCSF, *aiyl okmotu*/PC and local seed fund for better monitoring and recovery. These mechanisms could be tried in one of the model PUUs in Issyk Kul and Naryn oblast.

35. Sub-component 1.2. Pasture Institutional Strengthening is aimed to build and strengthen the capacity of national level institutions to help develop a cadre of technically qualified specialists in pasture management and improvement. Major partners in implementation of this sub-component are the following: (i) the Pasture Department (PD); (ii) Kyrgyz National Agrarian University (KNAU); (iii) Kyrgyz Scientific Research Livestock and Pasture Institute (KSRLPI) for research, training and other related activities, and iv) Kyrgyz Association of Pasture Committees (KAPC).

36. (PD) continues to lead pasture management reforms in the country. These reforms have generated keen interests among policy makers in some post-Soviet countries, and the PD hosted several study tours to Kyrgyzstan of pasture sector practitioners and decision makers from Tajikistan, Armenia and Kazakhstan. State funding of the PD is limited and most operational cost and expenses for the activities of the PROG are covered by the project. At the same time there is an on-going discussion in the Government on the restructuring of the Ministry of Agriculture and Amelioration. The mission recommends that before such decision is made, there is a need to undertake a functional review of the PD and assess its needs and gaps, which need to be addressed so it can continue and further advance pasture management reforms. The APIU will keep IFAD informed of Government's plans regarding the PD's functions and organisational structure.

37. The mission met with members of the Steering Council (SC) and staff of KAPC "Kyrgyz Jaiyty", established in the fall of 2013. The KAPC is one of the implementing agencies working with the PUUs and PCs within LMDPII on advocating rights of the PUU members, on addressing institutional issues of the PUU and PCs, and on strengthening their capacity. The mission agreed with KAPC and ARIS,

that in order to start financing of KAPC activities under LMDPII, they will need to prepare and submit to IFAD for review and approval a full package on KAPC, including a draft memorandum of cooperation to be signed between ARIS and the Steering Committee of KAPC, business plan, operational manual, and other relevant documents.

38. The Kyrgyz Scientific Research Livestock and Pasture Institute (KSRLPI) is an implementing partner of LMDP in the area of research on pasture assessment, monitoring and improvement, and fodder production for increased livestock productivity. The APIU recruited an international consultant (Mr. David Lugg) to conduct a functional assessment of KSRLPI, including the capacity of the institute to carry out the needed research activities and to propose actions and a strategy that can improve its effectiveness. The results and recommendations of the functional analysis have been discussed and agreed by the KSRLPI management. The international consultant also assisted KSRLPI in the development of a long-term research strategy in the area of pasture resources, which was cleared by IFAD. The consultant has also initiated negotiations with FAO on the provision of technical assistance for advancing such a restructuring programme for the Institute. The mission recommends to track closely this issue with the FAO country office and to develop an action plan. The mission would like to stress that project financing of the pasture research programme in 2015 would depend on the progress of the restructuring process.

39. KSRLPI continues its research programme on four monitoring and demonstration sites on the spring-autumn and summer pastures, which were selected and fenced under the AISP. The research project's team selected four additional sites in 2014 for fencing and monitoring of its vegetation growth. KSRLPI also provides support to the PD in revising the CLPDP. It is expected that KSRLPI would also provide assistance to the PD in the development of a strategy for national pasture monitoring.

Table 2: Component 1 – key actions

Agreed action	Responsibility	Agreed date
All draft changes to legislation related to pasture management to be submitted to IFAD for comments	PD	End December 2014
Methodology for analysis of issues related to existing legislation to be developed and submitted to IFAD for approval	PD/PROG	End December 2014
Analysis of legal issues to be conducted and recommendations developed	PD/PROG	End December 2014
Develop a legal training module for PUUs and submit it to IFAD for approval	PD/PROG	End January 2015
Conduct TOT on legal issues related to pasture	PD/PROG	End March 2015
Train all target PUUs on legal issues	To be determined	End March 2015
Prepare and submit a report on all <i>aiyl okmotus</i> , which have disputed external pasture boundaries	PD/PROG	Mid January 2015
Address issue of access to geo-botanical information and maps and inform IFAD	PD/MoAM	End December 2014
Prepare and submit report on the results of the Pilot (consortium's) activities in the first 8 PUUs, revised manual for the preparation of CLPDPs and action plan	ARIS	End December 2014
Prepare and submit methodology for institutional assessment of PUU and PC	ARIS	End December 2014
Recruit PR specialist and design communication strategy and submit to IFAD for approval	ARIS	Mid January 2015
Recruit Gender/Poverty Specialist	ARIS	End December 2014
Revise selection of target PUUs for the fodder programme jointly with ARIS based on CLPDPs	NFCSF	End December 2014
Prepare and submit to IFAD a full package on KAPC, including draft memorandum of cooperation, business plan, operational manual, and other relevant documents.	ARIS/KAPC	End December 2014
Provision of technical assistance for development of the KSRLPI restructuring programme	APIU	End January 2015
Preparation and submission to IFAD of first ten CLPDPs	ARIS	End April 2015

Preparation and submission to IFAD of first ten grant sub-projects	ARIS	End May 2015
--	------	--------------

Component 2. Animal Health and Production Services

40. The key objective of the component is to increase access to livestock and veterinary services for smallholder producers, resulting in reduced mortality and increased productivity of sheep/goat flocks and cattle herds due to the reduced incidence and prevalence of diseases. The LMDP builds on the experience of the AISP and in fact continues and up-scales many of the activities developed under the WB/IFAD/EU funded project. The component has three sub-components: (i) Strengthening Veterinary and Community Animal Health Services; (ii) National Disease Control Programme; and (iii) Animal Health Education and Capacity Building.

41. Activities so far comprised: i) concluding an agreement with OIE on provision of technical facilitation for the whole component; ii) review of all existing training materials regarding veterinary issues and identification of needs for additional training modules; iii) conduct of awareness workshops on the AISP results and on the upcoming brucellosis and echinococcosis control programmes at the central and regional levels (673 participants in total, including 50 women); iv) refining the draft Veterinary Law by inclusion relevant comments and clarifications resulting from the first reading in Parliament; v) conduct of information and promotional campaigns on the need to establish a veterinary statutory body (Veterinary Chamber) among the stakeholders, including through mass media and by having roundtables with private veterinarians and other concerned parties in the regions; vi) establishing contacts for conducting twinning programmes by the Veterinary Chamber; vii) procurement of 2 million doses Rev-1 vaccine against brucellosis. According to the SIVPSS report, 2,316,091 sheep and goats have been vaccinated as of 10 October 2014, or a 112.8% coverage rate (out of 2.05 million sheep and goats scheduled to be vaccinated against brucellosis in 2014). 1,334 private veterinarians participated in the republican vaccination, 646 contracts were concluded with private vets; viii) 1,239,227 dogs and cats have been dewormed against echinococcosis using Azinoks tablets throughout the republic, which is 90% of plan (1,383,752); ix) procurement of 1,500 tattooing forceps; x) conduct of NADIS/RADIS trainings for state veterinary specialists at the regional level (in total 30 participants, including 5 women); procurement of diagnosis equipment for Kyrgyz Scientific and Research Veterinary Institute (KSRVI); xi) admission of 114 students into the Faculty of Veterinary and Biotechnology of KNAU for the 2014-2015 academic year including 43 students under LMDPI (including 6 girls) and 71 students under LMDPII (including 7 girls). These students have been selected for project support (provision of stipends) under the programme education incentive programme and in line with the programme selection criteria and procedures (no objection from IFAD was secured).

42. This component is largely on schedule, though some activities are slightly behind mainly due to the delay in contracting OIE. So far, about USD 280,000 have been disbursed out of the total allocated IFAD Loan of USD 1.96 million or 14% and USD 322,000 out of the total allocated IFAD Grant of USD 4.74 million or 7%. The component's implementation performance is assessed as **satisfactory**.

43. OIE involvement. The mission is very pleased to learn that a 5-year contract with OIE has been concluded. It is envisaged that OIE will provide much needed technical facilitation to the programme in terms of assisting in the development of TOR or/and clearing them, reviewing and advising on the component's strategies and programmes, advising on technical specifications of veterinary equipment, drugs and materials, assisting in the preparation of animal health educational programmes, assisting in the establishment of contacts with the international community, advising on individual/corporate technical assistance, providing technical advice on programme animal health issues, etc. The first OIE mission was held from 29 September to 8 October 2014 during which the OIE experts acquainted themselves with the current state of the national veterinary service, including the Veterinary Statutory Body and veterinary laboratories; and held a number of meetings with organisations and institutions working in the veterinary sector and private veterinarians and programme beneficiaries. The mission also reviewed the strategy for the control of zoonotic and trans-boundary animal diseases, particularly brucellosis and echinococcosis supported by LMDP. The OIE

team presented its recommendations and vision on basic veterinary issues, such as veterinary legislation, quality of veterinary education, establishment of the Veterinary Statutory Body, veterinary laboratories, and programmes to control echinococcosis and brucellosis. The next mission is scheduled for January 2015. The mission recommends that this next contribution should provide detailed recommendations for the Veterinary Law/Code and Animal Health Educational Programme.

44. Veterinary Law. The mission was informed that the draft revised Veterinary Law (prepared within the AISP) has passed the first reading in Parliament. The mission would like to stress again that the success of LMDP, specifically of its Component 2, is largely connected to passing such a Law. As was mentioned by the IFAD mission in May, should such a law not be passed and enacted by the Government in the near future, IFAD may consider stopping providing no objections for component 2. This issue was discussed with Government authorities who assured the mission of a positive review of the Veterinary Law by the Parliament during the upcoming second and third reading sessions. It is expected that work on development of sub-laws would be advanced with the assistance of OIE and the Veterinary Chamber.

45. Student Incentive Programme. As was mentioned previously, 114 students have been admitted to the Faculty of Veterinary and Biotechnology of KNAU for the 2014-2015 academic year. However, the mission was informed that currently under the state regulation only students with outstanding performance are eligible for stipends. KNAU should further investigate on a way of providing stipends outside such a regulation. It has been agreed that KNAU would provide recommendations early next year.

Table 3: Component 2 – key actions

Agreed action	Responsibility	Agreed date
Issue the revised Veterinary Law	APIU, MoAM	End December 2014
Provision of detailed recommendations for the Veterinary Law/Code	APIU/OIE	End January 2015
Provision of detailed recommendation for the Animal Health Educational Programme	APIU/OIE	Mid February 2015
Provision of stipends beyond the MOE's regulations	KNAU	End January 2015
Functional review of the KSRVI	APIU/OIE	End February 2015
Recommendations for NADIS/RADIS strengthening	APIU/OIE	End February 2015
Preparation of draft Veterinary sub-laws	APIU/OIE/VC	End March 2015

Component 3. Market/Value Chain Initiatives

46. The objective of this component is to enable livestock producers in the target area to expand their milk production to meet the market demand and thereby achieve improved returns from their dairy animals. This Component has two sub-components: 3.1 Programme Development and Implementation, supports ARIS by providing finance for the (i) recruitment of international business/marketing specialist, who will develop the concept for the Sub-component 3.2, terms of reference, tender documents and draft contract for a specialized business service provider that shall be responsible for implementing the component activities under the supervision of ARIS, and (ii) contracting of such business service provider; and 3.2 Milk Value Chain Investments provides funds in the form of matching grants to the milk collection and cooling centres and women's small scale processing units.

