

## Indonesia

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### **Integrated Participatory Development and Management of the Irrigation Sector Project**

### **Supervision Report**

Mission Dates: 18 May 2020 - 16 July 2020  
Document Date: 09/09/2020  
Project No. 1100001706  
Report No. 5495-ID

Asia and the Pacific Division  
Programme Management Department



## Abbreviations and Acronyms

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<b>ADB</b>	<b>Asian Development Bank</b>
<b>AEHRD</b>	<b>Agricultural Extension and Human Resource Development (of MoA)</b>
<b>APBD</b>	<b>Anggaran pembangunan dan belanja daerah / the local government's budget allocation</b>
<b>AWPB</b>	<b>Annual Work Plan and Budget</b>
<b>Bangda</b>	<b>Bina Pembangunan Daerah /DG Regional Development of Ministry of Home Affairs (MoHA)</b>
<b>BAPPEDA</b>	<b>Badan Perencanaan Pembangunan Daerah / Regional Development Planning Agency</b>
<b>BAPPENAS</b>	<b>Badan Perencanaan Pembangunan Nasional / National Development Planning Agency</b>
<b>BBI</b>	<b>Balai Benih Induk / Central Seed Agency</b>
<b>DI</b>	<b>Daerah Irigasi / Irrigation Schemes</b>
<b>DP</b>	<b>Development Partners</b>
<b>DPIU</b>	<b>District Project Implementing Unit</b>
<b>DPMU</b>	<b>District Project Management Unit</b>
<b>FA</b>	<b>Financing Agreements</b>
<b>FFS</b>	<b>Farmers Field School</b>
<b>FG</b>	<b>Farmer Groups</b>
<b>FiA</b>	<b>Finance Assistant</b>
<b>FO</b>	<b>Finance Officer</b>
<b>HYV</b>	<b>High Yielding Varieties</b>
<b>Juklak</b>	<b>Petunjuk Pelaksanaan / Project Implementation Guidance</b>
<b>Juknis</b>	<b>Petunjuk Teknis / Technical Guidance</b>
<b>KMC</b>	<b>Knowledge Management Centre</b>
<b>MoA</b>	<b>Ministry of Agriculture</b>
<b>MoHA</b>	<b>Ministry of Home Affairs</b>
<b>MoPWH</b>	<b>Ministry of Public Works and Housing</b>
<b>NPHD</b>	<b>naskah perjanjian hibah daerah / on-granting agreements</b>
<b>NPIU</b>	<b>National Project Implementation Unit</b>
<b>NPMU</b>	<b>National Project Management Unit</b>
<b>PIM</b>	<b>Project Implementation Manual</b>
<b>PPIU</b>	<b>Provincial Project Implementing Unit</b>
<b>PPL</b>	<b>Petugas Penyuluh Lapangan / Extension Workers or Field Staff</b>
<b>PPMU</b>	<b>Provincial Project Management Unit</b>
<b>PU</b>	<b>Kementerian Pekerjaan Umum / Ministry of Public Works and Housing (MoPWH)</b>
<b>RBL</b>	<b>Result Based Lending</b>
<b>RPJMN</b>	<b>Rencana Pembangunan Jangka Menengah Nasional/Medium Term Development Planning</b>
<b>TPM</b>	<b>Tenaga Pendamping Masyarakat / Village facilitators</b>
<b>WG</b>	<b>Working Group</b>
<b>WUA</b>	<b>Water User Associations</b>
<b>MTR</b>	<b>Mid-Term Review</b>
<b>LiDAR</b>	<b>Light Detection and Ranging</b>

## A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Actual problem
Country:	Indonesia	Environmental and Social Category:	B
Project Name:	Integrated Participatory Development and Management of the Irrigation Sector Project	Climate Risk Classification:	not available yet
Project ID:	1100001706	Executing Institution:	Ministry of Public Works and Housing
Project Type:	Irrigation	Implementing Institutions:	Ministry of Agriculture
CPM:	Ivan Cossio Cortez		
Project Director:	not available yet		
Project Area:	not available yet		

Approval Date:	17/12/2015	Last audit receipt:	25/06/2020
Signing Date:	13/02/2017	Date of Last SIS Mission:	16/07/2020
Entry into Force Date:	13/02/2017	Number of SIS Missions:	6
Available for Disbursement Date:	11/07/2017	Number of extensions:	0
First Disbursement Date:	13/07/2017	Effectiveness lag:	14 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	IFAD: KfW loan	\$98,500,000
	Asia and the Pacific Division	\$1,500,000
Domestic Financing breakdown	National Government	\$152,900,000
Co-financing breakdown,	Asian Development Bank	\$600,000,000
Project total financing:		\$852,900,000

## Current Mission

Mission Dates:	18 May 2020 - 16 July 2020
Days in the field:	0 (remote supervision due to covid-19 restriction)
Mission composition:	Ivan Cossio, Country Director; Nicolas Syed, Programme Officer and Mission leader; Anissa Pratiwi, CPO; Muhammad Iskandar, CPA; Anthony Ryan, Farming Systems Specialist; Anura Herath, Economist; Lilis Suharti, Financial Management Specialist; Kemal Pasha, Procurement Specialist
Field sites visited:	Remote discussions held with 4 Provinces: Aceh, Jawa Barat, Kalimantan Barat, Sulawesi Tengah, and 10 Districts Aceh Timur, Bireun, Empat Lawang, Kayong Utara, Mangarrai Timur, Ngawi, Pandeglang, Pati, Sukabumi, Toli Toli

