



Investing in rural people

Kingdom of Lesotho

Wool and Mohair Promotion Project (WAMPP)

Annual Supervision Report

Main report and appendices

Mission Dates: 31-Oct – 11-Nov-2016
Document Date: 16-Dec 2016
Project No. 2000000053
Report No: 4358-LS

East and Southern Africa Division
Programme Management Department

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Abbreviations and acronyms

ASAP	Adaptation for Smallholder Agriculture Project
ATOs	Area Technical Officers
BDS	Department of Building Design Services
CAHWs	Community Animal Health Workers
DAPOs	District Animal Production Officers
DAR	Department of Agricultural Research
DLS	Department of Livestock Services
DPPC	District Project Coordination Committee
DRRM	Department of Range Resources Management
DVOs	District Veterinary Officers
FA	Financing Agreement
FIT	Field Implementation Team
GoL	Government of Lesotho
LAC	Lesotho Agricultural College
LDSF	Land Degradation Surveillance Framework
LMS	Lesotho Meteorological Services
LNWMGA	Lesotho National Wool and Mohair Growers Association
M&E	Monitoring and Evaluation
MAFS	Ministry of Agriculture and Food Security
MEM	Ministry of Energy and Meteorology
MFRSC	Forestry, Range and Soil Conservation
MSCM	Ministry of Small Business Development, Cooperatives, and Marketing
MPAT	Multidimensional Poverty Assessment Tool
NUL	National University of Lesotho
NRM	Natural Resource Management
PCTC	Project Consultative Technical Committee
PCU	Project Coordination Unit
PIM	Project Implementation Manual
RDF	Rangeland Development Fund
RIMS	Results and Impact Management System
WAMPP	Wool and Mohair Promotion Project

A. Introduction¹

1. The Wool and Mohair Promotion Project (WAMPP) was approved by the IFAD Executive Board in September 2014 for a loan and a DSF grant of USD 11.6 million on a 50% - 50% basis. The Project is also funded by the Government of Lesotho (GoL) (USD 4 million), an Adaptation for Smallholder Agriculture Project (ASAP) grant (USD 7 million), the Lesotho National Wool and Mohair Growers Association (LNWMGA) and the beneficiaries (USD 1.5 million), OPEC Fund (USD 12 million) and beneficiary contribution (USD 0.36 million), and an amount of USD 2.8 million as later increased contributions. The project's goal is to boost the economic and climate resilience of poor, smallholder wool and mohair producers to adverse effects of climate change in the Mountain and Foothill Regions of Lesotho; its development objective is to (i) enable smallholder livestock producers to generate higher incomes and more sustainable livelihoods; and (ii) increase their ability to cope with and recover from natural shocks. The project investments and interventions were designed for a duration of seven years under three technical components, which are: (A) Climate-smart rangeland management, (B) Improved livestock production and management, and (C) Wool and mohair fibre handling and marketing. The Financing Agreement was signed on June 2015; its completion date is 30 June 2022, and the financing closing date 31 December 2022.
2. The first IFAD direct supervision mission for the project was conducted during 31 October – 11 November 2016 in the Kingdom of Lesotho. This mission focuses on: (i) reviewing the most recent progress; (ii) validating the results through discussions with beneficiaries, project partners, stakeholders, private sector and government; and (iii) providing implementation support to project staff to expedite the fulfilment of pre-disbursement conditions and project start-up. The mission undertook field visits in the project areas of Semonkong and Quthing. Meetings and consultations were held with Ministry of Agriculture and Food Security (MAFS), Forestry, Range and Soil Conservation (MFRSC), Ministry of Small Business Development, Cooperatives, and Marketing (MSCM), Ministry of Energy and Meteorology (MEM) and their respective service departments, LNWMGA, district administrations and technical services in the visited districts, and discussions with beneficiaries in the visited communities. A wrap-up meeting was held in Maseru on 11 November 2016 to highlight the mission's findings and recommendations. An aide memoire was signed as joint agreement of the two parties on assessment of past performance, and related actions and follow-ups for further project implementation.

B. Overall assessment of WAMPP implementation

3. **The project's overall assessment of implementation** is rated *moderately unsatisfactory* (3) in view of the incomplete preparedness of the operational management structure, particularly in fulfilling the conditions precedent to the withdrawal of IFAD funds and forging institutional partnerships for implementation. The position of M&E Officer in the Project Coordination Unit (PCU) still needs to be filled. Modest realisations have been reported in both financial and physical terms, mainly related to project start-up. Review of ongoing preparatory works by the mission showed first signs of consistency and coherence with the design under technical components. By 31 October 2016, total project implementation recorded a financial achievement of USD 250,000, or 71% of the available funding for project start-up; 87% of the expenditures were recorded for project management and the remaining 13% under component A.

¹ Mission composition: Mr Peter Situ, Team Leader; Mr Stephen Twomlow, Climate and Environment Specialist, IFAD HQ; Mr Gareth Bath, Livestock Specialist; Ms Eva Jordans, Value Chain Specialist; and Mr Mohamed El-Ghazaly, M&E and KM Specialist. Mr Thomas Rath, IFAD Country Programme Manager for Lesotho joined the mission during 07 – 11 Nov. 2016 in Maseru, and Ms Tiffany Minjauw, Junior Consultant Climate and M&E during 06 – 11 Nov. 2016. The mission would like to record its appreciation to the Government of Lesotho and its related ministries and departments, PCU and LNWMGA, district-level administration and technical services in visited districts, and beneficiaries met for their cooperation and hospitalities extended to the mission.

4. **Likelihood of achieving development objectives** is rated *moderately satisfactory (4)* in view of the early stage of implementation and the delayed start-up of the project (i.e. 1 year after signing of the financing agreement). Start-up operations and component-wise preparatory works have been in line with the project design, the PCU staff and project parties are capable and motivated, while some critical actions such as the set-up of the Project Steering Committee still need to be accomplished.

Agreed action	Responsibility	Agreed date
Complete the set-up of operational management structure from district to national levels	MDP, MOF, MAFS, MFRSC, MSCM, LNWMGA, PCU	By 30 Nov. 2016

C. Outputs and outcomes

5. **Components.** Field implementation of technical components has not yet started since the official start-up in June 2016. One of the main stumbling blocks are the pending agreements between the key project ministries and with the LNWMGA, the Lesotho Meteorological Services (LMS) and other service providers. It is essential that Components A, B and C fast track a single consolidated MoU between MAFS and LNWMGA together with the establishment of a task force in LNWMGA. The following paragraphs constitute an overview of the mission's assessment on the components and their key activities, especially with regard to their operational preparedness. Guidance to the implementing entities has been provided in the technical annexes to the supervision report.
6. **Component A: Climate-smart rangeland management** is rated *moderately satisfactory (4)* in view of the preparatory works achieved. This component aims at assisting the livestock producers to manage their rangelands in a sustainable and climate-smart way. It is expected to be achieved through the implementation of two sub-components. Up to end October 2016, moderate financial and physical progress was recorded.
7. **A1 – Effective information for climate smart rangeland management** aims at establishing a new rangeland management baseline for enhanced biophysical and climatic monitoring.
8. *A1.1 The draft Rangeland Act* is one of the anticipated outputs as per the design of WAMPP. It is encouraging to note that the draft Act has been developed by Department of Range Resources Management (DRRM) and is currently under review with the Parliamentary Counsel of the Ministry of Law and Constitutional Affairs. It will be essential that the draft Act is reviewed by all three Component Managers to identify how the Act and its implementation could further enhance the activities under WAMPP. The activities of the three components should be mapped against the Act and then shared with all stakeholders for review and endorsement. For example, issues of stocking rates in rangelands and the required culling should be discussed and included in future planning to enhance the productivity and sustainability of the rangelands as a key condition for a highly remunerative and sustainable wool, mohair and meat production in Lesotho.
9. *A1.2 Establishment of a national biophysical rangeland monitoring and evaluation system* based on the "Land Degradation Surveillance Framework (LDSF)". The PCU and ICRAF, as the lead service provider, have been preparing the terms of reference and a draft contract is being negotiated. The PCU needs to revisit the key deliverables in the MoU and agree on timelines, and clarify that the National University of Lesotho (NUL) will undertake the digitalization and analysis of 30 years of synoptic weather maps in collaboration with LMS and Reading University, UK. The outputs of this work will contribute to the vulnerability maps of the rangelands that will be developed under WAMPP. Work on the sentinel sites should commence in Project Year 2 once contracts are signed.
10. *A.1.3 The National Baseline Assessments of Rangelands.* This activity is planned to coincide with establishment of the LDSF sites in Year 3.
11. *A.1.4 Developing the Climate Information systems* would be achieved through investments in the national network of meteorological stations, and an enhanced understanding of farmers'

