

AFGHANISTAN RECONSTRUCTION TRUST FUND

AFGHANISTAN IMPROVING AGRICULTURAL INPUTS DELIVERY SYSTEM PROJECT (IAIDS)

Project Preparation Application to ARTF Management Committee

MC Meeting Date: April 12, 2011

Applicant:	Islamic Republic of Afghanistan
Brief Description:	The Ministry of Agriculture, Irrigation and Livestock (MAIL) is currently preparing the Afghanistan Improving Agricultural Inputs Delivery System project (IAIDS). IAIDS is expected to be submitted to the ARTF Management Committee (MC) for financing in December of 2011. Regular World Bank practice in the case of IDA-financed projects includes financial assistance to the client for project preparation from the Bank's Project Preparation Facility (PPF). However, the recently approved On Farm Water Management project funded by the ARTF was the first project to benefit from an ARTF funded preparation grant which largely contributed to a successful project preparation. This is the second application proposed to the MC for project preparation funds – with the objective to ensure a more effective and smooth implementation by MAIL for the proposed IAIDS project.
Project Development Objective (PDO):	The proposed overall PDO of the IAIDS is as follows: To increase adoption of improved crop production technologies through expanding development of certified seeds and improving access to agricultural inputs of reliable quality.
Performance Indicators:	The proposed performance indicators of the IAIDS are as follows: <ul style="list-style-type: none"> • Increase in quantities of breeder, foundation, and certified seed produced • Increase in quantities of certified seed used by farmers • Institutional, legal and regulatory arrangements in place for quality control of seeds and agrochemicals • Number of agro-chemicals laboratories established and functioning • Cadre of capable seed and agrochemicals specialists in government expanded • Action plan for further development of input markets • Alternative input supply delivery systems piloted
Sector:	Agriculture and Rural Development (ARD)
Location:	Nationwide

Total Project Cost:	The proposed budget for implementation of the IAIDS is US\$50-60 million in two phases (excluding preparation costs).
Amount Requested for ARTF MC Approval:	US\$ 2,400,000 for preparation costs only.
Implementing Agency:	Ministry of Agriculture, Irrigation, and Livestock (MAIL).
Implementing Period:	The IAIDS is expected to be implemented in two phases. Phase 1 will be implemented during a period of two years (March 2012 – February 2014). Phase 2 is expected to be implemented over a three year period. This grant to finance the preparation of the main project is expected to close on March 31, 2012.
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Reviewed and cleared by the Administrator:	To be cleared by Country Management and Sector Management Units; Legal Department; Financial Management; Procurement

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AFGHANISTAN RECONSTRUCTION TRUST FUND

AFGHANISTAN IMPROVING AGRICULTURAL INPUTS DELIVERY SYSTEM PROJECT (IAIDS)

Request for Funds for Project Preparation (US\$ 2,400,000)

MC Meeting Date: April 12, 2011

I. Introduction and Context

1. Afghanistan remains one of the poorest countries in the world. This is despite strong average economic growth since 2002. Per capita annual income has increased to US\$426 in 2008/09 but from a very low base of US\$189 in 2002/03. A substantial part of Afghanistan's population is dependent on the agriculture sector (defined as crops and livestock), which together on average have accounted for nearly 40 percent of the total GDP during the past decade. According to the 2008 National Risk and Vulnerability Assessment (NRVA), 36 percent of the population lives below the poverty line and nearly half of the population lives on less than 120 percent of the poverty line, making them highly vulnerable to negative shocks.

2. Economic development in Afghanistan is highly dependent on the performance of the agricultural sector. About 80 percent of the population lives in rural areas. The NRVA 2007/08 data show that 36 percent of households rely on farming as their main source of income while another 6 percent depend on farm wages as their main source of income. The government has given agricultural development high priority. Building on the Agriculture Master Plan, the government in collaboration with its development partners has defined a number of appropriate priorities for agricultural investments and policies under the National Agricultural Development Framework (NADF). In order to increase farmers' incomes and improve the food security situation, the Government is giving foremost attention to strengthening of the agricultural production base.

3. Despite recent donor-assisted programs, agricultural productivity in Afghanistan is generally low. Compared to the pre-conflict era agricultural (and livestock) productivity levels have declined significantly as a result of decades of conflict, systematic destruction of productive rural infrastructure, insufficient basic services, and low availability of quality agricultural inputs. Limited access to quality inputs at affordable prices is a key constraint to higher agricultural productivity. Increasing the quantity and quality of key agricultural inputs, and their delivery systems, is an important step towards increasing farm production and productivity which in turn would improve food security and boost farm incomes through higher marketable surpluses. Expanding farm production and crop productivity require increased availability of high quality seeds; establishment of quality control systems for agrochemical inputs; and improvements in systems of inputs delivery. Afghanistan has a National Seed Law (2005), National Seed Board (NSB), Improved Seed Enterprise (ISE) and a functioning (but not yet formalized) Seed Certification Agency (SCA). These

organizations not only require institutional strengthening to make them functional, but also capacity building to support implementation of their functions. Fertilizers and other agrochemicals (pesticides, fungicides, herbicides etc) are nearly entirely imported but often of unreliable quality. However, Afghanistan currently lacks the legal and regulatory frameworks, as well as the infrastructure to exercise and enforce quality control for fertilizers and other agro-chemicals. Farmers' access to inputs is often insufficient and knowledge regarding their safe transport, storage and use remains weak. The agricultural inputs delivery network remains underdeveloped, weakly regulated, and of a rather monopolistic nature.

II. Proposal Summary

4. In April of 2009 the Ministry of Agriculture, Irrigation and Livestock (MAIL) of the Islamic Republic of Afghanistan requested the World Bank for technical and financial assistance in the preparation and subsequent implementation of the Afghanistan Improving Agricultural Inputs Delivery System project (IAIDS) for ARTF financing. The request is consistent with the Agriculture Production and Productivity Program (APP), one of the four pillars of the National Agriculture Development Framework (NADF) whose first priority is to improve agricultural production and productivity. IAIDS is also fully consistent with the Bank's latest (2009) ISN (Interim Strategy Note) which includes increasing agricultural productivity and improved social water management as two important components of Pillar II (promoting growth of the rural economy and improving rural livelihoods). The project has also been endorsed as part of the three-year ARTF Financing Strategy, in which increase in agricultural productivity is a key objective. The ARTF is already financing the recently approved On Farm Water Management project, co-financing MAIL's Horticulture and Livestock project and is simultaneously planning to co-finance the Irrigation Restoration and Development project which is currently under preparation and expected to become effective in June 2011.

5. The Bank has been working in close collaboration with MAIL to develop the documentation for the IAIDS as required by the ARTF. A Project Concept Note (PCN) was developed in close cooperation with MAIL and endorsed by the Minister of MAIL on May 30, 2010. The PCN (together with the Integrated Safeguards Data Sheet, ISDS) was discussed and approved by the Bank in the Project Concept Review Meeting on August 30, 2010. Subsequently the Bank and MAIL have been working closely together to further develop the project's main components and implementation arrangements, including a post identification mission held from March 7 to 21, 2011. This should be followed by a preparation mission between June 22 - July 8, 2011 and an appraisal mission in October 2011. This way the goal is to submit the project to the ARTF MC for financing in December 2011.

6. Regular Bank practice for IDA-financed projects includes financial assistance to the client for project preparation from the Bank's PPF (Project Preparation Facility). The ARTF has already followed a similar approach and provided grant preparation funds to the client (MAIL) for preparation for the On Farm Water Management (OFWM) project. The grant was crucial for project preparation and smooth implementation start up. This proposal seeks a similar preparation grant from the ARTF to support preparation of the IAIDS project. The grant will enable MAIL to carry out the necessary project preparation activities and to better design the envisaged components of the IAIDS project. It will also contribute to implementation start up as a number of activities included in the preparation grant proposal will help create the necessary conditions for the investments foreseen in the larger project to bear fruit. This application is the second of its kind in the ARTF. It is still

formatted on the same IDA Project Preparation Facility concept and does not follow the format that the main Emergency Project Paper (EPP) will follow. The grant would continue providing a model for other sectors where preparation facilitation is crucial to better project design.

7. The purpose of this application is to request an ARTF grant for the total amount of US\$ 2,400,000 to be used by MAIL for preparing the IAIDS during the period between June 2011 and March 2012.

8. Once prepared, the IAIDS project will consist of investments in infrastructure and human capacity. The proposed project will deliver a variety of interventions in the agricultural inputs sector. First, the project in **component A - Improved Seed Production and Certification** - will address the adequate and cost efficient production of certified seeds in the short and medium term and develop national capacity for continued development of the seed industry. Second, in **component B –Quarantine Networks and Quality Control for Agro-chemicals** – the project will further develop the necessary legal and regulatory frameworks, as well as accredited facilities, for quarantine networks and quality control of inputs. Third, in **component C - Improvement and Expansion of Inputs Delivery Systems** - the project will design and pilot test a demand-led action plan to improve and develop market based input delivery systems for seeds and agro-chemicals. The project will also implement capacity building programs that will contribute to appropriate handling, storage and use of fertilizers and other agro-chemicals. The main focus will be on wheat (the major staple crop) but industrial crops and horticultural crops may also be included in project activities. The project will also explore how innovative information and communication technology (ICT) applications may support these interventions¹, including use of mobile phone applications to verify quality of agro-chemicals. The project will adopt a two-phased implementation approach – in which the first phase would be two years planned to start in early 2012, followed by a second phase estimated to run for three years. The second phase will build on lessons learned and physical and institutional infrastructure developed in the first phase. A mid-term review of the Project will further inform the design of phase 2.

9. Project preparation activities for the main IAIDS project will cover a 9 month period (June 2011-March 2012). The requested ARTF grant will be used by MAIL for preparation and start-up activities and would include hiring of staff and consultants; carrying out a set of comprehensive inputs delivery surveys; developing an Environmental and Social Management Framework (ESMF) and a Pest Management Plan (PMP); acquisition of goods; and incremental operating costs. Building on the experience and implementation arrangements of the On Farm Water Management project, it is foreseen that the proposed IAIDS will be implemented by MAIL through a Project Implementation Unit (PIU) that will be established at the Technical Deputy Minister level, and which will collaborate with the existing General Directorate for Programs (GDP) in MAIL.

10. In order to guarantee adequate design and preparation of the proposed IAIDS project, it is necessary to establish and start staffing and equipping the PIU at the national level as early as possible. In addition MAIL, during the preparation phase of the project, will need funds to procure specific short-term expertise (national and international) on a needs basis (technical expertise, procurement, financial management); rent the necessary offices, and acquire office equipment and transportation means. In this way a dedicated team would be established in MAIL whose task would be to carry out the preparatory work for the proposed main IAIDS project.

¹ ICT applications could strengthen quality control and input delivery systems, and support M&E activities.

III. Description of Project Preparation Outputs and Activities

11. The amount requested from the ARTF (US\$ 2,400,000) would be for establishing a project preparation team, hiring consultant's services, purchasing goods and equipment, and funding incremental operating costs. In terms of establishing the project preparation team, the grant will be used to recruit the following: (a) a Project Director; (b) technical specialists; (c) safeguards and pest management specialists; (c) fiduciary staff (procurement, financial management, and administration & logistics); (d) support staff; and (e) short-term international and national consultancy inputs including subject matter specialists in seed production, seed policy, agro-chemical inputs, quarantine specialists, legal and institutional aspects, and safeguards and pests management. The grant will also be used to carry out a set of field surveys and studies required for further design of the project's component related to improvement and expansion of the inputs delivery systems. In addition, the grant will support establishing and furnishing the PIU office, including acquisition of IT equipment, office equipment, rented transportation etc. The above list is not exhaustive and items could be adjusted as per requirements.

12. The following outputs are envisaged for the IAIDS project in the preparation phase:

Component A: Improved Seed Production and Certification

13.(i) detailed analysis on the economics of wheat production, including farm budgets, use of inputs (with emphasis on seed, fertilizer, and other agrochemicals), and farmers' awareness, attitudes and behavior with regard to the purchase and use of improved seed; (ii) analysis of functioning of input delivery mechanisms, especially private sector-led networks; (iii) assessment of investment requirements to improve the efficiency of core actors in the value chain for production of certified wheat seed; and (iv) an updated seed policy and clarity and recommendations regarding institutional structures and required arrangements for the transition of the seed system from a donor supported, subsidy driven programme into a viable commercially based public private partnership. The value chain for certified wheat seed includes the following actors: (a) the Agriculture Research Institute of Afghanistan (ARIA) responsible for variety selection and production of Breeders seed; (b) the Improved Seed Enterprise (ISE – a parastatal under the control of MAIL) responsible for the multiplication of Breeders seed to Foundation and Registered seed; (c) the Private Seed Enterprises (PSE), organized under the umbrella of the Afghanistan National Seed Organization (ANSOR), are responsible for production and marketing of Certified seed; and (iv) the Seed Certification Agency (SCA) for quality control and certification of seed².

14. Component A will also include a review and update of the Afghanistan National Seed Policy (prepared in 2005) which has now become outdated and is in need of revision and updating. Operations in the seed sector have so far been guided by Rules and Regulations which lacked the coverage of a Seed Law. The Seed Law which was drafted some four years ago and has been in the process of enactment ever since, was recently promulgated. However and just like the Afghanistan National Seed Policy, the Seed Law fails to cover all required aspects and issues and needs revision. A thorough review of the legal documents and re-formulation of the National Seed Policy, Rules and

² The FAO provides support to ARIA, ISE, SCA and PSE while CIMMYT and ICARDA support ARIA.

Regulations and the Seed Law are therefore required. The review will focus on sustainability-related issues such as institutional structure, production targets, subsidies, Public Private Partnerships, etc.

15. The above outputs are envisaged to be achieved through: (a) comprehensive surveys for the entire value chain of certified wheat seed, i.e. from variety research and the production of breeder seed to seed distribution networks; and (b) detailed assessments of specific investments that would be required to increase the efficiency of ARIA, ISE, SCA, and PSE; and (c) the engagement of a consultants team looking into legislative and institutional issues.