## 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		3

<b>Effectiveness and Developmental Focus</b>	<b>4</b>	<b>Project Management</b>	<b>4</b>
Effectiveness	3	Quality of Project Management	4
Targeting and Outreach	4	Knowledge Management	4
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	5	Coherence between AWPB and Implementation	4
Nutrition		Performance of M&E System	3
Adaptation to Climate Change	4	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	4

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

<b>Relevance</b>	<b>5</b>
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## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

The Integrated Participatory Development and Management of Irrigation Project (IPDMIP) was approved at IFAD's Executive Board in December 2015. The total project financing is USD 1.679 billion, consists of an IFAD loan (No. ID-1445) of EUR 93.15 million (USD 103 million), an IFAD grant (No. ID-1446) of EUR 1.41 million (USD 1.6 million), an ADB loan of USD 600 million, and government contribution of about USD 979 million from the national programme on irrigation rehabilitation.

The IFAD Financing Agreement entered into force in February 2017 with implementation commencing in August 2017. The project completion date is 31 March 2023, and the project closing date is 30 September 2023.

The goal of the IPDMIP is to improve food security and livelihoods in rural Indonesia, and its development objective is to increase the value of sustainable irrigated agriculture. The Project covers 74 districts in 16 provinces, where most activities are managed at the sub-national level. Funds are channelled from national government to the province and district governments using an on-granting mechanism.

The Project has four components: **C1:** Strengthened Policy and Institutional Frameworks for Irrigated Agriculture; **C2:** Improved Irrigation System Management; **C3:** Improved Irrigation Infrastructure; **C4:** Increased Irrigated Agricultural Incomes. The IFAD loan finances activities under C4 led by the Ministry of Agriculture (MoA) and the IFAD grant supports policy activities led by the Ministry of National Development Planning (Bappenas) under C1. The ADB loan, which adopts a Result Based Lending (RBL) modality, focusses on irrigation activities led by the Ministry of Public Works and Housing (MoPWH) and includes the Ministry of Home Affairs (MoHA) as an implementing agency.

Due to the COVID-19 pandemic, the MTR which was scheduled for May 2020 could not be fielded. In this context, IFAD, Bappenas and MoA agreed to undertake a remote supervision with the objective of agreeing on the restructuring of C4 activities and budget.

This Supervision, undertaken from 18 May to 3 July 2020, focussed on the MoA led component due to the urgent need of restructuring. The objective of the restructuring is to improve the efficiency, effectiveness and impact of IPDMIP and to include new MoA priority initiatives.

As such, the specific objectives of the supervision include:

- Review the project's progress towards achieving the agreed objectives and results;
- Propose and agree on a restructuring of activities and budget including: (a) activities to be implemented; (b) inclusion of activities aligned to the Kostratani<sup>[1]</sup> strategy; (c) geographical coverage of the project; (d) amount of project budget expected to be used until the project completion; and (e) amount of IFAD loan in excess of the agreed budget resulting from the restructuring;
- Agree on concrete actions to accelerate the implementation, including the staffing and configuration of the National Project Implementation Unit (NPIU) at MoA and, if relevant, a revision of the current implementation arrangements.

The kick-off meeting (18 May), and the wrap-up meeting (3 July), were chaired by the Director of Food Security and Agriculture, Bappenas, and were attended by MoA staff, including the Head of the Bureau of International Cooperation, the Head of the Agriculture Extension Centre and of the NPIU, the Executive Secretary of IAAEHRD by the National Project Management Unit (NPMU) of MoPWH, and representatives from MoF. The Aide Memoire was signed on 16 July.

The IFAD team held meetings with the representatives from MoA, Bappenas, MoF, MoPWH, ADB, and with the representatives of 18 different local agriculture (Dinas Pertanian/TPH) and planning (Bappeda) agencies from 8 Districts and 4 provinces.

<sup>[1]</sup> Refer to Appendix 5 for more detail.

### Key Mission Agreements and Conclusions

There are indications that the farmer field schools (FFS) are having the desired effect and are potentially generating important improvements in yields. Furthermore, in 2019 the NPIU, PPIU and DPIUs have made some progress in terms of their financial allocation and implementation. In addition, the NPIU and management structure of the project has somewhat been strengthened. In fact, the contracts with the on-granting consultants to support districts and provinces in the management of the on-granting mechanism, and the regional consultants to provide technical assistance, have now been signed, while the MoA has appointed a new Project Director and Project Manager, as well as additional part-time staff to the NPIU to support the planning, preparation, implementation, monitoring and evaluation process of all project activities.

These improvements have the potential to accelerate implementation, however they may still not be sufficient to allow for the full implementation of IPDMIP activities by the project completion date. In this context, IFAD, MOA and Bappenas

discussed three scenarios for project restructuring, as follows:

Scenario-1 proposed by IFAD, included a significant restructuring and downsizing of the project activities and geographical coverage. The proposal also included project support to Kostratani, a new MoA priority, compatible with the original project design. In this context, scenario 1 envisaged a revised IFAD loan amount EUR 36.67.

Scenario-2 proposed by MoA, included a minor restructuring, mainly aimed at incorporating the new MoA priorities (Kostratani and Farmer Corporation) and only excluding the 2 districts and 2 provinces that have already effectively withdrawn from the project. The proposal included the full scope of activities initially planned under IPDMIP and a total amount of EUR 87 million.

