

Guyana

Hinterland Environmentally Sustainable Agricultural Development Project Supervision Report

Main report and appendices

Mission Dates: 21-31 Oct, 2019
Document Date 30/12/2019
Project No. 2000001472
Report No. 5274-GY

Latin America and the Caribbean
Programme Management Department

Abbreviations and Acronyms

ASAP	Adaptation for Smallholder Agriculture Programme
ASDU	Agriculture Sector Development Unit
AWPB	Annual Work Plan and Budget
BOS	Bureau of Statistics
BP	Business Plan
CARICOM	Caribbean Community
CDO	Community Development Officers
CDC	Civil Defence Commission
CDP	Community Development Plan
CI	Conservation International
CPDP	Community Production Development Plans
CPIP	Community Production Investment Plan
CTP	Community Training Plan
ESMP	Environmental and Social Management Plan
FAO	Food and Agriculture Organization
FPIC	Free, Prior and Informed Consent
GOG	Government of Guyana
GLDA	Guyana Livestock Development Authority
IDB	Inter-American Development Bank
IICA	Indian Institute of Corporate Affairs
IPED	Institute for Private Enterprise Development
KM	Knowledge Management
M&E	Monitoring and Evaluation
MIPA	Ministry of Indigenous Peoples' Affairs
MNRE	Ministry of Natural Resources
MOA	Ministry of Agriculture
MOB	Ministry of Business
MOC	Ministry of Communities
MOF	Ministry of Finance
MOH	Ministry of Health
MOPH	Ministry of Public Health
MOSP	Ministry of Social Protection
MOU	Memorandum of Understanding
NAREI	National Agricultural Research and Extension Institute
NGO	Non-governmental organization
NRM	Natural Resource Management
NSC	National Steering Committee
ORMS	Operational Result Management System
P/CIP	Public/Collective Investment Plan
PDR	Project Design Report

PIM	Project Implementation Manual
PMC	Programme Monitoring Committee
PMU	Project Management Unit
PRO	Project Regional Office
QCBS	Quality and Cost Based Selection
RC	Regional Chairman
RDC	Regional Democratic Council
RMC	Regional Management Committee
SECAP	Social, Environmental and Climate Assessment Procedures
SOFA	Study of Food Security
TA	Technical Assistance
TOR	Terms of Reference
VCAP	Value Chain Action Plan
VIP	Village Improvement Plan

A. Project Overview

Region: Latin America and the Caribbean Project at Risk Status: Not at risk
 Country: Guyana Environmental and Social Category: B
 Project Name: Hinterland Environmentally Sustainable Agricultural Development Project Climate Risk Classification: 2
 Project ID: 2000001472 Executing Institution: Ministry of Agriculture
 Project Type: Rural Development Implementing Institutions: Ministry of Agriculture
 CPM: Maija Peltola
 Project Director:
 Project Area:

Approval Date: 26/11/2016 Last audit receipt: 06/11/2019
 Signing Date: 21/03/2017 Date of Last SIS Mission: 31/10/2019
 Entry into Force Date: 21/03/2017 Number of SIS Missions: 3
 Available for Disbursement Date: 29/01/2018 Number of extensions: 0
 First Disbursement Date: 29/01/2018 Effectiveness lag: 4 months
 MTR Date: not available yet
 Original Completion Date: 31/03/2023
 Current Completion Date: 31/03/2023
 Financial Closure: not available yet

Project total financing

IFAD Financing breakdown	Latin American and the Caribbean Division	\$500,000
	IFAD	\$7,952,000
Domestic Financing breakdown	National Government	\$2,426,000
	Beneficiaries	\$265,000
Co-financing breakdown,		
Project total financing:		\$11,143,000

Current Mission

Mission Dates: 21-31 Oct, 2019
 Days in the field: 4
 Mission composition: Mr. Ladislao Rubio, Senior Procurement Officer/Country Director a.i.; Ms. Maija Peltola, Country Director, Ms. Rikke Olivera, Senior Technical Specialist, Ms. Isabel de la Peña, Programme Officer, Ms. Anabel Bueno, Financial Officer and Ms. Brenda Mendieta, Procurement Specialist.
 Field sites visited: Lethem, North Rupununi: Annai, Nappi Village, JR Ranch

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4	Assessment of the Overall Implementation Performance		4

Effectiveness and Developmental Focus	3	Project Management	3
Effectiveness	3	Quality of Project Management	4
Targeting and Outreach	3	Knowledge Management	2
Gender equality & women's participation	3	Value for Money	3
Agricultural Productivity	N/A	Coherence between AWPB and Implementation	3
Nutrition	2	Performance of M&E System	3
Adaptation to Climate Change	3	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	3

Sustainability and Scaling-up	4	Financial Management and Execution	4
Institutions and Policy Engagement	N/A	Acceptable Disbursement Rate	2
Partnership-building	5	Quality of Financial Management	5
Human and Social Capital and Empowerment		Quality and Timeliness of Audit	5
Quality of Beneficiary Participation	4	Counterparts Funds	4
Responsiveness of Service Providers	4	Compliance with Loan Covenants	4
Environment and Natural Resource Management	3	Procurement	4
Exit Strategy			
Potential for Scaling-up			

Relevance	5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

The objective of the mission was to assess project performance until October 2019 and to carry out the handover process from Country Director a.i., Mr. Ladislao Rubio, to the new Country Director Ms Maija Peltola. In addition, the mission gave hands-on training sessions in financial and procurement practices and the online NOTUS system.

Meetings were held in Georgetown with Ms Delma Nedd, PS Ministry of Agriculture (MOA), Mr. George Jervis, Chief Technical Officer, MOA and Director (ag.) of the Agriculture Sector Development Unit (ASDU), Mr. Raymond Latchman, Project Manager, HESAD and HESAD PMU staff. In Lethem the mission worked with the Regional Project Coordinator and Field Facilitator, and had a breakfast meeting with Hon. Mr. Noel Holder, Minister of Agriculture and Mrs. Nadira Edwards-Lee, Personal Assistant to the Minister. During the field visit the team also met with regional authorities, as well as inhabitants and village leaders from Nappi, Annai and surrounding villages.

Mr. Bernard Lord, Head of Department, PCMD, Ms. Ronette Hetsberger Senior Economic & Financial Analyst and Mr. Cornel Campbell-Andries, Economic & Financial Analyst II of the Ministry of Finance, accompanied IFAD and PMU staff during the field visit in Region 9. In Georgetown, the mission team had a wrap-up meeting with Mr. Tarachand Balgobin, Head of the Project Cycle Management Division from the Ministry of Finance.

IFAD staff also met with FAO representative in Guyana, Dr. Gillian Smith, to discuss current synergies and to identify opportunities for RBA collaboration in the forthcoming COSOP and new project design.

The Development Objective of the HESAD Project is *Improved livelihood resilience through income generation, access to assets, improved nutrition and adaptation to climate variability*. Livelihood resilience will be strengthened by increasing income generating opportunities; improving access to public goods, knowledge and technologies; and by enhancing food security and nutrition. The project operates in Region 9 and in the Mabaruma and Moruca sub-regions of Region 1. The beneficiaries come from approximately eighty of the 128 existing, mainly Amerindian, villages and communities. The remoteness, vastness and low population density in both regions pose significant challenges for project implementation and efficiency.

Project effectiveness was completed four months after project approval and first disbursement was achieved ten months later. The additional conditions for withdrawal (Baseline study for Region 9) caused the delay between effectiveness and first investment disbursement. The lesson learned from this delay is that posing demanding disbursements conditions when there is no continuity in PMU staff from previous projects is not advisable.

Key Mission Agreements and Conclusions

The Project has made qualitative progress since the last supervision mission in September 2018. First and foremost, ASDU and MOA have assumed ownership of the HESAD Project. Its activities are now well coordinated within the Ministry. The PMU is working side by side with the Regional Democratic Council (RDC), other line ministries, donors and stakeholders to identify gaps and plan activities to avoid overlapping of development efforts in Region 9, where project preparations are more advanced. The first investment plans have been preliminarily designed in five indigenous communities in North Rupununi. In Region 1, project implementation is yet to get started,

The new HESAD Project Manager took office on 1 April 2019 and has since worked to conclude all recruitments, oversee procurement, speed up processes and prepare the mechanism for investment. The PMU has prepared necessary templates, the ToR for the Baseline, SOFA and Value Chain Study in Region 1, an M&E Plan, and prepared and submitted delayed reports. For Region 9, the PMU procured and contracted the baseline study whose final report has been delivered. Establishing the Investment Fund (Component 2) envisaged to finance, through non-reimbursable mechanisms, different types of community investments, has not yet been possible. The competitive process was cancelled due to a lack of bidders. The IFAD mission and PMU have worked closely together to identify alternative avenues to disburse funds towards the community investment plans.

Notwithstanding the steps taken during 2019, the Project still struggles with hurdles that have been openly discussed during this supervision mission. The main issue at this stage is the **significant lag in investments** that have not been rolled out resulting in a low disbursement rate and still insignificant outreach. As of today, total disbursements under IFAD funding is USD 1.1 million (USD 800,000 under IFAD's Loan and USD 300,000 under IFAD's Grant). In both cases it relates to the Advance Allocations. It is to be noted that a WA no. 3 of USD 155,739.31 is being submitted to IFAD. The project has not kept track of the in-kind contributions (office space, vehicles, administrative support services, etc.) the GoG has provided to the PMU.

The significant lag in implementation and project disbursements was mainly due to weak ASDU ownership at project start-up and hiccups in project management. Since the last supervision mission, project institutionalization has improved at central level, with the project firmly anchored within the ASDU, and at regional level, due to recruitment of qualified project staff in Region 9 and close collaboration with Regional Democratic Council. Under the leadership of the new Project Manager, management has also improved and progress has accelerated. The PMU and project partners now need to

substantially improve efficiency and effectiveness in the preparation and implementation of investment plans with the communities to make up for the lost time and get back on track with the implementation schedule.

Filling all remaining vacant positions, including that of the Gender and Social Inclusion Specialist, and hiring external consultant services will contribute to more robust human resourcing and expedite field operations. Complicated logistics between communities are to be taken into account, as they hinder follow-up of investment plans and add up in project implementation costs.

Although the development of a **Monitoring and Evaluation** Plan reflects good progress, in its third year of implementation the Project is yet to take up major M&E tools and activities, including the baseline study in Region 1, the establishment of a M&E database and the data collection and analysis that will allow for evidence-based reporting and results-based management.

Procurement processes have progressed at slow speed, partly due to the requirements of the national approval mechanism and the lack of a dedicated professional. Until recently, procurement was undertaken by the Project Manager. The recruitment, in mid-October 2019, of the Procurement Officer helps the PMU to expedite project implementation and disbursement of investment funds.

Taking into account the delicate stage of the Project, the IFAD mission and MOA agreed that the PMU would submit a **monthly update** to IFAD Country Director, describing the status of all agreed actions and flagging any new or continuing issues or those needing specific implementation support. In addition, the Country Director and the Project Manager will hold periodic video conferences to follow up on the agreed actions.

D. Overview and Project Progress

Component 1: Strengthening of community and producer groups investment planning

The objective of this component is to support Village and Community Councils and RDCs in planning and prioritizing investments for the development of local value chains, and to improve community and livelihood resilience in line with the existing Village Improvement or Development Plans (VIP/VDP). The expected outcome is that communities and producer groups have strengthened capacities to identify investment opportunities and manage economic and climate change risks. The component aims at **4500 households** (of which 675 are female-headed) participating in the development of public/collective investments plans; and **2500 people** (of which 50% are **women** and 30% are **youth**) participating in producer or community groups with approved business plans.

