

## Annex

### 1. IDENTIFICATION

Title/Number	IGAD Livestock Policy Initiative – FED/2005/17769 (9 ACP RSA 010, 9 ACP RPR 036)  Addendum No 1 to Financing Agreement N° 9349/REG		
Total cost (increase in budget)	EUR 1,098,000 for this measure increasing the Financing Agreement to a total of EUR 7,308,000 (of which 6,210,000 EUR apply to the original Financing Agreement.  (0.15% RIP) EU contribution 100%		
Extension of period of implementation	Eighteen months extension: 29/02/2012		
Aid method / Method of implementation	Project approach – Partially decentralised management		
DAC-code	31163	Sector	Livestock

### 2. CONTEXT

Livestock contributes to the livelihoods of an estimated 40 million poor people in the Greater Horn of Africa contributing to nearly 60% of the combined agricultural GDP of the IGAD member states, ranging from 20% in Uganda to nearly 90% in Somalia. Some 40% of the human population in the IGAD region live in pastoral and agro-pastoral areas. These pastoralists are usually very poor, even by regional standards. For these poor households livestock and livestock products have an important role in improving the quality of nutrition, act as a store of wealth and are often the only way to increase assets and manage risk.

The operational implementation of the IGAD Livestock Policy Initiative (IGAD LPI) commenced on 1<sup>st</sup> January 2006 and, as currently envisaged in the FA, should end on 31<sup>st</sup> August 2010. The total value of the FA is EUR 6.21 million, including an allocation of EUR 500,000 to the African Livestock Multi-Donor Trust Fund (ALive). There are no financial contributions from other parties.

The overall objective of the IGAD LPI is to enhance the contribution of the livestock sector to sustainable food security and poverty reduction in the IGAD region. The project purpose is to strengthen the capacity in IGAD, its member states, other regional organizations and other stakeholders to formulate and implement livestock sector and related policies that sustainably reduce food insecurity and poverty.

The success of the project is highly dependent on its ability to engage in policy processes, both regionally and within IGAD member states. Currently it is doing this through both

regional policy harmonisation and national engagement with Poverty Reduction Strategy Papers. The 12th Ordinary Summit of IGAD Heads of State and Government, of 14th June 2008 directed the IGAD Secretariat to “...develop and implement regional integration policies and programmes to make IGAD relevant as a building block of the African Union.” It is IGAD’s intention to focus project’s future work on the harmonisation of livestock policies and the regulation of trade as a strategic component in support of its regional economic integration agenda leading to a Free Trade Area.

### 3. IMPLEMENTATION ISSUES

#### 3.1 Method of implementation

As for the Financing Agreement N° 9349/REG, the method of implementation is partially decentralised management through the signature of a financing agreement with the IGAD Executive Secretary, which is the Regional Authorising Officer.

#### 3.2 Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

#### 3.3 Budget and calendar

The additional funding of EUR 1.098.000 will only affect the budget item "Contribution agreement with the FAO for IGAD-LPI". Accordingly, the existing contribution agreement between IGAD and FAO will be amended to increase Contracting Authority's contribution by that amount and to extend the implementation period by 18 months.

##### Indicative budget breakdown after addendum

Budget item	Cost (Euro)
Contribution Agreement with the FAO for the IGAD LPI	6,598,000
Administrative Agreement for the ALive Multi-Donor Trust Fund	500,000
Monitoring and Evaluation	180,000
Audit	30,000
<b>TOTAL (overall)</b>	<b>7,308,000</b>

The period of execution of the financing agreement will be extended by 18 month and end on the 28<sup>th</sup> February 2014. This period of execution shall then comprise two phases: a) the operational implementation phase ending on the 29th February 2012; and b) the closure phase which will end on the 28<sup>th</sup> February 2014. Any balance of funds remaining available under the EC grant will be automatically cancelled six months after the end of the period of execution of the financing agreement.

