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Report No: PAD833

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR5.4 MILLION
(US\$8.25 MILLION EQUIVALENT)

AND A

PROPOSED GRANT

IN THE AMOUNT OF SDR4.4 MILLION
(US\$6.75 MILLION EQUIVALENT)

TO THE

KYRGYZ REPUBLIC

FOR A

PASTURE AND LIVESTOCK MANAGEMENT IMPROVEMENT PROJECT

June 5 2014

Central Asia Country Unit
Sustainable Development Department
Europe and Central Asia Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30 2014)

Currency Unit = SOM
 53.96 SOM = US\$1
 US\$1.550 = SDR 1

FISCAL YEAR
 January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AHH	Animal Health and Husbandry	FBS	Fixed Budget Selection
AISP	Agricultural Investments and Services Project	FIRR	Financial Internal Rate of Return
APIU	Agricultural Projects Implementation Unit	FM	Financial Management
AO	Aiyi Okmotu	FMD	Foot and Mouth Disease
ARIS	Community Development and Investment Agency	FNPV	Financial Net Present Value
CDD	Community Driven Development	GDP	Gross Domestic Product
CDSO	Community Development Support Officers	GMO	Genetically Modified Organisms
CPMP	Community Pasture Management Plan	IBRD	International Bank for Reconstruction and Development
CPS	Country Partnership Strategy	IC	Individual Consultants
CQS	Selection Based on Consultants' Qualifications	ICB	International Competitive Bidding
DA	Designated Account	IDA	International Development Association
DC	Direct Contracting	IFAD	International Fund for Agricultural Development
DCPQP	Department of Chemicals, Protection and Quarantine of Plants	IFR	Interim Financial Report
EA	Environmental Assessment	IPM	Integrated Pest Management
ECA	Europe and Central Asia	KNAU	Kyrgyz National Agrarian University
ECAPDEV	ECA Region Capacity Building Multi Donor Trust Fund	LCS	Least Cost Selection
EIRR	Economic Internal Rate of Return	LMDP	Livestock and Market Development Project
ENPV	Economic Net Present Value	LRPI	Livestock and Pasture Research Institute
ESMP	Environmental and Social Management Plan	LSGB	Local Self Government Bodies
FAO	Food and Agriculture Organization	LWG	Forestry Enterprise Working Group

MOAM	Ministry of Agriculture and Melioration	QCBS	Quality and Cost Based Selection
MOU	Memorandum of Understanding	QS	Quality Based Selection
NCB	National Competitive Bidding	RUAR	Rayon Departments for Agrarian Development
ORAF	Operational Risk Assessment Framework	SAEPF	State Agency for Environmental Protection and Forestry
OP	Operational Policy	SOE	Statement of Expenditure
OIE	World Organisation for Animal Health	SSS	Single Source Selection
PDO	Project Development Objective	TF	Trust Fund
PMF	Pest Management Framework	UNDB	United Nations Development Business
POM	Project Operational Manual	VIP	Village Investment Project
PPR	Petites Pestes Des Ruminants	VSF	Veterinarian Sans Frontier
PUU	Pasture User Union	WFP	World Food Program
		WVA	World Veterinary Association

Regional Vice President:	Laura Tuck
Country Director:	Saroj Kumar Jha
Sector Director:	Laszlo Lovei
Sector Manager:	Dina Umali Deininger
Task Team Leader:	Peter Goodman

KYRGYZ REPUBLIC
Pasture and Livestock Management Improvement Project

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PAD DATA SHEET

Kyrgyz Republic

Pasture and Livestock Management Improvement Project (P145162)

PROJECT APPRAISAL DOCUMENT

EUROPE AND CENTRAL ASIA

ECSAR

Report No.: PAD833

Basic Information			
Project ID P145162	EA Category B - Partial Assessment	Team Leader Peter Goodman	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 23-Jul-2014	Project Implementation End Date 31-Mar-2019		
Expected Effectiveness Date 18-Jan-2015	Expected Closing Date 31-Mar-2019		
Joint IFC No			
Sector Manager Dina Umali-Deiningner	Sector Director Laszlo Lovei	Country Director Saroj Kumar Jha	Regional Vice President Laura Tuck
Borrower: Kyrgyz Republic			
Responsible Agency: Ministry of Agriculture and Melioration			
Contact: Telephone No.: 996-312-664648	Mairambek Tairov	Title: Email: mtairov@apiu.elcat.kg	Director MOAM Agricultural Projects Implementation Unit
Responsible Agency: Community Development and Investment Agency			
Contact: Telephone No.: 996-312-620835	Ismailov Kubanychbek	Title: Email: KIsmailov@aris.kg	Director, ARIS
Project Financing Data(in USD Million)			
[] Loan	[X] IDA Grant	[] Guarantee	
[X] Credit	[] Grant	[] Other	

Total Project Cost:	15.00	Total Bank Financing:	15.00		
Financing Gap:	0.00				
Financing Source		Amount			
BORROWER/RECIPIENT		0.00			
International Development Association (IDA)		15.00			
Total		15.00			
Expected Disbursements (in USD Million)					
Fiscal Year	2015	2016	2017	2018	2019
Annual	2.58	6.22	4.53	1.28	0.39
Cumulative	2.58	8.80	13.33	14.61	15.00
Proposed Development Objective(s)					
The Project Development Objective is to improve community based pasture and livestock management in the Project area					
Components					
Component Name			Cost (USD Millions)		
Community Based Pasture Management			11.44		
Community Based Animal Health and Husbandry Services			1.85		
Project Management			1.70		
Institutional Data					
Sector Board					
Agriculture and Rural Development					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %	
Agriculture, fishing, and forestry	Animal production	100	100		
Total		100			
<input type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.					
Themes					
Theme (Maximum 5 and total % must equal 100)					
Major theme	Theme	%			
Rural development	Rural services and infrastructure	35			

Rural development	Rural policies and institutions	30
Environment and natural resources management	Other environment and natural resources management	35
Total		100
Compliance		
Policy		
Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]
Does the project require any waivers of Bank policies?	Yes []	No [X]
Have these been approved by Bank management?	Yes []	No []
Is approval for any policy waiver sought from the Board?	Yes []	No [X]
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No []
Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	X	
Natural Habitats OP/BP 4.04	X	
Forests OP/BP 4.36		X
Pest Management OP 4.09	X	
Physical Cultural Resources OP/BP 4.11		X
Indigenous Peoples OP/BP 4.10		X
Involuntary Resettlement OP/BP 4.12		X
Safety of Dams OP/BP 4.37		X
Projects on International Waterways OP/BP 7.50		X
Projects in Disputed Areas OP/BP 7.60		X
Legal Covenants		
Name	Recurrent	Due Date
4.01 Additional Events of Suspension	X	
Description of Covenant		
The Additional Events of Suspension consist of the following, namely, that ARIS's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of ARIS to perform any of its obligations under the Project Agreement.		
Name	Recurrent	Due Date
Schedule 2, Section I.A.1. Project Operational Manual	X	
Description of Covenant		
The Recipient, through the APIU, shall and shall cause ARIS to implement, respective parts of the		

Project in accordance with the provisions of the Project Operational Manual.			
Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.A.5. Disbursement Specialist	X		Yearly
Description of Covenant			
The Recipient shall ensure that within sixty (60) days of the Effective Date, APIU and ARIS each retain the services of a disbursement specialist for the Project.			
Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.B.1. Proceeds of the Financing	X		Yearly
Description of Covenant			
To facilitate the carrying out of Parts I.A (iii) and (v), Part I.C (iv), Part II.A(i), Part II.B(ii) and (iv), and Part III(ii) of the Project by ARIS, the Recipient shall make part of the proceeds of the Financing available to ARIS under a subsidiary agreement between the Recipient and ARIS, under terms and conditions agreed by the Association (“Subsidiary Agreement”).			
Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.B.2. Exercise of the Rights	X		Yearly
Description of Covenant			
The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.			
Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.D.1. Sub-Grants	X		Yearly
Description of Covenant			
The Recipient shall cause ARIS to make available Sub-Grants to Beneficiaries and to carry out the Graduate Incentive Program under Parts I.A(v), I.C(iv), Part II.A(i), and Part II.B(ii) and (iv) of the Project in accordance with eligibility criteria and procedures set forth in the Project Operational Manual and acceptable to the Association.			
Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.D.2. Sub-Grants	X		Yearly
Description of Covenant			
The Recipient shall ensure that said Sub-Grants are made available to Beneficiaries by ARIS through Sub-Grant Agreements executed by ARIS and each Beneficiary on terms and conditions acceptable to the Association, including those referred to in Section I.D.3 of Schedule 2.			
Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.D.3. Sub-Grants	X		Yearly
Description of Covenant			
The Recipient shall ensure that the terms and conditions of Sub-Grant Agreements provide ARIS the			

right to: suspend or terminate the right of the Beneficiary as stated Section I.D.3 (a), and require each Beneficiary to carry out the statements referred to in Section I.D.3 (b)(i)-(vii) of Schedule 2.

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.D.4. Sub-Grants	X		Yearly

Description of Covenant
 For PUU Sub-Grants implemented pursuant to Part I.A.(v), the Recipient shall ensure ARIS requires that any PUU receiving a PUU Sub-Grant has: (a) a community-based pasture management plan approved by its Aiyi Kenesh after approval by the Pasture Department; and (b) agreed in the Sub-Grant Agreement to contribute a minimum of 25% of the total value of the micro-project, including 5% in cash.

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.D.5. Sub-Grants	X		Yearly

Description of Covenant
 For PUU Sub-Grants implemented pursuant to Part I.C.(iv) of the Project, the Recipient shall ensure that ARIS requires that: (a) no Sub-Grant exceeds the equivalent of \$10,000; and (b) any PUU receiving a PUU Sub-Grant has done statements referred in Section I.D.5.(b)(i)-(iii).

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.D.6. Sub-Grants	X		Yearly

Description of Covenant
 For PUU Sub-Grants implemented pursuant to Part II.A.(i) of the Project, the Recipient shall ensure that ARIS requires that: (a) no Sub-Grant exceeds the equivalent of \$1,400; and (b) the PUU Sub-Grant is used only for contracting the services of private veterinarians selected by the PUU.

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.D.7. Sub-Grants	X		Yearly

Description of Covenant
 For Private Veterinarians Sub-Grants implemented pursuant to Part II.B.(ii) of the Project, the Recipient shall ensure that ARIS requires that: (a) no Sub-Grant exceeds the equivalent of \$1,500; and (b) Beneficiaries receiving a Private Veterinarians Sub-Grant statements referred in Section I.D.7.(b) (i)-(iv).

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.D.9. Sub-Grants	X		Yearly

Description of Covenant
 The Recipient shall ensure that ARIS exercises its rights under each Sub-Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall ensure that ARIS does not assign, amend, abrogate or waive any Sub-Grant Agreement or any of its provisions.

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.E.1. and 2. Safeguards	X		Yearly

Description of Covenant
 The Recipient, through the APIU, shall and shall cause ARIS to carry out respective parts of the Project

in accordance with the provisions of the Pest Management Framework and Environmental and Social Management Plan.

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.E.3. Safeguards	X		Yearly

Description of Covenant
 The Recipient shall ensure that ARIS, prior to the commencement of any works through Sub-Grants provided under Part I.A(v), Part I.C(iv), Part II.A(i), and Part II.B(ii) of the Project, prepares a Site-Specific ESMP in accordance with the PMF, ESMP, and the Project Operational Manual.

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.E.4. Safeguards	X		Yearly

Description of Covenant
 The Recipient shall not undertake any Project activities that involve involuntary land acquisition or resettlement of people or loss of assets or income.

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.E.5. Safeguards	X		Yearly

Description of Covenant
 The Recipient shall cause ARIS, prior to approval of any PUU Sub-grants which involve temporary or permanent acquisition of privately-owned land, to require the respective PUU to provide satisfactory evidence that: (i) the terms of land acquisition have been properly negotiated with the land owner, and (ii) adequate contractual arrangements have been entered into between the parties.

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.E.6. Safeguards	X		Yearly

Description of Covenant
 The Recipient shall ensure that prior to carrying out pasture boundary demarcation activities, it has established guidelines for public disclosure of complaints, dispute resolution, and monitoring of dispute resolution mechanisms.

Name	Recurrent	Due Date	Frequency
Schedule 2, Section I.D.8. Sub-Grants	X		Yearly

Description of Covenant
 For the Graduate Incentive Program implemented pursuant to Part II.B.(iv) of the Project, the Recipient shall ensure that ARIS provides no more than the equivalent of one thousand Dollars (\$1,000) in veterinary equipment and medicine to each veterinary graduate.

Conditions

Source Of Fund	Name	Type
IDA	5.01 Subsidiary Agreement and Project Operational Manual	Effectiveness

Description of Condition
 The Additional Conditions of Effectiveness consist of the following: (a) the Subsidiary Agreement has been executed on behalf of the Recipient and ARIS; and (b) the Project Operational Manual has been

adopted by the Recipient and ARIS.

Source Of Fund	Name	Type	
IDA	5.02 Additional Legal Matter	Effectiveness	
Description of Condition			
The Additional Legal Matter consists of the following, namely that the Subsidiary Agreement has been duly authorized by the Recipient and ARIS and is legally binding upon the Recipient and ARIS in accordance with its terms.			
Team Composition			
Bank Staff			
Name	Title	Specialization	Unit
Alexander Balakov	Senior Procurement Specialist	Senior Procurement Specialist	ECSO2
Malcolm D. Childress	Sr Land Administration Specialist	Sr Land Administration Specialist	ECSSEN
Ama Esson	Program Assistant	Program Assistant	ECSSD
Joseph Paul Formoso	Senior Finance Officer	Senior Finance Officer	CTRLA
Peter Goodman	Sr Agricultural Spec.	Team Lead	ECSAR
Maurizio Guadagni	Senior Rural Development Specialist	Senior Rural Development Specialist	ECSAR
Asli Gurkan	Social Development Specialist	Social Development Specialist	ECSSO
Aliya Kim	Financial Management Analyst	Financial Management Analyst	ECSO3
Brant Donald Kirychuk	Consultant	Pasture Management	ECSAR
German Stanislavovich Kust	Consultant	Consultant	ECSSEN
Jasna Mestnik	Finance Officer	Finance Officer	CTRLA
Nodar Mosashvili	Consultant	Consultant	ECSO3
Cesar Niculescu	Environmental Specialist	Environmental Specialist	ECSSEN
Sarosh Sattar	Senior Economist	Senior Economist	ECSP3
Adam Shayne	Lead Counsel	Lead Counsel	LEGLE
Hiromi Yamaguchi	Consultant	E T Consultant	ECSAR
Nicolaas Meindert van Wageningen	Consultant	Livestock Production and Health	ECSAR
Non Bank Staff			
Name	Title	City	
Nicolas van Wageningen	Agricultural Economist (FAO/CP Consultant)		

Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Kyrgyz Republic	Talas	Talas Oblast	X		
Kyrgyz Republic	Chuy	Chui Oblast	X		

I. STRATEGIC CONTEXT

A. Country Context

1. The Kyrgyz Republic is one of the poorest countries in the ECA region and is recovering from a period of economic shocks, internal conflict and political instability. In 2011, per capita GDP was US\$1123, 37 percent of households lived below the poverty line and 4.5 percent lived in extreme poverty. GDP growth was 6 percent in 2011 but contracted by -0.9 percent in 2012, owing to a sharp drop in gold output.
2. The Kyrgyz Republic is highly vulnerable to external shocks. It is partially dependent on wheat imports from Kazakhstan and global food price shocks are quickly transmitted to the country. Many households are dependent on remittances from energy based economies (Russia and Kazakhstan) as well as social payments. The narrow export base is dominated by gold. Rural households, sixty percent of which own livestock, have been some of those most affected by recent crises.
3. A parliamentary democracy is evolving in The Kyrgyz Republic. In April 2010, the government was overthrown, followed by an outbreak of internal conflict in June 2010 in the south of the country. Parliamentary elections followed in October 2010 and presidential elections in spring 2012. A lack of confidence in government and weak social accountability contributed to tensions that caused the crises. Improving governance at national and local level, including in natural resource management, is therefore a core government objective, supported by the Country Partnership Strategy.

B. Sectoral and Institutional Context

4. In this volatile political and economic environment, agriculture, although declining in terms of the contribution to GDP (one fifth) and employment (one-third), is a key priority for government because of its contribution to poverty reduction and rural employment, promoting rural-urban income equality and food security. Real GDP growth in agriculture, which is driven by irrigated agriculture (1.3 million hectares) and pasture-based livestock production (9 million hectares), averaged 2.27 percent between 2003 and 2011 before declining to 1.2 percent in 2012. The sector was severely affected by the 2010 crisis, several droughts and a generally weak business environment. In 2013, growth was 2.9 percent.
5. Livestock production, which makes up around half of agricultural GDP and is dominated by household and small farm production, is important for rural household food security, providing regular income and acting as a social safety net which can be sold in times of hardship and economic distress. Livestock provides a good source of high quality protein, especially for women and children. There is great potential to increase livestock productivity, which is low, by addressing fundamental animal health and nutrition constraints.
6. The Government's agricultural reform program has helped agriculture achieve positive growth during a turbulent period. The Kyrgyz Republic was an early reformer in terms of land privatization, rural finance development and privatization of agricultural services. The government is committed to community based natural resource management and in 2009 passed

the Pasture Law. Government's continued commitment to the pasture reforms is reflected in the National Sustainable Development Strategy 2013-17.

7. Prior to the Pasture Law (2009), fragmentation of responsibility for pasture management between different levels of local government led to disruption of seasonal grazing routes, non transparent and inequitable allocation of pasture rights particularly affecting small livestock owners and insufficient pasture related investments in pasture tracks, bridges and watering points. In general, winter pastures were over-grazed and needed resting, while some summer pastures were under-grazed, leading to species degeneration. Land tax collection rates on pastures were low.

8. The Pasture Law has helped to address these issues. Key features of the new pasture management arrangements include: (i) transfer of authority for management from Oblast and Rayon Administrations to Local Self Government Bodies (LSGB) at Aiyyl Okmotu (AO) level; (ii) delegation of management authority from LSGB to Pasture User Unions (PUU) and their executives known as pasture committees; (iii) more equitable access to pastures through broad-based representation in PUU general assemblies, in particular benefiting small livestock owners; (iv) preparation of community pasture management plans by pasture committees; (v) a shift from area-based to headage-based pasture rights (pasture tickets), helping to align stocking rates with pasture carrying capacity; and (vi) setting of pasture fees by pasture committees aimed at covering their operating and investment costs.