Since the first supervision mission in September 2018, the project has started the development of investment plans for community businesses only in North Rupununi, Region 9. The currently proposed plans foresee to benefit a total of 487 households or 2488, mainly indigenous, people in Kwatamang, Rupertee, Annai, Surama and Yakarinta. At the time of the supervision mission the PMU did not have the data disaggregated by age nor sex. The limited outreach illustrates the significant delay in the activities and achievements of this component.

Recognizing the differences between Region 1 and Region 9, the component will apply a differentiated strategy for the two regions, focusing in Community Production Development Plans (CPDP) in Region 9 and Value Chain Action Plans (VCAP) in Region 1.

Progress in Region 9. The project has developed a community business plan template based on similar templates included in the PDR from previous experiences in Guyana (CI/GBTI/RRIF and the SBB), as well as a template and procedures for the assessment of the business plans. These are included in an updated version of the PIM. The field facilitator, hired in June 2019, is currently working with these communities on the development of community business plans (**output 1.5**). Many of these plans aim at improved cattle raising including fencing, corrals, accommodation for the herder, and pasture management at community level.

Three of the draft plans were shared with the IFAD supervision team, and they still lack basic information on: i) Link between operation costs, pricing and cash-flow and beneficiary co-financing contributions, in order to assess the sustainability and needs for the proposed business; ii) Current challenges and solutions for cattle raising suitable for small scale and remote production conditions of the specific communities, including pasture management (rotational grazing, and cut, carry and storage) and access to water and veterinary services; iii) Needs for capacity building in production as well as business management; iv) Environmental risks and mitigation measures including pasture carrying capacity, soil degradation and need for improved and sustainable access to available water resources (e.g. rainwater harvesting); and v) Inclusion, empowerment, economic and social benefits generated for **women, youth and poorer or more vulnerable households**; and vi) Consideration of nutrition challenges and opportunities. It is recommended that the plans include complementary businesses e.g. for converting manure into compost for recycling in vegetable farming, to be used mostly for school-feeding but possibly also for family gardens.

Coherence and crosscutting synergies in the planning process. The supervision team appreciates the efforts to identify possible investment ideas. However, the field visit to Region 9 and discussions with PMU staff, regional MOA

team, MOF representatives, and the North Rupununi village leaders revealed that there is a need to raise awareness in the communities on all of the three areas of interventions (Public or Collective Investment; Business; and Community Training) offered by the project. These areas may all be relevant for supporting the villages in pursuing the objectives of their VIPs/CDPs. It was as such agreed to retake the development of Community Production Development Plans (CPDP) (**output 1.1**) as one simple investment document building on the VIPs/CDPs. The CPDP should include five overall sections:

Section 1: A listing/mapping of livelihood opportunities and constraints for their advancement, current and possible financing partners, and gaps to be complemented by the HESAD project. The listing/mapping should take into account the challenges posed by **climate change** and opportunities for improved **nutrition**. The opportunity to link community production, nutrition and school feeding programmes was widely discussed during the mission. Any plan will also need to highlight the capacities the communities need to build their resilience against climate and other shocks, and explore their potential for women's empowerment.

Section 2: A business plan (BP) (**output 1.5**) for investment in production activities including economic, social inclusion and natural resources feasibility, needs for training and capacity building for the implementation of the plan, and budget and procurement arrangements.

Section 3: Public/Collective Investments (P/CIP) (**output 1.4**) in water, ICT and/or renewable energy to support the identified production activities and the wider development of the community including potential beneficiaries, environmental and social feasibility, operation and maintenance costs, responsibilities and financing sources, and budget and procurement arrangements.

Section 4: Community Training Plan (CTP) (**output 1.6**) to support the identified production activities, the management and effective use of the identified public/collective investments and the wider development of the community. This may include awareness raising and training in nutrition and building resilience to climate shocks, gender equity, youth inclusion, and budget and procurement or any partnership arrangements for the delivery of the training;

Section 5: An M&E table including a few indicators and targets for each investment type, from the HESAD log-frame. The communities may select the indicators and propose others they consider suitable to monitor progress and benefits. Examples of indicators include, for BPs, an increase in production and/or income, and number of crops and animal varieties and wild species used as food or income generating source at community level; for P/CIPs the volume of stored water, number of households or community facilities with access to renewable energy, and number of internet access points and people using them; and for CTPs the number of people attending and indicating that they use what they have learned. Where relevant all targets and progress data should be disaggregated by sex and age.

In addition, all plans must include a short section describing how procurement will be carried out.

It was agreed that the PMU will adjust the current community business plan template into one CPDP template along the lines of the above mentioned five sections. The requirements for beneficiary co-financing, in particular for the production business plans, should be established in line with the provisions in the PDR/PIM to ensure harmonized rules for all investments, as well as to promote ownership and sustainability of the investments.

The mission identified an **urgent need to boost the human resources** supporting the communities in developing the CPDPs. The participatory design of the CPDPs tends to be slow and further hold back the implementation of the project. During the September 2018 supervision mission the IFAD team was informed that draft TOR for procuring a service provider to support the development of the plans had been developed, but the contracting process has not moved forward. On a positive note, according to the villagers and village leaders met during the field visit to Region 9, the making of their CIP/CDP and formulation processes linked to other stakeholders' projects have enabled them to crystallize what they want to do. They now need support in developing further 'the how' and writing it in the format required by the project. The communities' apparent readiness for investment is in line with what was identified in the PDR and the previous supervision mission.

It is clear that supporting the CPDP creation cannot rely on the sole community facilitator hired in Region 9. Among the solutions discussed with the PMU and to be urgently implemented are: i) Full involvement of the Region 9 HESAD coordinator, with the support of the national coordinator and eventually the M&E specialist in the development of the CPDPs with the communities; ii) Contracting of additional service providers or consultants, as foreseen during the September 2018 supervision; and iii) Consider to establish a programme for young facilitators using students who have graduated e.g. from the Bina Hill Institute or other institutions. They should be trained in the CPDP template and could start by following a more senior facilitator and then be sent out in pairs to do the initial ground work with the communities in discussing and filling the CPDP template, and support targeting of community youth.

To be able to catch up with delayed project implementation, ASDU/PMU should make a plan for the next two years for the preparation, approval and implementation of CPDPs in Region 9 and VCAPs in Region 1. The plan should present the semester targets for CPDPs and VCAPs to be approved and implemented in the different geographical areas. The plan should also include the human resources needed to support the communities and the value chain round tables during the full cycle of the plans. In Region 9 the Project may consider that villages sharing the same land title may jointly prepare

one CPDP, in the case it increases efficiency and still ensures full respect of the FPIC.

Progress in Region 1 since the September 2018 supervision mission is very limited. The Value Chain studies and the combined SOFA and Baseline study for Mabaruma and Moruca (**output 1.1**) have not yet been contracted. The draft TOR are finalized and the project is negotiating with FAO Guyana to take on the combined SOFA and Baseline study. The value chain study will include four spices (ginger, turmeric, black pepper and nutmeg) and four inclusive value chains (cocoa, cassava, coffee and coconut). ASDU proposes to carry out the studies in-house by the MoA M&E Unit, supported by the Guyana Marketing Cooperation (GMC) and an individual consultant. The IFAD team welcomes the hiring of an individual, private sector expert (external consultant) to ensure market aspects of each value chain are duly analysed.

To gain time and prepare readiness for project investments in Region 1, the IFAD supervision team recommends to start, in parallel with the above mentioned study, the drafting of the VCAP (**output 1.3**) for at least one of the value chains. The VCAP should include concrete investments, beneficiaries targeting poorer households, women and youth, budget, procurement and M&E arrangements.

The Hydrological Study (**output 1.7**), financed by the IFAD grant component, is currently on hold until investment needs are clarified in the CPDPs. This study is important for the identification of integrated solutions for water management and mobilization for Region 9 and was included in the AWPB for 2019. As already informed to the supervision mission in September 2018, IICA is involved in a study on water conservation options in Region 9; It is therefore advisable for the PMU to revise where it can fill any gaps. As mentioned in the September 2018 supervision report, the drafting of the study TOR will require the PMU to collaborate with Hydromet Services, experts and stakeholders in the region involved in catchment, management and hydrological studies and monitoring. It is also very important to involve the Regional Planning Committee in defining the study scope.

Regarding the strong commitment to applying **Free, Prior and Informed Consent (FPIC)** principles throughout all HESAD activities and as stated in the PDR, PIM and required by both the Amerindian Act of 2006 and IFAD's Engagement with Indigenous Peoples Policy, the mission recognizes that the development of the VIPs/CDPs were based on a participatory process led by the Toshias (indigenous leaders) and agreed by the village members. Knowledgeable about the FPIC guidelines, the PMU stresses that whenever the proposed investment plans do not spur from previously agreed VIPs or CDPs, the village councils have to engage in specific consultations. The training in FPIC principles and processes for the ASDU/PMU and regional staff, recommended in the September 2018 supervision mission aide memoire, is foreseen to be implemented during Q1 2020.

Component 2: Implementation of Investment Plans

The objective of Component 2 is to support the communities in the implementation of the CPDPs in Region 9 and the VCAPs in Region 1 within the three main intervention areas of the project. Since the first investment plans are still in the making, there is a significant delay in the implementation of component 2, with no disbursement for investments yet carried out.

As established in the Financing Agreement (FA), the implementation of this component should go through an agreement between the MOA and a financial institution(s), selected through a competitive process to manage the Investment Fund. An invitation for expression of interest was published by the PMU in September 2019 but the process was cancelled due to lack of bidders.

The mission takes note that the current situation in the country differs from the one assessed at design stage: On the one hand, the financial institutions have liquidity and are not interested in administering a fund with high transaction costs. On the other hand, ASDU has proven to manage funds satisfactorily. Therefore, it was agreed that the Borrower will submit a proposal of how to address this new situation. The new proposal shall describe, among others, how the communities will receive funds and undertake minor procurement activities, together with a brief assessment of their procurement capacity.

The FA does not explicitly define a situation where there will be activities but no transfer of funds to the communities or organizations. The FA only refers to a situation where funds will be transferred to the communities. It is therefore the mission's understanding that the participation of a Financial Institution is only required in the case there will be a transfer of funds. When this is not the case, the Investment Fund will be managed and implemented through a special agreement between MOA and the specific community. The rules and procedures for this kind of implementation mechanism of the Investment Fund by ASDU should be submitted to IFAD for its no objection, including a clearance from FMD and LEG. The rules and procedures must also be included in the PIM.

IFAD's mission has carried out an evaluation of the fiduciary capacities of ASDU for the management of the Investment Fund (see the procurement and finance sections). This analysis concludes that ASDU has the fiduciary capacities to manage the Fund. However, current human resources should be complemented with additional ones to ensure continued good fiduciary management and provision of other services expected from the management of the Fund. In the project context, special support will be needed to evaluate and accompany the communities or producer organizations in an appropriate business approach.

