

**AFGHANISTAN**

**RESEARCH IN ALTERNATIVE LIVELIHOODS FUND (RALF)**

**DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID), UNITED KINGDOM**

**INTERNATIONAL CENTER FOR AGRICULTURAL RESEARCH IN THE DRY AREAS (ICARDA)**

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## ACRONYMS

AsDB	Asian Development Bank
ATA	Afghanistan Transitional Administration
CGIAR	Consultative Group for International Agricultural Research
CND	Counter-narcotics Directorate
CRF	Competitive Research Fund
EC	European Commission
FAO	Food and Agriculture Organisation of the United Nations
FHCRAA	Future Harvest Consortium to Rebuild Agriculture in Afghanistan
ICARDA	International Centre for Agricultural Research in the Dry Areas
MAAH	Ministry of Agriculture and Animal Husbandry
MRRD	Ministry of Rural Rehabilitation and Development
NCDS	National Drug Control Strategy
NGO	Non-governmental organisation
NRMNDP	Natural Resources Management National Development Programme
NRVA	National Risk and Vulnerability Assessment
NSC	National Security Council
OPEC	Organisation of Petroleum Exporting Countries
OPR	Output to Purpose Review
OVI	Objectively verifiable indicator
PRP	Project Review Panel
RALF	Research in Alternative Livelihoods Fund
TCAP	Transitional Country Assistance Plan
TISA	Transitional Islamic State of Afghanistan
UNODC	United Nations Office for Drugs and Crime
WFP	World Food Programme

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## **1. SUMMARY**

1.1. The purpose of the Research in Alternative Livelihoods Fund (RALF) is to develop and promote innovative alternative livelihood options for rural Afghans currently economically dependent on opium poppy. Having alternative livelihoods in place (goal) will contribute to the supergoal of sustainable elimination of opium poppy in Afghanistan.

1.2. RALF will use a competitive research grant mechanism to mobilise innovative ideas for the development and promotion of alternative livelihood opportunities in Afghanistan. The beneficiaries will be the, predominantly poor, farming population and casual workers who currently depend on the illicit activity of growing poppy for their livelihood. The outcome of RALF will be licit alternatives to opium production that are practicable in the socio-economic environment of Afghanistan, and that are accessible to rural people.

1.3. The overall scope of RALF will be applied research and promotion of natural resource-based livelihoods, including post-harvest processing and services, specifically directed at farmers and other rural stakeholders in areas currently affected by poppy production.

1.4. RALF will be managed by the International Centre for Agricultural Research in the Dry Areas (ICARDA). A Project Review Panel (PRP), including independent experts, a representative of the Afghan Government, DFID, and ICARDA will review proposals submitted by 'partnerships' comprising international and Afghanistan-based agencies. This combination will maximise synergy between international research practice and knowledge of the local Afghan context. A workshop will be held annually to share lessons between projects under RALF and with other relevant rural development projects in Afghanistan. Government and NGO partners will benefit from capacity building through project activities, and lessons may be learned to shape Afghanistan's future agricultural research strategy.

1.5. RALF is scheduled to run for approximately three years from January 2004 to December 2006. The first Request for Proposals will be issued early in 2004, with a second request anticipated late in 2004.

## **2. PROGRAMME RATIONALE**

### **2.1 Background**

2.1.1. Afghanistan has been the World's major supplier of illicit opium for a decade. The production and processing of narcotic drugs grossly distorts the economy and, by supporting criminals and terrorists, jeopardises the security and stability of the region as well as the development of Afghanistan. The Transitional Islamic State of Afghanistan (TISA) has adopted a National Drug Control Strategy (NDCS) with objectives of reducing poppy cultivation by 70% in five years and complete elimination in ten years.

2.1.2. The Afghan Transitional Authority (ATA) is fully committed to both elimination of illicit drugs and to rural development. In the former context a Presidential Decree (January 2002) bans production and trafficking in narcotic drugs, and in March 2003 the NDCS was adopted, with a target of achieving a 70% reduction in poppy production by 2008 and complete elimination by 2013.