Scenario-3 was finally developed by a small team of IFAD and NPIU staff as a way to find a compromise between the two initial scenarios. This final proposal, which has been discussed by MoA, Bappenas and IFAD, would see the freezing of 3 provinces and 18 districts, based on their performances to date. Subsequently, the scope of activities would be reduced, but not very significantly, while some activities such as the value chain fund and the implementation of the rice seed modernisation initiative, both of which have not yet started, would be dropped entirely. In this context, the restructuring would see the reduction of the IFAD loan to EUR 55.73 million with a focus on 11 provinces and 56 districts.

In this context, the **two main agreements** resulting from this supervision are:

**The proposed restructuring discussed on is Scenario 3.** In fact, MoA, Bappenas and IFAD have agreed on the content and amounts of the restructuring proposed under Scenario-3. This scenario will be the basis for any further discussion on restructuring, and all parties agree that this is the most realistic scenario, including the possibility of a 2 year extension.

**The restructuring, as presented in Scenario 3, will be further discussed and reassessed in December 2020** MoA, Bappenas and IFAD have agreed to allow more time for the implementation of activities planned in the 2020 AWPB in order to give sufficient time for the changes in the project management to take effect. In this context, IFAD will undertake another mission in early December 2020 where the proposed restructuring under Scenario 3 will be reassessed, and it will be decided whether to formalize and implement it as it is presented in this Aide-Memoire, or to make any necessary changes depending on the project performance.

The tables below summarize the agreed allocation of the loan proceeds by sub-components and expenditure categories.

Sub Component	Original Allocation	Revised Allocation	+/- %
1. Improve Farm Productivity and Services	45 211 000	35 073 795	-22.4%
2. Improve Market Access and Services	7 397 000	5 816 907	-21.4%
3. Improve Financial Access and use of Services	20 815 000	7 312 888	-64.9%
4. National Project Implementation Consultant	19 727 000	7 533 767	-61.8%
Total	93 150 000	55 737 356	-40.2%

Category Description	Original Allocation	Revised Allocation	+/- %
Consultancies	21 440 000	6 246 215	-70.9%
Credit and guarantee funds	20 340 000	742 027	-96.3%
Equipment and materials	18 880 000	14 026 618	-25.7%
Salaries and allowances	5 050 000	3 187 795	-36.9%

Workshops and trainings	27 440 000	30 571 904	+11.4%
Operating costs		962 797	+100%
Total	93 150 000	55 737 356	-40.1%

## D. Overview and Project Progress

**Overall implementation status and progress is rated as moderately unsatisfactory (3).** Taking into account the level of activities implemented and of actual expenditures, IFAD considers that the overall project implementation status remains moderately unsatisfactory, despite the recent efforts displayed by MoA to improve it. It is however fair to also say that, when assessing the project implementation progress, it is evident that due to the COVID-19 pandemic the implementation of IPDMIP activities has slowed to a near halt since March 2020. As such, it is not possible to fairly assess the implementation against the AWPB 2020 and, instead, the report focusses on the achievements since the last supervision held in November 2019 (which looked at data up to October 2019) and cumulatively since the effectiveness of the project. It is also highlighted that a revised 2020 AWPB was prepared by the NPIU in June to take into account the revised targets in light of the disruptions due to the COVID-19 pandemic, and that IFAD provided the No Objection to this revised AWPB, which should guide the project implementation during 2020.

Bappenas, MoA and IFAD agree that the slow disbursements during the first three years of the project (from 2017 to 2019) are mainly due to: (a) Lack of commitment and collaboration between parties within relevant ministries; (b) Different degree of commitment to allocate regional budget and difficulties in the administration process of reimbursement of on-granting funds; and (c) understaffing of the NPIU.

Nonetheless, the progress between October 2019 and May 2020 clearly shows that project implementation was continuing to gain momentum following a very slow start. In fact in 7 months between October 2019 and May 2020, the project recorded expenditures on the IFAD loan of approximately EUR 2.1 million, of which EUR 1.4 million were recorded between November and December 2019, while only EUR 0.7 million correspond to January-May 2020. Looking backwards, from 2018 to 2019 the annual expenditures increased by a factor of 3, going from approximately EUR 1.4 million in 2018 to EUR 4.4 million in 2019. This shows an important relative increase, although very little considering that the total IFAD loan financing for a six-years period is of EUR 93.15 million.

While IFAD notes improvements in implementation, the overall picture remains bleak. Using the level of expenditures as a proxy to assess progress in implementation, the cumulative expenditures as of May 2020, hence after 40 out of 73 months of implementation, have reached approximately EUR 6.8 million which represents 7.3% of the overall amount of the IFAD loan.

In terms of physical implementation, the situation is very similar. The overall average annual implementation rate was of 48% of the AWPB targets in 2018, which increased to 70% AWPB targets in 2019. At subnational level, hence at PPIU and DPIU, the annual physical implementation rates went from an average of 27% in 2018 to 51% in 2019. These improvements however are still not sufficient to significantly improve the cumulative implementation rates, which stood at 21% as of May 2020.

Within this framework it is however fair to highlight some notable achievements up to 2020, which include 393 new Field Extension Workers recruited and trained, 3,317 Farmer Field Schools (FFS) undertaken, 2,259 agriculture tools purchased for 207 demonstrations, 889 farmer sharing forums and 409 cross-village visits organised. These figures highlight how most of the project implementation has been under sub-component 4.1.

Implementation of sub-component 4.2 to date has seen only 9 of 131 trainings and 30 of 158 value chain mapping exercises undertaken. As mentioned, no work has been done on the value chain fund. For Sub-component 4.3 IFAD is pleased to note that all of the preparatory work for the financial literacy training has been completed and the Training of Trainers (ToT) have started. In fact, 422 extension workers and lead farmers had already received the ToT training by 2019. Unfortunately the COVID-19 crisis has delayed the delivery of the remaining ToT and is encouraging the NPIU team to review some of the content in order to adapt the training to allow for training sessions to also take place virtually (e-training).