47. The implementation of this component will start in 2015, after preparation of 125 CLPDPs, which will indicate production potential of specific PUUs and access to infrastructure and markets. The mission's assessment of this component is that it is satisfactory.

D. LMDP implementation progress

48. **Project Management Performance**. All of the envisaged elements of programme management are in place. The proposed arrangements continue and build on the implementation arrangements for the AISP. The two institutions that were the key to successful

implementation of the AISP and other projects are the Agricultural Projects Implementation Unit (APIU) within the Ministry of Agriculture and Melioration (MoAM), and ARIS (Community Development and Investment Agency), a reputable and well financed organisation, that focuses particularly on community based initiatives and has a mandate to alleviate poverty. The APIU Director takes responsibilities including but not limited to programme management, financial management, accounting, etc. The planning, budgeting and reporting process follow the established system of implementing IFAD projects, including the preparation of AWPBs. The capacity of the APIU Director, ARIS LMDP Coordinator, APIU Procurement Officer and Financial Managers of both the APIU and ARIS has been enhanced through the intensive training course on project management in the ILO International Training Centre in Turin, Italy, and through participation in the Fiduciary Forum organized by IFAD in September 2014 in Rome.

49. The programme is seeking support from two existing bodies as and when required, namely the MoAM's Steering Committee and the ARIS Supervisory Body. In addition, in accordance with conditions of the Financing Agreement, a **Programme Coordination and Reference Group (PCRG)** has been established to provide guidance for programme management. It is chaired by the Deputy Minister of Agriculture and Melioration and includes representatives from the MOF, the Ministry of Health, the Ministry of Education, each of the two oblast administrations, from the PC level, private veterinarians, the APIU, ARIS and Camp Ala Too. So far, two meetings of the PCRG have taken place.

50. The other programme implementing agencies are:

- Pasture Department (PD);
- Kyrgyz Scientific Research Livestock and Pasture Institute (KSRLPI);
- Kyrgyz Scientific Research Veterinary Institute (KSRVI);
- State Inspectorate for Veterinary and Phytosanitary Security (SIVPSS);
- Veterinary Chamber (VC)
- Center for Certification of Veterinary Drugs (CCVD);
- National Federation of Community Seed Funds (NFCSF);
- Kyrgyz National Agrarian University (KNAU);
- Department for Disease Prevention and State Sanitary and Epidemiologic Surveillance (DDP&SSES); and
- Republican Center for Health Promotion (RCHP).

51. In line with the Financing Agreement and the PIM, Memoranda of Understanding have been signed between the APIU and all the implementing partners. Performance of the implementing partners that have been involved into the programme so far is assessed as **satisfactory**.

52. The process of APIU and ARIS staffing for LMDP is still underway. The staff that has been or are still to be recruited are hired as individual consultants in line with the Financing Agreement, specifically for implementation of LMDP and with TOR approved by IFAD. The salary and DSA rates and employment conditions are regulated by a number of MOF decrees. The mission would like to stress that contracting and dismissal of programme staff as well as modifications of their TOR should be done only with prior agreement from IFAD. This condition is reflected in the Financing Agreement and non-compliance may lead to suspension of programme financing.

53. The overall project management performance is rated as **satisfactory**.

54. **Monitoring and Evaluation.** IFAD provided its technical support to the APIU in developing and initiating the M&E framework for the programme. The APIU has started reporting based on RIMS. The M&E Unit consists of an M&E/Gender Manager and an M&E/KM Specialist. The M&E framework is based on the regular monitoring and evaluation of programme activities and results against indicators specified in the project design document/PIM and captured in the baseline survey, and on continuing

recording and documenting of information and data at community level. The APIU has contracted a local NGO, RDF, to undertake a baseline survey for the programme. The major objective of this exercise is to obtain quantitative and qualitative data on poverty and nutrition in the target areas in order to measure programme results and impact. The baseline survey report is expected to be submitted to the APIU by end of November 2014.

55. Both the APIU and ARIS have management information systems (MIS) capable of storing and analysing data and generating the required reports.

56. Ground level monitoring will be implemented by ARIS and the APIU. There is a need to develop a synergized approach to measure a set of unified indicators by all CDSOs through updating PUU Data Sheets and conducting regular participatory monitoring.

57. The overall project M&E is assessed as **satisfactory**.

Table 4: Implementation progress - key actions

Agreed action	Responsibility	Agreed date
PUU Data Sheet format elaborated and agreed	ARIS	End January 2015
Submission of Baseline survey report and completion of the programme M&E system	APIU	End December 2014

58. **Gender Focus** is rated as **moderately unsatisfactory**. The M&E Manager at the APIU has recently taken responsibility for the gender focus for LMDP. She is currently developing a gender manual for the APIU and the programme's implementing agencies, including guidelines to be followed to ensure a more effective engagement of women in all programme activities. It is expected that the gender manual will be submitted to IFAD for review by the end of January 2015.

59. Discussions with key stakeholders and implementing agencies revealed that the engagement of women in PCs is still weak despite the requirement of not less than 20 per cent female members in the PCs. A majority of women-members of PCs are not livestock holders, but women actively working in local civil society organisations or, members of the Community Health Committees. The mission discussed this issue with the ARIS national and regional staff, as well as with the CDSOs and agreed to employ a Gender/Poverty Specialist to ensure that social mobilisation and information campaigns reach women livestock holders to engage them in all programme activities. There is a perception in PUUs/PCs, and even among staff of implementing agencies, that the PCs are formed mainly to address issues of pasture improvements (infrastructure). Such a perception negatively affects the willingness of women to participate in the PCs. This and other issues need to be addressed in an APIU gender strategy, and an information and communication strategy to be developed by ARIS, as well as in the social mobilisation process.

60. Programme initial workshops at the village level raised the interest among women in component 3, Market/Value Chain Initiatives, which will focus on women who are traditionally responsible in households for dairy processing in Kyrgyzstan. It is, however, important that CLPDPs reflect conditions and needs in development of dairy processing and marketing,

61. **Effectiveness of targeting approach**. The mission's assessment through field visits and meetings with PUUs, PCs and other stakeholders has confirmed that envisaged investments under the programme are responding to the needs of the IFAD target group. ARIS is in the process of revising its social mobilisation methodology to ensure a better engagement of poor and vulnerable households in PUUs to ensure a strong representation and participation in the decision making in the PCs. The Gender/Poverty Specialist to be recruited will develop a targeting strategy with wealth ranking methodology to be incorporated in the social mobilisation matrix to ensure that such groups are engaged in all LMDP activities. The performance of the targeting approach is rated as **satisfactory**.

Comment [MI1]: Mark: revise text here

62. **Poverty focus**. The primary target groups and beneficiaries of LMDP are smallholder livestock farmers, who mostly live on less than USD 2 per capita per day. The project focuses on these groups by empowering them to have better, fair, and secure access to pastures, to strengthen their skills in

livestock and pasture use for improved livelihood, and to undertake joint projects to rehabilitate pastures and improve livestock productivity. ARIS is required to identify poor households in project activities through conducting wealth ranking. The poverty focus rating is assessed as **satisfactory**.

63. **Knowledge management.** The knowledge management (KM) systems and processes are being established with the APIU M&E, Gender and KM team developing a KM strategy using the IFAD strategy as a point of reference. A KM needs assessment matrix is being prepared in collaboration with the ARIS team. It includes a concept and plan for the programme's learning systems, needs for special studies, planned knowledge products and learning events. The programme conducted a KM workshop in September 2014 which all the implementing partners attended to discuss lessons learned from the AISP and their implications for the implementation of LMDP. The KM Strategy will be finalized and submitted to IFAD for review and approval before the end of December 2014.

64. The programme itself is of a highly **innovative nature**, since it is the only example in the world of a community based pasture management system at country level. This makes all approaches and arrangements developed for advancement of that specific tenure model innovative. The programme continues to empower pasture users and livestock farmers through several innovative institutional arrangements at the grass root level, i.e. the Sub-Committee on Animal Health (SCAH) within the PC. This sub-committee is composed of members of Community Health Committees (CHC) and private veterinarians. It is expected that the SCAH will not only disseminate information and knowledge on animal health among the rural population and contract veterinary services for PUU members, but also promote good practices in the prevention of zoonotic diseases. Such an institutional arrangement is extremely powerful in the expansion of information and knowledge outreach on animal health. In addition, members of the CHC are mostly women and being members of the PC they can disseminate information on decisions of the PC among this group, which is not yet actively engaged in the PC work. the innovation and learning is rated as satisfactory.

65. Another innovative approach to social mobilisation of rural communities is being tested by ARIS. In order to spread information on the programme and its processes, and to engage larger segments of the communities in the work of the PCs, ARIS is exploring the use of locality based traditional networking instead of conventional village meetings. The project is also testing social accountability tools for institutional and governance assessment of the PUU and PC, such as community scorecard record. The KM performance is rated as **satisfactory**.

66. **Partnerships.** LMDP was designed jointly by IFAD and WB teams as a follow up of the AISP. An agreement was reached that the IFAD funded LMDP operates in five regions and the WB-financed Pasture and Livestock Management Improvement Project (PLMIP) covers the two remaining regions (Talas and Chuy). The WB project is not yet declared effective.

67. The programme cooperates closely with GIZ, who is working actively in pasture and forest management in Kyrgyzstan. IFAD and GIZ teams jointly developed a concept for an international conference on improvement of pasture management in Central Asia, which was held in Bishkek from 17 to 19 of November, 2014 and co-funded by IFAD projects in Tajikistan and Kyrgyzstan. The objective of the conference was to support the development and advancement of sustainable pasture management systems in Central Asia (with a focus on Kyrgyzstan and Tajikistan), bringing together worldwide examples of property rights systems which promote environmental sustainability, economic efficiency and equality of access, in order to stimulate learning and exchange between peers from Central Asian countries and from other regions of the world. This partnership has been very successful and mutually beneficial for all parties.

68. IFAD has established a good rapport with FAO and its "Programme development on capacity building and awareness raising for the sustainable use of pastures in Kyrgyzstan". The mission discussed with the FAO Country Representative the ways of coordinating the activities of the two programmes and integration of the FAO programme's results into LMDP. FAO is considering the possibility of supporting the KSRLPI restructuring based on the findings and recommendations of the international consultant.

69. The APIU and ARIS collaborate with the UNDP implemented Livestock Development Project in Naryn oblast and with other bilateral initiatives in the area of livestock and pasture management. The performance for partnership is rated **satisfactory**.

E. Fiduciary aspects

70. **Financial management.** The financial management (FM) of the programme is considered satisfactory. The FM-units of both the APIU and ARIS are responsible for budgeting, accounting, maintaining internal controls, preparation of withdrawal applications, execution of payments, financial reporting and ensuring compliance with external audit requirements. Based on the FM supervision, the FM rating of this Project is Moderately Satisfactory.

71. **APIU staffing.** The FM-unit reports to the APIU Director and is composed of an experienced Financial Manager, Disbursement Officer and an Assistant Financial Manager-Cashier. There is a clear distribution of work among the FM-unit staff with the Financial Manager having the planning, approval and reporting duty, the Disbursement Officer initiating and tracking transactions (including updating suppliers' files), and the Assistant dealing with cash transactions and supporting fuel consumption records and documents. All the duties of the FM-unit staff are described in the respective TOR.