2.1.3. The United Kingdom coordinates international counter-narcotics in Afghanistan, and has adopted a plan to support implementation of the NDCS. DFID's Afghanistan programme contributes to making the environment more secure for licit economic activities, and to raising

the risks of poppy cultivation. DFID's livelihoods programme forms the backbone of the Alternative Livelihoods component of the UK plan, and through their ongoing development programmes, DFID has built strong relationships with the relevant Afghan ministries. The United Kingdom's overarching policy goal is a stable, secure and prosperous Afghanistan. A 'UK Plan to Support Implementation of the Afghan National Drug Control Strategy', with objectives and implementation plans that parallel the NDCS, has been formally adopted. DFID's Transitional Country Assistance Plan (TCAP) contributes to this overall objective by focusing, *inter alia*, on supporting the development of sustainable livelihoods for poor Afghans.

2.1.4. The livelihoods of a significant number of rural Afghans currently depend on growing opium poppy. If both the development and counter-narcotics objectives of the Government are to be achieved, sustainable alternative livelihoods must be identified for those who are currently engaged in illicit drug production. An implementation plan for alternative livelihoods is embedded in the strategy, and this includes such elements as increased productivity through better technology and husbandry practices, and improved efficiency of water use.

## **2.2 Institutional details**

2.2.1 Afghanistan is a unitary state governed by an executive Presidency and Cabinet. Responsibility for counter-narcotics rests with the Counter-narcotics Directorate (CND) of the National Security Council (NSC) under the Office of the President. With assistance from the United Kingdom, who leads international coordination on combating narcotic drugs in Afghanistan, CND has developed a National Drug Control Strategy (NDCS) that has been approved by the Cabinet. Alternative livelihoods is one of the pillars of the NDCS. The ATA agency leading the NDCS and coordinating the counter-narcotics agenda is the Counter-narcotics Directorate (CND) of the National Security Council (NSC), under the Office of the President. However, coordination of alternative livelihoods is by the Ministry of Rural Rehabilitation and Development (MRRD).

2.2.2 The alternative livelihoods agenda includes initiatives in natural resource management, social protection and private sector development. Notwithstanding some overlaps between these fields, RALF's mandate is clearly focused on natural resource management. The Ministry of Agriculture and Animal Husbandry (MAAH) leads the Natural Resource Management National Development Programme under the National Development Budget and is the lead ATA counterpart agency for RALF. MAAH is a member of Alternative Livelihoods Working Group under the chairmanship of MRRD. Although MAAH is the lead ATA agency, MRRD and CND will be invited to relevant workshops and lesson sharing activities and will be kept informed of programme progress.

2.2.3. The managing agency of RALF is the International Centre for Agricultural Research in the Dry Areas (ICARDA). ICARDA is one of 16 international centres under the umbrella of CGIAR (Consultative Group on International Agricultural Research), an association of 62 members, which include states, UN agencies, development banks and charitable foundations. ICARDA is international, non profit-making research institution governed by a Board of Trustees and dedicated to research in international public goods. ICARDA's headquarters are in Aleppo, Syria, and it has an office in Kabul. ICARDA is the lead agency in the Future Harvest Consortium to Rebuild Agriculture in Afghanistan (FHCRAA), a loose association of agencies which share a common interest in contributing to Afghanistan's agricultural development. FHCRAA currently includes MAAH, FAO, CGIAR centres, NGOs, US land grant universities, and donors, and member is open to other agencies sharing this common interest. FHCRAA provides an institutional framework for information exchange and lesson sharing on Afghanistan's agricultural development.

## **2.3 Programme Approach**

### *What problems does the programme address?*

2.3.1. Poppy has many advantages as a source of livelihoods for rural Afghans. Current estimates suggest that the livelihoods of around 20-30% of rural Afghans are at least partially dependent on growing opium poppy. In the recent protracted period of weak government control and instability, poppy has been a low risk crop in a high risk environment. ATA sponsored enforcement of eradication, in 2002 and 2003, although having some impact in the core poppy growing areas, has accelerated expansion into new areas where enforcement is more difficult.

2.3.2. Identifying sustainable alternatives to poppy is a challenging but not impossible task, particularly if improving the carrot of alternative livelihoods is matched by strengthening the stick of law enforcement. In rural areas the majority of livelihood alternatives are expected to be derived from some form of natural resource utilisation (crops, livestock, forest products) or from related processing or services. RALF focuses specifically on natural resource based livelihoods. A comprehensive solution to the problem also requires initiatives focused on employment, private sector development and social safety nets. The RALF mechanism is specifically geared to identifying innovative and novel ideas that significantly add to the range of options available to rural people in different parts of the country.