9. Forestry enterprise (leskhoz) pastures (1.1 million ha) which are under the control of the State Agency for Environmental Protection and Forestry (SAEPF) are not covered by the Pasture Law. Forestry enterprise pastures include some of the most sought after but often inaccessible pastures. These also include some of The Kyrgyz Republic's most environmentally vulnerable pastures, not least because of their proximity to forests and national reserves. Application of the principles of the Pasture Law to forestry enterprise pastures has been explored under a memorandum of understanding between the Ministry of Agriculture and Melioration (MOAM) Pasture Department and SAEPF and both parties have expressed interest in piloting this idea further.

10. The livestock sector has also benefited from reforms in veterinary services. In line with the 2008 Strategy for Development of Veterinary Services, the Government has supported the development of private veterinary services by contracting private veterinarians (veterinarians) for public veterinary services, including vaccination and by establishing a Veterinary Chamber to register and in the future regulate private veterinarians.

11. The World Bank Agricultural Investments and Services Project (AISP) (2008-2013) has supported the design and implementation these reforms. The project funded social mobilization as a basis for the establishment of a PUU for every AO which has pastures (454 in total), including putting in place governance arrangements and demarcating legal boundaries. In addition, pasture infrastructure was improved and training provided in community based pasture management and animal health planning. The Project supported preparation of six animal disease control strategies. The brucellosis control strategy was implemented nationwide through private veterinarians and has more than halved the incidence of human Brucellosis. The Project also

prepared the foundations for the establishment of a Veterinary Chamber as a Public Institution and trained and equipped over 1,100 private veterinarians.

12. A follow-on project is needed to consolidate these achievements. PUUs have operated for only three seasons and need further support to become inclusive, technically competent and financially sustainable organizations. In particular, support is needed to: (i) build inclusive governance arrangements; (ii) embed pasture management skills in advisory services and pasture committees; and (iii) demonstrate the benefits of and raise members' willingness to pay for the advisory services, veterinary services and infrastructure maintenance which are needed to reach potential pasture and livestock productivity. With regard to animal health, in 2012 each PUU established an animal health and husbandry (AHH) group. It is envisaged that under the proposed project, the PUU AHH groups will be supported to contract private veterinarians to implement the animal health and husbandry plans, which is an important opportunity to raise livestock productivity and protect human health.

13. The Project complements four other ongoing or pipeline projects: (i) the IFAD funded Livestock and Market Development Project (LMDP) I (ongoing) and II, designed in cooperation with the Bank, which will implement project activities similar to those under the Project in the five oblasts not covered by the Project; (ii) the proposed Bank funded Regional Animal Health Project which will deal with the public service aspects of animal health including national level development of animal disease strategies and policy, diagnosis, surveillance and reporting, border control, regulation of veterinary medicines and vaccines, quarantine and possibly animal identification, which strongly complements the essentially private veterinary services supported under the Project; and (iii) the proposed Bank funded Forestry Project which will support the transition to community based forest management and will expand the pilots on forestry enterprise pasture management under the Project, nationwide.

C. Higher Level Objectives to which the Project Contributes

14. *Consistency with Country Partnership Strategy:* The Country Partnership Strategy (CPS) 2014-17 is rooted in a single pillar - support for improved governance. The CPS aims to reform the relationship between the state and the citizen: that is, to make the state more accountable to its citizens and, at the same time, to strengthen citizens' voice in the activities of the state. This is to be achieved in three dimensions of the relationship between the state and the citizen, respectively: (i) as provider and consumer of essential public services, (ii) as enabler and developer of private business, and (iii) as steward and user of natural resources and physical infrastructure, which are key public goods. The Pasture Management Improvement Project, along with Bank investments in irrigation which also follow a community based approach, are two key investments through which improved stewardship of natural resources will be achieved under the CPS.

15. *Contribution to Shared Prosperity:* The Project will contribute to reducing poverty and shared prosperity by increasing access to pastures and animal health services of the poorest livestock holders, (which include some of the most vulnerable groups of the population including landless rural poor households and female headed households) by strengthening the voice of vulnerable groups in PUUs and by helping to ensure that pasture rights are allocated more equitably. The World Food Program (WFP) Second Update Food Security and Nutritional

Update (2010) showed that 50-60 percent of severely food insecure households own 2-3 cattle and 10-15 sheep, underlining the importance of livestock for this group for which livestock are an important source of cash and a social safety net. The WFP (2010) report shows that more food-secure rural households own more livestock than food insecure households and so improving access to pastures and animal health services will improve the incomes of these rural households.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

16. The Project Development Objective is to improve community based pasture and livestock management in the Project area.

Project Beneficiaries

17. About 190,000 rural households in Chui Oblast and Talas Oblast, will benefit from improved PUU and private veterinarian services. About ten percent of these households are female headed households. 140 PUUs (out of 454 nationally), currently responsible for community based management of about 1.2 million hectares of pastures and 2100 pasture committee (PUU executive body) members, as well as 420 private veterinarians, in the project area, will benefit from capacity building under the Project. In addition about 48 veterinary graduates will receive equipment and benefit from training.. The Pasture Department, the Veterinary Chamber and to a lesser extent the LPRI, Rayon Departments for Agrarian Development (RUAR) and SAEPF will all benefit from capacity building under the Project.

PDO Level Results Indicators

18. The PDO level results indicators for the Project are: (i) number of community pasture management plans prepared and implemented satisfactorily based on Project PUU performance criteria; (ii) number of animal health and husbandry plans prepared and implemented satisfactorily based on based on Project PUU performance criteria; (iii) area of utilizable pastures increased; (iv) percentage of pasture users satisfied with the quality of services provided by PUUs; (v) percentage of pasture users satisfied with the quality of services provided by private veterinarians.

III. PROJECT DESCRIPTION

A. Project Components

19. The Project amount (International Development Association Credit and Grant) is US\$15 million. The Project has three components:

- Component 1 Community Based Pasture Management
- Component 2 Community Based Animal Health and Husbandry Services
- Component 3 Project Management

20. At community level, the Project will support 140 PUUs and 420 private veterinarians in Chui and Talas Oblasts in the North of the country¹. The PUUs and private veterinarians in the remaining five oblasts will receive a similar program of support from parallel financed IFAD funded projects under common terms and conditions. The Project will also pilot community based pasture management in five forestry enterprises (out of 42 nationally) in Chui and Talas oblasts as a basis for a future program, nationally.

21. At national level, the Project will strengthen the capacity of technical partners including the Pasture Department which is responsible for oversight of management of the main pastures, the State Agency for Environmental Protection and Forestry (SAEPF) which is responsible for oversight of management of forestry enterprise pastures and the Veterinary Chamber, which is responsible for the professional assessment of private veterinarians and their professional development. The Kyrgyz National Agrarian University (KNAU) and the Livestock and Pasture Research Institute (LPRI) will also receive limited support in relation to pasture research. and veterinary education. The Project will coordinate with the State Inspectorate for Food Veterinary Safety on support for private veterinarians and animal health related activities. The national agencies and community-level organizations to be involved in the Project were all previously supported under AISP with the exception of the SAEPF.

Component 1 Community Based Pasture Management (US\$11.44 million)

22. Component 1 will contribute to the Project objectives through improved pasture governance and technical capacity for pasture management by: (i) improving public awareness of the pasture related legislation; (ii) demarcating internal pasture boundaries, resulting in more accurate land tax charges and resolution of land use disputes; (iii) building more inclusive PUU governance and increasing women's participation in decision making, resulting in more equitable access to pastures; (iv) improving the technical competency of PUUs, rural advisory service providers and state agencies (Pasture Department, SAEPF and the LPRI) resulting in improved community pasture management planning and implementation; (v) demonstrating to pasture users of the benefits of aligning stocking rates with pasture carrying capacity, resulting in reduced pasture degradation and higher pasture productivity; (vi) demonstrating to pasture users the benefits of pasture improvement, winter fodder and feed improvement, pasture infrastructure improvement and advisory services, leading to greater willingness to pay for PUUs services; (vii) funding community based investments in pasture, feeding and livestock improvement; and finally by (viii) introducing community based pasture management into forestry enterprise pastures. Component 1 will include three sub components described below.

23. Sub Component 1.1 Community Based Pasture Management and Investment (US\$10.59 million): This subcomponent will finance five main activities: *i) Legal support* including a public awareness campaign at community level and advice to PUUs to resolve legal queries; *ii) Pasture boundary demarcation and inventorization* including digitisation of some remaining external boundaries (between PUUs) and demarcation of internal boundaries between pastures and other land (within PUUs); *iii) Strengthening community based pasture governance* including an assessment of the standards of governance with each PUU including the extent to which different groups of pasture users including female livestock owners are represented,

¹ There are 454 PUUs and approximately 1850 private veterinarians nationally in seven oblasts.

transparency of decision making and conflict resolution and training of PUUs to improve governance; (iv) *Strengthening community based pasture management* by providing field training to a team of about 14 pasture consultants and funding of their services to PUUs on a declining basis; and (v) *Pasture, feeding and livestock improvement sub-grants* to PUUs of approximately US\$46,500 equivalent over two years (30% in year 1, 70% in year 2) to each PUU for pasture, feeding and livestock improvement, including pasture infrastructure improvement (pasture tracks, bridges and watering points), as well as a range of other complementary investments such as in feed storage, livestock housing and handling facilities, fodder seed and livestock breed improvement and improvement of PUU office facilities. The PUU will contribute a minimum of 25 percent of the total value of the micro-project, including five percent of the total value of the micro-project in cash. Each PUU must have a community pasture management plan approved by the Aiyl Kenesh, after approval by the Pasture Department, before submitting a request for grant funds to the Project.

24. Sub Component 1.2 Strengthening State Pasture Institutions (US\$0.57 million): This subcomponent will finance: (i) *Pasture Department capacity building*, including consultancy to support the Pasture Department to respond to legal queries and draft legislative amendments, to oversee pasture boundary demarcation, to produce technical guidelines on pasture management, and to raise public awareness about the pasture management. The Project will also support the Pasture Department in improving its management information systems to monitor PUU progress in pasture management; (ii) *Rayon Departments for Agrarian Development (RUAR) capacity building*, including provision of office equipment and RUAR participation in Pasture Department training and public awareness activities, so that they can work more effectively with the Pasture Department; and (iii) *LPRI capacity building*, including the continuation of a small program of pasture improvement field research.

25. Sub Component 1.3 Forestry Enterprise Pasture Management and Investment (US\$0.29 million): This subcomponent will finance following activities through which PUUs would assume responsibility for community based management of pastures which are currently the responsibility of forestry enterprises under SAEPF, including national parks (hereafter forestry enterprises), under a medium term lease agreement between PUUs and forestry enterprises in five pilot locations: (i) *Legal and administrative advice* to the SAEPF and Pasture Department to draft amendments to the law and to develop a model agreement between PUUs and forestry enterprises, including national parks currently responsible for pastures and forestry, as a basis for the introduction of community based pasture management in five pilot forestry enterprises; (ii) *An inventory of land use, preparation of land use plans and identification of environmentally sensitive areas*, in the five pilots to determine which forestry enterprise areas would be available to grazers and which areas would require environmental risk mitigation measures; (iii) Support to PUUs to integrate forestry enterprise pastures into their *community pasture management plans including environmental management plans* in the pilots; and (iv) *Forestry enterprise pasture improvement sub-grants* to PUUs of approximately US\$10,000 equivalent for improvement of pastures and implementation of site specific environmental and social management plans. The terms of the grant will be the same as the aforementioned *pasture, feeding and livestock improvement sub-grants* except that in addition sub-grants will be contingent on the signature of an agreement between the recipient PUU, the forestry enterprise and the preparation of community pasture management plans, including environmental management plans, in

accordance with guidelines established under the Project, approved by the forestry enterprise and the Aiyl Kenesh, after approval by the Pasture Department, the SAEPF and ARIS and acceptable to the Bank.

Component 2 Community Based Animal Health and Husbandry Services (US\$1.85 million):

26. Component 2 will contribute to the Project objectives by: (i) building the capacity of each PUU's Animal Health and Husbandry (AHH) Group - a group of up to seven PUU members appointed by the PUU pasture committee to plan and oversee implementation of PUU animal health and husbandry activities - resulting in improved AHH plans; (ii) equipping and training private veterinarians and facilitating contracts between veterinarians and PUUs, resulting in stronger implementation of AHH plans; (iii) demonstrating to pasture users the benefits of veterinary services and improved animal health, resulting in greater willingness to pay for veterinary services; (iv) supporting the establishment of rayon associations of private veterinarians to provide some centralized input supply services and represent their interests to government; (v) supporting the development of training material for veterinarians in cooperation with the Veterinary Chamber and the KNAU; and (vi) building the capacity of the Veterinary Chamber to support the assessment and professional development of private veterinarians, resulting in higher private veterinary standards. Component 2 will include two sub components:

27. Sub Component 2.1 Animal Health and Husbandry Services Planning and Investment (US\$0.56 million): This subcomponent will finance: (i) *Animal health and husbandry sub-grants* to PUUs of US\$1000 to procure private veterinary services, including veterinary graduates, to assist with AHH plan preparation and implementation; (ii) *Supervision of Private Veterinarian Support to AHH Groups and Training AHH Groups* - this will include expert advice to AHH groups and private veterinarians by five project veterinary trainers (hereafter master-veterinarians) on implementation of national strategies for control of animal diseases including for Brucellosis, Echinococcosis, Rabies, Anthrax, PPR and FMD at community level as well as approaches to dealing with other animal health and husbandry issues such as parasite control; and (iii) *Disease specific advice* provided by specialized international consultants to oversee the implementation and monitoring of national disease control strategies in the project area and to provide advice to national level agencies, including the State Inspectorate for Food, Phytosanitary and Veterinary Safety, on further development of the strategies.

28. Sub Component 2.2 Private Veterinarian Development (US\$1.29 million): This subcomponent will finance: (i) *Private veterinarian training and professional development*- the project will contract five master-veterinarians and other specialist expertise where necessary, to deliver formal training to approximately 420 private veterinarians in the project area covering topics including business planning, pharmacology, therapeutics, clinical skills and national disease control strategies; (ii) *Private veterinarian sub-grants of US\$1500* will be provided to 280 private veterinarians, to finance essential equipment and veterinary medicines; (iii) *Strengthening rayon associations of private veterinarians* – the project will provide advice on the legal establishment and operations of rayon associations and upgrade their office facilities and equipment, where there is strong demand from private veterinarians; (iv) *Veterinary graduate incentive program* – the project will fund 48 graduates, selected on a competitive basis,

to undertake short post-graduate courses in veterinary medicine at the KNAU and to provide each student with a set of veterinary equipment and veterinary medicines on completion of the courses; and (v) *Veterinary Chamber capacity building* – consultancy will be provided to support the Chamber in developing tools for assessment and professional development of veterinarians.

Component 3 Project Management (US\$1.70 million)

29. This component will finance project management activities of (i) MOAM Agricultural Projects Implementation Unit (APIU) and (ii) the Community Development and Investment Agency (ARIS), including budgeting, work planning, financial management, procurement and monitoring and evaluation including a baseline survey, to be repeated at mid-term and project completion, as well as reporting on implementation progress and on the impact of the PDO and intermediate outcome indicators. The APIU will carry out coordination with the technical agencies involved in the Project including the Pasture Department, Veterinary Chamber, LPRI, SAEPF, RUAR and the KNAU.

B. Project Financing

Lending Instrument

30. The lending instrument will be Investment Project Financing.

Project Cost and Financing

31. The total project cost is US\$15.0 million, including total base costs of US\$ 14.6 million, and price contingencies of US\$0.4 million. The project cost summary by component is shown in Table 1. A grant for an amount of US\$6.75 million and a credit for an amount of US\$8.25 million with a final maturity of 38 years including a grace period of 6 years, will be made available on standard IDA terms.

Table 1 Project Costs and Financing (US\$)

Project Components	Project Cost	% IDA Financing
1. Community Based Pasture Management	11,443,550	100%
2. Community Based Animal Health and Husbandry Services	1,851,767	100%
3. Project Management	1,704,683	100%
Total Costs	15,000,000	

C. Lessons Learned and Reflected in the Project Design

32. *Community demand for pasture infrastructure investments is very strong.* Under AISP such investments have yielded tangible benefits in terms of increased access to unutilized pastures, creating strong incentives for PUU members to pay pasture use fees. The project will therefore expand investment in sub-grants including pasture infrastructure, while encouraging PUUs to diversify into other complementary investments such as winter fodder improvement.

33. *Successful community pasture management will require technical skills.* While PUU have adopted the principles of community based decision making and the administrative aspects of the Pasture Law, many lack the technical skills required for monitoring pasture quality as a basis for grazing and pasture improvement plans. The Project will build the capacity of a team of pasture consultants to provide technical advice to PUUs and encourage PUUs to contract their services.

34. *Successful animal disease control requires intensive public awareness efforts and strong logistical coordination at community level.* The successful brucellosis control program implemented under AISP demonstrated the importance of intensive public awareness and community level planning of vaccination campaigns with private veterinarians. The project will build the capacity of PUU AHH groups to undertake these activities in cooperation with private veterinarians.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

35. The Project will be implemented by the MOAM through the Agricultural Projects Implementation Unit (APIU) and through ARIS. The APIU will be responsible for overall coordination of the Project.

36. The APIU will be responsible for work planning, budgeting and financial management, procurement, project monitoring and evaluation and coordination with ARIS and the technical agencies involved in the Project. The APIU implemented the Agricultural Services Support Project (1998-2008) and AISP (2008-2013) and are familiar with Bank procedures. There are no outstanding procurement, financial reporting or audit issues on AISP which have not been addressed by the APIU.

37. ARIS will primarily be responsible for disbursement of sub-grants to PUU and private veterinarians and for facilitation of field based capacity building activities through its community development support officers (CDSOs). ARIS played the same role in the implementation of AISP (2008-2013), has experience with numerous other community based Bank projects and are familiar with Bank procedures.

38. The key technical partners at national level are the Pasture Department which is responsible for oversight of management of the main pastures, the SAEPF which is responsible for oversight of management of forestry enterprise pastures and the Veterinary Chamber which will be responsible for support the development of private veterinarians. The Project will coordinate with the State Inspectorate on Food Phytosanitary and Veterinary Safety on support for private veterinarians and animal health related activities to ensure consistency with national policy and strategy. The Kyrgyz LPRI and the KNAU will have a role in limited pasture research and veterinary education activities. All these agencies (with the exception of SAEPF) played a similar role under AISP and are familiar with Bank operations. The Project will also work with RUAR that support the work of the Pasture Department at rayon level. The APIU will be responsible for coordination between Project partners' to ensure that their efforts are complementary, to ensure a consistent technical approach to Project implementation and to

encourage information sharing, including through joint component meetings at least bi-monthly and at key decision points during the Project.