72. **ARIS staffing.** The FM-unit reports to the ARIS Executive Director and is composed of an experienced Financial Manager, four Disbursement Officers and an Assistant Financial Manager. One Disbursement Officer is specifically recruited for LMDP. Like in the APIU, there is a clear distribution of work among the FM-unit staff, with the Financial Manager having the planning, approval and reporting duty, the Disbursement Officer initiating and tracking transactions (including updating suppliers' files), and the Assistant dealing with cash transactions and helping the Financial Manager in conducting her duties. All the duties of the FM-unit staff are described in the respective TOR.

73. **AWPB.** The AWPB consists of several sections that are prepared by the respective implementing partners and consolidated by the APIU in line with the Programme Design Report (PDR) and available programme funds by the end of the reporting year and submitted to the PCRG for approval and subsequently to IFAD for no objection. IFAD provided its no-objection to the 2014 AWPB in September 2013. In 2013 the programme spent USD 196,510 of programme funds against the planned USD 646,580 yielding an execution rate of 30%. In 2014 the programme plans to spend USD 2.8 million of the IFAD Loan/Grant against which the programme has incurred expenditures up to almost USD 1.5 million during the first three quarters. It is envisaged that the 2014 AWPB would be largely implemented. For 2014 the AWPB includes financial targets and financing from all sources as well as expected results and attribution of activities to each implementing partner. It is understood that it was rather difficult to include physical targets in the 2014 year as a year of preparatory activities. From 2015, AWPBs should also present the physical targets expected from financing of respective activities. A draft 2015 AWPB has been timely submitted to IFAD, and it is now under review by IFAD. It is envisaged that the 2015 AWPB would be finalised before the end of 2014. The coherence between AWPB and implementation is rated as satisfactory.

74. **Accounting.** Both the APIU and ARIS use IPSAS-cash as basis for accounting. For both the APIU and ARIS, the programme transactions are recorded in the accounting software 1-C. This has been modified so that all the financial reporting requirements of the programme are automatically generated by the system, including the Designated Account reconciliation and withdrawal applications.

75. **Flow of funds.** Currently the programme operates four accounts in a commercial bank (Kyrgyz Investment and Credit Bank, KICB), two in the APIU and two in ARIS: (i) the APIU IFAD designated account (USD), (ii) the APIU IFAD project account (KGS), (iii) the ARIS IFAD designated account (USD), and (iv) the ARIS IFAD project account (KGS). There are another three accounts associated with project account, which are automatically opened by the bank in case there would be transactions in other popular currencies (Euro, RR, KZT), as well as an account which is specifically opened for

Comment [M12]: Mark: Info on financial performance should be included

collection of tender fees. In line with MOF regulations, there are also deposit sub-accounts associated with each account for accumulating accrued interests. There are plans to open another account for the funds from beneficiaries once these start to be collected. The mission undertook a reconciliation (as of 31 of October 2014) of the accounts:

- For the IFAD Loan, the balance of DA is USD 1,478,225.45. The balances in the APIU accounts of the project are USD 359,080.63 in the Designated Account, USD 101.07 in the Euro account and USD 0.00 in the KGS account. Expenditures of USD 478,225.45 have been claimed by the APIU in WA 3, 5 and 6, while expenditures of USD 140,818.30 are yet to be claimed by the APIU. The balances in the ARIS accounts of the project are USD 499,326.29 in the Designated Account and USD 0.00 in the KGS account. Expenditures of USD 673.71 are yet to be claimed by ARIS.
- For IFAD Grant, the balance of DA is USD 1,521,156.50. The balances in the APIU accounts of the project are USD 221,716.56 in the Designated Account and USD 5,553.89 in the KGS account. Expenditures of USD 196,192.94 have been claimed by the APIU in WA 3 and 5, while expenditures of USD 272,729.55 are yet to be claimed by the APIU. The balances in the ARIS accounts of the project are USD 428,255.62 in the Designated Account and USD 0.00 in the KGS account. Expenditures of USD 324,963.56 have been claimed by ARIS in WA 2, 3 and 4, while expenditures of USD 71,744.38 are yet to be claimed by ARIS.

76. Payments are managed so that they do not occur at month end. Hence the balance in the accounting records of the bank accounts agrees to the bank statements. With the foreseen increase in activities and the opening of a bank account for beneficiary contributions, the mission recommends that a formal monthly bank reconciliation process be implemented for all bank accounts for the programme. The reconciliation should be approved by the APIU Director.

77. The **authorized allocations** of the Designated Accounts are the following: USD 500,000 for the APIU loan account, USD 500,000 for the APIU grant account, USD 500,000 for the ARIS grant account, and USD 500,000 for the ARIS loan account.

78. **Counterpart funds.** Originally it was envisaged that contributions from the government would be provided by way of VAT exemption as it was practised under the AISP. However, since LMDP has both the grant and loan elements, and in order to follow the Kyrgyz Republic tax law, the MOF has made a decision to provide "real" co-financing to cover all the taxes incurred by the programme. The decision was made in October this year, thus forcing all the contracts entered into before that date to be revised and re-signed to include taxes. The process has already been initiated, and some contract amendments have received no objection from IFAD. Since the decision, both the APIU and ARIS have receive their respective portions of government co-financing totalling KGS 9 million which is sufficient to cover all the taxes accrued so far and to be accrued in 2014. The MOF assured the mission that government co-financing will be provided on time and in sufficient amounts based on duly authorized disbursement request as it has been demonstrated by other projects. Funds from beneficiaries and the Veterinary Chamber will be forthcoming once the programme commences implementation. It should be understood that the VC's contribution would be in the form of service provision. This should be reflected in the PIM. Thus, counterparts' contribution is rated as **satisfactory**.

79. **Disbursement rate.** The disbursement rate is rated as moderately **satisfactory**. To date 8 WAs (6 for the APIU and 2 for ARIS) have been processed under the IFAD Loan for a total amount of USD 1.48 million (SDR 0.96 million), yielding a disbursement rate of almost 15%. As for the IFAD Grant, as of today 8 WAs (4 for the APIU and 4 for ARIS) have been processed for a total amount of USD 1.52 (SDR 0.99 million), yielding a disbursement rate of 15%. The programme became effective on 17 July 2013 and the first advance from IFAD was received in September 2013, following the approval of the APWB. The first year has been spent in setting up the procedural basis for LMDP, hiring and training the staff, in elaborating the AWPB in more detail and conducting preparatory activities.

80. **Use of SOE and adequacy of supporting documentation.** The mission examined on a sample basis expenditures claimed under SOE and noted the following: i) all POs are duly authorized

and entered into the accounting system, ii) the supporting documentation is adequately filed, iii) the supporting documentation for training, technical assistance etc. contained supporting documentation regarding the quality of the delivered service (list of participants, completion report, third party evaluation/assessment etc.).

81. **Internal controls.** The mission notes that for both the APIU and ARIS there is a sufficient level of segregation of duties and authorization with regard to transactions. The project maintains a financial management manual (FMM), which is kept substantially up to date and has been prepared with the support from IFAD. The Disbursement Officers prepare payment orders together with all the relevant supporting documentation. The Financial Manager of APIU or ARIS checks and then provides to the APIU Director and ARIS Director respectively for signature. At the end of each period, the Financial Manager reviews all transactions for the month, ensuring validity and accuracy. Any corrections required are made at this point and then the accounting records are closed off. Once a period is closed it cannot be reopened. The Assistant Financial Manager-Cashiers (both the APIU and ARIS) are dealing with cash transactions and fuel consumption/vehicle maintenance logs as well as assisting the Financial Managers in their duties. The mission is impressed by the system of tracking vehicles and thus mileage/fuel consumption established in ARIS: each vehicle is equipped with GPS connected to the Administrator's computer at HQ. The system also allows for keeping historical data for up to some years to be presented to auditors, if required. For both the APIU and ARIS, monthly fuel consumption, DSA and accommodation expenditures are regulated by various government decrees, for example fuel consumption is set at 240 lt per month per vehicle within Bishkek city. There is a procedure of requesting additional fuel in case of a field trip based on the distance. All fuel consumption transactions are card-based.

82. **Budget Monitoring.** The FM-unit undertakes budget monitoring at the stage of contract signing. Although the 1-C software is capable of tracking commitments, it has not been configured to do so because of the IPSAS-cash approach records only actually incurred transactions. However, the 1-C software allows for tracking commitments at the level of individual contracts, but not the aggregated amount. In order to assist in budget monitoring, the mission recommends that the commitment monitoring functionality be implemented. This would be specifically important as the flow of transactions grows.

83. **Fixed Asset Register.** The FM-unit records all assets in the 1-C software. This information is used by the Administrator to create a fixed asset listing with serial number, location, custodian, historical cost etc. All assets are tagged and a commission is created yearly to physically verify the assets for the reporting year before commissioning an external audit. The last physical count was in February 2014.

84. **Information back-up and filing.** The accounting data is password protected and backed up on weekly basis into an external flash drive and disks (to be kept in the project safe) and on the Chief Accountant's computer. All supporting documentation is filed in the APIU and ARIS. Scanned accounting documents are electronically kept in MIS.

85. **Financial reporting.** The APIU prepares its financial statements in accordance with IPSAS-cash based on the consolidation of ARIS's and its own financial statements, which in turn resulted from the financial records of all the implementing partners. In accordance with best practice, the APIU prepares and submits to IFAD Consolidated Interim Financial Reports (IFRs) semi-annually and annual financial statements as well as a reconciliation of the Designated Account.

86. **Procurement.** Both the APIU and ARIS prepare annual procurement plans (PP), which are submitted to IFAD for no objection as an integral part of AWPBs. The PPs contain information on the procurement method, unit costs, prior/post review, bidding signing and delivery date. For the APIU, the PP for 2013/14 amounts to USD 1.98 million; while for ARIS it amounts to USD 0.8 million. Both the APIU and ARIS maintain a complete procurement register. There is a formal Procurement Manual in place, which has been prepared with the support from IFAD. For the APIU, from the beginning of the programme implementation till November 21, 2014 in total 30 contracts with a total sum of USD 779,212 have been concluded, including 12 contracts on procurement of goods amounting to

USD 293,512, and 18 contracts on provision of services amounting to USD 485,700. For ARIS, from the programme effectiveness till now in total 18 contracts with a total sum of USD 226,672 have been concluded, including 3 contracts on procurement of goods amounting to USD 66,527 and 15 contracts on provision of services amounting to USD 160,145. It is expected that all the remaining contracts would be concluded by the end of this year. A spot check on the procurement files for various procurement methods (goods and services) revealed no specific weaknesses. The compliance with procurement is rated as satisfactory.

87. **Compliance with loan covenants.** The compliance with the loan covenants is **satisfactory**. The details with regards to the status of implementation and compliance with the Financing Agreement covenants can be found in Annex 6.

88. **Project Implementation Manual (PIM).** Second phase of LMDP (LMDPII) was declared effective on 4 September 2014. The LMDPII Financing Agreement has envisaged application of a joint PIM for both LMDPI and LMDPII. Moreover, LMDPI has already gained substantial experience over the first year of implementation, which requires some modifications be introduced in the unified PIM. It has been agreed that the APIU/ARIS would submit a revised PIM to IFAD for no objection by the end of December 2014.