2.3.3. In spite of the urgent need for innovative solutions, more than 20 years of conflict and neglect has left Afghanistan's system for research and extension devastated. Many of the previously competent staff have left government or have fallen behind recent developments in agricultural research and rural development theory and practice, and many of the experimental sites and laboratories have been destroyed. Clearly, the capacity and facilities currently available in Afghanistan are inadequate to respond the challenge of finding viable alternatives to an entrenched economy based on an illicit crop.

2.3.4. RALF circumvents this chronic lack of capacity by involving research institutions outside Afghanistan and NGOs, as well as agencies of ATA. The programme aims to contribute to capacity building of the Ministry of Agriculture and Animal Husbandry (MAAH) by involvement in project selection, in programme review, and in activities at the field level.

### *How will the programme be implemented?*

2.3.5. The overall scope of RALF is applied research into natural resource-based livelihoods, including post-harvest processing and services, specifically directed at farmers and other rural stakeholders in areas currently affected by poppy production. The Logical Framework of the RALF Programme is presented in Annex 1.

2.3.6. RALF will operate through the mechanism of a competitive research fund (CRF) managed by ICARDA. The CRF will attract a range of innovative proposals for research and development projects, normally from 'mini-consortia' including an international or non-Afghan research institution and an Afghan-based partner, which may be a local NGO, UN agency or international NGO registered in Afghanistan, MAAH or other agency of the Afghan government, or a university or other institute of higher education. This combination is intended to maximise synergy between international research practice and knowledge of the local Afghan context.

2.3.7. An independent Panel will review proposals and select projects for funding according to criteria reflecting the programme purpose of '*developing and promoting innovative alternative livelihood options for rural Afghans currently economically dependent on opium poppy*'.

2.3.8. Projects funded by the CRF will carry out field research in a participatory way with farmers or other beneficiaries, and will envisage a mechanism for transferring the results of research to the beneficiaries, and ideas for scaling up successful research results to a broader group. Proposals that aim to build on, and add value to, previous research work will be encouraged. Projects should also include an element of capacity building, for Afghan Government and NGO collaborators. Apart from generating practical results of research that can be applied by rural people, RALF will also test the CRF mechanism, which may provide lessons for Afghanistan's emerging broader agricultural research strategy.

2.3.9. RALF will deliver its principal outputs through individual projects that are funded by the CRF facility. Project selection is through an autonomous Project Review Panel, and there is scope to review and modify the selection criteria if this delivery mechanism is less effective than envisaged. Individual project managers will report to the RALF managers, who will keep DFID informed of progress and any potential problems.

#### *What are the expected benefits?*

2.3.10. The benefits of the programme are clearly articulated in the purpose statement and in the project outputs (see logframe in Annex 1), which are:

- A competitive mechanism for funding innovative applied research projects tailored to the programme purpose
- Recommended technologies and support services, tested and available for implementation
- Improved capacity for applied research and extension in government and NGO partners.

2.3.11. The most direct benefits will accrue to the farmers and other rural residents who will be able to access alternative ways of making a living that are legal and secure. Afghan Government and NGO research partners will benefit from the research and development skills transferred from international partners, and the CRF mechanism may provide a model for further Afghan research initiatives.

#### *Who are the key stakeholders?*

2.3.12. The key ATA stakeholder is the Ministry of Agriculture and Animal Husbandry (MAAH), which leads the Natural Resource Management National Development Programme (NRMNDP) under which initiatives focussed on agricultural research are coordinated. The Ministry of Rural Rehabilitation and Development (MRRD) is responsible for coordination of alternative livelihood interventions (which include non-agricultural livelihoods), and the Counter-narcotics Directorate (CND) is responsible for overall coordination on illicit drugs issues.

2.3.13. Key international stakeholders are the AsDB, which leads international coordination on the NRM NDP, UN (FAO and UNODC), the World Bank, EC and bilateral donors such as the United States, Germany and Japan. NGOs, both international and Afghan are important stakeholders as they often have the most direct contact with development in rural areas. The British Embassy and other UK government Departments have an interest in the programme, because it interfaces with counter-narcotics activities through alternative livelihoods-related work. All of these institutions were consulted during programme preparation.