39. At community level, the project partners will primarily be the 140 PUUs which are already established - one in each AO, and approximately 280 private veterinarians. Other important partners are Local Self Government Bodies (LSGB) which are represented in PUUs, the Aiyl Kenesh which approves community pasture management plans and pasture boundary demarcation proposals, and village health committees which are critical in raising public awareness of animal disease threats.

B. Results Monitoring and Evaluation

40. Project PDO and intermediate results level indicators will be measured through a baseline survey implemented by the APIU in cooperation with ARIS. The survey will be repeated at mid-term and project completion. The Project will place a strong emphasis on participatory monitoring and evaluation (M&E) and will assist Rayon Associations of PUUs to establish systems to monitor the performance of their member PUUs, the results of which will complement the project surveys.

41. Project implementation progress and monitoring and evaluation results will be presented by the APIU in quarterly and annual progress reports. ARIS will be responsible for providing its contribution to these reports to the APIU. The APIU will be responsible for consolidation of APIU and ARIS inputs and representation of these reports to the Bank. The fourth quarterly report of each year will be an annual report, providing information of the project's performance during the past year as well as the future annual work plans and budgets for the coming year. A completion report will also be prepared at the end of the project. A mid-term review will be undertaken at the start of the third year of the Project to evaluate whether the Project design remains valid, to assess progress in meeting the PDO and to propose any remedial measures or necessary changes to the Project design. A Project information system and web site will also be established by the APIU to document technical reports, impact studies and public information prepared under the project for each component. Project M&E costs will be fully funded under the Project.

C. Sustainability

42. The key risks for sustainable pasture-based livestock production in the Kyrgyz Republic are (i) degradation of pastures and feed resources causing lower animal productivity; (ii) increasing animal disease causing lower animal productivity, undermining opportunities for trade and damaging human health; and (iii) environmental damage to natural habitats in and around pastures causing reduced biodiversity. These factors also increase the vulnerability of the livestock and rural households to natural and economic shocks causing rural households to hold higher livestock numbers a form of social safety net, further exacerbating these risks. The Project will address these risk by: (i) building advisory services for PUUs and the technical capacity of PUUs to implement more sustainable pasture management, including through better alignment of stocking rates with pasture carrying capacity and resting of pastures to arrest pasture degradation and environmental damage to natural habitats – this will include the preparation of community pasture management plans including environmental mitigation measures particularly for forestry

enterprise pastures; (ii) building the technical capacity of private veterinarians to support PUUs and farmers in controlling animal disease and improving animal health, including through the preparation of animal health and husbandry plans for each PUU; and (iii) improving cost recovery for both pasture management and animal health services to help ensure the financial sustainability of these services – this will be achieved by helping PUUs to prepare costed plans and by improving PUU member awareness of the benefits of these services to raise their willingness to pay.

V. KEY RISKS AND MITIGATION MEASURES

A. Risk Ratings Summary Table

Risk Category	Rating
Stakeholder Risk	Substantial
Implementing Agency Risk	
- Capacity	Low
- Governance	Moderate
Project Risk	
- Design	Moderate
- Social and Environmental	Moderate
- Program and Donor	Moderate
- Delivery Monitoring and Sustainability	Substantial
Overall Implementation Risk	Moderate

B. Overall Risk Rating Explanation

43. Overall Implementation Risk is moderate. While PUU members have shown high willingness to pay for access to pastures and for pasture infrastructure, the risks of low PUU member willingness to pay for pasture advisor services and private veterinarian services, which both contribute strongly to the achievement of the project objective, are high.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

44. The Project is expected to generate improved incomes for livestock owners as a result of higher livestock productivity due to improvements in animal nutrition and health. Improved animal nutrition from pastures will be generated from better alignment of stocking rates with pasture carry capacity, resting of degraded pastures and improved access to under-utilized pastures. Improved animal health and reduced mortality will result from better animal disease control and improved nutrition. Other benefits, that were not quantified in the analysis, include more equitable access to pastures, including for vulnerable groups and women, as a result of

better governance of PUUs, improved public health as a result of reduced zoonotic diseases incidence, improved incomes from non-grazing pasture use, reduced soil degradation and reduced water run-off in pastures which are an important part of the watershed and improved carbon sequestration. Net fiscal benefits to government will include improved land tax revenues as a result of greater pasture user willingness to pay and improved land tax collection rates.

45. An assessment of the financial and economic viability of the Project was undertaken including affordability of pasture use fees and animal health charges for farmers. For Component 1, it is assumed that the utilized pasture area in the with-project scenario increases by 8.0 percent as a result of investments in pasture infrastructure. This is expected to lead to reduced stocking rates, higher pasture productivity and higher livestock productivity including increased liveweight gains of 2.0 percent in cattle and 1.8 percent in sheep, and an increase in milk yield of 3.8 percent in cows. Pasture fees are assumed to be 80 percent higher in the with-project scenario compared to the without-project scenario, to ensure sufficient PUU revenue to cover increased costs of infrastructure maintenance and PUU services. For Component 2, it is assumed that as a result of PUU animal health and husbandry planning and improved veterinary services, in the with-project scenario, livestock mortality rates are 2.5 percent lower², lambing rates are 2.5 percent higher, and liveweight gain in sheep and cattle as well as milk yields are 2.5 percent higher, compared to the without-project scenario. Veterinary costs are assumed to double in the with-project scenario compared to the without-project scenario to deliver better services.

46. *Financial and Economic Analysis Results:* The project generates annual incremental annual gross margins of US\$106 per farm³. The Project generates a financial internal rate of return (FIRR) of 49.2 percent and net incremental benefits with a financial net present value (FNPV) of US\$29.22 million. The Project generates an economic internal rate of return (EIRR) of 52.4 percent and net incremental benefits with an economic net present value (ENPV) of US\$32.13 million. *Sensitivity analysis* shows that the Project is fairly robust and moderately sensitive to changes in key assumptions. A ten percent increase in project costs, a ten percent decrease in Project benefits, a ten percent reduction in the increased area of utilizable pasture resulting from the Project or a ten percent reduction in the key impact on livestock productivity result in EIRRs of between 47 percent and 49 percent. Project benefits would have to decline to 24 percent of their assumed value for the project to generate an EIRR of only 10 percent. With regard to *affordability* of pasture fees and veterinary charges for farmers, these charges could increase by eight times and twice the assumed increases in the with-project scenario respectively before such increases reduce the net incremental gross margin to farmers generated from the Project to zero.

47. *Rationale for Public Sector Funding and Value Added of Bank's Support:* Pastures are public land and it is ultimately the government's responsibility to ensure their proper management and preservation for future generations. The Project will generate public benefits including environmental and public health benefits including: (i) reduced degradation of natural habitats and ecosystems and (ii) reduced incidence of zoonotic diseases in humans. The Bank adds value to this Project by providing international expertise in highly specific technical areas such as pasture agronomy and specific diseases such as Brucellosis, which may not otherwise be available to the Kyrgyz Republic.

² For example 10 percent mortality in lambs from birth to weaning declines to 9.75 percent.

³ A typical farm including about 12 breeding ewes, 3 breeding cows and young stock.

B. Technical

48. *Component 1 Community Based Pasture Management and Investment* - The Project recognizes the importance of strengthening both PUU governance, in terms accountability to its members and transparent decision making, and PUU technical capacity to manage pastures. To strengthen PUU governance, the Project will improve members' awareness of pasture related legislation through local legal service providers. ARIS, which led the establishment of PUUs under AISP and has long experience in developing community based organizations, will conduct an assessment of governance in each PUU including, how members' grievances are addressed and the extent to which the interests of the poorest pasture users and women are represented. The methodology for internal pasture boundary demarcation will be defined in guidelines to be approved by the Bank and MOAM, similar to those that were used under AISP for external boundary demarcation; they will define the process for boundary demarcation by professional surveyors and the process for related decision making, public disclosure and dispute resolution. To prepare and implement technically sound community pasture management plans, PUUs will need to draw on external advice to deal with some of the technical aspects of pasture management such as assessment of pasture condition and development of grazing plans. To build this advisory capacity, the Project will establish a team of three master pasture consultants who will train and supervise about 14 pasture consultants (contracted as individuals or through rural advisory services provider depending on the availability of skills in the vicinity of each PUU) supporting each PUU in the field. The plans for management of the five pilot forest fund pastures will include measures to mitigate the risks of damage to natural habitats and forests and the necessary environmental expertise will be employed for this purpose. To ensure the technical quality of sub-grants, ARIS will assess proposals and supervise their implementation in line with well-established ARIS guidelines. While such sub-grants tend to be dominated by small infrastructure rehabilitation investments, in which ARIS has strong experience, ARIS will draw on technical expertise from master pasture consultants or contract in expertise from the rural advisory services when supervising other pasture, feeding or livestock improvement investments.

49. *Component 2 Community Based Animal Health and Husbandry Services*: The Project recognizes (i) the potentially important role that PUUs can play, in cooperation with private veterinarians, in improving animal health and (ii) the need to equip and update the professional skills of private veterinarians. To build the capacity of PUU to prepare animal health and husbandry plans, which will include plans for the implementation of national disease control strategies at community level, the Project will provide a grant to PUUs to contract the services of a private veterinarian. To help ensure the technical quality of advice provided by private veterinarians to PUU, master-veterinarians will supervise them and provide guidelines on preparing AHH plans. Disease specific international expertise will be employed to provide overall direction on the disease specific aspects of AHH plans and help ensure their consistency with national disease control strategies. Recognizing the lack of opportunities for professional development of private veterinarians, the Project will, through the Veterinary Chamber and in cooperation with the Veterinary Department of the KNAU, prepare training modules and appoint a team of master-veterinarians with previous experience in delivering training, to deliver training to private veterinarians. Master-veterinarians will be supported by international expertise from Veterinarians Sans Frontier with experience in private veterinarian development. With regards to the provision of sub-grants (in cash and kind) to private veterinarians, master-veterinarians will

be responsible for assessing each veterinarians needs and ensuring that the technical specifications of equipment provided are appropriate.

C. Financial Management

50. Financial Management (FM) will be implemented by the APIU and ARIS. The project's FM assessment established that the FM arrangements existing in both agencies meet World Bank requirements, especially taking into account their significant past experience in implementation of Bank funded projects, adequate FM staffing and documentation of the FM arrangements in the Project Operational Manuals (POM) for recent Bank projects, which will be slightly modified to meet specific requirements of the Project. FM arrangements, including budgeting and planning, internal control procedures. Given their considerable existing work load both the APIU and ARIS will appoint dedicated disbursement specialists for the project. With respect to accounting and reporting it has been agreed that both agencies will use systems based on existing accounting software which should be also modified for accounting and financial reporting purposes of the Project. The accounting software will be specially designed to meet World-Bank-financed projects requirements including ability to generate Interim Financial Reports (IFR), withdrawal applications, Statements of Expenditure (SOE), and annual financial statements. The annual audits of project financial statements will be provided to the Bank within six months after the end of each fiscal year, and also at project closure. The Borrower has agreed to disclose the audit reports for the project within one month of their approval by the Bank, by posting the reports on websites of both implementing agencies. Following the Bank's formal receipt of these reports from the Recipient, the Bank will make them publicly available in accordance with World Bank Policy on Access to Information. As part of project implementation support and supervision missions, quarterly IFRs will be reviewed and regular risk-based FM missions will be conducted. More details on FM arrangements are provided in Annexes 3 and 5.

D. Procurement

51. Procurement for the Project will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011 (Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011 (Consultant Guidelines) and the provisions stipulated in the Financing Agreement. The World Bank Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credit and Grants, dated October 15, 2006 and revised on January 2011, would also apply. Further, the project's procurement arrangements will be in line with the Guidance Note for Design and Management of Procurement Responsibilities in Community-Driven Development Projects, dated March 15, 2012.

52. Procurement will be conducted by the APIU and ARIS. The procurement capacity of APIU and ARIS was assessed using the Procurement Risk Assessment and Management System (P-RAMS). The main procurement risks related to the Project would be potential delays due to coordination between the APIU and with MOAM staff who would be involved in some project procurement through Tender Committees. Another risk would be low level of competition in

bidding due to the high cost of doing business in the region. To mitigate these risks, further procurement training will be provided.

E. Social (including Safeguards)

53. A social assessment was prepared to identify social risks, benefits, and impacts of project activities for the project beneficiaries. Livestock are an important source of incomes and food security for rural households in the Project area including amongst landless households. Consequently there is strong demand for access to pastures and disputes over access to pastures have contributed to social tensions in rural communities in the past. Community based pasture management supported by the Project has the potential to help alleviate such tensions through more transparent PUU decision making, that recognizes the interests of all pasture users, including small livestock owners and women. However at this early stage in community based pasture management, there are a number of threats to achieving these benefits and risks of causing social conflict, which the Project will mitigate.

54. The first risk is that interests of various types of pasture users (grazing/ non-grazing/ large and small livestock owners/ vulnerable groups/ male / female) are not reflected in the decisions by pasture committees, leading to elite capture, particularly by those who leased large pasture areas before the Pasture Law, sometimes on preferential terms. This may result from low PUU member awareness of their rights and weak member representation in PUU general assemblies and PUU pasture committees. To mitigate this risk the Project will: (i) assess standards of governance in each PUU; (ii) assess changes in the distribution of pasture rights within PUs over time; (iii) assess fee payment rates by different user groups over time; and (iv) provide tools and training to address weaknesses in governance.

55. The second risk is that disputes relating to pasture boundary demarcation are not satisfactorily resolved. The project will mitigate this risk by; (i) verifying that there are no unresolved disputes remaining from external boundary demarcation in each PUU and helping to address any remaining disputes; (ii) establishing clear guidelines for public disclosure of complaints and disputes resolution for internal pasture boundary demarcation, similar to those used for external boundary demarcation, and monitor whether such procedures are adhered to.

56. With respect to pasture boundary demarcation, OP 4.12 on resettlement is not triggered for the Project for the following reasons: (i) the internal pasture boundary demarcation to be supported by the Project involves boundaries between community managed pasture land and private or state land – it does not involve state acquisition of private land; (ii) proposals for boundary demarcation will be prepared by community based organizations (pasture working groups) including PUU representatives; (iii) most boundary demarcation disputes are expected to be resolved at community level. Where disputes cannot be resolved at community level, the final decision on disputes may be made by the state boundary demarcation commission - in this case the state is acting as the arbitrator of last resort to define the borders of community managed pasture land and no state acquisition of land is involved.

57. With respect to pasture, feeding and livestock improvement sub-grants, in cases where the community proposes sub-grants involving temporary or permanent acquisition of private land, the PUU would be required to seek the land owners' agreement on the terms of land acquisition

and the land owner must have the right of refusal. This will be clearly stated in the ARIS framework agreement with each PUU. Overall, ARIS has significant knowledge of Bank safeguards policies and has already developed tools for screening for resettlement and other social impacts. It has implemented the first and second phases of the Village Investment Project (a Community Driven Development operation) and has managed five Bank-funded projects. ARIS has laid out in detail Guidelines for Environmental Review of sub-grants, which will be updated for PMIP by adding sections on ‘social review of sub-grants. Each sub-project will be reviewed for environmental and social risks in line with the OP4.01.

58. The project activities will benefit both men and women. In terms of gender roles in the pasture and livestock sectors, women are responsible for small livestock and poultry keeping, farming on household plots, and dairy farming. Men are typically responsible for large livestock, and marketing. Although there are no cultural constraints to women’s participation in the PUU pasture committees in the project areas, heavy household and childcare duties prevent them from participating in large numbers. When they do, women often assume the role of accountants. In strengthening the governance arrangements of the PUUs, special emphasis will be given for encouraging broader participation of women in the pasture committees and ensuring that PUU support will include support for activities that are assigned to women as well as men in the pasture and livestock sectors. Public awareness aspects of AHH plans will also ensure strong participation of women, including through village health committees, in particular to convey hygiene and other preventative animal disease control measures to children.

F. Environment (including Safeguards)

59. The Project is rated Environmental Category “B”, because of the potential limited environmental issues associated with the small-scale investments in pasture infrastructure.

60. While the environmental impact of the proposed project will be largely positive, some adverse impacts may be generated. The identified positive environmental impacts of the Project include: (a) the integrated, fair and sustainable management of pastures by communities which brings environmental and social benefits in relation to natural resources management; (b) increased food security and household income for the smallholder farmers, due to higher livestock and agricultural productivity; (c) improved farmer skills from training in technologies in pasture management, animal health and husbandry.

61. The potential negative impacts that may result from implementation of the Project’s activities are mainly related to the Component 1 (pasture, feeding and livestock improvement sub-grants investments for pasture roads, bridge and watering point improvement, stock handling, fodder and feed improvement and storage) and Component 2 (PUU sub-grants for AHH plan implementation including contracting of private veterinarians and private veterinarian sub-grants) and include: (a) increased pollution due to construction waste; (b) increased pollution of ground and surface waters due to soil erosion and use of fertilizers and herbicides; (c) some of the possible pasture management measures (e.g. reseeded, establishment of watering points) that could affect the plant species composition or other ecological parameters of the surrounding habitats; (d) threats to human health and wildlife due to improper handling of treated seeds, fertilizers and herbicides, and due to the management and disposal of livestock vaccines and other medicines; (e) potential increased use of pesticides for pasture management and fodder

production; and (f) increased siltation of water bodies due to soil erosion. All these potential environmental impacts are readily identifiable, small in scale and minimal in impact and can be effectively prevented, minimized or mitigated by the preventive and/or mitigation measures identified in the environmental assessment (EA) and the environmental and social management plan (ESMP) prepared for the project. The EA and ESMP consultation and disclosure workshops took place on April 1 and April 11 2014 and the ESMP was disclosed in country and on the World Bank Infoshop on April 14 2014.

62. The Project will not finance purchase of genetically modified organisms (GMOs) nor finance Category A sub-projects.

63. *OP 4.04 on Natural Habitats is triggered* because: (i) while many of the low elevation pastures near settlements are heavily grazed and ecologically modified, some (particularly the midland high elevation pastures) are likely to be in natural or only minimally altered condition, representing important grassland and meadow habitats in themselves; and (ii) some of the pastures (particularly the forestry enterprise pastures) are in the close vicinity of natural forests or national reserves. Some of the possible pasture management measures (e.g. reseeded, establishment of watering points) could affect the plant species composition or other ecological parameters of these habitats. All types of natural habitat play an important biological, social and environmental role. The Project will support activities which target preservation of natural habitat and its recovery, and prohibit those activities that can cause a significant loss or degradation of any significant natural habitat. Nevertheless, Project activities aimed at improved access to distant pastures, create risks of over-exploitation of grass cover, deterioration of the condition and fragmentation of the natural habitat in project-affected zones, especially in remote high-altitude areas with valuable biological diversity in alpine and sub-alpine belts. The ESMP should specify that preparation of community pasture management plans will include an assessment of the ecological status, potential ecological sensitivity and biodiversity values of specific pasture areas and indicate appropriate mitigation measures to maintain these values.