16. Comprehensive surveys: A number of assessments and surveys have been done in the past, most of them under the Variety and Seed Industry Development project funded by the European Union and implemented by FAO. These surveys have assessed farmers' awareness, preferences and behavior with regard to seed, including their willingness to purchase improved or certified seed, the frequency with which they would do so, the price they would be willing to pay for it, etc. The set of comprehensive surveys will update the knowledge base and enable a complete value chain analysis for production of wheat certified seed, examine farm budgets and input use in various production systems and zones, and examine input delivery systems with a view to identifying investment needs. More information on the surveys is given in the discussion under component C below. An international seed specialist and four local specialists will be recruited in the preparation phase to provide technical guidance for preparation of the survey questions, field supervision, and contribute to interpretation of the survey results.

17. Detailed assessments of ARIA, ISE, SCA, and PSE: These actors in the value chain for wheat certified seeds are being supported by different donors³ with different views and priorities. The FAO seed project, supported by the EU, has been working on establishing a complete and coherent seed chain, but has lacked capacity and financial means to address all the needs of each of the actors. In order to enable each of them to fulfill their role and responsibility, they need to be equipped with appropriate infrastructure, equipment and human resources. A comprehensive need assessment will be carried out during the preparation phase to further identify and develop the support and investment needs to establish such capacities. The investment plan will be developed in close coordination with the other donors and donor supported agencies e.g. CIMMYT, ICARDA, and the EU.

Component B: Quarantine Networks and Quality Control for Agrochemicals

³ For variety research, ARIA is supported by CIMMYT (cereal crops with emphasis on wheat) and ICARDA (wheat and other crops) while FAO supports breeders seed production. ISE and the PSEs (ANSOR) are also supported by FAO with funding by the EU. Various donors and programs are involved in wheat seed distribution, including the USAID-funded AVIPA programme. USAID is also considering future support to ARIA in the above functions under a comprehensive Research, Extension and Education support program.

18. Agrochemicals: Adequate pesticides legislation and a consistent corresponding regulatory framework⁴ are needed to control the import, distribution, use and application of agro-chemicals (pesticides) to minimize the risks for human, wild life and the environment. The preparation phase will focus on the following: (i) facilitating review of the draft Pesticides Law⁵ by the Policy Analysis and Legal Advisory Department (PALAD) in MAIL; (ii) submission of the draft law to the Ministry of Justice (MoJ) through MAIL; (iii) using provisions of the draft law to develop Regulations/ Procedures for approval by the Minister of MAIL in the preparation phase so that the registration system of pesticides can be put in place in phase 1; (iv) determination of the requirements for Afghanistan to comply with the International Code of Conduct on the Import and Distribution of Pesticides (as formulated by the Food & Agriculture Organization of the United Nations), Stockholm Convention, Basel Convention and Rotterdam Convention; (v) assessment of needs for the establishment of an Agrochemical Quality Control and Certification Service; (vi) an assessment of investment requirements to equip and operationalize one central pesticides diagnostic laboratory. The latter should consist of three separate laboratories – one laboratory (belonging to the Plant Protection and Quarantine Directorate - PPQD) should be equipped for pesticides formulation analysis which is necessary for pesticide registration – while the second and third laboratories (both belonging to the Quality Control Directorate - QCD) are for respectively pesticide quality control (based on samples from pesticide traders) and pesticide residue analysis (based on samples from commodity traders and farm gate produce). The assessment will include detailed specifications and costing for equipment, human resources requirements, and capacity development plans for the registration, quality control and residue analysis of pesticides under the Plant Protection and Quarantine Directorate (PPQD) and the Quality Control Directorate (QCD) in MAIL.

19. To support the above activities, MAIL will use the preparation grant to hire an international Agrochemicals Specialist (with expertise in pesticide regulation and procedures) and a national legal consultant to support the PPQD. These specialists will be responsible to finalize the law and facilitate its timely submission to the Ministry of Justice (MoJ) by MAIL. In addition, the specialists will support the PPQD in drafting the pesticides Regulations and Procedures consistent with the draft Pesticides Law. The draft Regulations and Procedures will be submitted to the PALAD for review and ultimately for approval by the Ministry. It is important to note that timely completion of these activities (under the preparation grant) will be a major factor in determining the extent to which phase 1 of the main project will include interventions in agrochemicals.

20. Quarantine Networks: This refers to laboratories for insect pests and disease diagnosis and a legal and regulatory framework (Regulations and Procedures) for their functioning. Plant quarantine legislation is required for preventing the introduction of any harmful quarantine (new) pests in agricultural commodities into Afghanistan; and to facilitate exports of agricultural commodities from

⁴ Regulatory framework refers to Regulations/Procedures consistent with a specific law and necessary for its implementation. Regulations/Procedures may cover certification, administration, distribution and use of pesticides including testing, quality control, reduction of health/environmental hazards, regulatory and technical requirements, availability and use (good practice for pesticide application including minimum standards for equipment and its certification, testing and use, and minimum standards for users including training requirements), trade, labelling, packaging, storage and disposal, advertising, information exchange, monitoring and compliance etc.

⁵ The draft Pesticides Law was developed in 2008-09, endorsed by FAO in 2010 and is currently under review in PALAD.

Afghanistan to other countries by adopting the Standard Phytosanitary Certification system. MAIL has already prepared a draft Quarantine Law which is at the same stage of review as the draft Pesticides Law (see above). The preparation grant will support the following: (i) review of the draft Quarantine Law by PALAD in MAIL; (ii) submission of the draft law to the Ministry of Justice (MoJ) through MAIL; (iii) using provisions of the draft law to develop Regulations/Procedures for approval by the Minister of MAIL in the preparation phase so that the quarantine certification system for agricultural commodities can be put in place in phase 1; (iv) determination of the requirements for Afghanistan to comply with and become a member of the International Plant Protection Convention (IPPC) and the World Trade Organization (WTO); and (v) an assessment of investment requirements to equip and operationalize two quarantine laboratories⁶ and one pest & disease diagnostic laboratory. The assessment will include detailed specifications and costing of equipment for quarantine laboratories and insect pests and disease diagnostic laboratories including their human resources requirements and capacity development plans for the PPQD.

21. An international Quarantine Specialist (specialized in needs and specifications assessment) and a national legal consultant will be financed under the preparation grant to support the PPQD. Again timely completion of the activities described in the previous paragraph during project preparation will be a major factor in determining the extent to which phase 1 of the main project will include further quarantine activities. An accredited quarantine network (laboratory facilities) is of little use without a proper law and regulatory framework to guide quarantine enforcement, which explains why (i) the preparation grant will support finalizing the draft Quarantine Law (among other activities); (ii) completion of the regulatory framework (quarantine Regulations and Procedures) under the preparation grant will determine whether investments in quarantine networks will be continued in phase 1 of the main project.

Component C: Improvement and Expansion of Input Delivery Systems

22. The project preparation grant will finance a set of comprehensive in-depth surveys to collect data that will mostly be analyzed during phase 1 of the main project – in turn leading to a plan of action for investment activities in inputs delivery systems. While most of the investments are envisaged to occur under phase 2 of the main project, early completion of the survey work may enable the analysis to inform preparation of phase 1 as well, especially regarding components A and B.

23. Three surveys are envisaged. The first survey will consider the entire supply chain for production of certified wheat seed, which begins with variety research and the production of breeder seed in ARIA, followed by multiplication of breeder seed to foundation and registered seed (by ISE and farmers under contract), and finally multiplication of registered seed to certified seed (by PSE through contracted farmers). The second survey will involve a detailed account of farm level production activities for wheat and other major crops, including farm budgets, input use (especially seeds and agrochemicals), working capital requirements and sources, yields, post-harvest losses etc. The third survey will focus on input distribution networks for major inputs (mainly seeds, fertilizers, and other agrochemicals) and will mainly consist of a value chain analysis at various levels (importers, producers (seed), wholesalers, retailers).

⁶ One of these requires only equipping while the other requires both constructing and equipping.

24. Survey of supply chain for production of wheat certified seed: The certified wheat survey will collect the data required to do the following types of analyses: (i) farm budgets in ISE farms, (ii) farm budgets for contract farmers of the ISE and the PSEs; (iii) break-down of the cost structure in the chain of activities in the PSEs (seed procurement, transport, sorting, cleaning, processing, packaging, promotional activities etc). The PSE-level value chain analysis will consider issues regarding coordination of activities, flow of information, and cost of services at various points in the chain. The results of the analyses in (i)-(iii) will be used (together with other assessments) to determine investment needs for improving the efficiency of the entire system for producing certified seeds (see Annex 3 for detailed Terms of Reference for the certified wheat survey).

25. Farm level survey: The survey will be carried out among sample wheat farmers across Afghanistan and examine the following: (i) farm budgets for wheat (both rainfed and irrigated) and at least two other major crops in each of Afghanistan's seven agricultural zones; (ii) cropping systems, rotations, and agricultural land use patterns; (iii) actual use of farm inputs in the most recent cropping year for which farmers' yield estimates are available; (iv) assessment of farmers' awareness and understanding of the benefits of improved inputs, their chemical composition, and required safe handling practices (e.g. transport and storage practices); (v) farmers' working capital requirements and sources, methods of procuring inputs (cash, in-kind, credit, subsidy etc), prices, and (for farmers who have credit) with particular interest on credit repayment period, interest rates, outstanding balances etc; (vi) agronomic practices such as timing of field operations (land preparation, planting, weeding, etc), seed replacement rates, application methods for fertilizer and other agrochemicals; (vii) production levels and post-harvest losses, including grain storage practices such as preservation using chemicals and traditional methods; and (viii) use of farm machinery and stock-taking of the mechanization technologies available on the farms (description of year of manufacture, value of purchase, remaining useful-life, repairs and maintenance infrastructure) etc. Another key aspect of the survey is to assess farmers' participation in rural credit markets, perhaps through initiatives under the Microfinance Investment Support Facility for Afghanistan (MISFA). Data will be also be collected regarding consumption levels for the main inputs including seed varieties (certified, improved, local etc), fertilizers (basal and non-basal), agrochemicals (pesticides, herbicides, insecticides etc) and willingness to pay for each of these inputs (see Annex 4 for Terms of Reference for the farm level survey).

26. Survey on inputs distribution networks and regulatory and enforcement aspects: This will include the following: (i) assessment of the existing input distribution infrastructure, including measures of concentration at various levels in the chain (import, wholesale and retail levels etc) and distance between farmers and retailers; (ii) working capital requirements and constraints in a typical cropping season, especially for retailers and wholesalers; (iii) cost build-up of the marketing chains from importer to retailer levels, including an assessment of commercial arrangements at both supply and demand sides of the input markets (cash or credit) and degree of vertical coordination; (iv) assessment of retailers' understanding of benefits from using various inputs, chemical composition, and safe handling practices (transport with food commodities, storage practices); (v) assessment of substances (chemicals) that even though banned (by WHO, Stockholm convention, Rotterdam convention) are still available in Afghanistan (e.g. organo-chlorines and organo-phosphates); (vi) whether stockists/vendors have obtained required licenses for various agrochemicals; and (vii) activities and services offered by input distribution programs (e.g. Ag Depots, AVIPA etc). For the regulatory and enforcement aspects: (viii) assessment of the capacity of customs departments to

enforce quality control regulations; and (ix) quality control issues and constraints to regulation at various border points (see Annex 5 for Terms of Reference for the input distribution survey).

27. Monitoring and Evaluation (M&E): The above surveys may also be used to collect baseline data for indicators to measure project development objectives (PDO) and various intermediate outcome indicators. The overall M&E arrangements will be defined during the next stages of project preparation with the objective to measure performance on all project interventions, including regulatory frameworks for seeds, fertilizers and agrochemicals, efficiency gains in production of certified seeds, setting-up and operationalization of various laboratories, and institutional capacity building of various technical departments in MAIL (ARIA, ISE, PPQD, QCD, SCA etc.). This will inevitably involve establishing an M&E cell in the Project Implementation Unit (PIU). However, to the extent that survey work conducted in the preparatory phase will contribute to M&E, the process of building the M&E cell will already begin during the preparatory phase. It is proposed that one international Production and Markets Monitoring specialist and two national specialists with an M&E profile will be hired to work on the surveys and studies while setting up the M&E cell. The international expert will also be responsible for building capacity of the national specialists and MAIL's M&E Directorate which is envisaged to play a supportive role during project implementation.

IV. Implementation

A. Institutional and implementation arrangements

28. The implementation of the preparation grant for the IAIDS is the responsibility of the Ministry of Agriculture, Livestock and Irrigation (MAIL) through the following implementation arrangements.

29. Project Implementation Arrangements: The project will be implemented in accordance with rules and procedures that will be developed for the ARTF Grant Agreement. A Project Implementation Plan (PIP) and an Operations Manual (OM) will be developed during project preparation. Other key documents include the Environmental and Social Management Framework (ESMF) and the Pest Management Plan (PMP). Both documents will be prepared during preparation by international consultants. Annexes 6 and 7 provide the Terms of Reference for the ESMF and PMP, respectively. The project documents will outline the roles and responsibilities of all agencies involved in the main IAIDS main project, as well as details of project processes and implementation steps.

30. The preparation phase will begin establishing a Project Implementation Unit (PIU) for the IAIDS, which will be headed by a National Project Director at its head office in Kabul and fall directly under the office of the Technical Deputy Minister. The PIU will comprise of a team of subject matter experts who will be assisted by international experts. Fiduciary arrangements during the preparatory phase will build on the fiduciary unit that was established for both the OFWM and IAIDS project. This unit is already equipped with international FM and Procurement Specialists and national specialists. However, the preparation phase of the IAIDS project will hire additional national FM and Procurement specialists to work exclusively on IAIDS with support from the international Specialists who are already in place. An Internal Control/Internal Audit unit has already been established under the OFWM and reports directly to the Minister of MAIL – the same unit will also be used for IAIDS.