### 3. THE TECHNICAL, ECONOMIC, SOCIAL AND ENVIRONMENTAL CONTEXT

3.1. Some of the key design issues for alternative livelihood interventions are listed in Box 1, below.

#### **BOX 1: DESIGN ISSUES FOR ALTERNATIVE LIVELIHOODS INTERVENTIONS**

- How does the programme being developed compete with poppy, not only economically, but also in terms of social benefits such as assuring access to land and credit, and in generating employment?
- What stakeholder group will benefit from the intervention (i.e. landowners, sharecroppers, labourers etc), and what will be the impact on other groups affected by a shift from a poppy-based to a licit livelihood strategy? Any specific impact on women should be noted.
- If a new product is introduced, or an existing product developed, what is the market for this product?
- What are the risks faced by the new programme (e.g. failure due to natural disaster, market collapse etc)?
- Is the new programme socially and culturally acceptable in the areas where it is proposed?
- If a new crop is introduced, where are agro-ecological conditions suited to its cultivation?
- What support services are needed and how will they be sustained?
- If production is linked to agri-processing, what scale of operations is required to support the processing plant, and what are the implications of land use change on existing farming systems in the area?
- What are implications for land tenure and access to water?

#### **3.1 Technical issues**

3.1.1. The livelihoods of around 20% - 30% of the rural population are dependent at least partially, on the production of opium poppy. Poppy is a particularly attractive source of a livelihood. It yields a high economic return, and, because it has a high labour demand (estimated as 350 person days/ha/annum) it provides access to employment, land and credit for a large number of people. In the present situation, with little effective law enforcement and unreliable security, poppy is essentially a low risk crop in a high-risk environment.

3.1.2 Opium poppy (*Papaver somniferum*) has been grown and used as a medicinal plant since prehistoric times. It is adaptable to a wide range of climatic conditions and is grown over a wide altitudinal range in Afghanistan, from around 500m (in Nangahar) to 2500m in the central highlands and Badakhshan, although yields are lower at high altitudes (above c. 2000m). Poppy grows best on medium textured soils (sandy loams to clay loams), and is not a highly water demanding crop. It is, however, demanding in terms of husbandry, requiring good seed bed preparation and weeding. Together with the labour demand at harvest, this results in high labour requirements, estimated as 350 person/days/hectare, which has social and economic implications for poppy-based farming systems (see 3.2).

**Table 1. Poppy cultivation in 2003, by province (UNODC 2003 Opium Survey)**

<b>Province</b>	<b>Area (ha)</b>
Badakhshan	12,756
Badghis	170
Baghlan	597
Balkh	1,108
Bamiyan	610
Farah	1,700
Faryab	766
Ghor	3,782
Helmand	15,371
Herat	134
Jawjan	888
Kabul	237
Kandahar	3,055
Kapisa	326
Khost	375
Kunar	2,025
Kunduz	49
Laghman	1,907
Nangahar	18,904
Nimruz	26
Nuristan	648
Paktiya	721
Samangan	101
Sari Pol	1,428
Takhar	380
Uruzgan	7,143
Wardak	2,735
Zabul	2,541

Ghazni, Loghar, Paktika, Parwan considered poppy free (or not surveyed)

3.1.3. In Afghanistan, poppy is traditionally sown as a winter crop, with planting around November- December and harvest, depending on altitude and resulting temperature regime, from April – June. In Badakhshan most planting occurs in spring (March – April) with harvesting in June – July. Approximately 95% of poppy is grown under irrigated conditions. Monocropping of poppy is rare, as farmers normally prefer to grow some wheat to cover a proportion of food security needs, and wheat and poppy are commonly rotated to optimise management of soil fertility and minimise pest and disease risks.

3.1.4. The UNODC annual poppy survey for 2003 shows that poppy cultivation has now spread to 28 of Afghanistan’s 32 provinces. The estimated area cultivated is 80,000 ha, equivalent to 1% of total arable land and less than 3% of irrigated land in the country.<sup>1</sup> Total production of opium is estimated as 3,600 mt. Table 1 shows the distribution of area cultivated by province.