- and extension staff needs for climate information. The above activity will lead to activity *A1.5 Prepare climate risk and vulnerability maps for rangelands and target hot spots*. Contracts and MoUs are being prepared with LMS and Reading University to deliver for both A 1.4 and 1.5.
12. As regards to the draft Project Implementation Manual (PIM), it will be important to consolidate the ToRs detailed for the NUL in Annex 1 a and b - Appendix 3 into one single MoU upon agreement with NUL. Similarly, the MoUs/contracts with LMS, ICRAF and Reading need to be revised to ensure that roles and responsibilities stipulated in these contracts are compatible with the collaboration of WAMPP with NUL.
 13. One outstanding issue that needs to be addressed by the Component-A Manager is the initiation and involvement of the DRRM-GIS unit to ensure that capacity building needs (both training and equipment) at both district and national level are clearly identified and agreed.
 14. Besides activity *A1.5 Preparing climate risk and vulnerability maps for rangelands and target hot spots*, the start-up of *A1.6 Establishing an early warning system for climate risks based on an SMS system*, and *A1.7 Strengthened institutional adaptive capacity to implement adaptation measures* are planned for PY2.
 15. **A2 Climate Smart Participatory Rangeland Management** was designed to establish a national wide, community-based climate resilient rangeland management.
 16. Some initial activities have been planned and will commence in Q4 of 2016. These include *A2.1 Sensitization of communities on WAMPP* (10 district councils, 80 community councils and 23 principal chiefs) and *A2.2 Review and Development of Best Practice Guidelines* for secured access to rangelands and establishment of Rangeland Management Associations and Village Grazing Schemes. The operational structures at district level need to be established as soon as possible. The technical annex provides guidance for the operationalization of the Rangeland Development Fund (RDF) that will be inaugurated in PY2 and the steps agreed to develop a programme of on-station and on-farm Forage Trials in collaboration with Component B.
 17. **Component B: Improved livestock production and management** is rated *moderately satisfactory (4)* in view of preparatory works by the PCU and stakeholders. This component aims at supporting the smallholder sheep and goat producers to increase the production of superior quality wool and mohair. The PCU was preparing the related implementation arrangements notably the performance-based contract between MAFS and LNWMGA and the ToR for the breeding policy among others. These agreements are a precondition for the field level implementation as outlined below. The technical annex provides further step by step guidance to the PCU and stakeholders in order to commence activities as stipulated in the Financing Agreement.
 18. Overall, component-related activities under the AWPB 2016-2017 are well articulated but would benefit from further elaboration as regards to specific roles and responsibilities. Key agreements and contracts have been drafted but are yet to be approved and signed. The following observations were drawn based on the field visits, discussions with the Component B manager and LNWMGA.
 19. **B1 – Improved livestock nutrition**. In project year 1, the focus will be on a review of all available work on forages and pasture management in Lesotho and South Africa prior to the development of on-station and on-farm programmes to assess available forage varieties from PY2. This will be done before the planned soil sampling detailed in the AWPB. This requires urgently agreements with Department of Agricultural Research (DAR), NUL, Lesotho Agricultural College (LAC), Department of Livestock Services (DLS), and LNWMGA. In project year 2, training of Community Livestock Extension Workers (CLEWs) will be undertaken. The technical annex provides guidance on the steps agreed to develop a programme of on-station and on-farm Forage Trials in collaboration with Component A.
 20. **B2 – Improved livestock breeding**. The lease agreement between MAFS and LNWMGA for animal breeding station in Quthing remains a critical part of the overall contract with the

LNWMGA and a high priority for this sub-component to proceed with implementation. A draft has been prepared and is under current review by the legal service in MAFS. Moreover, draft ToR for both national and international breeding experts have been prepared. Once the contract with LNWMGA has been concluded, LNWMGA, assisted by the PCU should advertise both positions without further delay. Rehabilitation of the station can then commence, starting with a prioritised needs survey within budget. The LNWMGA assisted by the PCU, should prepare tenders for building renovations, equipment, start-up consumables. Other activities will follow in subsequent years.

21. **B3 – Improved livestock health.** For project year 1, following the conclusion of the contract between MAFS and LNWMGA, the top priorities are: (i) LNWMGA and DLS to establish a supply chain for veterinary drugs and vaccines, which must precede the feed and seeds supply chain (B1); (ii) Identifying and training of Community Animal Health Workers (CAHWs) is the collective responsibility of MAFS/DLS, DAR, LNWMGA, District Veterinary Officers (DVOs), District Animal Production Officers (DAPOs), Area Technical Officers (ATOs) and possibly NUL and LAC. Organisational aspects need urgent attention regarding what is needed, thus course content, evaluation of success, and logistics for timely completion. Other activities to be planned and prioritised for subsequent years.
22. **Component C: Wool and mohair fibre handling and marketing** is rated *moderately satisfactory* (4) in view of the good preparatory works achieved at PCU and by MSCM thus far. An MoU guiding the cooperation between MAFS and MSCM has been prepared. Some revisions will be required but that should not delay the signing and implementation. MSCM is advised to organise meetings to inform and mobilize technical staff from the Department of Marketing at Central and District levels regarding their roles and responsibilities in WAMPP. It is encouraging to note that the replacement of the Component C Manager has been accomplished quickly during early July 2016. The new staff has quickly taken up her responsibility. As per the components A and B, the implementation of Component C is affected by lack of project funds. The AWPB is under revision to reflect the activities that can be realistically implemented during the last four months of the current fiscal year. The mission advises to move most activities planned under output C.2 Cottage Industry Development to PY2.
23. **C1: Value chain based enterprise enhancement.** Success of this sub-component will rely on several interventions related to the planned outputs, as follows:
24. *C.1.a.1 Developing policy and legal framework for local and international traders.* A policy and regulatory framework guiding local wool and mohair trading needs to be developed to replace the existing but outdated regulation. This framework needs to address interests of private traders and of government and Wool and Mohair associations, and support a healthy development of the wool and mohair sector. The mission provided detailed comments on the draft ToR for a local consultant, as prepared by the PCU. Upon revision of the ToR and No Objection (NO) from IFAD, procurement should start immediately.
25. *C.1.a.2 Developing LNWMGA 3-Year Strategic plan.* Discussions have been held by the component manager with the LNWMGA that funds this activity fully. LNWMGA prefers the engagement of a local consultant to conduct this assignment, as opposed to an international consultant proposed in the PDR. The component manager with inputs of LNWMGA and MSCM has prepared draft ToR, which the IFAD mission reviewed. A revised version should be sent for IFAD's no objection, upon which the procurement process could start.
26. *C.1.a.3 Capacity building at shearing sheds on wool classing (Springbok Classing Standard).* Implementation will commence in PY 2.
27. The activities *C.1.4 Capacity building on recording and classing for mohair season*, *C.1.5 Capacity building at shearing sheds on mohair classing* and *C.1.6 LNWMGA & DOM Headquarters staff visits to Shearing sheds* have yet to start, pending availability of funds.