64. *OP 4.09 (Pest Management) is triggered* because of the possibility that some of the pasture management plans could involve weed control activities, possibly including the use of herbicides or pesticides (they are unlikely to include insecticides), and the support to private veterinarians could include financing for acaricides. The ESMP includes measures to improve environmental and health protections in pesticide use and to promote an Integrated Pest Management (IPM) approach. The Project design and ESMP include resources and training for PUUs on IPM and safe handling of pesticides. Environmental risks can occur as a result of incorrect use of pesticides or herbicides in pasture management and burning of vegetation in pasture lands. The ESMP will control potential environmental risks, through the process of mitigation, reduction and prevention via appropriate preventive measures. The ESMP also foresees the preparation of a limited “positive list” of pesticides which would be eligible for financing for field trials/demonstrations. It will also ensure that handling/disposal of materials associated with the veterinary practice is consistent with the WBG EHS Guidelines and WHO guidelines for management of medical waste.

Annex 1: Results Framework and Monitoring

Country: Kyrgyz Republic

Project Name: Pasture and Livestock Management Improvement Project (P145162)

Results Framework

Project Development Objectives

PDO Statement

The Project Development Objective is to improve community based pasture and livestock management in the Project area

These results are at | Project Level

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	End Target			
Number of Community Pasture Management Plans implemented satisfactorily based on Project PUU performance criteria.	<input type="checkbox"/>	Number	0.00	21.00	84.00	112.00	112.00	112.00	Annual	Project Survey	APIU/ ARIS
Number of Animal Health	<input type="checkbox"/>	Number	0.00	21.00	84.00	112.00	112.00	112.00	Annual	Project Survey	APIU

and Husbandry Plans implemented satisfactorily based on based on Project PUU performance criteria.											
Area of utilizable pastures increased	<input type="checkbox"/>	Percentage	0.00	0.00	4.00	6.00	8.00	8.00	Annual	Project Survey	APIU/ ARIS
Percentage of pasture users satisfied with the management of pastures by PUUs	<input type="checkbox"/>	Percentage	0.00	00.00	20.00	20.00	50.00	50.00	Bi Annual	Project Survey	APIU/ARIS
Percentage of pasture users satisfied with the quality of services provided by Private Veterinarians	<input type="checkbox"/>	Percentage	0.00	00.00	20.00	20.00	50.00	50.00	Bi Annual	Project Survey	APIU

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4	End Target			
Number of	<input type="checkbox"/>	Number	0.00	21.00	84.00	112.00	112.00	112.00	Annual	Project	APIU

Community Pasture Management Plans prepared by PUUs and approved by the Project.											Records	
Number of Animal Health and Husbandry Plans prepared by PUUs and approved by the Project.	<input type="checkbox"/>	Number	0.00	21.00	84.00	112.00	112.00	112.00	Annual	Project Records	APIU	
Number of new PUU sub-grants implemented in accordance with the sub-grant agreements with ARIS.	<input type="checkbox"/>	Number	0.00	140.00	280.00	280.00	280.00	280.00	Annual	Project Records	ARIS	
Number of private veterinarians trained	<input type="checkbox"/>	Number	0.00	210.00	349.00	420.00	420.00	420.00	Annual	Project Records	APIU	
Targeted clients satisfied with agricultural services (percentage)	<input checked="" type="checkbox"/>	Percentage	0.00	20.00	20.00	60.00	60.00	60.00	Bi Annual	Project Survey	APIU/ARIS	
Client days of training provided (number)	<input checked="" type="checkbox"/>	Number	0.00	6500.00	11000.00	13500.00	14500.00	14500.00	Annual	Project Records	APIU/ARIS	

Client days of training provided - Female (number)	<input checked="" type="checkbox"/>	Number	0.00	650.00	1100.00	1350.00	1450.00	1450.00	Annual	Project Records	APIU
Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	0.00	190000	190000	190000	190000	190000	Annual	Project Records	APIU/ARIS
Female beneficiaries	<input checked="" type="checkbox"/>	Percentage	0.00	10%	10%	10%	10%	10%	Annual	Project Records	APIU/ARIS

Annex 1: Results Framework and Monitoring

Country: Kyrgyz Republic

Project Name: Pasture and Livestock Management Improvement Project (P145162)

Results Framework

Project Development Objective Indicators	
Indicator Name	Description (indicator definition etc.)
Number of Community Pasture Management Plans implemented satisfactorily based on Project PUU performance criteria	The number PUU with CPMP implemented satisfactorily based on Project PUU performance criteria defined in the POM.
Number of Animal Health and Husbandry Plans implemented satisfactorily based on based on Project PUU performance criteria	The number PUU with AHH plans implemented satisfactorily based on Project PUU performance criteria defined in the POM.
Area of utilizable pastures increased	Additional area of pasture which becomes accessible and is utilized for grazing as a result of investments in pasture infrastructure improvements.
Proportion of pasture users satisfied with the management of pastures by PUUs	Percentage of pasture user which indicate that they are satisfied with the quality of services provided by the PUU based on PUU performance milestones defined under the Project.
Proportion of pasture users satisfied with the quality of services provided by Private Veterinarians	Percentage of pasture user which indicate that they are satisfied with the quality of services provided by the Private Veterinarians based on Private Veterinarian performance milestones defined under the Project.
Intermediate Results Indicators	
Indicator Name	Description (indicator definition etc.)
Number of Community Pasture Management Plans prepared and approved by the Project.	The number PUU with CPMP prepared and approved by the Project.
Number of Animal Health and Husbandry Plans prepared and approved by the Project.	The number PUU with AHH plans prepared and approved by the Project.

Number of new PUU sub-grants implemented in accordance with the sub-grant agreements with ARIS	No. of new pasture, feeding and livestock improvement sub-grants completed under the Project in compliance with terms and conditions of sub-grant agreements between ARIS and PUUs.
Number of private veterinarians trained	No. of private veterinarians that have completed formal training under the project.
Targeted clients satisfied with agricultural services (percentage)	This indicator measures the percentage of clients who expressed satisfaction with the services provided in the project areas based on formal or informal survey.
Client days of training provided (number)	This indicator measures the number of client days of training provided (including training to (a) PUU's on (i) Community Based Pasture Governance including conflict resolution; (ii) Community Based Pasture Management; and (iii) Preparation and Implementation of Animal Health and Husbandry Plans and (b) training to Private Veterinarians including on (i) Veterinary Field Practice including on implementation of national disease control strategies and (ii) Veterinary Practice Business Development) i.e. the number of clients who completed training multiplied by the duration of training expressed in days.
Client days of training provided - Female (number)	No description provided.
Direct project beneficiaries	Direct beneficiaries are people or groups who directly derive benefits from an intervention (i.e., children who benefit from an immunization program; families that have a new piped water connection). Please note that this indicator requires supplemental information. Supplemental Value: Female beneficiaries (percentage). Based on the assessment and definition of direct project beneficiaries, specify what proportion of the direct project beneficiaries are female. This indicator is calculated as a percentage.
Female beneficiaries	Based on the assessment and definition of direct project beneficiaries, specify what percentage of the beneficiaries are female.

Annex 2: Detailed Project Description

KYRGYZ REPUBLIC: Pasture and Livestock Management Improvement Project

1. The Project Development Objective is to improve community based pasture and livestock management in the Project area. The Project amount is US\$15 million. The Project has three components:

- Component 1 Community Based Pasture Management
- Component 2 Community Based Animal Health and Husbandry Services
- Component 3 Project Management

2. At community level, the Project will support all PUUs (140 out of 454 nationally) and 420 private veterinarians in Chui and Talas Oblasts (out of 1849 nationally) in the North of the country– the PUUs and private veterinarians in the remaining five oblasts will receive a similar program of support from parallel financed IFAD funded projects under common terms and conditions. These national agencies and community-level organizations were all previously supported under AISP. The Project will also pilot community based pasture management in five forestry enterprises (out of 42 nationally) as a basis for a future program.

3. At national level, the Project will strengthen the capacity of technical partners including the Pasture Department which is responsible for oversight of management of the main pastures, the State Agency for Environmental Protection and Forestry (SAEPF) which is responsible for oversight of management of forestry enterprise pastures and the Veterinary Chamber, which is responsible for the supporting the assessment and professional development of private veterinarians. The Project will coordinate with the State Inspectorate for Food, Phytosanitary and Veterinary Safety on support for private veterinarians and animal health related activities to ensure consistency with national policy and strategy. KNAU and the Kyrgyz Livestock and Pasture Research Institute (LPRI) will also receive limited support in relation to pasture research and veterinary education. The Project will also work with RUAR that support the work of the Pasture Department at rayon level. The APIU will be responsible for coordination of Project partners' activities and for ensuring information sharing including through joint component meetings at least bi-monthly and at key decision points during the Project.

A. Component 1 Community Based Pasture Management

4. Component 1 includes three subcomponents

- Sub Component 1.1 Community based Pasture Management and Investment
- Sub Component 1.2 Strengthening State Pasture Institutions
- Sub Component 1.3 Forestry Enterprise Pasture Management and Investment

Sub Component 1.1 Community based Pasture Management and Investment

5. This sub component includes five main activities:

- Legal Awareness

- Pasture Boundary Demarcation and Inventorization
- Strengthening Community Based Pasture Governance
- Strengthening Community Based Pasture Management
- Pasture, Feeding and Livestock Improvement Sub Grants

Legal Awareness

6. The Project will undertake public awareness workshops to improve awareness of pasture related legislation of rural communities and legal service providers. A high level of awareness of legal rights and responsibilities relating to pasture management is important in building communities' confidence in PUUs and strengthening PUU accountability to their members and local government. The Project will contract a local legal service provider, with experience in legal awareness in rural areas, to prepare updated guidelines explaining the Pasture Law and any future legal reforms. The service provider will prepare an electronic library of relevant pasture legislation in a form accessible to PUUs and will deliver legal awareness workshops to participants including PUUs, pasture consultants, LSBU and Aiyl Kenesh representatives, RUAR and oblast administration representatives as well as local legal and rural service providers.

Pasture Boundary Demarcation and Inventorization

7. *Completion of external pasture boundary demarcation* – The Project will contract local survey companies and other local consultants including lawyers, to assist the Pasture Boundary Demarcation Commissions⁴ in resolving outstanding disputes relating to demarcation of external pasture boundaries in the Project area. This will include verification of the location of disputed external boundaries, review of historical maps, and other relevant documentation, consultation with parties in dispute and ensuring that public disclosure and dispute resolution procedures for pasture boundary demarcation⁵ have been properly adhered to. There are currently major unresolved disputes in 17 of 454 AO nationwide⁶ including two in the project area.

8. *State level registration of external pasture boundaries* - The Project will also use the aforementioned consultants to support the Pasture Department in addressing any legal or technical queries raised by the State Boundary Demarcation Commission, Gosregister or other government agencies during the process of registration of demarcated external pasture boundaries at national level. While the external boundaries of pastures in all AO (except the 17 where disputes are outstanding) have been registered with Gosregister at rayon level under AISP, they will be registered with Gosregister en-mass at national level on the completion of boundary demarcation nationwide.

⁴ Pasture Working Groups (PWGs) were responsible for preparing pasture boundary demarcation proposals in cooperation with communities, with the support of surveyors contracted under AISP. In accordance with the *Methodical Guidelines on Identification of LSGB Pasture Areas and Demarcation of External Pasture Boundaries (2010)*, Pasture Boundary Demarcation Commissions comprising representatives from (PWG) of the respective AO as well as representatives from local government, state land and environmental agencies, were established at rayon, oblast and state level to resolve disputes on such proposals which could not be resolved at AO level.

⁵ Defined in the *Methodical Guidelines on Identification of LSGB Pasture Areas and Demarcation of External Pasture Boundaries (2010)*

⁶ There are 458 AO nationwide of which 454 AO have pastures.

9. *Digitization of registered external boundaries* - The Project will contract local survey companies to digitize the external pasture boundaries demarcated under AISP in the project area, in cases where this has not already been undertaken under AISP. Digitized maps will be provided to the Pasture Department, and pasture committees as a tool for pasture management and for resolving future disputes over boundaries or land use.

10. *Internal pasture boundary demarcation and inventorization* – The Project will contract local survey companies to demarcate the internal boundaries of pasture areas under the management of each PUU. Internal boundaries are the boundaries between pasture land and other agricultural and non-agricultural private or state land within the AO. There is strong demand for this activity in order to: (i) more accurately define the area of pastures on which PUU's pay tax; (ii) provide a foundation for resolving land use disputes; (iii) provide accurate information for community pasture management planning. The methodology for internal boundary demarcation will be based on guidelines which will include specific guidance on public disclosure of proposed internal boundaries and dispute resolution. The guidelines will also specify the composition of the PWG for internal boundary demarcation (similar to that created for external boundary demarcation). This activity will focus on pasture areas around which there are disputes relating to the area and amount of land tax paid or disputes over land use (for example where land classified as pasture is being ploughed).

Strengthening Community Based Pasture Governance

11. *Governance assessments, training and advice* – One of the objectives of the Pasture Law was to bring about more transparent and equitable access to pastures. The governance structures of PUU were designed in order to ensure that the interests of all pasture users are properly represented in the PUU. Ensuring that these governance structures function effectively is crucial to achieving this objective. The Project will fund ARIS to undertake assessments of PUU governance. This will include verification of the characteristics of pasture users in each village, assessment of the extent to which they are properly represented in the PUU general assembly and pasture committee (15 person executive body of the PUU), examination of the process for decision making, and the allocation of and payment for pasture rights by different groups of pasture users. It will also assess any preferential arrangements in place to provide subsidized access to pastures for vulnerable groups, a practice currently used by some pasture committees. Based on the findings of the assessment, the Project will fund ARIS training of selected PUU pasture committees where governance and representation of vulnerable groups needs to be improved.

12. *Conflict resolution and training* – Disputes over access to pastures have contributed to social tensions in rural communities in the past. Community based pasture management has the potential to alleviate such tensions through more transparent and equitable allocation of pasture rights but the transition to community based pasture management also implies some reallocation of pasture rights, potentially creating new disputes. The Project will fund ARIS to undertake assessments of the extent of conflicts within PUUs, including disputes related to access to pasture, payment of pasture fees, pasture boundaries, land use, encroachment forest fund or neighboring PUU pasture areas and on access to secondary (non-grazing) pasture resources. Based on the findings of the conflict assessment, the Project will fund the preparation of

guidelines and tools to deal with the specific form of conflict identified and the provision training for pasture committees on how to resolve such conflicts.

13. *Capacity building for rayon associations of PUUs* - Rayon Associations of PUUs have a potential role to play in: (i) resolving inter-PUU pasture management issues, including pasture access and management of some summer grazing areas; (ii) investing in and managing commonly pasture infrastructure; (iii) providing management advice; and (iv) representing the interests of PUUs to government. Five PUU rayon associations have emerged in the Project area in recent years on the initiative of PUUs. The Project will fund ARIS to contract local consultancy including legal, organizational development, financial management, and technical advice on pasture management and provide basic office equipment, to support the development of rayon associations which are already established or which emerge in future.

Strengthening Community Based Pasture Management

14. *Community pasture management planning* – Each PUUs is required to produce a community pasture management plan for approval by the Aiyl Kenesh. Plans should include an assessment of pasture condition, livestock carrying capacity, grazing plans (grazing routes, grazing dates and number of livestock to be grazed along the route), pasture improvement plans, operation and maintenance cost estimates, calculation of pasture use fees as well as plans for non-grazing use of pastures. Animal health aspects of the plan are discussed under para. 44. Experience from AISP shows that the preparation of which is often beyond the technical capacity of PUU pasture committees. The Project will therefore build local capacity for provision of advisory services to PUUs, including preparation of technical guidelines, training of master-veterinarians, training and field supervision of pasture consultants and funding of pasture consultants services on a cost-sharing basis with the PUUs.

15. The Project will contract consultants to support the Pasture Department in cooperation with other members of the working group on community based pasture management⁷, to prepare further technical guidelines and training material on community pasture management planning to supplement material produced under AISP. This will include material on additional measures to control stocking rates, planning fodder production and winter feeding, disaster risk mitigation, environmental risk mitigation. A team of three master-pasture consultants will be contracted by the APIU to provide in-field training to a team of about 14 pasture advisor also contracted by the APIU (about one for every ten PUU in the project area) to deliver advice on the aforementioned topics and support the preparation, implementation and monitoring of community pasture management plans. Pasture consultants may be contracted as individuals or through rural advisory service providers depending on the availability of skills in the vicinity of each PUU. Individuals who acted as master-trainers under AISP will be encouraged to apply for these posts. Master-pasture consultants will also act as pasture consultants themselves.

16. The Project will fund part of the cost of pasture consultants' services on a declining basis (100% in year 1, 100% in year 2 and 50% in year 3) with funding being conditional on the

⁷ A working group was established to develop technical guidelines on community pasture management under AISP supported by international consultants. The working group includes representatives from the Pasture Department, Livestock and Pasture Research Institute, rural advisory services and NGOs involved in pasture management.

PUU's contribution. PUU contributions to the cost of pasture consultants will not be a condition of receiving grant funding but preparation of acceptable community pasture management plans will be a condition, providing a strong incentive for PUUs to provide a cost contribution. In year 4 the project will facilitate the agreement of contracts between pasture consultants and PUUs or PUU rayon associations, where there is mutual interest in such contracts.

17. *Community based mapping* - Community based mapping provides is a tool to help PUUs prepare community pasture management plans. Maps prepared by the community - with layers indicating pasture resources, the condition of pasture infrastructure and tracks, environmentally sensitive locations and disputed land use boundaries - will encourage member participation in pasture planning and can be used during resolution of conflicts on boundaries and land use. The Project will contract a local service provider to prepare guidelines and train pasture consultants, who will support the preparation of community based maps in each PUU.

18. *Public awareness* – Information on pasture management decisions, including how pasture fees are determined and the benefits of PUUs investments in pasture improvement, need to be better communicated beyond each PUU's 15 person pasture committee, to the entire membership. Educating PUU members about the rationale behind community pasture management plans and investments will be important to maintain support for PUUs and to improve members' willingness to pay pasture use fees. Member awareness will also help livestock owners and herders to understand the benefits of aligning stocking rates with pasture and winter feed resources and of complying with PUU animal health requirements. The Project will fund the provision of consultancy to the Pasture Department to design public awareness tools, the preparation of public awareness materials and the training of pasture consultants and ARIS CDSOs, who will assist PUU in implementing public awareness campaigns. Public awareness activities will also inform the LSGB (which delegated authority for pasture management to PUU), aiyl kenesh (which approves community pasture management plans) and the Pasture Department (which is responsible for overseeing implementation of the Pasture Law), as part of the project's effort to strengthen the accountability of PUUs to these organizations.