3.1.5. Opium is a non-perishable, low weight-high value product and is ideally suited to the war-damaged physical infrastructure. As an annual crop, with a relatively guaranteed market, opium provides a degree of certainty that many crops, such as fruit and vegetables, cannot offer. When these factors are combined with a lack of credible law enforcement it is clear that opium poppy cultivation offers people a level of relative security in a high risk environment.

3.1.6 Given the particular economic and social advantages of opium poppy (3.2 and 3.3) and the current weakness of law enforcement agencies, identifying sustainable alternative

sources of income and security on which to build livelihoods is a challenging task. Livelihoods in rural areas are varied and location specific. Agriculture, including livestock and other forms of natural resource management, currently provides the basis for the livelihoods of over three-quarters of the population and accounts for over 50% of GDP. The importance of the agriculture sector, and processing and services associated with it, is expected to continue for at least the medium term (including the period covered by the Afghanistan Drug Control Strategy). Many non-farm activities are also linked to the agricultural sector.

<sup>1</sup> UNODC estimate that 264,000 farm households are involved in poppy growing, out of an estimated 1.06m farm households in Afghanistan and a total non-farm rural population of 2.5m.

3.1.7 RALF's focus is on the agricultural sector in the broadest sense, including crop and livestock production, rangeland and forest management, and agri-processing and related services. In identifying alternatives to poppy we must look beyond simple crop substitution to how alternative products or services impact on livelihood systems to produce comparable social and economic benefits.

3.1.8. Natural resources research may result in new varieties or technologies. In accordance with CGIAR policy the results of research would be regarded as international public goods and rights would be governed in a way that is consistent with relevant United Nations Conventions.

## **3.2 Economic issues**

3.2.1. UNODC estimates the value of opium to be \$1.02bn, based on average farm gate prices of \$283. A further \$1.3bn is estimated to be added through processing into heroin and trafficking to Afghanistan's borders. Thus the total value of Afghanistan's opium economy in 2003 is estimated to be \$2.3bn<sup>2</sup>, roughly equivalent to 50% of GDP. Afghanistan current supplies approximately 75% of the World's illicit opium.

3.2.2. Based on UNODC (2003) data on average yield and price, the gross revenue (ignoring the costs of production) from poppy production is around \$4000 per hectare, which is approximately nine times that of irrigated wheat. UNODC estimates household incomes varying from \$1700 to \$6800 from opium production in the north and south of the country respectively. These figures, however do not take into account production costs, and ignore how income is distributed between the stakeholder groups. Sharecroppers normally receive a much lesser proportion of the profit than do landowners (see 3.3 below).

3.2.3. The high demand for labour during peak periods of the production cycle, particularly at harvest, has a major impact on the labour market, with knock-on effects on the wheat economy and on cash-for-work programmes. Labour rates commonly increased to \$10 per day (with meals provided) in parts of Badakhshan during the 2003 harvesting season as against a \$2/day rate that is common in cash for work programmes.

## **3.3 Social issues**

3.3.1. In discussing social issues related to the opium economy, it is helpful to distinguish between the various stakeholder groups involved in poppy growing and harvesting. These include:

- Large landowners
- Landowner farmers
- Sharecroppers
- Labourers.

3.3.2 These groups grow poppy for different reasons and benefit to different extents from the proceeds. Landowner-sharecropper arrangements vary in different parts of the country, but a typical arrangement may be for a sharecropper to gain 25% of the crop. However, as the sharecropper may have mortgaged this share in advance, and is less able to hold his crop to hedge against low prices, the proportional share of income may be considerably less than this. Assuming a 20% share of the income (arguably on the high side) average sharecropper family income would be \$340 - \$1,360 based on 2003 UNODC figures. It is worth noting that since the 2003 UNODC survey, which quotes an average opium price of \$283/kg, prices have dropped considerably. Recent (November 2003) evidence indicates a fall in opium price to \$236/kg in

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<sup>2</sup> UNODC 2003 poppy survey

Helmand, \$182/kg in Nangahar and \$120/kg in Badakhshan. Such falls may be due to current over-supply, particularly given that poppy cultivation increased by 55% in Badakhshan between 2002 and 2003. The result is to narrow the financial gap between poppy and alternative income sources.