B. Procurement arrangements

31. Procurement for the project will be administrated in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated May 2004, revised October 2006, May 2010 and January 2011, "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated May 2004, revised October 2006, May 2010 and January 2011, and the provisions stipulated in the Financing Agreement. In addition, the World Bank's "Guidelines on Preventing and Combating Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants" dated October 15, 2006 has been shared with the recipient. The World Bank's Standard Bidding Documents, Requests for Proposals, and Forms of Consultant Contract will be used. Goods following National Competitive Bidding (NCB) procedures shall be procured using the agreed country specific Standard Bidding Documents (SBDs) for Afghanistan. In case of conflict/contradiction between the World Bank's procurement procedures and any national rules and regulations, the World Bank's procurement procedures will take precedence as per the Article 4(2) of the current Procurement Law of the Islamic Republic of Afghanistan. The general description of various procurements under different expenditure categories are described in Annex 2: Procurement Arrangements and Procurement Plan.

32. The Ministry of Agriculture, Irrigation and Livestock (MAIL) through MAIL's Procurement Directorate, whose capacity is already being strengthened through funding from the OFWM project, will provide oversight regarding the project's preparation procurement activities. The Ministry's Procurement Directorate staff members are noted to be consultants funded by different donors, and not civil servants. These consultants have limited prior experience in handling/ carrying out procurement under IDA financed projects.

33. It is expected that the Procurement consultants/specialists in the MAIL Directorate will continue to be required for the medium term. Challenges still remain in attaining the agreed fiduciary standards and also to further enhance them. Even though the procurement regulatory environment in Afghanistan has advanced significantly, unfortunately most civil servants do not master basic procurement skills and therefore cannot work effectively in the new emerging environment. As part of the capacity building exercise of the Ministry, MAIL civil servants involved in the OFWM project are being provided with intensive and extensive training in essential procurement procedures according to international best practice. They will give support to the newly recruited incremental staff who will implement the IAIDS preparation grant activities.

34. With donor assistance, Afghanistan has made considerable efforts to establish the Legal and Regulatory Framework for public procurement over the last five years. A new Procurement Law, reflecting international best practice in public procurement was enacted in November 2005 replacing the earlier procurement regulations. While it provides a very modern legal system for procurement, effective implementation of the law may encounter difficulties in the current weak institutional structure and capacity of the Government. A Procurement Policy Unit (PPU) has now been established under the Ministry of Finance (MoF) to ensure implementation through the creation of secondary legislation, standard bidding documents, provision of advice, and creation of the necessary information systems for advertising and data collection. "Rules of Procedure for Public Procurement" which details the better implementation of the Procurement Law has been issued by MOF as circular number PPU/C005/1386 dated April 12, 2007. The Procurement Appeal and Review mechanism is in

place and the Manual of Procedures for “Procurement Appeal and Review” has been issued by the MoF as circular number PPU/N001/1385 on March 18, 2007. The early Law has been annulled and a new Procurement Law has been adopted in July 2008 and amended in January 2009 and issued as a new Law by the Ministry of Justice and was published in the Official Gazette Number 957, 29.10.1387 (January 18,2009). The revised “Rules of Procedures for Public Procurement” has been issued as circular PPU/C027/1387 of November 18, 2009.

35.The Special Procurement Commission, comprising of the Ministry of Justice and the Ministry of Economy, under the chairmanship of the Minister of Finance approves high value contracts. The thresholds are being reviewed with consideration for an upward revision thus decentralizing the authority to MOF. The present thresholds are available on the web site of Ministry of Finance (www.mof.gov.af).

36.In the absence of adequate capacity to manage procurement activities effectively in the Ministries, some interim arrangements have been put in place to improve the procurement management of the country. A central procurement facilitation service, ARDS PU has been established under the supervision of Ministry of Economy. Procurement above pre specified thresholds need to be carried out by the ARDS PU irrespective of the source of funding. However recently, the PPU has carried out capacity assessment of the MAIL procurement unit and has provided certification that MAIL has enough procurement capacity to carry out its own procurements and hence MAIL no more needs to go thru the ARDS PU.

37.The table below provides a break-down of the preparation grant request’s budget by expenditure category.

Table 1: Estimated Costs by Category of Expenditure (US\$ million)

Expenditure Category	Amount of the Grant Allocations (US\$ million)
Goods	0.155
Consultants’ Services	1.936
Incremental Operating Costs	0.309
Total	2.400

C.Financial management, disbursement and audit arrangements

38.A PFM performance rating system has been developed for Afghanistan by the Public Expenditure and Financial Accountability (PEFA) multi-agency partnership program, which includes the World Bank, IMF, EC, and other agencies. Afghanistan’s ratings against the PFM performance indicators portray a public sector where financial resources are, by and large, being used for their intended purposes as authorized by a budget that is processed with transparency and has contributed to aggregate fiscal discipline.

39.Financial management and audit functions for the project preparation grant (and later for the proposed project) will be undertaken at the central level, through the agents contracted under the

Public Financial Management Reform project. These are the primary instrument for continuing to strengthen the fiduciary measures put in place for ensuring transparency and accountability of funds provided by the Bank and other donors. Under these contracts, two advisers—Financial Management and Audit—are responsible for working with the government and line ministries to carry out these core functions. The Financial Management Agent (FMA) is responsible for helping the MoF maintain the accounts for all public expenditures, including IDA-financed projects and for building capacity within the government offices for these functions.

40. At the project level, the MAIL, through the General Directorate of Programs (GDP) with the assistance of the Project Implementation Unit (PIU) established under the OFWM project, will be responsible for the project's financial management. The National Project Director along with the nominated local counterpart for financial management will work closely with the International Financial Management consultant to carry out day-to-day financial management operations of the project, preparation of M-16 forms (payment orders), and overall contract and project management.

41. Quarterly Interim Unaudited Financial Reports will be prepared by the project's FM team. Annual project reports will be prepared, reviewed, and approved by the MoF, supported by the FMA.

42. A Designated Account (DA) will be opened at Da Afghanistan Bank (DAB, Central Bank) in the name of the project on terms and conditions satisfactory to IDA. The DA will be maintained by the MoF. Withdrawal applications for new advances and submission of expenditure reporting will be submitted monthly.

Funds Flow

43. Fund management for the project will follow existing procedures. As with all public expenditure, all payments under the project will be routed through the MoF. The FM Adviser will assist the MoF in executing and recording project payments. In keeping with current practices for other projects in Afghanistan, the designated account (DA) will be operated by the Special Disbursement Unit (SDU) in the Treasury Department of the MoF. Requests (invoices) for payments from will be made to the SDU by the IAIDS project management. In addition to payments from DA funds, the project can also request the SDU to make direct payments to consultants or consulting firms, and special commitments for contracts covered by letters of credit. Such requests will follow World Bank procedures. All withdrawal applications to ARTF, including replenishment, reimbursement, and direct payment applications, will be prepared and submitted by the MoF.

Accounting and Reporting

44. The project will maintain essential project transaction records using computerized accounting system/ Excel spreadsheets and generate required monthly, quarterly, and annual reports. During the preparatory phase, the project will prepare a financial management manual. It will include provision for: i) roles and responsibilities for all FM staff, ii) documentation and approval procedures for payments, iii) project reporting requirements, and iv) quality assurance measures to help ensure that adequate internal controls and procedures are in place and are being followed. The FM Manual will also establish project financial management in accordance with standard Afghan government policies and procedures including use of the government Chart of Accounts to record project expenditures. The use of these procedures will enable adequate recording and reporting of project expenditures.

Overall project accounts will be maintained centrally in the SDU, which will be ultimately responsible for recording of all project expenditures and receipts in the Government's accounting system. Reconciliation of project expenditure records with MoF records will be carried out monthly by the project.

Disbursement Arrangements

45. Project preparation funds will be channeled through a segregated designated account in USD to be opened at the Da Afghanistan Bank (DAB, central bank) or a commercial bank/financial institution acceptable to the World Bank. Advances will be made to the designated account with a fixed ceiling calculated based on a 4-months worth of expenditures to be paid out of the designated account. Other disbursement methods, such as reimbursement, direct payment and special commitment will also be made available to the project. Given weak capacity on the ground, disbursement will be transaction based, and supporting documents, such as Statement of Expenditure or other statements in a format and content acceptable to the Bank will be used to document expenditures incurred. The DA will be maintained by the MoF. Withdrawal applications for replenishment will be submitted monthly.

Audit of Project Funds

46. The Auditor General, supported by the Audit Agent, is responsible for auditing the accounts of all IDA and ARTF-financed projects. Annual audited project financial statements will be submitted within six months of the close of GoA's fiscal year. The Bank-funded projects already or currently being implemented by MAIL have no overdue audit reports, ineligible expenditures and no overdue interim unaudited financial reports. The key issues raised in these projects' previous years audit reports up to Solar Year 1388 have been resolved satisfactorily.

Audit – Responsible Entity

47. The responsible entity for the audit report is the Ministry of Agriculture, Irrigation and Livestock.

V. Detailed Budget

48. Table 2 below specifies the detailed preparation budget for the IAIDS.

Table 2: Preparation budget for IAIDS

Item/Description	Quantity	Unit	No. of units	Unit cost (US\$)	Total cost (US\$)
1. PROJECT PREPARATION TEAM					
IAIDS Project Director (Technical Specialist background)	1	month	9	5,000	45,000
Senior Technical adviser to the Project Director	1	month	6	22,500	135,000
Fiduciary Staff					
Finance Specialist	1	month	6	3,000	18,000
Finance Officer	1	month	9	2,000	18,000
Admin/Logistic Manager	1	month	6	2,500	15,000
Admin/logistic Officer	1	month	9	1,500	13,500
Procurement Specialist	1	month	6	3,000	18,000
Procurement Officer	1	month	9	2,000	18,000
Total Fiduciary Staff					100,500
2. Environmental and Social Management Framework (ESMF) & PMP					
National Safeguards and PMP Specialists	2	month	6	3,500	42,000
Safeguard Specialist (Intl Consultant) for the ESMF	1	month	3	22,500	67,500
PMP Specialist (Intl Consultant) for the PMP	1	month	3	22,500	67,500
Travel Budget				25,000	25,000
Total ESMF & PMP					202,000
3. Other Staff					
IT Officer	1	month	9	2,000	18,000
Support Staff	5	month	9	800	36,000
Security	4	month	9	400	14,400
Cleaner	2	month	9	300	5,400
Total other Staff					73,800
4. Equipment and Other Goods					
Internet equipment and installation	1			5,200	5,200
Internet monthly charges	1	month	9	2,200	19,800
Technical Equipment for survey and research	1			20,000	20,000
Generator	1			7,000	7,000
Power stabilizers	10			300	3,000
Wiring/electric reinforcement for office	1			5,000	5,000
Security Equipment and reinforcement of office building security	1			7,000	7,000
Laptop computers	23	nb		1,600	36,800
Anti-virus and other software	1			7,200	7,200
Projector	1			2,000	2,000
Photocopiers, scanners etc.	5	nb		2,000	10,000
Communication Cost	1				9,000
Office setup/furniture	10	nb		3,000	30,000
Office Rent	1	month	9	4,000	36,000
Office running cost	1	month	9	1,500	13,500
Utilities	1	month	9	500	4,500
Vehicle Rental	4	months	9	2,000	72,000
Total Equipment, Goods and other services					288,000
5. Specific expertise for the project components preparation					
5.1. Component A: Improved Seed Production and Certification					
Seed Specialist (Intl. Consultant) (including monitoring of survey aspects)	1	month	5	22,500	112,500
National Specialists liaison (ARIA, SCA, ISE - top up)	3	month	9	1,000	27,000
National Seed Specialist (ARIA, ISE, SCA)	1	month	5	4,000	20,000
Seed Policy Specialist (also covering institutional and sustainability aspects) (Intl. Consultant)	1	month	3	22,500	67,500
National Seed Policy Specialist	1	month	9	4,000	36,000
Operational and travel budget					30,000
Component A Cost					293,000
5.2. Component B: Quarantine Network and Quality Control for Agrochemicals					
Agrochemical Specialist (Pesticides Regulations/Procedures and needs assessment)(Intl. Consultant)	1	month	3	22,500	67,500
National Legal Consultant (Pesticides Law)	1	month	3	4,000	12,000
Quarantine Specialist (Regulations/Procedures and needs assessment)(Intl. Consultant)	1	month	3	22,500	67,500
National Legal Consultant (Quarantine Law)	1	month	3	4,000	12,000
Component B Cost					159,000
5.3. Component C: Improvement and expansion of Inputs Delivery System					
Production and market monitoring Specialist (Intl. Consultant)	1	month	9	25,000	225,000
National Specialists (with M&E profile)	2	month	9	3,500	63,000
Survey on the Supply Chain for certified wheat seeds	1				120,000
Farm level survey on crop production (especially wheat)					180,000
Survey Inputs distribution networks, regulatory and enforcement aspects	1				180,000
Component C Cost					768,000
Total Base Cost					2,064,300
Contingency (16.3%)					335,738
Grand Total					2,400,038

Goods	133,200	154,864
Consultants services	1,665,500	1,936,377
Incremental operation costs	265,600	308,797
Total	2,064,300	2,400,038

Annex I - ORAF

Operational Risk Assessment Framework (ORAF)

Improving Agricultural Inputs Delivery System Project

The overall rating for project preparation is assessed to be “Medium driven by Impact”. The “MI” rating for preparation stems mainly from the uncertainties surrounding the composition and quality of the counterpart team during preparation. The overall rating for project implementation is assessed to be “High”. The “High” rating for implementation is based on the general experience with virtually all projects in Afghanistan; and the low (though improving) implementation capacity of MAIL.

