



Building Smallholder Farmers'
Resilience for Food, Nutrition, and
Income Security in Lao PDR.
“aGREEN Project”

SAVING
LIVES
CHANGING
LIVES



Acronyms

AF	Additional Financing
AFN	Agriculture for Nutrition (phase 1 and 2 funded by GAFSP)
aGREEN	Building Smallholder farmers' Resilience for Food, Nutrition, and Income security in Lao PDR (Kasikam si Kiao)
ALiSEA	Agroecology Learning alliance in Southeast Asia
APFP	Asia-Pacific Farmers' Program
APG	Agriculture Production Group
ASSET	Agroecology and Safe food System Transitions project
AWPB	Annual Work Plan and Budget
CfP	Call for Proposals
CLEAR	Community Livelihood Enhancement And Resilience (World Bank funded project P178545)
COSA	Committee on Sustainability Assessment
COVID-19	Coronavirus disease of 2019
CN	Commodity Networks or "Com Nets"
CSO	Civil Society Organization
CSP	Country Strategic Plan (WFP)
CU	GAFSP Coordination Unit
DAEC	Department of Agriculture Extension and Cooperatives of MAF
DO	Development Objective
FAME	Farmers, Agribusiness and Market Engagement center of LFN
FAO	Food and Agriculture Organization of the United Nations
FCS	Food Consumption Score
FIES	Food Insecurity Experience Scale
FLA	Field-Level Agreement
FNS	Farmer Nutrition Schools
FO4A	Farmer Organizations for Asia
FPA	Financial Procedures Agreement (GAFSP 2.0); previously referred to as Transfer Agreement between Trustee and SE
FTE	Full-Time Equivalent (jobs)
GAFSP	Global Agriculture and Food Security Program
HLPE-FSN	The High-Level Panel of Experts on Food Security and Nutrition (HLPE-FSN) of the Committee on World Food Security (CFS).
IE	Impact Evaluation
IFAD	International Fund for Agricultural Development
KM	Knowledge Management
LECS 6	Lao Expenditure and Consumption Survey 2018-2019
LFN	Lao Farmers' Network
LURAS	Lao Upland Rural Advisory Services
M&E	Monitoring and Evaluation
MAF	Ministry of Agriculture and Forestry
MIS	Management Information System
MoFA	Ministry of Foreign Affairs
MPI	Ministry of Planning and Investment
NDC	Nationally Determined Contribution
NSEDP	National Socio-Economic Development Plan
NTFPs	Non-Timber Forest Products
PIM / POM	Project Implementation Manual/ Project Operational Manual

PICSA	Partnerships for Irrigation and Commercialisation of Smallholder Agriculture (IFAD)
PO	Producer Organization
POD	Producer Organization Diagnostic (POD) tool
PRCC Coffee North	AfD funded Project for the Reinforcement of Commercial Capacities in the Lao Coffee Sector (North)
NPAN	National Nutrition Strategy to 2030 and National Plan of Action for Nutrition 2021-2025
PIM	Project Implementation Manual
RF	Results Framework
SC	Steering Committee
SE	Supervising Entity
SDG	Sustainable Development Goal
SO	Strategic Outcome (WFP)
SRIWMSP	Sustainable Rural Infrastructure and Watershed Management Sector Project (co-funded by ADB, EU and GAFSP)
Sub-PO	Sub Producer Organisations, refers to Agriculture Production Group
SUN-BN	Scaling-Up Nutrition Business Network
TA	Technical Assistance
TAC	Technical Advisory Committee
TBD	To Be Determined
TOC	Theory of Change
UNFCCC	United Nations Framework Convention on Climate Change
VNF	Village Nutrition Facilitators
WB	World Bank
WFP	United Nations - World Food Programme
WMO	World Meteorological Organization

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Project Dashboard

Project Title	Nutrition Programme: Building Smallholder Farmers' Resilience for Food, Nutrition, and Income security in Lao PDR. aGREEN Project
Submitting Country	Lao People's Democratic Republic
Geographical Coverage	Three Northern Provinces (Oudomxay, Houaphanh and Xieng Khouang)
Producers' Organisation	Lao Farmers Network
Supervising Entity	Word Food Programme (WFP)
Duration of the project	4 years: April 2024 – April 2028
Total Project Financing	GAFSP Grant USD 2,750,000

1. Introduction

In February 2023, The Lao Farmers Network (LFN) and the World Food Programme (WFP) as the Supervising Entity (SE) have jointly responded to the 7th call for Expression of Interest for Producers Organisations (PO) launched by the Global Agriculture and Food Security Program (GAFSP).

LFN and WFP were invited to prepare a proposal that was effectively submitted to GAFSP in May 2023. In July 2023, the project proposal titled "Building Smallholder Farmers' Resilience for Food, Nutrition, and Income Security" in Lao PDR, which was presented by WFP, on behalf of LFN, achieved an exceptionally high ranking among the 41 Producer Organization-led applications submitted during the GAFSP Seventh Call for Proposals.

The revised project document was jointly prepared by LFN and WFP in November 2023 with strengthening in the following areas as advised by the GAFSP TAC: (i) project costs have been reduced to fit into the overall allocated budget of USD 2.75 million, (ii) risk analysis has been strengthened to take into account the risks related by recent macro-economic trends, the climate risks related as well as social risks and institutional risks, (iii) the linkages have been clarified by presenting a project mapping, (iv) The result matrix has been streamlined.

Therefore, the present document for the aGreen project, titled "Building Smallholder Farmers' Resilience for Food, Nutrition, and Income Security" presents the consolidated project document addressing comments made by the GAFSP TAC.

2. Project Overview

2.1. Project Summary

The challenge

1. The development challenge as stated in Section 1, is that small-scale farmers and rural households, members of the LFN, including women, youth, ethnic groups, have not benefitted from strong economic growth and are disproportionately affected by food insecurity, all forms of malnutrition, and poverty. The multiple root causes of the problem have been further exacerbated since 2020, due to the combined effects of the COVID-19 pandemic, the conflict in Ukraine, the current economic crisis generating high inflation in Lao PDR and the effects of climate change.
2. More specifically, constraints and challenges affecting livelihoods of smallholder farmers are: (i) low agricultural productivity due to sloping land, lack of irrigation, pests and diseases, and inadequate production techniques, (ii) limited PO capacity to aggregate products, add value and access services, (iii) weak market linkages and limited entrepreneurship opportunities and (iv) climate vulnerability in the context of the current El Niño phase that creates dryer conditions and variability in weather patterns such as late onset on the monsoon.

The Solution

3. The proposed project, titled "Building Smallholder Farmers' Resilience for Food, Nutrition and Income security in Lao PDR (aGreen project, Kasikam si Kiao)" will address these impacts on LFN members, prioritizing three provinces with high poverty and malnutrition incidence. The aGREEN project adopts an agroecology-focused

approach that includes: (i) professionalization of the LFN, commodity networks, and Agriculture Production Groups (APG or sub-PO) to enhance their capacity to deliver services to their members, (ii) support to climate-resilient production through access to financing, improved production technologies, reduced production and post-harvest losses and farmer-to-farmer circular learning involving farmer experts (lead farmers) and demonstrations, (iii) market-led approach to production, post-harvest and value addition through reliable market linkages between farmers groups organized in commodity networks and SMEs.

4. The aGREEN project is designed by LFN as a partial scaling-up of the GAFSP funded Agriculture for Nutrition project phase 1 ([AFN1](#)), and will learn lessons from the second phase ([AFN II](#)). The project also builds on LFN activities implemented with the Lao Upland Rural Advisory Services ([LURAS](#)) and the Farmers Organisations for Asia ([FO4A](#)) initiative by the Asia Pacific Farmers' Programme ([APFP](#)).

Sectoral and institutional context

5. After two decades of sustained economic growth and poverty reduction, the macro-economic situation in Lao PDR has deteriorated since 2020, due to the combined impacts of the COVID-19 pandemic and the on-going conflict in Ukraine. Recovery in 2022 has been slowed down by currency depreciation driving high inflation rates (23% in 2022, and on average 40% in the first four months of 2023).
6. For the last twenty years, the agricultural sector has transitioned towards commercial production of raw products for export. Higher incomes generated from commercial agriculture have been the main driver of the decline in poverty (from 25% in 2013 to 18% in 2019). However, poverty in rural areas is three times higher than in urban areas, and rural households remain disproportionately affected by poverty, food insecurity, and malnutrition, in particular in Northern Laos. During the on-going global crisis, growth in the agriculture sector remained relatively stable at around 2 to 3%, but high input prices (fuel, fertilizer, finance, and animal feed) have hindered agricultural productivity and farm profitability. In addition, following the relaxation of COVID travel rules and higher minimum wages in Thailand, workers migration has increased, resulting in a severe shortage of agricultural labor in Lao PDR ([ADB](#), 2023).
7. In Lao PDR, economic growth and reduction in poverty rates have not translated into a reduction in food insecurity and malnutrition. The decoupling between increases in income and improvements in food security is particularly acute in remote rural communities with difficult access to markets and where seasonality in access to food is critical. Shocks in production (droughts, floods, incidence of pests and diseases), post-harvest losses, decision making processes at household level (including women's [agency](#)) and behavioural constraints relating to household's saving and expenses priorities are some of the identified drivers of food insecurity (Santos, P. et al., [ACIAR](#), 2022).
8. According to the most recent [report](#) of the FAO/WFP Crop and Food Security Assessment Mission to the Lao PDR, approximately 1.04 million people (14% of the population) are estimated to be moderately acute food insecure and 71 000 people (1%) to be severely acute food insecure in November 2022. One in five households

are not consuming an adequate diet. Diet inadequacy is twice as high among households in rural areas as compared to those living in urban areas and highest among households headed by a member with no education. One in five households reported reducing meal sizes as well as reducing adult consumption to prioritize children, as food-related coping strategies (FAO/WFP, March 2023).

9. Smallholder farmers have been affected by fuel shortages in 2022 and increasing prices of agricultural inputs, as well as the depreciation of the national currency. They also faced climate variability that negatively impacted their yields. Low rainfall in June 2022 delayed the start of the main cropping season, and hailstorms and heat waves affecting agriculture activities in 2023. The extent and severity of the economic and climatic challenges faced by smallholder farmers varies across the country's 16 provinces engaged in a wide variety of production both for subsistence and for commercial purposes.

National Policies

10. The project directly contributes to the expected outcomes of the 9th Five-Year **National Socio-Economic Development Plan** (NSEDP 2021-2025) and in particular its first four expected outcomes: (i) Stable, quality, continuous and sustainable economic growth; (ii) Improved quality of human resources with enhanced research capacities and abilities to meet development needs and use science and technologies to improve efficiency and add value to production and services; (iii) Gradually enhanced material and mental well-being for people due to increased food and income security; and (iv) Environmental Protection and Natural Disaster Risk Reduction.
11. Following the short term recovery plan and priorities set out by the Government in its Second Agenda for 2021-2023, the Ministry of Planning and Investment (MPI) has formulated a medium term **Resilience Framework for 2022-2025** ([MPI](#), Nov. 2022) that is structured around five pillars: The aGREEN project will directly contribute to the following expected components of the Resilience Framework: Pilar 1, Component 3 (agriculture: Promote environmentally friendly and safe agricultural practices), Pilar 3, component 4 (Food security and income generation, formal and decent employment, and climate change resilience) and component 5 (Local SMEs promotion, employment, migration and resource transfer) and Pilar 4, component 2 (Health and nutrition). Gender equity and resilience to climate change are also common cross-cutting priorities.
12. The project also directly contributes to the goals set out in the **National Agriculture Development Strategy to 2025** and vision to 2030, namely (i) Efficient, stable climate-adapted agriculture systems to ensure food and nutrition security and quality marketable surpluses; (ii) Agriculture production meets sanitary, phytosanitary, and environmental standards; and (iii) Agricultural production creates real jobs and is socially and ecologically sustainable.
13. **The National Nutrition Strategy to 2030** and National Plan of Action for Nutrition 2021-2025 (NPAN 2021) overall goal is to reduce malnutrition among women and children and improve the nutritional status of all Lao people for a healthy and high

quality of life through 22 key cross-sectoral priority interventions. Under this strategy, District Nutrition Committees have been established in all AFN1 target districts and are being established in other districts, for cross-sectoral planning for nutrition.

14. In the recent **Food System Summit report for Lao PDR**, the technical groups of the Member State Dialogue in Lao PDR identified four key thematic areas: (i) ensuring safe and nutritious food for all; (ii) boosting nature-positive food production at sufficient scales; (iii) advancing equitable livelihoods and value distribution; and (iv) building resilience to vulnerabilities, shocks, and stresses. The proposed project will support sustainable food systems across these four priority areas.
15. Under the framework of the **National Strategy on Climate Change**, Lao PDR submitted the updated and enhanced Nationally Determined Contribution (NDC) to the UNFCCC (United Nations Framework Convention on Climate Change) in March 2021. The project will contribute to climate change adaptation through training and co-investment in climate resilient production packages.

Alignment with WFP Country Strategic Programme

16. As defined in its Country Strategic Plan (CSP 2022–2026), WFP’s support in achieving food and nutrition security is based on four Strategic Outcomes (SO): (i) Schoolchildren in vulnerable areas have improved food security, nutrition and learning results through a sustainable national school meals programme by 2026; (ii) Vulnerable people at risk of any form of malnutrition, in particular women and girls of reproductive age, children under 5 and school-age children, have improved nutrition outcomes in line with national targets, by 2026 ; (iii) Vulnerable people in disaster-affected or at-risk areas have enhanced food and nutrition security all year round and increased capacity to mitigate and manage risks associated with climate and other shocks by 2026; and (iv) Crisis-affected populations in the Lao PDR are able to meet their food, nutrition and other essential needs during and after disasters.
17. In turn, the WFP CSP is itself fully aligned with priorities outlined in the Government’s ninth National Socio-Economic Development Plan (NSEDP), relevant sector plans and the United Nations sustainable development cooperation framework for 2022–2026 and is linked to Sustainable Development Goal 2 (SDG 2) and related areas such as poverty alleviation, health, education, the environment, and gender equality.