3.3.3. Opium production can be very profitable for people with access to resources where there is no effective law enforcement. Specifically, they need access to land, water and, in particular, unpaid or low paid labour. The land tenure system has ensured that landowners have access to cheap labour and therefore gain a disproportionate share of the final opium crop. Sometimes this is seasonally migrant labour from other parts of the country. Those with sufficient financial assets have further increased their profit margins on opium poppy by purchasing opium in advance at a low price. Finally, by retaining their opium crop and selling it some months after the harvest when prices have risen, those households who are least dependent on opium poppy as their sole source of income are most able to benefit.

3.3.4. However, the income that the relatively better-off farmers derive from opium poppy is at the cost of poor sharecroppers and labourers. Poor people do not have access to land unless they provide low or unpaid labour through sharecropping arrangements. They are therefore forced to grow opium and give a share to their landlords. They have to sell their opium at low prices, immediately after harvest, to feed their families throughout the year, and are most dependent on opium poppy due to limited alternative income opportunities. In addition, opium is one of their only sources of essential financial credit. This can lock households into a vicious circle of opium cultivation as they plant each new crop to pay off the advance on the last. It is one of the only means of repaying the high levels of debt incurred by opium producing households.

3.3.5. Because of the high labour demands on opium poppy, women and children play an important role in tending and harvesting. Opium therefore adds to the burden on women and encourages child labour, and cultural constraints often prevent women's engagement in alternative means of income generation such as cash for work schemes. Targeting alternative livelihood opportunities at women will raise the opportunity cost of women's labour, thereby constraining the opium economy as well as yielding social benefits.

3.3.6. Recent surveys have shown that farmers would prefer not to grow poppy if there are alternatives available that offer comparable economic and social benefits. Cultivation of poppy is un-Islamic, as well as illegal. Potential alternative livelihood opportunities must address the reasons why different socio-economic groups (landowner farmers, sharecroppers and labourers) grow poppy, and demonstrate clear benefits in social and economic terms.

### **3.4 Environmental issues**

3.4.1. Offering a reasonable leaf canopy as protection against soil erosion and not being particularly demanding in terms of water requirements, poppy is not a crop with significant adverse environmental impacts. However, an indirect impact of an expansion of poppy in 2003 is to extend wheat cultivation to more marginal sloping land where there are severe risks of soil erosion. There is currently no active programme for soil conservation in Afghanistan.

3.4.2. Alternative livelihood options researched under RALF must have a positive or neutral environmental impact. An environmental screening note is required as part of the project proposal submissions. The principle environmental issues that need to be considered are sustainable management and conservation of water and land resources, rangeland and forests, and any polluting effects of intensive livestock production or agro-industries.

## **4. IMPLEMENTATION**

### **4.1 Management arrangements**

4.1.1. RALF will operate through the mechanism of a competitive research fund (CRF). The CRF will be managed by ICARDA through their Headquarters in Aleppo, Syria. ICARDA also has an office base in Kabul, which will liaise with projects in the field. ICARDA will allocate 50% of time of the FHCRAA Programme Coordinator, and support staff in Aleppo, and allocate a proportional time of its Kabul-based staff, to manage the programme.

4.1.2. MAAH, as the lead ATA counterpart Ministry, will nominate a suitably qualified person to sit on the Project Review Panel (PRP).

4.1.3. DFID supervision of the programme will be primarily through the Kabul office by the Deputy Programme Manager and the Senior Rural Livelihoods Adviser. As RALF will be funded from resources allocated to the UK drug control strategy, the British Embassy also have an interest in the programme.

4.1.4. ICARDA will publicise RALF and its CRF mechanism among FHCRAA members and the wider community concerned with natural resource-based research and development in Afghanistan. The programme managers will issue calls for proposals for applied research projects addressing topics of relevance to the programme purpose. ICARDA will then manage the selection, supervision and monitoring and evaluation of projects funded under the CRF.

4.1.5. The Programme Managers will establish a Project Review Panel to include:

- The ICARDA designated Programme Manager
- A representative of the Afghanistan MAAH.
- A representative of DFID (Senior Rural Livelihoods Adviser)
- A senior authority on rural development and drugs in Afghanistan.
- A senior agricultural scientist
- A senior social development specialist.
- Representatives of any other donors contributing to the programme.

4.1.6. ICARDA will nominate a Panel Chairman from the three specialists listed above. The PRP will meet annually to review proposals for research and development projects submitted for funding under the CRF. Proposals will be submitted for peer review and assessed on the basis of an agreed set of criteria, designed to reflect the likelihood of their contribution to the programme purpose.