Agreed Action	Responsibility	Agreed Date
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Human resources to support CPDP development in communities Increase the capacity to support communities in the development of CPDPs in region 9 by: (i) Involving the Region 9 Coordinator and the Project Manager (and eventually other PMU staff); (ii) Contracting service providers or individual consultants; and (iii) Considering to establish a young facilitator programme.	ASDU/PMU	10/2019
Adjustment of the CPDP template Adjust the current community business plan template into a CPDP template along the lines of the five overall sections listed in this Aide Memoire and include it in the updated PIM to be sent to IFAD for no-objection.	ASDU / PMU with support from senior technical experts	11/2019
Develop a two year plan for CPDPs and VCAPs Prepare a plan for the next two years for the preparation, approval and implementation of the CPDPs and VCAPs with targets to be achieved per semester, and submit to IFAD.	ASDU/PMU	11/2019
Approval of CPDPs Draft and process the approval of at least 5 CPDPs for Region 9 in 2019	ASDU/PMU with support from service providers, and in consultation with the RDC	11/2019
Proposal for management of Investment Fund Submit to IFAD's no objection a proposal on how ASDU envisions to manage the Investment Fund. Update the PIM accordingly.	MoA/ASDU in consultation with MoF	11/2019
Signature of agreement with FAO Sign the agreement with FAO for the implementation of the combined baseline and SOFA study for Region 1.	ASDU/PMU	12/2019
Proposal for procedure in case of transfer of funds to communities Submit to IFAD a proposal regarding how to proceed in the case there will be transfer of funds to the communities/ producer groups/ organizations.	Borrower	01/2020
Development of baseline and SOFA Region 1 Complete the combined baseline and SOFA study for Region 1	FAO commissioned and monitored by ASDU / PMU	05/2020
Conduct value chain studies Carry out all value chain studies including community consultation processes in Region 1, organize and convene the Value Chain Roundtables, and initiate the formulation of VCAPs with concrete investments for at least one VC.	ASDU/PMU and MoA M&E Unit	05/2020

<p>Pursue collaboration in nutrition and school-feeding programmes with line Ministries.</p> <p>Liaise with regional Ministry of Health officials to identify collaboration in nutrition (training, etc.) and with regional Ministry of Education officials to identify possible links between the CPDP and the school-feeding programmes.</p>	ASDU/PMU, Regional Coordinator	
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E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 3	Previous rating: 3

Justification of rating

In its third year of implementation, there is no progress in the logframe output and outcome indicators. Only outreach indicators register progress: 487 households and 2488 individuals will benefit from the first five investment plans in Region 9, which represents 8% of the project's outreach target. Implementation in Region 1 has not yet started. Despite the significant difficulties the project is facing, positive conditions exist to speed up implementation given the reinforced project ownership in ASDU, the effective management under the new Project Manager, and the establishment of a regional team working in coordination with the Regional Democratic Council in Region 9. Mitigation measures have been discussed and agreed upon with the PMU, ASDU and the Ministry of Finance, all of which are supportive of the measures.

Log-Frame Analysis & Main Issues of Effectiveness

Since the last supervision mission, the project has started the design of investment plans in six communities of North Rupununi, Region 9. These plans have not yet undergone the evaluation and approval process envisioned in the PIM, yet alone started implementation. Therefore, the log-frame output and outcome indicators still present zero as annual and cumulative results. In terms of outreach, progress is very limited since only 8% of target households and individuals have been reached by the first batch of investment plans.

The PMU and project partners will need to substantially improve effectiveness and execute an ambitious 2020 AWPB in both Region 1 and 9 to make up for the implementation delays. Annual targets for all output and, when relevant, outcome indicators should be set for the 2020 AWPB.

Regarding the logical framework, the following considerations should be taken into account:

- The M&E Plan should be revised to integrate the five indicators not reflected in ORMS but that are part of the log-frame: Additional volume of water stored in targeted communities; Number of Internet Access Points available to households in targeted communities; Number of households in target communities that adopt technologies for integrated soil fertility management, integrated pest management, and technology for increasing efficient water use that improved adaptability to climate change; Number of reference "best option food baskets," reflecting nutritionally adequate, low-cost options, developed and communicated (based on food-based dietary guidelines and giving preference to foods available from local production); Number of crops and animal varieties and wild species used as food or income generating source at community level.
- Targets for the two additional core indicators included in the log-frame were established as follows: 2250 households reporting an increase in production; 3600 households provided with targeted support to improve their nutrition.
- The "best option food baskets" programme of the Ministry of Health is facing challenges that limit its applicability to monitor the Project's contribution to improved diets. IFAD's core indicator 'Women reporting an increased quality of their diets (based on the methodology of the Minimum Dietary Diversity for Women)', is already included in the resilience scorecard and would be a suitable indicator to track the project's contribution to improved diets.

The mission recommends revising the logical framework at mid-term review to formally record the above considerations.

Development Focus		
Targeting and Outreach	Rating: 3	Previous rating: 4

Justification of rating

The project is following the geographical targeting and the targeting of indigenous communities and their population as set out in the PDR. With only five community business plans under preparation so far covering a total of 487 households, and no investments or capacity building activities implemented, the outreach in this third year of project implementation is very poor. The PMU has so far not collected data on who has been participating in the development of the plans, and the gender and social inclusion specialist has not been hired. However, discussions with villagers in North Rupununi confirm the basis for sound targeting.

Main issues

The PMU is fully aware of the project's specific emphasis on targeting women and vulnerable households. The project coordinator also has a clear understanding of the importance of following a proper FPIC process to make sure the self-targeting is facilitated and that the identified investments are aligned with the indigenous communities needs and aspirations. The M&E indicators and templates, as well as the investment plan templates, do provide for sex and age disaggregated data for the intended beneficiaries, but this data has not been collected yet in the case of the few plans currently under development.

The format for the evaluation of the different investment plan proposals developed by the PMU, does not include criteria for inclusion and benefits provided to women, youth and vulnerable household. As such, the format does not support the social inclusion and targeting of the project. This needs to be corrected in a revised version of the evaluation document.

Effort has been made to publish the gender and social inclusion post, but no candidate has been found so far, and the person might need to be contracted in Georgetown instead of Region 9 to cover both Region 1 and Region 9. Having this person on-board is crucial to ensure that direct targeting strategies for inclusion of vulnerable groups, women and youth are effectively implemented and monitored during the preparation, approval and implementation of the CPDPs and VCAPs.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Start of data collection Start data collection on targeting, outreach and inclusion and disaggregate data by sex and age, when relevant.	PMU/M&E officer	11/2019

Gender equality & women's participation

Rating: 3

Previous rating: 4

Justification of rating

The PDR includes a solid section for gender analysis and proposed actions. However, due to general delay in project implementation, no specific activities nor a gender budget have been rolled out. The hiring of a Gender and Social Inclusion Specialist and the design of a Gender and Social Inclusion Strategy are both pending. There is, however, commitment by ASDU/PMU to hire the specialist at the shortest, and to further gender equality and women's participation namely through the investment plans. The IFAD mission offered to provide support in reviewing the CPDP template to ensure gender considerations are well reflected.

Main issues

It has proven to be difficult for the project to find a senior-level Gender and Social Inclusion Specialist (as proposed in the PDR) in Region 9, as most are involved in short-term consultancies with some of the organizations present in the territory. The project is now considering to hire the specialist in the PMU in Georgetown with frequent travel to both Region 9 and 1. The mission did not find evidence for affirmative actions nor mainstreaming of gender equality across project activities. A Gender and Social Inclusion Strategy is pending. The Project has not systematically gathered M&E data, and the data available is not thoroughly disaggregated by sex.

During the supervision mission the PMU agreed to speed up the hiring of the Gender and Social Inclusion Specialist whose first task will be the design of a Gender and Social Inclusion Strategy for the project. The Specialist will also play a pivotal role in ensuring that both the design and implementation of CPDPs will include considerations including gender equality and women empowerment. The CPDP template now includes analysis of how the proposed activities will affect women, youth and vulnerable groups and how benefits of the investments will be equally distributed. The training plan requires a brief analysis of the inequality in workload (household chores and caretaking carried out mainly by women) and proposes that affirmative actions be taken to enable equal opportunity to attend the trainings (e.g. condensing days and schedules suitable for women).

Agreed Action	Responsibility	Agreed Date
Recruitment of Gender and Social Inclusion Specialist Hire the Gender and Social Inclusion Specialist to support PMU to include social and gender aspects in the preparation and implementation of investment plans.	ASDU/PMU	12/2019
Gender and Social Inclusion Strategy Develop a Gender and Social Inclusion Strategy for the Project	PMU/Gender and Social Inclusion Specialist (to be hired)	04/2020

Agricultural Productivity

Rating: N/A

Nutrition

Rating: 2

Previous rating: 3

Justification of rating

Nutrition-sensitive interventions are not yet under implementation since investment plans have not started. The incorporation of nutrition aspects in the existing community plans is, currently, superficial. Plans would require further mainstreaming of nutrition considerations, for which the project will need specialised technical assistance on nutrition. In terms of M&E, the MTR will need to formalise changes in the logical framework indicators to adequately measure progress on nutrition.

Main issues

The baseline report in Region 9 confirmed the mission findings, which indicated that food consumption patterns are dominated by meat, cereals, fish, and to a lesser extent, tubers. Fruits and, specially, vegetables constitute the major dietary gap, with low nutrition awareness and local preferences and habits being key factors affecting these dietary patterns.

For the project to contribute to improving nutrition, mainstreaming into the community plans needs to be deepened:

- CPDP should indicate the main nutrition challenges, particularly in terms of dietary gaps, and envision opportunities for addressing them.
- BP should not only indicate how nutrition risks will be mitigated, but also be proactive in the elaboration of proposals that contribute to nutrition. School feeding programmes sourcing locally from farmers in the community were amply discussed during the mission as initiatives that are contributing to changing habits and increasing children's consumption of fruits and vegetables. The experience in Kaikumbey should be documented to extract lessons learnt and explore its replication. The following resources – to be shared by IFAD - provide guidance on the topic: i) [Resource framework on Home Grown School Feeding](#) and ii) Other country experiences, particularly Guatemala.
- CTP should focus on raising nutrition awareness through nutrition education and social behaviour change communication, responding to the nutrition challenges identified for that particular community. When relevant, nutrition trainings can be linked to school programmes.
- P/CIP should indicate, when relevant, how the proposed investment contributes to nutrition.

The PMU will need technical assistance on nutrition to carry out the above tasks. Close collaboration with the MOH at central and regional level will be needed. During the mission, the Director of Food Policy (MOH) reiterated their availability to support the project, but also stressed their limitations in terms of capacity, particularly to reach indigenous populations in remote areas. The Project will ensure coordination and alignment with the approaches and expertise of the MOH, and, when needed, will complement their capacity by hiring specialised technical services, with expertise in nutrition and in engaging with indigenous peoples. The MOH should review the updated templates for the plans and be part of the evaluation committee.

The MOH stated that the “best option food baskets” programme has been left on hold, since the food basket for indigenous populations was deemed too expensive. Food-based dietary guidelines have been updated and constitute the approach now used by the MOH. The log-frame indicators on best option food baskets should, thus, be substituted by IFAD's core indicator 'Women reporting an increased quality of their diets (Minimum Dietary Diversity for Women, MDDW)', already included as a question in the resilience scorecard. The MTR will formalise the changes in the log-frame.

The baseline study for Region 9 modified the questionnaire of the resilience scorecard to collect data on household dietary diversity (instead of women and children), but it does not specify the methodology for determining when a household has reached the minimum acceptable level of dietary diversity. This should be corrected in the final report. Guidance on household dietary diversity score is available [here](#).

The baseline in Region 1 should collect data on women dietary diversity (as stated in the TORs) following the methodology of the [MDDW](#). Data on household diets may also be collected for comparability purposes with Region 9, but the mission encourages focusing on women's diets, since data at household level does not account for intra-household food distribution dynamics.

Agreed Action	Responsibility	Agreed Date
<p>Technical assistance to integrate nutrition into community plans</p> <p>Liaise with the MOH to strengthen mainstreaming of nutrition into CPDPs, BP, P/CIP and, specially into CTP to roll out nutrition education and behaviour change communication initiatives in the communities.</p> <p>Liaise with regional Ministry of Health and with regional Ministry of Education officials to identify possible links between the CPDP and the school-feeding programmes.</p>	ASDU/PMU/ Regional Coordinator	

Adaptation to Climate Change

Rating: 3

Previous rating: 4

Justification of rating

The SECAP and the PIM do include an analysis of climate change vulnerabilities and adaptation and resilience enhancing measures. However, the current draft community business plans, developed with five communities in North Rupununi (Region 9), pay limited attention to climate vulnerabilities and building resilience. The development of the plans have not benefitted from the resilience findings of the Baseline study (not yet finalized) and the findings of the high quality hydrological study done by NDIA and ICCA for the North Rupununi identifying concrete options and infrastructures for rainwater harvesting. The evaluation form for investment plan proposals does not include any particular criteria for contribution to adaptation and climate resilience of the beneficiaries.