Relevant operations

18. The project is a scaling up of several on-going activities implemented by LFN. Since its establishment in 2014, LFN has been working in three program areas: (i) farmer organization development, (ii) farming system development and (iii) agri-business development. Through support from the Department of Agriculture Extension and Cooperatives of MAF (DAEC), LFN is an implementing partner of the LURAS project (Lao Upland Rural Advisory Services), funded by the Swiss government until 2025.
19. The aGREEN project will scale up on-going LURAS-supported activities that are focusing on support to coffee, Non-Timber Forest Products (NTFP) and tea APGs as well as the recently established Tea Com Net. In addition, LURAS provided support to establish the Farmers, Agribusiness and Market Engagement (FAME) training

center. The FAME center is a training platform located at DAEC compound in Vientiane capital, that aims to build capacities for LFN members on agri-business and market linkages. The FAME center activities will be scaled up by the aGREEN project, to serve as a training and capacity building platform for all the LFN members.

20. LFN was able to set up three commodity networks for vegetables, rice and tea and to expand its membership from 92 groups in 2021 to 173 groups in 2022. With support from the proposed aGREEN project the network will continue to scale up and expand and aims to reach 214 member POs by 2027 and three new commodity networks will be established for coffee, poultry and NTFP. The partnership between LFN, LURAS is on-going until 2025: to this day, LFN continues to influence policies by representing the voices of smallholder farmers to different policy dialogue platforms. As a result, organizational development and a youth advancement strategy has been developed.
21. The aGREEN project is also a scaling-up of the LFN partnership with AFN1 in which LFN was an implementing partner. LFN was instrumental in contributing to knowledge management activities and implemented action research activities for soya bean production and processing for nutrition in Xieng Khouang province. In that respect, LFN has also gained experience working with the SE (WFP) through the Agriculture for Nutrition (AFN) project funded by GAFSP. The AFN1 closing date is June 2023, before transitioning towards phase 2 in July 2023. (See Annex 1). The aGREEN project will also build on the collaboration with APFP through the Farmers Organisations for Asia (FO4A) initiative.
22. LFN will engage in partnerships with other projects such as: SDC-funded project LURAS, AFN2, SRIWMSP/PICSA, AfD funded PRCC coffee north, Green cup and ASSET projects, as well as the World Bank funded Community Livelihood Enhancement and Resilience project (CLEAR). LFN will also engage in partnerships with private companies (including members of the SUN business network) with facilitation from the Com Nets. Collaboration with other POs and regional agroecology networks, such as ALiSEA, will be developed to promote the agroecology transition throughout the LFN network. LFN will also collaborate with relevant governmental organizations especially DAEC for sub-PO registration and strengthening.
23. Out of the three target provinces of Oudomxay, Houaphanh and Xieng Khouang, AFN2 will be implemented in Oudomxay and Xieng Khouang, while the Sustainable Rural Infrastructure and Watershed Management Sector Project (SRIWMSP) GAFSP funded nutrition activities will be implemented in 5 districts of Houaphanh and Xieng Khouang. To avoid overlapping interventions, the project targeting strategy will aim at filling the gaps by giving priority to APGs in villages previously supported by AFN1 and not receiving assistance from AFN2, SRIWMSP GAFSP funded nutrition activities or other projects. On the other hand, the targeting strategy will take in account potential synergies with other on-going development initiatives: LURAS, APFP-FO4A, the AfD funded Project for the Reinforcement of Commercial Capacities in the Lao Coffee Sector (PRCC Coffee North) and the recently approved AfD funded Green Cup project supporting the Lao tea value chain.

Rationale

24. The project rationale rests with its focus on addressing poverty, food and nutrition insecurity in remote rural areas of the country. National priorities, and strategic priorities of LFN and WFP all aim at tackling these structural challenges that have become more pressing due to the combined effects of the COVID-19 pandemic, the conflict in Ukraine and the degrading macro-economic indicators in Lao PDR (inflation, devaluation of the national currency, high Indebtness).
25. The Lao Farmer Network's goal and vision as defined in Article 5 of its internal charter, is to build cooperation between smallholder farmers and producers to reduce poverty and improve their livelihood to be sustainable. LFN was established with the following objectives are : (i) To equip members with technical knowledge on production, processing, marketing, group organization among others that are related to the network's goal, (ii) to improve and strengthen the members' organizations, (iii) to improve the access to finance and other support for the members, (iv) to improve the access to information for the members and (v) to participate in agriculture related policy improvement process. LFN focuses its operation in the agricultural area (cultivation, livestock and agricultural businesses) and the sustainable management of natural resources.
26. The Lao Farmer Network has a well-established network of producers' organisations and its experience and expertise in providing reliable and consistent support for production, processing and market linkages are recognised. LFN has been involved in many development projects and has demonstrated its ability to provide tailor-made and long-term support to smallholder farmers. The aGREEN project will provide LFN with the opportunity and resources to significantly increase its outreach and to strengthen its position as a major Civil Society Organisation in the field of agriculture and rural development in the country.
27. In addition, the partnership between LFN and WFP is a follow up of previous collaboration notably in the framework of the GAFSP funded Agriculture for Nutrition project phase 1. Collaboration between LFN and WFP is based on trust and mutual cooperation, as demonstrated during the design process, setting the foundation for a synergetic implementation of the proposed aGREEN project.
28. The LFN scaling up activities align fully with the GAFSP five priority pillars: (i) Support sustainable agricultural practices and production systems for food and nutrition security, (ii) Support the sustainable use of land and water resources and reduce dependence on fossil-based fertilizers to optimize productivity and improve soil fertility and health, (iii) Support diversification in food production systems to enhance resiliency and household incomes (iv) Facilitate increased access to the market and better post-harvest and handling management and (v) Improve nutrition and food security outcomes.
29. The proposed objective and related activities have been assessed as relevant and effective to increase smallholders' income and to improve their livelihoods and resilience, as demonstrated by AFN1. Co-investments in production, post-harvest and income-generating activities will contribute to ensure the sub-POs' financial

sustainability, through APG member contributions, paid services, and fee-based brokering by commodity networks to sub-Pos. By improving their governance, administrative, technical, managerial (business planning, etc.), and operational capacities, LFN and its sub-Pos will have enhanced ability to cope with the impact of current and future crises.

30. The aGREEN project has been designed by LFN and will be fully owned and operated by LFN with support from WFP as the SE. The sub-POs and their members will decide and co-finance their interventions based on a bottom-up process and participatory business planning. In that respect, the project PDO and interventions directly align with the specific scope and objectives of the GAFSP PO-call. Throughout its interventions, the aGREEN project will mainstream climate adaptation, food and nutrition security, inclusion and the empowerment of women and girls, and smallholder livelihoods strengthening.

Strategic Approach

31. The strategic approach of the project is based on an **agroecological approach**, that promotes the production of quality agricultural products with a high and well identified market demand, able to generate regular income streams for the LFN smallholder members. The agroecological approach also focuses on promoting local knowledge, cross learning among farmers and efficient use of soil and water resources. In the context of high inflation, reducing the dependency of farmers on imported inputs and increasing production for export present clear benefits. The agroecological approach underpins the technical sustainability of the LFN interventions on the long run by reducing reliance on external resources and enhancing circular ecological processes that will increase the farmers' adaptive capacity in the face of climate impacts.
32. The agroecology approach will directly contribute to enhance the resilience of the LFN and its members to shocks (climatic, economic). The elements of the transition along with the ten principles of agroecology are summarized in Annex 6. The approach also aligns on the Agroecological and other innovative approaches for sustainable agriculture and food systems that enhance food security and nutrition published by the High-Level Panel of Experts on Food Security and Nutrition (HLPE-FSN, 2019) of the Committee on World Food Security (CFS).
33. The focus of the transition is on promoting circular processes for: (i) production practices (recycling of nutrients, crop residues, animal manure, water, etc.), (ii) learning and knowledge sharing (through the participatory action research, involvement of farmer experts and lead farmers, farmer to farmer extension approaches, exchange visits and participatory knowledge management and feedback loops), and (iii) a circular economy involving post-harvest operations and reliable partnerships with SMEs.
34. Strengthened POs and sub-POs will directly contribute have enhanced capacity to rebound after a shock. Resilience will be measured by the Resilience Capacity Score (WFP) that measures anticipatory capacity, absorptive capacity, transformative capacity, adaptive capacity.

35. **The aGREEN project is also a capacity building initiative**, aiming at strengthening administrative management and governance of LFN but also establishing new sub-PO such as the commodity networks (com nets) and the agricultural producers' groups (APGs).
36. The project will strengthen the LFN capacities at three main levels: (i) LFN (PO): the project will strengthen the LFN team capacity to coordinate the commodity networks and the 173 sub-PO (farmer groups), (ii) Commodity Networks and (iii) Agriculture Production Groups (APG, sub-PO).
37. The approach combines Training of Trainer (ToT) sessions at the FAME center and on-the-job training and coaching by Com Net for APGs. The PO and sub-PO management committees, as well as farmer experts and lead farmers, will participate in a total of 30 ToT sessions at the FAME center to cover topics relevant to the graduation into professionalized organisations: governance, administration, financial management and accounting, technical aspects (agroecological production, pest and diseases management, post-harvest), and commercialization. Exchange visits and circular learning within the network will facilitate the dissemination of lessons learned and best practices within the PO network.
38. During the project, Com Nets will be empowered to deliver business services to PO and serve as brokers to facilitate business relationships with private buyers. This approach will foster the institutional sustainability of LFN by generating revenue not only at APG level but also at Com Net level.
39. This two-fold strategy (agroecology and capacity building) has been discussed and validated within LFN when formulating the project between since May 2023. In addition, other stakeholders were involved in reviewing the proposal and the strategic approach was assessed as sound, feasible and likely to produce the expected multiple co-benefits and impacts.
40. **Gender mainstreaming and women empowerment:** The aGREEN project strategy also aims at gender mainstreaming and women empowerment. The project will empower women and girls by addressing gender gaps as a crosscutting priority.
41. Women will be represented at 50% in management committees by the end of the project, to ensure that they can fully participate in collective decision-making processes and that APG activities contribute to improve their economic status and reduce their non-paid workload.
42. Production and post-harvest technologies will aim at reducing women drudgery, in particular related to water management (use of efficient irrigation systems for vegetable production for example, in lieu of bucket watering), weeding (use of mulch, cover crops and crop associations to reduce time spent on weeding), mechanized post-harvest operations such as milling, shelling, washing, etc.
43. Economic empowerment of women and girls will be promoted through their full and equal participation to all project activities at production and commercialization level, including capacity building activities (training and coaching) and nutrition related

activities. Women will be eligible for the seed funds for Agri entrepreneurs to promote employment generation for women in rural areas.

44. The aGREEN project aims at changing gender power dynamics by addressing social norms, practices, attitudes, beliefs, and value systems that represent structural barriers to women’s and girls’ inclusion and empowerment. This approach will be mainstreamed in capacity building activities, either formal training of trainers at the FAME center (mobilizing qualified gender specialists) and during coaching and on the job training at sub-PO and community levels.

45. The LFN structure includes a women advancement committee with five committee members. The aGREEN project will assist the committee in preparing a strategy for women advancement and empowerment that will benefit the network as a whole. The strategy formulation will be combined with capacity building activities for the committee members so that they can take the role of resource persons to carry out gender mainstreaming training for network members.

2.2. Key Project Features

Target groups	The target population will be 19,000 persons as members of the 3,800 households (5 persons per household on average), of which 50% will be women and girls and 50% will be men and boys. The total number of people directly receiving services from the project is estimated at 7,600 people (2 persons per household), of which half will be women and girls. Youth is expected to represent 25% of the direct beneficiaries. Indigenous groups (non-Lao Tai people) represent 70% of the target population.
Contextual Focus	For the last twenty years, the agricultural sector has transitioned towards commercial production of raw products for export. Higher incomes generated from commercial agriculture have been the main driver of the decline in poverty (from 25% in 2013 to 18% in 2019). However, poverty in rural areas is three times higher than in urban areas, and rural households remain disproportionately affected by poverty, food insecurity, and malnutrition, in particular in Northern Laos: poverty headcount rates vary between 26% to more than 30% and low Food Consumption Score concerns between 11 and 16% of the population, depending on the provinces.

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Programme impact and outcome</p>	<p>The project will build the capacities of the Lao Farmer Network (LFN) to enable 3,800 smallholder farmer households living in the project area to improve their food and nutrition security, enhance their resilience to climate change and increase their incomes by 2027:</p> <p>Positive impact on income are expected to benefit 2280 rural households (increase by at least 20%)</p> <p>Impacts on food and nutrition security are expected with the number of households with a Food Consumption Score of less than 35 to decrease by 20% (from 874 to 700).</p> <p>Prevalence of moderate and severe food insecurity in the population is expected to be reduced by 15%, based on the Food Insecurity Experience Scale (FIES)</p> <p>The number of women reporting minimum dietary diversity (MDD-W) is expected to be increased by 50% above baseline.</p> <p>Outcome 1: LFN and sub-PO organizational capacity will be strengthened and measured by an increase in the PO capacity index score.</p> <p>Outcome 2: Farming systems improved will be measured by an expected 20% increase in agricultural productivity</p> <p>Outcome 3: Agri-Business Development and Market access improved will be measured by an expected 20% increase in agricultural production sold on domestic and regional markets.</p> <p>In addition, the project will also aim at enhancing the target households' resilience to shocks</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Outputs and activities</p>	<p>To deliver on the above impacts and outcomes, the project key outputs are:</p> <p>Output 1.1: Six Commodity networks strengthened and supporting 84 producers' organisations</p> <p>Output 1.2: Service delivery capacity enhanced (FAME center) with a total of 287 people trained</p> <p>Output 2.1: Farmer to farmer learning through provision of inputs or services on climate resilient or sustainable agriculture practices, adopting agroecology practices and approaches</p> <p>Output 2.2: Scaling up good practices with 76 processing, storage, and market facilities constructed and/or rehabilitated (facility)</p> <p>Output 3.1: Market linkages and partnerships developed with 2280 farmers (50% women) supported in accessing improved marketing opportunities</p> <p>Output 3.2: Business planning, financing and implementation enhanced aiming at 80 business plans co-financed, implemented and monitored by commodity networks.</p>

Key partners	<p>Key partners of the project will be the Lao farmer Network and its sub-POs as the main implementer, supported by WFP as the supervision entities. The private sector entities will participate in the project as service providers and business partners with the sub-PO to provide advice and market access. Other development projects (including the GAFSP funded SRIWMSP nutrition programme and the Agriculture for Nutrition phase 2, as well as AFD funded project Coffee North, Green Cup and ASSET on agroecology) will establish synergetic interventions with the aGREEN project. Local authorities and the Department of Agricultural Extension and Cooperatives will be involved in building the capacity of producers' organisations. Other Civil Society Organisations in Lao PDR will also key partners for cross learning and exchange of experience.</p>
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3. Project design and implementation strategy

3.1. Project Area

46. The target provinces have been selected among the target provinces of the AFN1, based on poverty (poverty headcount rate, 2019) and nutrition status (Food Consumption Score), as detailed in the Table below. As a result, the three project target provinces are Oudomxay, Houaphanh and Xieng Khouang in Northern Laos.