IFAD believes that improving small farmers' financial literacy skills is essential to complement the technical, agricultural support provided to farming households, particularly in the context of a COVID-19 response. In fact, better management of funds and liquidity, and access to credit to compensate of potential COVID-19 related losses will be key elements for farmers to face the challenges of the post COVID-19 crisis. In this context, IFAD recommends that MoA budget sufficient resources for 2020 to ensure that the remaining ToTs and the first trainings to the farming households can take place as



early as possible, in order to build on the momentum that was generated before the slow-down due to the pandemic.

In terms of the Knowledge Management Centre (KMC) under sub-component 1.3, implementation continues to be satisfactory. The KMC achieved 98% physical implementation of the 2019 AWPB and 97% financial implementation. In 2020 the KMC continued supporting the Bappenas Directorate of Water Resources and Irrigation in various areas:

The KMC organised and/or attended various coordination meetings of national and foreign funded irrigation projects that are under the responsibility of DWRI. This allows for some cross-learning and coordination of activities at Bappenas.

*Contribution to Gol plans and strategies.* The KMC contributes to the drafting and review of national and sectoral plans, such as the MoPWH strategic plan or the Gol Annual Work Plan. The KMC provides the necessary data and analysis on the water and irrigation issues to input into such plans.

*Data collection.* In fact the KMC is also responsible for collecting and analysing data which is fed into the Bappenas water and irrigation database. This database is then used to inform national and sector plans.

*Thematic study.* The KMC is also undertaking the field level data collection for the thematic study on micro-hydro power.

**On-granting allocations and expenditures.** An encouraging finding is the increase in the number of districts that are now allocating enough funds to cover at least 75% of the project AWPB for each specific district. In fact, in 2018, only 35 of the 74 districts (47%) had allocated more than 75% of the AWPB, while 21 districts (28%) had not allocated any funds to IPDMIP. In contrast, in 2019 62 districts (84%) had allocated at least 75% while only 6 (8%) did not allocated funds to IPDMIP. In pre-COVID 2020, 65 districts (89%) had allocated at least 75% of the AWPB.

The allocation of districts budgets, however, does not automatically translate into implementation. In fact, in 2019 only 39 districts (53%) had implemented more than 50% of the AWPB, of which 22 (30%) implemented more than 75%. Furthermore, when looking at the cumulative figures between 2018 and 2019, only 37 districts (50%) have spent more than 15% of their cumulative 2018-2019 allocation, and only 8 districts (11%) have spent more than 30% of their cumulative allocation.

In this context, the Ministry of Home Affairs, through the DG of Regional Development, has committed to encourage PPIU and DPIU to strongly support the implementation of IPDMIP activities, bearing in mind that the implementation of IPDMIP will have an impact on the evaluation of the regional performance.

Nonetheless, given the overall current rate of implementation, IFAD, MoA and Bappenas agree that the project implementation will may not reach the targets expected at project design, and that the project may therefore need to be recalibrated and downsized, both regarding the type and quantity of activities that realistically can be executed in the remaining implementation period, and the IFAD loan amount expected to be utilized. In this context, IFAD has worked closely with MoA and Bappenas to develop the following proposal.

**Revised design and activities of Scenario 3.** During the course of the supervision, IFAD and the MoA/NPIU have developed a restructuring of IPDMIP activities as described below.

Geographical coverage. The first parameter agreed on was the geographical coverage of the project. Given the performance of some PPIUs and DPIUs, it was agreed that 3 provinces and 18 districts would be 'frozen' and shall not receive further support from the NPIU, unless these provinces and districts decide to re-engage with the project. This re-engagement must be validated by the allocation of budget and a concrete commitment to implement activities as soon as possible.

Therefore, the number of provinces to receive direct support would be 11 instead of 14 (except for Kostratani which will be supported in the 14 provinces), as three provinces have not disbursed any funds since project effectiveness. IFAD and MoA also agreed to directly engage with 56 districts instead of 74 (except for Kostratani that will be supported in the 74 districts). These decisions consider the amounts allocated and the amounts spent by each district and province since the beginning of the project. A simple index was created by multiplying the percentage of *DIPA*<sup>11</sup> (local government's budget) allocated vis-a-vis the total AWPB and the percentage of the AWPB spent. The index thus incorporates a measure of the commitment of the district governments through the allocations and of the performance of the agriculture agencies through the financial implementation rate. A cut off point of 0.15 was agreed and resulted in the freezing of 18 districts.

Revised activities and reduction in scope. There have been very few changes in terms of the actual activities to be implemented, however there has been a significant reduction in scope.

The original design envisaged a target area of around 450,000 Ha with an outreach of about 900,000 farmers, however the 2019 supervision had already highlighted that the area of irrigation land to be rehabilitated had been reduced to 330,000 Ha since the design as 120,000 Ha had already been rehabilitated. Furthermore, as a result of this restructuring, the agriculture component of IPDMIP will cover an area of approximately 250,568 Ha and is expected to benefit approximately 520,000 farmers.