28. *C.1.b.1 Technical meetings on Improvement of existing shed designs.* A meeting was held with Department of Building Design Services (BDS) under the Ministry of Public Works and Transport (MPWT) and PCU to outline the design process of new shearing shed structures. BDS agreed to prepare the design, which will be used for the tender of construction works planned for PY2. LNWMGA, District MSCM staff and shearing associations agreed to jointly identify and propose locations for new shearing sheds, to commence within PY 1.
29. *C.1.b.2 Assessment of shearing sheds in need of rehabilitation.* This activity was mistakenly deleted from the last version of AWPB and needs to be reinserted. A detailed assessment of each shed will need to be conducted. WAMPP/MAFS with LNWMGA agreed to rehabilitate eight shearing sheds for immediate rehabilitation.
30. **C2: Cottage industry and niche market development.** This sub-component recorded some preparatory works as regards to the technical capacity building of the women cottage group members.
31. *C.2.1 Assessment of wool and mohair cottage industry and marketing policy development.* The component manager with inputs from MSCM prepared the draft ToR, which the IFAD mission reviewed. The revised ToR should be sent for IFAD's no objection for implementation in PY 2.
32. *C.2.2 Cottage enterprise commercial management workshops.* The component manager with inputs from MSCM prepared the draft ToR, which were reviewed by the IFAD mission. It was agreed to carry out a thorough training needs assessment before deciding on the training programme subject matters and levels. The ToR should be expanded to include management workshops, follow-up alongside business coaching of the different cottage industries. It was agreed to amend the ToR accordingly and send to IFAD for no objection for implementation in PY 2.
33. *C.2.3 Technical meetings on Cottage Industry Development:* Scheduled to be implemented in PY 1.
34. **C3: Promotion of livestock auctions and district slabs.** This sub-component recorded a number of preparatory actions.
35. *C.3.1 Conduct Meat Value Chain Study.* This needs to receive a high priority The PCU prepared the draft ToR for a red meat value chain study that will inform the next steps for WAMPP. The IFAD mission advised on the ToR and recommended to submit for IFAD no objection and initiate the procurement process without delay.
36. *C.3.2 Assessment of auction yards and district slaughter slabs.* MSCM and the PCU selected 12 auction yards for possible rehabilitation. The PCU Component C and Component A managers will compare this selection with the areas suffering most from overstocking and degradation, to establish a more appropriate prioritization of auction yards to be rehabilitated.
37. The *C.3.3 Technical meetings to develop specifications for slaughter slabs* and *C.3.4 Identification of potential community auctioneers* are planned for PY 2.

Agreed action	Responsibility	Agreed date
Com. A		
Use the draft Rangeland Act to help form a common focus in planning the project implementation activities under different technical components	PCU and involved implementing partners	By 30 Nov. 2016 and continuously for the next AWPB
Revise the contract with ICRAF to ensure the digitalization and analysis of 30 years of synoptic weather maps be led and undertaken by the National University of Lesotho	MFRSC, PCU and ICRAF	By 21 Nov. 2016
MoUs/contracts with LMS, ICRAF and Reading revised to reflect the close collaboration with NUL in achieving the expected deliverables	MAFS, MFRSC and PCU	By 21 Nov. 2016
Com. B		
Start planning for the training of CLEWS and CAHWs	PCU, LNWMGA, NUL, LAC, DLS	31 March 2017

Agreed action	Responsibility	Agreed date
Specify details of leasing of Quthing Sheep Stud in the agreement between MAFS and LNWMGA to provide clear guidance for operational roll-out	MAFS, LNWMGA, PCU	By 21 Nov. 2016
Initiate the establishment a supply chain for veterinary drugs and vaccines	LNWMGA, PCU, district-level implementers	By 31 Dec. 2016
Com. C		
Revise agreement between MAFS and LNWMGA and MoU between MAFS and MSCM and incorporate the technical aspects of component C before signing	MAFS, LNWMGA, MSCM and PCU	By 21 Nov. 2016
Organize awareness meetings with Department of Marketing technical staff at Central and District levels to define their roles and responsibilities in WAMPP	PCU, MSCM	By mid-Dec. 2016
Revise ToR of Policy Development Wool and Mohair trading, start procurement after NO IFAD	PCU	By 21 Nov. 2016
Revise ToR of Red Meat Value Chain Study, start procurement after NO IFAD	PCU	By 30 Nov. 2016

D. WAMPP implementation progress

38. **Quality of project management** is rated *moderately unsatisfactory (3)* in view of the incomplete management structure and the pending fulfilment of all five conditions precedent to the funds withdrawal from IFAD.
39. *Project Steering Committee (PSC)*. The PSC needs to be established and it is a critical body to govern and advise the implementation. According to the Financing Agreement, it should be chaired by the Principal Secretary of the Ministry of Development Planning and include representatives from each of the Project Parties. This comprises MAFS, MFRSC, MSCM, MEM, LNWMGA, Ministry of the Local Government and Chieftainship Affairs (MoLG), and Ministry of Finance. In addition, the Project Consultative Technical Committee (PCTC) needs to be established; it comprises Directors and focal points of the following: MAFS (Convenor and Co-chair), MFLR (Co-chair), MSCM (Co-chair), MEM, Ministry of Finance, Ministry of Home Affairs, MDP, MoLG, LNWMGA, other relevant private sector actors, farmer/herder organizations and Non-Governmental Organizations. It has been encouraging to note from the consultations with the involved ministries at senior management level that the PSC will be established during the week of 21 November 2016.
40. *PCU establishment*. The lead project agency - MAFS, has established the Project Coordination Unit (PCU) and office space was provided. The PCU staff recruitment is ongoing, with Project Director, Financial Management Officer, Procurement Officer, Knowledge Management Officer and three Component Managers in place since June 2016, but contracts need to be finalised. Remaining positions still to be filled, include the M&E Officer, a priority, and two Assistants, one for financial management and one for procurement. Additional support staff such as administrative support, drivers and cleaners need to be hired. District-level coordination teams are yet to be established. Several management and coordination tasks have been fulfilled, such as submission of a five-month start-up workplan and budget for an IFAD start-up advance of USD 214,000, project start-up workshop, procurement of the first project vehicle and office equipment, and preparation of the first draft AWPB 2016-2017 and procurement plan.
41. *Designated Account (DA)*. Two Designated Accounts have been opened at the Central Bank, respectively for IFAD Loan and Grant and ASAP; the OFID DA opening is still being processed and expected to be completed by end November 2016.
42. *The AWPB 2016-2017* along with the procurement plan were provided with No Objection by IFAD on 13 October 2016. The Financing Agreement stipulates that adequate counterpart funds should be deposited by the Government to ensure the full implementation of the AWPB.
43. *Pending agreement with LNWMGA and with other line ministries* are still under discussion. In view of the urgent need to access the first disbursement from IFAD, it was agreed that MAFS

- and LNWMGA finalize and sign the agreement and include a clause that an annex detailing the activities and related budgets would be included in line with the approved AWPB that was provided no objection on 13 October 2016. The agreement and MoUs should be compliant with the relevant clauses of the Financing Agreement.
44. *PIM review.* The mission found that the PCU with implementing agencies have still to update the draft PIM, dated December 2014. The topics to be updated and expanded include field operation procedures at the district level, manuals, M&E and the financial management system. It was agreed to start revising the PIM once the district-level implementation coordination mechanism is in place, using participatory planning tools. The technical annexes provide detailed guidance for the update of the PIM.
 45. *Implementation coordination at district level.* The field visit at the District of Quthing and meetings with the PCU component managers, line-ministries' representatives at district level, such as district coordinator, agriculture coordinator and officer, marketing officer, forestry/ rangeland management officer, livestock service officer and the veterinary service office revealed that the initial project coordination was established between the national and district levels, primarily through the vertical structure of the line ministries. District-level officers were aware of the core areas of future project interventions. It was agreed that the district coordination mechanism still needs be set up and the PCU will prepare an action plan to assist in setting up the District Project Coordination Committee (DPCC) and the Field Implementation Team (FIT) as per project design. The focal point for WAMPP and Secretary to the DPCC, the District Agricultural Officer should take a lead in providing operational guidance and coordinating local level planning, preparation of AWPBs, consolidation and harmonization of district AWPBs, supervision of activity implementation and contracts with service providers, provide technical backstopping of frontline staff and facilitate knowledge management activities.
 46. **Coherence between AWPB and implementation** is rated *moderately unsatisfactory (3)* due to the tardiness of implementation. *The AWPB 2016-2017* was prepared for a total amount of USD 6.8 million, of which IFAD Loan and Grant USD 2 million respectively, ASAP USD 1.6 million, OFID USD 277,000, LNWMGA USD 190,000, and Government USD 696,000. It was agreed that the PCU with the implementing agencies finalize a realistic execution plan with due prioritization of activities for the remaining project year period, i.e. up to 31 March 2017.
 47. **Monitoring and Evaluation (M&E)** is rated *unsatisfactory (2)* in view of the still vacant position of the M&E Officer and thus the absence of the project M&E system. Currently the Project Director is responsible for the M&E activities with assistance from the Knowledge Management Officer (KMO). It will be very critical that the position is filled as soon as possible with a qualified and experienced candidate.
 48. *The baseline survey*, which will include the Results and Impact Management System (RIMS) and the Multidimensional Poverty Assessment Tool (MPAT), is currently under preparation, with technical assistance from IFAD. The training for the enumerators is expected to take place around mid-January 2017 and the report should be finalized by end of April 2017.
 49. The IFAD mission supported the M&E Unit in developing the First and Second Level RIMS indicators as well as the ASAP indicators. Full list of the indicators is included in the technical annex.
 50. *Knowledge management* has already started. The PCU met with staff from the Lesotho Agricultural College and DAR to sensitize them about the project and to discuss their role in the project. A similar meeting was held with the Catholic Relief Services to explore potential areas of collaboration. A Knowledge Management Strategy and communication plan for WAMPP is being prepared.
 51. The implementing agencies should report on the implementation progress on a quarterly basis, duly consolidated by the PCU, reviewed and approved by the PSC prior to submission to IFAD, the Government and co-financiers. However, it is noted that MAFS has requested weekly