Table 1: Selected aGREEN target provinces in Northern Lao

Provinces	Poverty Headcount Rate 2019 in % of population*	Poverty rank over 18 provinces	Food Consumption Score- low FCS **	FCS rank
Oudomxay	29%	17 th	16%	16 th
Houaphanh	27%	14 th	11%	12 th
Xieng Khouang	26%	13 th	11%	11 th

Source: * Lao Expenditure and Consumption Survey 2018-2019. ** WFP, Lao PDR

47. Based on the table above, the three provinces of Oudomxay, Houaphanh and Xieng Khouang have been selected due to their high poverty incidence (26% and above) and the high percentage of households experiencing low Food Consumption Score (11% and above). These three provinces rank low for these two indicators over the 18 provinces nationwide.

48. The following districts have been selected based on the current network of LFN sub-POs (Agriculture Production Groups) and the repartition of APG supported by AFN1 across the target provinces and their specialisation in producing six the target value chains which are Rice and backyard chicken and vegetables (both for nutrition and commercial purposes) and tea, coffee and NTFP that have proven market demand and are effectively generating income streams for LFN member households.

Table 2: aGREEN target provinces and districts

Provinces	Districts	Common agricultural commodities	Priority agricultural products
Oudomxay	La District Xay District	Rice and poultry	Tea Vegetables
Houaphanh	Xamtay District Xone District		Coffee NTFP
Xieng Khouang	Khoune District Nong Het		Coffee Coffee
3 provinces	6 districts		

49. The selected districts are La and Xay Districts in Oudomxay province, with potential to extend in Namor district, Xamtay and Xone districts in Houaphan province and Khoune and Nong Het districts in Xieng Khouang.

50. Targeting complementary to other nutrition-related projects: Out of the three target provinces of Oudomxay, Houaphanh and Xieng Khouang, AFN2 will be implemented in Oudomxay and Xieng Khouang, while the Sustainable Rural Infrastructure and Watershed Management Sector Project (SRIWMSP) GAFSP funded nutrition activities will be implemented in 5 districts of Houaphanh and Xieng Khouang. To avoid overlapping interventions, the project targeting strategy will aim at filling the gaps by giving priority to APGs in villages previously supported by AFN1 and not receiving assistance from AFN2, SRIWMSP GAFSP funded nutrition activities or other projects. On the other hand, the targeting strategy will take in account potential synergies with other on-going development initiatives: LURAS, APFP-FO4A, the AfD funded Project for the Reinforcement of Commercial Capacities in the Lao Coffee Sector (PRCC Coffee North) and the recently approved AfD funded Green Cup project supporting the Lao tea value chain.

3.2. Target Groups

51. The primary target beneficiaries of the project are rural farming households, and members of the Lao Farmers Network (LFN) living in the three target provinces. These households consist of generally poor and near-poor smallholder farmers at risk of food insecurity and malnutrition and affected by the current economic crisis and climate variability. The LFN currently has a total membership of 8,400 households organized in 173 agriculture producers' groups (APGs, referred to as sub-PO as well) in 16 provinces.
52. The target population will be 19,000 persons as members of the 3,800 households (5 persons per household on average), of which 50% will be women and girls and 50% will be men and boys. The total number of people directly receiving services from the project is estimated at 7,600 people (2 persons per household), of which half will be women and girls. Youth is expected to represent 25% of the direct beneficiaries. Indigenous groups (non-Lao Tai people) represent 70% of the target population.
53. Other targets groups of the project are the LFN management team, and the management committees of APGs and of the commodity networks. They will be strengthened to build their governance, administrative and fiduciary capacity, and their technical and commercial knowledge.
54. APGs: The project will directly support 84 Agriculture Producer Groups (APG) in the three provinces (43 groups already members of LFN and 41 groups as new members of the network). These Agriculture Production Groups are small-scale sub-PO of around 40 to 45 smallholder farmers, both men and women, involved in agriculture production for food and nutrition security and commercial purposes. The project will also indirectly benefit the other 89 existing groups that are members of the network located in the remaining 13 provinces covered by LFN.
55. The selected APGs established under AFN1, will receive further support from the aGREEN project to graduate to professionalized sub-POs that are able to deliver production and commercialization services to their members in a sustainable way. The criteria for selecting APGs supported by AFN1 for inclusion into the LFN will be: (i) established commercial production of one of the 6 commodities supported by the

aGREEN project; (ii) APGs that have successfully implemented grants provided by AFN1; (iii) APGs that have been assessed as having medium to strong capacity, based on the AFN1 final assessment. The inclusion of eligible AFN1-supported APGs into LFN will be on a voluntary basis, and mutual agreement between the eligible APGs and LFN, involving the Commodity Networks to ensure market linkages are identified. At the start of the project, the final selection of APGs will be adjusted to avoid the geographic dispersion of aGREEN and overlaps with other development initiatives.

56. **Commodity Networks (CN) or “Com Nets”** (3 existing and 3 new) are sub-PO entities that have a critical role in delivering facilitation services to the production groups, by brokering linkages with private SMEs (buyers of agricultural produces, equipment and input suppliers and other service providers). They have a national coverage and are organized along the main commercial commodities produced by the LFN members, namely: Vegetables, Rice, and Tea (existing Com Nets) and Coffee, Poultry, and NTFPs (new Com Nets)
57. **SMEs** are another critically important target group of the project in regard to its market-led approach. LFN sub-Pos are already engaged in business partnerships with SMEs namely MuengLao, PhoonNgen, Gentera, Mulberry and Lattanaphone companies for the contract-based commercialization of agricultural commodities such as jasmine rice, spring onion, bitter melon, asparagus, soybean, chili, silk, and chicken and pork meat. These SMEs already provide production inputs, and market and extension services to LFN members while LFN, through its Com Nets, plays a role on organizational strengthening and commercialization monitoring support and coordination. Other SMEs registered in the SUN Business Network in Lao PDR will be additional potential partners.

3.3. Development Objectives and Impact Indicators

58. The Project Development Objective is to “Build the capacities of the Lao Farmer Network (LFN) to enable 3,800 smallholder farmer households living in the project area to improve their food and nutrition security, enhance their resilience to climate change and increase their incomes by 2027”.
59. The project impacts are measured by four GAFSP Tier 1 indicators: on-farm incomes, households’ Food Consumption Score (FCS), Food Insecurity Experience Scale (FIES), and Minimum Dietary Diversity for Women (MDD-W). See the Results Monitoring Matrix in Annex 3.

3.4. Outcomes

These outcomes will be achieved through the implementation of three complementary components with the following expected outcomes:

Outcome 1: LFN and sub-PO organizational capacity strengthened.

60. LFN and sub-POs organizational capacity strengthened: support LFN and its sub-PO members to graduate towards professional farmers’ organisations able to deliver production and commercialization services to their smallholder members on the long run. This will be achieved by enhancing their governance and administrative

management capacities, their technical and business knowledge, and their financial viability.

61. This component aims at the professionalization of LFN, the Com Nets and its sub-POs through a graduation process aiming at strengthening their governance, management and operational capacities to deliver production, extension, and commercialization services to its smallholder farmer members. The expected outcome will be measured by a GAFSP Tier 2.1 outcome indicator: PO institutions' capacity improved in target province measured by a PO capacity index, following [COSA](#) Producer Organizations Indicators tools and guidelines.

Outcome 2: Farming systems improved.

62. Farming systems improved, will focus on compiling proven agroecological practices and approaches that have been piloted and validated in similar contexts in Lao PDR. These practices and approaches will be disseminated throughout the LFN network and in particular in the 84 target APGs. The extension approach relies on the existing network of farmer experts and lead farmers and the technical assistance mobilized by the SMEs engaged in contract farming with the producer groups. APGs will receive support for production improvement and construction of post-harvest and storage facilities.
63. This component aims at supporting the agroecological transition of smallholder farmer members of LFN. It will include participatory research, farmer-to-farmer extension activities and scaling up good production and post-harvest practices along with the 10 principles of agroecology (see Annex 1).
64. The expected outcomes are increased productivity and enhanced resilience, measured by GAFSP tier 2 outcome indicators: (a) Agricultural productivity, calculated as a measure of crop production weight (in kg) per area of land under cultivation (in hectares) increase by 20% and (b) Number of farmers whose livelihood has become more resilient to shocks, measured with the [WFP Resilience Capacity](#) Score.

Outcome 3: Agri-Business Development and Market access improved.

65. Agri-Business Development and Market access improved aims at improving commercial partnerships between APGs and SMEs, facilitated by the Commodity Networks for brokering of market linkages and services to APGs. Linkages will be fostered through Multi Stakeholder Platforms (MSP) and co-financing arrangements.
66. Component 3 will facilitate business partnerships between APG and SME, facilitated by the Com Nets. The expected outcome is a 20% increase in agricultural production sold, measured by GAFSP Tier 2. Outcome indicator: Volume of agricultural production sold on domestic and regional markets (tons) increased by 20%.

3.5. Outputs and project activities

Output 1.1: Existing commodity networks strengthened.

67. This subcomponent will aim at strengthening the LFN team management capacity, professionalizing the existing commodity networks (for vegetable, rice and tea), and strengthening the capacity of current 41 member APGs to deliver services to their

members. This capacity building process will be assessed to measure the PO and sub-PO graduation to professionalized organisations, using a PO capacity assessment tool adapted from the Producer Organization Diagnostic (POD) tool of the Committee on Sustainability Assessment ([COSA](#)).

68. The project will support the mobilization of five staff per commodity network: Network coordinator, financial officer, PO strengthening expert, Agri-Business Officer and Farmer expert. These teams at Com Net level will be in charge of strengthening the capacity of their member POs through coaching and on-the job training. The training will focus on sub-PO governance (board members composition, bylaws, decision process, gender mainstreaming, etc.) as well as the administrative (bookkeeping, communication, etc.), fiduciary (accounting, financial management), technical (agroecological production, pest and disease management, post-harvest), managerial, and operational capacities, including commercialization with support from Com Nets.
69. Results will be measured by the GAFSP Tier 2 Output indicator #9. Producer-based organizations supported (targets: 3 Com Nets and 43 APGs that are current members of LFN)

Output 1.2: New commodity networks become functional.

70. Under this subcomponent 1.2, three new commodity networks will be established for poultry, coffee, and Non-Timber Forest Products (NTFPs, such as bitter bamboo shoots, *Zanthoxylum rhetsa*, known as Indian prickly ash, Sichuan pepper, *Zanthoxylum simulans*, etc.). Activities will include the selection of new member APGs among the existing APGs supported by AFN1. These APGs will be integrated into LFN on a voluntary basis after which their organizational structure and capacities will be strengthened by the Commodity Networks. As in output 1.1, the Com Net teams will strengthen the capacity of their member POs through coaching and on-the-job training for sub-PO governance as well as their administrative, fiduciary, technical, managerial, and operational capacities.
71. Results will be measured by the GAFSP Tier 2 Output indicator #9. Producer-based organizations supported (targets: 3 new Com Nets and 41 APGs as new members of LFN).

Output 1.3: Service delivery capacity enhanced (FAME center).

72. The FAME training center (located within the DAEC compound at Houay Nyang Village in Vientiane Capital) will be improved with pedagogic equipment and will serve as the main platform for ToT and training of management committees at PO, and sub-PO level (including Com Nets and APGs). A total of 30 formal training workshops will be organized in stages throughout the project period with an intensive training programme of 12 sessions in the first year to initiate PO and sub-PO graduation and professionalization.
73. The training will also include sessions on nutrition and food security for Com Nets, APGs and farmer experts to contribute to improve household food and nutrition security and promote women's empowerment. They will encourage social behaviour change through practical learning sessions and community sensitization in their

respective communities, in collaboration with village nutrition facilitator and village nutrition committee where relevant. The content will rely heavily on practical experiences of WFP's successful work in the AFN1 project which was reported as being innovative in the Project Completion Report.

74. Under this subcomponent, another activity will consist in piloting the graduation of APGs in registered Agricultural Cooperatives, in collaboration with DAEC in Oudomxay province.
75. Results will be measured by the GAFSP Tier Output indicator #10. Persons receiving capacity development support (target 287 persons, 50% women, including management committees of LFN, 6 com nets, and 84 APGs).

Output 2.1: Participatory action research on agroecological models.

76. The project will work with national and regional organisations and projects involved in agroecology, including the Agroecology Learning alliance in South-East Asia ([ALiSEA](#)), to compile proven agroecological practices that have been piloted and validated in similar contexts in Lao PDR. These practices will be disseminated throughout the LFN network including the 84 target APGs and the 89 APGs in the remaining 13 provinces covered by LFN. A total of at least 10 practices will aim at improving production and post-harvest of the six selected types of commodities, focusing on crop diversification, efficient use of water and soil resources, nutrient and biomass recycling.
77. A catalogue and video of the selected practices will be edited and published and made available to APGs, farmer experts, lead farmers and individual farmers in paper form as well as through the LFN on-line platform and social media (Facebook, YouTube, etc.).
78. To measure the long-term benefits of agroecological practices, a specialized service provider will be hired to develop an analytical framework. The ecology approach and practices and the analytical framework will be developed in partnership with the [ASSET project](#) (Agroecology and Safe food system transitions) that already works with LFN through the ALiSEA small grant facility. This framework will include participatory feedback from producers for the purpose of developing a circular learning process. Lessons learnt and successful practices from the AFN1 project will be replicated by LFN where feasible.

Output 2.2: Farmer-to-farmer learning.