In terms of activities, the main changes include:

*Sub-Component 4.1 Improve Farm Productivity and Services*, has seen the addition of the *Kostratani* initiative, which includes equipping one national, 12 provincial, 72 district and 571 sub-district agricultural centres with ICT material to allow for the provision of digital extension services and information from central to sub-district level. In addition to the equipment, IPDMIP will now provide various ToTs and e-learning extension courses to MoA staff and extension workers at national and sub-national levels. In addition, IPDMIP will finance a number of staff at central level who will be responsible for generating the digital material to be disseminated through the *Kostratani*. The detailed proposal for the *Kostratani* initiative is presented in an Annex of this report.

Another change for SC4.1 is the removal of the implementation of the rice seed modernisation programme. The rationale behind this change is the fact that the coordination between the Rice Seed Agency (BBI), the provincial Agencies for Agricultural Technology Assessment (BPTP), the provincial agriculture agencies, district agriculture agencies and the farmer groups has not materialised, and the entire seed distribution process envisaged at design has not taken off. Furthermore, the rice seed modernisation study has not yet been launched, and as such there will not be sufficient time to implement the findings of the study in order to have a lasting impact on the seed sector.

With the reduction in scope, SC4.1 will now see the training of 1,405 extension workers and the delivery of 12,601 FFS to up to 315,000 farmers.

The main change under *Sub-Component 4.2 Improve Market Access and Services* is the removal of the value chain fund. The rationale for this change is that very few of the VC mappings have been undertaken, no preparatory work has been done to define in detail the mechanisms for the provision of funds to the farmers or farmer groups, and the fund itself has not yet been set-up. As such, even if the project would benefit with a one year extension, there will not be sufficient time to adequately set-up the fund, provide funding to farmers and monitor the investments during the project life.

A new activity included in the sub-component are 1,296 business trainings that will be provided during selected FFS. This new activity aims at improving skills on consumer needs and preferences, negotiating skills and how to build better alliances with processors. The sub-component will now target 32,712 farmers through demonstrations and the FFS, in addition to 120 farmer corporations.

In terms of *3 Improve Financial Access*, during the course of 2019 IFAD and the NPIU had already agreed on a slight change in the design of this sub-component. These changes reduced the focus on savings and credit groups (SCG) and more support to farmers and financial institutions to increase the provision of credit to farmers, in addition to the existing financial literacy training to farming households. In this context, the current restructuring of the project has only seen the reduction in the outreach of the literacy trainings, and a reduction in the total amount allocated to potential grants for farmers and SCGs. The sub-component will therefore train 91,230 farming households and will support 780 SCGs.

Finally, in terms of the *4 Project Management*, the main change is the inclusion of operational costs to support the travel of the sub-national implementation teams to and from project sites and to national and provincial level meetings. The sub-component now also includes the necessary budget of the on-granting officers and some additional support consultants at national and sub-national level, such M&E officers.

The revised design will require a total loan amount of EUR 55.73 million (equivalent to USD 61.91 million). The tables below summarize the agreed allocation of the loan proceeds by sub-components and expenditure categories.

**Potential extension of the completion and closure dates.** In addition to the agreed design and budget revisions outlined above, IFAD, MoA, and Bappenas have agreed to consider extending the completion and closure dates by two years, to March 2025 and September 2025 respectively, in order to compensate for the delays caused by the COVID-19 pandemic. It was also agreed that the decision to request the extension or not would be postponed towards the end of 2021, based on the improvements of the implementation performance from the time of this supervision to October 2021.

**Joint Bappenas-MoA-IFAD review in 2020 and agreed targets for September 2021.** Bappenas, IFAD and MOA have agreed that an additional review of the implementation progress against the revised 2020 AWPB will be undertaken in December 2020. The assessment in 2020, and if needed in early 2021, will be the basis for the decision to pursue the restructuring proposed under Scenario 3.

Furthermore, in order to achieve the revised targets of Scenario 3, the implementing units would still need to expedite the physical rate of implementation much beyond what they had achieved in 2019. In this context, IFAD, MoA and Bappenas agree that the potential extension request would be based on the achievement of the following targets no later than September 2021:

Indicators	Unit	Targets for Sept 2021
Number of FFS conducted	#	3 820

Number of people received 1 FL training	#	36 600
Number of people received 2 FL training	#	32 940
Number of BPPs equipped and operational	#	459
Expenditure	EUR	17 000 000

[1] Daftar Isian Pelaksanaan Anggaran - Budget Implementation Entry List

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Finalise recruitment of regional management consultants</b> Sign contracts with the selected consultants	NPIU	09/2019
<b>MoU on partnership with FI</b> NPIU should draft a concise MoU and propose it selected DPIUs and Banks for discussions leading to signing for execution in partnership of financial literacy training and formal credit provision to IPDMIP beneficiaries	NPIU, DPIU, Banks	09/2019
<b>Review of Seed supply system</b> Where relevant, support the FG to produce their own seeds and/or purchase certified seeds directly from available retailers	NPIU	12/2019
<b>Undertake Value Chain mappings</b> Undertake rice VC mappings in order to adequately plan for VC support activities in 2020	NPIU and Dinas MoA	12/2019
<b>Sub-component 4.1 Intensifying farming systems activities</b> (i) train all FEW in targeted sub-districts (not only FEW engaged with IPDMIP villages. (ii) double number of annual FFS training in targeted villages, to target more FG members	NPIU and DPIUs	04/2020

## E. Project implementation

### a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 3	Previous rating: 4

#### Justification of rating

53. Development effectiveness is rated as moderately unsatisfactory, as the project shows evidence that its development objective can still be met, although there still are important delays in implementation. Furthermore, most outcomes are expected to be achieved, albeit the outreach will be significantly reduced following the proposed restructuring. In fact, as a result of reductions in area of irrigation land to be rehabilitated (reduced from 450,000ha to around 250,000ha) the estimated number of direct beneficiaries will be around 281,000 instead of 550,000.