Main issues

The draft baseline study, shared with the mission, includes the questions for the resilience scorecard developed in the PDR and a methodology for calculating the score. Even though the resilience questions seem to be well captured following the ToR, there is a deviation from the resilience monitoring methodology established in the ToR based on the DFID KPI4 Methodology. The added question "Household response to disaster and coping strategies", seems to be a relevant one, but the mission was not able to see how this has been transformed into concrete questions in the questionnaires used. The scorecard methodology presented in the ToRs mainly uses questions with a yes or no answer; hence, it is not clear why the methodology proposed by the consultant uses "A 1 point mark...for every incremental increase of 25 %". The draft report does not present any analysis of the data from the resilience questions and does not present any calculation of family resilience score aggregated from the families interviewed.

All this needs to be corrected in the final baseline report applying a clear methodology that can be replicated at mid-term and at the end of the project. IFAD is ready to provide guidance and participate in a Skype with the consultants when the next version of the baseline study is shared. Since the resilience scorecard is meant to be a core tool for the PMU and the communities in understanding and monitoring the development in the resilience capacities of the targeted communities and families, it is very important to get the application of the resilience scorecard right from the baseline study. This will also allow for the use of the resulting findings in the development of the CPDPs and the VCAPs (P/CIPs, BPs, CTPs).

As also discussed in the last supervision mission there is a wide recognition of the need for increased rainwater harvesting to buffer against prolonged dry period and strengthening the capacities of the communities in water management. The development of the CPDPs in the North Rupununi (Region 9) should use the high quality hydrological study developed by NDIA and ICCA for this area. In particular the report 2 "Project Development Report (Wowetta, Rupertee, Aranaputa, Anai, Masara, Toka, Parishara, and Nappi), Topographic Study and Catchment Design" identifies concrete options and infrastructures for rainwater harvesting based on the biophysical conditions and communities' needs. It allows for identifying HESAD complementing water investments as part of the P/CIPs in the north, in the cases where the described investments have not already been done. In consultation with the RDC, NDIA and ICCA the ASDU/PMU should consider if a similar study should be developed for the Center and/or the South Rupununi financed by the funding available in the HESAD budget for hydrological studies.

The development of the rainfall monitoring system by the Hydromet Services, mentioned in the report for the north, gives an opportunity to train the communities in how to access and use this data (linking to ICT solutions) in their water management. The draft baseline study for region 9 mentions, that an interesting percentage of the households report, that they are involved in water management groups/association in the communities. As the HESAD approves investments in rainwater harvesting, there is a clear potential for accompanying the investments with capacity building in water

management using rainfall data and taking into account the risks from increased temperatures (increasing crop and livestock water needs) and increased rainfall variability. Where water management groups do not already exist, the communities should be encouraged to establish them as a precondition for the investment in water harvesting infrastructures.

Agreed Action	Responsibility	Agreed Date
Climate risks in CPDPs and VCAP Include proper identification of climate related risks and adaptation and resilience enhancing measures in CPDPs, VCAPs and in evaluation criteria and formats for selection of investment plans	ASDU/PMU	12/2019
Rainwater harvesting report Use the NDIA/ICCA report 2 on options for rainwater harvesting with the communities in North Rupununi to develop proposals for rainwater harvesting when relevant	PMU/Regional coordinator and field facilitators	12/2019
Correct baseline report Make sure the baseline study for region 9 includes a proper analysis of resilience scores applying a scorecard methodology that can be replicated at midterm and end of the project	ASDU/PMU/M&E officer	12/2019
Consultations for the hydrological study Consult with the RDC, NDIA and ICCA and decide if a similar hydrological study to the one developed for the North Rupununi should be developed for the Center and/or the South Rupununi using the funds available for hydrological studies in the HESAD budget	ASDU/PMU	01/2020

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: N/A	
Partnership-building	Rating: 5	Previous rating: 4

Justification of rating

Building on the momentum under new project management, the PMU is actively seeking partnerships and collaborations with others. In Georgetown, hosted by the MOA/ ASDU, PMU is coordinating with the other MOA agencies. In Region 9, where preparations of investment plans have finally started, the Project coordinates activities via the Regional Democratic Committee (RDC). The Project is in contact with other MOA agencies, namely the GLDA and NAREI, as well as other line ministries, including the Ministry of Health (especially regarding nutrition) and the Ministry of Indigenous Peoples Affairs (MoIPA, coordination of investment plans with Village Improvement Plans and Amerindian Development Fund projects). Harmonization is particularly important at investment plan development stage as a way to avoid overlapping. During the implementation of the investment plans, the project will have to rely on additional resources and technical assistance that GLDA, NAREI and MoIPA extension workers can provide at community level.

For the combined Baseline and SOFA Study in Region 1, the PMU has sought assistance from FAO Guyana.

Human and Social Capital and Empowerment	Rating:	
Quality of Beneficiary Participation	Rating: 4	Previous rating: 4

Justification of rating

The HESAD Project has a Free, Prior and Informed Consent (FPIC) Implementation Plan which has been highlighted as a model among IFAD projects. The PMU personnel has knowledge about the FPIC and are familiar with the required processes. Further training on the roll-out of the plan is expected once the Gender and Social Inclusion Specialist has been hired. The targeted communities (at least in Region 9) have been trained in FPIC by Conservation International and

other NGOs who have previously supported the design of the Village Improvement Plans. The CPDP template includes questions to address beneficiary participation and ensure an equitable benefit-sharing mechanism of the proposed investments. If CPDPs differ from the previously consulted VIPs, the Project must seek for a community-level FPIC.

Main issues

The main risk regarding beneficiary participation is the general implementation lag. Rapid acceleration in design and implementation of the CPDPs might result in weaker beneficiary participation. However, all proposed CPDPs, if they divert from the VIPs, must undergo an FPIC consultation. The M&E system will also track beneficiary participation disaggregated by sex and age, enabling project management to identify if project activities are biased

Responsiveness of Service Providers

Rating: 4

Previous rating: 4

Justification of rating

The main contract implemented so far has been the baseline study for region 9. From the draft report shared with the mission, it seems like the survey is well done, but the collected data still need to be properly analysed using coherent methodologies, that can be replicated at midterm and at the end of the project. This concerns particularly the analysis of the resilience of the targeted families using the resilience scorecard. The consultants have also had some delays in their delivery and adequate incorporation of comments provided by the PMU.

Environment and Natural Resource Management

Rating: 3

Justification of rating

The format developed for the community business plans has a section on environmental and social impacts and the format for evaluation of the investment plan proposals also include criteria on environmental sustainability. However, the draft community business plans for five communities in North Rupununi have limited inclusion of environment and natural resources management (NRM) measures such as: i) Environmental risks and mitigation measures including pasture carrying capacity, soil degradation and need for improved and sustainable access to available water resources including rainwater harvesting; and ii) Needs for capacity building in managing pasture (rotational grazing, and cut, carry and storage), soil and water resources.

Main issues

During the mission it was agreed to retake the preparation with the communities of Community Production Development Plans (CPDPs) including: a Business Plans (BP) for the development of production or service businesses; a Public or Collective Investment Plans (P/CIP) in ICT, water and renewable energy; and a Community Training Plan (CTP) in crosscutting issues such as climate change vulnerability and adaptation measures, nutrition, gender equality and inclusion of youth. It will be important that environmental risk mitigation measures and improved NRM for the sustainability of the proposed production activities and businesses are included in the format and preparation as well as implementation of the CPDPs and across the three types of plans. Likewise the value chain studies for region 1 should include an identification of environmental risks and any issues related to NRM. Mitigation measures and improved NRM practices should be incorporated in the format, preparation and implementation of the Value Chain Action Plans (VCAP) and across their BP, P/CIP and CTP.

It is recommended that the diagnostic and planning process with the communities and value chain round tables seek to identify opportunities for integrating various crop and livestock production activities for increased efficiency in the natural resources use and for supporting diversity in the production systems for increased resilience of the communities. For example the CPDPs and livestock BPs for the communities in North Rupununi could include complementary businesses e.g. for converting manure into compost for recycling in vegetable farming, to be used mostly for school-feeding but possibly also for family gardens.

Agreed Action	Responsibility	Agreed Date
Environment and NRM in CPDPs and VCAPs Include proper identification of environmental risks and NRM issues, mitigation measures and improved practices in the templates, preparation and implementation of the CPDPs and VCAPs (BP, P/CIP and CTP).	ASDU/PMU	12/2019
Environment and NRM in VC studies Make sure the value chain studies for Region 1 includes proper analysis of environmental risks and NRM issues and identify mitigation measure and improved NRM practices and needed investments.	ASDU/PMU/M&E Unit	05/2020

Exit Strategy **Rating:**

Potential for Scaling-up **Rating:**

c. Project Management

Quality of Project Management **Rating: 4** **Previous rating: 3**

Justification of rating

Initially the HESAD project suffered from incoherence in project management and weak ownership by ASDU. Now the HESAD is well integrated within the MOA structure and coordinates with relevant agencies both centrally (in Georgetown) as well as in Region 9. There has been significant improvement in the quality of project management since the new manager took office on 1st April 2019. With the hiring of the Gender and Social Inclusion Specialist and the field staff for Region 1, the PMU is going to be complete, enabling the project to make up for the lost time. Along the mission, the Project Manager and PMU staff have been responsive and committed to deliver towards achieving the project development objective. ASDU Directors and the Ministry of Finance / Project Cycle Management Staff fully support the PMU.

Main issues

Project management has improved since the recruitment of the new HESAD Project Manager and of the project staff in Region 9. Filling all remaining vacant positions, including that of the Gender and Social Inclusion Specialist and the project staff for Region 1, as well as boosting human resources in the field to support the participatory development of CPDPs will be crucial to expedite field operations and achieve project targets. Options to increase field presence for development of CPDPs include: (i) Involving the Region 9 Coordinator and the Project Manager (and eventually other PMU staff); (ii) Contracting service providers or individual consultants; and (iii) Considering to establish a young facilitator programme.

To catch up with delayed project implementation, ASDU/PMU will make a plan for the next two years for the preparation, approval and implementation of CPDPs in Region 9 and VCAPs in Region 1, including targets per semester and defining human resources needed. This two year plan should be coherent with the AWPB for 2020, to be submitted before the end of 2019.

Additionally, the IFAD mission and MOA agreed that the PMU will submit a monthly update to IFAD Country Director, describing the status of all agreed actions and flagging issues needing implementation support, and will hold periodic video conferences.

Agreed Action	Responsibility	Agreed Date
Monthly update Submit a monthly update to IFAD Country Director, describing the status of all agreed actions and flagging any new or outstanding issues or those needing specific implementation support.	ASDU/ PMU	

Knowledge Management **Rating: 2** **Previous rating: 3**

Justification of rating

Although the Project has potential to develop relevant knowledge products and to extract learnings that can feed into national public policies, the PMU has not yet developed a knowledge management and communications strategy, nor have carried out any KM activities. During the mission, the importance and strategic use of KM products was discussed, and the PMU agreed that beyond the development of a KM Plan, some KM activities could be initiated right away, capturing experiences and lessons for the development of the Plans.

Main issues

Once the PMU has finalised the M&E Plan, the next step is the development of the KM&C strategy envisioned as a continuum from the Project's M&E.