79. The extension approach relies on the existing network of farmer experts and lead farmers and the technical assistance mobilized by the SMEs engaged in contract farming with the producers' groups.
80. Farmer learning activities include Training of Trainer for Farmer Experts, exchange visits between POs, follow up workshops for to generate lessons learned and facilitate circular learning within the network. The learning activities will not only focus on production techniques but will also include nutrition topics as per the ToT curriculum provided under output 1.3 through the FAME center. In particular, village

nutrition facilitators trained under previous WFP supported projects, will participate in exchange visits and facilitate cross-learning on nutrition related behaviour change.

81. In addition, the aGREEN project will support the establishment and operation of at least 600 demonstration plots to demonstrate best agroecological practices based on the compendium developed and published under Output 2.1.
82. As a complementary activity of aGREEN, a farmers' Innovation competition initiative will allow to identify farmers' led innovations and to promote these innovations through a specific grant window.
83. Results will be measured by: (i) the [Climate indicator #13] Number of farmers receiving inputs or service on climate resilient or sustainable agriculture practices (farmer) (target 2280 individual smallholder farmers, 50% women and girls).

Output 2.3: Scaling up good practices.

84. As the main project activity under Output 2.3, APGs will receive support in the form of co-financing grants for production and post-harvest and storage facilities. The production grants will promote agroecology practices documented in the compendium (output 2.1) and demonstrated under output 2.2.
85. With support from Com Nets, APGs will be responsible to prepare grant proposals and to manage and use the funds received from the project into their bank account for local procurement of inputs and equipment to be provided to the members. The production grants will be managed as revolving funds at APG level, in line with the LFN policies, guidelines and previous experience. APG management committees will be trained in managing the funds under component 1, as part of the financial literacy and accounting trainings at the FAME center.
86. In addition, grants for collective post-harvest and storage facilities will be provided to APGs to establish, operate, and maintain drying facilities, small scale coffee post-harvest operations (washing, pulping), storage facilities and related infrastructures. This activity funded by aGREEN will target 76 sub-POs, in complementarity with investments implemented by APGs under AFN1.
87. The implementation of these production and post-harvest grants by APGs will be closely monitored by Com Nets, with support from the LFN management team and oversight provided by the SE.
88. Results will be measured by GAFSP Tier 2 Output indicator #3. Smallholder producers/processors receiving productivity enhancement support (3800 farmers, 50% women and girls) and Output indicator #75 Number of processing, storage, and market facilities constructed and/or rehabilitated (target: 76 facilities)

Output 3.1: Market linkages and partnerships developed.

89. Multi-Stakeholder Platform (MSP) meetings will be organized and facilitated by the Com Nets, to link several APGs with potential buyers and suppliers (SMEs). MSPs are many-to-many business matching events. In Lao PDR, guidelines and manuals for MSP have been developed by other projects such as the IFAD (International Fund for Agricultural Development) funded Partnerships for Irrigation and Commercialization

of Smallholder Agriculture Project (PICSA), and the GAFSP funded AFN2 will also use the same approach.

90. Results will be measured by GAFSP Tier 2 Output indicator #8. Farmers supported in accessing improved marketing opportunities (target: 2280 farmers, 50% women and girls)

Output 3.2: Business planning, financing and implementation enhanced.

91. APGs and SMEs will be supported to prepare common business plans and to identify available sources of financing (self-financing from APGs and SMEs, MFI loans, Commercial Bank loans, aGREEN co-financing, other projects support, etc.). The project will only contribute up to 15% of the investment plan, while APGs will contribute in-kind up to 15% and SMEs 70%. Expenditures under the investment plans may include investments for aggregation of products by the APG to facilitate SME operations (establishment of collection points for example), activities related to quality and traceability, storage and transportation of products, tools and equipment, and services.
92. Results will be measured by the number of business plans co-financed, implemented and monitored by commodity network (Target is 80 business plans, around one per APG, including existing business plans prepared under other projects such as AFN1, that will be updated).
93. This subcomponent also includes seed funds to facilitate youth in starting new businesses in the rural target areas, as agripreneurs. This window will be open through competitive calls for interests and supported by LFN management team and Com Nets. The target is 60 young agripreneurs supported, of which at least 50% will be women. This will contribute to GAFSP tier 2 indicator "Direct employment provided or generated" although not included in the result framework.
94. The youth seed fund will be piloted by the LFN youth committee which as seven members. LFN has already adopted a Strategic Plan for the Development of Lao Young Farmer (2021-2025) that defines five priority areas: (i) Generating direct incomes for youth, (ii) ensure markets, buyers of youth products, (iii) Helping youth to be resilient to climate change, (iv) Increasing knowledge in production, processing, packaging, plantation, livestock and marketing, and (v) Reporting youth problems. The aGREEN seed funds for young agripreneurs will finance proposals that contribute to these strategic priorities.

3.6. Timeline and community engagement

95. The aGREEN project will be implemented over four years. The starting date is expected to be April 2024 once all administrative elements are in place. The completion date is planned for April 2028.
96. As preparatory steps between November 2023 and April 2024, LFN will ensure that administrative requirements are in place including completing the formal registration of LFN as a Non-Profit Association (NPA), conducting consultation meetings with local authorities in target districts, entering in a formal MoU with Ministry of Foreign Affairs, and finalising the Field Level Agreement with WFP.

97. Community mobilization and other preparatory activities were crucial in the project design and will continue in the implementation stage. LFN will mobilise its memberships and commodity networks to ensure implementation readiness by April 2024 so that the aGREEN project implementation is effective shortly after the starting date. Channels and modalities for community engagement are detailed in the Stakeholder engagement strategy in Section 3.10.

3.7. Detailed project theory of change

98. The development challenge as stated in Section 1, is that small-scale farmers and rural households, members of the LFN, including women, youth, ethnic groups, have not benefitted from strong economic growth and are disproportionately affected by food insecurity, all forms of malnutrition, and poverty. The multiple root causes of the problem have been further exacerbated since 2020, due to the combined effects of the COVID-19 pandemic, the conflict in Ukraine, the current economic crisis generating high inflation in Lao PDR and the effects of climate change.

99. More specifically, constraints and challenges affecting livelihoods of smallholder farmers are: (i) low agricultural productivity due to sloping land, lack of irrigation, pests and diseases, and inadequate production techniques, (iii) Limited PO capacity to aggregate products, add value and access services, (iv) Weak market linkages and limited entrepreneurship opportunities and (v) Climate vulnerability in the context of the current El Niño phase that creates dryer conditions and variability in weather patterns such as late onset on the monsoon.

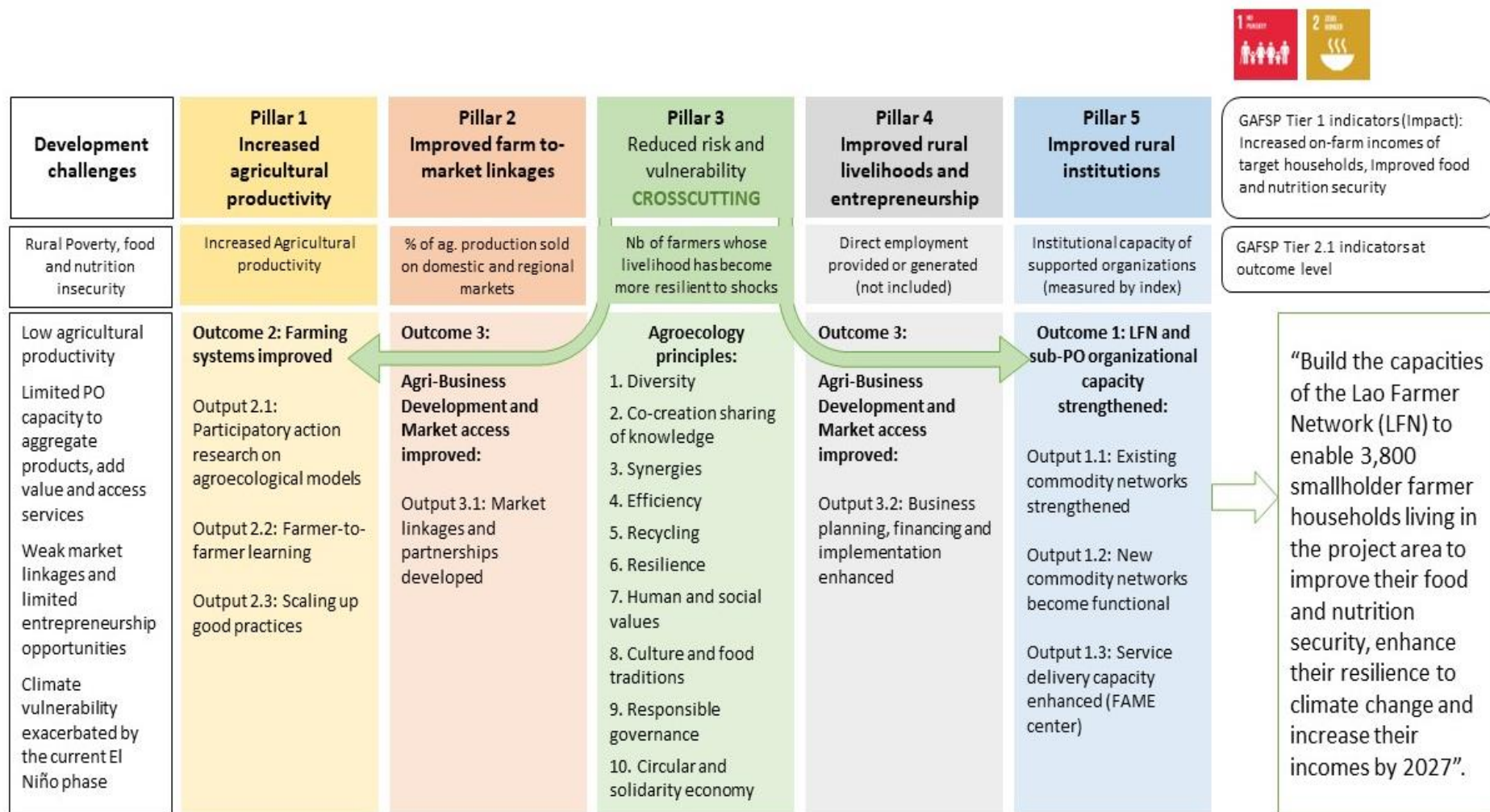
100. The development challenge will be addresses through pathways of change across the three complementary outcomes delivered by the implementation of corresponding components under certain assumptions described below:

101. **The first pathway** is to increase agricultural productivity (GAFSP Pillar 1) by improving farming systems through Participatory action research on agroecological models, Farmer-to-farmer learning and scaling up good practices. This pathway delivered through component 2 will result in an increase of 20% in Agricultural productivity of the 6 selected commodities. climate variability and pest and diseases outbreak do not exceed the adaptation capacity of the participating small-scale farmers. This pathway is conditioned by the assumption that of the participating small-scale farmers effectively adopt the promoted agroecological practices and that climate variability and pest and diseases outbreak do not exceed their adaptation capacity

102. **The second pathway** is to strengthen the capacity of APG to add value to their products and commercialise them through improve market linkages. Activities delivered under Component 3 will result in a 20% increase in the percentage of agricultural production sold on domestic and regional markets. The underpinning assumptions are that the market demand for the selected commodities remain stable or increase and that the APG and commodity network are able to fulfil the demand in partnership with the private sector entities.

103. **The third pathway is** to strengthen the capacity of the LFN and sub-PO in management, administration and business planning and development. Activities delivered under Component 1 will result in an improvement of PO capacity index, using [COSA](#) guidelines. The assumptions behind this pathway are that LFN and sub-PO have the willingness to fully participate in the project and that other stakeholders support the project approach and interventions, through co-financing (private sector, other projects) and effective guidance (public agencies, CSO network).
104. **Cross cutting pathway:** the aGREEN project has adopted an agroecological approach that will promote local knowledge and cross learning, as well as climate resilient practices. The agroecological transition present a clear pathway towards enhanced resilience of rural households, members of the LFN. This cross-cutting approach will result in an increase in the number of farmers whose livelihood has become more resilient to shocks, measured by the Resilience Capacity Score (WFP guidelines). The assumption underpinning this pathway are: (i) the partnership with ASSET project will enhance the capacity of the LFN to design, implement and monitor agroecological practices and approaches documented in a catalogue, and disseminated through demonstrations plots and the LFN farmer experts, (ii) climate variability and pest and diseases outbreak do not exceed the adaptation capacity of the participating small-scale farmers.
105. Overall, the three pathways of change above are expected to result in achieving the Project Development Objective that is to “Build the capacities of the Lao Farmer Network (LFN) to enable 3,800 smallholder farmer households living in the project area to improve their food and nutrition security, enhance their resilience to climate change and increase their incomes by 2027”.
106. The three above pathways of change are expected to result in increased on-farm incomes of target households and improved food and nutrition security, and ultimately contribute to achieving GAFSP impacts (Tier 1 indicators).
107. The Theory of Change is presented graphically in the Figure 1 below.

Figure 1: Detailed Theory of Change



3.8. Risks identification and mitigation

108. Identified risks that could hamper the achievement of the project objectives are described below, along mitigation measures. The risk register in Annex 3 has been updated in line with the comments made by GAFSP TAC on the project proposal.

Macro-economic risks:

109. Sustained inflation, high prices of fuel and agricultural inputs. Inflation rate averaged 23% in 2022 and reached 40% in 2023, directly affecting the purchasing power of smallholder farmers. This challenge has been exacerbated by increased price of fuel and chemical fertilizers that doubled between 2021 and 2022 because of the conflict in Ukraine.
110. Mitigation measures: following the agroecological approach, the aGREEN project will encourage sustainable intensification by providing incentives and extension services for efficient use of resources, diversification, and crop associations (agroforestry for example) and recycling of nutrients at farm and APG level (crop residues, animal manure, compost, etc.). These approaches will contribute to reduce the dependency on agrochemicals by using bio-inputs (bio fertilizers, bio repellents, etc.). This in turn will result in decreased production costs, better quality and increased farm profitability in the long run. The promotion of export-oriented crops (coffee, NTFPs such as Indian prickly ash, Sichuan pepper etc.) will also contribute to generate foreign exchange and offset the impacts of inflation.

