

VARIATION OF A MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN ("GOP")

AND

THE GOVERNMENT OF AUSTRALIA ("GOA")

IN RELATION TO

**THE ESTABLISHMENT OF THE AGRICULTURE SECTOR LINKAGES
PROGRAM**

GENERAL:

- A. On the fifteenth day of June 2005, GOP and GOA entered into an MOU relating to the establishment of the Agriculture Sector Linkages Program ("MOU").
- B. GOP and GOA now wish to amend the MOU as set out below.

1. AMENDMENTS

1.1 GOP and GOA have mutually arranged to amend the MOU as set out below:

- (a) Paragraph 2 of the MOU is deleted and replaced with the following:

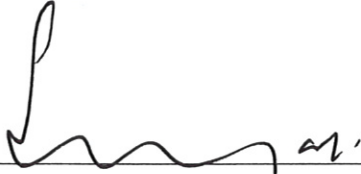
"The Coordinating Authorities for the Program shall be:

For the GOP: the Ministry of Food and Agriculture.

For GOA: the Australian Agency for International Development of the Department of Foreign Affairs and Trade (AusAID)

- (b) Annex 1 of the MOU is deleted and replaced with the Annex 1 attached to this document.

For the Government of the Islamic Republic
of Pakistan



The Pakistan Ministry of Food and
Agriculture ("MinFA")

SHAFQAT HUSSAIN NAGHMI
Secretary

Ministry of Food & Agriculture
Government of Pakistan
Islamabad

Date: 31/5/2011

For the Government of Australia



Australian Agency for International
Development ("AusAID")

Date:

2/6/2011

Annex 1**AUSTRALIA-PAKISTAN AGRICULTURE SECTOR LINKAGES PROGRAM
PHASE 2**

Phase 2 of the Agriculture Sector Linkages Program (ASLP) follows on from a successful four year first phase that commenced in 2005 and will end in 2010. A mid-term review of Phase 1, undertaken in September 2008, recommended that the second phase of ASLP should focus specifically on increasing incomes of the poor smallholder farmers, and look at opportunities to facilitate the expansion of market system interventions into Balochistan Province.

The ASLP Phase 2 design aligns closely with Australia's policy priorities in the agriculture and rural development sector in Pakistan and will be a significant component of the newly developed Australia-Pakistan Agriculture and Rural Development Strategy (APARDS).

ASLP Phase 2 will collaborate strategically to improve livelihood systems for the rural poor in Pakistan within three components: [(Pro-Poor Value Chains), (Agricultural Capability) and (Enabling Policy)]

Component 1: Pro-Poor Value Chains. This component will support keystone interventions that sustainably enhance selected value chains and understand and increase benefits for the rural poor through improved productivity market and employment opportunities. Interventions will include research projects focused on enhancing research outcomes under Phase 1 with greater emphasis on value-chain frameworks.

Component 2: Agricultural Capability. This component will enhance agricultural capability and sustainably improve agricultural value chains through smart linkages, scoping studies, improved networking, short term initiatives, longer term formal training that complement initiatives supported under Components 1 and 3 of the program.

Component 3: Enabling Policy. This component will support analysis and interventions that improve or enable better economic and natural resource management, particularly where they underpin or strengthen pro-poor value chains and more sustainable farming systems. Interventions will include a scoping study to target policy projects and other policy enabling activities.

Management and Coordination Arrangements

ASLP Phase 2 governance and administration will encompass sound planning, management and oversight and will ensure cohesiveness and synergy between ASLP and other engagements under APARDS and will align with ACIAR's overall portfolio of programs and projects.

Planning, management, monitoring and review of Phase 2 will be managed by ACIAR under a Canberra-based ACIAR Co-ordinator, a Canberra-based ACIAR appointed Assistant Co-ordinator, and an Islamabad-based Program Officer. ACIAR will undertake regular liaison with the AusAID Rural Development Advisor and other officers at Post and in Canberra and with an ASLP Reference Committee.

In-country (Pakistan) implementation of the program will be facilitated through the International Centre for Agricultural Research in the Dry Areas (ICARDA). In addition to technical roles in the Dairy, Social Sciences and Arid Fruit and Vegetables sub-components, this facilitation role will involve administration and operational co-ordination of the Pakistan components of the program, Pakistan program funds management and distribution of R&D funds to Pakistan collaborators and assistance with program reporting.

Implementation progress will be reported through annual, mid-term and final reports and ad hoc briefs from the ACIAR Project Information Management System. An annual ASLP Reference Committee will be convened to provide oversight and strategic guidance to the program as well as advice on priorities and performance through additional regular ad hoc consultation. The Committee will comprise representatives from Australian government agencies (ACIAR, AusAID, Department of Foreign Affairs and Trade) and Pakistan government agencies (Ministry of Food, Agriculture and Livestock, Pakistan Agricultural Research Council and Economic Affairs Division).

The strategic direction, linkages and synergy of ASLP Phase 2 with the APARDS will be guided by the APARDS Rural Development Strategy Advisory Group and the APARDS Agriculture Capability Reference Panel.

Formal collaborative reviews (encompassing ACIAR, AusAID and GoP representation) of strategic progress and project achievements in ASLP will be undertaken mid-term, and an Independent Completion Review will be undertaken on completion of the program.

Budget Summary

The following budget summary reflects allocations for ACIAR managed components of ASLP Phase 2 in line with the APARDS (2010-2015).

Components	Year 1 \$	Year 2 \$	Year 3 \$	Year 4 \$	Year 5 \$	Total \$
1 Pro Poor Value Chains including Enhancement	1,944,000	2,194,000	2,194,000	2,194,000	250,000	8,776,000
2. Agriculture Capability	250,000	500,000	500,000	500,000	250,000	2,000,000
3. Enabling Policy	100,000	250,000	250,000	250,000	150,000	1,000,000
ASLP Project Officer Pakistan	92,000	92,000	95,000	95,000	95,000	469,000
ASLP Assistant Co-Ordinator (Australia)	90,000	90,000	90,000	90,000	90,000	450,000
Program Management	45,000	45,000	50,000	55,000	60,000	255,000
Total	2,521,000	3,171,000	3,179,000	3,184,000	895,000	12,950,000