19. *Performance assessments* - The Project will fund the design, training of pasture consultants and implementation of performance assessments in each PUU to help guide their development, improve their accountability to their membership and other aforementioned stakeholders and as a basis monitoring the impact of the project. A performance assessment tools will be designed and tested on five or more PUUs before being implemented in all PUUs. The assessment will measure the progress of each pasture PUU in terms of governance; financial sustainability, technical aspects of pasture management (including animal health aspects), and impact on livestock productivity. The assessment will pay particular attention to the performance of PUUs in raising pasture fees to implement community pasture management plans and in aligning grazing rights with pasture and winter feed resources.

Pasture, Feeding and Livestock Improvement Sub-grants

20. The Project will provide a grant of approximately US\$ US\$46,500 equivalent over two years (30% in year 1, 70% in year 2) to each PUU for pasture, feeding and livestock improvement. The PUU will contribute a minimum of 25 percent of the total value of the micro-project, including

five percent of the total value of the micro-project in cash. PUU may elect to defer their year 1 grant and combine it with their year 2, if for example, a single larger grant in year 2 would be more appropriate for their micro-project.

21. Each PUU must have a community pasture management plan approved by the Aiyl Kenesh, following approval by the Pasture Department, before submitting a request for grant funds to the Project. Indeed the process of identifying and selecting potential investments will be a part of the community pasture management planning process. This will ensure that investments are consistent with the objectives and priorities identified in the community pasture management plan and that arrangements are in place to finance the recurrent maintenance costs of sub-grants. Disbursement of pasture, livestock and feeding sub-grants to PUUs will be subject to the Bank providing no objection to the first 10 CPMPs.

22. Micro-project groups, which may include informal pasture user groups or informal self-help groups itself, will prepare and implement investment proposals. Micro-project groups will submit proposals to the PUU Pasture Committee which will review, prioritize and select sub-grants. The pasture committee will present the results of the selection process to the PUU general assembly which will approve the selection. ARIS will administer sub-grants for PUUs.

23. Eligible investments will include pasture infrastructure improvement, pasture improvement (such as seed multiplication, reseeding or other improvement measures), minor irrigation works to improve fodder production, feed and fodder related equipment and storage, or livestock handling facilities or livestock improvement investments. Eligible grant expenditure includes works, goods, services and training for sub-grants.

24. The Project will fund consultants to support ARIS in cooperation with the Pasture Department in preparing advisory material (guidelines, booklets and videos) illustrating best practise sub-grants including examples of technical design, cost estimates, benefits and implementation arrangements, which will be communicated to PUU through ARIS CDSO and pasture consultants.

25. The Project will encourage a broader range of investment beyond pasture infrastructure investments, for feed and livestock improvement sub-grants, by providing advice on best practice for topics including fodder improvement, breed selection and breeding stock management. It is expected that such sub-grants will include an element of advisory services and training. For example a fodder improvement micro-project may include a package of rural advisory services and inputs to implement demonstrations.

26. *Repeat training in micro-project management and financing* – The Project will fund ARIS to repeat training of PUU Pasture Committees on community based procurement, finance, and micro-project management with a strong emphasis on management of own investments as well as those funded from Project sub-grants. Repeat training is needed as the membership of the Pasture Committee rotates every three years and some PUU staff has been replaced since the previous ARIS training on these topics.

Sub Component 1.2 Strengthening State Pasture Institutions

27. This sub component includes three main activities:

- Pasture Department Capacity Building
- Rayon Department for Agrarian Development Capacity Building
- Livestock and Pasture Research Institute Capacity Building

Pasture Department Capacity Building

28. *Legal Support* – The Project will seek to ensure that any future amendments to the legal and regulatory framework for pasture management are aligned with the principle of a community based approach to pasture management, enshrined in the Pasture Law. An experienced local lawyer with previous experience in natural resources management law will be contracted by the Project to support the Pasture Department in responding to proposals for legislative reform or legal queries from Parliament, Government or Pasture User Union (PUU) representatives and to provide advice to the Pasture Department in drafting legislative amendments.

29. *Oversight of pasture management*: The Project will fund consultancy to improve the capacity of the Pasture Department to oversee implementation of the Pasture Law, to assess the quality of pastures and to monitor the performance of PUU, including through training of oblast level Pasture Department Staff.

30. *Public awareness on pasture management*: The Project will continue to fund the production of public information including radio and television programs by the Pasture Department which improve the public understanding of the arrangements for pasture management and best practices.

Rayon Department for Agrarian Development Capacity Building

31. *Rayon Department for Agrarian Development (RUAR⁸)*: In line with the MOAM plans to strengthen RUAR, it is expected that RUAR will play an increasing role in resolving PUU administrative problems and monitoring the implementation of policy in cooperation with the Pasture Department. The Project will equip RUAR to undertake this role through provision of office equipment and communications facilities and through their participation in Pasture Department training and public awareness activities.

Livestock and Pasture Research Institute Capacity Building

32. *Implementation of selected pasture research projects*: The Project will fund selected pasture research and demonstration activities and the production of advisory material for pasture consultants through the LPRI. This will include a continuation of research conducted under AISP such as on the impact on pasture resting and reseeded on the recovery of pastures in different agro-climatic conditions, which will inform the preparation of community pasture management plans in the project area.

⁸ Rayonnoe Upravlenie Agrarnogo Razvitiya (RUAR)

Sub Component 1.3 Forestry Enterprise Pasture Management and Investment

33. This sub component includes four main activities:

- Legal and Administrative Advice
- Inventory of Land Use, Land Use Plan, Identification of Environmentally Sensitive Areas
- Community Pasture Management Plans (including environmental management plans)
- Forestry Enterprise Pasture Improvement Sub-grants

34. The Project will support the government in extending the principles of community based management of pastures to those pastures which are currently the responsibility of forestry enterprises under SAEPF, including national parks, (hereafter forestry enterprises), which are not currently covered by the Pasture Law. This will be done on a pilot basis covering five forestry enterprises in Chui and Talas oblasts (out of 42 nationally) to be expanded nationwide to all forestry enterprises from 2015 under the proposed Community Based Forestry Project.

Legal and Administrative Advice

35. *Legal Advice* - The Project will provide legal advice to the SAEPF and the Pasture Department to respond to legal queries and draft legislative amendments for the management of forestry enterprise pastures. The Project will assist the government in aligning the legislation for forestry enterprise management, including the Forest Code, with the principles for pasture management set out in the Pasture Law. The Project will also provide training to PUU's and forestry enterprises to understand the obligations of both parties under the agreement.

36. *Administrative Advice* - The Project will also provide advice to support the SAEPF and Pasture Department in developing a model agreement between PUUs and forestry enterprises. The model currently preferred by the SAEPF is an agreement under which PUUs lease pastures from forestry enterprises for a period of 3 years and then issues pasture tickets for forestry enterprise pastures to its members. The Project will also advise on how the terms of conditions of pasture tickets will need to be revised to incorporate pasture users obligations regarding the use of forestry enterprise pastures and protection of the environment;

Inventory of Land Use, Land Use Plan and Identification of Environmentally Sensitive Areas

37. The Project will facilitate the establishment of a forestry enterprise working group (LWG) in each forestry enterprise headed by SAEPF and forestry enterprise management and including representatives of concerned PUU, Pasture Department, RUAR, Head of the LSGB, Giprozem, local office of Gosregistry. The LWG with the support of surveyors to be contracted under the Project will prepare a land use inventory and plan in each forestry enterprise to be approved by the Chairman of the SAEPF which would form the basis of a proposal on the long-term use of forestry enterprise land areas, including a change in land use categorisation where necessary. Specifically, the plan would define which areas will be available to PUU for grazing. Building on the land inventory, the Project will contract consultants to identify future grazing areas (or areas adjacent to grazing areas which are vulnerable to encroachment from livestock) are environmentally sensitive and for which site specific environmental management plans would be required to mitigate any negative environmental consequences of grazing such areas. Regarding approval of the land use plan and site specific site environmental management plan by SAEPF,

an administrative agreement on pasture use between the forestry enterprise and the concerned PUU(s) would be signed by both parties.

Community Pasture Management Plans (including environmental management plans)

38. The Project would provide consultancy to support the Pasture Department in cooperation with SAEPF in preparing guidelines on how to incorporate forestry enterprise pastures into community pasture management plans. The Project would provide consultancy to each concerned PUU to expand their community pasture management plans accordingly. All aspects of the community pasture management plans will be extended to incorporate forestry enterprise pastures. In addition, the community pasture management plans will include specific sections which define: (i) investments in forestry enterprise pasture improvement; (ii) site specific environmental management plans and associated investments. These aspects of the community pasture management plans, should form an integral part the agreement between the forestry enterprise and a PUU and the Project will advise forestry enterprise management on how to monitoring PUU adherence to the agreement.

Forestry Enterprise Pasture Improvement Sub-grants

39. The Project will provide sub-grants to five pilot PUUs for improvement of forestry enterprise pastures and implementation of site specific environmental management plans. The sub-grants will be administered by ARIS under similar arrangements to the aforementioned pasture, feeding and livestock improvement sub-grants. Sub-grants will be contingent on the signature of an agreement between the recipient PUU, the forestry enterprise and the preparation of community pasture management plans, including site specific environmental management plans, in accordance with guidelines established under the Project, approved by its forestry enterprise and Aiyl Kenesh, after approval by the Pasture Department, the SAEPF and ARIS, and acceptable to the Bank.

40. The grant will be a single amount of US\$10,000 equivalent for each of the five pilots. The PUU will contribute a minimum of 25 percent of the total value of the micro-project, including 5 percent of the total value of the micro-project in cash.

B. Component 2 Community Based Animal Health and Husbandry Services

41. Component includes two subcomponents:

- Sub Component 2.1 Animal Health and Husbandry Services Planning and Investment
- Sub Component 2.2 Private Veterinarian Development

Sub Component 2.1 Animal Health and Husbandry Services Planning and Investment

42. This sub component includes three main activities:

- Animal Health and Husbandry Sub-grants to Pasture User Unions
- Supervision of Private Veterinarian Support to AHH Groups and Training AHH Groups
- Disease Specific Specialist Advice

43. The Project will support PUUs in preparing, implementing and monitoring their animal health and husbandry (AHH) plans. Under AISP, an animal health and husbandry group was established in each PUU to prepare animal health and husbandry plans. The group comprises up to seven people including herders, livestock owners and village health committee representatives, nominated by a PUU pasture committee and approved by a PUU general assembly. The Project will support the preparation, implementation and monitoring of PUU animal health and husbandry plans through: (i) provision of *animal health sub-grants to PUUs* to contract the services of a private veterinarian; (ii) through contracting master-veterinarians for *supervision of PUU private veterinarian services* and review of the quality of animal health plans and; (iii) provision of *disease specific advice* from recognized international consultants who are familiar with the ongoing disease control strategies in The Kyrgyz Republic, to oversee the implementation and monitoring of national disease control strategies in the project area. Public awareness aspects of AHH plans will also ensure strong participation of women, including through village health committees, in particular to convey hygiene and other preventative animal disease control measures to children.

44. The animal health and husbandry plans will include basic herd / flock health including seasonal de-worming (drenching), ecto-parasite control, reproductive health, and plans for implementing national disease control strategies at field level including Brucellosis, Echinococcosis Foot and Mouth Disease (FMD), Rabies, Anthrax, Petites Pestes des Ruminants (PPR), (the six diseases for which strategies were prepared under AISP). The plans will define which vaccinations and other animal health measures will be compulsory for PUU members wishing to gain access to pastures and the associated animal health charge to members. The animal health plan and animal health fee will be approved by the PUU general assembly. The animal health plans will be prepared and implemented in close cooperation with other local stakeholders including village health committees, which play a particularly important role in terms in public awareness.

45. While the plans will primarily focus on animal health, they will also identify complementary animal husbandry measures which could be carried by the PUU to improve winter nutrition and breed improvement and reduce vulnerability to diseases. These may include improvement of meadow hay production on areas under PUU management, minor improvement of irrigation systems for lucerne production, development of artificial insemination points, provision of advice on control and selection of breeding stock, improvement of buildings for storage and mixing of feed supplements and concentrates and provision of advice to members on livestock feeding and breeding from private veterinarians or rural advisory services. Many of these investments are eligible for funding under the aforementioned pasture, feeding and livestock improvement sub-grants under Component 1. The animal health plans will become an integral part of the community pasture management plans.

46. The three elements of project support for animal health plans are described in detail below:
Animal Health and Husbandry Sub-grants to Pasture User Unions

47. The Project would provide each qualifying PUU – with an established AHH Group - with a small grant in the amount of approximately \$1000 (US\$500 in year 1 and US\$500 in year 2) for

the procurement of services from one or more private veterinarians, selected and contracted by the PUU, to support preparation and implementation of the PUU animal health plan. As a complement to the veterinary graduate incentive program under sub-component 2.2, the project will provide an additional grant of US\$400 to 48 PUUs. This amount will be used to expand the PUU's contract with its private veterinarian to sub-contract the services of and mentor, veterinary graduates selected under the Project under sub-component 2.2. The grant would only be available for contracting the services of private veterinarians selected by the PUU, approved by the PUU general assembly and registered with the Veterinary Chamber. The grants to PUUs would be administered by ARIS in the same way as the pasture and feed improvement grants.

Supervision of Private Veterinarian Support to AHH Groups and Training AHH Groups

48. To help ensure the quality of animal health plans and consistency with national disease control strategies including for Brucellosis, Echinococcosis, Rabies, Anthrax, PPR and FMD control, and address other animal health issues such as parasite control, five master-veterinarians will review each animal health plan, advise how it could be improved, monitor the quality of services provided by each private veterinarian through a stakeholder satisfaction survey (involving the PUU pasture committee, pasture users, PUU AHH group, LSGB, and state veterinary department representatives) and advise PUU pasture committees on how they can undertake such monitoring independently in future. Complementary classroom training will be provided to AHH groups and their contracted private veterinarians on a small number of selected specialist topics which can best be addressed through classroom training. Master-veterinarians will be advised and complemented by short-term international field veterinarians, to be provided and co-funded by Veterinarians Sans Frontier (VSF) under an MOU between the Veterinary Chamber and VSF. This activity will be strongly complemented by the training of private veterinarians which is described separately under the private veterinarians sub component below.

Disease Specific Specialist Advice

49. Disease specific international consultancy will be provided to oversee the implementation and monitoring of national disease control strategies in the project area, and to provide feedback and advice to national level agencies (State Inspectorate for Food, Phytosanitary and Veterinary Safety) in order to ensure that at national level there are sound annual plans in place to implement the strategies effectively in the project area including financial plans, procurement plans, vaccine storage and distribution plans, vaccination administration plans, and surveillance and monitoring plans in line with national strategies.

Sub Component 2.2 Private Veterinarian Development

50. This sub component includes five main activities:

- Private Veterinarian Training and Professional Development
- Private Veterinarian Sub-grants
- Strengthening Rayon Associations of Private Veterinarians
- Veterinary Graduate Incentive Program
- Veterinary Chamber Capacity Building

Private Veterinarian Training and Professional Development

51. The majority of private veterinarians in The Kyrgyz Republic graduated many years ago and need to substantially update their knowledge and skills to be effective and secure clients' trust. The project will contract master-veterinarians to provide training and advice to approximately 420 private veterinarians in the project area (including those contracted by PUUs as well as other private veterinarians registered with the Veterinary Chamber) on comprehensive preventative herd/flock health services, encompassing basic veterinary services, feeds and feeding, artificial insemination, reproduction and other livestock production inputs. The Project would provide extensive training which will meet the continuing professional development needs of private veterinarians many of whom may not have update their knowledge and skills since graduating. Training will cover topics including business planning, pharmacology, therapeutics, clinical skills and national disease control strategies. These initial training programs would provide in a set of four or five modules of 1-2 days duration over a 12 month period and repeat for new graduated entering veterinary practice in the project area. Training will be complemented by advice to private veterinarians in the field on the development of their businesses from master-veterinarians.

52. The Veterinary Chamber will provide technical oversight of the training and professional development of private veterinarians with support from consultancy provided under the Project. The Project will contract about five master-veterinarians to deliver training and will be complemented by specialist expertise from academia, research institutes and the State Inspectorate for Food, Phytosanitary and Veterinary Safety where necessary. Master-veterinarians will be selected by the Veterinary Chamber in cooperation with the APIU based on assessment of their technical and training skills and experience and contracted by the APIU. Training material will be developed by master-veterinarians under the supervision of and based on the advice of the Veterinary Chamber and in close cooperation with the Veterinary Faculty of the KNAU. Master-veterinarians will be advised and complemented by short-term international field veterinarians, to be provided and co-funded by Veterinarians Sans Frontier (VSF) under an MOU between the Veterinary Chamber and VSF.

Private Veterinarian Sub-grants (for equipment and veterinary medicines).

53. A lack of basic veterinary equipment as well as inadequate veterinary practice premises is a serious constraint to the development of private veterinary services. The Project will provide a sub-grant of up to US\$1500 to each private vet contracted by a PUU to support the development of their veterinary business. Sub-grants will be provided to a maximum of two veterinarians per PUU or 280 veterinarians⁹. Eligible use of sub-grants will include essential equipment and veterinary medicines. The items to be included in the sub-grant package for each veterinarian will be agreed with a master-veterinarian based on his/ her assessment of the requirements of the private veterinarian and approved by the PUU contacting the veterinarian. The State Inspectorate for Phytosanitary and Veterinary Safety will also be requested to provide recommendations on equipment needs for private veterinarians and to advise on specifications for equipment and veterinary medicines provided. Where items can be bulk purchased such as for veterinary

⁹ An exception to this limit will be for PUUs providing services to the population from four aiyl okmotu in Chui Oblast which have no PUU (Kemin aiyl okmotu, Ak-Tuz aiyl okmotu, Alamudun aiyl okmotu and Kaindy aiyl okmotu). In this case the project will provide grants to up to three veterinarians per PUU.

equipment, these will be procured and distributed by ARIS in cooperation with master-veterinarians. Qualification for receiving such project inputs would be contingent upon the respective private veterinarian being: (i) registered with the Chamber; (ii) a member of a registered rayon association of private veterinarians and (iii) contracted by a PUU. The Project will ensure that participating veterinarians: (i) are registered with the Veterinary Chamber; (ii) are members of a registered rayon association; (iii) have been contracted by a PUU to provide veterinary services; and (iv) have been nominated by a PUU, had their eligibility reviewed by the Veterinary Chamber, and have been endorsed by the State Inspectorate for Food, Phytosanitary and Veterinary Safety. The grant will be provided to up to two private veterinarians per PUU.