Climate Risks

111. The World Meteorological Organization (WMO) is predicting a likely return of an El Niño event from July 2023 onward. El Niño is a cyclical climate event that consistently ravages the Southeast Asia region's economies and agricultural sectors with droughts and water scarcity. In 2019, the World Bank published a report on "Managing El Niño and la Niña in Lao PDR's agriculture" that non-structural measures can reduce climate vulnerability, including: adaptive and conservation farming practices, integrated and sustainable agriculture, agroforestry, soil restoration practices, pest outbreak management, and research. The aGREEN project will contribute to enhance preparedness and resilience to the El Niño event that is likely to affect agriculture production during the project lifetime.
112. At farm level, the aGREEN project will provide support for co-investment and extension services delivery to promote crop diversification and efficient use of soil and water resources through sustainable intensification practices, climate smart agriculture and water saving technologies (drip irrigation for vegetable production under net houses for example). Where applicable, coffee-based agroforestry systems will be promoted for smallholder producers to establish and conserve shade trees species and understory biodiversity in their coffee farms.
113. The project will ensure farmers have access to the existing climate information services such as the Lao Climate Services for Agriculture (LaCSA) and that farmer experts are delivering last mile advice to APG members to translate the available

climate information into actionable anticipatory and preventive actions on their farms to reduce losses. This will be particularly vital for extreme weather events such as hailstorms, strong winds, cold snaps, and heat waves, that have affected production and resulted in post-harvest losses in the past.

114. The project will also encourage nature-based solutions, traditional knowledge and the local culture and traditions, in particular for food conservation and consumption of food collected from the wild, building from lessons from upcoming AFN2 activities in this area. The effectiveness of this approach will be measured by one GAFSP climate indicator: Number of farmers receiving inputs or service on climate resilient or sustainable agriculture practices.

Pest and disease outbreaks

115. Pest and disease outbreaks have affected production and has hindered farm profitability and return to family labour. Pests and diseases have affected commercial production of swine (African swine flu), maize (fall army worms), cassava (virus borne diseases), etc., resulting in production losses. For the selected commodities, vegetables and poultry are the most vulnerable: vegetables are subject to insects and to bacterial rot and poultry are vulnerable to common disease such as Newcastle Disease and bird flu. Pests such as rodents and weevils are also responsible for post-harvest losses during storage of crops, particularly for paddy rice.
116. Mitigation measures: promote crop diversification and the production and adequate use of bio-pesticides and repellents to control the pest load and reduce losses. The project agroecological approach translate into several strategies to reduce these risks: (i) promote biodiversity and beneficial fauna (bio predators) to mitigate the outbreak of insect pests, (ii) production and effective application of bio-inputs. LFN has successfully disseminated production techniques that allow to reduce losses, increase productivity, and increase on-farm incomes. For example, vegetables grown under nethouses are less prone to attacks by insects and simple biosafety measures can be applied to reduce the spread of diseases in poultry including vaccinations.

Professionalization of sub-PO:

117. Low education level and limited business literacy of APG management committee members may slow down the professionalization process.
118. Mitigation measures: Intensive trainings at the FAME center will be combined with regular coaching and on the job training of APG committee members by Com Nets teams. Com Nets will have an oversight and monitoring role to support APG implementation of project activities and grants. Exchange visits and cross learning events will also contribute to increase the capacity of existing and new Com Nets. The project will provide Com Nets with qualified full-time staff: each Com Net will receive support from a Com Net Coordinator and an Agribusiness Advisor. The Com Nets will be involved in Multi Stakeholder Platforms that are business matching events. This approach allows the sub-PO and the private sector to jointly identify gaps (including organisational and technical) and to collectively select the preferred options to address these gaps. Service providers will be mobilised by LFN to provide specific

capacity building to com nets through competitive bidding process to ensure quality services are delivered to sub-POs.

Institutional risks

119. There are two categories of institutional risks that may affect the efficient and effective implementation of the project.
120. Internal risks are related to the human resources currently mobilised at LFN office, that may not be sufficient to effectively deliver the expected outputs across the project components. In addition, staff mobilised for financial management and accounting are also limited and unfamiliar with WFP requirements and procedures. To mitigate fiduciary risks, standard procedures for financial management and accounting will be put in place in LFN with support from WFP. As the supervising entity, WFP will provide coaching and mentoring to the LFN finance officer and accountant to ensure compliance with the rules and procedures put in place. WFP will be responsible to provide the required financial reports to GAFSP.
121. External institutional risks are related to the context in which NPA and CSO operate in Lao PDR. The public agencies and local authorities may influence the project approaches and interventions modalities. To mitigate such risks, LFN will apply the Stakeholder Engagement strategy, to inform and involve public agencies and local authorities at an early stage (before the project starts). Information dissemination and regular consultations will mitigate these risks, by regularly involving the relevant stakeholders, with support from DAEC.

3.9. Sustainability

122. The sustainability of interventions implemented by the aGREEN project will rely on the professionalization of the PO and sub-POs through intensive capacity building over the course of the four-year time frame. Beyond the project completion date in 2027, LFN and the 84 members sub-POs supported by the six Commodity Networks will be able to maintain and expand the investments in production and post-harvest operations in partnership with the agribusiness SMEs. The Com Nets will become fee-based services providers for the sub-POs. Their revenue streams will be generated from membership fees and from commissions paid by the SMEs and Sub-POs for services rendered to facilitate business matching and contract farming transactions.
123. Sustainability of technical aspects related to production and processing practices will rely on the agroecological approach that promotes innovative agroecological practices to produce more using fewer external resources and on local knowledge and cross learning. The project will only promote appropriate techniques and technologies that are already tested and proven to be feasibility and easily adopted by small-scale producers. Through the implementation of demonstration plots and the farmer experts LFN will ensure that these practices are further disseminated and improved beyond the project timeframe.

3.10. Stakeholder engagement

124. The project stakeholders consist in a wide range of organisations from civil society, subnational authorities, public line agencies, private sector entities (service providers,

equipment, and input suppliers), other project supported by development partners and most importantly the sub-POs and the rural communities including women, and ethnic groups in remote areas.

125. LFN has a long experience in engaging with these stakeholders through different modalities: partnerships, cooperation, joint collaborative initiatives, cross learning, consultations, line reporting, commercial and business relationships, etc. For the aGREEN project, the stakeholder engagement strategy will take stock of the LFN engagement with known and new entities as described below:

Table 3: Stakeholder engagement strategy

Key Stakeholders	Type of engagement	Communication channels	Frequency of engagement
WFP	Partnership in project management, administration, and monitoring (supervising entity). Line reporting to GAFSP	Regular reporting by LFN to WFP on physical and financial progress.	Continuous throughout the project timeframe
Sub POs and members	Strategic direction of LFN Provision of support to members Exchange of information and feedback from communities	General assembly Formal and informal, including through using ICT tools and social media. Consultation meetings FPIC in communities where LFN intervenes for the 1 st time)	Annual and extraordinary GA Continuous throughout the project timeframe Regular basis During the initial project introduction meeting
Civil society platforms and other CSOs	Collaboration, cross-learning	Regular informal consultations and participation in exchange meetings and events	On an as-needed basis
Authorities at District level	Information to governor's office in target districts	Formal meetings	Before project starts to inform District authorities about the aGREEN project.
Authorities at village level	Information provided to village	Direct interactions in target villages	Regular engagement at each

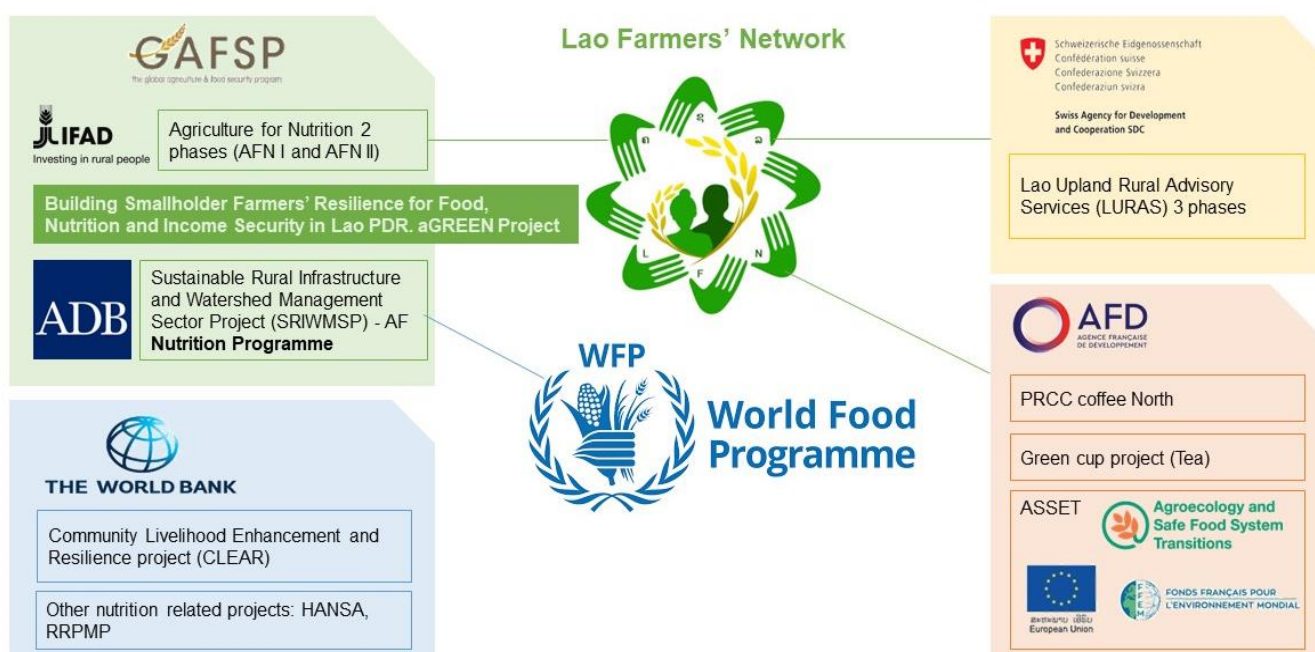
Key Stakeholders	Type of engagement	Communication channels	Frequency of engagement
	council in target village. Regular consultations for feedback by the village representatives		step of planning, implementing and monitoring of project activities in target villages
Public Line agencies at national level	Information about LFN and the aGREEN project	Formal, MoU between LFN and MoFA	Before project starts
	Collaboration with Department of Agriculture Extension and Cooperatives of MAF (DAEC)	Technical collaboration on PO development and capacity strengthening	Regular collaboration throughout the project implementation timeframe
Private sector entities (Service providers)	Commercial business relationships between LFN and service providers	Through procurement process and service contract framework	Defined in contracts including reporting arrangements by SP
Private sector entities (buyers of ag products)	Commercial business relationships with com nets and Sub-PO	Multi Stakeholder Platform, sell/buy contracts for agricultural products (both formal and informal)	MSP are to be organised at least twice a year. Monitoring of buy/sell contract is seasonal
General public	Dissemination of disclosable information and receiving feedback	Social media and public events	Weekly communication on social media Regular public events
Other projects supported by development partners	Synergies and collaboration in implementation Cross learning	Formal and informal communication channels Formal MoU in case of projects co-implemented by LFN	As often as needed to ensure solid coordination with other projects

126. LFN will record and compile interactions with project stakeholders. In villages where LFN engages with communities and sub-PO for the first time, a Free Prior Informed Consent process can be applied to ensure that the communities understand the project objectives and planned support and agree to actively participate and

contribute. LFN may also ensure that the local channels for Grievance redress mechanism are in place and effective in addressing any concerns or complaints by members of the target communities, whether directly participating in the project or not. LFN will also ensure that feedback loops channels are open and adequate for all stakeholders, and that direct stakeholders at local level actively participate in the Monitoring and Evaluation process.

127. LFN is currently cooperating with several projects supported by development partners. Some of these projects have direct linkages and complementarities with the aGREEN project. WFP is also directly involved in the implementation of two nutrition-related projects funded by GAFSP in Lao PDR. These synergies are summarised in the project mapping below:

Figure 2: Mapping of projects in synergy with aGREEN



3.11. Governance, Oversight and Coordination

128. WFP will enter into a Field Level Agreement (FLA) with LFN, specifying the overall respective roles and responsibilities and the budget and its breakdown across categories and activities. The Field Level Agreement will be complemented by a Project Implementation Manual (PIM) that will provide procedural guidance and requirements on administrative management, financial management, and procurement as well as M&E and reporting responsibilities.