89. **Internal audit.** The APIU has no internal audit function in place. However, the project is subject to internal review by the Accounting Chamber on an annual basis, and by the State Agency for Anti-Corruption, the Revision Commission of the MOF, and the General Prosecutor's Office on an ad hoc basis. In fact, at the time of the mission there was an audit of the General Prosecutor's Office taking place. In line with its Charter, ARIS has an Audit Unit, which operates outside the regular hierarchical structure and it reports directly to the Supervisory Board, but it shares its results with the Executive Director. Thus, the mission considers that there is sufficient internal audit in place for the programme.

90. **External Audit arrangements.** With no objection from IFAD, the current auditors (SOS-Audit) were procured for both the APIU and ARIS by extending the ongoing 3-year contract with the company concluded under the AISP. The terms of reference for the external auditor have been modified and approved by IFAD. The recruitment was based on the least cost procurement method using the WB auditor shortlist to ensure quality. For ARIS, the audit for 2013 was performed as a part of the consolidated audit for all projects under implementation by ARIS. For the APIU it has been agreed, with no objection from IFAD, to conduct a joint audit for the fiscal years 2013 and 2014, due to a low disbursement of IFAD Grant/Loan in 2013. The ARIS 2013 audit was performed in accordance with International Standards on Auditing (ISA). The auditors issued an unqualified opinion on the project financial statements and on the operation of the designated account while the management letter disclosed no irregularities/issues. The mission would like to mention that the WB Post-review Procurement and FM Supervision Mission for the AISP was largely satisfied with the findings. Also, there was an ARIS institutional assessment conducted by the WB in summer this year, which revealed no accounting and procurement irregularities/issues. The mission's overall assessment is that the audit performance of the Project is Moderately Satisfactory.

Table 5: Fiduciary aspects - Key actions

Agreed action	Responsibility	Agreed date
Formalise accounts reconciliation process and tracking the commitments	Financial Managers and APIU Director and ARIS LMDP Coordinator	As soon as possible
Formalisation of Vet Chamber contribution in form of services provision	APIU/VC	As soon as possible
Audit report including management letter to be submitted to IFAD.	APIU Director, ARIS Executive Director and Financial Managers	Continuous/As soon as possible but not later than 30 of June 2015
Interim financial reports including procurement reports to be submitted to IFAD semi-annually and unaudited programme financial statements to be submitted to	Chief Accountant	30 April 2015 and 15 th August 2015

IFAD annually within four months after the end of the fiscal year		
Finalisation of 2015 AWPB	APIU Director, ARIS LM DP Coordinator	31 December 2014
Insurance contracts to be procured/concluded	Chief Procurement Specialist/Financial Manager	As soon as possible
Within the APWB, financial and physical outputs associated with the community facilitator to be aligned	APIU/M&E Chief Specialist	As soon as possible
Submission of a revised unified PIM (for both LMDPI and LMDPII) to IFAD and PCRG for approval	APIU Director	31 December 2014

F. Sustainability

91. Sustainability of programme benefits is in the institutional strength and capacity of the partner institutions supported by the programme, especially those newly established, such as the PUUs/PCs. In order to ensure sustainability of these pasture users' institutions, the programme focuses on enhancement of a favourable legal environment for community based pasture management, on capacity building of all beneficiaries, and fostering governance mechanisms in their operation. The increase in the trust in PCs from the PUU members, reflected in various surveys conducted by the programme, is one of the pillars of sustainability. It is expected that the baseline survey and institutional assessments of PUU/PCs will inform the process of building their sustainability further. The results of these studies are expected by the end of December 2014. However, many other factors influence sustainability of these institutions, including the state policy and support towards their enhancement. The sustainability rating is **satisfactory**.

G. Impact

92. The impact indicators linked to the development objective are the following:

- the value of livestock and livestock products sold by participating households has increased by an average of 15%, compared with the pre-project level of sales; and
- 15% of poor households have improved nutrition and food security from increased consumption of meat and dairy products.

93. The RIMS indicators linked to the project goal are: 27 500 households with additional improvement in household assets ownership index, and 10% reduction in the prevalence of child malnutrition.

94. Baseline survey results will provide data sets to be reviewed and analysed for project impact assessment. However, there are concerns that some impact indicators need to be clarified. The APIU with mission support provided recommendations on revision of the LM DP logframe and impact indicators (attached in Annex 2).

95. Initial results show that the project activities if implemented without delays and serious modifications would be able to bring the intended impact. The rating for impact is **satisfactory**.

H. Climate Change Impact

96. Implementation of the climate adaptation activities will start within LMPD-II, in the framework of component 1, sub-component 1.1 – developing risk-mitigation pasture management plans, sub-component 1.2 – prioritizing investments in resilient pasture management plans, and sub-component 1.3 knowledge management, capacity building, and policy support. Adaptation work will also be an important part of sub-component 3.3 - income diversification for vulnerability reduction. The target groups for adaptation work will be the same as those of the overall programme.

97. Some climate change adaptation activities, such as upgrading of CLPDP to consider climate change risk and undertake risk mitigation measures will be implemented in the LM DP-I target area as well, while knowledge management, capacity building, and policy support activities will be undertaken

at country level. Climate model simulations are essential elements of any adaptation strategy, as they allow better planning through the anticipation of future impacts. Initial assessment of adaptation to climate change is **moderately satisfactory**, since the programme needs to undertake further steps in the development of an Early Warning System (EWS) for pastures and livestock, which would provide policy makers, technicians, pasture committees and farmers with the most up-to-date and accurate information available on meteorological-related risks, warning institutions and farmers of imminent risks so that disasters can be minimized or avoided. If all these planned measures with establishment of the viable and effective EWS undertaken within the project's life, the resilience of livestock farming to climate change would be satisfactory.

I. Conclusion

98. The project, scheduled for completion in March 2018, became effective on 17 July 2013 and has thus been officially operational for 16 months or 29% of its 56-month implementation period. The programme's overall performance is rated as satisfactory. Although the disbursement rate is slightly lower than planned, standing at 15% for both the IFAD Grant and Loan, the programme has completed all the preparatory activities that are without major financial implications, and now has a solid basis for moving into the investment phase with substantial disbursement.

99. In order to maintain momentum and continue to follow the planned implementation schedule it is now critical that the programme management closely follow the plan of action agreed in the Supervision Report. The key actions that need to be urgently undertaken are:

- Documentation and formalisation of the pilot phase undertaken in 8 Pasture Users' Unions (including finalization of a manual on preparation of Community Livestock and Pasture Development Plans (CLPDPs), followed by preparation of the first 10 CLPDPs and first 10 community sub-projects;
- Submission of a revised, unified Programme Implementation Manual (for both LMDPI and LMDPII) to IFAD and the Programme Coordination and Reference Group for approval;
- Issuance of the Veterinary Law;
- Conduct of an analysis of pasture management legal issues, and developing recommendations for clarification; and
- Formulation of detailed recommendations for the Veterinary Law/Code and for the Animal Health Educational Programme.

Appendix 1: Summary of project status and ratings

A. Basic Facts

Country	Kyrgyz Republic		Project ID	Loan/Grant No.	L-I-891/G-I-DFS-8113	
Project	Livestock and Market Development Programme			Supp. Loan/Grant		
Date of Update:	23-Oct-15	Last Supervision		Financing terms	HCT/Grant	
Supervising Inst.	IFAD	No. of Supervisions	1			
				USD million	Disb. rate	
Approval	17-12-2012			Total costs		
Agreement	13-03-2013	Effectiveness lag	4 months	IFAD loan	10.0	15%
Effectiveness	17-07-2013	Problem project	No	DSF grant	10.0	15%
MTR				IFAD grant		
Current completion	30-09-2018	Last Amendment		Domestic	5.8	0.2%
Current closing	31-03-2019	Last Audit		Co-financing		
No. of extensions	0			Co-financiers		

B. Project Performance Ratings

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

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Actual outputs/component 1		5	1. Institution building (organizations, etc.)		5
2. Actual outputs/component 2		5	2. Empowerment		5
3. Actual outputs/component 3		4	3. Quality of beneficiary participation		5
			4. Responsiveness of service providers		5
4.			5. Exit strategy (readiness and quality)		4
5.			6. Potential for scaling up and replication		5

C. Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets		4
C.2 Food security		4
C.1 Overall implementation progress (Sections B1 and B2)		5

Justification for rating

Since the programme became effective, it has managed to undertake all preparatory activities, like development of the PIM and its approval by both the PCRG and IFAD; recruitment of the related additional staff and consultants; conduct of an official start-up workshop and regional seminars; elaboration of training modules and programme promotion booklets; mobilization of 125 Pasture User Unions (PUUs); development of a draft template CPMLDP; and commencement of vaccination programmes on brucellosis and echinococcosis.

Now all preparatory activities have been completed. The programme was largely in line with the 2013 AWPB and is closely following the 2014 AWPB. It is expected that in 2014 the programme will largely meet its targets. In view of the above the programme's overall performance is rated as satisfactory.

C 2 Likelihood of achieving the development objectives (section B 3)		5
<i>Justification for rating</i>		
The programme's progress towards achieving its development objectives is satisfactory.		
C 3 Risks <i>Short description of major risks for each section and their impact on achievement of development objectives and sustainability</i>		
Fiduciary aspects	No major risks	
Project implementation progress	No major risks	
Outputs and outcomes	No major risks. Issuance of the Veterinary Law is now becoming critical as it creates a legal base for sustainable development of private veterinary services, which play an important role in programme activities.	
Sustainability	No major risks. Sustainability of programme benefits is in the institutional strength and capacity of the partner institutions supported by the programme, especially those newly established, such as the PUUs/PCs. In order to ensure sustainability of these pasture users' institutions, the programme focuses on enhancement of a favourable legal environment for community based pasture management, on capacity building of all beneficiaries, and fostering governance mechanisms in their operation. The increase in the trust in PCs from the PUU members, reflected in various surveys conducted by the programme, is one of the pillars of sustainability. It is expected that the baseline survey and institutional assessments of PUU/PCs will inform the process of building their sustainability further.	

D. Follow-up Action (critical)

Issue/problem	Recommended Action	Status/Timing
Satisfactory programme implementation and performance.	Submission of a revised unified PIM (for both LMDPI and LMDPII) to IFAD and PCRG for approval	End December 2014
	Issue the revised Veterinary Law	End December 2014
	Provision of detailed recommendations for the Veterinary Law/Code	End January 2015
	Provision of detailed recommendations for the Animal Health Educational Programme	Mid February 2015
	All draft changes to legislation related to pasture management to be submitted to the IFAD for comments	End December 2014
	Analysis of legal issues (pasture management) to be conducted and recommendations developed	End December 2014
	Prepare and submit report on the results of the Pilot (Consortium's) activities in the first 8 PUUs, revised Manual for the Preparation of CLPDPs and action plan	End December 2014
	Submission of Baseline survey report and complete establishing the project M&E system including MIS	End December 2014
	Preparation and submission to IFAD of first ten CLPDPs	End April 2015
	Preparation and submission to IFAD of first ten sub-project proposals	End May 2015

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

Description of the columns in the table:

- 1: Results narrative, describing the expected result at the corresponding level of the results-chain (impact, comprising goal and purpose; outcome and output).
- 2: Indicators revised
- 3: Corresponding RIMS code (when applicable);
- 4: Value of baseline: provided by the BL survey should provide values to be determined (TBD)
- 5-6: Intermediate and final targets: additional milestones can be added if required
- 7: Frequency of data collection; for impact level surveys, the schedule is: PY1 for Baseline (BL), PY3 for Mid-term (MT) and PY5 for Impact Assessment (IA);
- 8: Means of verification: source of information (BL, MT or IS; annual outcome surveys; regular reporting formats; national statistics (which report), studies...);
- 9: Specify agency responsible to provide basic information;
- 10: Description of method of collection (if required);
 - Note:** to determine the level of results in the results hierarchy, all the indicators have their own codes:
 - G.x:** impact level indicator, corresponding to the Goal level result; x is cardinal numeration.
 - O.x:** impact level indicator, corresponding to the Development Objective result; x corresponds to the sequential number.
 - C.y.x:** outcome level indicators, corresponding to the results of a component; y correspond to the number of the component; x being the sequential number.
 - x.y.z:** output level indicators; x is the corresponding component; y is the corresponding output number; and z being the sequential number.