- reports from the component managers which has increased their workload. It is agreed that weekly reports will be replaced by monthly and quarterly internal reports to be consolidated by PCU component managers to ensure that quarterly progress reports will be prepared for review by the PSC members and IFAD.
52. **Gender and youth focus** is rated *moderately satisfactory (4)*, as the implementation has not yet started. The IFAD mission wishes to highlight the key elements in the project design to ensure due focus on targeting, poverty, gender and youth. Gender consideration should be mainstreamed in all project activities. Community mobilization for the rangeland related activities should ensure that both male and female will be involved in the planning and decision making for planning and management of rangelands. Shearing Shed Associations management structure should include women, on a preferential basis. Activities of training and capacity building will give emphasis on women's participation where applicable.
 53. **Youth.** WAMPP will include a number of activities targeting the youth. For example, there will be focused training sessions for youth in Natural Resource Management (NRM) and their representation in NRM user groups and Community Council and District Grazing Associations will be encouraged. While rangeland use/herding is a male dominated activity, it targets of 25% youth participation in rangeland management planning and activities will be encouraged. Vocational training will also be offered to youth in commercial enterprise management of shearing shed associations and in fibre processing. The PCU will ensure that the WAMPP M&E system duly captures and reports on the participation of women and youth in the different activities.
 54. **Poverty focus** is rated *moderately satisfactory (4)*, given the pending start of activities. WAMPP design included three target groups of which the following two focus on rural poor: (i) poor rural dwellers that can access the value chain through value adding activities or have the potential to become producers and (ii) poor rural dwellers whose skills can be improved for textile/garment production for niche markets. The PCU will need to ensure that these two target groups are included in the relevant project activities and carefully monitor their participation.
 55. **Effectiveness of targeting approach** is rated *moderately unsatisfactory (3)*. The mission noted that the project has not yet developed a targeting strategy that would ensure the inclusion of the three targeting categories. The mission would like to point that all the data and indicators under the M&E system should be disaggregated by age, sex, and target group to ensure effective monitoring of the targeting.
 56. It was agreed that the PCU prepares a targeting strategy supported by an action plan for gender, youth and poverty focus and monitors its effectiveness and efficiency during the entire project implementation.
 57. **Innovation and learning** is rated *moderately satisfactory (4)*, due to the early stage of implementation. WAMPP design offers an ample range of concrete innovations to the country including: (i) mainstreaming the promotion of climate resilience through the use of climate modelling and GIS; (ii) the application of sustainable rangeland management, fodder cultivation and livestock husbandry; and (iii) the introduction of improved stock management.
 58. **Climate and environment focus** is rated *moderately satisfactory (4)* due to the early stage of the project. Most of the envisaged activities will focus on the establishing climate-smart coping system and sustainable livestock enhanced quality production, and improved market access. It should not cause adverse environmental impacts but improve the quality and carrying capacity of the environment (rangeland and water), and lead to a more climate resilient sector. The project should promote approaches and techniques of environment protection and resource conservation to the beneficiaries alongside support infrastructure building and household-based production activities where natural and physical resources are used.
 59. The WAMPP is supported by the ASAP that work on deepening the support of strengthening the target groups' resilience to the climate changes.

60. **Partnerships' performance** is rated *unsatisfactory (2)* in view of the incomplete agreement and MoUs between key implementing partners. This has become the major bottleneck of the WAMPP implementation.

Agreed action	Responsibility	Agreed date
Management		
Conditions precedent to withdrawal should be addressed: (a) Opening of all three DAs and Project Accounts (b) Deposit adequate counterpart to cover the first year AWPB (c) Establish PSC and PCTC (d) Establish PCU and appoint all key staff with prior endorsement of IFAD (e) Performance-based agreement between MAFS and LNWMGA (f) MoU between MAFS and MFRSC, MSCM, MoLG and MEM	MDP, MOF, MAFS, MFRSC, MSCM, MoLG, MEM, and LNWMGA	By 30 Nov. 2016
Revise the PIM in a participatory manner once the district-level implementation coordination mechanism is in place for participatory planning.	PCU	Prior to first replenishment of IFAD fund advance
Establish the District Project Coordination Committee (DPCC) and the Field Implementation Team (FIT) as per project design	PCU	By 31 March 2017
Fill the position of M&E Officer at PCU with a highly qualified candidate and if needed through external recruitment	MAFS and PCU	By 31 March 2017
Undertake the baseline survey and submit the report to IFAD	PCU	By 30 April 2017
Institute monthly internal reports from PCU component managers	MAFS, MFRSC, MSCM	Starting from Dec. 2016
Ensure timely preparation of quarterly progress reports, with the most recent progress reports shared with stakeholders and future missions such as annual supervision, MTR and completion.	PCU	Starting from 1 January 2017 and continuously
Prepare a targeting strategy supported by an action plan for gender, youth and poverty focus	PCU	By 31 March 2017

E. Fiduciary aspects²

61. **Quality of financial management** is rated *moderately unsatisfactory (3)*. The position of Financial Manager was filled at PCU while the Financial Assistant is yet to be recruited.
62. *Project accounting software* has not yet been procured; related TORs were prepared and submitted for IFAD no-objection. It is expected that once the ToRs cleared, the accounting software that allows double entry recording will be procured before the end of the current fiscal year. Note that installation of the multisite accounting software is one of the two conditions precedent to the first replenishment of IFAD fund advance.
63. Currently cash books are prepared and consolidated monthly in Excel. The installation of the accounting software in the future will allow automatic consolidation. Bank reconciliation is also done monthly. Accounting staff within the district technical services involved will do the accounting in accordance with activities and associated resources, with support from the PCU finance staff. The PCU will request a monthly reporting from the district-level.
64. *Designated Accounts*. Two Designated Accounts have been opened for IFAD and ASAP funds while the opening of the third DA for OFID funds is being processed. Signatories to all the DAs are Mr Nchemo Maile, Principal Secretary (MAFS), Mrs Mathoriso Molumeli, Director for Planning & Policy Analysis (MAFS) and Ms Sebueng Lerotholi, Financial Controller (MAFS). Opening of the three DAs is one of the five conditions precedent to withdrawal from IFAD.
65. **Flow of Funds**. IFAD transferred start-up funds to the three DAs and the funds are transferred to the Project Operational Account in LSL maintained by the PCU. Funds will flow from the DAs to the Project Operational Account based on the quarterly budget allocations. The balances of the designated accounts and the Project Account were all reconciled with the bank balances as reflected in the bank statements.

² The Financial Management Specialist was not able to join the mission. The fiduciary aspects were covered by the mission without the usual Risk Assessment.

66. The project DA received from IFAD a start-up funds of USD 213,966 on 29 August 2016 (IFAD recorded a transfer of USD 214,000 and the difference of USD 34 was likely caused by bank charges). A total of USD 213,500 was transferred to the Project Operational Account in local currency on 22 September 2016 for a total of LSL 2,869,311.90 at an exchange rate of 13.4394. As at 31 October 2016, DA balance is USD 466, IFAD Operational account LSL 1,815,212.49 (or USD 135,066.48), and GoL Account LSL 417,335.17.
67. **Disbursements** is rated *unsatisfactory (2)*. As start-up funding, the project received a total of USD 350,000, of which 214,000 from IFAD, USD 71,000 from the Government, and USD 65,000 from the LNMWGA. USD 250,000 were recorded as expenditures, or 71% of the total resources received for start-up, and 3% of the AWPB 2016-2017 (USD 6.8 million). IFAD start-up advance was disbursed at 74% or 0.01% of total IFAD funds (including ASAP). The remaining balance has been committed for expenditures of the upcoming months. Component-wise, USD 152,000, or 18% was disbursed under Component D of project management, and USD 33,000 or 18% under Component A. Category-wise, 43% was recorded under Salaries and allowances, and 55% under Goods, Services and Inputs, and Workshops, and 2% under Operating costs.
68. **Counterpart Funds** is rated *moderately unsatisfactory (3)*. The Government released a total of USD 71,000 (LSL 1,048,812.70 @14.6716) to the project on 1 September 2016, equivalent to 10% of the government contribution budgeted under the AWPB 2016-2017 (USD 696,000). The Government should transfer the remaining balance as soon as possible to support the implementation of current AWPB.
69. **Compliance with Financing Covenants** is rated *unsatisfactory (2)* in view of the unmet conditions precedent to withdrawal from IFAD.
70. **Procurement** is rated *moderately satisfactory (4)*. The procurement process follows the provisions of the Government procurement rules and regulations. The Procurement Manager is in place and exercised the first operations in procuring PCU vehicle and office equipment.
71. **Audit**. It is too early to assess the performance in this regard. The current fiscal year will end on 31 March 2017. As required under the national laws as well as by the Financing Agreement, it has been agreed that the audit will be carried out by the Auditor General of the Kingdom of Lesotho. ToRs were prepared and under the process of review for approval.