4.1.7. As ICARDA and MAAH are represented on the PRP but are also eligible to submit proposals for funding under RALF, in order to avoid potential conflicts of interest, the institutions PRP representatives will not participate in reviews, and will waive voting rights, with respect to proposals in which their institutions have a direct interest. To avoid possible conflicts of interest there will be a ceiling of 50% on the number of projects in which ICARDA is involved as a research participant.

4.1.8. Project proposers will represent 'mini-consortia' including a research institution and an Afghan partner with experience in the area that fieldwork is to be carried out. The Afghan partner may either be an NGO (either local or international with registration in Afghanistan), MAAH or other governmental body, or higher educational establishment. This combination is

intended to maximise synergy between international research practice and knowledge of the local Afghan context.

4.1.9 Total project budgets will be between \$100,000 (£60,000) and \$400,000 (£240, 000). Work plans must fit, and outputs must be delivered, within the RALF timeframe.

4.1.10. Each project will have a logframe with specific measurable indicators related to project purpose and goal. Delivery of project outputs and achievement of project purpose will contribute to the programme level OVIs in the RALF logframe (Annex 1). Achievement of the programme purpose will contribute to the goal of increased sustainable livelihood opportunities, and the super-goal of sustainable reduction of poppy production in Afghanistan.

4.1.11. The programme will commence on in January 2004 and run for three years until 14<sup>th</sup> December 2006. Bearing in mind that the relationship of alternative livelihoods initiatives to five year and ten year targets for poppy reduction, an extension of the programme may be considered depending on current performance and resources available.

4.1.12. A three year programme will enable two rounds of proposal submissions, with four or five projects being selected per round and the later projects being shorter term and more biased towards promotional activities (unless the programme is extended). The number of rounds and the number of projects could be increased if contributions are received from other donors.

4.1.13. ICARDA will draw up contractual Letters of Agreement with the lead agencies of projects that have been selected by the PRP.

## **4.2 Monitoring**

4.2.1. ICARDA will be responsible for monitoring progress of individual projects with respect to their logframe targets. Such monitoring will normally require a field visit at least once, and preferably more frequently, during the course of project implementation. The Programme Coordinator will be supported by Kabul-based ICARDA staff. ICARDA will also hire consultants to undertake an independent review of each project. Information on actual or potential changes in production, uptake, and income or other livelihood indicators will be collected during field visits. ICARDA will report back their findings to project implementers for their consideration and possible action.

4.2.2. DFID will conduct an output-to-purpose review of RALF approximately two years after project initiation. If other donors contribute to the programme, monitoring procedures will be coordinated.

## **4.3 Accounting**

4.3.1. Lead agencies implementing projects under RALF will account to ICARDA on utilisation of project funds. ICARDA will account for utilisation of programme funds (including funds allocated to individual projects) to DFID.

## **4.4 Reporting**

4.4.1. Lead implementing agencies of RALF projects will report on a coordinated quarterly basis to ICARDA, who will compile this information and submit consolidated quarterly technical progress reports to DFID.

4.4.2. Quarterly reports should be relatively brief, reporting on progress, and outline work plans for the next quarter, at both the programme and project level, and noting any particular problems or constraints and action required by DFID.

4.4.3. Lead implementing agencies of RALF projects will submit annual reports to ICARDA which will include more detailed discussion of issues related to programme strategy, progress and achievements.

## **5. RISKS AND UNDERTAKINGS**

5.1. As with any intervention in rural Afghanistan, there is an overarching risk that a deterioration in the security situation will prevent or disrupt essential fieldwork. The likelihood of this risk will vary across the country, with southern areas, including the major poppy producing region of Helmand- Uruzgan- Kandahar, being the worst affected. The risk may be partly mitigated by building some flexibility into the design of programmes and in judicious choice of field sites. Progress in local governance and security sector reform should reduce the probability of occurrence. ***Probability medium – high; Impact: High.***

5.2. There is an additional risk that, due to the extent of the economic and social benefits of poppy, and the entrenchment of the opium economy, alternatives will be insufficiently attractive for widespread uptake. However, development of alternative livelihoods will be matched by tightened law enforcement and by information campaigns, thereby significantly raising the risks to poppy growers and making the crop a much less attractive option. Through its component projects, RALF will attempt to identify the reasons why different groups grow poppy, and to target interventions so as to minimise the risk that they are rejected. ***Probability: Low; Impact: Medium.***