** All 'people' indicators will be disaggregated by gender. **All indicators will be disaggregated by Oblast.*

Table 6: Updated logical framework

Results	Indicators	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection	
1	2	3	4	5	6	7	8	9	10	
Goal. Contribute to the reduction in poverty and enhanced economic growth in pasture communities	G.1. % of the 27,500 targeted households in the project area with additional improvement in household assets ownership index ²	Third level	0	10%	25%	BL, MT, IA	APIU Surveys: Baseline, mid-term review, project completion. National statistics (National Statistical Committee of KR). Studies to complement indicator based data	APIU	See RIMS methodology	
	G.2. 10% reduction in the prevalence of child malnutrition	Third level	Issyk-Kul	TBD	10%					
Development Objective Livestock productivity increases in Issyk-Kul and Naryn Oblasts reflected in improved and equitable returns to livestock farmers	O.1. Average value of livestock and livestock products sold by participating households increased by 15% of the average BL value (disaggregated by oblast)		Cattle: TBD	TBD	+15%	BL, MT, IA	APIU Surveys: Baseline, mid-term, completion.	APIU	Surveys	
			Sheep: TBD	TBD	+15%					
			Goat: TBD	TBD	+15%					
			Horse: TBD	TBD	+15%					
	O.2. Monthly consumption of meat and dairy products increased by xx% for 15% of targeted poor HHs (KG or L per month)			Meat: TBD	TBD	+xx%	BL, MT, IA	APIU Surveys: Baseline, mid-term, completion.	APIU	Surveys
				Meat products: TBD	TBD	+xx%				
Milk: TBD				TBD	+xx%					
			Dairy ³ : TBD	TBD	+xx%					

¹ The target of this indicator is 25% of the households, or 27 500 households out of the around 110 000 total households in the project area.

³ All other dairy products combined.

Results	Indicators	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10
Component 1. Community-based pasture management									
Outcome 1. More productive and accessible pasture areas and increased supplementary feed available to community livestock	C.1.1.a Milk yields per year ⁴ (litre / cow / year) (+15% of BL value)		Cow: TBD	10% from BL value	15% from BL value	BL, MT, IA	APIU Surveys: Baseline, mid-term, completion.	ARIS	Annual surveys as main information source. National Statistics disaggregated by rayon provides complementary information. Milk: cross-checked with data from milk collectors. Weight: cross-checked with local markets data.
	C.1.1.b Average live weight (Kg) of cattle, horses, sheep and goats sold in local markets.		Cattles: TBD	TBD	+15% of BL value				
			Horses: TBD	TBD	+15% of BL value				
			Sheep: TBD	TBD	+15% of BL value				
			Goats: TBD	TBD	+15% of BL value				
	C.1.2.a 300 MT of growing high quality/cleaned barley sowed		0	100	300 MT	Annual	Reports from National Federation of Community Seed Funds	PUCSF	Public Union - Community Seed Fund reports Surveys with CSF and members beneficiaries to complement information.
	C.1.2.b 20 000 MT of fodder from sainfoin produced by project communities		0	100	20 000 MT				
C.1.2.c. % of PUUs that allocate at least xx% ⁵ of the value of the investment for Operation & Maintenance (O&M) of completed projects (for applicable projects)		0	0%	25%	Annual	Annual reporting (after MT) Reports from National Federation of Community Seed Funds	ARIS	Annual Surveys	

⁴ Based on 300 lactation days per year.

⁵ Percentage is to be identified for each type of project.

Results	Indicators	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10
Output 1.1 Combined pasture and animal health plans incorporating needs and priorities of poor and women are implemented	1.1.1. 100 pasture and animal health medium-term plans updated and approved	1.1.13	0	40	100	Annual	Annual reporting	PD	Surveys
	1.1.2. 65 % of poor households and women members of the PUU are satisfied by pasture and animal health plans		0	35%	65%	Annual	Annual reporting, questionnaire, minutes of focal groups, CPMP,	ARIS	Questionnaire, Survey
	1.1.3. Increase in pasture fees collected by 20% by the end of the project (moved from 1.3)		TBD	TBD	+20% on BL value	Annual	BL, MT, IA Surveys PD M&E records Pasture Committee records	PD	Reporting from Pasture Department
Output 1.2 Investments prioritized in Community Pasture Management Plans completed, functioning and sustainable	1.2.1. Number of micro-projects implemented in accordance with CPMP	1.1.16	0	40	100	Quarter	ARIS M&E records Annual Work Plans and Budgets PUUs' records	ARIS	Annual Surveys
Output 1.3 Demarcation of disputable pasture external boundaries have completed providing more effective use of pasture	1.3.1. Number of disputes regarding access to pastures has reduced by 10% of the baseline value of pasture		TBD	TBD	-10% of BL value	BL, MT, IA	BL, MT, IA Surveys	PD, APIU, ARIS	Reporting from Pasture Department Cross Checking with communities
Component 2. Animal Health and Production Services									
Output 2.1 Private vets (PVs) capacities are strengthened to provide animal health and production services on a financially sustainable basis	2.1.1. 250 Private Vets received training	1.5.3.	0	80	250	Quarter	SIVPPS reports, Project M&E records	ARIS	Regular reporting of CDSO (ARIS)
	2.1.2. 250 veterinary packages provided to PVs		0	80	250	Quarter			
	2.1.3. 50 AI businesses being operated by PVs by the end of the project		0	20	50	Quarter			
	2.1.4. Secondary legislation harmonized with Vet Law (from output 2.3)		0	1	1	Annual	The law «On veterinary», regulations subsidiary legislation, OIE country reports	SIVPPS	SIVPPS report, regulations subsidiary legislation, OIE country reports

Results	Indicators	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10
Output 2.2 Animal health sub-committees (AHSC) are functioned to provide support to Pasture Committees on animal health concerns	2.2.1. Number of AHSC functioning by the end of the project	1.1.10.	0	40	125	Quarter	District project quarterly reports Project M&E records	ARIS	Regular reporting of CDSO (ARIS)
	2.2.2. Number of AHSC members trained to control and organize activities for Animal Health	1.1.11.	0	200	625	Quarter			
Output 2.3 Number of incidence of brucellosis and echinococcosis are reduced at national level	2.3.1. National incidence of brucellosis in animals (sheep and cattle) ⁶		Sheep & Goats: TBD Cattle: TBD	TBD	-30% on BL value	Annual	SIVPPS, KSRIV	SIVPSS	Statistics disaggregated by Oblast / Rayon
			Human: TBD	TBD	TBD		DDP&SSES, M&E data of project		
	2.3.2. National incidence of echinococcosis		Human ⁷ : 1050	TBD	TBD	Annual	DDP&SSES, OIE country reports	SIVPSS	Statistics disaggregated by Oblast / Rayon
			Dogs ⁸ : 13-26%	5-10%	1%	Annual	SIVPPS, KSRIV		
		Sheep & Goats: 36-60%	30-40%	To 20-30%	Annual	SIVPPS			
Output 2.4 Educational support is provided for animal health services operating more efficiently	2.4.1. 43 new vets enrolled in graduate university veterinary course	1.2.3.	0	43	43	Annual	Project M&E records Kyrgyz Agrarian University annual statistics	KNAU	Regular monitoring
	2.4.2. Number of new Private Vets with upgraded skills entering into practice in the project area.	1.2.1	0	20 (TBD)	60 (TBD)	Quarter		KNAU	Regular monitoring

⁶ Source for information: Strategy for Prevention and Control of Brucellosis in the Kyrgyz Republic (2012-2016).

⁷ Source for information: DDP&SSES data for 2013

⁸ Source for information: Strategy for Prevention and Control of Echinococcosis in the Kyrgyz Republic (2012).

Results	Indicators	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10
Component 3. Market/Value Chain Initiatives									
Outcome 3. Additional Market partnerships in the milk value chain facilitated by the project are providing incentives for productivity increases	C.3.1. 40 partnerships ⁹ between livestock farmer groups and processors/ market intermediaries		0	15	40	Annual	Project M&E records Beneficiaries	ARIS	Surveys
	C.3.2. Number of women groups able to reinvest profits		0	4	8	Annual	Project M&E records MT Survey Annual Surveys	ARIS	Surveys
Output 3.1 Higher quality and volumes of milk being sold to assured markets	3.1.1. 30 milk collection/cooling centres established	1.4.7.	0	10	30	Quarter	Project M&E records, Records from milk processing plants	ARIS	Surveys
	3.1.2. % of participating beneficiaries whose sale price of a litre of milk increased by at least 10%		0	50%	90%	Quarter	Beneficiaries	ARIS	
Output 3.2 Women's group sustainably processing milk products for market	3.2.1. Number of women's processing groups operational	1.4.7.	0	4	10	Quarter	Project M&E records Survey of women's milk processing group financial records	ARIS	Surveys
	3.2.2. Number of Women processing groups for which the value added in milk is increased by at least 20%		0	4	10				
	3.2.3. Number of women trained in post-production, processing and marketing	1.4.5.	0	TBD	TBD				

⁹ Establishment of partnerships between milk producers and cooling storage facilities and milk processing plants will be facilitated. Partnerships can be more or less formalized through contracts, but essential qualifying elements are the agreement on (a) an agreed and respected procurement price of liter of milk (eg, cow milk); (b) a clear and respected duration of the provision agreement; (c) clear clauses for interruption of the agreement.

Table 7: Justification for the revisions in the Project Logical Framework presented above

Results	Original Indicators after revision to be substituted with col (3)	Revised indicators together with International M&E Consultant, Mr. Tommaso Alacevich for review / revision, to substitute col (2)	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10	11
Goal. Contribute to the reduction in poverty and enhanced economic growth in pasture communities	1. 27 500 households with additional improvement in household assets ownership index	G.1. % of the 27,500 targeted households in the project area with additional improvement in household assets ownership index ¹⁰	Third level	0	10%	25%	BL, MT, IA	APIU Surveys: Baseline, mid-term review, project completion. National statistics (National Statistical Committee of KR). Studies to complement indicator based data	APIU	See RIMS methodology
	2. 10% reduction in the prevalence of child malnutrition	G.2. 10% reduction in the prevalence of child malnutrition	Third level	Issyk-Kul	TBD	10%				
Development Objective. Livestock productivity increases in Issyk-Kul and Naryn Oblasts reflected in improved and equitable returns to livestock farmers	1. The value of livestock and livestock products sold by participating households has increased by an average of 15%, compared with the pre-project level of sales (baseline survey).	O.1. Average value of livestock and livestock products sold by participating households increased by 15% of the average BL value (disaggregated by oblast)		Cattle: TBD	TBD	+15%	BL, MT, IA	APIU Surveys: Baseline, mid-term, completion.	APIU	Surveys
				Sheep: TBD	TBD	+15%				
				Goat: TBD	TBD	+15%				
				Horse: TBD	TBD	+15%				
				Milk: TBD	TBD	+15%				
	2. 15% of poor households have improved nutrition and food security from increased consumption of meat and dairy	O.2. Monthly consumption of meat and dairy products increased by xx% for 15% of targeted poor HHs (KG or L per month)		Meat: TBD	TBD	+xx%	BL, MT, IA	APIU Surveys: Baseline, mid-term, completion.	APIU	Surveys
Meat products : TBD				TBD	+xx%					
Milk: TBD				TBD	+xx%					

¹ The target of this indicator is 25% of the households, or 27 500 households out of the around 110 000 total households in the project area.