Agreed action	Responsibility	Agreed date
The Government should transfer the required amount of counterpart funds as soon as possible to support the implementation of current AWPB	Treasury, MOF	By 31 Dec. 2016
Procure and install accounting software	PCU	By 31 March 2017
Proceed to procurement plan for the current fiscal year	PCU	Start soonest possible
Appoint the project auditors	MAFS, PCU	By 31 Dec. 2016
The ToRs for auditors of the LNMWGA should be amended to cover the funds provided by WAMPP	LNMWGA	By 31 Dec 2016

F. Sustainability

72. **Institution building** is rated *moderately satisfactory (4)*. The WAMPP implementation will rely on a close collaboration mechanism among the line ministries and their vertical technical networks, and the strengthening of community-based and beneficiary-driven organizations such as the shearing associations, involving the existing institutions and using them as entry point in project implementation. The institutional building is yet to be further strengthened through performing implementation.
73. **Empowerment**. It is still too early to assess the empowerment and social sustainability without operational implementation.
74. **Quality of beneficiary participation**. It is still too early to assess the quality of beneficiary participation without operational implementation.

75. **Responsiveness of service providers.** It is still too early to assess the performance and the responsiveness of service providers without operational implementation.
76. **Exit strategy** is rated *moderately satisfactory (4)*. The exit strategy will be developed alongside the implementation plan. The project uses existing systems or, where this is not feasible, establishes systems that are sustainable and will not place a burden on the government budget at the end of the project life. The prospects for sustainability of project investments are also enhanced significantly because WAMPP aims to improve an existing, well-developed value chain, as well as strengthen the national commodity platform LNWMGA. Meanwhile local-level ownership and private sector involvement will further ensure a sustainable exit strategy at project completion.
77. **Potential for scaling up.** It is still too early to systematically assess the project potential for scaling up without operational implementation.

G. Other

78. **Impact on Physical/financial assets.** Physical and financial assets will be assessed once the project implementation has started and investing in building related capitals.
79. **Impact on Food security.** It is too early to assess the project effects on food security. The project is expected to lead to increased income of smallholder farmers and households and rural entrepreneurs therefore securing the latter's food and nutrition sufficiency with diversified means and resources.
80. **Quality of natural asset improvement and climate resilience.** It is too early to draw conclusion on the project performance in this regard due to the absence of operational implementation and related systematic assessment.

H. Conclusion

81. WAMPP has begun implementation since its inauguration at the start-up workshop in June 2016, but one and a half years have elapsed since signing of the Financing Agreement and this delay in implementation must be corrected through due actions along tight deadlines. The Lead Project Agency – MAFS has established the PCU with most of the key positions filled to undertake a number of preparatory tasks of operational implementation. The first steps of establishing the management structure were made and several tasks have been undertaken. Start-up operations and component-wise preparatory works were in line with the project objectives; consultations among implementing partners for the three technical components are underway.
82. The implementation preparation needs to be completed urgently. It is agreed that all project parties place priority to address the conditions precedent to withdrawal as stipulated in the Financing Agreement:
- (a) The Designated Accounts and the Project Accounts shall be opened, the opening of the Designated Account to receive OFID funds shall be completed as soon as possible;
 - (b) The Borrower/Recipient shall have deposited adequate counterpart funds to cover the first year of project implementation, as specified in the first AWPB;
 - (c) The Project Steering Committee (PSC), the Project Consultative Technical Committee (PCTC) and the PCU shall be established and key staff be appointed with the prior endorsement of the Fund, the pending recruitment of the M&E Officer needs to be finalized as soon as possible;
 - (d) The Lead Project Agency (MAFS) shall have entered into a performance-based agreement with the LNWMGA in the form approved by the Fund; and
 - (e) The Lead Project Agency shall have entered into the Memorandum of Understanding (MoU) with each Ministry designated as a Project Party (MFRSC, MSCM, MoLG, MEM), in the form approved by the Fund.

83. The PCU should draw up an action plan to establish the district-level implementation coordination mechanism.
84. All stakeholders are called upon to exercise full support to assure a rapid progress of the project.

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Kingdom of Lesotho		Project ID	2000000053	Loan No. DSF Grant No. ASAP Grant No.	2000000819 2000000818 2000000817
Project	Wool and Mohair Promotion Project				Top-up Loan/DSF/Grant/ASAP FI No.	
Date of Update	11-Nov-2016					
Supervising Inst.	IFAD					
No. of Supervisions	1	No. of Implementation Support/Follow-up missions	0			
Last Supervision	11-Nov-2016	Last Implementation Support/Follow-up mission				

				USD million Disb. rate %		
Approval	19-Sep-2014			Total financing	38.96	
Agreement	17-Jun-2015	Effectiveness lag	9.0	IFAD Total	18.61	
Entry into force	17-Jun-2015	PAR value	-----	IFAD loan	5.80	0.01
First disbursement				DSF grant	5.80	0.01
MTR		Last amendment		IFAD grant		
Original completion	30-Jun-2022	Last audit		ASAP grant	7.00	0
Current completion	30-Jun-2022			Domestic Total	5.52	
Current closing	31-Dec-2022			Gov.	3.98	0.007
No. of extensions	0			LNWMGA	1.54	0.04
				External Cofinancing Total	14.82	
				OFID	12.00	0
				TBD	2.83	0

Project Performance Ratings

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

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

6. Potential for scaling up and replication n/a n/a

B.5 Justification of ratings

Field implementation has not yet started and preparatory works related to the technical components by the PCU and stakeholders comply with the project design. The absence of the PSC and the pending agreements between the key project ministries and with the LNWGMA affects the implementation readiness. As long as these agreements and the other conditions precedent to fund withdrawal from IFAD have not been complied with, the project will have not sufficient funds to start implementation. The WAMPP implementation and its sustainability relies on close collaborations among the line ministries and their vertical technical networks, service providers and the strengthening of community-based organizations. The design provides due guidance in building effective partnerships and pursuing a sustainable exit at project completion.

Overall Assessment and Risk Profile

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

Modest realisations have been reported in both financial and physical terms, mainly related to project start-up. Review of ongoing preparatory works by the mission showed first signs of consistency and coherence with the design under technical components. By 30 September 2016, total project implementation recorded a financial achievement of USD 185,000, or 86% of the start-up fund; 82% of the expenditures were recorded for project management and the remaining 18% under component A. The management structure is yet to be completed urgently, particularly in fulfilling the conditions precedent to the withdrawal of IFAD funds and forging institutional partnerships for implementation.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	n/a	4
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Start-up operations and component-wise preparatory works have been in line with the project design, the PCU staff and project parties are capable and motivated, while some critical actions such as the setup of the Project Steering Committee still need to be accomplished.