The mission recommends developing a brief, simple and action-oriented KM&C strategy, encompassing the following dimensions: i) Knowledge capturing: identification of studies, models and experiences that are worth capturing, rigorous and evidence-based. This knowledge can be both generated by the project itself, such as the SOFA study for Region 1 or the Strategy for improving nutrition in indigenous communities, as well as generated by external sources, such as experiences from other agencies of the MOA (GLDA, NAREI, GRDB), experiences from NGOs, or community experiences, for example the school feeding programme sourcing locally in the community of Kaicumbay; ii) Knowledge sharing: definition of the audience that the specific knowledge would be relevant for, including communities, Project Staff, MOA, RDC, etc. iii) Knowledge Products: based on the identified audience, definition of the most adequate product, such as policy briefs, videos, case studies, success stories, newsletter, etc. iv) Communication: mapping of the different communication channels that can be used for knowledge dissemination based on the audience and knowledge product developed, such as thematic networks, web-page, social media, radio programmes, etc. The KM and Communication Strategy should build on the resources readily available in ASDU or MOA.

The mission discussed with the PMU the need to define clear objectives for the KM activities, ensuring they serve a specific purpose and are put into use. Depending on the type of knowledge, audience and product, KM can serve different goals: i) improve project performance and results by adjusting implementation based on M&E data and field experiences; ii) inform project management decisions based on well documented experiences and lessons learned - both successes and failures, internal and external to the project; iii) engage in policy dialogue, based on studies or analyses produced by the project (SOFA, VC Studies, etc.); iv) scale up successful models based on evidence-based project experiences.

Agreed Action	Responsibility	Agreed Date
Knowledge management and Communications strategy for the Project Develop a simple and action-oriented KM&C Strategy, covering: Knowledge capturing, knowledge sharing, knowledge products and communications.	M&E Officer with support from M&E Unit of the MOA	12/2019

Value for Money

Rating: 3

Previous rating: 3

Justification of rating

At the moment of the supervision mission, the total disbursements under IFAD funding is USD 1.1 million (USD 800,000 under IFAD's Loan and USD 300,000 under IFAD's Grant). In both cases it relates to the Advance Allocations. It is to be noted that a WA no.3 of USD 155,739.31 is being submitted to IFAD. The absence of progress in the expected project results, coupled with the limited outreach achieved to date represent a moderate value for money.

Main issues

The major obstacles hindering good value for money result from: i) High costs of carrying out project activities in very remote areas with low population density and costly logistics (plane, river crossings by boat); and ii) Initial project implementation lag that obliges the PMU to accelerate substantially disbursements and possibly miss some opportunities for long-ahead planning and cost saving.

The situation is partially eased by savings during the first two years of project. The PMU has also benefitted from in-kind MOA contribution: Office space, vehicles and administrative support. The PMU constantly looks for opportunities in pooling resources. In Region 9, the PMU staff has e.g. used vehicles that belong to RDC or one of the MOA agencies. Combining the data collection for the Baseline and SOFA study in Region 1 will also contribute to better value for money.

Coherence between AWPB and Implementation

Rating: 3

Previous rating: 3

Justification of rating

Both physical and financial progress of the AWPB reflect the serious delays the project is encountering. In terms of

physical progress, output and outcome targets remain at 0, and only the outreach indicators register progress: 41% of planned households and individuals will benefit from the proposed plans, which have not yet been approved. In terms of financial progress, as of October 2019, only 13% of the USD 1.15 million annual budget had been executed. However, corrective measures to speed up implementation before the end of the year are in place.

AWPB Inputs and Outputs Review and Implementation Progress

The PMU will need to plan and implement a very ambitious 2020 AWPB to overcome the delays in physical and financial progress and reach overall project targets by the planned completion date, March 2023. Although PMU projections for the 2020 annual budget are almost at USD 3.5 million, three times what was planned for 2019, it is expected that the changes and additions to the PMU that took place in 2019 will allow for accelerating implementation of activities and investment plans significantly in 2020. In addition, filling all vacant positions and specially reinforcing presence at field level will be crucial to be able to deliver on the targets for 2020.

Agreed Action	Responsibility	Agreed Date
Submit 2020 AWPB to IFAD for no objection Develop and submit the 2020 AWPB, including not only activities, but also annual targets for the output and outcome indicators of the logical framework	PMU	12/2019

Performance of M&E System

Rating: 3

Previous rating: 3

Justification of rating

Although the development of a comprehensive M&E Plan reflects good progress, in its third year of implementation the Project is yet to initiate major M&E tools and activities, including the baseline study in Region 1, the start-up and planning workshops in both Regions, the establishment of a M&E database and the data collection and analysis that would allow for evidence-based reporting and results-based management. It is imperative to roll out the provisions of the M&E Plan as soon as possible, to test and validate their usefulness for project planning, reporting and strategic decision-making.

M&E System Review

The Project has developed a comprehensive M&E Plan, which constitutes the first ever M&E Plan developed by the MOA. It was carried out between the M&E Officer and the M&E Unit in the MOA, strengthening the capacity of the MOA in this area and serving as guidance for the ASDU/MOA M&E Plan.

The M&E Plan envisions holding planning and evaluation workshops at regional level. As the project rolls out its activities in new areas of Region 9 and in Region 1, it is important to communicate and raise awareness about the project and coordinate with other stakeholders, ensuring the project activities are integrated into the MOA and RDC planning, as well as in the AWPB.

Regarding monitoring of plans at community level, the M&E Plan includes a template for an initial questionnaire to capture baseline data on the producer groups for development of the business plans (complementing the baseline study), as well as a methodology for participatory M&E. It is suggested also to include the questionnaire for the resilience scorecard, directed at each household participating in the producer group, in the tools to be applied at the ignition of the role out of the CPDPs and VCAPs. The PMU plans to conduct a training of field facilitators in these M&E tools once all field facilitators are hired. Prior to conducting this training of trainers, the mission recommends that the M&E Officer assist the field facilitator in Region 9 in applying the initial questionnaire and in the definition of key indicators to monitor progress in the P/CIP, BP and CTP in order to test and validate the proposed methodology in the field, and adjust it as needed.

The establishment of an M&E System and Database has been delayed, since the PMU was requested to wait for the MOA sector-wide M&E System to be established. The mission agreed that a simple project-level Excel database will be set up to register data on the logical framework indicators, which will then feed into the MOA M&E System and Database once these are established. It is imperative to set up this database as soon as possible and initiate the process of data gathering in the field, validation at regional level and consolidation at central level to ensure progress reports adequately reflect advances on the ground and subsequently inform management decisions. All relevant data must be aggregated by sex, age and Indigenous People.

For Region 1, TOR have been developed to conduct the Baseline and the SOFA Study jointly and it is expected that FAO will carry the study out shortly. TOR for the Value Chain Study have also been developed, and the PMU intends to conduct these studies with the M&E Unit of MOA. The mission recommends ensuring that strong private sector expertise is incorporated into the team conducting the VC Study. For Region 9, the mission reviewed the draft detailed baseline study, which collected baseline data on the outcome indicators and validated the targets set in the logical framework.

The draft baseline study includes the questions for the resilience scorecard and a methodology for calculating the score.

Even though the resilience questions seem to be well captured following the TOR, there seems to be deviations from the methodology established in the TOR based on the [DFID KPI4 Methodology](#). The scorecard methodology presented in the TOR mainly uses questions with a yes or no answer; hence, it is not clear why the methodology proposed by the consultant uses “A 1 point mark is use for every incremental increase of 25 %”. The draft report does not present any analysis of the data from the resilience questions and does not present any calculation of a resilience score. Regarding nutrition, the resilience scorecard questionnaire was modified to include dietary diversity at household level (not for women and children as initially envisioned), but the report does not specify the methodology for calculating the minimum acceptable level of dietary diversity at household level (See section on nutrition for further details). All of these aspects need to be corrected in the final baseline report.

Agreed Action	Responsibility	Agreed Date
M&E Database Establish an M&E Database to track progress in achieving the indicator targets of the logical framework and allow for results based project management. Start data collection and disaggregate data by sex, age and Indigenous people, when relevant.	PMU/M&E Officer	11/2019
Agreement with FAO to conduct baseline and SOFA Study for Region 1 Sign the agreement with FAO to conduct the studies in Region 1.	ASDU/PMU	12/2019
Baseline and SOFA Study for Region 1 Complete the baseline and SOFA Study	FAO commissioned and monitored by ASDU/PMU	05/2020

Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)

Rating: 3

Previous rating: 4

Justification of rating

Identification of environmental and climate change risks and clear social inclusion, targeting, mitigation, and resilience enhancing measures need to be better incorporated in the templates, preparation, evaluation and implementation of the CPDPs and VCAPs. The SECAP (PDR appendix 14) has a draft Environmental and Social Management Plan (annex 2) that needs to be updated and integrated in the PIM. The update should consider the investments being identified in the different investment plans and the associated social and environmental risks. The PMU has a clear understanding of the importance of the FPIC and has also followed its principles in the preparation of the plans. Newly recruited project staff and partners still need to be trained in FPIC and the grievance system needs to be developed.

SECAP Review

As mentioned under the climate change adaptation, section and the environment and NRM section, environmental and climate change risks and NRM issues as well as mitigation, adaptation and resilience enhancing measure need to be better incorporated in the formats, preparation, evaluation and implementation of the CPDPs and VCAPs and their BP, P/CIP, and CTP. The SECAP appendix 14 to the PDR in its annex 2 has a draft environmental and social management plan (ESMP). As a pending action from the 2018 supervision mission report the ESMP needs to be updated and further detailed and incorporated in the PIM. This should be done based on the investments being identified in the different investment plans and the associated environmental and social risks. These include among others: Pollution and health risks from agrochemicals, solid waste and waste water from processing facilities; risk of land degradation and soil depletion and degradation of natural forest disrupting habitats and the water cycles; risk of failure of inclusion and provision of benefits to women, youth and vulnerable households; risk from prolonged dry periods, floods and saltwater intrusion. Corresponding mitigation, targeting, adaptation and resilience enhancing measures should be identified as well as roles, responsibilities and tools for monitoring their effective implementation.

The PMU has a clear understanding of the importance of the FPIC and has followed its principles in the process for the five plans developed in North Rupununi. The M&E Plan envisions community's participation in the definition of relevant indicators and in the monitoring of progress. The M&E System will disaggregate data by sex, age, and IP, and FPIC implementation guidelines have to be followed when developing the KM and Communications Plan.

The FPIC training of the PMU and regional staff as well as service providers and partners supporting the communities in the preparation and implementation of the CPDPs and VCAP is planned for Q1 2020. The grievance system need to be developed, described in the PIM and disseminated to project partners and participating communities (as also mentioned in

the 2018 supervision report).

Agreed Action	Responsibility	Agreed Date
Update of the ESMP Update and further detail the ESMP and incorporate it in the PIM	ASDU/PMU	01/2020
Establishment of grievance system Establish the grievance system, describe it in the PIM and disseminate it to project partners and participating communities	ASDU/PMU	01/2020
FPIC training Organize an FPIC training to all PMU regional and field staff, once all team has been hired. The training may be commissioned to an external consultant, expert in FPIC.	PMU/Gender and Social Inclusion Specialist (to be hired)	03/2020

d. Financial Management & Execution

Acceptable Disbursement Rate	Rating: 2	Previous rating: 3
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Justification of rating

The project is in its 3rd year of implementation and its disbursement rate is 10% under IFAD's loan and 60% for the IFAD Grant. There have not been extensions. As of the date of the mission, the Programme has only received the two disbursements related to the Advance allocation of the IFAD's Loan (USD 800,000) and the Grant (USD 300,000). This places the disbursement rating at 2 -which is considered unsatisfactory. – At time of the mission, a withdrawal application for USD 155,739.31 was under review at IFAD.

Main issues

Financial execution of IFAD funding remains low: USD 58,391 under the loan and USD 55,407 under the Grant. This low execution is due to a number of issues including, among others, the three -months gap between the departure of the former project manager and the recruitment of the new one which generated a vacuum in project direction at HESAD. Although the new project coordinator has been able to accelerate in the implementation of many key activities, there are still significant challenges in the project's implementation which are generating significant delay and affecting disbursements and financial execution.