Results	Original Indicators after revision to be substituted with col (3)	Revised indicators together with International M&E Consultant, Mr. Tommaso Alacevich for review / revision, to substitute col (2)	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10	11
	products.			Dairy ¹¹ : TBD	TBD	+xx%				
Outcome 1. More productive and accessible pasture areas and increased supplementary feed available to community livestock	1. 25% increase in average milk yields and 15% increase in average weight of cattle/horses, sheep and goats sold in local markets	C.1.1.a Milk yields per year ¹² (litre / cow / year) (+15% of BL value)		Cow: TBD	10%	15% from BL value	BL, MT, IA	APIU Surveys: Baseline, mid-term, completion.	ARIS	Annual surveys as main information source. National Statistics disaggregated by rayon provides complementary information. Milk: cross-checked with data from milk collectors. Weight: cross-checked with local markets data.
		C.1.1.b Average live weight (Kg) of cattle, horses, sheep and goats sold in local markets.		Cattles: TBD	TBD	+15% of BL value				
				Horses: TBD	TBD	+15% of BL value				
				Sheep: TBD	TBD	+15% of BL value				
		Goats: TBD	TBD	+15% of BL value						
	2. 240 mt incremental of high quality/cleaned barley and 48 000 mt fodder are available in project communities by the end of the project period (assuming a 40% barley/60% fodder)	C.1.2.a 300 MT of growing high quality/cleaned barley sowed		0	100	300 MT	Annual	Reports from National Federation of Community Seed Funds	PUC SF	Public Union - Community Seed Fund reports Surveys with CSF and members beneficiaries to complement information.
		C.1.2.b 20 000 MT of fodder from sainfoin produced by project communities		0	100	20 000 MT				
		NEW 1.2.2. % of PUUs that allocate at least xx% ¹³ of the value of the investment for Operation & Maintenance (O&M) of completed		0	0%	25%	Annual	Annual reporting (after MT) Reports from	ARIS	Annual Surveys

¹¹ All other dairy products combined.

¹² Based on 300 lactation days per year.

¹³ Percentage is to be identified for each type of project.

Results	Original Indicators <i>after revision to be substituted with col (3)</i>	Revised indicators together with International M&E Consultant, Mr. Tommaso Alacevich <i>for review / revision, to substitute col (2)</i>	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10	11
		<u>projects (for applicable projects)</u>						National Federation of Community Seed Funds		
Output 1.1 Combined pasture and animal health plans incorporating needs and priorities of poor and women are implemented	1. 125 pasture and animal health plans completed 2. Priorities of poor households and women reflected in the plans; poor and women members of the PUU represented through focus groups confirm that their priorities are included in the plans	1.1.1. 100 pasture and animal health medium-term plans updated and approved	1.1.13	0	40	100	Annual	Annual reporting	PD	Surveys
		1.1.2. 65 % of poor households and women members of the PUU are satisfied by pasture and animal health plans		0	35%	65%	Annual	Annual reporting, questionnaire, minutes of focal groups, CPMP,	ARIS	Questionnaire, Survey
		1.1.3. Increase in pasture fees collected by 20% by the end of the project (moved from 1.3)		TBD	TBD	+20% on BL value	Annual	BL, MT, IA Surveys PD M&E records Pasture Committee records	PD	Reporting from Pasture Department
Output 1.2 Investments prioritized in Community Pasture Management Plans completed, functioning and sustainable	1. At least 125 community investment projects completed in line with annual planned targets	1.2.1. Number of micro-projects implemented in accordance with CPMP	1.1.16	0	40	100	Quarter	ARIS M&E records Annual Work Plans and Budgets PUUs' records	ARIS	Annual Surveys
Output 1.3 Demarcation of disputable pasture external boundaries have completed providing more effective use of pasture	1. Disputes regarding access to pastures reduced by 30%	1.3.1. Number of disputes regarding access to pastures has reduced by 10% of the baseline value		TBD	TBD	-10% of BL value	BL, MT, IA	BL, MT, IA Surveys	PD, APIU, ARIS	Reporting from Pasture Department Cross Checking with communities
	2. Increase in pasture fees collected by 20% by the end of the project									

Results	Original Indicators after revision to be substituted with col (3)	Revised indicators together with International M&E Consultant, Mr. Tommaso Alacevich for review / revision, to substitute col (2)	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10	11
Outcome 2. Healthier livestock with lower levels of mortality	1. Livestock mortality rates nationally reduced by 2%	C.2.1. Reduction of livestock mortality rates nationally by 2% throughout the country.		TBD	TBD	-2% on BL value	Annual	BL, MT, IA SIVPPS reports, Project M&E record	SIVPPS	Survey and National statistics take indicators of "Livestock mortality and diseases" from Ministry of Agriculture (quarterly) to compare data with project area.
	2. 80% of livestock farmer households in Issyk-Kul and Naryn have reductions in their animal mortality	C.2.2. % of livestock farmer HHs in project area with animal mortality reduced by xx%		0	40%	80%	Annual			
Output 2.1 Private vets (PVs) capacities are strengthened to provide animal health and production services on a financially sustainable basis	1. 250 CVs received training	2.1.1. 250 Private Vets received training	1.5. 3.	0	80	250	Quarter	SIVPPS reports, Project M&E records	ARIS	Regular reporting of CDSO (ARIS)
	2. 250 veterinary packages provided to CVs	2.1.2. 250 veterinary packages provided to PVs		0	80	250	Quarter			
	3. 50 AI businesses being operated by CVs by the end of the project	2.1.3. 50 AI businesses being operated by PVs by the end of the project		0	20	50	Quarter			
	(From output 2.3.) Preparation of secondary legislation and its harmonization with law facilitate the implementation of Vet Law with a view to ensuring effective legal framework for community veterinary service activity	2.1.4. Secondary legislation harmonized with Vet Law		0	1	1	Annual	The law «On veterinary», regulations subsidiary legislation, OIE country reports	SIVPPS	SIVPPS report, regulations subsidiary legislation, OIE country reports
Output 2.2 Animal health sub-committees (AHSC) are functioned to provide support to Pasture Committees on animal	1. 125 Animal Health Sub-Committees of Pasture Committees formed and trained	2.2.1. Number of AHSC functioning by the end of the project	1.1. 10	0	40	125	Quarter	District project quarterly reports Project M&E records	ARIS	Regular reporting of CDSO (ARIS)
		2.2.2. Number of AHSC members trained to control and organize	1.1. 11	0	200	625	Quarter			

Results	Original Indicators <i>after revision to be substituted with col (3)</i>	Revised indicators together with International M&E Consultant, Mr. Tommaso Alacevich <i>for review / revision, to substitute col (2)</i>	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10	11
health concerns		<i>activities for Animal Health</i>								
Output 2.3 Number of incidence of brucellosis and echinococcosis are reduced at national level	1. Incidence of Brucellosis in sheep and echinococcosis reduced nationally by 30% and 15% respectively by end of the project	2.3.1. National incidence of brucellosis in animals (sheep and cattle) ¹⁴		Sheep & Goats: TBD Cattle: TBD	TBD	-30% on BL value	Annual	SIVPPS, KSRIV	SIVP SS	Statistics disaggregated by Oblast / Rayon
				Human: TBD	TBD	TBD		DDP&SSES, M&E data of project		
	2. Preparation of secondary legislation and harmonization with related legislation enables the Veterinary Law to provide an effective legal framework for community veterinary work	2.3.2. National incidence of echinococcosis		Human ¹⁵ : 1050	TBD	TBD	Annual	DDP&SSES, OIE country reports	SIVP SS	Statistics disaggregated by Oblast / Rayon
		Dogs ¹⁶ : 13-26%	5-10%	1%	Annual	SIVPPS, KSRIV				
		Sheep & goats: 36-60%	30-40%	To 20-30%	Annual	SIVPPS				
Output 2.4 Educational support is provided for animal health services operating more efficiently	1. 120 new vets entering veterinary practice and 60 CVs upgrading their skills	2.4.1. 43 new vets enrolled in graduate university veterinary course	1.2.3	0	43	43	Annual	Project M&E records Kyrgyz Agrarian University annual statistics	KNA U	Regular monitoring
		2.4.2. Number of new Private Vets with upgraded skills entering into practice in the project area.	1.2.1	0	20 (TBD)	60 (TBD)	Quarter		KNA U	Regular monitoring

¹⁴ Source for information: Strategy for Prevention and Control of Brucellosis in the Kyrgyz Republic (2012-2016).

¹⁵ Source for information: DDP&SSES data for 2013

¹⁶ Source for information: Strategy for Prevention and Control of Echinococcosis in the Kyrgyz Republic (2012).

Results	Original Indicators <i>after revision to be substituted with col (3)</i>	Revised indicators together with International M&E Consultant, Mr. Tommaso Alacevich <i>for review / revision, to substitute col (2)</i>	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10	11
Outcome 3. Additional Market partnerships in the milk value chain facilitated by the project are providing incentives for productivity increases	1. 40 partnerships between livestock farmer groups and processors/ market intermediaries	C.3.1. 40 partnerships ¹⁷ between livestock farmer groups and processors/ market intermediaries		0	15	40	Annual	Project M&E records Beneficiaries	ARIS	Surveys
		NEW C.3.2 Number of women groups able to reinvest profits		0	4	8	Annual	Project M&E records MT Survey Annual Surveys	ARIS	Surveys
Output 3.1 Higher quality and volumes of milk being sold to assured markets	1.30 milk collection/cooling centres established	3.1.1. 30 milk collection/cooling centres established	1.4.7	0	10	30	Quarter	Project M&E records, Records from milk processing plants	ARIS	Surveys
	2. Price per litre of milk increases by 10%	3.1.2. % of participating beneficiaries whose sale price of a litre of milk increased by at least 10%		0	50%	90%	Quarter	Beneficiaries		
Output 3.2 Women's group sustainably processing milk products for market	1.10 women's processing groups operating at the end of the project	3.2.1. Number of women's processing groups operational	1.4.7	0	4	10	Quarter	Project M&E records	ARIS	Surveys
	2. Value added in milk improves by 20%	3.2.2. Number of Women processing groups for which the value added in milk is increased by at least 20%		0	4	10		Survey of women's milk processing group financial records		

⁸ Establishment of partnerships between milk producers and cooling storage facilities and milk processing plants will be facilitated. Partnerships can be more or less formalized through contracts, but essential qualifying elements are the agreement on (a) an agreed and respected procurement price of liter of milk (eg, cow milk); (b) a clear and respected duration of the provision agreement; (c) clear clauses for interruption of the agreement.