Oversight

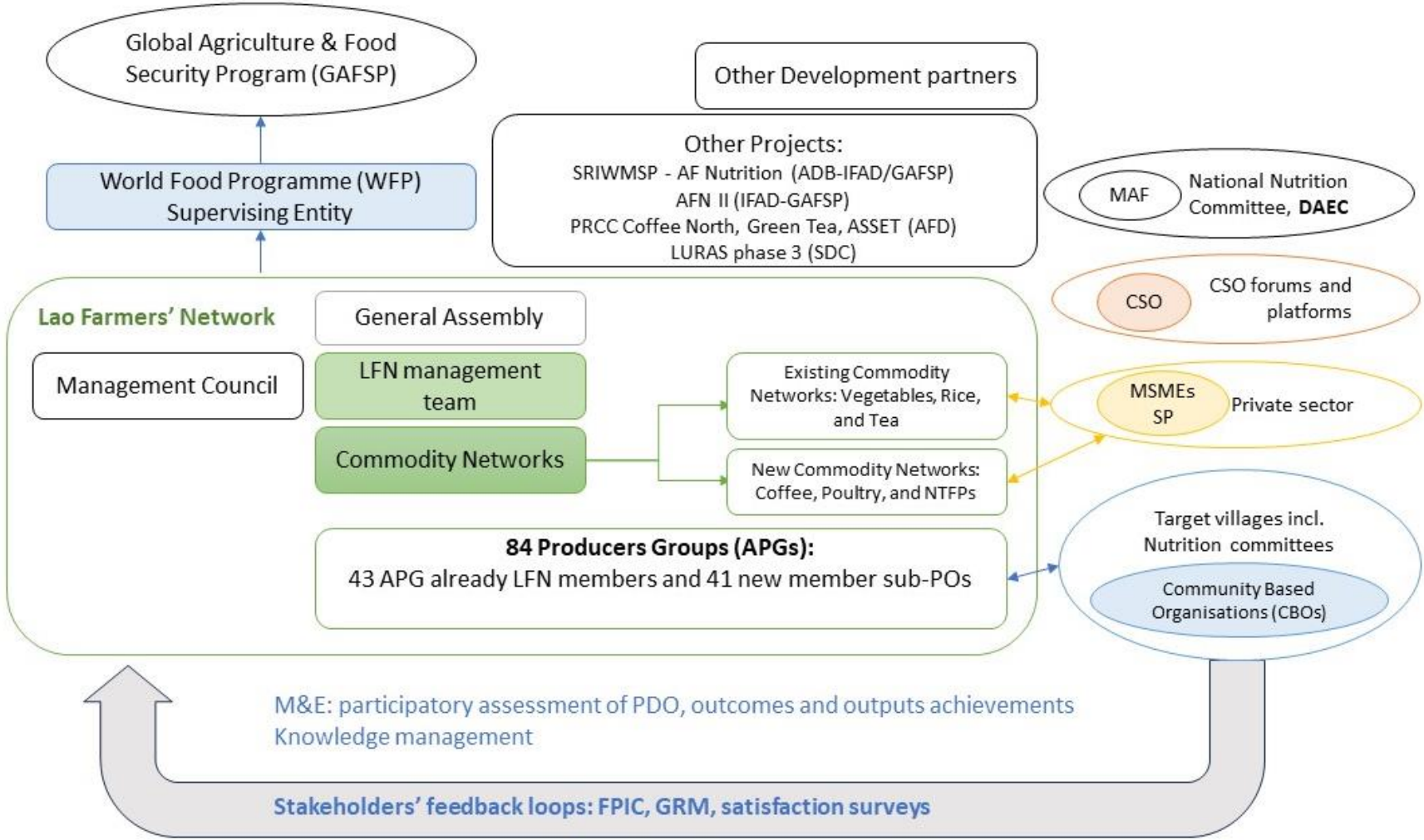
129. LFN is in the process of obtaining final formal registration as a Non-Profit Association (NPA) and in that respect it will comply to the set of rules and regulations that apply to NPAs in Lao PDR. The [Decree 238](#) on Association issued by the Ministry of Home Affairs on 11/08 2017 and the implementation guidelines provide the regulatory framework for NPA registration and operation in Lao PDR. The Decree makes

provisions to ensure that NPAs comply with the Lao Constitution and the National Laws.

General oversight of the LFN governance is provided by the General Assembly. The LFN administrative and management functions are provided by the LFN management council. The Management Council is an overall management mechanism for all members to direct and lead all activities and operations of LFN. As specified in the LFN internal regulations, the Managing Council is the highest decision-making authority within LFN and includes ordinary and extraordinary meetings namely: general assembly (triennial) and annual meetings, as well as extra-ordinary meetings when requested by 60% of members or management committee.

LFN Management Council has the following roles and responsibilities: (i) Study and consult on LFN's Policies and Strategies, (ii) Direct all LFN's identified functions, (iii) Consider, endorse LFN's reports and plans. LFN maintains accounting and bookkeeping systems and is audited annual by an independent auditor.

Figure 3: aGREEN project organigram



Supervision

130. For the purpose of the aGREEN project, WFP as the supervising entity will provide supervision function to LFN for project management. LFN and WFP will jointly manage the project planning, implementation, monitoring functions to ensure high standard of management and effective and efficient processes to reach the objectives and outcome target set in the result framework within the project timeframe.
131. LFN will rely on the present management team based at its office in Vientiane and at the FAME training center located in Ban Houay Nyang.
132. At LFN management level, LFN will recruit and mobilise the following dedicated staff: (i) a full-time project manager, (ii) a full-time financial management officer, (iii) a part time accountant, (iv) a full time Agribusiness officer (v) a full-time M&E and KM officer, and (vi) a project administrative assistant.
133. At the level of each of the 6 Commodity Networks, LFN will recruit and mobilise a Network coordinator and an Agribusiness Officers, corresponding to 12 full time staff for the duration of the project.
134. The existing and newly recruited staff will be trained by LFN management, with support from WFP for key functions such as financial management, accounting and bookkeeping, procurement, and M&E / KM.

Procurement and Financial management

135. Procurement and Financial management will follow WFP standards, systems and requirements in line with provisions set out in the Financial Management and Rules of Procedures of WFP ([link](#)).
136. Before the project becomes effective, WFP will provide hand-on training and coaching for LFN financial management officer and accountant to establish the necessary systems and procedures to manage the GAFSP Funds. Coaching and mentoring by WFP will continue during the whole project 4-year time frame, in particular for planning and closing of accounts on a quarterly and annual basis. The SE will provide technical backstopping and troubleshooting whenever needed to ensure financial standards are adhered to.
137. External audits will be conducted annually, and the audit reports will be provided to WFP no later than 2 months after the closing of accounts each year.
138. **Procurement:** Responsibility for all project Procurement activities will solely rest with LFN management at central level. The SE will verify that procurement activities are implemented in line with the agreed procurement plan and in accordance with appropriate procurement methods (shopping, competitive bidding), depending on pre-defined thresholds.
139. LFN will be responsible for procurement of goods, services, equipment, and staff, except in the case of the inputs and equipment procured by groups using 'PO investments funds for agroecological practices' and 'PO investments for post-harvest operations' under Output 2.3: Scaling up good practices. Co-investments in SME /

Com Net Business plans will be managed by LFN in coordination with corresponding Com Nets as facilitators.

140. LFN headquarters will be responsible to launch competitive bidding processes in line with LFN policy for service providers (compendium of agroecological practices, analytical framework).
141. All procurement process about the threshold of USD 500 (five hundred US dollar) will be submitted to prior approval by WFP as the Supervising Entity. LFN will follow the agreed upon procurement procedures (local shopping, competitive bidding process) based on the agreed upon thresholds.
142. LFN will provide WFP with Terms of Reference and / or Technical Specifications before launching the procurement processes and will also provide WFP with all detailed reports of the outcomes of each procurement process (quotations, bid evaluations reports) to WFP.
143. The SE will provide technical backstopping whenever needed to ensure financial standards are adhered to.

Flow of Funds

144. The funds allocated by GAFSP for the aGREEN project will be transferred from GAFSP to and managed by the SE (WFP). LFN will open a dedicated bank account for the purpose of managing the funds allocated to the aGREEN project. LFN will maintain a dedicated bookkeeping and accounting system, to manage the aGREEN funds separately from its other operations.
145. In the framework of the specific Field Level Agreement, LFN will prepare Annual Work Plans and Budget (AWPB) to be agreed and endorsed by WFP no later than November each year. Based on the expenditure forecast defined in the AWPB, funds will be transferred from WFP to LFN at the beginning of each quarter in line with the project workplan and costs of activities planned for the coming quarter. Reconciliation of expenditures will be conducted quarterly and the level of actual expenditures in the previous quarter will be taken into consideration for the next quarterly transfer.
146. Quarterly financial reports will be provided by LFN to WFP together with evidence of expenditure linked to activity reports. Annual activity reports will be provided by LFN to WFP and will detail progress against the main key performance indicators and outputs. LFN will transfer grant funds to PO bank accounts based on their approved business plan proposals. Com Nets and sub-PO will be responsible to monitor the adequate use of funds by sub-PO and jointly report to LFN management team.

Reporting

147. In line with the GAFSP reporting structure, WFP will provide a technical and financial progress report to GAFSP on a bi-annual basis in June and December of each year. To ensure timely reporting, LFN will provide WFP with progress updates no later than May 15th and November 15th, respectively, leaving sufficient time for WFP to

triangulate (i.e., with findings from process monitoring) and reconcile reported data. The reporting to GAFSP has been moved online since mid-2023 (<https://gafsp.fifscollab.worldbank.org/project-portfolio>).

148. The final financial report will be submitted in July 2028, together with a project completion report.

149. In addition, WFP will undertake annual outcome monitoring surveys in October/November of each year to collect data on tier 1 project-level indicators among a representative sample of targeted households (see Section 3). The findings of the household monitoring survey will feed into the annual December reporting. WFP’s Annual Country Report (ACR) will serve as the only financial reporting to GAFSP. This will be shared annually in April for the period covering the previous calendar year.

4. Monitoring and Evaluation

4.1. M&E framework

150. Monitoring and Evaluation (M&E) is a critical aspect of all GAFSP-financed projects. It allows us to effectively monitor achievements towards the Program’s objectives and goals. In line with GAFSP’s theory of change and guidelines for results reporting in GAFSP PO-led projects, the project M&E framework is organized in three tiers: Tier 1: Intended overall impacts, including on income and food and nutrition security Tier 2: Intermediate outputs and outcomes and Tier 3: Program inputs.

151. The result framework of the aGREEN project has been revised and streamlined to address the comments made by the GAFSP TAC on the initial project proposal submitted in May 2023. These changes are summarised below.

Table 4: Changes made to the result framework.

Result chain	Indicators	target	Changes
Outcome 1 LFN and sub-PO organizational capacity strengthened	Tier 2.1 Outcome indicator: PO institutions’ capacity improved by one rank in target province measured by PO capacity index	84	No change
Output 1.1 Existing commodity networks strengthened and supporting 63 producers’ organisations	Tier 2. Output indicator #9. Producer-based organizations supported (organization)	3 existing Com Nets and 63 sub-POs as existing LFN members	Merged outputs 1.1 and 1.2. Overall targets are: 6 com nets and 84 sub-PO (APG)

Output 1.2 New commodity networks functional and supporting 21 producers' organisations	Tier 2. Output indicator #9. Producer-based organizations supported (organization)	3 new Com Nets and 21 sub-POs as new LFN members	Merged with output 1.1
Output 1.3 Service delivery capacity enhanced (FAME center)	Tier 2. Output #10. Persons receiving capacity development support (person)	287 persons trained	No Change
Outcome 2 Farming systems improved	Tier 2.1 Outcome indicator: Agricultural productivity, calculated as a measure of crop production weight (in kg) per area of land under cultivation (in hectares)	Productivity increases by 20%.	Maintained but without disaggregation by commodity. The increase of 20% in productivity is measured across all 6 commodities
Output 2.1 Participatory action research on agroecological models	Number of agroecological practices documented, consolidated, and disseminated	10 practices	Removed as it is measured through LFN partnership with the ASSET project (attributability)
Output 2.2 Farmer to farmer learning	[Climate indicator #13] Number of farmers receiving inputs or service on climate resilient or sustainable agriculture practices (farmer)	2,280 farmers	No change
	Tier 2. Output #12. People receiving improved nutrition services and products (person)	1,140 persons	Removed (capture under indicator #13)
Output 2.3 Scaling up good practices	Tier 2. Output #3. Smallholder producers/processors receiving productivity enhancement support (farmer)	3,800 farmers	Removed. Productivity support captured in Output 2.2

	Tier 2. Output #7. Number of processing, storage, and market facilities constructed and/or rehabilitated (facilities)	76 facilities	Maintained. Corrected the Indicator code from #5 to #7
Outcome 3 Agri-Business Development and Market access improved	Tier 2.1 Outcome indicator: Percentage of agricultural production sold on domestic and regional markets (%)	Increase +20%	Maintained Changed from volume (tons) to percentage (%)
	Tier 2.1 Outcome indicator, "Improved rural livelihoods and entrepreneurship". #8 Direct employment provided (full-time equivalent)	100 FTE jobs created	New, as required by GAFSP
Output 3.1 Market linkages and partnerships developed	Tier 2. Output #8. Number of farmers that are supported in accessing marketing opportunities, gender disaggregated	2,280 farmers	Maintained. Corrected the Indicator code from #6 to #8 and the gender disaggregation (50% male, 50% female)
Output 3.2 Business planning, financing and implementation enhanced	Number of businesses plans co-financed, implemented, and monitored by commodity network	84 business plans	Maintained Combined the target across commodities

152. The M&E framework sets out the project-level indicators (tier 1; mid-term outcomes) and component-level level indicators (tier 2.1; short-term outcomes and tier 2.2 outputs).

153. The tier 1 indicators measure the project contributions to enhanced food security and nutrition of the target population through a set of household and individual-level indicators. This includes the Food Insecurity Experience Scale (FIES) for food security, and for nutrition the Food Consumption Score (FCS) to track progress on improving dietary diversity of households and the Minimum Dietary Diversity for Women (MDD-W) at individual level.

154. Contributing to the tier 1 indicators at project level, the tier 2 outputs refer to tangible effects that are the consequence of achieving project outputs. Outputs are the direct results from the implementation of project activities. While tier 1 outcomes are assessed and reported annually, tier 2 outcome data are collected and reported bi-annually, and output data collected monthly and reported bi-annually. The tier 2 indicators combine GAFSP indicators, and some indicators tailored to the project.
155. The project M&E will be composed of three key instruments: (i) regular monitoring of outputs, (ii) annual outcome survey under the responsibility of LFN (iii) outcome level studies including the baseline study in Year 1, the annual outcome study in Year 2 and 3 and endline study in Year 4. Combined, the results of these studies will form the basis of the reporting on Logframe indicators at outreach, output, and outcome levels. The data will be disaggregated by sex, age, and ethnic groups.
156. Quantitative data such as updating existing village profiles and household level surveys will provide additional insight regarding the household and individual dynamics for aspects of interest such as division of labour, income streams, savings practices, nutrition behaviours, etc. This will generate evidence that can be benchmarked against other sources of data and feed into policy dialogue with support of WFP.
157. Focus group discussions will be conducted in addition to the household level data collected to triangulate the information about dietary habits and the regular consumption of (1) Vitamin A-rich foods, (2) Protein-rich foods and (3) Hem iron-rich foods.
158. Additional studies can be conducted for specific aspects such as assessing the multiple benefits of the agroecology approach (social, economic, environmental, ecosystem benefits) and climate change adaptation and resilience.
159. With assistance from WFP the M&E data collection tools and the data analysis system will be set up at LFN headquarters. A database of direct project beneficiaries will be maintained during and after the project to track outreach but also the LFN membership database.

4.2. Monitoring Approach

160. The project adopts a participatory monitoring approach to involve stakeholders in monitoring and evaluating the project intervention outputs and outcomes and collectively seek collective measures in case of deviation from the project objectives and targets.
161. To ensure that the M&E system is genuinely participatory, the monitoring tools will be designed in a way that is practical for field level staff including staff mobilised at Commodity Network level and Sub-PO level (APGs). DAEC will be involved in participating in assessing the APG capacity as per their institutional mandates.
162. For interventions involving private sector entities, partner SME will be trained to take part in the monitoring and evaluation of their activities supported by the project, both in terms of quantitative and qualitative data.