Significant lag in the implementation of Component 2: There has been no financial execution under this component. The delay caused by the lack of interest from financial institutions for the management of the investment fund has put this component at stalled. To this extent, preparation of investment plans for Region 9 has already started and it is expected to continue at accelerated pace to compensate for the implementation delay.

GoG will identify a new and sustainable implementation proposal to be able to accelerate implementation and financial execution of this component. The possibility of starting disbursement of the first 4 investment plans via ASDU -as there will be no transfer of funds to the communities- (just procurement activities) was discussed and will be evaluated as a first stop to start executing funds under this component.

The project has expressed concerns that the funds currently available under Category I – Vehicles and Equipment, might not be sufficient to cover for these expenditures during the remaining implementation period. It was suggested to keep a close monitoring of this category during the first semester of 2020. A decision on whether a reallocation of funds will be necessary could be evaluated as part of the MTR's exercise planned for the last quarter of 2020.

The procurement process has been slow -partially due to the slow and complex review process which are part of the national procedures. IFAD's mission has reiterated the impact that these delays have in project's disbursement rate.

Agreed Action	Responsibility	Agreed Date
Monitoring of funds under Category I The mission recommends maintaining a close monitoring of these funds in the coming months and to assess the situation during the mid-term review planned for the last quarter of 2020. Ongoing until mid 2020	ASDU Finance Manager & PMU Finance Officer	

Fiduciary aspects

Quality of Financial Management

Rating: 5

Previous rating: 4

Justification of rating

The HESAD's Project Financial Management Unit within the ASDU has proven to be satisfactory and able to manage the financial and fiduciary responsibilities of the project under the current implementation setup. The organization and staffing arrangements have been assessed during the mission and classified as low risk. The Financial team at ASDU has significant experience in managing other international funded projects. The PMU's finance officer and ASDU finance manager have completed trainings in IFAD's financial management procedures and on ICP. There are clear and defined responsibilities within the team with one Finance Officer assigned by donor's project and one account's clerk supporting across various projects. Segregation of duties at PMU and ASDU levels continues to be adequate.

Main issues

ASDU's accounting and internal control procedures are outlined in the "Internal Control and accounting Manual" dated February 2017 which was prepared as a result of recommendations from the Institutional assessment performed by IDB in 2016. To ensure proper internal controls within IFAD's project at both central and field levels, it is recommended that the project's Project Implementation Manual (PIM) be utilized as it provides detailed information and procedures relating to segregation of duties, disbursement, accounting, eligibility of expenditures, financial reporting, among others.

Upon review of the supporting documentation on-site, the mission recommended to adjust the accounting entries related to the purchase of computers and other office equipment for the equivalent of approximately USD 10,500 to be reflected under Category I-Vehicles & Equipment (instead of Cat. III- Consultancy Services).

It has been agreed that the chart of accounts will be amended to include also expenditures linked to the M&E activities. The amendment of the chart of accounts and correction of accounting transactions will have to be reflected in the presentation of the project's unaudited Financial Statements due to IFAD on 30 April 2020.

A training session on ICP was provided to ASDU Financial team as the project is now in the process of migrating to the ICP platform. Additional training was provided in connection with IFAD's disbursement procedures and other financial reporting.

The mission recommends expanding the section of the PMI related to how to register contribution from beneficiaries. In addition, once the final implementation arrangement has been defined in connection with the management of the Investment Fund's activities under Component 2– should the implementation arrangement differ from the one defined at project design, it will be necessary to undertake a financial management assessment to evaluate potential risk and mitigation measures under this new option. It might be necessary to review and expand the PMI's sections on disbursement and financial reporting to reflect this new set up.

Unaudited Financial Statements for FY ending in 2018 were submitted with delay during the mission.

Agreed Action	Responsibility	Agreed Date
FM responsibilities The Project financial management responsibilities are carried out by the ASDU Finance Section through the PMU Finance Officer	Permanent Secretary	10/2018
Bank reconciliations Carry out and document Bank reconciliations on a monthly basis starting from August 2018. Deadline: Starting 1 October 2018 and continuing	Finance Officer and Finance Manager	10/2018
Auditor TOR Submit to IFAD the terms of reference of the auditor in accordance with IFAD Handbook for Financial Reporting and Auditing	Finance Officer and Finance Manager	10/2018
Project unaudited Financial Statements Submission to IFAD of the Project unaudited Financial Statements	Finance Officer and Finance Manager	04/2019
Reclassification of expenditures Adjust accounting entries at project level for expenditures relating to WA no. 3	PMU Finance Officer	10/2019
Chart of accounts Chart of accounts will be amended to include expenditures under Cat. I in connection with M&E activities	ASDU-Financial Manager & PMU Financial Officer	12/2019
Project Implementation Manual Review, update and submit to IFAD the final financial and procurement sections of the PIM including section related to how to register contribution from beneficiaries (cash and in-kind), as well as Government in-kind contributions.	Project Manager & Finance Staff	12/2019
Unaudited Financial Statements Submit unaudited Financial Statements to IFAD	PMU Finance Officer	04/2020
Implementation Component 2 When new set up for the implementation of this component is defined, re-assess the need for the strengthening the PMU finance team, revise flow of funds and financial reporting requirements for allied entities and communities/organizations, if applies. Deadline: 1st quarter of 2020 (or when GoG proposal is submitted and approved by IFAD)	MOA /ASDU/Project Manager & IFAD	
In-kind contributions Register and fully document in-kind government contributions, including the methodology for their calculation. This documentation will be verified during supervision missions and audits. Ongoing activity	PMU Finance Officer	

Justification of rating

The Audit Report were received before due date and it is considered satisfactory.

Counterparts Funds	Rating: 4	Previous rating: 4
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Justification of rating

At the time of the mission, GoG has transferred counterpart funds to the project for a total of approximately USD 118,247 of which USD 41,751 in 2019. The slow implementation of the project in 2019 did not require the release of higher amounts. In addition, there has been no delay in the release of these funds. The project receives the funds on the basis of the request submitted by PMU via ASDU every 3 months based on the AWPB's requirements. In this context, the assessment of Counterpart funds can be considered moderately satisfactory.

Main issues

AWPB 2019, As of 20.10.2019, the project reports a financial execution of USD 153,263 equivalent to 13% of an AWPB of USD 1.15 million. Financial execution of IFAD funding remains low: USD 58,391 under the loan and USD 55,407 under the Grant. Financial execution of Government funds to date amounts to USD 85,554.

Additional in-kind contribution from the Government is not reflected in this amount. The project has been informed of the need to register these expenditures.

Agreed Action	Responsibility	Agreed Date
In-kind government contributions Register and fully document in-kind government contributions, including the methodology for their calculation. This documentation will be verified during supervision missions and audits. Ongoing activity	ASDU – Financial Manager & PMU Finance Officer	

Compliance with Loan Covenants	Rating: 4	Previous rating: 4
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Justification of rating

The project reaches a classification of moderately satisfactory in relation with its compliance with loan covenants and particularly considering that the lack of implementation of Component 2 which could affect the accomplishment for this project stage. On the other hand, the project has complied with most of the loan covenants as established in the financing agreement: PIM drafted, AWPB for 2019 approved (including Procurement Plan). See Annex 3 for further details.

Procurement

Procurement	Rating: 4	Previous rating: 4
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Justification of rating

The Project Procurement rating continues as moderately satisfactory mainly due to: i) the recent contracting of the Project Procurement Officer, ii) delays found during the execution of the procurement's processes developed during the period, and iii) the lack of quality of the record retention.

Procurement Review

- **Procurement Planning Process(5)**, The PP and the AWP for the 2019 are in place and properly updated and upgraded. These instruments take into account the procurement and planning arrangements agreed for this project. Nonetheless, some actions have been identified in order for the PMU to fully comply with IFAD's procurement approach.
- **Processes and Procedures for Evaluation and Contract Award (4)**An assessment/monitoring of the Project procurement arrangements was conducted during the mission. 8 out of 40 current processes approved in the project PP were reviewed and the principal findings are described as follows: i) Procurement Initiation – there is no evidence that the procurement processes had been initiated by the technical responsible (e.g. Regional Coordinators, Project Manager), ii) The TOR for consultancy and specification for goods are acceptable, but require more detail related to the scope of work and consultancy budget, iii) Standard bidding documents and request for proposals –Due to the nature of the project procurement activities it is necessary to use IFAD's SBD, as well as to draft in the PIM the SBD that will rule the procurements under the community and business plans; and iv) Procurement methods – The methods and thresholds assigned to the procurements under the HESAD

project, respond to the ceiling approved for the Ministry of Agriculture according to the National Procurement Act and its regulations. The aforementioned means that various tranches of reviewing (from Permanent Secretariat-MOA to the Cabinet) have to be requested, incurring in delays to award the contracts. The Mission recommends drafting a mechanism that speeds up the project implementation considering the workflow planned until the end of this calendar year and the start of 2020.

- **Contract Management and Administration (4)** -The Mission recommends that for certain types of contracts including those of greater value or executed through the territorial offices, the flow followed up to date shall be adjusted to the other actors that intervene in the contract management such as territorial coordinators and technicians. This mechanism shall be detailed in the Project Implementation Manual. In addition; contract register shall follow IFAD's template and be updated correctly and submitted in accordance with provisions in the Letter to the Borrower.
- **Record Retention (3)** – although the PMU has adopted the ASDU's and the Ministry of Agriculture systems of record keeping and most of the documents are in place, the Mission recommends to take also in consideration the principles and rules identified and indicated in the Project Implementation Manual (PIM) Procurement Section, which defines the IFAD guidelines related to this matter.

Agreed Action	Responsibility	Agreed Date
Procurement Planning Process Submit to IFAD (with the Annual Work Plan and Budget) the Procurement Plan for the 2020 calendar year	ASDU-Project Manager	11/2019
Procurement Planning Process Align the Procurement Plan with the AWPB and update it on a monthly basis.	ASDU-Project Procurement Officer	
Record retention Keep procurement records orderly in file records in shelves in line with IFAD's guidelines	Project Procurement Officer	

e. Key SIS Indicators

Likelihood of Achieving the Development Objective	Rating: 4	Previous rating: 4
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Justification of rating

The project presents a significant lag in implementation. However, the latest supervision mission was able to flag pending issues and guide the PMU forward. With a fully committed Project Manager and backstopping from ASDU and other MoA agencies, PMU has been very responsive and is making rapid progress towards achieving targets. E.g. the field teams are busy in co-designing CPDPs in Region 9, the draft AWPB2020 have been submitted and pending procurement processes have been solved. The M&E system's set up is being finalized. The project is closely monitored by IFAD country team and implementation support will be provided in M&E, nutrition, gender and any other issue that might rise. An implementation support mission is scheduled for Q1/ 2020 (elections in Q2/2020) and MTR for Q4/ 2020.