Results	Original Indicators <i>after revision to be substituted with col (3)</i>	Revised indicators together with International M&E Consultant, Mr. Tommaso Alacevich <i>for review / revision, to substitute col (2)</i>	RIMS code	Baseline value	Mid-term target (PY2)	Final Target (PY5)	Frequency	Means of Verification	Responsible agency	Methods of collection
1	2	3	4	5	6	7	8	9	10	11
		NEW 3.2.4. Number of women trained in post-production, processing and marketing	1.4. 5.	0	TBD	TBD				

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

Table 8: Key actions within agreed timeframes

Action Area	Action Agreed	Date	Whom	Progress
Programme Implementation	Submission of Baseline survey report and complete establishing the project M&E system including MIS	31 December 2014	APIU	
	Provision of detailed recommendations for the Animal Health Educational Programme	15 February 2015	APIU/OIE	
	Analysis of legal issues (pasture management) to be conducted and recommendations developed	31 December 2014	PROG/DP	
	Prepare and submit report on the results of the Pilot (Consortium's) activities in the first 8 PUUs, revised Manual for the Preparation of CLPDPs and action plan	31 December 2014	ARIS	
Outputs	Preparation and submission to IFAD of first ten CLPDPs	End April 2015	ARIS	
	Preparation and submission to IFAD of first ten grant sub-projects	End May 2015	ARIS	
Sustainability	Issue the revised Veterinary Law	31 December 2014	APIU/MOAM	
	Provision of detailed recommendations for the Veterinary Law/Code	31 January 2014	APIU/OIE	
	All draft changes to legislation related to pasture management to be submitted to the IFAD for comments	31 December 2014	PD	
Fiduciary Aspects	Submission of a revised unified PIM (for both LMDPI and LMDPII) to IFAD and PCRG for approval	31 December 2014	APIU	
	Formalise bank reconciliation process	As soon as possible	Chief Accountant	
	Finalisation of 2015 AWPB	31 December 2014	APIU Director	

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

Table 9: Physical progress measured against AWP&B

FIRST LEVEL RESULTS										
Results			Unit	Period ending: AWP&B	31-Dec Actual	% of AWPB	Cumulative Appraisal	Actual	% of Appraisal	Sum of actuals of previous years
Total Outreach		People receiving project services	Male		80	0	300	200	67%	120
		People receiving project services	Female			0			-	
		Households receiving project services	Number			0	27 500		0%	
		Communities receiving project services	Number			0			-	
					0				-	
					0				-	
					0				-	
					0				-	
Component	Sub Component									
Component Name	Sub Component Name									
Community Based Pasture Management	Community Pasture Management and Investments.	Environmental management plans formulated	Number			0	100		0%	
		People trained in community management topics	Number							
		People trained in community management topics	Female							
		Other productive infrastructure constructed/rehabilitated	Number							
	Pasture Institutional Strengthening	Government officials and staff trained	Number			0			-	
						0			-	
Livestock Health and Production Services	Strengthening Veterinary and Community Animal Health Services	People trained in business/entrepreneurship	Male			0	250		0%	
		Groups involved in NRM formed/strengthened	Number			0	125		0%	
		People in natural resources management groups formed/strengthened	Number							
		People in natural resources management groups formed/strengthened	Female							
	Animal Health Education and Capacity Building	People trained in livestock production practices and technologies	Male			0	43		0%	
		People trained in livestock production and technologies	Female			0			-	
						0			-	
Market/Value Chain Initiatives	Programme Development and Implementation	People trained in post-production, processing and marketing	Male			0			-	
		People trained in post-production, processing and marketing	Female							
		Processing facilities constructed/rehabilitated	Number			0	30		0%	

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

Table 10: Financial performance by financier

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	10000.0	617.0	6%
IFAD grant	18000.0	861.0	9%
Co-financier	N/A	N/A	N/A
Government	520.0	9.0	2%
Beneficiaries	5274.0	0	0%

Table 11: Financial performance by financier by component (USD '000)

Components	Loan IFAD			Grant IFAD			Government			Beneficiaries			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
A. Community-based Pasture Management	6 289	27	0,44%	4 701	490	10%	39	0,14	0,4%	2 031	0,00	0%	13 060	518	4,0%
1. Community Pasture Management and Investments	6 174	0,67	0,0001	4 173	416	9,96%	23	0	0	2 031	0	0	12 401	417	5%
APIU		0		1 035	19	2%							1 035	19	2%
ARIS	6 174	0,67	0,01%	3 138	397	13%	23			2 031			11 366	398	3%
2. Pasture Institutional Strengthening	115	27	23%	528	74	14%	16	0,14	0,88%	0			659	101	15%
APIU	115	27	23%	528	74	14%	16	0,14	0,88%				659	101	15%
ARIS													0		
B. Livestock Health and Production Services	1 966	280	14%	4 736	322	7%	450	6,95	2%	2 853	0	0%	10 005	609	6%
1. Strengthening Veterinary and Community Animal Health Services	19	0		1 344	101	18%	13	5,76	44%	463		0%	1 839	107	16%
APIU	19	0		565	101	18%	13	5,76	44%	88			685	107	16%
ARIS				779						375	0	0%	1 154	0	
2. National Disease Control Programme	1 723	273	16%	2 724	205	8%	393	0,96	0%	2 390			7 230	479	7%
APIU	1 723	273	16%	2 724	205	8%	393	0,96	0,24%	2 390			7 230	479	6,62%
3. Animal Health Education and Capacity Building	224	7,02	3%	668	16	2%	44	0,23	0,53%	0			936	24	2,54%
APIU	224	7,02	3%	668	16	2%	44	0,23	0,53%				936	24	2,54%
C. Market/Value Chain Initiatives ARIS	660	0		218	0	0%	2	0	0%	390	0	0%	1 270	0	0%
D. Project Management	1 085	310	29%	345	49	14%	29	1,80	6%	0			1 459	360	25%
4.1 Project Management/ APIU	1 073	309	29%	207	11	5%	28	0,90	3%				1 308	321	25%
4.2 Monitoring and Evaluation/APIU	12	1,23	10%	138	38	27%	1	0,90	90%				151	40	26%
Total:	10 000	617	6%	10 000	861	9%	520	9	2%	5 274	0	0%	25 794	1 487	6%

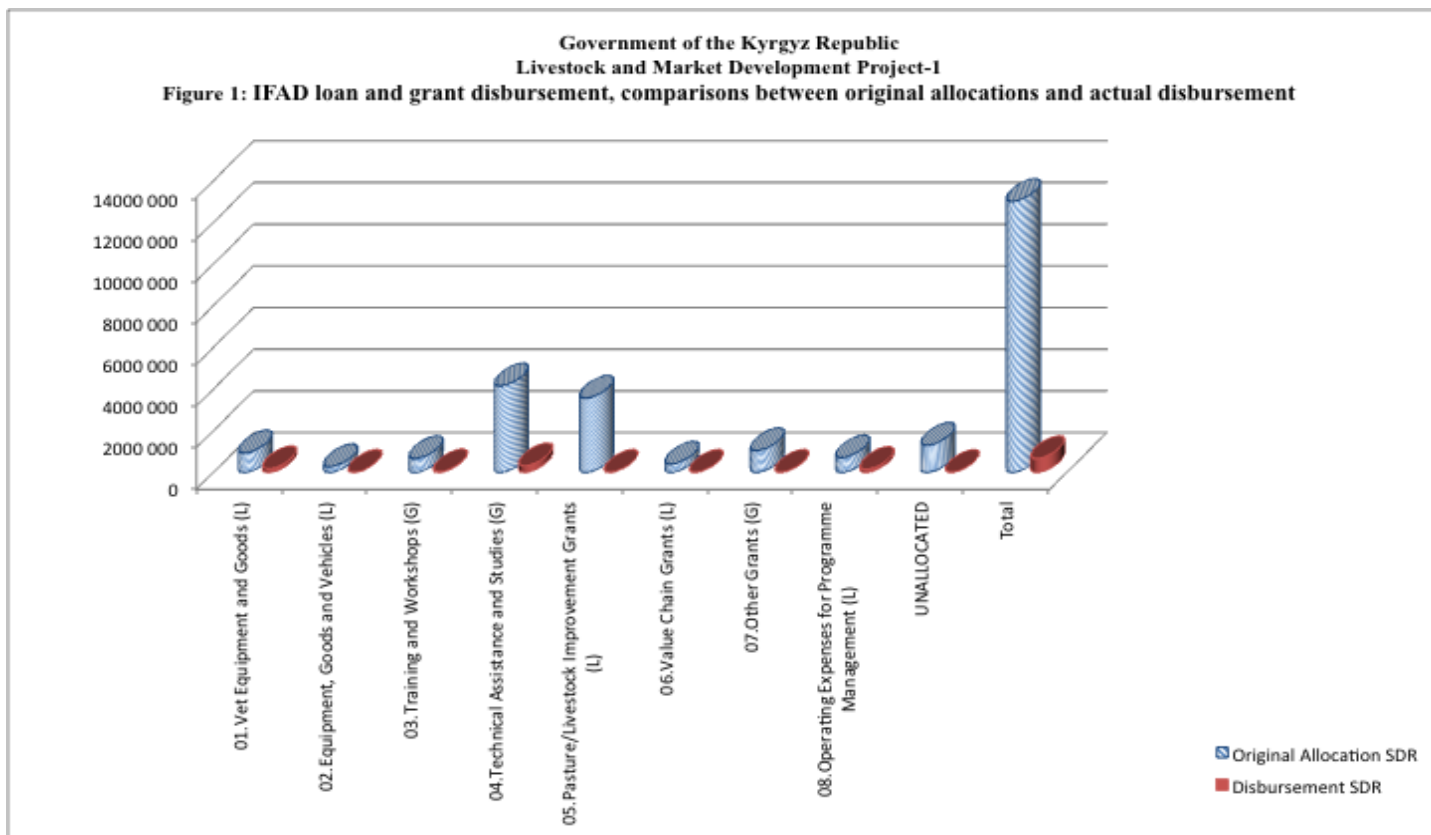
Table 12: IFAD loan disbursements (SDR, as of 31-10-2014)

Category Code IFAD	Expenditure Category	Original Allocation		Revised Allocation	Disbursement		W/A pending	Balance		Per cent disbursed to SDR rate
		SDR	USD		SDR	USD		SDR	USD	
122526	01.Vet Equipment and Goods (L)	930 000	1 430 777	0	168273,06	257158,85	0	761 726,94	1173 618,25	18%
122527	02.Equipment, Goods and Vehicles (L)	270 000	415 387	0	387,38	598,56	0	269 612,62	414 788,34	0%
122528	05.Pasture/Livestock Improvement Grants (L)	3 560 000	5 476 953	0	0,00	0	0	3560 000,00	5476 953,20	0%
122529	06.Value Chain Grants (L)	390 000	600 003	0	0,00	0	0	390 000,00	600 003,30	0%
122530	08.Operating Expenses for Programme Management (L)	700 000	1 076 929	0	144319,05	220468,04	0	555 680,95	856 460,96	21%
122531	UNALLOCATED	650 000	999 951	0	0,00	0	0	650 000,00	999 950,50	0%
75305	Initial deposit (Designated Account DA-E /APIU)				325535,47	500 000,00		-325 535,47	-500 000,00	
75307	Initial deposit (Designated Account DA-E /ARIS)				324 429,99	500 000,00		-324 429,99	-500 000,00	
	Total	6 500 000	10 000 000	0	962 944,95	1478 225,45	0	5537 055,05	8521 774,55	15%