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

Outcomes and outputs	No risks at this stage
Implementation progress	Incomplete management structure
	Partnership building
	District level implementation mechanism
Fiduciary	Compliance with financing covenants
Project management	Absence of M&E
Sustainability	No risk at this stage

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
PSC and CTC establishment	Complete the process of PSC and CTC establishment	By 30 Nov. 2016	
Agreement and MOUs signing	Complete the process of signing agreement and MOUs with implementing partners	By 30 Nov. 2016	
Action plan for district set-up	PCU makes an action plan to prepare the district level coordination mechanism and implementation roll out	By 31 Dec. 2016	
Full compliance with FA	Comply with the Financing Agreement by opening the OFID DA, establishing PSC and CTC, signing the agreement and MOUs, depositing counterpart funds for the AWPB 16-17	By Nov. 2016	
Establish M&E system	Recruit the PCU M&E Officer and establish project M&E system	By 31 March 17	

Additional observations

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

Results	Indicators					Means of Verification			Assumptions
	Hierarchy	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	
Goal: boost the economic and climate resilience of poor wool and mohair producers in the Mountain and Foothill Regions of Lesotho.	<ul style="list-style-type: none"> Reduction in the prevalence of child malnutrition: Child stunting to be reduced from 39.2 per cent (2009) to 32.7% by WAMPP completion 50,000 households with improvement in household assets ownership index (RIMS Level III) 250,000 poor smallholder household members whose climate resilience has been increased - disaggregated by sex 	39.2%	-		32.7%	<ul style="list-style-type: none"> Baseline, mid-term and completion impact surveys LVAC reports Qualitative studies to complement indicator-based data. Disaster Management Agency (DMA) reports 	Phase review	PCU	<ul style="list-style-type: none"> Stable macro-economic conditions Stable political environment
Development Objective: (i) Smallholder livestock producers generate higher incomes and more sustainable livelihoods: (ii) Smallholder livestock producers increase their ability to cope with and recover from climate shocks	<ul style="list-style-type: none"> MPAT index # 9 (resilience) increases by 10 % by Year 7 25,000 households report a 50% reduction in hunger period by year 7 50,000 households with improved income by 50% by Year 7 	0	-		10% 50% 50%	<ul style="list-style-type: none"> MPAT, Baseline and completion surveys LDFS sentinel sites monitoring soil cover, and erosion risk Qualitative studies to complement indicator-based data. On-going monitoring of wool and mohair production and sales 	Phase review	PCU	<ul style="list-style-type: none"> Livestock owners (SSAs) have free access to international auction floor
Outcome 1 Livestock producers manage rangelands in sustainable and climate smart way	<ul style="list-style-type: none"> Grazing land managed under climate smart agricultural practices increases from 280,000 (functional grazing schemes command area) to 600,000 ha 	280,000 ha			600,000 ha	<ul style="list-style-type: none"> Results of the Biophysical baseline and subsequent surveys 	Annually	DRRM, LMS, PCU component officer	<ul style="list-style-type: none"> Chiefs accept to delegate management authority to RMA to issue grazing permits Herders continue to refuse to sell unproductive animals (R)
Outputs 1.1 A new Rangeland Management Baseline is established for enhanced biophysical and climatic monitoring	<ul style="list-style-type: none"> A biophysical baseline for rangelands and grazing areas established in all 10 districts 			10	10	<ul style="list-style-type: none"> LDSF 	Annually	DRRM in the MFLR and LMS in the MEMWA, PCU component officer	<ul style="list-style-type: none"> Local and traditional leadership are supportive Intra-community conflicts disrupt progress (R)
1.2 Community based Climate Resilient Rangeland Management established	<ul style="list-style-type: none"> 50,000 households covered by new or improved climate information services 			25,000	50,000	<ul style="list-style-type: none"> Survey and Monitoring reports on implemented plans and rehabilitated areas 	Annually	PCU component officer, M&E officer, DRRM	
Outcome 2: Smallholder sheep and goat producers increase the production of superior quality wool and mohair	<ul style="list-style-type: none"> Share of superior mohair and wool quality increases by an aggregate 20% above baseline for LNWMGA members by year 7 	-			20%		Annually	PCU component officer, M&E officer, LNWMGA	<ul style="list-style-type: none"> Heavy snow, frost and drought negatively impact availability of forage rangeland crop residues and cultivated forage (R)

Results	Indicators					Means of Verification			Assumptions
	Hierarchy	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	
									<ul style="list-style-type: none"> Demand for quality wool and mohair remains constant or increase
Outputs 2.1 Sheep and goat extensionists and producers are trained in improved feeding practices	<ul style="list-style-type: none"> 260 Community Livestock Extension Workers (CLEW) are trained in improved feeding and breeding practices, of which 20% women 	-		260	260	<ul style="list-style-type: none"> District livestock reports Training reports Research publications 	Quarterly	PCU component officer, M&E officer, LNWMGA	<ul style="list-style-type: none"> Forage seeds and feed inputs are available at affordable prices at shearing sheds Extension staff are willing to remain in rural areas
2.2a A National Breeding Programme is established to boost wool and mohair production 2.2b An exchange programme for substitution of unproductive sheep and goat with quality breeding stock is established	<ul style="list-style-type: none"> National elite breeding flock of >1000 sheep and >500goats established At least 2000 rams and 1000 bucks distributed to herders under the Exchange Programme by year 7 			Done	Done 2000 rams 1000 bucks	<ul style="list-style-type: none"> LNWMGA reports Training reports District livestock reports Breeding Centres reports Research publications 	Quarterly	PCU component officer, M&E officer, LNWMGA	<ul style="list-style-type: none"> Breeding Centres are leased to LNWMGA Improved genetic stock is available in numbers required by farmers Livestock auctions are organised and slaughtering slabs are operational
2.3 Community based Animal Health Services established and staff trained	<ul style="list-style-type: none"> Disease surveillance, prevention and response system established 				Done	<ul style="list-style-type: none"> DLS Disease surveillance reports Training reports Quarterly LNWMGA reports 	Quarterly	PCU component officer, M&E officer, LNWMGA	<ul style="list-style-type: none"> CAHWs are willing to remain in rural areas Vet drugs are available and affordable to livestock producers
Outcome 3: Livestock producers increase market returns from wool and mohair systems	<ul style="list-style-type: none"> 20% increase in profits from wool and mohair 				20%	<ul style="list-style-type: none"> BKB and other outlet market reports Shearing Shed records Cottage industry records 	Annually	PCU component officer, M&E officer, MTICM, LNWMGA	<ul style="list-style-type: none"> Livestock owners (SSAs) have free access to international auction floor International market returns sustain industry vitality Access to supply top quality mohair resolved
Output 3.1a: Shearing Shed Association members are trained for viable enterprise development Output 3.1b: Shearing shed facilities and infrastructure are provided	<ul style="list-style-type: none"> 135 SSA trained in enterprise management, having a business plan and operating in profit Increased value of infrastructure developed/upgraded to support shearing sheds 			135	135 \$4.5 m	<ul style="list-style-type: none"> LNWMGA Progress reports SSA Annual Reports Wool broker "Fibre Track" SSA reports BKB Fibre track 	Quarterly	PCU component officer, M&E officer, MTICM, LNWMGA	<ul style="list-style-type: none"> Farmers are willing to adopt market oriented practices Depressed fibre prices affect flow of wool and mohair through SSAs (R) Loss of especially shearers to more remunerative SA labour market (R)

Results	Indicators					Means of Verification			Assumptions
	Hierarchy	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	
Output 3.2 Women cottage group members are trained in business and technical matters	<ul style="list-style-type: none"> 160 women receive training in wool and mohair processing, product design, and bookkeeping 			160	160	<ul style="list-style-type: none"> Enterprise reports WAMPP progress reports Quarterly business monitoring reports 	Quarterly	PCU component officer, M&E officer, MTICM,	<ul style="list-style-type: none"> The SSA are able and willing to provide good quality mohair (A) Links between the cottage women group and financial institutions is facilitated by the project and MTICM (A)
Output 3.3 District Livestock auctions, and slaughter slabs are constructed	<ul style="list-style-type: none"> 22 auction sites/district slabs constructed/ rehabilitated 			17	22	<ul style="list-style-type: none"> WAMPP progress reports MTICM documentation of auctions District slab reports 	Quarterly	PCU component officer, M&E officer, MTICM, LPMS	<ul style="list-style-type: none"> Few buyers are prepared to purchase grade D and C livestock through auctions (R) Farmers are not willing to sell unproductive animals at the market price established through auctions (R)