Assessment of the Overall Implementation Performance	Rating: 4	Previous rating: 4
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F. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		

Human resources to support CPDP development in communities Increase the capacity to support communities in the development of CPDPs in region 9 by: (i) Involving the Region 9 Coordinator and the Project Manager (and eventually other PMU staff); (ii) Contracting service providers or individual consultants; and (iii) Considering to establish a young facilitator programme.	ASDU/PMU	10/2019
Adjustment of the CPDP template Adjust the current community business plan template into a CPDP template along the lines of the five overall sections listed in this Aide Memoire and include it in the updated PIM to be sent to IFAD for no-objection.	ASDU / PMU with support from senior technical experts	11/2019
Develop a two year plan for CPDPs and VCAPs Prepare a plan for the next two years for the preparation, approval and implementation of the CPDPs and VCAPs with targets to be achieved per semester, and submit to IFAD.	ASDU/PMU	11/2019
Approval of CPDPs Draft and process the approval of at least 5 CPDPs for Region 9 in 2019	ASDU/PMU with support from service providers, and in consultation with the RDC	11/2019
Proposal for management of Investment Fund Submit to IFAD's no objection a proposal on how ASDU envisions to manage the Investment Fund. Update the PIM accordingly.	MoA/ASDU in consultation with MoF	11/2019
Signature of agreement with FAO Sign the agreement with FAO for the implementation of the combined baseline and SOFA study for Region 1.	ASDU/PMU	12/2019
Proposal for procedure in case of transfer of funds to communities Submit to IFAD a proposal regarding how to proceed in the case there will be transfer of funds to the communities/ producer groups/ organizations.	Borrower	01/2020
Development of baseline and SOFA Region 1 Complete the combined baseline and SOFA study for Region 1	FAO commissioned and monitored by ASDU / PMU	05/2020
Conduct value chain studies Carry out all value chain studies including community consultation processes in Region 1, organize and convene the Value Chain Roundtables, and initiate the formulation of VCAPs with concrete investments for at least one VC.	ASDU/PMU and MoA M&E Unit	05/2020

Pursue collaboration in nutrition and school-feeding programmes with line Ministries. Liaise with regional Ministry of Health officials to identify collaboration in nutrition (training, etc.) and with regional Ministry of Education officials to identify possible links between the CPDP and the school-feeding programmes.	ASDU/PMU, Regional Coordinator	
Development Effectiveness		
Start of data collection Start data collection on targeting, outreach and inclusion and disaggregate data by sex and age, when relevant.	PMU/M&E officer	11/2019
Recruitment of Gender and Social Inclusion Specialist Hire the Gender and Social Inclusion Specialist to support PMU to include social and gender aspects in the preparation and implementation of investment plans.	ASDU/PMU	12/2019
Climate risks in CPDPs and VCAP Include proper identification of climate related risks and adaptation and resilience enhancing measures in CPDPs, VCAPs and in evaluation criteria and formats for selection of investment plans	ASDU/PMU	12/2019
Rainwater harvesting report Use the NDIA/ICCA report 2 on options for rainwater harvesting with the communities in North Rupununi to develop proposals for rainwater harvesting when relevant	PMU/Regional coordinator and field facilitators	12/2019
Correct baseline report Make sure the baseline study for region 9 includes a proper analysis of resilience scores applying a scorecard methodology that can be replicated at midterm and end of the project	ASDU/PMU/M&E officer	12/2019
Consultations for the hydrological study Consult with the RDC, NDIA and ICCA and decide if a similar hydrological study to the one developed for the North Rupununi should be developed for the Center and/or the South Rupununi using the funds available for hydrological studies in the HESAD budget	ASDU/PMU	01/2020
Gender and Social Inclusion Strategy Develop a Gender and Social Inclusion Strategy for the Project	PMU/Gender and Social Inclusion Specialist (to be hired)	04/2020
Technical assistance to integrate nutrition into community plans Liaise with the MOH to strengthen mainstreaming of nutrition into CPDPs, BP, P/CIP and, specially into CTP to roll out nutrition education and behaviour change communication initiatives in the communities. Liaise with regional Ministry of Health and with regional Ministry of Education officials to identify possible links between the CPDP and the school-feeding programmes.	ASDU/PMU/ Regional Coordinator	

Sustainability and Scaling up		
Environment and NRM in CPDPs and VCAPs Include proper identification of environmental risks and NRM issues, mitigation measures and improved practices in the templates, preparation and implementation of the CPDPs and VCAPs (BP, P/CIP and CTP).	ASDU/PMU	12/2019
Environment and NRM in VC studies Make sure the value chain studies for Region 1 includes proper analysis of environmental risks and NRM issues and identify mitigation measure and improved NRM practices and needed investments.	ASDU/PMU/M&E Unit	05/2020
Project Management		
M&E Database Establish an M&E Database to track progress in achieving the indicator targets of the logical framework and allow for results based project management. Start data collection and disaggregate data by sex, age and Indigenous people, when relevant.	PMU/M&E Officer	11/2019
Knowledge management and Communications strategy for the Project Develop a simple and action-oriented KM&C Strategy, covering: Knowledge capturing, knowledge sharing, knowledge products and communications.	M&E Officer with support from M&E Unit of the MOA	12/2019
Agreement with FAO to conduct baseline and SOFA Study for Region 1 Sign the agreement with FAO to conduct the studies in Region 1.	ASDU/PMU	12/2019
Submit 2020 AWPB to IFAD for no objection Develop and submit the 2020 AWPB, including not only activities, but also annual targets for the output and outcome indicators of the logical framework	PMU	12/2019
Update of the ESMP Update and further detail the ESMP and incorporate it in the PIM	ASDU/PMU	01/2020
Establishment of grievance system Establish the grievance system, describe it in the PIM and disseminate it to project partners and participating communities	ASDU/PMU	01/2020
FPIC training Organize an FPIC training to all PMU regional and field staff, once all team has been hired. The training may be commissioned to an external consultant, expert in FPIC.	PMU/Gender and Social Inclusion Specialist (to be hired)	03/2020

Baseline and SOFA Study for Region 1 Complete the baseline and SOFA Study	FAO commissioned and monitored by ASDU/PMU	05/2020
Monthly update Submit a monthly update to IFAD Country Director, describing the status of all agreed actions and flagging any new or outstanding issues or those needing specific implementation support.	ASDU/ PMU	
Financial Management & Execution		
FM responsibilities The Project financial management responsibilities are carried out by the ASDU Finance Section through the PMU Finance Officer	Permanent Secretary	10/2018
Bank reconciliations Carry out and document Bank reconciliations on a monthly basis starting from August 2018. Deadline: Starting 1 October 2018 and continuing	Finance Officer and Finance Manager	10/2018
Auditor TOR Submit to IFAD the terms of reference of the auditor in accordance with IFAD Handbook for Financial Reporting and Auditing	Finance Officer and Finance Manager	10/2018
Project unaudited Financial Statements Submission to IFAD of the Project unaudited Financial Statements	Finance Officer and Finance Manager	04/2019
Reclassification of expenditures Adjust accounting entries at project level for expenditures relating to WA no. 3	PMU Finance Officer	10/2019
Procurement Planning Process Submit to IFAD (with the Annual Work Plan and Budget) the Procurement Plan for the 2020 calendar year	ASDU-Project Manager	11/2019
Chart of accounts Chart of accounts will be amended to include expenditures under Cat. I in connection with M&E activities	ASDU-Financial Manager & PMU Financial Officer	12/2019
Project Implementation Manual Review, update and submit to IFAD the final financial and procurement sections of the PIM including section related to how to register contribution from beneficiaries (cash and in-kind), as well as Government in-kind contributions.	Project Manager & Finance Staff	12/2019
Unaudited Financial Statements Submit unaudited Financial Statements to IFAD	PMU Finance Officer	04/2020

Procurement Planning Process Align the Procurement Plan with the AWPB and update it on a monthly basis.	ASDU-Project Procurement Officer	
Record retention Keep procurement records orderly in file records in shelves in line with IFAD's guidelines	Project Procurement Officer	
Implementation Component 2 When new set up for the implementation of this component is defined, re-assess the need for the strengthening the PMU finance team, revise flow of funds and financial reporting requirements for allied entities and communities/organizations, if applies. Deadline: 1st quarter of 2020 (or when GoG proposal is submitted and approved by IFAD)	MOA /ASDU/Project Manager &. IFAD	
In-kind contributions Register and fully document in-kind government contributions, including the methodology for their calculation. This documentation will be verified during supervision missions and audits. Ongoing activity	PMU Finance Officer	
Monitoring of funds under Category I The mission recommends maintaining a close monitoring of these funds in the coming months and to assess the situation during the mid-term review planned for the last quarter of 2020. Ongoing until mid 2020	ASDU Finance Manager & PMU Finance Officer	
In-kind government contributions Register and fully document in-kind government contributions, including the methodology for their calculation. This documentation will be verified during supervision missions and audits. Ongoing activity	ASDU – Financial Manager & PMU Finance Officer	

Hinterland Environmentally Sustainable Agricultural Development Project

Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Outreach	1.a Corresponding number of households reached							Baseline studies Impact study Verification in the field	Mid Term Before Closing	PMU, MOA	
	Women-headed households										
	Non-women-headed households										
	Households	0		6 000	487	487	8.1				
	1 Persons receiving services promoted or supported by the project							Baseline studies Impact study Verification in the field	Mid Term Before Closing	PMU MOA	
	Females										
	Males										
	Young										
	Not Young										
	Indigenous people										
	Non-Indigenous people										
	Total number of persons receiving services	0		6 000							
	1.b Estimated corresponding total number of households members										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Household members			30 000	2 488	2 488	8.3				
Project Goal											
Development Objective Improved livelihood resilience through income generation, access to assets, improved nutrition, and adaptation to climate variability	Targeted households have increased their resilience (80%)							Baseline studies Impact study Verification in the field	Mid Term Before Closing	PMU MOA	Economic risks: Productive specialization (vs traditional diversification strategy); vulnerability to market shocks; increased seasonality effects on income and labour cycles Competition for labour from other sectors
	Households			4 800							
	Female-headed households			15							
Outcome 1. C1 - Communities and producer groups have identified investment opportunities manage economic and climate change risk	Households in targeted communities participate in development of public / collective investments plans (80%).							Reports M&E Supervision reports Progress reports	Semi-annually Annually Mid Term Before Closing	PMU MOA	
	Households	0		4 500							
	Female-headed households			15							
	People in targeted communities participating in producer groups with approved business plans.							Reports M&E Supervision reports Progress reports	Semi-annually Annually Mid Term Before Closing	PMU MOA	
	People	0		2 500							
	Females			50							
	Youth			30							

Results Hierarchy	Indicators							Means	of Verification		Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Outcome 2.1 C2 - Increased investments in business plans that increase agriculture and related income-generating opportunities and increase market access	Households that invested in business plans (80%) have increased their income from agriculture and related activities by 50%							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	Climate change risks: Productive transformation without access to adequate technology and information for water and soil management Shift to less diversified farming systems Social risks: Weakening of social capital and organization capacity at community level Exclusion of vulnerable groups including women and youth Risks for nutrition and food security: Increased complexity of nutritional problems (e.g., transition to unhealthy diets) Decrease of food security Loss of traditional knowledge, food culture and agro-biodiversity Institutional risks: Limited inter-institutional coordination for actions at the regional level Incipient managerial and organizational
	Households			2 000							
	Female-headed households			15							
	1.2.4 Households reporting an increase in production										
	Households										

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
	Households										and organizational capacity to implement investments at the local level (communities and producers organizations)

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Outcome 2.2 C2 - Increased access to assets that build community resilience and create an enabling productive environment (water, energy, ICT)	Households in targeted communities with access to renewable energy sources							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	Households	0		30							
Outcome 2.3 C2 - Improved diet of adequate quality and appropriate quantity, referring to context-appropriate food-based dietary guidelines and drawing insofar as possible on own-production and local markets in a context of effective behaviour change and nutrition education activities	Households have food consumption patterns that substantially reflect appropriate “best option food basket” (60%).							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	Households			3 600							
	Female-headed households			15							
Outcome 3. C3 - Efficient and adequate management and implementation of planned activities and effective coordination and planning between institutions at the national, regional and local level	Evidence based knowledge products developed (written, video or oral/radio)							Knowledge products MOUs Supervision reports Progress reports	Annually Mid Term Before Closing	PMU MOA	
	Products	0		4							
	MOUs signed with public institutions to provide services to the project							Knowledge products MOUs Supervision reports Progress reports	Annually Mid Term Before Closing	PMU MOA	
	MOUs			4							
	The project’s global investment plan and AWPBs are reflected in the regional budgets and plans for two regions							NSC and RMC Minutes Progress reports	Annually Mid Term Before Closing	PMU MOA	
	Regions			2							
	AWPB is implemented each year.							AWPB Supervision reports Progress reports	Annually Mid Term Before Closing	PMU MOA	
	AWPB Implementation	90		90							