#### Log-Frame Analysis & Main Issues of Effectiveness

The rating takes account of the challenges faced by IPDMIP project staff as a result of matters beyond their control – in particular on-granting restrictions on budget allocations and insufficient staffing levels at NPIU. Despite these constraints, the project has done a good job in establishing the platform for a significant lift in farming systems activities for the remainder of the implementation period.

With the proposed restructuring, however, the absolute numbers of beneficiaries will be reduced to approximately 520,000 instead of 900,000. Sub Component (SC) 4.1 will now see the training of 1,405 extension workers and the delivery of 12,601 FFS to up to 315,000, while SC4.2 will target 32,712 farmers through demonstrations and the FFS, in addition to 120 farmer corporations. SC4.3 will target therefore train 91,230 farming households (2 individuals per household) and will support 780 SCGs.

In this context, the percentage outcomes can still be achieved. In particular, the outcome of 75% of beneficiaries benefiting from increased production is on track to be achieved following the reported increases in productivity. The outcome of 75% of households reporting and increase in income is also still very much achievable, as the value chain and rural finance components will now begin implementation.

The project is also on track to achieve the output of 75% of beneficiaries having access to extension services, with currently about 49% of the original target already accessing such services, according to data provided by the project. However, as mentioned above, the output targets for the number of beneficiaries to be trained and receiving financial services will need to be reduced along with the restructuring of the project.

## Development Focus

### Targeting and Outreach

**Rating: 4**

**Previous rating: 4**

#### Justification of rating

58. Targeting and outreach is rated as moderately satisfactory. In fact, the targeting of the FG to date has been accurate and the field visits have confirmed that the members of the FG are indeed the people that the project intended to target as per design, in terms of geographical areas and socio-economic conditions. However, as mentioned in the section above, the final outreach figures will need to be revised by the MTR due to the reduction of the rehabilitated areas and the potential resizing of the project.

#### Main issues

The main issues with regards to outreach have been highlighted in the section above and relate mainly to the reduction of the outreach targets due to the reduction in the rehabilitation area, and the restructuring of the project.

### Gender equality & women's participation

**Rating: 4**

**Previous rating: 4**

#### Justification of rating

60. Gender equality and women's participation is rated as moderately satisfactory. In fact, the project effectively reaches out to the intended target groups, although quantitative outreach targets are not being fully reached, as about 19% of the FG members are women, against the target of 30%. Nonetheless, 42% of the FEW involved in the project are women and overall women's participation in FFS stands at around 36%.

The contract of the NPIU Gender specialist has been extended so that she can continue providing support for gender mainstreaming in the current farming and financial literacy trainings, and possibly the VC activities.

#### Main issues

One of the main issues on gender equality remains the availability of reliable and accurate disaggregated data, although there have been improvements. In addition, the target of FG members is not being met, although the targets for trainings are. However, with the intensification of the FFS, the proportion of women being trained may fall under the 30% target, given the higher number male FG members. In this context, the implementing units at national and sub-national level must make sure that that additional women only FG be targeted for the trainings, or that the FG compositions be revised slightly to ensure a greater participation of women.

In addition, the financial literacy trainings will follow a family team approach, thus ensuring that women are actively supported in the management of household finances. When these trainings occur, the rating should be revised to satisfactory. However, the NPIU should ensure that the trainings to be provided by the PPL, lead farmers and selected households, is in line with the material developed by the NPIU. There is a risk that the gender mainstreaming aspects, and the importance of women in the household decision making process, will be overlooked due to the trainers not putting enough emphasis on such issues.

<b>Agricultural Productivity</b>	<b>Rating: 5</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

64. Agricultural productivity is rated as satisfactory. The difference since the previous supervision is that the increase is well measured, quantified and documented and meets targets. The supervision of November 2019 had reported on anecdotal evidence of increase in yields of up to 40% according to certain Field Extension Workers (FEW). Since then, the NPIU has undertaken a survey across 72 districts and 322 irrigation schemes. This survey confirms that certain areas have seen increases in paddy yields of up to 40%, with an average increase of 16% across the 322 irrigation schemes.

#### **Main issues**

These are encouraging figures that highlight the potential impact that IPDMIP activities may have on the ground. In order to confirm to what extent these yield increases can be attributed to IPDMIP, IFAD proposes that the NPIU undertake a study to identify the drivers of the increases in yields in order to understand how much these increases can be attributed to IPDMIP through the trainings provided in the FFS and how much can be attributed to increased availability of water. IFAD would provide the necessary technical assistance for the study.

<b>Nutrition</b>	<b>Rating:</b>
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<b>Adaptation to Climate Change</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

66. The adaption to climate change is rated as moderately satisfactory, as climate change interventions are well articulated and target more than 75% of the overall interventions. In fact, these are building the resilience of communities including the rehabilitation of irrigation canals to reduce reliance on rain fed agriculture. Furthermore, as a result of FFS technical support being provided, there has been some improvement in the resilience of local communities vis à vis climate-related shocks and stresses. Farmers are being empowered to mitigate some negative effects of climate change and/or capitalize on some new opportunities emerging in a changing climate, but much more needs to be done and will be done in before project completion.