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

Agreed action	Responsibility	Agreed date	Status
Complete the set-up of operational management structure from district to national levels	MDP, MOF, MAFS, MFRSC, MSCM, LNWMGA, PCU	By 30 Nov. 2016	
Com. A			
Use the draft Rangeland Act to help form a common focus in planning the project implementation activities under different technical components	PCU and involved implementing partners	By 30 Nov. 2016 and continuously for the next AWPB	
Revise the contract with ICRAF to ensure the digitalization and analysis of 30 years of synoptic weather maps be led and undertaken by the National University of Lesotho.	MFRSC, PCU and ICRAF	By 21 Nov. 2016	
MoUs/contracts with LMS, ICRAF and Reading revised to reflect the close collaboration with NUL in achieving the expected deliverables.	MAFS, MFRSC and PCU	By 21 Nov. 2016	
Com. B			
Start planning for the training of CLEWS and CAHWs	PCU, LNWMGA, NUL, LAC, DLS	31 March 2017	
Specify details of leasing of Quthing Sheep Stud in the agreement between MAFS and LNWMGA to provide clear guidance for operational roll-out	MAFS, LNWMGA, PCU	By 21 Nov. 2016	
Initiate the establishment a supply chain for veterinary drugs and vaccines	LNWMGA, PCU, district-level implementers	By 31 Dec. 2016	
Com. C			
Revise agreement between MAFS and LNWMGA and MoU between MAFS and MSCM and incorporate the technical aspects of component C before signing	MAFS, LNWMGA, MSCM and PCU	By 21 Nov. 2016	
Organize awareness meetings with Department of Marketing technical staff at Central and District levels to define their roles and responsibilities in WAMPP.	PCU, MSCM	By mid-Dec. 2016	
Revise ToR of Policy Development Wool and Mohair trading, start procurement after NO IFAD	PCU	By 21 Nov. 2016	
Revise ToR of Red Meat Value Chain Study, start procurement after NO IFAD	PCU	By 30 Nov. 2016	

Agreed action	Responsibility	Agreed date	Status
Management			
Conditions precedent to withdrawal should be addressed: (a) Opening of all three DAs and Project Accounts (b) Deposit adequate counterpart to cover the first year AWPB (c) Establish PSC and PCTC (d) Establish PCU and appoint all key staff with prior endorsement of IFAD (e) Performance-based agreement between MAFS and LNWMGA (f) MoU between MAFS and MFRSC, MSCM, MoLG and MEM	MDP, MOF, MAFS, MFRSC, MSCM, MoLG, MEM, and LNWMGA	By 30 Nov. 2016	
Revise the PIM in a participatory manner once the district-level implementation coordination mechanism is in place for participatory planning.	PCU	Prior to first replenishment of IFAD fund advance	
Establish the District Project Coordination Committee (DPCC) and the Field Implementation Team (FIT) as per project design	PCU	By 31 March 2017	
Fill the position of M&E Officer at PCU with a highly qualified candidate and if needed through external recruitment	MAFS and PCU	By 31 March 2017	
Undertake the baseline survey and submit the report to IFAD	PCU	By 30 April 2017	
Institute monthly internal reports from PCU component managers	MAFS, MFRSC, MSCM	Starting from Dec. 2016	
Ensure timely preparation of quarterly progress reports, with the most recent progress reports shared with stakeholders and future missions such as annual supervision, MTR and completion.	PCU	Starting from 1 January 2017 and continuously	
Prepare a targeting strategy supported by an action plan for gender, youth and poverty focus	PCU	By 31 March 2017	
Fiduciary			
The Government should transfer the required amount of counterpart funds as soon as possible to support the implementation of current AWPB	Treasury, MOF	By 31 Dec. 2016	
Proceed to procurement plan for the current fiscal year	PCU	Start as soon as possible	
Appoint the project auditors	MAFS, PCU	By 31 Dec. 2016	
The ToRs for auditors of the LNWMGA should be amended to cover the funds provided by WAMPP	LNWMGA	By 31 Dec 2016	

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

Component/ Sub-component or Output	Indicator	Unit	Period: 15.06.2016 to 30.09.2016			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
Component A Climate-smart rangeland management								
Subcomponent A.1: Information for climate smart rangeland management								
	Biophysical baseline for rangelands and grazing areas established	Baseline	5	0	0	0	10	0
	Weather stations established	Station	2	0	0	0	5	0
	SMS Early Warning registered users of climate information established	system	0	0	0	0	1	0
	National baseline assessment of rangelands and grazing areas	Assessment	0	0	0	0	1	0
	Daily catch rain gauges and thermometers distributed	Number	54	0	0	0	200	0
	M&E training for district officers	Men	0	0	0	0	70	0
	M&E training for district officers	Women	0	0	0	0	30	0
	In-service training of LMS staff in climate change monitoring, evaluation and information services	Men	56	0	0	0	224	0
	In-service training of LMS staff in climate change monitoring, evaluation and information services	Women	24	0	0	0	96	0
Subcomponent A.2: Climate smart participatory rangeland management								
	Households covered by new or improved climate information services (RIMS 1.1.15)	HH	0	0	0	0	50000	0
	Holistic range management pilots established	pilots	0	0	0	0	5	0
	Households are sensitized to improved rangeland management practices	HH	0	0	0	0	50000	0
	VGS and RMAs trained on sustainable rangeland management and the use of climate information	number	0	0	0	0	200	0
	Environmental management plans formulated (RIMS 1.1.13)	Plans	0	0	0	0	150	0
	Meetings on best practice lessons for RMAs and VGSs	Meetings	0	0	0	0	20	0
Component B: Improved livestock production and management								
Subcomponent: B.1 Improved Animal Nutrition								
	Land planted with forage crops	ha	0	0	0	0	2000	0
	Review of literature on forages and Pasture Management	Paper	1	0	0	0	1	0

Component/ Sub-component or Output	Indicator	Unit	Period: 15.06.2016 to 30.09.2016			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
Staff of service provider trained (RIMS 1.2.1)		Men	0	0	0	0	310	0
Staff of service provider trained (RIMS 1.2.1)		Women	0	0	0	0	150	0
People trained in livestock production practices and technologies (RIMS 1.2.3)		Men	0	0	0	0	7000	0
People trained in livestock production practices and technologies (RIMS 1.2.3)		Women	0	0	0	0	3000	0
Demonstration on crop residues & low cost silage		Demos	0	0	0	0	160	0
Demonstration forage production		Demos	0	0	0	0	160	0
Demonstration fodder legumes in intercropping systems		Demos	0	0	0	0	160	0
Research on frost tolerant forage (Climate resilience & adaptation)		Paper	0	0	0	0	1	0
Demonstration on-farm sheep fattening		Demos	0	0	0	0	160	0
Supply chain for feeds and forage seeds		Batches	1	0	0	0	3	0
National seminar on Improved Nutrition		Seminar	0	0	0	0	2	0
Subcomponent B.2: Improved animal breeding								
Rehabilitation of two National Breeding Centres (Works)		Percent	0	0	0	0	100	0
Engagement of International and National Breeder Experts		Number	2	0	0	0	2	0
Assessment of Breeding farms (RSA & Lesotho) for supply of breeding stock for NBPMA		Number	10	0	0	0	30	0
District commercial elite breeding flocks are certified for quality stock delivery to herders		Number	0	0	0	0	30	0
Procurement of breeding stock for 2 Breeding centres		Number	0	0	0	0	2360	0
rams distributed to herders		Rams	0	0	0	0	2000	0
Promotion of artificial insemination on viable areas		Areas	0	0	0	0	2	0
Tattooing and registration of Animals entering the NBPMA		Number	0	0	0	0	2360	0
Procurement of Initial Feeds and drugs for Breeding Centres		Batches	0	0	0	0	2	0
Procurement farm machinery & equipment for Breeding Centres		Batches	0	0	0	0	2	0
Procurement of Rams and bucks for Commercial Private Breeders (incentives)		Bucks	0	0	0	0	1000	0
Research on wool and mohair production		Paper	0	0	0	0	1	0
Subcomponent 2.3: Improved animal health								
Development of Disease Prevention and development calendars		Paper	0	0	0	0	1	0
Epidemiological studies on the incidence and least control of		Study	0	0	0	0	1	0