Project Development Objective(s)
<p>To increase adoption of improved crop production technologies through expanding development of certified seeds and improving access to agricultural inputs of reliable quality.</p> <p>PDO Level Results Indicators:</p> <ol style="list-style-type: none"> 1. Increase in quantities of breeder, foundation and certified seed produced 2. Increase in quantities of certified seed used by farmers 3. Institutional, legal and regulatory arrangements in place for quality control of seed and agrochemicals 4. Number of laboratories established and functioning, number of tests performed 5. Cadre of capable seed and agrochemicals specialists in government expanded 6. Action plan for further development of input markets 7. Alternative input supply delivery systems piloted

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.
1. Project Stakeholder Risks					

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.
Project stakeholders include other donors, farmers, and private sector	L	<p>Current levels of input subsidies driven by some donors may continue in the immediate future. However, these subsidies are not sustainable and will eventually be phased out.</p> <p>Currently farmers who have access to improved inputs do use them.</p> <p>The private sector will come wherever there are opportunities to make money.</p>	<p>Other donors' current perceptions and policies regarding input supply may present a risk in the sense that some donors who have engaged in supplying subsidized inputs to farmers may want to continue this at least in the short run – thus potentially undermining a transition to a market-led input delivery approach.</p> <p>Farmers may be unaware of the benefits of intensification in general and the use of quality inputs in particular.</p> <p>Financial risk is particularly high in rural areas and the agriculture sector which may affect the willingness of the private sector to invest in input delivery.</p>	<p>Highlighting the unsustainability of input subsidies and the importance of gradually moving to a market-based input supply system that guarantees farmers quality inputs at competitive prices.</p> <p>The experience with improved inputs in other Bank-supported projects (e.g. HLP) suggests that farmers are quite willing to adopt improved inputs once they have seen their benefits. The project will engage in capacity building activities and demonstration exercises.</p> <p>The experience with private seed enterprises and Ag Depots has shown that once the private sector sees profitable opportunities they will enter the market. The project aims at streamlining the institutional and regulatory infrastructure and this will lower private sector risk. Moreover the project will offer</p>	<p>x</p> <p>x</p> <p>x</p>

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.
2. Operating Environment Risks					

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.
I.Country Risk	High	Afghanistan is currently a “high likelihood / high impact” context in terms of country risk. Nevertheless, over the past 8 years, project design has mitigated some of the risk successfully resulting in a strong portfolio of activities. This has much to do with the strong ownership of projects by government counterparts.	<p>Key risks include: The potential impact of escalating insurgency-related violence on project implementation and ability to supervise in parts of the country.</p> <p>Cabinet reshuffles, impacting on key policies or project implementation.</p> <p>Long-term environmental & social impact of extractive industries and other environmental & social risks.</p> <p>Government oversight of NGO activities which has constrained freedoms.</p>	<p>Mitigation of security risk is outside the scope of the Bank. However, the Bank will continue to monitor developments closely and will modify programs if necessary. Third party monitoring and remote sensing/GPS are used increasingly for monitoring & supervision.</p> <p>Political governance risk is also outside the scope of WB. Impact on corruption at project level is medium, however can be partially mitigated through fiduciary ring-fencing (see below).</p> <p>The Bank adopts a pragmatic approach to project design & implementation involving an Environment & Social Management Framework (ESMF) and Environment and Social Impact Assessments (ESIAs). In addition, the Bank is pursuing a Strategic Environmental Assessment of the mining sector and a Country Environmental Assessment (institutional & policy review).</p>	x x

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.	
1. Institutional (sector & multi-sector level)	High	The profile of MAIL has been on the steady rise since late 2008 and it is now clearly recognized that the strengthening process needs to continue in order for MAIL to adequately carry out its agreed responsibilities. Seed production, input quality control and input delivery all clearly fall within MAIL's mandate without competition from other Ministries.	MAIL has a dynamic Minister who is gradually introducing reforms and restructuring the ministry. However, even though there are visible signs of progress, the restructuring remains slow. The capacity of the various Directorates involved in implementation was partially assessed during the March 2011 Post-Identification mission and it was decided to focus on the strongest ones. On the other hand most of them have no operational experience with Bank projects even though the General Directorate of Programs (GDP) which will play an important role in the implementation of the IAIDS project is rapidly building up such experience under the OFWM project which has been signed on March 16 2011 and which has been carrying out activities since June 2010 under an earlier ARTF preparation grant. MAIL also sees the IAIDS project as an opportunity to further build capacity.	The project will share the FM and procurement unit that has been established by the OFWM and is functioning. The PIU will be supported by a strong team of international consultants.	x	x
3. Implementing Agency Risks (including FM & PR Risks)						

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.	
Procurement	High	Improving but remaining weak procurement capacity in MAIL.	MAIL remains relatively weak in terms of implementation capacity (procurement, FM) and ability of timely decision making.	A fiduciary unit consisting of national and international procurement and FM specialists has already been set up under the OFWM project and is actively working.	x	x
Financial management		Delays in decision making particularly on procurement issues could lead to delays in implementation. The Bank has developed considerable experience in the mitigation of FM risk which considerably lowers the likelihood of inappropriate FM practices happening.	Weak internal controls may lead to misappropriation of funds and delay in preparation and submission of acceptable financial reports and disbursements.	Minimize use of Designated Account, maximize direct payments to consultants. Presence of FM Agent at the Treasury of Ministry of Finance, responsible for processing payments, transaction recording and reporting. Presence of Audit Agent at the Control and Audit Office, responsible for external audit of the project.	x	x

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.	
1. Governance	MI	The establishment of a strong PIU and the use of the already operational fiduciary unit of the OFWMP will partially compensate for a weaker than desirable governance structure in the implementing directorates.	Management capacity in most directorates of MAIL remains relatively weak even if improvements are being made. This may hamper the efficient functioning of the PIU. On the other hand the March 2011 Post-Identification mission has decided to limit the number of directorates involved in the project and focus on the ones that function relatively better. The Technical Deputy Minister in MAIL under whose office the project falls has a good reputation. Capacity in the GDP somewhat better. Low paid staff (particularly at the provincial levels) lacks motivation. Potential nepotism in hiring of project staff resulting in lack of transparency in filling project staff positions.	Use of a PIU assisted by a strong and empowered team of consultants; incorporation of capacity building activities in the main project. The Bank will closely follow recruitment processes in order to maximize transparency.	x	x
1. Fraud & Corruption	MI	Fraud and corruption remain endemic in Afghanistan and MAIL cannot be expected to be the exception. The Bank's vigilance is likely to detect some of this in a relatively early stage which will dampen the damage.	MAIL lacks clear arrangements for strong accountability and oversight and fraud and corruption controls.	Use of OFWMP project's fiduciary unit which includes independent international procurement and FM specialists.	x	x
4. Project Risks						

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.
.1Design	MI	Much care will be taken to adequately design each project component in such a way that their respective outcomes will contribute to achieving the PDO. The main justification for the phased approach and a substantial preparation period is to minimize risk, i.e. the realization that the project is rather complex; and that the security situation may complicate or even prevent a national focus of the project.	Whereas Component A of the project builds on earlier experience gathered in a number of FAO-executed projects, Components B and C are new in Afghanistan. Country risk is high and security risks beyond nine “safe” districts could complicate project implementation and supervision.	<p>The project will opt for a careful and phased implementation approach that will include a substantial preparation period followed by two main project phases. Activities in phase 1 will depend on the performance and results achieved during the preparation period, while phase 2 will be based on the lessons learned and physical and institutional infrastructure developed in the first phase. A mid-term review of the Project will further inform the design of phase 2.</p> <p>The team is also considering a focus on more accessible, secure rural areas to demonstrate the approach.</p>	x

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.
1. Social & Environmental	ML	Non-compliance with social and/or environmental safeguards may not seriously affect the PDO, however, the likelihood of this happening remains medium given limited experience with social & environmental safeguard issues in Afghanistan.	Environmental and social safeguards management and (especially) implementation in Afghanistan is weak because their value-added is not yet fully realized or appreciated. Limited national resources and capacity are therefore being invested for safeguards. The project's activities are likely to lead to increased use of chemical fertilizer and other agro-chemicals. With	The IAIDS project will likely be classified as a "Category A" project and social and environmental impact assessments will be carried out as per Bank guidelines. A solid Environmental and Social Management Framework (ESMF) will be developed early in the preparation phase to provide social and environmental screening process for implementation of IAIDS subprojects and will be used as a tool during subproject formulation, design, implementation and monitoring. The ESMF will describe the steps involved in identifying the potential adverse impacts and provide guidance for their mitigation. A separate Pest Management plan (PMP) is also required and will be developed in parallel with the ESMF which will also have a 'negative list' which includes hazardous agrochemicals. An important focus of the project is to develop appropriate input certification systems and quality control systems.	x x

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.	
.1Program & Donor	MI	The implementation issue has been sorted out with the help of the Technical Deputy Minister which will minimize the likelihood that the project will be derailed by insufficiently clear implementation responsibilities.	Whereas the management of the project will be the responsibility of the GDP, implementation will be done by a PIU directly attached to the office of the Technical Deputy Minister. A total of five directorates in MAIL (ARIA, ISE, PPQD, QCD and PSD). None of these line directorates has experience with Bank-financed projects and coordination will be a challenge.	During the preparation phase the Project Director will be assisted by an internationally recruited consultant. Throughout project implementation the responsible line directorates will be assisted by a team of project implementation support consultant specialists (also recruited internationally).	x	x

Risk Category	Risk Rating	Risk Rating Explanation	Risk Description	Proposed Mitigation Measures	Timing for Mitigation : Prep/ Impl.	
1. Delivery Quality	High	The proposed risk mitigation measures cannot eliminate the fact that delivery quality remains a concern in virtually all projects in Afghanistan.	<p>With the exception of component A (improved seed) the project will engage in activities for which there is little previous experience in Afghanistan. While these activities clearly fall under the mandate of MAIL, its implementation capacity is being developed. However a number of risks are likely to remain during the life span of the project including sustainability (i.e. the ability of MAIL to adequately sustain its efforts); ability to accurately monitor project implementation; and to effectively manage implementation milestones including contracts.</p> <p>Difficulties in field supervision might make it difficult to determine the effectiveness of the interventions, making it more difficult to sustain the efforts after the project has ended.</p>	<p>Component A will closely cooperate with FAO to build on, and learn from, their experience in seed production. For Component B maximum care will be taken to ensure good contractors for the physical works. Training activities will be carried out under close supervision of the relevant specialists in the Implementation Support Specialists team. An experienced survey team/firm will be engaged to design, implement and analyze the field survey in phase 1 of Component C. The project will adopt a carefully orchestrated phased implementation approach.</p> <p>A focus on the relatively more secure areas in the country may facilitate supervision to a certain extent.</p>	x	x

Annex 2 - Procurement

Procurement Arrangements and Procurement Plan

I. Country Context

1. The World Bank has gained substantial experience and understanding of the procurement environment in Afghanistan. This has been through its involvement in the interim procurement arrangements put in place under the Emergency Public Administration Project. In addition experience gained working with the institutions with current responsibility for procurement functions including Afghanistan Reconstruction and Development Services (ARDS). As part of the broader review of Afghanistan's Public Finance Management (PFM) system, the World Bank carried out two assessments of the procurement environment in the country based on the baseline and performance indicators developed by a group of institutions led by the World Bank and OECD/DAC in June 2005 and September 2007.
2. The first key issue identified through the procurement assessment is lack of ownership and a procurement champion in the Government. This is a serious impediment to reform and to inter-Ministerial dialogue. A second, related issue is the lack of capacity in the line Ministries, as evidenced by their inability to define and communicate effectively their desired functional specifications in their procurements. The lack of capacity is also evident in the local private sector: while the number of bids is reasonably high, there is a lack of understanding on application of public procurement rules.
3. A new Procurement Law (PL) has been adopted in November 2005, which radically transforms the legal and regulatory framework. As per the Law a Procurement Policy Unit (PPU) was established under the Ministry of Finance (MoF) to provide oversight for implementation of the Law. PPU has issued several circulars regarding implementation of the Procurement Law including issuance of "Rules of Procedures for Public Procurement" (Circular: PPU/C005/1386 of April 12, 2007) and Procurement Appeal and Review Mechanism (Circular: PPU/N001/1385 of March 18, 2007). PPU/MoF has currently developed several SBDs/SRFPs/RFQs for national and international procurement of goods/works and consulting services following national procedures as per the PL. MoF has now mandated the use of: (i) SBDs for Goods and Works (Circular PPU/C024/1388 of June 10, 2009); (ii) Standard Request for Quotations (SRFQ) (Circular PP/C026/1388); and (iii) Standard Request for Proposal (SRFP) (Circular PPU/C029/1388 of January 13, 2010). A Procurement Information Management System (PIMS) has been developed and being piloted in three ministries. In addition the PPU web site will facilitate publication of procurement notices and contract awards in addition to similar action being done under the ARDS website and web sites of the line ministries as applicable.
4. In the absence of adequate capacity to manage procurement activities effectively, a central procurement facilitation unit (ARDS-PU) has been established under the Ministry of Economy to support line ministries and project implementing agencies. The World Bank and the Government have agreed on a program for country wide procurement reform and capacity building, leading to the transition from centralized to decentralized procurement services. The above is implemented by an international consultant under the supervision of PPU/MOF and financed under Public Administration Capacity Building project (PACBP)/ Public Finance Management Reform Project (PFMRP). There have been several training programs conducted by the consultant at Basic, Intermediate and Advance level. The implementation of the procurement reform component of the PACBP should be considered with due priority to ensure that fiduciary standards are further enhanced and that capacity is developed in the Government to maintain these standards.

5. The early Procurement Law has been annulled and a new Law has been adopted in July 2008 and amended in January 2009 and issued as a new Law by the Ministry of Justice and was published in the Official Gazette Number 957, 29.10.1387 (18 January 2009). The revised “Rules of Procedures for Public Procurement” has been issued as circular PPU/C027/1387 of November 18, 2009.