Table 13: IFAD grant disbursements (SDR, as of 31-10-2014)

Category Code IFAD	Expenditure Category	Original Allocation		Revised Allocation	Disbursement		W/A pending	Balance		Per cent disbursed to SDR rate
		SDR	USD		SDR	USD		SDR	USD	
122088	03.Training and Workshops (G)	660 000	1 015 390	0	25893,65	39563,1	0	634 106,35	975 827,10	4%
122089	04.Technical Assistance and Studies (G)	4 150 000	6 384 651	0	310885,76	475028,86	0	3839 114,24	5909 621,64	7%
122090	07.Other Grants (G)	1 040 000	1 600 009	0	4338,10	6564,54	0	1035 661,90	1593 444,26	0%
122091	UNALLOCATED	650 000	999 951	0	0,00	0	0	650 000,00	999 950,50	0%
75311	Initial deposit (Designated Account DA-E /APIU)		0		324285,19	500000		-324 285,19	-500 000,00	
75310	Initial deposit (Designated Account DA-E /ARIS)		0		326045,13	500 000		-326 045,13	-500 000,00	
	Total	6 500 000	10 000 000	0	991447,83	1 521 156,50	0	5508 552,17	8478 843,50	15%

Figure 1: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement



Appendix 6: Compliance with legal covenants: Status of implementation

Table 14: Compliance with legal covenants

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 4.01	Opening of the Designated Account	Opening prior to Effectiveness	Complied with	Special Account with Kyrgyz Investment and Credit Bank
Section 4.01	Opening of the Project Account	Loan/Grant Covenant	Complied with	Special Account with Kyrgyz Investment and Credit Bank
Section E.2.a	The Programme Implementation Manual approved by IFAD	Disbursement condition	Complied with	PIM was approved by IFAD in September 2013
Section E.2.b	The Programme Coordination and Reference Group (PCRG) has been duly established	Disbursement condition	Complied with	PCRG was established by the MOA order dated 13 January 2014
Section E.2.c	The APIU and ARIS have been fully staffed to the satisfaction to the Fund	Disbursement condition	Complied with	
Section 4.08	Eligible Expenditures	IFAD financing proceeds to be used exclusively to finance Eligible Expenditures	Complied with	
Section 7.01	Annual Work Plans and Budgets and Procurement Plans to be submitted to Fund	No later than 60 days before beginning of each Fiscal Year	Complied with	Draft AWPB was discussed in July 2013, final draft AWPB was submitted to IFAD in August 2013, approved by IFAD in September 2013.
Section B.8	Availability of Grant Proceeds and Counterpart Funds	Continuous	Complied with	
Section 7.05	Procurement of goods, civil works and services in accordance with the IFAD Procurement Guidelines	Continuous	Complied with	
Section 8.02	Monitoring, establishment of information management system	Continuous	Complied with, but requires update	To be fully established after completion of the baseline survey
Section 8.03	Progress Reports to be submitted to IFAD on a six-monthly basis	No later than six weeks after the end of each six-month period	Complied with	
Section 8.03	A Mid-Term Review to be carried out jointly by Borrower and IFAD	No later than 36 months after the Effective Date	N/A	
Section 9.02	Submission of Financial Statements	Within 4 months after the end of each fiscal year	Complied with	
Section 9.03	Audit Reports on project accounts of each year to be submitted to Fund	Within 6 months after the end of each fiscal year	N/A	

Appendix 7: Knowledge management: Learning and Innovation

Learning

The Livestock and Market Development Programme (LMDP) has started in September 2013, and in its first year in addition to establishing programme's infrastructure and agreeing on activities of all implementing partners, it focused on testing of approaches and elaboration of arrangements for implementation at a larger scale. However, the programme has started accumulating lessons.

Lesson 1: To implement the programme of such complex and highly innovative nature in a situation, when new institutions are being established and arrangements elaborated at the country level, it is crucial to have a close collaboration of all involved parties to agree the approaches and compliment activities. A consortium established by ARIS with four other state and non-governmental organizations (Pasture Department, GIZ Center, Camp Ala Too, and RDF) by agreeing approaches and closely coordinating activities was able to test and finalize the approach to development of Community Livestock and Pasture Development Plans (CLPDP) within a short period of time. Joint testing on the ground of interlinked activities undertaken by these five institutions in development of CLPDP revealed gaps and weak points in the process and generated suggestions for improvement. As soon as the process is documented in Guidelines for Elaboration of the CLPDP, it can be mainstreamed in LMDP at a larger scale.

Recommendation: If there are more than few parties engaged in designing of one product, in order to ensure synergy, it is important to establish a formal or informal task group led by the implementing agency. Such a task group needs to communicate on a regular basis and reflect on each step undertaken in the process.

Lesson 2: Contracting the OIE for five years to support implementation of the Animal Health Component has been instrumental in ensuring the complex approach to different activities in area of veterinary services delivery, and further development of a vision in veterinary sector reforms.

Recommendation: The programme needs to continue closely working with the OIE in ensuring technical back up support to various initiatives undertaken within LMDP.

Lesson 3: Despite the fact that pasture management devolution to the local government and PUU level was formalized in Pasture Law adopted in January 2009, there is still thinking among policy makers in Parliament and in the Government bodies on abolition of the PUU/PCs and transfer of the management functions to *aiyl okmotus* (local government body). This perception is caused by lack of understanding of a new community management system and its operation. Conference organized by the GIZ and IFAD and co funded by IFAD-financed projects in Tajikistan and Kyrgyzstan in November 2014, brought to Kyrgyzstan a global experience in area of community based pasture management. Practitioners and policy makers in pasture management were able to learn about negative results of fragmentation and privatization of pasture lands in China, Africa and to reflect these lessons to own situation.

Recommendations: It is extremely important for the programme to undertake various studies on a new pasture management system and widely disseminate results. Organizing workshops, conferences with evidence based information on functioning of the new pasture management system and effect it brings to sustainable use of pasture resources and increase of income, would generate broader support to the reforms and prevent from making adverse policy decisions. It is crucial to have a strong support base to pasture management reforms among local policy makers. It is also recommended to have a clear Communication strategy and programme to disseminate information about issues faced by the PUUs/PCs and positive change they bring to management of environmental resources. Briefly describe best practices or key lessons identified by supervision mission, indicators rated 6 in Appendix 1 should be included.

Innovation: Describe any interesting innovation noted during supervision

Social mobilization process through incorporation of locality based traditional networks

As mentioned earlier, the devolution of pasture management functions to users at the country level is a highly innovative experience in global terms. Developing institutional arrangements and approaches that unique to the world is a complex and challenging task. The programme is elaborating and testing several new or revised approaches to formation of the Pasture Committees, to introduction of community mapping into pasture management and planning, and the social mobilisation process.

ARIS is an experienced and highly professional organisation in the area of community mobilisation and empowerment. One of the lessons learned under the AISP was that it is becoming challenging to mobilise communities to form PCs, to discuss and make decisions at the general village meetings. The programme is introducing innovation, with social mobilisation process based on traditional networks and decision making specific to localities. In some communities, social mobilisation is currently conducted through clusters' leaders either based on streets, blocks in the village, or on clans and sub clans. It is aimed to expand outreach of information and knowledge to as many households in community as possible. The mission observed in the field that such approach is more effective and suitable for Kyrgyzstan conditions, when villages often located far from each other and from the central village, where *aiyl okmotu* is seated. It is time consuming and sometimes expensive for people to come to the meeting at the *aiyl okmotu* and thus cluster/network system is well accepted by population.

Appendix 8: Audit Log

The Audit of the FY 2013 is the first audit to be undertaken, and it has been agreed to merge it with the FY 2014 due to the low volume of financial transactions (with no objection from IFAD).

Table 15: Audit log

Financial Year	Audit Observations as per Audit Report		Audit Observations Settled		Audit Observations Outstanding	
	Numbers	Value (BDT)	Numbers	Value (BDT)	Numbers	Value (BDT)
2013	NA	-	-	-	-	-
Total:	0	-	0	-	0	-

Appendix 9: Supervision Mission Schedule and Persons met

Table 16: Supervision mission schedule

Date	Mission Schedule
5 November	Mission arrives in Bishkek (Ms Asyl Undeland)
6 November	Field visit to Ulakhol aiyl aimak, Issyk Kul oblast, participation in training of PCC on Community Livestock and Pasture Development Plan conducted by CAMP
7 November	Field visit to Ulakhol aiyl aimak, Issyk Kul oblast, participation in institutional diagnostics testing of PUU and PC conducted by RDF Field visit to Bokonbaevo aiyl aimak, Issyk Kul oblast, participation in training of PCC on Community Livestock and Pasture Development Plan conducted by CAMP Meeting with Jety Oguz Iskhov to discuss issues of cooperation with PUUs
8 November	Field visit to Ak Suu Iesnichestvo, to discuss issues of cooperation with PUUs
9 November	Field visit to Emgekchil aiyl aimak, Naryn oblast, participation in institutional diagnostics testing of PUU and PC conducted by RDF
10 November	Field visit to Emgekchil aiyl aimak, Naryn oblast, meeting with aiyl okmotu, aiyl kenesh members and members of PC, discussion of model implementation by the Pasture Department
11 November	Mission arrives in Kyrgyzstan (Mr Frits Jepsen and Ms Anara Jumabayeva). Mission Team meeting and discussions.
12 November	Meetings with APIU and ARIS, ARIS technical group, PD, CAMP Ala Too, RDF
13 November	Meetings with UNDP Operations Manager, ARIS technical group, PD, Kyrgyz Scientific and Research Institute of Livestock and Pastures (KSRILP), CAMP Ala Too, GIS Center, RDF
14 November	Meetings with APIU, ARIS, Veterinary Chamber, M&E personnel of APIU
15-16 November	Field visit to Issikul oblast to meet with Kara-Oy, Djete-Oguz, Darhan and Barskoon Pasture Committees, local administrations, village councils and ARIS field representatives
17 November	Participation in the International conference on sustainable pasture management, meetings with Rector of the Kyrgyz National Agrarian University, financial and procurement personnel of ARIS and APIU
18 November	Participation in the International conference on sustainable pasture management, meetings with financial and procurement personnel of APIU, the State Inspection on veterinary and phytosanitary security, UN Women, FAO, WFP
19 November	Meetings with EBRD, PD, Community Seed Fund. Wrap-up meeting with the Ministry of Finance
20 November	Drafting Supervision Report
21 November	Wrap-up meeting with Minister and Deputy Minister of Agriculture, the APIU and ARIS
22-23 November	Drafting Supervision Report
24-25 November	Discussions with ARIS, PD, RDF and Camp Ala Too
26 November	Discussions with KAPC and ARIS teams
27 November	Discussions with PROG of the PD and ARIS team
28 November	Meetings with FAO and ARIS teams

Appendix 10: Summary of Implementation Support Provided by IFAD

So far, IFAD has undertaken a start-up mission and one implementation support mission. The major inputs provided include preparation of: Programme Implementation Manual; key TOR; format of Memorandum of Understanding between the APIU and implementing partners; first AWPB and PP, baseline survey's TOR, methodology and questionnaire; RIMS; financial management and procurement manuals together with all relevant forms; development of mobilization and targeting strategy; support to Pilot Phase in 8 PUUs, and support to preparation of template Community Livestock and Pasture Development Plan.