Component/ Sub-component or Output	Indicator	Period: 15.06.2016 to 30.09.2016			Cumulative Actual	Appraisal Target	%
		Unit	AWP&B	Actual			
parasites							
CAHWs trained and operational at shearing sheds	Men	80	0	0	0	210	0
CAHWs trained and operational at shearing sheds	Women	20	0	0	0	50	0
Development of Climate Change Animal Health Vulnerability Maps	Maps	0	0	0	0	10	0
Renovation of Selected Facilities at National Diagnostic Laboratory	Percent	0	0	0	0	100	0
Supply Chain for Vet Drugs & Vaccines	Batches	1	0	0	0	3	0
Component C: Wool and mohair fibre handling and marketing							
Subcomponent: C.1 Value chain based enterprise enhancement							
Wool and mohair trading and business policy development	Study	1	0	0	0	3	0
LNWMGA Strategic plan development		1	0	0	0	3	0
SSA trained in enterprise management, having a business plan and operating in profit	women	0	0	0	0	2220	0
Fibre classers trained	men	148	0	0	0	888	0
Fibre classers trained	women	444	0	0	0	2664	0
Shearers trained	number	0	0	0	0	800	0
New sheds constructed	Sheds	0	0	0	0	16	0
Existing shearing sheds renovated	Sheds	0	0	0	0	46	0
Access road constructed/up-graded (RIMS 1.4.2)	km	0	0	0	0	50	0
Subcomponent C.2: Cottage industry and niche market development							
Cottage industry study	Study	1	0	0	0	1	0
Niche market studies (skins and hides) carried out	Study	1	0	0	0	2	0
Women receive training in wool and mohair processing, product design, and bookkeeping	Women	0	0	0	0	160	0
Contracts between SSA and women cottage groups established to supply prime quality mohair	contracts	0	0	0	0	10	0
Platform meetings held involving cottage sector stakeholders	Meetings	0	0	0	0	4	0
Subcomponent C.3: Promotion of livestock auctions and district slabs							
Auction sites rehabilitated/constructed	Auctions	0	0	0	0	12	0

Component/ Sub-component or Output	Indicator	Period: 15.06.2016 to 30.09.2016			Cumulative Actual	Appraisal Target	%
		Unit	AWP&B	Actual			
International auctions facilitated	Auctions	0	0	0	0	3	0
District slabs rehabilitated/constructed	Slabs	0	0	0	0	10	0
Meat value chain study	study	0	0	0	0	1	0

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

Table 5A: Financial performance by financier, as at 31 Oct. 2016 (USD'000)

FIINANCIERS	APROVED ALLOCATIONS	AMOUNTS DISBURSED	% DISBURSED
IFAD GRANT	5,805	63	0.011
IFAD LOAN	5,805	63	0.011
ASAP	6,999	33	0.005
OFID	11,974	0	-
LWMGAs	1,545	65	0.042
GOV	3,978	26	0.007
OTHERS	2,825		-
TOTAL	38,932	250	0.006

Table 5B: Financial performance by financier by component (USD '000), as at 31 Oct. 2016

Components	IFAD GRANT			IFAD LOAN			ASAP			OFID			LWMGAs			GOV.			OTHERS			TOTAL		
	Allocated	Actual	%	Allocated	Actual	%	Allocated	Actual	%	Allocated	Actual	%	Allocated	Actual	%	Allocated	Actual	%	Allocated	Actual	%	Allocated	Actual	%
A - Rangeland MGT	207	-		207			6,476	33		4,185			-	-		1,042	-		83	-		12,198	33	0.13
B - Livestock	2,046	-		2,046			412			724			1,419	-		624	-		1,128	-		8,398	-	
C - Processing and Marketing	659	-		659			112			6,895			126	-		1,053	-		729	-		10,233	-	
D - Management	2,894	63		2,894	63		-	-		171			-	65		1,259	26		885	-		8,103	152	
TOAL PROJECT COST	5,805	63	0.01	5,805	63	0.01	6,999	33	0.00	11,974			1,545	65	0.042	3,978	26	0.007	2,825	-		38,932	250	0.006

Table 5C: IFAD loan disbursements (SDR, as at 31-Oct-2016)

Cat	Cat. Descriptions	Sub cat	Allocated	Disbursed	% disbursed	Available
200008	Consultancies		480,000.00	-	0	480,000.00
200013	Goods, services and inputs		920,000.00	-	0	920,000.00
200016	Operating costs		630,000.00	-	0	630,000.00
200018	Salaries and allowances		1,060,000.00	-	0	1,060,000.00
200022	Workshops		360,000.00	-	0	360,000.00
250001	Advance	Start-up	-	152,459.33	0	(152,459.33)
29000	Unallocated		380,000.00	-	0	380,000.00
	Total		3,830,000.00	152,459.33	0	3,677,540.67

Appendix 6: Compliance with legal covenants: Status of implementation

Article/Section of Financing Agreement	Covenant	Status
Section E para. 3, (a)	The Designated Accounts and the Project Accounts referred to in Section B 6 above, shall have been duly opened;	Not fully complied. Two DAs for IFAD Loan/Grant and ASAP were opened. OFID DA yet to be opened.
Section E para. 3, (b)	The Borrower/Recipient shall have deposited adequate counterpart funds to cover the first year of project implementation, as specified in the first AWPB	Not fully complied. Only 10% of the government contribution for the AWPB 16 – 17 was deposited
Section E para. 3, (c)	The Project Steering Committee (PSC), the Project Consultative Technical Committee (PCTC) and the PCU referred to respectively in paragraph 6, 7, and 8, Section II of Schedule 1 hereto shall have been duly established and key staff shall have been appointed with the prior endorsement of the Fund	Not fully complied. No PSC nor PCTC established yet. PCU established with key officers in position, lacking M&E Officer and assistants for accounting and procurement
Section E para. 3, (d)	The Lead Project Agency shall have entered into the performance-based agreement with the LNWGMA in the form approved by the Fund	Not complied
Section E para. 3 (e)	The Lead Project Agency shall have entered into the Memorandum of Understanding (MoU) with each Ministry designated as a Project Party in Section C2 above in the form approved by the Fund	Not complied
Section E para. 4, (a)	The Lead Project Agency shall have submitted the PIM referred to in paragraph 11, Section II of Schedule 1 hereto to the Fund for approval prior to its adoption	Not complied and this needs to be done before the first replenishment
Section E para. 4, (b)	The Lead Project Agency shall have installed a multi-site off-the-shelf accounting Project software	Not complied and this needs to be done before the first replenishment
Section E para. 4, (c)	The LNWGMA shall have contracted an independent audit firm, acceptable to the Fund to conduct a performance audit of the Project activities assigned thereto	Not complied and this needs to be done before the first replenishment
Schedule 3, Special covenants, para. 1	Gender and Youth. The Borrower/Recipient shall ensure that women and youth are represented in the organization and management of the Project. The Borrower/Recipient shall also ensure that women and youth beneficiaries shall be represented in all Project activities and that they receive appropriate benefits from the Project outputs.	To be complied once implementation starts
Schedule 3, Special covenants, para. 2	Operation and Maintenance. The Borrower/Recipient shall ensure that adequate human and financial resources are provided to support the operation and maintenance of Project-financed investments and the recurrent costs of the Project operations both during and after the Project. Implementation Period, at least for the useful life of such investments.	To be effective only when implementation starts

Schedule 3, Special covenants, para. 3.	Counterpart Funds. The Borrower/Recipient shall ensure that counterpart funds are clearly identifiable in the financial management system and all financial statements	To be effective only when implementation starts
GC Section 7.07	The Borrower/Recipient shall ensure that all facilities and civil works used in connection with the Project shall at all times be properly operated and maintained and that all necessary repairs of such facilities shall be made promptly as needed.	To be effective only when implementation starts
GC Section 7.08 (a)	The Borrower/Recipient or the Lead Project Agency shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practices.	Complied
GC Section 7.08 (b)	The Borrower/Recipient or the Lead Project Agency shall insure the goods imported for the Project which are financed by the Financing against hazards incident to the acquisition, transportation, and delivery thereof to the place of use or installation in accordance with sound commercial practice.	To be effective only when implementation starts
GC Section 7.11	The Borrower/Recipient or the Lead Project Agency shall insure key Project personnel against health and accident risks to the extent consistent with sound commercial practice or its customary practice in respect of its national civil service, whichever is appropriate.	Not complied. Staff contracts not yet signed.
GC Section 9.01	The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date, and shall retain such accounts and records for at least ten (10) years thereafter.	Complied
GC Section 9.02	The Borrower/Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four (4) months of the end of each Fiscal year	Reports are due
GC Section 9.03	The Borrower/Recipient shall: (a) Each Fiscal Year, have the accounts relating to the Project audited in accordance with auditing standards acceptable to the Fund and the IFAD Guidelines on Project Audits by independent auditors acceptable to the Fund; (b) Within six (6) months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower/Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof.	a) Not yet due. First financial year will end on 31 March 17 only. b) Not yet due.

Appendix 7: Knowledge management: Learning and Innovation

Learning

Operational implementation has not started yet; it is too early to record any learning.

Innovation: Describe any interesting innovation noted during supervision

Operational implementation has not started yet; it is too early to record any innovative feature.