Strengthening Rayon Associations of Private Veterinarians

54. Worldwide experience has shown that sustainability of credible and modern private veterinary services requires the establishment of a recognized, autonomous, grassroots-based professional association, which does not yet exist in The Kyrgyz Republic. It is envisaged that Rayon Associations of Private Veterinarians would represent private veterinarians' interests to government and could potentially provide services to private veterinarians including training, advice and provision of inputs and equipment.

55. The Project will raise awareness of the role and functions of rayon veterinary associations, provide advice to founding veterinarians on the process for legal registration, the appropriate governance structure, staffing and management arrangements for rayon associations, will support the associations in preparing their first operational plan and will provide funding for upgrading office facilities and equipment. Support for rayon association development will be provided by master-veterinarians under the over-sight of the Veterinary Chamber. This will be complemented by short-term international consultancy, to be provided and co-funded by the World Veterinary Association (WVA), under an MOU between the Veterinary Chamber and WVA. The Project will also provide limited funding for upgrading rayon association office facilities.

Veterinary Graduate Incentive Program

56. The project will fund 48 recent veterinary graduates, selected on a competitive basis, to undertake short post-graduate training courses in veterinary medicine, including at the KNAU, and will provide each graduate with a set of veterinary equipment and veterinary medicines. Equipment and training will be provided to 48 graduates annually in project year two and three. Eligible students will be those who are expected to graduate within one academic year or who have graduated in veterinary medicine or similar in the Kyrgyz Republic, during the last five academic years. As discussed under sub-component 2.1, these veterinary graduates will also be given the opportunity to work with private veterinarians contracted by PUUs for a period of about four months following completion of the short training courses.

Veterinary Chamber Capacity Building

57. The Veterinary Chamber of the Kyrgyz Republic, a Public Institution, was established in April 2011. It is an essential institution, the role of which is to accredit and certify the qualifications for veterinarians in the Kyrgyz Republic as mandated by the World Organization for Animal Health (OIE) as the standard setting body under the World Trade Organization of

which The Kyrgyz Republic is a member. The Veterinary Chamber also sets professional and ethical standards for veterinarians and supports the professional development of veterinarians through development of training material and information dissemination. The Veterinary Chamber was also established in order to issue licenses to veterinarians but it will not be able to perform this function until the Law on Licensing and Veterinary Law have been revised to allow this. The Project will also build the capacity building of the Veterinary Chamber including through provision of consultancy for development of further tools for assessment and professional development of veterinarians.

C. Component 3 Project Management

58. This component will finance two main activities:

- APIU Project Management
- ARIS Project Management

59. Both APIU and ARIS project management activities will include budgeting, work planning, financial management, procurement and monitoring and evaluation including a baseline survey, to be repeated at mid-term and project completion, as well as reporting on implementation progress and on the impact of the PDO and intermediate outcome indicators.

60. ARIS will be responsible for project management related to (i) Community Pasture Governance Support under the Community Pasture Management Investment Sub Component of Component 1; (ii) Pasture, Feeding and Livestock Improvement Sub-grants under the Community Pasture Management and Investment Sub Component of Component 1 (iii) Forestry Enterprise Pasture Improvement Sub-grants under the Forestry Enterprise Pasture Management and Investment Sub Component; (iii) Animal Health and Husbandry Sub-grants under the Pasture User Union Animal Health Sub Component of Component 2; and (iv) Private Veterinarian Sub-grants under the Private Veterinarian Development Sub Component of Component 2. A Project Coordinator will be appointed to lead ARIS project management.

61. The APIU will be responsible for project management relating to all other Project activities. The APIU will also be responsible for consolidating ARIS and APIU implementation progress reports each quarter for their submission to the Bank. The APIU will also carry out coordination with the technical agencies involved in the Project including the Pasture Department, Veterinary Chamber, LPRI, SAEPF, RUAR and the KNAU.

Annex 3: Implementation Arrangements

KYRGYZ REPUBLIC: Pasture and Livestock Management Improvement Project

Project Institutional and Implementation Arrangements

1. The Agricultural Projects Implementation Unit (APIU) will be responsible for overall coordination of the Project. The Project will be implemented by the MOAM through the APIU, and by ARIS.
2. The APIU will be responsible for work planning, budgeting and financial management, procurement, project monitoring and evaluation and coordination with ARIS and the technical agencies involved in the Project. The APIU implemented the Agricultural Services Support Project (1998-2008) and AISP (2008-2013) and are familiar with Bank procedures. There are no outstanding procurement, financial reporting or audit issues on AISP which have not been addressed by the APIU.
3. The Agency for Community Development and Investment (ARIS) will primarily be responsible for disbursement of sub-grants to PUU and private veterinarians and for facilitation of field based capacity building activities through its community development support officers (CDSOs). ARIS played the role in the implementation of AISP (2008-2013), has experience with numerous other community based Bank projects and are familiar with Bank procedures.
4. The key technical partners at national level are the Pasture Department which is responsible for oversight of management of the main pastures, the SAEPF which is responsible for oversight of management of forestry enterprise pastures and the Veterinary Chamber which will be responsible for support the development of private veterinarians. Universities and the Livestock and Pasture Research Institute (LPRI) will have a role in limited pasture research and education activities. All these agencies (with the exception of SAEPF) played a similar role under AISP and are familiar with Bank operations. The Project will also work with RUAR that support the work of the Pasture Department at rayon level. The APIU will be responsible for coordination between Project partners' to ensure that their efforts are complementary, to ensure a consistent technical approach to Project implementation and to encourage information sharing, including through joint component meetings at least bi-monthly and at key decision points during the Project.
5. At community level, the project partners will primarily be the 140 PUUs which are already established - one in each AO, and approximately 280 private veterinarians. Other important partners are LSGBs which are represented in PUUs, the Aiyl Kenesh which approves community pasture management plans and pasture boundary demarcation proposals, and village health committees which are critical in raising public awareness of animal disease threats.

Project administration mechanisms

6. **Internal Pasture Boundary Demarcation:** The methodological guidelines for internal boundary demarcation will be defined in a set of guidelines (similar to those prepared under AISP for external boundary demarcation) to be agreed by the Bank, MOAM and Gosregister.

The guidelines will define (i) terms of reference for surveyors including standards of cadastral accuracy; (ii) composition of pasture working groups in each PUU which will prepare a boundary demarcation proposal supported by local surveyors; (iii) process for public disclosure of the boundary demarcation proposal and conflict resolution; (iv) process for approval, documentation and registration of demarcated boundaries.

7. Pasture, Feeding and Livestock Improvement Sub-grants: The project will provide a sub-grant of approximately US\$46,500 equivalent over two years (30% in year 1, 70% in year 2) to each PUU for pasture, feeding and livestock improvement. The PUU will contribute a minimum of 25 percent of the total value of the micro-project, including 5 percent of the total value of the micro-project in cash. Each PUU must have a community pasture management plan approved by its Aiyi Kenesh, after approval by the Pasture Department (based on assessments by Master-Pasture Consultants) and ARIS¹⁰, before submitting a request for sub-grant funds to the Project. Grants will be administered through framework agreements between ARIS and the recipient PUU. The framework agreement will define a list of non-eligible investments to ensure compliance with environmental safeguards, minimum sub-grant recipient contribution (which will be no less than 25 percent of the cost of the investment) financial and other reporting requirements and procedures for technical commissioning of sub-grants. The allocation of sub-grants to each PUU will be a function of: (i) number of livestock (animal unit equivalent); (ii) pasture area (ha) and (iii) no. of PUU members. ARIS will advise each PUU on the basis of calculation of its sub-grant in writing.

8. PUU Animal Health and Husbandry Sub-grants: The Project would provide each qualifying PUU – with an established Animal Health and Husbandry (AHH) Group - with a sub-grant in the amount of approximately \$1000 (US\$500 in year 1 and US\$500 in year 2) for the procurement of services from one or more private veterinarians, selected and contracted by the PUU, to support preparation and implementation of the PUU AHH plan. The sub-grant would be available for contracting the services of private veterinarians selected by the PUU, approved by the PUU general assembly and registered with the Veterinary Chamber. As a complement to the veterinary graduate incentive program under sub-component 2.2, the project will provide an additional grant of US\$400 to 48 PUUs. This amount will be used to expand the PUU's contract with its private veterinarian to sub-contract the services of and mentor, veterinary graduates selected under the Project under component 2.2. Sub-grants will be administered through framework agreements between ARIS and the recipient PUU. The framework agreement will define a list of non-eligible investments to ensure compliance with environmental safeguards, financial and other reporting requirements as well as standard terms of reference for PUU contracts with private veterinarians.

9. Private Veterinarian Grants: The Project will provide a sub-grant of up to US\$1500 to each private veterinarian contracted by a PUU to support the development of their veterinary business. Eligible use of sub-grants will include essential equipment and veterinary medicines. Sub-grants will be provided to a maximum of two veterinarians per PUU or 280 veterinarians. The items to be included in the sub-grant package for each veterinarian will be agreed with a Project Master-Veterinarian based on his/ her assessment of the requirements of the private veterinarian and approved by the PUU contacting the veterinarian. Where items can be bulk

¹⁰ ARIS will be responsible for approving aspects of the CPMP relating to micro-project investments.

purchased such as for veterinary equipment, these will be procured by the ARIS and distributed by master-veterinarians in cooperation with ARIS CDSOs. In other cases sub-grants will be provided by ARIS as cash. Qualification for receiving such project inputs would be contingent upon the respective private veterinarian being: (i) registered with the Chamber; (ii) a member of a registered rayon association and (iii) contracted by a PUU. The sub-grant will be limited to two private veterinarians per PUU. Sub-grants will be administered through framework agreements between ARIS and the recipient veterinarian. The framework agreement will define a list of non-eligible investments to ensure compliance with environmental safeguards, minimum grant recipient contribution (as indicated above) financial and other reporting requirements and procedures for handover and acceptance of equipment by veterinarians.

10. Selection of Veterinary Graduates: The selection of the veterinary graduates to be supported under the Project will be carried out on a competitive basis by a panel comprising representatives from the MOAM, Ministry of Education of the Kyrgyz Republic, KNAU, Veterinary Chamber and the State Inspectorate for Phytosanitary and Veterinary Safety, taking into consideration each graduates’ academic achievements and tested knowledge of animal disease control issues in Central Asia. Selection will be conducted in accordance with procedures to be defined in a POM acceptable to the Bank and approved by the panel.

Financial Management, Disbursements and Procurement

11. Implementing Entity. Financial Management (FM) including the flow of funds, budgeting, accounting, reporting, internal controls and external audit, will be implemented by the two project implementing agencies, the APIU and ARIS. FM assessment was carried out to determine the FM implementation risk and the FM arrangements at both implementing agencies, including accounting, reporting, planning, budgeting, and internal controls and staffing. FM arrangements were assessed to be overall satisfactory to the Bank. The inherent risk of the Project after applying risk mitigation measures is rated as *Moderate*; the Control Risk and the overall residual FM Risk are also considered to be *Moderate*.

12. Strengths and Weaknesses: The significant strengths that provide a basis for reliance on the FM systems of both Implementing Agencies include: (i) FM arrangements similar to existing projects being implemented by them and found to be satisfactory; (ii) experienced FM staff; (iii) proper internal controls and good operational accounting system in place. There are no major weaknesses at the APIU and ARIS. The following capacity building actions have been agreed to be implemented:

Actions for capacity building	Responsible	Completion date
Update the FM Chapter of the Project Operational Manuals to reflect the Project related internal control, budgeting, external auditing, financial reporting and accounting policies and procedures	APIU, ARIS	Agreed by effectiveness

Modify the existing accounting software for accounting and financial reporting purposes of the Project. The accounting software will be specially designed to meet World-Bank-financed projects requirements including ability to generate IFRs, withdrawal applications, SOEs, and annual financial statements	APIU and ARIS	30 days after effectiveness
Dedicated disbursement specialists (one in the APIU and one in ARIS) should be appointed for the project.	APIU	Within 60 days of effectiveness

13. Budgeting and planning. The APIU and ARIS have, in general, acceptable budgeting and planning capacity to carry out the Project. The final procurement plan that is to be discussed and agreed with the APIU and ARIS Directors, and approved by the World Bank will be based on the annual budget of the PLMIP. All changes to the procurement plan will be reviewed by the Directors and approved by the World Bank. The Directors, the FM specialists, and the procurement specialists will be involved in the preparation of the annual budget for their respective components. The budget will form the basis for allocating funds to project activities. The budgets will be prepared according to the IFR format (disbursement categories, components and activities, account codes, and broken down by quarters).

14. Accounting and Reporting. Cash basis of accounting will be applied for projects' accounting. Both implementing agencies will maintain their current accounting systems. Project-management-oriented Interim unaudited Financial Reports (IFRs) will be prepared under the PLMIP. Both implementing agencies will produce a full set of IFRs every calendar quarter throughout the Project. ARIS will be responsible for submission of their IFR to the APIU. The APIU will be responsible for the consolidation of ARIS and APIU IFRs and submission to the Bank. The format of IFRs will be agreed before negotiations and will include (i) Project Sources and Uses of Funds, (ii) Uses of Funds by Project Activities, (iii) DA Statement, and (iv) a Statement of Expenditure Withdrawal Schedule. IFRs will be produced by the accounting software. These financial reports will be submitted to the Bank within 45 days of the end of each calendar quarter. The annual consolidated audited project's financial statements and audit report together with the management letter will be provided to the Bank within six months of the end of each fiscal year and also at the closing of the PLMIP by the APIU.

15. Internal Controls. The APIU's and ARIS internal controls systems were assessed in to be capable of providing timely information and reporting on the PLMIP. FM chapters of Project Operational Manuals (POM) are well prepared and fully document accounting and financial reporting policies and procedures such as internal control procedures, including authorization of expenditures and approval of the payments; bank reconciliations, verification of expenditures eligibility by the Financial Managers; description of financial documents flow/circulation; indication of eligible cash transactions, budgeting procedures, formal reconciliation procedures of project records with Client Connection and XDR/USD reconciliation, safeguards for assets, etc. Similar internal control systems will be maintained for the purpose of the Project. Expenditures incurred by the APIU and ARIS will be authorized by the Directors of the implementing agencies for their respective components and verified for the eligibility and accuracy by the financial managers. The FM Chapters of POMs for existing Bank projects will

be updated to reflect the specific activities of the PLMIP, including Chart of Accounts, Audit TOR, frequency of submission, format of IFRs, and so forth.

16. **Staffing.** The APIU and ARIS have experienced FM staff, consisting Financial Managers responsible for overall FM arrangements of all projects, implemented by respective agency. Both Financial managers have prior many years’ experience working in the World Bank-financed projects. FM Managers will be in charge for the overall FM arrangements of the PLMIP as well. The Financial Manager of the APIU will be responsible for consolidation of APIU and ARIS quarterly IFRs and submitting them to the Bank. There is also an experienced disbursement specialist at the APIU. Both the APIU and ARIS are implementing other projects it was agreed that APIU and ARIS will each appoint one dedicated disbursement specialist for the project within 60 days after effectiveness.

17. **External Audit:** The project audit will be conducted (i) by independent private auditors acceptable to the Bank, on TORs acceptable to the Bank, and contacted by the APIU; and (ii) according to the ISA issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. The TOR will include: (i) audits of financial statements, (ii) assessments of the accounting system, and (iii) a review of the internal control mechanisms. The following table identifies the required audit reports that will be submitted by the PIU together with the due date for submission.

Audit Report	Due date
The Project Financial Statements include Project Sources and Uses of Funds, Uses of Funds by Project Activities, SOE Withdrawal Schedule, DA Statement, Notes to the Financial Statements, and Reconciliation Statement	Within 6 months of the end of each fiscal year and also at the closing of the Project.

18. The audited financial statements will be disclosed to the public in a manner acceptable to the Bank. Following the Bank’s formal receipt of these statements from the Recipient, the Bank makes them available to the public in accordance with the World Bank Policy on Access to Information.

Disbursements

19. Disbursements from the IDA Credit and the IDA Grant Account will follow the transaction-based method, i.e., traditional Bank procedures including advances to designated accounts, direct payments, Special Commitments and reimbursement (with full documentation and against Statements of Expenditures - SOEs). Separate designated accounts for each implementing agency will be opened in a commercial bank acceptable to the Association. Each implementing agency will open two Designated Accounts, one for the Grant and one for the Credit. For payments above the minimum application size, as will be specified in the Disbursement Letter, each implementing agencies may submit withdrawal applications to the Bank for payments to suppliers and consultants directly from the Credit Account or Grant Account. Disbursement arrangements will be detailed in the Disbursement Letter.

Procurement

20. Procurement for the proposed project will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011 (Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011 (Consultant Guidelines) and the provisions stipulated in the Financing Agreement. For each contract to be financed by the Bank, the different procurement methods or consultant selection methods, estimated costs, prior review requirements, and time frame are to be defined in the APIU Procurement Plan or ARIS Procurement Plan, which will be agreed with the Bank. The APIU Procurement Plan and ARIS Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in Institutional capacity. The World Bank Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credit and Grants, dated October 15, 2006 and revised on January 2011, would also apply. Further, as this a CDD operation, the project's procurement arrangements will be in line with the Guidance Note for Design and Management of Procurement Responsibilities in Community-Driven Development Projects, dated March 15, 2012.

21. Procurement of Works: The Project will involve procurement of works.

22. Procurement of Goods and Non-Consulting Services: Goods and Non-Consulting Services procured under this project would include (but not limited to) office equipment, computer equipment, furniture, replication of documents, boundary demarcation, etc. The NCB standard bidding documents for Goods and Non-Consulting Services acceptable to the Bank will be used for procurement of all NCB Goods and Non-Consulting Services. For ICB contracts, the Bank's latest SBD will be used. This Project may include Community-Driven Development with involvement of community groups for community based procurement.

23. Selection of Consultants: Some of the consultancies are for preparation of training materials, conducting training, monitoring, legal support, preparation of plans, recommendations and other documents. Short lists of consultants for services estimated to cost less than US\$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. The Bank's Standard Request for Proposals Document will be used as a basis for all procurement of consultancy services to be procured under the Project. The procurement procedures will be described in the Appendix to the sub-project financing agreement and in the Operational Manual.