General

6. Procurement for the project preparation grant will be administrated in accordance with the World Bank’s “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated May 2004, revised October 2006, May 2010 and January 2011, “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated May 2004, revised October 2006, May 2010 and January 2011, and the provisions stipulated in the Financing Agreement. In addition, the World Bank’s “Guidelines on Preventing and Combating Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants” dated October 15, 2006 and revised January 2011 has been shared with the recipient. The World Bank’s Standard Bidding Documents, Requests for Proposals, and Forms of Consultant Contract will be used. Civil works and goods following National Competitive Bidding (NCB) procedures shall be procured using the agreed Standard Bidding Documents (SBDs) for Afghanistan.
7. In case of conflict/contradiction between the World Bank’s procurement procedures and any national rules and regulations, the World Bank’s procurement procedures will take precedence and the same is clearly stated under Article 4 (2) of the Procurement Law July 2008 (Amendments in January 2009 incorporated) of the Government of Afghanistan, and the same has been agreed with the recipient.

II. Project Information

1. Country: Afghanistan
Project Name: Improving Agricultural Inputs Delivery System (IAIDS)
Project No.
Grant No:
Project Implementing Agency (PIA): Ministry of Agriculture, Irrigation and Livestock
2. Bank’s approval Date of the Procurement Plan: March 30, 2011
3. Date of General Procurement Notice:
4. Period covered by this procurement plan: project preparation period of 9 months

III. Goods and Works and non-consulting services

1. Prior Review Threshold: Procurement Decisions subject to Prior Review by the Bank as stated in Appendix 1 to the Guidelines for Procurement:

	Procurement Method	Threshold for Method (US\$)	Comments
1.	NCB (Goods)	200,000	Equivalent or less
2.	Shopping (Goods)	50,000	Equivalent or less
3.	NCB (Non-Consultant Services)	200,000	Equivalent or less

	Procurement Activity	Prior Review Threshold in US\$	Comments
1.	Goods/Non-Consulting Services	More than 200,000 or equivalent	
2.	Directing Contracting	All	

2. Prequalification: Not envisaged
3. Proposed Procedures for CDD Components (as per paragraph. 3.17 of the Guidelines: Not Applicable

4. Procurement Packages with Methods and Time Schedule

A. Goods

Ministry of Agriculture, Irrigation and Livestock - Government of the Islamic Republic of Afghanistan								
Afghanistan Improving Agriculture Inputs Delivery System (IAIDS) Project, Project Preparation Application to ARTF Management Committee								
Procurement Plan for Procurement of Goods/Non-Consulting Services								
1	2	3	4	5	6	7	8	9
S.N	Description	Estimated Cost (USD)	Procurement Method	Pre-Qualification	Domestic Preference	Bank Review	Expected Bid Opening Date	Comments
	Goods and other services							
1	Internet equipment and installation	5,200.00	Shopping	No	No	Post	01-Jun-11	
2	Technical Equipment for surveys and research	20,000.00	Shopping	No	No	Post	01-Jun-11	
3	Generator (incl. soundproofing)	7,000.00	Shopping	No	No	Post	01-Jun-11	
	Power stabilizers (10 @ \$300/unit)	3,000.00	Shopping	No	No	Post	01-Jun-11	
	Wiring/electric reinforcement office	5,000.00	Shopping	No	No	Post	01-Jun-11	
4	Security Equipment (reinforcement of office building security)	7,000.00	Shopping	No	No	Post	01-Jun-11	
5	Laptop Computers w/accessories (23 @ \$1600/piece)	36,800.00	Shopping	No	No	Post	01-Jun-11	
	Anti-virus and other software	7,200.00	Shopping	No	No	Post	01-Jun-11	
	Projector	2,000.00		No	No	Post	01-Jun-11	
6	Photocopiers, scanners etc. (2 units)	10,000.00	Shopping	No	No	Post	01-Jun-11	
7	Office setup / furniture	30,000.00	Shopping	No	No	Post	01-Jun-11	
	Total Goods	133,200.00						

IV. Selection of Consultants

1. Selection Methods and Thresholds

	Selection Method	Threshold (US\$)	Comments
1.	CQS for Firms	200,000 equivalent or less	

2. Prior Review Threshold: Selection decisions subject to Prior Review by Bank as stated in Appendix 1 to the Guidelines Selection and Employment of Consultants:

	Selection Method	Prior Review Threshold in US\$	Comments
1.	Competitive Methods (Firms)	More than 100,000 or equivalent	
2.	Individual Consultants	More than 50,000 or equivalent	
3.	Single Source (Firms/Individual)	All	

2. Short list comprising entirely national consultants: Short list of consultants for services, estimated to cost less than US\$ 50,000 equivalent per contract, may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

3. Consultancy Assignments with Selection Methods and Time Schedule

Ministry of Agriculture, Irrigation and Livestock - Government of the Islamic Republic of Afghanistan							
Afghanistan Improving Agriculture Inputs Delivery System (IAIDS) Project, Project Preparation Application to ARTF Management Committee							
Procurement Plan for Consultancy Services (Individual)							
1	2	3	4	5	6	7	8
S.N	Description of Assignment	Estimated Cost (USD)	Selection Method	Review by Bank (Prior/ Post)	Expected Proposals Submission Date	Expected Contract Date	Comments
A. Project Preparation Team							
1	IAIDS Project Director (Technical Specialist background)	45,000.00	individual	Post	15-Apr-11	01-May-11	
2	Senior Technical adviser to the Project Director (Int'l)	135,000.00	individual	Prior	10-May-11	01-Jun-11	
Total Director's Office		180,000.00					
Fiduciary Staff							
3	Finance Specialist	18,000.00	individual	Post	15-May-11	01-Jun-11	
4	Finance Officer	18,000.00	individual	Post	15-Apr-11	01-May-11	
5	Admin/Logistic Manager	15,000.00	individual	Post	15-May-11	01-Jun-11	
6	Admin/Logistic Officer	13,500.00	individual	Post	15-Apr-11	01-May-11	
7	Procurement Specialist	18,000.00	individual	Post	15-May-11	01-Jun-11	
8	Procurement Officer	18,000.00	individual	Post	15-Apr-11	01-May-11	
Total Fiduciary Staff		100,500.00					
B. Environmental and Social Management Framework (ESMF) & PMP							
9	National Safeguards (National)	21,000.00	individual	Post	15-May-11	01-Jun-11	
10	PMP Specialist (National)	21,000.00	individual	Post	15-May-11	01-Jun-11	
11	Safeguard Specialist (Int'l Consultant) for the ESMF	67,500.00	individual	Prior	15-May-11	01-Jun-11	
12	PMP Specialist (Int'l Consultant) for the PMP	67,500.00	individual	Prior	15-May-11	01-Jun-11	
Total ESMF & PMP		177,000.00					
C. Other Staff							
13	IT Officer	18,000.00	individual	Post	15-Apr-11	01-May-11	
Total Other Staff		18,000.00					
D. Specific expertise for the project components preparation							
Component A: Improved Seed Production and Certification							
14	Seed Specialist (Int'l. Consultant) (including monitoring of survey aspects)	112,500.00	individual	Prior	15-May-11	15-Jun-11	
15	National Specialists liaison (ARIA, SCA, ISE - top up) (3 positions)	27,000.00	individual	Post	15-May-11	15-Jun-11	
16	National Seed Specialist (ARIA, ISE, SCA)	20,000.00	individual	Post	15-May-11	15-Jun-11	
17	Seed Policy Specialist (also covering institutional and sustainability aspects) (Int'l. Consultant)	67,500.00	individual	Prior	15-May-11	15-Jun-11	
18	National Seed Policy Specialist	36,000.00	individual	Post	15-May-11	15-Jun-11	
Component A Consultants		263,000.00					
Component B: Quarantine Network and Quality Control for Agrochemicals							
19	Agrochemical Specialist (Pesticides Regulations/Procedures and needs assessment)(Int'l. Consultant)	67,500.00	individual	Prior	15-May-11	15-Jun-11	
20	National Legal Consultant (Afghan legal framework for Pesticides aspects)	12,000.00	individual	Post	15-May-11	15-Jun-11	
21	Quarantine Specialist (Regulations/Procedures and needs assessment)(Int'l. Consultant)	67,500.00	individual	Prior	15-May-11	15-Jun-11	
22	National Legal Consultant (Quarantine law)	12,000.00	individual	Post	15-May-11	15-Jun-11	
Component B Consultants		159,000.00					
Component C: Improvement and expansion of Inputs Delivery System							
23	Production and market monitoring Specialist (Int'l. Consultant)	225,000.00	individual	Prior	15-May-11	15-Jun-11	
24	National Specialists (with M&E profile) (2 positions)	63,000.00	individual	Prior	15-May-11	15-Jun-11	
Consultancy Services (Firms)							
25	Survey on the Supply Chain for certified wheat seeds	120,000.00	Compt.Meth (firm)	Prior	15-May-11	15-Jun-11	
26	Farm level survey on crop production (especially wheat)	180,000.00	Compt.Meth (firm)	Prior	01-Jul-11	01-Aug-11	
27	Survey Inputs distribution networks, regulatory and enforcement aspects	180,000.00	Compt.Meth (firm)	Prior	01-Jul-11	01-Aug-11	
Component C Consultants		768,000.00					
Total Consultancy Services		1,665,500.00					

Incremental operating costs:

The costs which would be financed by the project would be procured using the implementing agency's administrative procedures such as the Procurement Law and project procurement manual which were reviewed and found acceptable to the Bank.

Incremental operating costs means the incremental operating expenses incurred on account of Project Preparation Implementation and Management, including car rentals, the operation and maintenance of vehicles, office rentals, office supplies, communication charges including internet charges, insurance costs, office administration costs, banking charges, utility charges, domestic travel and per diem allowances as per the GOA Guidelines, but excluding salaries of officials of the recipient's civil service.

Annex 3 – TOR seed chain survey

Afghanistan Improving Agricultural Inputs Delivery System Project (IAIDS)

Terms of Reference (TOR)

Survey on Supply Chain for Certified Wheat Seed

Introduction

The development objective of IAIDS project is to increase adoption of improved crop production technologies through expanding development of certified seeds and improving access to agricultural inputs of reliable quality.

The project is seeking a consultant to carry out a survey on supply chain for certified wheat seed. The main outputs of the consultancy are data and an analytical background report to inform a plan of action for investment activities in input delivery systems. The plan of action will be implemented in phase 2 of the IAIDS project.

Project Description

The proposed project has four components: (A) Improved Seed Production and Certification; (B) Quarantine networks and Quality Control for Agro-chemicals; (C) Improved and Expanded Input Delivery Systems; and (D) Project Implementation and Management. Details of the project components and activities included in each component are presented as follows:

Component A: Improved Seed Production and Certification. This component will focus on efficient multiplication of both breeder seed (BS) and foundation seed (FS), building on the existing institutional system while developing local capacity for transitioning to national systems with minimal external support. The project will conduct a needs assessment and finance the required equipment (for land preparation, planting, weeding, harvesting, and post-harvest processing). More land may also have to be developed, but no land acquisitions are expected because the project will use (government-owned) land that is already reserved for this purpose. In addition, the project will deliver the required skills to key staff. Phase 1 will also invest in completing the institutional and regulatory framework for the seed industry, including improving the capacity for seed certification. Phase 2 will begin transitioning multiplication of breeder and foundation seeds to respectively the Agricultural Research Institute of Afghanistan (ARIA) and the Improved Seed Enterprise (ISE) national agricultural research institutes following their capacity building under the first phase.

Component B: Quarantine Networks and Quality Control for Agro-chemicals. Phase 1 of this component will support the completion and operationalization of the institutional and regulatory framework for quality and safety standards on fertilizers and other agro-chemicals, including an input certification system. A quality verification system supported by mobile phone applications will be explored to support checks by farmers and traders. Phase 1 will also equip a quality control laboratory for agrochemicals and provide capacity building in the areas of laboratory testing of agrochemicals

and safe handling and application of agrochemicals for traders, MAIL extension workers, and farmers. Phase 2 will support expansion of quality control laboratories for fertilizers and agrochemicals to entry points for imports.

Component C: Improvement and Expansion of Inputs Delivery Systems. Phase 1 will consist of an in-depth survey-based study to get a better handle on the functioning of agricultural input markets and demand-side issues such as farm budgets and willingness to pay. The survey will interview input users (farmers), input sellers (shopkeepers, traders and importers) and government field extension staff. The results of the study will be used to develop an action plan for investments required to improve input delivery to farmers and better tailor supply to demand. Phase 2 will focus on operationalizing the action plan. This may include strengthening and expanding Ag Depot and Farm Service Center programs; piloting creation of alternative forms of input delivery systems with farmer groups, CDCs etc; and education and extension programs to demonstrate selected input technology packages as well as farm machinery and equipment.

Component D: Project Implementation and Management. The project will be implemented by MAIL. The following main technical Directorates from the MAIL side will be involved in the preparation and implementation of the proposed project: (i) for Component A (Improved Seed Production and Certification): Improved Seeds Enterprise (ISE); (ii) for Component B (Quarantine Networks and Quality Control for Agro-chemicals): Plant Protection Directorate (PPD) and Quality Control Directorate (QCD); (iii) for Component C (Improve and Expand Input Delivery System): QCD and Private Sector Directorate (PSD); and (iv) for Component D: (Project Management, Coordination, Monitoring & Evaluation): General Directorate for Programs (GDP).

Objectives the Consultancy

The objective of the consultancy is to design and conduct a survey to enable a rigorous analysis of the supply chain for wheat, which begins with variety research and the production of breeder seed in ARIA, followed by multiplication of breeder seed to foundation and registered seed (by ISE and farmers under contract), and finally multiplication of registered seed to certified seed (by PSE and contacted farmers). The consultant will use survey data to conduct analysis and report results as requested by the client, and eventually write a background report to discuss the following analysis:

- A value chain analysis for production of *certified wheat seed*. This will include farm budgets in ISE farms, farm budgets for contract farmers under both the ISE and PSE's, and cost build up for the chain of activities in the PSE's (seed procurement, transport, sorting, processing, packaging etc)
- Coordination of activities, flow of information, and cost of services at various points in the chain for certified wheat seed.

Main Tasks for the Consultancy

To successfully design and conduct the survey, the Consultant is required to have a firm understanding of agriculture in Afghanistan, including wheat cropping systems and production seasons, main production zones for rainfed and irrigated crops, common varieties grown under various systems, value chains for production of certified wheat seeds, and supply networks for various agricultural inputs (seeds, fertilizers, and agro-chemicals).