### **b. Sustainability and Scaling up**

<b>Institutions and Policy Engagement</b>	<b>Rating: 5</b>	<b>Previous rating: 5</b>
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#### **Justification of rating**

The institutions and policy engagement is rated as satisfactory, mainly due to grant financed activities. The rating considers the fact that the project has successfully influenced relevant policies through the production of evidence in policy processes and is increasing the capacity of Bappenas to design and implement policies. In fact the KMC has actively participated in the drafting of the RPJMN. The sustainability of these changes and activities is yet unknown, unless Bappenas are able to continue financing the KMC team.

The KMC has also developed a policy paper on the participation of FG/WUA in the operation and maintenance of irrigation infrastructure, and Bappenas is planning to push for the development of a new regulation in this regard.

<b>Partnership-building</b>	<b>Rating: 3</b>	<b>Previous rating: 3</b>
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#### **Justification of rating**

Partnership building is rated as moderately unsatisfactory, although IPDMIP was designed with a strong focus on partnerships. The reduction in the rating is due to the fact that the results of the partnerships have not improved since the last mission, mainly because the coordination between the 4 implementing agencies is still poor.

Furthermore, while the MoA NPIU has already established partnership with national seed research and production institutions, as well as 5 regional development banks, the results of these partnerships have not yet met expectations. Only the partnership with Bappenas/KMC is generating results, which includes policies around farmer participation in operation and maintenance, and inputs to the project implementation guidelines.

#### **Main issues**

The project is a co-financed project with a large contribution from ADB, and includes 4 different implementing agencies (MoA, MoPWH, MoHA and Bappenas) that implement inter-dependent and complementary components. The main issue with regards to partnership building remains the coordination between the 4 implementing agencies at national and sub-national level. The mission noticed a lack of understanding from the NPMU of the approach and activities being

implemented by the MoA NPIU. In addition, the MoA DPIUs are not making use of the consultants and facilitators provided by the other agencies.

Nonetheless, as a result of intensive meetings and discussions also involving Bappenas, the NPIUs under MoA and MoHA, and the NPMU under MoPWH have vowed to work more closely together. For example, The Ministry of Home Affairs through the DG of Regional Development committed to encourage PPIU and DPIU to strongly support the implementation of IPDMIP, while the MoPWH will provide the updated and valid geospatial irrigation scheme to ensure all implementing agencies use the same set of data. This should also allow for the traceability of beneficiaries of the project by name and by Personal Identification Number.

#### **Human and Social Capital and Empowerment**

**Rating:**

#### **Quality of Beneficiary Participation**

**Rating: 5**

**Previous rating: 5**

#### **Justification of rating**

The quality of beneficiary participation is satisfactory, whereas the extension officers consult with the FG members in order to tailor the trainings to the needs of the farmers, such as incorporating trainings on other high value crops as some farmers have asked for. Furthermore the FG leaders have received training and also support the FFS by dedicating some of their plots of land for demonstrations, and by following their fellow farmers when the PPLs are not available. In addition, in order to attend the FFS many farmers have to forego working on their own land, albeit for a few hours a week. The participation of women in consultations and tailoring of trainings to their needs still needs to be assessed accurately.

#### **Responsiveness of Service Providers**

**Rating: 4**

**Previous rating: 4**

#### **Justification of rating**

The responsiveness of service providers is rated as moderately satisfactory. The two key service providers are: (i) national and provincial seed breeding (national) and seed multiplication centres (provincial); and (ii) the national and provincial training centres. The services delivered by the training centres has generally been of good quality, on time and on budget. However, the quality of the services provided by the seed centres is varied, as the seeds are not always provided on time and are not always the variety preferred by the farmers.

#### **Main issues**

It is important to note, however, that both sets of agencies has been willing but constrained by budgetary allocations processes as a result of on-granting funding mechanisms. In fact, the requirements of IPDMIP for quality extension seed and refresher training courses for PPLs have challenged the capacity of MOA agencies to meet the demands of farmers. While technically these challenges can be met with some additional staff training, and some improvements to seed multiplication and distribution, these agencies are willing to work with IPDMIP management.

#### **Environment and Natural Resource Management**

**Rating:**

#### **Exit Strategy**

**Rating: 4**

**Previous rating: 4**

#### **Justification of rating**

76. The exit strategy is rated as moderately satisfactory. In fact, the strategy is well defined in terms of GoI ownership, whereas the KMC is strongly embedded in the government planning process within Bappenas, and the newly recruited extension officers have the potential to be recruited long-term. Furthermore, notwithstanding some initial difficulties, the on-granting mechanism where the local governments pre-finance activities ensures that there is an important local buy-in and the potential for local governments to continue those activities that they consider relevant. Finally, the training of farmer leaders will ensure that the knowledge generated by the trainings is passed on to other farmers.

#### **Main issues**

If on-going extension services are to be sustained, the GoI - both centrally and via local government - will need to consider providing financial resources to ensure sufficient extension officers continue to be employed beyond the Project and consider investing financial resources to train and support farmers at the village level. A critical policy output of the Project at both the central and local level will, therefore, be to establish robust evidence of the benefits and costs of effective demand-driven public extension service and demonstrate the business case for increased public investment in extension.

Furthermore, the continuous need to rehabilitate, maintain and operate irrigation infrastructure, coupled with the evolution



of agriculture technology, practices and genetic material, ensures that initiatives such as IPDMIP will stay relevant in the years to come.

<b>Potential for Scaling-up</b>	<b>Rating: 3</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

The potential for scaling up is rated as moderately unsatisfactory. In fact, while the Government and ADB have shown interest in scaling up the irrigation infrastructure elements of the project, there seems to be little interest from MoA to scale the agricultural activities.

The agriculture agencies at district level are keen to continue providing the good agriculture practices introduced in the FFS, however it is unclear if the local governments can make budget available for the continued FFS.