Assessment of the agency's capacity to implement procurement

24. The MOAM, through the APIU, and ARIS will implement the Project. The procurement capacity of the MOAM APIU and ARIS was carried out by the Bank using the Procurement Risk Assessment and Management System (P-RAMS). The review identified a number of risks related to procurement policy and institutional arrangements which need to be mitigated. *The procurement risks include:* (i) remaining inconsistencies of the Government's fiduciary systems, including procurement, with international standards; (ii) MOAM officials, who would be involved in some project procurement through Tender Committees, may not be familiar with

Bank procurement procedures; (iii) possible attempts to influence procurement processes and decisions, particularly from high government officials; (iv) contract approval and signing procedure may be too lengthy and seriously affect timely implementation; (v) suppliers and contractors, and goods and works required for the Project, especially in remote region may not be available; (vi) there may be inadequate competition resulting in higher prices for goods, works and services; (vii) the Project will be implemented under the Bank's new Guidelines (January 2011), and APIU has no experience to work under these Guidelines. *The agreed mitigation measures* are: (i) the APIU will prepare a POM including a Procurement chapter, to be agreed with IDA, which will include contract management procedures to ensure the clear division of responsibilities among the staff. The contract management procedures should minimize the discretion given to public officials involved for certification of invoices, issue of completion certificates and making payments. All officials concerned should be required to fulfill their obligations within a specified period. Besides, the Manual should also include detailed information related to CDD activities; (ii) APIU and ARIS procurement staff will receive intensive training in international procurement under the new Bank's Guidelines, including the regional procurement seminars that will be organized by the Bank and other events (if any); (iii) the APIU and ARIS will establish ad-hoc tender committees - the members of the tender committees should receive basic training in procurement and services of the National Procurement Training Center (Bishkek) can be used for this purpose; (iv) require each staff involved in procurement, including each member of a tender committee, to certify in writing that his or her involvement does not create any conflict of interest (e.g., relationship with a supplier or consultant); (v) the APIU and ARIS will organize a half-day seminar for senior officials involved in procurement to make them aware of Bank procurement requirements; (vi) details regarding village-level procurement related to community investments and advisory contracts will be posted in public places and made available to all members of the community; in addition to the publication of tender notices and contract award information as required by the Bank Procurement and Consultant Guidelines, publish in the national press, the public procurement bulletin and on the MOAM and ARIS website (<http://www.agroprod.kg>) and (<http://www.aris.kg>) all tenders and contract award information. MOAM and ARIS will modify their websites as necessary; (vii) put in place the necessary mechanisms to ensure that suppliers and consultants are paid according to their contract terms without any delays; (ix) inform IDA of every complaint received from any supplier, contractor or consultant relating to the procurement process, and respond promptly to such complaints; and (x) maintain up-to-date records and make these available to Bank staff, auditors.

25. The above risks and the other applicable deficiencies have been addressed in the ORAF risk mitigation measures. The overall project risk for procurement is "*High*". After mitigation measures implemented, the residual risk will be "*Substantial*".

26. Disclosure: The following documents shall be disclosed on the MOAM or ARIS website: (i) procurement plan and updates; (ii) invitation for bids for goods, works and non-consulting services for all ICB and NCB contracts; (iii) request for expressions of interest for selection/hiring of consultants; (iv) contract awards of goods, works and non-consulting services procured following ICB/NCB procedures; (v) contract awards of all consulting services; (vi) list of contracts following DC or CQS or SSS on a quarterly basis, and (vii) report on actions taken on the complaints received on a quarterly basis.

27. The following details shall be sent to the Bank for publishing in the Bank's external website and UNDB online: (i) invitation for bids for procurement of goods, works and non-consulting services using ICB procedures; (ii) request for expressions of interest for consulting services estimated to more than US\$300,000 equivalent; (iii) contract award details of all procurement of goods, works and non-consulting services using ICB procedures; (iv) contract award details of all consulting contracts estimated to more than US\$300,000 equivalent; and (v) list of contracts/purchase orders placed following SSS or CQS or DC procedures on a quarterly basis.

28. Complaint Handling Mechanism: To deal with procurement complaints received by the APIU and ARIS, a complaint handling mechanism for the Project will be developed and documented in the procurement section of the POM and published in the MOAM website. On receipt of complaints, immediate action will be initiated to acknowledge the complaint and redress in reasonable time frame. All complaints will be dealt at levels higher than that of the level at which the procurement process was undertaken. Any complaint received is to be forwarded to the Bank for information and the Bank will be kept informed after the complaint is redressed.

Procurement Arrangements

29. Project procurement will be carried out by the MOAM APIU and ARIS.

30. Procurement Plan (PP): The MOAM APIU in cooperation with ARIS has prepared a procurement plan for project implementation which provides the basis for the procurement methods and review by the Bank. This plan will be agreed between the Government and the Bank project team by negotiations, and will be available in project files. It will be also published on the MOAM and ARIS websites and on the Bank's external website.

31. Procurement Section of POM: The MOAM APIU in cooperation with ARIS will prepare a procurement section for the POM, guiding project implementation. No amendment to the POM shall be carried out without prior review and clearance from the Bank.

32. Procurement Staff: Project procurement will be handled by APIU and ARIS. The staff will receive intensive procurement training under the Bank's new Guidelines, including on-the-job training.

33. NCB Conditions: The NCB conditions will be part of Financial Agreement.

34. Methods of procurement: The following procurement methods shall be used under the Project. It has been agreed that if a particular invitation for bid comprises of several packages, lots or slices, and invited in the same invitation for bid, then the aggregate value of the whole package determines the applicable threshold amount for procurement and also for the review by the Bank.

Procurement Method	Threshold
ICB: Goods, Works, Non-Consulting Services	>US\$500,000
NCB: Goods, Works, Non-Consulting Services	<US\$500,000 and >US\$100,000
Shopping: Goods, Works, Non-Consulting Services	<US\$100,000
QCBS/QBS/FBS/LCS	>US\$200,000
CQS	<US\$200,000
DC	Goods, Works and Non-Consulting Services which the Bank agrees meet the requirements of the Procurement Guidelines para. 3.7, with the Bank's prior agreement.
SSS	Consulting Services for tasks in circumstances which meet the requirements of para. 3.9 (consulting firms) and para. 5.6 (ICs) of the Consultant Guidelines, with the Bank's prior agreement.

35. Shortlists may compose entirely of national consultants for assignments of less than US\$300,000 equivalent per contract.

Legend:

ICB – International Competitive Bidding

NCB – National Competitive Bidding

DC – Direct Contracting

QCBS – Quality and Cost Based Selection

QBS – Quality Based Selection

LCS – Least Cost Selection

FBS – Fixed Budget Selection

CQS – Selection Based on Consultants' Qualifications (will be followed depending on type of assignments for estimated value less than US\$200,000)

SSS – Single Source Selection

IC – Individual Consultants

36. Prior review by the Bank for Goods and Consulting Services: Prior review thresholds are: (i) Goods, Works and Non-Consulting Services: all ICB and DC contracts irrespective of value; first two NCBs and first shopping contract; and (ii) Consulting Services: all TORs irrespective of value, all contracts with firms valued at or more than US\$200,000 equivalent and IC contracts of value at or more than US\$100,000, all SSS contracts.

37. Post Review by the Bank: All contracts not covered under prior review will be subject to post review during implementation support visits.

38. Procurement Supervision and Ex-post Review: Routine procurement reviews and supervision will be carried out by the Bank Procurement Specialist based in the region. Ex-post reviews will be conducted for the contracts that are not subject to Bank's prior review on a sample basis (e.g. 20 percent in terms of number of contracts). At least one ex-post review report will be prepared per fiscal year, including findings of physical inspections for not less than 10 percent of the contracts awarded during the review period.

Environmental and Social (including safeguards)

39. The APIU and ARIS will be responsible for the implementation of safeguard requirements for the project. The APIU has been responsible for the implementation of Bank funded agricultural projects since 1998 and, hence, is familiar with Bank procedures and safeguard requirements. However, for the close supervision of the implementation of the ESMP (including a Pest Management Framework [PMF]) both at the project level and at the level of sub-grants, an Environmental and Social Specialist should be hired by the APIU on a full-time basis. The Environmental and Social Specialist should also provide advisory support and guidance on environmental and social management matters to grant applicants as well as to the staff of the APIU, Pasture Department, and Veterinary Chamber. The APIU will also need to ensure that key staff is in place to ensure that ESMP, PMF provisions are implemented.

40. **ARIS** will primarily be responsible for disbursement of sub-grants to PUU and private veterinarians and for facilitation of field based capacity building activities through its CDSOs.

41. The **Pasture Department** which responsible for oversight of management of the main pastures by PUUs, will respond to legal queries and draft future legislative amendments relating to pasture management, oversee pasture boundary demarcation, produce technical guidelines on pasture management, and undertake public awareness on pasture management.

42. The **State Agency of Environmental Protection and Forestry (SAEPF)** under the Government of the Kyrgyz Republic will closely cooperate with ARIS when implementing the ESMP through its functions as a state expert on environmental evaluation. SAEPF will become the main agency ensuring environmental laboratory monitoring, in accordance with the ESMP, for sub-grants employing pesticides/herbicides. SAEPF will play a leading role in relation to forestry agencies' pastures.

43. The **Department of Chemicals, Protection and Quarantine of Plants (DCPQP) at MOAM** will closely cooperate with ARIS when implementing the ESMP during the implementation of sub-grants aimed at protection of pastures from pests, diseases and weeds. Specifically the DCPQP will advise on internationally and nationally approved chemicals and any related training ratification material on safe handling of pesticides and agrochemicals. The laboratory of DCPQP will ensure laboratory monitoring in accordance with the ESMPs of the sub-grants employing pesticides/herbicides. The Department will provide such advice with its existing resources and the Project will not fund the activities of the Department.

44. Safeguards issues are addressed through the Project's ESMP, which presents a mechanism that will be duly applied during Project implementation and includes the "Guidelines for Environmental and Social Review of Sub-grants".

45. The Guidelines for Environmental and Social Review of sub-grants will be developed on the basis of the earlier Manual on Environmental Review of sub-grants developed by ARIS (dated 2006) and will provide CDSOs and technical experts of ARIS with a set of procedures, a technical manual and procedures that will help them to:

- identify potential environmental and social impacts (such as elite capture of the community mapping exercise, exclusion of vulnerable pasture users, weak representation of women, information-sharing, communication, and grievance redress practices) of the sub-grants financed by the community sub-grants provided by ARIS;
- identify mitigation measures and include them into sub-grants for these impacts minimization;
- identify monitoring requirements to guarantee that coordinated activities on mitigation are implemented and effective in environmental impacts minimization.

46. The Guidelines include a review of small infrastructural investments financed under the Project to identify and manage (prevent, mitigate or eliminate) potential adverse environmental impacts.

47. To ensure proper implementation of environmental activities (preventive actions, mitigation actions, monitoring) recommended in the ESMP, the Project will include training programs, workshops, information work to develop and enhance skills and capacity of the staff, partners and beneficiaries involved in the project implementation. The project will also:

- Update the guidelines for Environmental Review of Sub-grants, by adding sections on 'social review of sub-grants. Each sub-project will be reviewed for both environmental and social risks in line with the OP4.01.
- Ensure institutional strengthening of public organizations and agencies (including the Pasture Department, LPRI and RUAR) and community based organizations responsible for pastures (PUUs, and Rayon Association of PUUs);
- Provide legislative and administrative support to the Pasture Department and SAEPF as regards modifications and amendments introduced into the regulatory framework in relation to the forestry agencies' pasture management;
- Provide financial support to PUUs for pasture improvement, private veterinarians for equipment, veterinary medicines, or other procurement.
- Prepare guidelines for internal pasture boundary demarcation, which will define procedures for (i) public disclosure of internal boundary demarcation proposals by

pasture working groups (temporary community level groups responsible for preparation proposals on boundary demarcation); (ii) disputes resolution specific to this issue possibly including the use of rayon, oblast and state pasture boundary demarcation commissions.

- Governance assessments, including social inclusion measures: The Project will fund ARIS to undertake assessments of PUU citizen engagement measures. Governance assessments will also include assessing the level of citizen/community participation in the PUU, including an assessment of the extent of participation of women, and any preferential arrangements in place to provide subsidized access to pastures for vulnerable groups, a practice currently used by some PUUs. Based on the findings of the assessment, the Project will fund ARIS training of selected PUU where community engagement and representation of vulnerable groups needs to be improved. This will where necessary include measures to increase the representation of women headed households.
- Conflict resolution and training: The Project will fund ARIS to undertake assessments of the extent of conflicts within PUUs, including disputes related to access to pasture, payment of pasture fees, pasture boundaries, land use, encroachment forest fund or neighboring PUU pasture areas and on access to secondary (non-grazing) pasture resources. Based on the findings of the conflict assessment, the Project will fund the preparation of guidelines and tools to deal with the specific form of conflict identified and the provision training for PUUs on how to resolve such conflicts.
- Capacity building for rayon associations of PUUs: The Project will fund local consultancy including the strengthening of the information disclosure, communication and dispute resolution/feedback mechanisms of these rayon associations' vis-a-vis the PUU pasture committees and pasture users.
- Community based mapping – The Project will fund Community based mapping, which is a tool to help PUUs prepare community pasture management plans. Community based mapping will encourage member participation in pasture planning and can be used during resolution of conflicts on boundaries and land use.
- Project-level Grievance Redress Mechanism: There will be robust grievance redress mechanism in place that will be available to project beneficiaries to submit questions, queries complaints on all Project-funded activities (including but not limited to boundary demarcation, potential resettlement, community based mapping, technical assistance on pasture, livestock management etc.) The first contact point for citizen communication/consultation, grievance redress procedures at the local level will be the PUU pasture committees, ARIS field staff and APIU field staff. The complaints /queries will be documented in a logbook manually (or entered in a basic database electronically if feasible). Short quarterly reports will be prepared by ARIS to document what has already been resolved and document what is still pending. The results of these reports would become part of project monitoring reports and will also be discussed during World Bank missions.

48. The grievance redress mechanism involves the following 3 stages appeals: Local level, Regional level and Central level.

Grievance Resolution Process Steps	Action level	Process	Timeline
Step 1	Local Level	The grievances will be first lodged at the local level. The complainant will report his/her case to the PUU pasture committee, and or field officer of ARIS or the APIU In case the grievance is still not re-solved at local level in the complaint or statement of claims, the relevant information is sent to the applicant and the regional level focal points. .	15 days
Step 2	Regional level	In case within additional 15 days the grievance is still not resolved at local level, the complainant with support of the local authorized persons will further raise the issue to Rayon Association of PUU or Rayon Association of Private (where one exists) or ARIS regional office staff. In case the grievance is still not resolved at local	15 days

		level, the relevant information is sent to the applicant and the central level focal points.	
Step 3	National Level	In case within additional 15 days the grievance is still not resolved at regional level, the relevant information by the applicant is sent to the APIU and ARIS Central Office. These actors decide on the eligibility of the complaint, on ways how to resolve the issue. In case the grievance is still not resolved at central level, the relevant information is sent to the applicant together with information on his/her rights to appeal in international organizations.	15 days

Monitoring & Evaluation

49. Project PDO and intermediate results level indicators will be measured through a baseline implemented by the APIU in cooperation with ARIS. The survey will be repeated at mid-term and project completion. The Project will place a strong emphasis on participatory monitoring and evaluation (M&E) and will assist Rayon Associations of PUUs to establish systems to monitor the performance of their member PUUs, the results of which will complement the project surveys.

50. At PDO level APIU reports and the project survey will measure: (i) number of community pasture management plans prepared and implemented satisfactorily based on Project PUU performance criteria; (ii) number of animal health and husbandry plans prepared and implemented satisfactorily based on based on Project PUU performance criteria; (iii) area of

utilizable pastures increased; (iv) percentage of pasture users satisfied with the quality of services provided by PUUs; (v) percentage of pasture users satisfied with the quality of services provided by private veterinarians.

51. At the intermediate results level APIU reports and the project survey will measure: (i) number of Community Pasture Management Plans prepared by PUUs and approved by the Project; (ii) number of Animal Health and Husbandry Plans prepared by PUUs and approved by the Project; (iii) number of new PUU sub-grants implemented in accordance with the sub-grant agreements with ARIS; (iv) number of private veterinarians trained and equipped; (v) targeted clients satisfied with agricultural services (percentage); (vi) client days of training provided (number); (vii) client days of training provided - female (number); and (viii) number of direct project beneficiaries and female project beneficiaries.

52. Project implementation progress and monitoring and evaluation results will be presented in the APIU quarterly and annual progress reports. The fourth quarterly report of each year will be an annual report, providing information of the project's performance during the past year as well as the future annual work plans and budgets for the coming year. A completion report will also be prepared at the end of the project. A mid-term review will be undertaken at the start of the third year of the Project to evaluate whether the Project design remains valid, to assess progress in meeting the PDO and to propose any remedial measures or necessary changes to the Project design. A Project information system and web site will also be established by the APIU to document technical reports, impact studies and public information prepared under the project for each component. Project M&E costs will be fully funded through under the Project.

53. The format for quarterly and annual reports and the respective contributions to those reports from APIU and ARIS will be agreed with the Bank and documented in the POM. ARIS will provide its contribution to quarterly reports to the APIU and the APIU will consolidate APIU and ARIS contributions into a single report for submission to the Bank.