In particular, the Consultant will perform the following tasks:

- Design a sound sampling and survey strategy. The sampling strategy must present reasonable precision in reporting results across different points in the value chains (e.g. ISE and PSE).
- Write various questionnaires and translate them into local languages (Dari and Pashto) as necessary.
- Develop a survey manual to guide how questions are to be framed so as to ensure data is collected and recorded accurately for all indicators.
- To hire and train field enumerators and their supervisors and conduct pilot testing of the survey instrument.
- To design a series of codes or processes for conducting checks on formats/questionnaires during data collection and cleaning the data after entry.
- The consultant will also provide the complete electronic data (preferably in STATA format) and an accompanying complete documentation to ensure the data could be used by persons not involved in the survey.
- To analyze the data and report the findings upon request by the client and the World Bank, and eventually produce a report documenting all analysis as outlined in section C above.

Main Outputs (Deliverables) of the Consultancy

The key outputs of the consultancy include the following:

- i. An inception report within 45 days of contract signing providing detailed description of sampling strategy (including the names of households and farms selected), detailed work plan on how the survey will be implemented, evidence of all necessary permissions for conducting the survey, and arrangements for field supervision, data entry, and data cleaning
- ii. Final questionnaires acceptable to the client and World Bank team
- iii. A data collection manual to guide enumerators
- iv. Roster of recruited enumerators with their corresponding qualifications
- v. Upon completion of the survey, the consultant will provide both raw and cleaned data sets entered in electronic form (preferably STATA), organized as requested by the client, and accompanied by data documentation files describing the data
- vi. Various analysis as requested by the client and World Bank team
- vii. A final background report including all analysis conducted (as outlined in section C) with detailed discussion of results acceptable to the client and World Bank. The draft report will be reviewed by the World Bank and the Consultant will revise it according to the instructions. The report will not be considered final until all instructions for revision are incorporated

Below is a time schedule for submission of outputs

Output (Baseline)	Timeline
Inception report	45 days after signing of contract
Final questionnaires	45 days after signing of contract
Roster of enumerators and their qualifications	45 days after signing of contract
Data collection manual	14 days before pilot testing
Raw and cleaned data	60 days after completion of survey
Various analysis as requested by client and World Bank	As requested by client and World Bank
Draft Background report	75 days after completion of survey
Final Background report	90 days after completion of survey

Review of Main Outputs (Deliverables) of the Consultancy

The Consultants output will be reviewed and approved by a review committee whose membership will be communicated to the consultant before signing of contract. The procedure for reviewing the outputs will also be communicated to the consultant accordingly.

Key Professional positions whose CVs will be evaluated

The experience and qualifications of the following experts associated with the aspiring Consulting Agency will be evaluated for the purpose of awarding the consultancy:

- i. **Team Leader** (minimum BSc in Economics): will be evaluated for experience in managing surveys, project coordination and management, and report writing skills;
- ii. **Agricultural Economist/Seed Production Specialist** (minimum BSc): will be evaluated for experience in analysis of farm surveys, agribusiness surveys, and report writing;
- iii. **M&E Specialist/Statistician** (minimum BSc in Statistics): will be evaluated for experience in sampling design, questionnaire development, familiarity with STATA or other data entry software, and data analysis;
- iv. **Data Analyst** (minimum BSc in Statistics): will be evaluated for experience in sampling design, questionnaire development, data entry and cleaning, familiarity with STATA or other data entry software, and data analysis;
- v. **Research Assistants:** will be evaluated for experience in sampling design, questionnaire development, data entry and cleaning, field supervision, familiarity with STATA or other data entry software, and data analysis.

Annex 4 – TOR farm survey

Afghanistan Improving Agricultural Inputs Delivery System Project (IAIDS)

Terms of Reference (TOR)

Farm level Survey on Production of Wheat and Other Major Crops

Introduction

The development objective of IAIDS project is to increase adoption of improved crop production technologies through expanding development of certified seeds and improving access to agricultural inputs of reliable quality.

The project is seeking a consultant to carry out a survey on farm-level production of wheat and other major crops. The main outputs of the consultancy are data and an analytical background report to inform a plan of action for investment activities in input delivery systems. The plan of action will be implemented in phase 2 of the IAIDS project.

Project Components

The proposed project has four components: (A) Improved Seed Production and Certification; (B) Quarantine Networks and Quality Control for Agro-chemicals; (C) Improved and Expanded Input Delivery Systems; and (D) Project Implementation and Management. Details of the project components and activities included in each component are presented as follows:

Component A: Improved Seed Production and Certification. This component will focus on efficient multiplication of both breeder seed (BS) and foundation seed (FS), building on the existing institutional system while developing local capacity for transitioning to national systems with minimal external support. The project will conduct a needs assessment and finance the required equipment (for land preparation, planting, weeding, harvesting, and post-harvest processing). More land may also have to be developed, but no land acquisitions are expected because the project will use (government-owned) land that is already reserved for this purpose. In addition, the project will deliver the required skills to key staff. Phase 1 will also invest in completing the institutional and regulatory framework for the seed industry, including improving the capacity for seed certification. Phase 2 will begin transitioning multiplication of breeder and foundation seeds to respectively the Agricultural Research Institute of Afghanistan (ARIA) and the Improved Seed Enterprise (ISE) national agricultural research institutes following their capacity building under the first phase.

Component B: Quarantine Networks and Quality Control of Agro-chemicals. Phase 1 of this component will support the completion and operationalization of the institutional and regulatory framework for quality and safety standards of fertilizers and other agro-chemicals, including an input certification system. A quality verification system supported by mobile phone applications will be explored to support checks by farmers and traders. Phase 1 will also equip a quality control laboratory for agrochemicals; and provide capacity building in the areas of laboratory testing of agrochemicals

and safe handling and application of agrochemicals for traders, MAIL extension workers, and farmers. Phase 2 will support expansion of quality control laboratories for fertilizers and agrochemicals to entry points for imports.

Component C: Improvement and Expansion of Inputs Delivery Systems. Phase 1 will consist of an in-depth survey-based study to get a better handle on the functioning of agricultural input markets and demand-side issues such as farm budgets and willingness to pay. The survey will interview input users (farmers), input sellers (shopkeepers, traders and importers) and government field extension staff. The results of the study will be used to develop an action plan for investments required to improve input delivery to farmers and better tailor supply to demand. Phase 2 will focus on operationalizing the action plan. This may include strengthening and expanding Ag Depot and Farm Service Center programs; piloting creation of alternative forms of input delivery systems with farmer groups, CDCs etc; and education and extension programs to demonstrate selected input technology packages as well as farm machinery and equipment.

Component D: Project Implementation and Management. The project will be implemented by MAIL. The following main technical Directorates from the MAIL side will be involved in the preparation and implementation of the proposed project: (i) for Component A (Improved Seed Production and Certification): Improved Seeds Enterprise (ISE); (ii) for Component B (Quarantine Networks and Quality Control for Agro-chemicals); Plant Protection Directorate (PPD) and Quality Control Directorate (QCD); (iii) for Component C (Improve and Expand Input Delivery System): QCD and Private Sector Directorate (PSD); and (iv) for Component D: (Project Management, Coordination, Monitoring & Evaluation): General Directorate for Programs (GDP).

Objectives the Consultancy

The objective of the consultancy is to design and conduct a survey to enable a rigorous analysis of the economics of wheat crop production and other major crops. The consultant will use survey data to conduct analysis and report results as requested by the client, and eventually write a background report to discuss the following analysis:

- Examine farm budgets for production of *wheat crop* (both rainfed and irrigated) and at least two other major crops in every agricultural zone. This will include measures of willingness to pay for certified wheat seed.
- Cropping systems, rotations, and agricultural land use patterns
- Actual use of farm inputs in the most recent cropping year where yield realizations are also available. This will include seed varieties (certified, improved, local etc), fertilizers (basal and non-basal), agrochemicals (pesticides, herbicides, insecticides etc.)
- An assessment of farmers awareness and understanding of benefits from using various inputs, chemical composition, and safe handling practices (transport with food commodities, storage practices)
- Working capital requirements and constraints and methods of procuring inputs (cash, in-kind, credit, subsidy etc), prices, and with particular interest on credit repayment period, interest rates, outstanding balance etc
- Agronomic practices such as timing of field operations (land preparation, planting, weeding, etc), seed replacement rate, methods of pesticide application
- Production levels and post-harvest losses, including grain storage practices such as preservation using chemicals and traditional methods

- Use of farm machinery and stock-taking of the mechanized technology available in rural farms (description of year of manufacture, value of purchase, remaining useful-life, repairs and maintenance infrastructure) etc
- Access to services, including distance between farmers and retailers of inputs, distance to selling markets for wheat grains, type of roads, access to mobile phones, frequency of visits by extension farmers, type of extension advice received, etc.
- Farmers constraints on various aspects of agriculture (increasing production, access to inputs, marketing, etc).
- Farmer participation in rural credit markets, especially national initiatives such as Microfinance investment Facility for Afghanistan (MISFA).

Main Tasks for the Consultancy

To successfully design and conduct the survey, the Consultant is required to have a firm understanding of agriculture in Afghanistan, including wheat cropping systems and production seasons, main production zones for rainfed and irrigated crops, common varieties grown under various systems, value chains for production of certified wheat seeds, and supply networks for various agricultural inputs (seeds, fertilizers, and agro-chemicals).

In particular, the Consultant will perform the following tasks;

- Design a sound sampling and survey strategy. The sampling strategy must present reasonable precision in reporting results across different production zones (FAO classification), cropping systems (rainfed and irrigated), and production technologies (local, improved, and certified seeds).
- Write various questionnaires and translate them into local languages (Dari and Pashto) as necessary.
- Develop a survey manual to guide how questions are to be framed so as to ensure data is collected and recorded accurately for all indicators.
- To hire and train field enumerators and their supervisors and conduct pilot testing of the survey instrument.
- To design a series of codes or processes for conducting checks on formats/questionnaires during data collection and cleaning the data after entry.
- The consultant will also provide the complete electronic data (preferably in STATA format) and an accompanying complete documentation to ensure the data could be used by persons not involved in the survey.
- To analyze the data and report the findings upon request by the client and the World Bank, and eventually produce a report documenting all analysis as outlined in section C above.

Main Outputs (Deliverables) of the Consultancy

The key outputs of the consultancy include the following:

- i. An inception report within 45 days of contract signing providing detailed description of sampling strategy (including the names of households and farms selected), detailed work plan on how the survey will be implemented, evidence of all necessary permissions for conducting the survey, and arrangements for field supervision, data entry, and data cleaning

- ii. Final questionnaires acceptable to the client and World Bank team
- iii. A data collection manual to guide enumerators
- iv. Roster of recruited enumerators with their corresponding qualifications
- v. Upon completion of the survey, the consultant will provide both raw and cleaned data sets entered in electronic form (preferably STATA), organized as requested by the client, and accompanied by data documentation files describing the data
- vi. Various analysis as requested by the client and World Bank team
- vii. A final background report including all analysis conducted (as outlined in section C) with detailed discussion of results acceptable to the client and World Bank. The draft report will be reviewed by the World Bank and the Consultant will revise it according to the instructions. The report will not be considered final until all instructions for revision are incorporated

Below is a time schedule for submission of outputs

Output (Baseline)	Timeline
Inception report	45 days after signing of contract
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Roster of enumerators and their qualifications	45 days after signing of contract
Data collection manual	14 days before pilot testing
Raw and cleaned data	60 days after completion of survey
Various analysis as requested by client and World Bank	As requested by client and World Bank
Draft Background report	75 days after completion of survey
Final Background report	90 days after completion of survey

Review of Main Outputs (Deliverables) of the Consultancy

The Consultants output will be reviewed and approved by a review committee whose membership will be communicated to the consultant before signing of contract. The procedure for reviewing the outputs will also be communicated to the consultant accordingly.

Key Professional positions whose CVs will be evaluated

The experience and qualifications of the following experts associated with the aspiring Consulting Agency will be evaluated for the purpose of awarding the consultancy:

- i. **Team Leader** (minimum BSc in Economics): will be evaluated for experience in managing surveys, project coordination and management, and report writing skills;
- ii. **Agricultural Economist** (minimum BSc): will be evaluated for experience in analysis of farm surveys, agribusiness surveys, and report writing;
- iii. **M&E Specialist/Statistician** (minimum BSc in Statistics): will be evaluated for experience in sampling design, questionnaire development, familiarity with STATA or other data entry software, and data analysis;
- iv. **Data Analyst** (minimum BSc in Statistics): will be evaluated for experience in sampling design, questionnaire development, data entry and cleaning, familiarity with STATA or other data entry software, and data analysis;
- v. **Research Assistants:** will be evaluated for experience in sampling design, questionnaire development, data entry and cleaning, field supervision, familiarity with STATA or other data entry software, and data analysis.

Annex 5- Input distribution survey

Afghanistan Improving Agricultural Inputs Delivery System Project (IAIDS)

Terms of Reference (TOR)

Survey on Inputs Distribution Networks and Regulatory and Enforcement Aspects

Introduction

The development objective of IAIDS project is to increase adoption of improved crop production technologies through expanding development of certified seeds and improving access to agricultural inputs of reliable quality. The project will include two phases follow a phased approach is composed of the following components.

Project Components

The proposed project has four components: (A) Improved Seed Production and Certification; (B) Quarantine Networks and Quality Control for Agro-chemicals; (C) Improved and Expanded Input Delivery Systems; and (D) Project Implementation and Management. Details of the project components and activities included in each component are presented as follows:

Component A: Improved Seed Production and Certification. This component will focus on efficient multiplication of both breeder seed (BS) and foundation seed (FS), building on the existing institutional system while developing local capacity for transitioning to national systems with minimal external support. The project will conduct a needs assessment and finance the required equipment (for land preparation, planting, weeding, harvesting, and post-harvest processing). More land may also have to be developed, but no land acquisitions are expected because the project will use (government-owned) land that is already reserved for this purpose. In addition, the project will deliver the required skills to key staff. Phase 1 will also invest in completing the institutional and regulatory framework for the seed industry, including improving the capacity for seed certification. Phase 2 will begin transitioning multiplication of breeder and foundation seeds to respectively the Agricultural Research Institute of Afghanistan (ARIA) and the Improved Seed Enterprise (ISE) national agricultural research institutes following their capacity building under the first phase.