Results Hierarchy	Indicators							Means	of Verification		Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Output 1.1. C1 - Community Production Development Plans (CPDP) Region 9	Agreements with village councils or communities signed.							AgreementsProgress reports	Semi-annually Annually	PMU	
	Agreements	0	0	60							
Output 1.2. C1 - State of Food and Agriculture (SOFA) and value chain studies Region 1	Study reports approved							Studies Progress reports	Semi-annually Annually	PMU	
	Study reports	0	0	2							
Output 1.3. C1 - Value Chain round tables and action plans (VCAP)	VCAPs developed and supported							VCAPs Progress reports	Semi-annually Annually	PMU	
	VCAPs	0	0	3							
Output 1.4 C1 - Public/Collective Investment Plans (P/CIP)	P/CIPs developed							P/CIPs M&E reports Progress reports	Semi-annually Annually	PMU	
	P/CIPs	0	0	60							
Output 1.5 C1 - Business Plans (BP) for producer groups	BPs developed							Business Plans M&E reports Progress reports	Semi-annually Annually	PMU	
	BPs	0	0	200							
Output 1.6 C1 - Community Training Plans (CTP)	CTPs developed							M&E reports Business Plans Progress reports	Semi-annually Annually	PMU	
	CTPs	0	0	60							
Output 1.7 C1 - List of cross community investments, studies and TA for the implementation of P/CIPs, BPs and CTPs	Opportunities for joint investments.							M&E reports Progress reports	Semi-annually Annually	PMU	
	Opportunities			10							
	Opportunities for regional studies							M&E reports Progress reports	Semi-annually Annually	PMU	
	Opportunities			2							
	Opportunities for joint awareness raising or training							M&E reports Business Plans Progress reports	Semi-annually Annually	PMU	
	Opportunities			10							
	Opportunities for value chain round tables (Region 9)							M&E reports Business Plans Progress reports	Semi-annually Annually	PMU	
	Opportunities			4							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Output 2.1.1 C2 - Business plans for the production and processing of cash crops and related value-adding activities approved by a financial institution	BPs supported and implemented							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	BPs	0		200							
Output 2.1.2 C2 - Increase in volume sold through new or existing markets channels and coaching, technical assistance and business incubation activities provided for the implementation of business plans	BPs that have received coaching, technical assistance and business incubation activities							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	BPs	0	0	0							
Output 2.1.3 C2 - Sub-regional roundtables established to coordinate actions on key cash crops and commodities in Region 9 and studies for specific value chains and related markets opportunities	Value chain round tables supported (Region 9)							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	Value chain round tables	0		2							
	Studies carried out							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	Studies			2							
Output 2.2.1 C2 - Investments in public goods for improved water management, renewable energy and in public facilities and infrastructure that increase access to internet in target communities	P/CIPs for water, energy, ICT supported and implemented							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	P/CIPs	0		30							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Output 2.2.2 C2 - Investments for integrated soil fertility management, integrated pest management, and in technology for increasing efficient water use for productive activities in business plans	BPs that have received incentives and TA for integrated soil and pest mgt. and efficient water use							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	BPs	0		30							
Output 2.3.1 C2 -Increased knowledge on nutrition and balancing of diet through awareness raising and training	Target group aware of balanced diets (60%)							Baseline studies Impact study Progress reports Verification in the field	Annually Mid Term Before Closing	PMU MOA	
	Households			3 600							
	Female-headed households			15							
	1.1.8 Households provided with targeted support to improve their nutrition										
	Households										
	Indigenous people										
	Non-Indigenous people										
	Women-headed households										
	Non-women-headed households										
Output 2.3.2 C2 - Production of food that balances diets at community level increased	Increase volume of food crops produced as part of the “best option food baskets”										
	Volume increase			30							

Results Hierarchy	Indicators							Means	of Verification		Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2019)	Cumulative Result (2019)	Cumulative Result % (2019)	Source	Frequency	Responsibility	
Output 3.1 C3 - Participatory planning and M&E	Communities that monitor and evaluate their P/CIPs							Progress reports Regional Workshop reports	Semi-annually Annual	PMU	
	Communities	0		80							
	Producer groups that monitor and evaluate their BPs							Progress reports Regional Workshop reports	Semi-annually Annual	PMU	
	Groups			80							
	Regional Evaluation and Planning Workshops organized in each region annually							Progress reports Regional Workshop reports	Semi-annually Annual	PMU	
	Workshops			1							

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Appendix 1: Financial: actual financial performance; by financier by component and disbursements by category

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Appendix 2: **Financial: Actual financial performance by financier; by component**

Table 2A: Financial performance by financier

Financier	Appraisal (USD '000)	Disbursement (USD '000)	Percent disbursed
IFAD loan	7 960.00	800.00	10%
IFAD grant	500.00	300.00	60%
Government	2 430.00	118.25	5%
Beneficiaries	253.25	-	0%
Total	11 143.25	1 218.25	11%

Table 2B: Financial performance by financier by component (USD '000 - as at 21st October, 2019)

	IFAD loan			IFAD grant			Government			Beneficiaries			Total		
Component	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1	2 148.00	8.89	0.4%	500.00	55.89	11.2%	2 430.00	108.87	4.5%	253.25	-	0.0%	5 331.25	173.65	3.3%
2	4 757.00	1.20	0.0%	-	-	0.0%	-	-	0.0%	-	-	0.0%	4 757.00	1.20	0.0%
3	1 055.00	132.53	12.6%	-	-	0.0%	-	-	0.0%	-	-	0.0%	1 055.00	132.53	12.6%
Total	7 960.00	142.62	1.8%	500.00	55.89	11.2%	2 430.00	108.87	4.5%	253.25	-	0.0%	11 143.25	307.38	2.8%

Table 2C: IFAD Loan Disbursements (USD - as at 21st October, 2019)

Category	Category Description	Original Allocation	Revised Allocation	Disbursement	WA Pending	Balance	Percent Used
I	Consultancy Services	2 620 000	-		1 200	2 618 800	0.0%
II	Grants (Sub-Projects)	2 880 000	-		-	2 880 000	0.0%
III	Salaries and Operating Expenses	940 000	-		92 656	847 344	9.9%
IV	Training	550 000	-		-	550 000	0.0%
V	Vehicles and Equipment	170 000	-		23 312	146 688	13.7%
	Authorised Allocation		-	800 000		(800 000)	0.0%
	Unallocated	800 000	-			800 000	0.0%
Total		7 960 000	-	800 000	117 168	7 042 832	23.6%

Table 2D: IFAD Grant Disbursements (USD - as at 21st October, 2019)

Category	Category Description	Original Allocation	Revised Allocation	Disbursement	WA Pending	Balance	Percent Used
I	Consultancy Services	450 000	-		38 573	411 427	8.6%
	Authorised Allocation		-	300 000		(300 000)	0.0%
	Unallocated	50 000				50 000	0.0%
Total		500 000	-	300 000	38 573	161 427	8.6%

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Appendix 2: Physical progress measured against AWP&B

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A. Appendix 2: Physical progress measured against AWP&B

Component/Outcome or Output	Indicator	Unit	Period: 01-01-2019 to 16-10-2019			Cumulative Actual	Appraisal	
			AWP&B	Actual	%		Target	%
Component 1: Strengthening of communities' and producer groups' investment planning								
Outreach	1.a Corresponding number of households reached	Number	1200	487	41%	487	6000	8%
	1 Persons receiving services promoted or supported by the project	Number	2000	0	0	0	18000	0
	1.b Estimated corresponding total number of households members	Number	6000	2488	41%	2488	30000	8%
Output 1.1. Community Production Development Plans (CPDP) Region 9	Agreements with village councils or communities signed.	Number	5	0	0	0	60	0
Output 1.2. State of Food and Agriculture (SOFA) and value chain studies Region 1	Study reports approved	Number	2	0	0	0	2	0
Output 1.4 Public/Collective Investment Plans (P/CIP)	P/CIPs developed	Number	16	0	0	0	60	0
Output 1.5 Business Plans (BP) for producer groups	BPs developed	Number	12	0	0	0	200	0
Output 1.6 Community Training Plans (CTP)	CTPs developed	Number	14	0	0	0	60	0
Output 2.3.1 Increased knowledge on nutrition and balancing of diet	1.1.8 Number of persons/households provided with	Number	100	0	0	0	0	0

through awareness raising and targeted support to improve their
training nutrition

Outcome 3 Efficient and adequate
management and implementation
of planned activities and effective
coordination and planning between
institutions at the national, regional
and local level

MOUs signed with public
institutions to provide services to
the project

Number	1	0	0	0	4	0
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Appendix 3: Compliance with legal covenants: status of implementation

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A. Appendix 3: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section GC 7.02 (b) i)	Project Account (in Guyanese Dollars) opened by and held in the name of the Borrower/Recipient in a bank selected by the Borrower/Recipient		Accomplished	
Section GCF 7.02 (b) ii)	Designated account (in US dollars) opened by and held in the name of the Borrower/Recipient in the Central Bank of Guyana		Accomplished	
Section 4.02 (b) GCF and Section E.2 (a)	The Project Management Unit (PMU) established and completed the recruitment of Project Coordinator, Finance Officer and Procurement Officer and ME Officer	March 1, 2018	Accomplished	
Section 4.02 (b) GCF, Section E.2 (b) and Schedule II.10	Draft PIM prepared in form and substance satisfactory to the Fund	May 31, 2018	Version 5 finalized	To be submitted to IFAD For approval
Section 4.02 (b) GCF and Section E.2 (c)	The Desk Baseline study for Region 9 completed	March 31, 2018	Accomplished	May 3, 2018
Section 4.02 (b) GCF and Section E.3 (a)	Detailed value chains study for spices in Region 1 completed	December 2018		
Section 4.02 (b) GCF and Section E.3 (b)	The SOFA study in Mabaruma and Moruca sub regions of Region 1 completed	December 2018		
Section 4.02 (b), GCF and Section E.3 (c)	The baseline study for Region 1 completed	December 2018		
Schedule Section II, 5.4	1, A National Steering Committee comprised according to the PIM		Accomplished	
Schedule Section II 5.5	1, MOA M&E Unit supported by the Project			
Schedule Section II.6	I, Finance Officer recruited as a condition of Disbursement from the loan and grant accounts	March 31, 2018	Accomplished	

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Schedule Section II.7	1, Procurement Officer exclusively assigned to the Hinterland Project	Before any procurement activity start	Accomplished	
Schedule 2.3	Start-up costs executed before the satisfaction of the Conditions precedent to withdrawal require the IFAD No-objection	Not Used	N/A	
Section GCF 7.01 (b)(i) & (ii)	2019 AWPB approved by IFAD			
Section GCF 7.05	Procurement executed as agreed	Ongoing activity	Accomplished	
Section 8.03 (b)	A Mid-Term Review (MTR) to be carried out jointly by The Borrower and IFAD	Mid-point of the Project Implementation Period	Expected	Planned for last quarter Of 2020
Section GCF 8.06	Six-monthly and annual reports approved by the NSC And submitted to IFAD	Within 45 days after Each period		
Section GCF 8.04	Completion Report	After Project Completion Date and before Financing Closing Date	Expected	
Section GCF 9.02	Financial Statements	Within 4 months of the end of each fiscal year	30.4.2019	Submitted with delay on 30.10.2019
Section GCF 9.03	Audit Report	Within 6 months of the end of each fiscal year	30.6.2019	Submitted earlier