## ANNEX 1: RALF LOGFRAME

Element	Objectively Verifiable Indicators	Means of Verification	Risks and Assumptions
<b>Supergoal:</b> Sustainable reduction and elimination of illicit poppy cultivation in Afghanistan	Poppy cultivation reduced by 70% by 2008	UNODC surveys	
<b>Goal:</b> Sustainable livelihoods in place for rural Afghans in poppy growing areas	1. Licit income levels increased 2. Improved food security	NRVA surveys FAO/WFP crop assessments Ex-post evaluation	Effective law enforcement in place
<b>Purpose:</b> To develop and promote innovative alternative livelihood options for rural Afghans currently economically dependent on opium poppy.	End of programme: 1. At least 6 alternative livelihood technologies identified, tested and promoted in poppy growing areas. 2. Channels and essential services secured, for rapid promotion and uptake of successful technologies	RALF progress reports MAAH reports Reports of other development projects.	Farmers and other rural people adopt livelihood technologies developed through RALF projects.
<b>Outputs</b>			
1. A competitive mechanism for funding innovative applied research projects tailored to the programme purpose.	1.1. Administrative and governance mechanisms in place for CRF 3 months after programme initiation. 1.2. At least 4 high quality applied research and development projects selected and first tranche funding disbursed within 6 months of project start; and at least 10 projects (cumulative total) selected and first tranche funding disbursed within 18 months of project start.	RALF progress reports	A sufficient number of proposals of adequate quality, for projects that are both innovative and practicable, is received in response to calls.

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2. Recommended technologies and support services, tested and available for implementation.	2.1. 75% of projects funded by the CRF yield positive results, translating into practicable recommendations that can be used to improve incomes or food security, or provide employment. 2.2. Support services needed to support improved technologies clearly identified.	Project progress reports RALF progress reports OPR report. Participatory trials of new technologies in the field.	Assumptions underlying project design are correct, and technologies are practicable in the field. The required support services exist, or can be put in place through other projects, in the areas where the technology is to be practised.
3. Improved capacity for applied research and extension in government and NGO partners.	3.1. MAAH PRP member fully conversant with operating a CRF mechanism for agricultural research, by end of programme. 3.2. Participating Afghan partners have improved research and development skills by end of programme. 3.3. ATA adopts lessons from RALF in new research strategy.	Project scoring and qualifying notes by MAAH PRP member. Project reports, incorporating work by Afghan partners. ATA research strategy documentation.	Sufficient allowance is made, at programme and project level, for on-the-job training of Afghan personnel.
<b>Activities</b>			
1.1. Establish management arrangements for CRF. 1.2. Select and Recruit PRP members. 1.3. Issue calls for proposals 1.4. Review and select projects 1.5. Monitor and evaluate projects	1.1. Update guideline on CRF management if required within 3 months of programme start. 1.2. PRP in place in time to review first batch of proposals (2 months after programme start). 1.3/1.4. First batch of projects approved 4 months after programme start (second batch 18 months after programme start). 1.5. All projects monitored by ICARDA (using external consultants when appropriate) before programme month 30.	Project progress reports Contracts with PRP members Call for proposals	Suitably qualified people available to participate in PRP

Element	Objectively Verifiable Indicators	Means of Verification	Risks and Assumptions
2.1. Form international- Afghan 'partnerships' and prepare proposals. 2.2. Implement projects (separate project logframes to be prepared)	2.1 Good quality proposals prepared, potentially fundable under CRF. 2.2. Indicators developed in project logframes and work plans)	Proposals submitted to RALF (including project documents with logframes).	
3.1. Engage MAAH PRP member and mentor as required. 3.2. (On-the-job training to be factored into project logframes and work plans). 3.3. Conduct two lesson sharing workshops and participate in lesson sharing events sponsored by other projects	3.1. MAAH member actively participating in reviews, PRP meetings and workshops. 3.2. Identifiable capacity building elements in projects. 3.3. Workshops conducted with active stakeholder participation.	Minutes of PRP meetings Project documents RALF progress reports.	