Component B: Quarantine Networks and Quality Control for Agro-chemicals. Phase 1 of this component will support the completion and operationalization of the institutional and regulatory framework for quality and safety standards of agro- chemicals, including an input certification system. A quality verification system supported by mobile phone applications will be explored to support checks by farmers and traders. Phase 1 will also equip a quality control laboratory for agrochemicals and provide capacity building in the areas of laboratory testing of agrochemicals and safe handling and application of agrochemicals for traders, MAIL extension workers, and farmers. Phase 2 will support expansion of quality control laboratories for fertilizers and agro-chemicals to entry points for imports.

Component C: Improvement and Expansion of Inputs Delivery Systems. Phase 1 will consist of an in-depth survey-based study to get a better handle on the functioning of agricultural input markets and demand-side issues such as farm budgets and willingness to pay. The survey will interview input users (farmers), input sellers (shopkeepers, traders and importers) and government field extension staff. The results of the study will be used to develop an action plan for investments required to improve input delivery to farmers and better tailor supply to demand. Phase 2 will focus on operationalizing the action plan. This may include strengthening and expanding Ag Depot and Farm Service Center programs; piloting creation of alternative forms of input delivery systems with farmer groups, CDCs etc; and education and extension programs to demonstrate selected input technology packages as well as farm machinery and equipment.

Component D: Project Implementation and Management. The project will be implemented by MAIL. The following main technical Directorates from the MAIL side will be involved in the preparation and implementation of the proposed project: (i) for Component A (Improved Seed Production and Certification): Improved Seeds Enterprise (ISE); (ii) for Component B (Quarantine Networks and Quality Control for Agro-chemicals): Plant Protection and Quarantine Directorate (PPQD) and Quality Control Directorate (QCD); (iii) for Component C (Improve and Expand Input Delivery System): QCD and Private Sector Directorate (PSD); and (iv) for Component D: (Project Management, Coordination, Monitoring & Evaluation): General Directorate for Programs (GDP).

Objectives the Consultancy

The objective of the consultancy is to design and conduct a survey to enable a rigorous analysis of the inputs distribution networks for seeds, fertilizers, and other agro-chemicals. The survey will involve two parts: (a) supply chain survey at importer, wholesaler, and retailer levels; and (b) regulatory and enforcement aspects for quality control of inputs and plan protection. The consultant will use survey data to conduct analysis and report results as requested by the client, and eventually write a background report to discuss the following analysis:

- Assessment of the existing input distribution infrastructure, including measures of concentration at various levels (import, wholesale and retail levels etc)
- Working capital requirements and constraints in a normal cropping season
- Cost build-up of the marketing chains from importer to retailer levels, including an assessment of coordination at both supply and demand markets and vertical integration
- An assessment of retailers understanding of benefits from using various inputs, chemical composition, and safe handling practices (transport with food commodities, storage practices)
- An assessment of banned (WHO, Stockholm convention, Rotterdam convention) substances (chemicals) still under distribution (e.g. organo-chlorines and organo-phosphates)
- Understanding of licensing requirements (at all levels) for different of agrochemicals
- Activities and services offered by other input distribution programs (e.g. Ag Depots and Farm Service Center programs)
- Assessment of the capacity of customs departments to enforce quality control regulations
- Quality control issues discovered in various border points

Main Tasks for the Consultancy

To successfully design and conduct the survey, the Consultant is required to have a firm understanding of agribusiness in Afghanistan, especially supply networks for various agricultural

inputs (seeds, fertilizers, and agro-chemicals) from importer to retailer levels, and the accompanying regulatory and enforcement aspects at various points in the chain.

In particular, the Consultant will perform the following tasks;

- Design a sound sampling and survey strategy. The sampling strategy must present reasonable precision in reporting results across different points in the supply chain for agricultural inputs (importer, wholesaler, and retailer), and across different agricultural production zones (FAO classification).
- Write various questionnaires and translate them into local languages (Dari and Pashto) as necessary.
- Develop a survey manual to guide how questions are to be framed so as to ensure data is collected and recorded accurately for all indicators.
- To hire and train field enumerators and their supervisors and conduct pilot testing of the survey instrument.
- To design a series of codes or processes for conducting checks on formats/questionnaires during data collection and cleaning the data after entry.
- The consultant will also provide the complete electronic data (preferably in STATA format) and an accompanying complete documentation to ensure the data could be used by persons not involved in the survey.
- To analyze the data and report the findings upon request by the client and the World Bank, and eventually produce a report documenting all analysis as outlined in section C above.

Main Outputs (Deliverables) of the Consultancy

The key outputs of the consultancy include the following:

- i. An inception report within 45 days of contract signing providing detailed description of sampling strategy (including the names of importers, wholesalers, and retailers selected), detailed work plan on how the survey will be implemented, evidence of all necessary permissions for conducting the survey, and arrangements for field supervision, data entry, and data cleaning
- ii. Final questionnaires acceptable to the client and World Bank team
- iii. A data collection manual to guide enumerators
- iv. Roster of recruited enumerators with their corresponding qualifications
- v. Upon completion of the survey, the consultant will provide both raw and cleaned data sets entered in electronic form (preferably STATA), organized as requested by the client, and accompanied by data documentation files describing the data
- vi. Various analysis as requested by the client and World Bank team
- vii. A final background report including all analysis conducted (as outlined in section C) with detailed discussion of results acceptable to the client and World Bank. The draft report will be reviewed by the World Bank and the Consultant will revise it according to the instructions. The report will not be considered final until all instructions for revision are incorporated

Below is a time schedule for submission of outputs

Output (Baseline)	Timeline
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Inception report	45 days after signing of contract
Final questionnaires	45 days after signing of contract
Roster of enumerators and their qualifications	45 days after signing of contract
Data collection manual	14 days before pilot testing
Raw and cleaned data	60 days after completion of survey
Various analysis as requested by client and World Bank	As requested by client and World Bank
Draft Background report	75 days after completion of survey
Final Background report	90 days after completion of survey

Review of Main Outputs (Deliverables) of the Consultancy

The Consultants output will be reviewed and approved by a review committee whose membership will be communicated to the consultant before signing of contract. The procedure for reviewing the outputs will also be communicated to the consultant accordingly.

Key Professional positions whose CVs will be evaluated

The experience and qualifications of the following experts associated with the aspiring Consulting Agency will be evaluated for the purpose of awarding the consultancy:

- i. **Team Leader** (minimum BSc in Economics): will be evaluated for experience in managing surveys, project coordination and management, and report writing skills;
- ii. **Agricultural Economist/Agribusiness Specialist** (minimum BSc): will be evaluated for experience in analysis of farm surveys, agribusiness surveys, and report writing;
- iii. **M&E Specialist/Statistician** (minimum BSc in Statistics): will be evaluated for experience in sampling design, questionnaire development, familiarity with STATA or other data entry software, and data analysis;
- iv. **Data Analyst** (minimum BSc in Statistics): will be evaluated for experience in sampling design, questionnaire development, data entry and cleaning, familiarity with STATA or other data entry software, and data analysis;
- v. **Research Assistants:** will be evaluated for experience in sampling design, questionnaire development, data entry and cleaning, field supervision, familiarity with STATA or other data entry software, and data analysis.

Annex 6 – TOR ESMF

Afghanistan Improving Agricultural Inputs Delivery System (IAIDS) project

Terms of Reference (TOR)

Consultant for Environmental and Social Management Framework

Project Background

The overall project development objective (PDO) of the IAIDS project is to increase adoption of improved crop production technologies through expanding development of certified seeds and improving access to agricultural inputs of reliable quality.

The project will deliver a variety of interventions in the agricultural inputs sector. First, the project will increase production of certified seeds and develop local capacity for continued development of the seed industry. Second, it will develop accredited facilities and regulatory frameworks for safety and quality control of inputs. Third, the project will implement capacity building programs that will contribute to appropriate handling, storage and use of fertilizers and other agro-chemicals. Fourth, the project will design and operationalize a demand-led action plan to improve and develop market based input delivery systems for seeds, fertilizers, other agro-chemicals, and farm machinery & equipment. The main focus will be on wheat (the major staple crop) but industrial crops, vegetable crops and perennial horticulture crops will also be included in project activities. The project will also explore how innovative information and communication technology (ICT) applications may support these interventions⁷, including use of mobile phone applications to verify quality of agro-chemicals.

The project will adopt a two-phased implementation approach. The first phase will be two years, followed by a three-year second phase that will be based on lessons learned and physical and institutional infrastructure developed in the first phase. A mid-term review of the Project will further inform the design of phase 2.

Component A: Improved Seed Production and Certification will focus on expanding multiplication of both breeder seed (BS) and foundation seed (FS) building on the existing institutional system⁸, while developing local capacity for transitioning to national systems with minimal external support. In particular, the existing system of multiplying breeder seed to foundation seed is inefficient, realizing a multiplication ratio of 20 instead of the potential of 50. The main reasons for the low multiplication ratio are lack of proper equipment and other facilities, poor agronomic practices, and insufficient trained staff. The project will do a need assessment and finance the required equipment (for land preparation, planting, weeding, harvesting, and post-harvest

⁷ ICT applications could strengthen quality control and input delivery systems, and support M&E activities.

⁸ The current system for improved seed production is mainly donor driven: the major effort to increase production of BS, FS and certified seed (CS) includes the Afghanistan Variety and Seed Industry Development Project (2007-2011) while the Expanding Certified Seed Production and Utilization in Afghanistan Project (2009-2011) stimulates further development of the PSE. Both projects are sponsored by the European Commission (EC) and implemented by the Food and Agriculture Organization of the United Nations (FAO).

processing). More land may also have to be developed, but no land acquisitions are expected because the project will use (government-owned) land that is already reserved for this purpose. In addition, the project will do training needs assessment and deliver the required skills to key staff. Phase 1 will also invest in completing the institutional and regulatory framework for the seed industry, including improving the capacity for seed certification. Phase 2 will fully transition multiplication of breeder and foundation seeds to respectively the Agricultural Research Institute of Afghanistan (ARIA) and the Improved Seed Enterprise (ISE) national agricultural research institutes following their capacity building under the first phase. Phase 2 will also support the private sector to stimulate the establishment of new private seed enterprises (PSE) in more provinces to bring production of certified seed (CS) closer to farming communities.

Component B: Quarantine Networks and Quality Control for Agro-chemicals will support the completion and operationalization of the institutional and regulatory framework for quality and safety standards on fertilizers and other agro-chemicals, including an input certification system. A quality verification system supported by mobile phone applications will be explored to support checks by farmers and traders. Phase 1 will also construct and equip a quality control laboratory for agrochemicals and provide capacity building in the areas of laboratory testing of agrochemicals and safe handling and application of agrochemicals for traders, MAIL extension workers, and farmers. Phase 2 will support expansion of quality control laboratories for fertilizers and agro-chemicals to entry points for imports.

Component C: Improvement and Expansion of Inputs Delivery Systems will consist of an in-depth survey-based study to get a better handle on the functioning of agricultural input markets and demand-side issues such as farm budgets and willingness to pay. The survey will interview input users (farmers), input sellers (shopkeepers, traders and importers) and government field extension staff. The results of the study will be used to develop an action plan for investments required to improve input delivery to farmers and better tailor supply to demand. Phase 2 will focus on operationalizing the action plan. This may include strengthening and expanding Ag Depot and Farm Service Center programs; piloting creation of alternative forms of input delivery systems with farmer groups, CDCs etc; and education and extension programs to demonstrate selected input technology packages as well as farm machinery and equipment.

Component D: Project Implementation and Management The project will be implemented by the Ministry of Agriculture, Irrigation and Livestock (MAIL). The following main technical Directorates from the MAIL side will be involved in the preparation and implementation of the proposed project: (i) for Component A (Improved Seed Production and Certification): Improved Seeds Enterprise (ISE); (ii) for Component B (Quarantine Networks and Quality Control for Agro-chemicals): Plant Protection Directorate (PPD) and Quality Control Directorate (QCD); (iii) for Component C (Improve and Expand Input Delivery System): QCD and Private Sector Directorate (PSD); and (iv) for Component D: (Project Management, Coordination, Monitoring & Evaluation): General Directorate for Programs (GDP). Moreover, the project will establish strong links with the Research Directorate and Extension Directorate.

Scope of work

The consultant will be an environmental and social safeguards specialist and work in close collaboration with the Project Team, participating directorates of MAIL, the Pest Management Plan

consultant, as well as relevant experts hired by MAIL for managing similar environmental and social issues in other relevant Bank-assisted projects, e.g. the Horticulture and Livestock Project (HLP) and the On Farm Water Management Project (OFWP) to design and Environment and Social Management Framework (ESMF) for the IAIDS project. The consultant will report to the National Project Director of the IAIDS Project.

The consultant should study all relevant documents, relevant World Bank Operational Policies, Afghanistan Environmental Law and Regulations, and ESMF and PMP documents for the HLP and OFWMP. The consultant should also study the currently available draft documents on pesticide management in the country, available implementation arrangements, obstacles and achievements in the adoption and application of environmental and social safeguard measures in Afghanistan and identify relevant gaps.

The consultant shall assess the local needs and propose relevant recommendations in the context of Afghanistan for the IAIDS projects that can overcome the identified ESMF implementation weaknesses in other relevant projects in MAIL. The consultant shall also carry out a training needs assessment as part of the ESMF.