163. The roles and responsibilities as well as the data collection tools and data analysis systems will be defined in an M&E manual and training will be provided according to the assigned responsibilities. Measures for data quality control, confidentiality of project participants data and backup systems will be put in place by LFN with support from WFP.

5. Budget

5.1. Budget Narrative

164. As per comments made by GAFSP TAC on the project proposal, the overall project costs have been reduced to fit in the GAFSP allocated budget envelop of USD 2,750,000. The revised project costs are detailed for each activity under the three main complementary components: (i) Organizational capacity strengthened, (ii) Farming systems improved and (iii) Agri-Business Development.

Table 5: Budget summary

Outcome	Outputs	Budget USD
Outcome 1: Organizational capacity strengthened	Output 1.1: Existing commodity networks strengthened	260,600
	Output 1.2: New commodity networks become functional	168,800
	Output 1.3: Service delivery capacity enhanced (FAME center)	235,500
	Implementation Support & Capacity Strengthening	120,681
Outcome 2: Farming systems improved	Output 2.1: Participatory action research on agroecological models	17,000
	Output 2.2: Farmer-to-farmer learning.	98,250
	Output 2.3: Scaling up good practices.	730,800
	Implementation Support & Capacity Strengthening	153,560
Outcome 3: Agri-Business Development and Market access improved	Output 3.1: Market linkages and partnerships developed.	120,726
	Output 3.2: Business planning, financing and implementation enhanced.	277,800
	Implementation Support & Capacity Strengthening	72,333
Project management and coordination	LFN management	332,600
	WFP Supervision and Support	130,750
	M&E, MIS, KM	30,600
Total		2,750,000

165. The detailed budget breakdown is available in Annex 5.

Outcome 1: Organizational capacity strengthened.

Output 1.1: Existing commodity networks strengthened.

- Coaching and on the job training of sub-POs already being member of LFN in the three existing Com Nets: 39 sub-POs including 23 vegetable APGs, 5 rice APG and 11 tea APG. Unit cost of USD 3,000, based on current LFN coaching activities. Activity Cost: USD 109,500 (Category: training)
- Establishment of new sub-PO in existing Com Nets: 24 sub-PO including 10 vegetable APGs, 7 rice APGs and 7 tea APGs. Unit cost of USD 1,500, based on current LFN activities. Activity cost: USD 25,500 (Category: training)
- Staff for 3 existing Com Nets: Network coordinator, Agri-Business Officer for three years. Total 216 man-months. Activity cost: USD 118,800. (Category: Operating costs)
- Equipment for 3 existing Com Nets (ICT, training equipment): USD 3,000 / Com Net. (Category: Goods, services, and inputs)

Output 1.2: New commodity networks become functional.

- Establishment of 3 new Com Nets for poultry, coffee and NTFPs. Cost estimated at USD 4,000 / Com Net based on costs for previous establishment of Com Net and one Com Net in co-financing with PRCC coffee North project (USD 1,500).
- Establishment and support to 21 sub-POs in 3 new Com Nets: Implemented with co-financing from LURAS, PRCC coffee north and green cup project.
- Staff for 3 new Com Nets, viz. Network coordinator and Agri-Business Officer for three years. Total 216 man-months. Activity cost: USD 118,800. (Category: Operating costs)
- Equipment for 3 existing Com Nets (ICT, training equipment): USD 3,000 / Com Net. (Category: Goods, services, and inputs)

Output 1.3: Service delivery capacity enhanced (FAME center)

- ToT training sessions at the FAME center of LFN, 30 sessions with 50 participants from sub-POs, Com Nets and farmer experts / lead farmers: Costs include Subject matter specialists fees, Training costs, Participants travel costs from northern provinces and accommodation. Total costs for ToT programme: USD 123,000. (Category: training). In co-financing with LURAS
- Pedagogic equipment to upgrade the FAME center: USD 7,500 (Category: Goods, services, and inputs)
- Piloting for registration of 2 agricultural cooperatives (AC) in Oudomxay province in collaboration with DAEC: USD 7,500 /AC, total USD 15,000 (Category: Goods, services, and inputs)
- Capacity building to POs by WFP: technical capacities on gender and nutrition. Financial literacy capacities as needed based on assessments, total USD 90,000.
- Implementation Support & Capacity Strengthening (WFP) for Outcome 1: USD 120,681.

Outcome 2: Farming systems improved.

Output 2.1: Participatory action research on agroecological models.

- Development of a Compendium of Agroecological models include: documentation of best practices and lessons learned from farmer experts (USD 2,500), Preparation of a catalogue of agroecological practices, Editing and printing of catalogue, Video of agroecological models, On-line platform for dissemination: total costs USD 12,000. (Categories: Training, and Goods, services, and inputs). These activities will be developed in co-financing with the ASSET project (Agroecology and Safe food system transitions) that already works with LFN through the ALiSEA small grant facility.

- Circular learning processes: costs include the development of an analytical framework at the start of the project and the review and updating of the framework. Estimated costs USD 5,000. (Category: Goods, services, and inputs)

Output 2.2: Farmer-to-farmer learning.

- Farmer to Farmer learning process: activities include Training of Trainer for Farmer Experts (24 training sessions), travel allowance for Farmer Experts from target provinces, Exchange visits between PO and Follow up workshops for cross lessons learned. Estimated total costs USD 48,000. (Category: training)

- Demonstration plots on best agroecological practices include Demonstration plots for agroecological models (45 demo plots at USD 450): cost USD 20,250 (Category: Goods, services, and inputs)

- Farmers' Innovation competition initiative: 18 grant funds to support innovative farmers. Cost: USD 27,000. (Category: Goods, services, and inputs)

Output 2.3: Scaling up good practices.

- Co-financing grants for production: PO investments funds for agroecological practices (2 rounds per APG for 84 APG). Total 168 grants, 40 smallholder farmers / PO. Co-financing by APG in kind estimated at 20%. Total cost: USD 369,600. (Category: Goods, services, and inputs)

- PO investments for post-harvest and storage facilities: 76 APGs (all 84 APGs except 8 "backyard chicken" APGs). Average investment in post-harvest facility: USD 4,000. Co-financing by APG in kind estimated at 20%. Total cost: USD 336,000. (Category: Works)

- Support from Com Nets to APGs to prepare grant proposals and implementation monitoring: USD 300 / APG. Estimated cost: USD 25,200. (Category: training)

- Implementation Support & Capacity Strengthening (WFP) for Outcome 2: USD 153,560.

Outcome 3: Agri-Business Development and Market access improved.

Output 3.1: Market linkages and partnerships developed.

- Multi-Stakeholder Platforms (MSP) organized and facilitated by the Com Nets, to link several APGs with potential buyers and suppliers (SMEs). Estimated costs: USD 50,400 (Category: training)

- Market exposure and certification activities include Participation in fairs and trade events, Design and testing of ICS and traceability systems, Internal control systems, traceability, and Certification costs. Estimated costs: USD 70,326 (category: Goods, Services, and Inputs)

Output 3.2: Business planning, financing and implementation enhanced.

- Business planning: APGs and SMEs will be supported to prepare common business plans: cost estimated at USD 84,000 of which 50% co-financing by the project, 25% by PO and 25% by SMEs (Category: training).
- SME / Com Net Business plans co-investments: estimated co-investment in supply chain improvement: USD 672,000 (Category: Goods, Services, and Inputs). The project will only contribute up to 15% of the investment plan, while APGs will contribute in-kind up to 15% and SMEs 70%. Expenditures under the investment plans may include investments for aggregation of products by the APG to facilitate SME operations (establishment of collection points for example), activities related to quality and traceability, storage and transportation of products, tools and equipment, and services. Total USD: 100,800.
- Seed funds to facilitate youth in starting new businesses in the rural target areas, as agripreneurs. This window will be open through competitive calls for interests and supported by LFN management team and Com Nets. The target is 60 young agripreneurs supported with seed fund of USD 750. Estimated cost: USD 45,000 (category: Goods, Services, and Inputs)
- Financial literacy training to LFN staff by WFP. Estimated cost: USD 90,000.
- Implementation Support & Capacity Strengthening (WFP) for Outcome 3: USD 72,333.

Project Management and coordination

PO Staff for 4 years: Project manager, Finance officer, Agri-Business Officer, M&E and KM, Project administrative assistant, Estimated cost: USD 237,600 (Category: Operating costs)

Equipment for project management: USD 15,000 (category: Goods, Services, and Inputs)

Audit costs estimated at USD 20,000 (category: Goods, Services, and Inputs)

Operating costs for LFN HQ: USD 60,000 (Category: Operating costs) of which 15% in-kind estimated co-financing by LFN for office space, utilities, LFN management and coordination resources and other operating items.

SE backstopping (WFP): Evidence Generation and, Capacity building to LFN management. Total costs estimated at USD 130,750.

M&E and KM

M&E and Management Information system (MIS): USD 17,000 and Knowledge Management (KM) costs estimated at USD 13,600. (Category: Goods, Services, and Inputs)

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Annex 1: Elements of agroecology transition supported by the project.

This table describes how the project will promote the agroecology transition across the ten principles.

(Source: <https://www.fao.org/agroecology/overview/overview10elements/en/>)

	Agroecology Principles	Principles Description	Subcomp.	Activity
1	Diversity	Ensure food security and nutrition while conserving, protecting, and enhancing natural resources	Outputs 2.1 Output 2.3	Participatory action research on agro-ecological models, Scaling up good practices
2	Co-creation and sharing of knowledge	Agricultural innovations respond better to local challenges when they are co-created through participatory processes	Output 1.3 Output 2.2	Service delivery capacity enhanced (FAME center) Farmer to farmer learning
3	Synergies	Building synergies enhances key functions across food systems, supporting production and multiple ecosystem services.	Outputs 1.1 and 1.2	Existing commodity networks strengthened. New commodity networks functional Collaboration and exchange with other projects: AFN2, SRIWMSP, Coffee North and Green cup projects, LURAS, etc.
4	Efficiency	Innovative agroecological practices produce more using fewer external resources.	Output 2.3	Scaling up good practices: efficient use of soil and water resources through sustainable intensification practices, climate smart agriculture and water saving technologies (drip irrigation for vegetable production under nethouses for example). Coffee-based agroforestry systems (shade trees species and understory biodiversity)
5	Recycling	More recycling means agricultural production with lower economic and environmental costs.	Output 2.3	Scaling up good practices: Use of crop residues for mulching and composting mixed with animal manure (from backyard chicken pens for example). Use of local resources for bio-inputs (fertilizers and pest repellents)

	Agroecology Principles	Principles Description	Subcomp.	Activity
6	Resilience	Enhanced resilience of people, communities and ecosystems is key to sustainable food and agricultural systems.	Cross cutting	Mainstreaming of resilience to shock. Linkages with climate information systems and advice for preventive actions at farm level
7	Human and social values	Protecting and improving rural livelihoods, equity and social well-being is essential for sustainable food and agricultural systems.	Cross cutting	Mainstreaming of women and girl's empowerment
8	Culture and food traditions	By supporting healthy, diversified and culturally appropriate diets, agroecology contributes to food security and nutrition while maintaining the health of ecosystems.	Cross cutting	Cooperation with the village nutrition facilitators and village nutrition committees. Linkages with AFN2 activities on food conservation practices and wild food collection and consumption.
9	Responsible governance	Sustainable food and agriculture require responsible and effective governance mechanisms at different scales – from local to national to global.	Outputs 2.1, 2.2 and 2.3	Existing commodity networks strengthened. New commodity networks functional Service delivery capacity enhanced (FAME center) Promotion of Agricultural Cooperative movement Capacity building of LFN and sub-PO for governance, administration
10	Circular and solidarity economy	Circular and solidarity economies that reconnect producers and consumers provide innovative solutions for living within our planetary boundaries while ensuring the social foundation for inclusive and sustainable development	Output 3.1	Market linkages and partnerships developed. Business partnerships with reliable private SME, including members of the SUN business network

Annex 2: Project Timeline

	2024				2025				2026				2027				2028
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Readiness phase		start															
LFN registration and MoU with MoFA																	
WFP/LFN field level agreement signed																	
Financial and accounting system in place																	
M&E system in place																	
Outcome 1: Organizational capacity strengthened																	
Output 1.1: Existing commodity networks strengthened																	
Coaching support to existing PO																	
Establishment of new PO and capacity building																	
Capacity building: Com Net coord, Agribusiness officers (3)																	
Com Net equipment provision																	
Output 1.2: New commodity networks become functional																	
Establishment of 3 new Com Nets																	
Coaching support to existing PO																	
Establishment of new PO and capacity building																	
Capacity building: Com Net coord, Agribusiness officers (3)																	
Com Net equipment provision																	
Output 1.3: Service delivery capacity enhanced (FAME center)																	
FAME center training sessions																	
FAME training center pedagogic equipment																	
Strengthening Agriculture Cooperative (AC) with DAEC																	
Outcome 2: Farming systems improved																	
Output 2.1: Participatory action research on agroecological models with ASSET project																	
Demonstration plots on best agroecological practices																	
Farmers' Innovation competition initiative																	
Output 2.2: Farmer-to-farmer learning.																	
F2F learning process, farmer expert ToT, exchange visits			6			6				6				6			
Demonstration plots on best agroecological practices			15				15				15						
Farmers' Innovation competition initiative				6				6					6				
Output 2.3: Scaling up good practices.																	
PO investments funds for agroecological practices (2/PO)			24			76				68							
PO investments for post-harvest operations			10			39				35							
Monitoring by Commodity Networks																	
Outcome 3: Agri-Business Development and Market access improved																	
Output 3.1: Market linkages and partnerships developed.																	
Multi Stakeholder Platform (2 sessions per PO)			24			76				68							
Market exposure and certification																	
Output 3.2: Business planning, financing and implementation enhanced.																	
Support to Business planning and access to finance																	
Support to youth in agriculture: seed fund				20			20				20						
SME / Com Net Business plans co-investments				10			39				35						
Project management and coordination																	

Annex 3: Risk Matrix

Risk	Likelihood	Risk rating	Risk description	Proposed mitigation measures
Contextual risks				
Prolonged international crises (conflicts)	L	H	Prolonged crises cause economic hardship among vulnerable smallholders, contributes to increased market prices for agricultural inputs and food prices, and disruption of trading of produce due to movement restrictions	Frequent monitoring of national economic, food security and nutrition trends as well as food market prices to spot any anomalies early on and adopting mitigation measures.
Deteriorating macroeconomic context: devaluation of the currency, inflation	H	M	Inflationary pressures are driving substantial price increases. As a net importer of inputs and fuel, the country is affected by surging global prices.	Frequent monitoring of national economic, food security and nutrition trends as well as food market prices to spot any anomalies early on and put in place mitigation measures. Agroecological approaches aim at reducing dependency on imported inputs (fertilisers and pesticides) thereby mitigating risks on smallholder farms.
Labor shortages due to out-migration for better wages could also undermine recovery prospects in agriculture	H	M	Given the deteriorating macro-economic situation and the lack of economic and employment opportunities, rural population migrate to urban centers or to Thailand to seek wage labour. Shortage	Collective action, investment in income generating activities, promotion of innovation and youth initiatives encourages the population to maintain livelihoods in rural areas

			of agricultural labour have been reported but difficult to quantify	
Institutional risks				
Internal risks: low management capacity at PO and Sub-PO level	H	M	Current delivery capacity and management experience is low at PO and sub-PO level. Business literacy needs to be developed to engage in successful partnership with SME and prepare sound and viable investment plans	Mobilisation of additional qualified staff at PO and sub-PO level Continuous capacity building through formal trainings, cross learning, coaching and mentoring. Regular monitoring and consultations, feedback loops
External risks: interference in the project approaches and implementation modalities	L	M		
Technical design: ¹ Risks that the technical design could affect the project from reaching its objectives				
Low acceptance of the agroecological approaches by farmers	L	H	Participation in trainings and agroecology is limited due to its knowledge intensive nature	Community-based participatory planning (involving partners, community, and government) will inform the design of training modules.