Annex 4 Operational Risk Assessment Framework (ORAF)

Kyrgyz Republic: Pasture and Livestock Management Improvement Project (P145162)

Project Stakeholder Risks																																				
Stakeholder Risk	Rating	Substantial																																		
<p>Risk Description:</p> <p>1. Pasture Management: State agencies at national and local level face three key sets of risks. In summary these are: (i) A loss of control of pastures and the threat of a transfer of their power to another agency; (ii) A loss of future revenue from pastures or budget allocation following loss of control; (iii) Failure of Pasture User Union (PUU) resulting in them having to re-assume authority for pasture managing.</p> <p>National Level State Agencies</p> <p>MOAM Pasture Department: (i) If PUU fail to properly manage pastures, other state agencies will lobby for national level authority to be transferred to another agency resulting in a loss of budget allocation.</p> <p>SAEPF: (i) If PUU succeed, although not currently envisaged, SAEPF national level responsibility for forestry enterprise pastures may transferred to the Pasture Department resulting in a loss of budget allocation and revenue for the SAEPF.</p> <p>Local Level State Agencies</p> <p>LSGB: (i) If PUU succeed and earn greater revenues (including potentially for investment in non-pasture community projects) the AO LSGB may be perceived the community as being less important or their budget allocation may be reduced.</p> <p>(ii) If PUU fail, LSGB will have to re-assume responsibility for management of pastures which they are not well equipped to do.</p> <p>Forestry Enterprise: (i) If PUU successfully manage forestry enterprise pastures, PUUs may lobby for a transfer of forestry enterprise pastures to the LSGB, reducing pasture revenues to the forestry enterprises;</p> <p>(ii) If PUU fail to manage forestry enterprise pastures, pastures and local ecosystems may be damaged and forestry enterprise may have to re-assume responsibility for management of pastures.</p> <p>Community Level and Livestock Owners</p> <p>Raion Associations of Pasture User Union: (i) Member PUUs may not be willing to pay</p>	<p>Risk Management:</p> <p>Improve systems within the Pasture Department to monitoring the performance of PUUs and quantitatively demonstrate progress to other state agencies.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Resp: Client</td> <td style="width: 15%;">Status: Not Yet Due</td> <td style="width: 15%;">Stage: Implementation</td> <td style="width: 10%;">Recurrent ✓</td> <td style="width: 15%;">Due Date:</td> <td style="width: 20%;">Frequency CONTINUOUS</td> </tr> </table> <p>Risk Management:</p> <p>Do not include transfer of authority for management of forestry enterprise pastures from SAEPF to the MOAM Pasture Department in recommendations to government on forestry enterprise pasture management as this could undermine the adoption of the community based management approach which is more important at this</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Resp: Bank</td> <td style="width: 15%;">Status: Not Yet Due</td> <td style="width: 15%;">Stage: Implementation</td> <td style="width: 10%;">Recurrent ✓</td> <td style="width: 15%;">Due Date:</td> <td style="width: 20%;">Frequency CONTINUOUS</td> </tr> </table> <p>Risk Management:</p> <p>Design the administrative agreement between forestry enterprise and PUUs in a way which ensure that forestry enterprise are sufficiently reimbursed for any costs they incur in relation to management of pastures by PUUs.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Resp: Bank</td> <td style="width: 15%;">Status: Not Yet Due</td> <td style="width: 15%;">Stage: Implementation</td> <td style="width: 10%;">Recurrent</td> <td style="width: 15%;">Due Date: 30-Sep-2015</td> <td style="width: 20%;">Frequency</td> </tr> </table> <p>Risk Management:</p> <p>Encourage active participation and visibility of the head of the LSGB in the PUUs. Ensure that PUUs are aware of the opportunity to invest some pasture revenues in non-pasture community development projects and encourage the participation of the LSGB in identify priorities for such investments.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Resp: Client</td> <td style="width: 15%;">Status: Not Yet Due</td> <td style="width: 15%;">Stage: Implementation</td> <td style="width: 10%;">Recurrent ✓</td> <td style="width: 15%;">Due Date:</td> <td style="width: 20%;">Frequency CONTINUOUS</td> </tr> </table> <p>Risk Management:</p> <p>Do not include transfer of authority for management of forestry enterprise pastures from SAEPF to the MOAM Pasture Department in recommendations to government on forestry enterprise pasture management as this could undermine the adoption of the community based management approach which is more important at this</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Resp: Bank</td> <td style="width: 15%;">Status: Not Yet Due</td> <td style="width: 15%;">Stage: Implementation</td> <td style="width: 10%;">Recurrent</td> <td style="width: 15%;">Due Date: 30-Sep-2015</td> <td style="width: 20%;">Frequency</td> </tr> </table>						Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS	Resp: Bank	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS	Resp: Bank	Status: Not Yet Due	Stage: Implementation	Recurrent	Due Date: 30-Sep-2015	Frequency	Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS	Resp: Bank	Status: Not Yet Due	Stage: Implementation	Recurrent	Due Date: 30-Sep-2015	Frequency
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for raion association costs;

(ii) Lobby groups seeking to unfairly acquire more pasture rights may seek to assert their influence through raion PUU (elite capture of raion associations).

Pasture User Union: (i) PUU members may not be willing to pay for the pasture improvement, winter fodder and feed improvement, infrastructure improvement, and advisory services needed to achieve improved livestock productivity;

(ii) PUUs may be asked to assume responsibility for forestry enterprise pastures when they are not technically equipped to deal with the special challenges including environmental ones which that brings.

Livestock Owners: (i) If PUUs fail, all livestock owners face higher costs with low benefits in terms of livestock productivity;

(ii) If PUUs succeed, including in making pasture access more equitable, large livestock owners face reduced access to pastures.

2. Animal Health:

Veterinary Chamber: Private veterinarians may not be willing to pay fees until they see that the Chamber brings them financial benefits through increased business.

Risk Management: Provide guidance to PUUs to ensure that community pasture management plans include sufficient investment in forestry enterprise pasture improvement and infrastructure and ensure that sufficient training and technical advice is provided to PUUs in forestry enterprise pasture management.					
Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS
Risk Management: Provide technical assistance to raion PUUs in financial planning to ensure that the cost of their services provided is realistically aligned with potential income from member fees.					
Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS
Risk Management: Provide technical assistance to raion associations of PUUs to ensure their charters and other governance arrangements ensure proper representation of their members and accountability to their members to avoid elite capture.					
Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS

Implementing Agency (IA) Risks (including Fiduciary Risks)

Capacity	Rating	Low				
Risk Description: - Overall Capacity Risk: There is a low risk of inadequate overall project management capacity. The APIU has 15 years of previous experience in implementing World Bank Projects, including in pasture management, and are highly familiar with Bank procedures. -Fiduciary Capacity Risk: There is a low risk of inadequate fiduciary capacity. APIU fiduciary management on the AISP Project has been satisfactory to the Bank but there is a risk of staff turnover. -Planning and Coordination Capacity Risk: There is a low risk of inadequate planning and coordination capacity. APIU capacity to plan and coordinate number of implementing partners has been satisfactory under AISP project but is challenging – the project partners were previously involved in AISP. -M&E Capacity Risk - Moderate: Some weaknesses in the APIU M&E are discussed below under section 4.4	Risk Management: Fiduciary Capacity: APIU staff (especially new staff) will attend Bank training fiduciary management so that they are familiar with the latest Bank procedures.					
	Resp: Bank	Status: Not Yet Due	Stage: Implementation	Recurrent	Due Date: 30-Sep-2015	Frequency
	Risk Management: Planning and Coordination Capacity: Regular coordination meetings for each component with all concerned stakeholders will be held approximately twice per quarter. Regular coordination meetings with all concerned stakeholders for each the whole Project will be held at least 3 times per year.					
	Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency Quarterly
Governance	Rating	Moderate				
Risk Description: There is a moderate risk that changes in senior staff in the Ministry of Agriculture and Pasture Department delays project decision making.	Risk Management: The Project will familiarize new staff with the project immediately after they join the Pasture Department or Ministry of Agriculture, through intensive field visits, so that they can make informed decisions.					
	Resp: Bank	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS

Risk Management: APIU staff (especially new staff) will attend Bank training on finance and procurement so that they are aware of how the Bank deals with corruption and fraud.					
Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS

Project Risks

Design **Rating** **Moderate**

<p>Risk Description:</p> <p>Scope and coverage: The Project covers two out of seven oblasts. The other five are covered through IFAD funded Projects with a similar design. There is a low risk that inconsistent terms of conditions of project support across oblasts creates tensions between beneficiaries.</p> <p>Institutional complexity: The Project includes a large number of project partners. There is a moderate risk that the large number of project partners delays decision making.</p> <p>Climate and natural hazard sensitivity: There is a high risk that the achievement of Project objectives will be significantly be affected by climatic shocks.</p>	Risk Management: Scope and coverage: IFAD and World Bank funded project have agreed to common terms of financing for communities, implement their projects through a common APIU and use a common project operating manual as far as possible.					
	Resp: Bank	Status: In Progress	Stage: Both	Recurrent	Due Date: 31-Dec-2014	Frequency
	Risk Management: Institutional complexity: The APIU has sole responsibility for coordinating with project partners and conveying project decision to the Bank.					
	Resp: Bank	Status: In Progress	Stage: Both	Recurrent ✓	Due Date:	Frequency CONTINUOUS

	Climate and natural hazard sensitivity: Community pasture management plans including animal health and husbandry plans under the Project are designed to increase farmers' resilience to climatic shocks.				
Resp: Bank	Status: In Progress	Stage: Implementation	Recurrent ✓	Due Date:	Frequency Yearly

Social and Environmental **Rating** **Moderate**

<p>Risk Description:</p> <p>There is a moderate risk that project activities leading to more equitable pasture allocation causes tensions between large and small livestock owners</p> <p>There is a moderate risk that project activities leading to land which has been converted to arable production being converted back to pasture use, cause tensions between land users.</p>	Risk Management: The Project will help PUUs to improve pasture users' awareness of the benefits that proper stocking rates will generate.					
	Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS
	Risk Management: The Project will help to establish dispute resolution mechanisms in PUUs.					
	Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent	Due Date: 31-Dec-2015	Frequency

Program and Donor **Rating** **Moderate**

<p>Risk Description:</p> <p>There is strong interest from several donors (FAO, GIZ, IFAD) in pasture management and a moderate risk of an inconsistent approach and duplication of effort.</p>	Risk Management: The Bank team participated in the design of the IFAD project, use a common APIU and will use a common operating manual as far as possible.				
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	Resp: Both	Status: In Progress	Stage: Both	Recurrent	Due Date: 31-Dec-2014	Frequency
Delivery Monitoring and Sustainability	Rating	Substantial				
Risk Description: Inadequate PUU willingness to pay for pasture advisor services may undermine the sustainability of service provision: Inadequate PUU ability to control stocking rates on pastures may impede improvement in pasture productivity: Inadequate PUU willingness to pay for private veterinary services may undermine the sustainability of service provision: Inadequate government commitment to prevent public veterinarians competing with private veterinarians may undermine the sustainability of private veterinarian businesses.	Risk Management: The Project will help to demonstrate the benefits of such services in terms of increased pasture and livestock productivity in order to increase willingness to pay for such services. The Project will help PUUs to improve the awareness of pasture users on the importance of aligning stocking rates with carrying capacity. The Project will help to demonstrate the benefits of veterinary services to PUUs to increase willingness to pay for such services. The Bank will provide advice to government on the terms of reference to help ensure that state veterinarians do not compete with private veterinarians.					
	Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS
Other (Optional)	Rating	Substantial				
Risk Description: Animal diseases outbreaks may disrupt access to markets and/or reduce productivity.	Risk Management: The National Disease Control Strategies and PUU Animal Health and Husbandry Plans to reduce the risk of such outbreaks.					
	Resp: Both	Status: In Progress	Stage: Implementation	Recurrent ✓	Due Date:	Frequency CONTINUOUS
Other (Optional)	Rating					
Risk Description:	Risk Management:					
	Resp:	Status:	Stage:	Recurrent	Due Date:	Frequency
Overall Risk						
Implementation Risk Rating: Moderate						
Risk Description: Implementation Risk is considered moderate because the achievement of Project objectives requires the Project to achieve an increase in willingness to pay for services and an increase in technical capacity of stakeholders.						

Annex 5: Implementation Support Plan

KYRGYZ REPUBLIC: Pasture and Livestock Management Improvement Project

I Strategy and Approach for Implementation Support

1. Implementation support aims to: (i) ensure the high technical quality of the project activities and bring the Bank international experience in natural resource management, livestock management and animal disease control to The Kyrgyz Republic; (ii) ensure that the approach for to both improvement of pasture management and private veterinary services is an inclusive one based on broad based consultation with beneficiaries and representation of the interests of women and vulnerable groups; (iii) ensure that the institutional approach to improvement of pasture management and private veterinary services under the project provides a basis for sustainable long term development of these services.
2. Implementation support will also ensure efficient, transparent and accountable fiduciary management. While the APIU has substantial experience in fiduciary management of Bank projects, new staff may join the project. Early implementation support will therefore focus on ensuring the capacity of any new staff and ensuring their participation in Bank fiduciary training. Thresholds for post- and prior-review of procurement packages have been established. The team's procurement and technical specialists will work closely with the APIU to provide continuous inputs into and feedback on the preparation of procurement packages and to carrying out procurement as such. All terms of references for national and international consultants will be subject to prior review.
3. Given that a number of environmental safeguards require compliance at an early stage of the project, implementation support on these safeguards will be most intensive during the first six months of implementation support.
4. The Bank team will also ensure that project implementation monitoring and reporting systems are established at an early stage, that the baseline surveys for monitoring Project impact are properly established and that technical outputs are properly archived and available to the public where appropriate through a project web-site.
5. Overall, the Bank will as far as possible make use of locally, regionally based staff for financial management, procurement, environmental and social safeguards support (based in Moscow, Almaty and Tbilisi).

II Implementation Support Plan

6. *Technical Implementation Support for Component 1:* The Bank team will include an Pasture Management Specialist with specific experience in the preparation and implementation of pasture management plans and strong knowledge of the Kyrgyz environment to assess the technical quality of guidelines for community pasture management planning, PUU plans and PUU performance and to guide the national level capacity building of the Pasture Department. The Bank team will also include an environmental specialist with specific experience of environmental plans for forestry and pastures to ensure the quality of guidelines and ESMP for

the five pilot forestry enterprise pastures. The Bank's land team will provide support to ensure the quality of guidelines and their implementation for internal boundary demarcation and will review the terms of reference for surveyors for this activity.

7. *Technical Implementation Support for Component 2:* The Bank team will include a veterinary specialist with experience of private veterinary development. Specialist expertise on specific diseases will be join implementation support missions for disease such as Brucellosis and Echinococcosis when appropriate to ensure that quality of planning and implementation of disease control programs in the project area and adherence to international best practice. The Bank team will also coordinate closely with the International Animal Health Organization (OIE) and FAO animal health teams to ensure that the Project is cognizant of recent international developments in animal disease control. The Bank team will also include expertise in livestock production including animal nutrition, breed improvement and fodder production to ensure the technical quality of guidelines for and supervision of sub-grants to support these aspects of livestock production are of a high quality.

8. *Financial Management Implementation Support:* As part of its project implementation support mission, the Bank's Financial Management Specialist (FMS) would conduct risk-based financial management supervision within six months of project effectiveness, and then at appropriate intervals. During project implementation, the Bank would supervise the project's financial management arrangements in the following ways: (a) review the project's quarterly Interim Financial Report and annual audited financial statements and auditor's management letter and remedial actions recommended in the auditor's Management Letters; and (b) during the Bank's on-site supervision missions, review the following key areas: (i) project accounting and internal control systems; (ii) budgeting and financial planning arrangements; (iii) disbursement management and financial flows, including counterpart funds, as applicable; and (iv) any incidences of corrupt practices involving project resources. As required, a Bank-accredited FMS would assist in the implementation support process. More frequent implementation support missions may take place during the first part of the Project. The FMS would consider joint fiduciary missions with procurement colleagues.

9. *Procurement Implementation Support:* A Bank Procurement Specialist based in Moscow will be a member of the project team throughout the Project and join the regular Bank supervision missions. The frequency of procurement supervision is expected to be twice per year. In addition to the prior review supervision to be carried out by the Bank team, procurement post reviews are to be carried on at least 10 percent of the contracts subject to post review. As a minimum, one post review report which will include physical inspection of sample contracts including those subject to prior review will be prepared each year and not less than 10 percent of the contracts will be physically inspected. During the implementation support missions, in order to mitigate risks, the Procurement Specialist would compare the contracts unit costs to similar costs using the Internet and local market.

10. *Environmental Safeguards Implementation Support:* A Bank Environmental Specialist based in Almaty will review the implementation of the project ESMPs under Project and provide guidance to the APIU environmental specialist in the field to ensure compliance with ESMPs.

The specialist will also provide guidance to APIU on project activities to encourage integrated pest management practices amongst beneficiaries.

11. *Social Safeguards Implementation Support*: The Bank team Socialist Development Specialist will join regular supervision missions. The specialist will pay particular attention to the quality of tools developed for improving PUU governance and for conflict resolution and will assess the extent to which the public disclosure and conflict resolution of the guidelines for internal boundary demarcation are adhered to. The Social Specialist will also provide guidance to the APIU and ARIS on the methodology for assessing whether land acquisition is required for sub-grants and where this is the case, how they should ensure the agreement of private landowners has been provided and that the land owner was aware of his/ her right of refusal. The Social Development specialist will also ensure that the Project’s grievance redress mechanisms are being properly implemented.

III Implementation Support Summary

12. Table 1 presents the main focus of implementation support over the life of the Project

Table 1 Implementation Support

Time	Focus	Skills Needed	Resource Estimate	Partner Role
0-12 months	<p>Project Management Systems including establishment of baseline surveys</p> <p>Guidelines for and implementation of Community Pasture Management Plans, PUU governance improvement tools. Quality of services provided by master-pasture consultants and pasture consultants.</p> <p>Quality of guidelines for an implementation of AHH plans. Quality of private veterinarian training material. Quality of services provided by master-veterinarians and private veterinarians.</p> <p>Guidelines and implementation of internal pasture boundary demarcation</p> <p>Guidelines for Environmental Management Plans for pilot forestry enterprise pastures.</p>	<p>Task Team Leader</p> <p>Pasture Management Specialist</p> <p>Veterinary Specialist</p> <p>Disease Specific Specialists</p> <p>Financial Management Specialist</p> <p>Procurement Specialist</p> <p>Environmental Specialist</p> <p>Social Development Specialist</p>	US\$130,000/yr.	.
12-36 months	<p>Project Management Systems</p> <p>Implementation of Community Pasture Management Plans, PUU governance improvement tools. Quality of services provided by master pasture consultants</p>	<p>Task Team Leader</p> <p>Pasture Management Specialist</p> <p>Veterinary Specialist</p> <p>Disease Specific Specialists</p>	US\$120,000/yr.	posts.

Time	Focus	Skills Needed	Resource Estimate	Partner Role
	<p>and pasture consultants.</p> <p>Implementation of AHH plans. Quality of private veterinarian training material. Quality of services provided by master-veterinarians and private veterinarians.</p> <p>Implementation of internal pasture boundary demarcation</p> <p>Implementation of Environmental Management Plans for pilot forestry enterprise pastures.</p>	<p>Financial Management Specialist</p> <p>Procurement Specialist</p> <p>Environmental Specialist</p> <p>Social Development Specialist</p>		
36-48 months	<p>Project Management Systems</p> <p>Long term PUUs contracting of pasture consultants.</p> <p>Long term PUUs contracting of private veterinarians.</p> <p>Arrangements to deal with any outstanding conflicts from internal pasture boundary demarcation.</p> <p>Ensure closure of all sub-grants and identify any remaining problem sub-grants to be dealt with before project closure.</p>	<p>Task Team Leader</p> <p>Pasture Management Specialist</p> <p>Veterinary Specialist</p> <p>Disease Specific Specialists</p> <p>Financial Management Specialist</p> <p>Procurement Specialist</p> <p>Environmental Specialist</p> <p>Social Development Specialist</p>	US\$120,000/yr.	

Table 2 Skills Mix Required

Skills Needed	Staff Weeks	Number of Trips	Comments
Task Team Leader	18	8	
Pasture Management Specialist	16	8	
Veterinary Specialist	16	8	
Disease Specific Specialist I	6	4	
Disease Specific Specialist II	6	4	
Financial Management Specialist	9	6	
Procurement Specialist	9	6	
Environmental Specialist	7	6	
Social Development Specialist	7	4	