Specific responsibilities

The environmental and social safeguards specialist will specifically be responsible for the following:

A. Assessment of past ESMF implementation in Bank-assisted projects

- Collect and review all relevant documents, e.g., Afghanistan Agriculture Development Master Plan, Afghanistan Water Law, Environment Law and relevant regulations, Natural Resources and Forest Law, Land Acquisition Law, Law on managing land affairs, other relevant regulations, and relevant project documents of the Bank-assisted Horticulture and Livestock Project (HLP), On Farm Water Management Project (OFWMP), Emergency Irrigation Rehabilitation Project (EIRP) and other relevant projects (National Solidarity Program etc).
- Collect and review relevant World Bank Operation Policies, especially OP 4.01, OP 4.12 and OP 4.09 as well as other relevant Bank Procedures.
- Review the social and environmental safeguards implementation in HLP, OFWMP, EIRP and other relevant projects (NSP etc) and its compliance with WB operational safeguards policies and relevant national laws and regulations - this will be done through review of project documentation and selected field visits to relevant project sites and interview/discussion with stakeholders.
- Review whether Land Acquisition has taken place in any of the subprojects of HLP, OFWMP, EIRP and other similar projects - and whether ESMF guidelines and procedures were followed including documentation of the process. If ESMF guidelines were not followed, identify the reasons.
- Review experiences of environmental and social safeguards implementation and monitoring from subprojects of HLP, OFWMP, EIRP, NSP etc.

- Meet with key relevant staff of the above-mentioned projects to discuss ESMF compliance and actions taken, including problems encountered so far.
- Meet with relevant staff of the National Environmental Protection Agency (NEPA) and get informed about NEPA's rules, regulations and requirements.
- Review ESMF compliance for a carefully selected group of subprojects, representative of the overall set of OFWMP and HLP subprojects with respect to subproject size, type and location, and any other relevant criteria.
- Study the Pest Management Plan (PMP) of HLP and the survey results about pesticide use and availability in the market undertaken by HLP.

B. Assessment of safeguards requirements for the IAIDS project

- Identify stakeholder groups that may be affected by the activities of the IAIDS project and identify their specific social and environmental issues - and undertake consultations with these stakeholders.
- Investigate macro/regional level social and environmental issues that would need to be considered in the analysis of alternatives, planning and design of the subprojects. Develop a plan to address the identified macro/regional social and environmental issues.
- Assess the scope of the government plans and strategies for the seed multiplication program, regulations for applying chemicals - and assess the probable impacts of these government plans and strategies on subsistence farmers, their sustainability and their possible impacts on the local environment. Identify appropriate institutional arrangements for their mitigation.
- Propose adequate and functioning grievance procedures and mechanism for addressing of social disputes cause by IAIDS project activities.
- Identify constraints, if any, regarding the adequacy of existing social considerations during preparation, design and execution stages of the project.

C. Develop the ESMF for the IAIDS project, including procedural guidelines/tools and methods for implementation and documentation

The ESMF will allow the early identification of potential adverse social and environmental impacts and provide broad guidance for their effective mitigation. Consistent with existing national legislation, the objective of the ESMF is to help ensure that activities under the project will:

- Protect human health;
- Prevent or compensate for all negative impacts of the project (both social and environmental);
- Prevent environmental degradation as a result of either individual subprojects or their cumulative effects;
- Enhance positive environmental and social outcomes;

- Ensure compliance with World Bank safeguard policies as well as the Afghanistan Environmental Law.

Since the IAIDS project will support multiple subprojects, the detailed designs of which may not be known at this stage, the ESMF shall ensure due diligence in managing potential environmental and social risks and the effective application of the World Bank's safeguard policies. To achieve this, the ESMF will provide guidance on the approach to be taken during implementation for the selection and design of subprojects, and the planning and description of feasible and appropriate mitigation and environmental enhancement measures. Thus, the ESMF shall describe how the potential environmental and social impacts of all subprojects will be managed during preparation, implementation, and in the post-implementation periods. The ESMF consultant will:

- Assess the draft proposal for IAIDS Project in terms of safeguards requirements according to national legislation (Environmental Law 2007) and other relevant regulations, WB operational policies and prepare the Environment and Social Management Framework (ESMF) accordingly in view of the assessment under (b) above.
- Identify criteria for triggers that would activate national policies on environmental and social safeguard issues as well as relevant World Bank operational policies such as OP 4.12 on Involuntary Resettlement, OP 4.9 on Pest Management and OP 4.01 on Environmental Assessments. The ESMF will include guidelines for developing the environmental and social management plan (ESMP) to be followed in case these are triggered.
- Formulate an appropriate safeguards approach based on the findings of past safeguards implementation in HLP, EIRP, OFWMP and other relevant Bank-assisted projects.
- Include screening procedures for environmental and social safeguard issues at the subproject level, including exclusion criteria, and appropriate confirmation of de-mining of project areas.
- Incorporate effective monitoring, inspection and environmental auditing and reporting measures to be followed by the grant recipient.
- Propose procedures for a sample social and environmental impact assessment (SEIA) of subprojects. The procedures will include a format for a simple checklist of social and environmental criteria to be taken into account in the evaluation of micro-projects and a process to discuss social and environmental issues with the communities and other stakeholders throughout the process of subproject formulation and implementation. The procedures should be designed to ensure that the SEIA process is seen as assisting the design of subprojects and not as an obstacle to project implementation.
- Develop guidelines to ensure that the operation and implementation plans prepared by implementing agency and local governments for project-related investments take into account social and environmental considerations and mitigation measures identified during subproject evaluation.
- Recommend any regulations which may be required for efficient safeguards implementation and compliance for future projects.
- Lay out the principles for mitigation of safeguards.
- Provide a stakeholders consultation strategy.

- Provide a generic Grievance Redressal mechanism.
- Ensure disclosure of safeguards information.

D. Assessment of capacity constraints and development of a capacity building plan and draft supervision/monitoring and reporting strategy

A capacity building plan should be prepared to mainstream social and environmental management in the activities by the end of the IAIDS project implementation period. Earmarking staff for environmental and social management and improving their skill-sets would be simultaneously pursued during project preparation and implementation. The following three investigations will be covered in the capacity building plan:

- Identify institutional, training and monitoring requirements associated with the social and environmental impacts, mitigation measures and enhancements.
- Assess the capacity and efficiency of MAIL as the government implementing agency and other contracted agencies in monitoring, supervising and implementing the ESMF of the IAIDS project.
- Identify the staff and capacity building requirements for efficient implementation and monitoring of ESMF under IAIDS project.
- Draft a plan for capacity building of MAIL staff in order to improve their understanding of the concept and process of environmental and social safeguards. Include a plan for building adequate social and environmental management capacity in the implementing agencies (clients), their Implementing Partner agency and the contracting firms.

In addition, a strengthened Monitoring, Reporting and Supervision Strategy will be formulated for implementation of ESMF with specific recommendations for PIU and MAIL. Any relevant changes to guidelines, standards and regulations which would improve medium and long term environmental and social management in MAIL should be included.

Outputs

The main output will be a final report which would consist of the four parts detailed below along with an estimated budget for the capacity building and supervision/monitoring of the ESMF:

- A. Assessment of past ESMF implementation in MAIL projects and comparison with experiences from related projects and draw lessons learned.
- B. Assessment of potential social and environmental impacts of the IAIDS project and consequent safeguards requirements.
- C. Draft ESMF including procedural guidelines/tools and methods for developing mitigation measures along with implementation mechanism.
- D. Assessment of capacity constraints in MAIL and agencies vis-à-vis implementation of ESMF; draft plan for capacity building; proposal for supervision/monitoring and reporting of environment and social safeguard issues in the IAIDS project and MAIL.

- E. The completed ESMF report including all parts mentioned above with procedural guidelines/ tools and methods for implementation with attached forms.

Qualifications

The consultant should have expertise and experience in both environmental and social management issues. Specifically the following qualifications are required:

- At least MSc degree in environmental sciences and/or social studies.
- At least 10 years of experience in project management, design and implementation of environment and social related projects and programs in developing countries.
- Experience in post-conflict situations.
- Experience with World Bank rules and procedures.
- Good communication skills and fluency in English (written and spoken) - essential.
- Expertise with proven record of successful performance in similar consultancies in the near past.
- Experience in design and implementation of institutional reform, public administration capacity building related projects.

Reporting

The Consultant is expected to provide the following outputs, as per the schedule given below:

Product	Due date
(1) Inception Report including outline of the approach, methodology and work plan	10 days after arrival
(2) Draft ESMF implementation report for the IAIDS project	30 days after the arrival of the team
(3) Presentation of report to the client and stakeholders	35 days after arrival
(4) Final comprehensive report incorporating feedback	40 days after arrival

Annex 7 – TOR PMP

Afghanistan Improving Agricultural Inputs Delivery System (IAIDS) project

Terms of Reference (TOR)

Consultant for Preparation of Pest Management Plan (PMP)

Project Background

Building on the Agriculture Master Plan, the government in collaboration with its development partners has defined a number of appropriate priorities for agricultural investments and policies under the National Agricultural Development Framework (NADF). In order to increase farmers' incomes and improve the food security situation, the Government is giving foremost attention to strengthening of the agricultural production base. In this respect the government has asked the Bank for assistance in strengthening agricultural input supply systems. Specifically, the Islamic Republic of Afghanistan has requested ARTF funds for supporting the Improving Agricultural Inputs Delivery System (IAIDS) project that will consist of the following four components:

- i) Improve seed production and certification;
- ii) Quarantine networks and quality control for agro-chemicals;
- iii) Improvement and expansion of inputs delivery systems;
- iv) Establish efficient project management, implementation and coordination mechanisms.

Scope of work

The consultant will most likely be an IPM Specialist and work in close collaboration with the Project Team, the Plant Protection Department of the Ministry of Agriculture, Irrigation and Livestock (MAIL) - as well as relevant experts hired by MAIL for managing similar environmental and social issues in other relevant Bank-assisted projects, e.g. the Horticulture and Livestock Project (HLP) and the On Farm Water Management Project (OFWP) to design Pest Management Plan (PMP) for the IAIDS project based on IPM methods. The consultant will report to the National Project Director of the IAIDS Project.

The consultant should study all relevant documents, relevant World Bank Operational Policies, Afghanistan Environmental Law and Regulations, and ESMF and PMP documents for the HLP and OFWMP. The consultant should also study the currently available draft documents on pesticide management in the country, available implementation arrangements, obstacles and achievements in the adoption and application of the IPM approach in Afghanistan and identify relevant gaps.

Specific responsibilities

The IPM Specialist will specifically be responsible for the following:

- Design the first phase of a PMP for the IAIDS project with a focus on IPM programs for the major cereal crops supported by the (IAIDS) Project. This includes pest and disease identification, appropriate control strategies, pest and disease calendars, pest monitoring programs etc. The first phase of the PMP should be based on an initial reconnaissance to identify

the main pest problems and their contexts (ecological, agricultural, public health, economic and institutional) and to define broad parameters – and is carried out as part of project preparation and will be evaluated at project appraisal. The second phase of the PMP – which will consist mainly of the development of specific operational plans to address the pest problems identified – will be carried out as a component of the project itself;

- Introduce mechanical, biological and cultural methods for control of pests and diseases, e.g., crop rotation, use of predators etc;
- Prepare and make a plan to operationalize the PMP as required by the World Bank operational policy (OP) 4.09;
- Provide sound technical advice and guidance to the IAIDS project regarding pest and disease management strategies, including appropriate practices for Afghanistan;
- Develop and deliver training and extension support to field staff and promote the use of IPM methods into the extension system of MAIL;
- Develop a strategy for assisting and mentoring national counterparts involved in the technical program of the IAIDS project;
- Ensure the timely presentation of technical and progress reports regarding the consultancy;
- Develop a methodology and administrative structure for the implementation of IPM approach as well as for environmental management in the IAIDS project/MAIL in cooperation with Plant Protection Directorate, HLP and OFWM projects;
- Develop capacity building for environmental management and application of the IPM approach and awareness raising program for the IAIDS project – including training for the project staff at the central level to ensure that there is fully aware about social and environmental issues including awareness of IPM methods;
- Develop an environmental supervision and monitoring plan for the IAIDS project;
- Suggest measures to improve the institutional and information flow arrangements for enhancing the effectiveness of environmental management in MAIL/IAIDS project (including staffing, training and other capacity-building, and information management);
- Suggest lessons from other national and international experiences that could be mainstreamed into the IAIDS project to enhance environmental management.

Qualifications

For the position of IPM Specialist consultant the following qualifications are required:

- Advanced degree in plant protection or related discipline from a reputable university;
- Proven recent experience with similar consultancies and/or managing cereal IPM projects, preferably in post-conflict contexts;
- Experience with WB rules and procedures;
- Background in preparation and delivering of similar documents and doing consultancy work related to preparation of PMP and/or EIA and/or SIA works for World Bank funded agricultural programs would be a great advantage;
- Experience in design and implementation of projects related to institutional reform and/or public administration capacity building;
- Fluency in English language (written and spoken) - essential;
- Proven communications and reporting skills.

Outputs

The main output will be a final report which would consist of the four parts detailed below along with an estimated budget for the capacity building and supervision/monitoring of the PMP:

1. Analysis of the country context, project development objectives and project components; and assessment of the potential impacts of project activities on local communities and the environment; and propose how to avoid, reduce or compensate potential negative impacts.
2. Analysis and assessment of capacity constraints in MAIL vis-à-vis implementation of a PMP; capacity building plan for supervision/monitoring and reporting on pest management in the IAIDS project and MAIL.
3. Detailed description of the first phase of the PMP, using the standard outline used internationally including the World Bank, aimed at minimizing the IAIDS project's potential adverse impacts on human health and the environment and to advance IPM methods; this will include procedural guidelines/tools and methods for implementation with attached forms.

Reporting

The Consultant is expected to provide the following outputs, as per the schedule given below:

Product	Due date
(1) Inception Report incl. outline of the approach, methodology and work plan	15 days after arrival
(2) Draft PMP (first phase) for the IAIDS project	60 days after the arrival of the team
(3) Presentation of draft report to the client and stakeholders	70 days after arrival
(4) Submission of final comprehensive report incorporating all feedback received	90 days after arrival