¹ Indicative list of risks to assess: the technical complexity of the project; the extent to which project design is informed by analytical work; adequacy of number of components and subcomponents; past experience in designing and implementing similar operations; whether the design incorporates or relies on untested or unfamiliar technologies and processes; the extent to which project benefits dependent on external factors beyond the scope of the project.

Limited ability to meet the market demand in terms of quantity and quality, aggregation logistics is a constraint	M	H	Smallholder farmers have limited ability to meet the requirements of partners SMEs	The project promotes market linkages through Multi Stakeholder Platform to ensure that market demand is clearly explained and that gaps to meet the demand are identified. Investment plans intend to fill these gaps by mobilising resources among stakeholders: self-financing, loan, prefinancing, project matching grants contributions
Climate risks:				
Climate variability and extreme weather events	M	M	The current El Niño phase will create drier conditions and uncertain weather patterns	Dissemination of climate information services with actionable action (early warning) and application of agroecological approaches to enhance resilience

Annex 4: Detailed M&E framework (revised)

Results Hierarchy	Indicators	Unit of measurement	Baseline	Original target	Data sources (Data collection instruments)
Outreach	Tier 2 Output #1 Number of people receiving direct benefits, gender disaggregated	Males	0	3,800	Project M&E through regular progress report. Survey at sub-PO and Commodity Network level Annually
		Females	0	3,800	
		Young people	0	1,900	
		Indigenous people	0	5,320	
		Total number of persons receiving services	0	7,600	
	1.a Corresponding number of households reached	Households	0	3,800	
Development Objective Build the capacities of the Lao Farmer Network (LFN) to enable 3,800 smallholder farmer households living in the project area to improve their food and nutrition security, enhance their resilience to climate change and increase their incomes by 2027	Tier 1. Income: Households with increased incomes by 20%.	Households	0	2,280	Household Survey by Independent M&E contractor procured by the project. (On farm gross margin from a representative sample of project households and counterfactual group) Baseline and Endline

Results Hierarchy	Indicators	Unit of measurement	Baseline	Original target	Data sources (Data collection instruments)
	<p>Tier 1. Food Consumption Score (FCS). Number of target households with FCS <35 (poor and borderline food consumption) decreased by 20%</p> <p>and</p> <p>Food Consumption Score – Nutrition (FCS-N) – (Protein-rich, Vitamin A-rich, and Hem Iron-rich food consumption) <i>WFP Core Indicator</i></p>	Households	874	700	Household Survey by Independent M&E contractor procured by the project. (FCS from a representative sample of project households and counterfactual group) – WFP methodology Baseline and Endline
	<p>Tier 1. Food Insecurity: Prevalence of moderate and severe food insecurity in the population reduced by 15%, based on the Food Insecurity Experience Scale (FIES)</p>	FIES	tbd ²	-10%	
			tbd ²	-15%	Household Survey by Independent M&E contractor procured by the project. (FIES from representative sample of project households and counterfactual group) FAO guidelines Baseline and Endline

² Baseline value for this indicator will be determined during the baseline survey in early 2024.

Results Hierarchy	Indicators	Unit of measurement	Baseline	Original target	Data sources (Data collection instruments)
	Tier 1. Women reporting minimum dietary diversity (MDD-W) increased by 50% above baseline	Women (%)	Tbd ³ 42% (2023 GAFSP -ADB)	+50%	Household Survey by Independent M&E contractor procured by the project. (MDD-W from representative sample of project households and counterfactual group). WHO guidelines Baseline and Endline
Outcome 1 LFN and sub-PO organizational capacity strengthened	Tier 2.1 Outcome indicator: PO institutions' capacity improved by one rank in target province measured by PO capacity index	Number of PO	0	84	Sub-PO Survey by Independent M&E contractor procured by the project. COSA Producer Organizations Indicators Baseline and Endline
Output 1.1 Commodity networks strengthened and supporting 84 producers' organisations	Tier 2.2 Output indicator #9. Producer-based organizations supported (organization)	Commodity networks	3	6	Project M&E through regular progress report. Survey at sub-PO and Commodity Network level Annually
		Total Number of POs	43	84	
		Total Number of POs – Number	4	21	

³ Exact baseline value for this indicator will be determined during the baseline survey in early 2024. The MDD-W value of 42% was established during the baseline of the nutrition activities under the ADB-SRIWMS Project.

Results Hierarchy	Indicators	Unit of measurement	Baseline	Original target	Data sources (Data collection instruments)	
Output 1.2 Service delivery capacity enhanced (FAME center)	Tier 2.2 Output #10. Persons receiving capacity development support (person)	Total persons	0	287	Project M&E through regular progress report. LFN management team. Annually	
		Males	0	144		
		Females	0	144		
Outcome 2 Farming systems improved	Tier 2.1 Outcome indicator: Agricultural productivity, calculated as a measure of crop production weight (in kg) per area of land under cultivation (in hectares) increase by 20%.	Yield (in kg/ha for crops or in kg liveweight for poultry)	tbd ⁴	+20%	Household Survey by Independent M&E contractor procured by the project. Baseline and Endline	
		Tier 2.2 Outcome indicator: Number of farmers whose livelihood has become more resilient to shocks	Farmers	0		2,280
			Male farmers	0		1,140
			Female farmers	0		1,140
	Young farmers	0	570	Resilience Capacity Score (WFP guidelines). Baseline and Endline		
Output 2.1 Farmer to farmer learning	[Climate indicator #13] Number of farmers receiving inputs or service on climate resilient or sustainable agriculture practices (farmer)	Farmers	0		2,280	Project M&E through regular progress report. LFN management team with Com Nets and sub-PO. Annually
		Male farmers – Number	0	1,140		
		Female farmers – Number	0	1,140		
		Young farmers – Number	0	570		

⁴ Baseline value for this indicator will be determined during the baseline survey in early 2024.

Results Hierarchy	Indicators	Unit of measurement	Baseline	Original target	Data sources (Data collection instruments)
	Of which, number of farmers adopting technologies or practices received	Number of farmers adopting technologies or practices received	0	1,800	
Output 2.2 Scaling up good practices	Tier 2. Output #7. Number of processing, storage, and market facilities constructed and/or rehabilitated (facility)	Number of post-harvest and storage facilities at sub-PO level	0	76	Project M&E through regular progress report. LFN management team with Com Nets and sub-PO. Annually
Outcome 3 Agri-Business Development and Market access improved	Tier 2. Outcome indicator: Percentage of agricultural production sold on domestic and regional markets (tons) increased by 20%	Combined percentage across commodities	TBD ⁵	+20%	Project M&E through regular progress report. LFN management team with Com Nets and sub-PO. Annually Guidelines from Feed the Future
	Tier 2.1 Outcome indicator: Improved rural livelihoods and entrepreneurship. #8. Direct employment provided (full-time equivalent)	Number of FTE jobs created	0	200	Project M&E through regular progress report.
		Female	0	100	
Young	0	50			

⁵ Baseline value for this indicator will be determined during the baseline survey in early 2024.

Results Hierarchy	Indicators	Unit of measurement	Baseline	Original target	Data sources (Data collection instruments)
Output 3.1 Market linkages and partnerships developed	Tier 2. Output #8. Farmers supported in accessing improved marketing opportunities (farmer)	Farmers	0	2,280	Project M&E through regular progress report. LFN management team with Com Nets and sub-PO. Annually
		Male farmers	0	1,140	
		Female farmers	0	1,140	
		Young farmers	0	570	
Output 3.2 Business planning, financing and implementation enhanced	Number of business plans co-financed, implemented and monitored by commodity network	Business plans by sub-POs	0	84	Project M&E through regular progress report. LFN management team with Com Nets and sub-PO. Annually

Annex 5: Detailed budget breakdown

Outcome	Activities	Inputs	Units	Qty	Unit cost	Total
Outcome 1: Organizational capacity strengthened	Output 1.1: Existing commodity networks strengthened	Coaching support to existing PO (Vegetable, Rice)	PO	28	3,000	84,000
		Establishment of new PO (Vegetable, Rice)	PO	17	1,500	25,500
		Coaching support to existing PO (Tea with Green Cup)	PO	11	1,400	15,400
		Establishment of new PO (Tea with Green Cup)	PO	7	700	4,900
		Commodity Networks Coordinators (3 Pers.)	mmth	108	600	64,800
		Agribusiness Officer (3 Pers.)	mmth	108	500	54,000
		Equipment of Existing Commodity Networks	Com Net	3	4,000	12,000
		Sub-total 1.3				
	Output 1.2: New commodity networks functional	New Commodity Network establishment (Poultry, NTFP)	Com Net	2	4,000	8,000
		Coaching support to existing PO (Poultry, NTFP)	PO	3	3,400	10,200
		Establishment of new PO (Poultry, NTFP)	PO	10	1,500	15,000
		New Commodity Network establishment (Coffee with PRCC)	Com Net	1	1,500	1,500
		Coaching support to existing PO (Coffee with PRCC)	PO	1	1,400	1,400

		Establishment of new PO (Coffee with PRCC)	PO	7	700	4,900
		Commodity Networks Coordinators (3 Pers.)	mmth	108	600	64,800
		Agribusiness Officer (3 Pers.)	mmth	108	500	54,000
		Equipment of Existing Commodity Networks	Com Net	3	3,000	9,000
		Sub-total 1.2				168,800
	Output 1.3: Service delivery capacity enhanced (FAME center)	FAME center training costs (market and business dev)	sessions	30	4,100	123,000
		Pedagogic equipment	equipment	1	7,500	7,500
		Piloting AC development in Oudomxay with DAEC	AC	2	7,500	15,000
		Technical support provided to POs (WFP)		18	5,000	90,000
		Sub-total 1.3				169,500
		Implementation Support & Capacity Strengthening (WFP)				120,681
	Sub-total outcome 1					785,581
Outcome 2: Farming system improved	Output 2.1 Participatory action research on agroecological models	Agroecological models documentation and preparation	lpsm	1	6,000	6,000
		Agroecological models dissemination	online platform	1	6,000	6,000
		Circular learning process (analytical framework)	lpsm	1	5,000	5,000
		Sub-total 2.1				

	Output 2.2 Farmer to farmer learning	ToT of farmer experts and exchange visits	trainings	24	2,000	48,000
		Follow up workshops for stock take	Workshops	12	250	3,000
		Demonstration plots for agroecological models	Demo Plots	45	450	20,250
		Farmers' Innovation competition initiative	Innovation Fund	18	1,500	27,000
		Sub-total 2.2				98,250
	Output 2.3 Scaling up good practices	PO investments for agroecological practices (2 per PO)	Inv Funds	168	2,200	369,600
		PO investments for post-harvest operations	Inv Funds	84	4,000	336,000
		Monitoring of PO by Com Nets	PO	84	300	25,200
		Sub-total 2.3				730,800
		Implementation Support & Capacity Strengthening (WFP)				153,560
Sub-total outcome 2					999,610	
Outcome 3: Agri-Business Development	Output 3.1 Market linkages and partnerships developed	Multi Stakeholder Platform (2 sessions per PO)	MSP	168	300	50,400
		Market exposure (participation in fairs, trade events)	Fairs	4	2,500	10,000
		Design and testing of ICS, traceability systems	ICS design	1	12,326	12,326
		Implementation of ICS	PO	24	750	18,000
		Certification costs	Com Net	6	5,000	30,000
		Sub-total 3.1				

	Output 3.2 Business planning, financing, and implementation	Support to Business planning and access to finance	PO	84	500	42,000
		Seed fund for youth agripreneurs	Youth Seed fund	60	750	45,000
		SME / Com Net Business plans co-investments	Demo Plots	84	1,200	100,800
		Financial literacy training to LFN (WFP)		6	15,000	90,000
		Sub-total 3.2				187,800
		Implementation Support & Capacity Strengthening (WFP)				72,333
	Sub-total outcome 3				470,859	
Project management and coordination	LFN	LFN HQ project management team	mmth	264	900	237,600
		Equipment	lpsm	1	15,000	15,000
		Audits	year	4	5,000	20,000
		Operating costs	year	4	15,000	60,000
		Sub-total LFN				332,600
	WFP Backstopping	Evidence Generation		3	25,250	75,750
		Capacity building to LFN management		10	5,500	55,000
		Sub-total WFP				130,750
	M&E/MIS, KM	M&E/MIS		4	4,250	17,000
		KM		4	3,400	13,600
		Sub-total M&E, KM				30,600
		Sub-total project management and coordination				493,950
Total GAFSP funding						2,750,000