### **c. Project Management**

<b>Quality of Project Management</b>	<b>Rating: 4</b>	<b>Previous rating: 3</b>
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#### **Justification of rating**

The quality of project management is rated as moderately satisfactory. Since the last mission, the rating has been increased given that (i) the regional consultants have been recruited, (ii) the on-granting officers have been recruited; (iii) a new Project Manager was appointed on the 14 February 2020 with the task of focussing on the overall project management, thereby freeing up two NPIU members to concentrate on technical topics.

Furthermore, the 3 international consultants have now been recruited and have been working extensively on the restructuring of the project. However the benefits of these improvements have yet to translate into improved implementation.

#### **Main issues**

IFAD is pleased to note that a new Project Manager was appointed on the 14 February 2020 with the task of focussing on the overall project management, thereby freeing up two NPIU members to concentrate on technical topics. The former project manager had retired in July 2019 and the role of project manager subsequently delegated to one of the two deputy managers, with no additional staff appointed to the NPIU. This implies that the NPIU was effectively deprived of a senior management position for a total of seven months. Furthermore, the previous manager was appointed to IPDMIP on a full-time basis, while the current manager is appointed on a part-time basis.

According to the latest Staffing Decree, the NPIU now consists of three full-time staff and 25 part-time staff who dedicate only about 25% of their time to the project. In this context, the current NPIU staffing is equivalent to 11 full-time staff, instead of the full 24 staff foreseen at project design. This understaffing issue was already raised during the supervision held in November 2019 and IFAD reiterates its concern because so far it was not solved, which has negative implications on project implementation.

**Contracting regional consultants.** In addition to the shortage of staff at the NPIU, the absence of the regional consultants also contributed to implementation delays. These consultants should be specialized institutions with presence at province and district level, supposed to provide essential technical assistance to the various PPIUs, DPIUs and beneficiaries. The recruitment process of these regional consultants started in March 2019 and has just been completed as of the 25 June 2020 with the signature of the contracts. IFAD and the NPIU have agreed that the total contract amounts may need to be amended following the project restructuring. It is understood that the regional consultants have been deployed, but that the technical officers have not yet received the full package of technical trainings from the NPIU. As such, it is expected that the technical officers will be training, through virtual means, no later than October 2020.

In addition, in order to identify bottlenecks and aiming at improving the project performance, IFAD and MoA have agreed to review the entire procurement/contracting process in order to understand why it took 24 months to launch and more than 18 months to complete the procurement process.

**Recruitment of on-granting officers.** On a similar note, the previous supervision undertaken in November 2019 had recommended the recruitment of 23 on-granting officers that would provide much needed support to the PPIUs and DPIUs with regards to on-granting mechanism. The role envisaged for these officers is to help the local governments and the local implementation units to better understand the on-granting mechanism and to improve the quality of the supporting documentation necessary to obtain the reimbursements, with the ultimate objective of facilitating the process and expediting the reimbursement of funds.

Following the November 2019 supervision, the NPIU proceeded with the recruitment process and have identified 20 on-granting officers following a thorough selection process. Due to the COVID-19 situation the contracts of the selected on-granting officers were signed only on the 25 June 2020. While the consultants have been deployed, they have not yet

received the full training on the on-granting issues. As for the regional consultants, MoA and IFAD agreed that the officers will be trained – through virtual means – and made fully operational as soon as possible and no later than October 2020.

<b>Knowledge Management</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

89. Knowledge management is rated as moderately satisfactory. In fact, while the project does not have a KM strategy or plan, the MoA has developed some ad-hoc communication and KM material such as brochures and videos around the FFS and trainings. The project still needs a more structured approach to capture and share knowledge within the project network as well as to a wider stakeholders and leverage more the KMC. In fact the KMC has taken over some of those responsibilities, and is producing relevant policy papers and research. The project also includes cross-village tours to allow farmers to learn from each other.

#### **Main issues**

Despite the implementation challenges, there has been reasonable progress happening on the ground. NPIU has developed an extensive web-based MIS to tracked annual physical and financial progress, yet has not leveraged its function as knowledge-sharing platform. The stories from the field shows high level of increase in production just through adjusting farming practices and using the right farm inputs. These best practices and good stories were not properly disseminated to key stakeholders; resulting a poor reflection on the project progress. The establishment of a project wide knowledge management system will be key to facilitate replication and scaling up of interventions. It is recommended that NPIU should work closely together with KMC on the KM activities, both to share information and to seek possibility of conducting a nation-wide knowledge event to show case lessons and discuss challenges as well as to trigger policy dialogue as deemed necessary.

Furthermore, the KMC plays important role in facilitating several coordination meetings for IPDMIP actively involving three implementation units in MoPWH, MOA and MoHA. These coordination meetings mainly to facilitate discussion on implementation challenges and ensuring better coordination and integration, including facilitate coordination in preparing the annual work plan of the project. Several issues discussed in order to support some challenge in IPDMIP implementation are: i) integration and synchronization of farm level organisation, including Water User Association and Farmer Group (POKTAN) / Farmer Federation (GAPOKTAN); ii) ICT support for famers; iii) irrigation rehabilitation areas to be agreed to start agriculture intervention; and iv) discussion on impact of COVID-19 within IPDMIP areas. These discussion on this has involved all stakeholders within the IPDMIP project and other relevant institutions.

The last mission, it was recommended that NPIU should work closer with KMC on the KM activities, both to share information and to seek possibility of conducting a nation-wide knowledge event to show case lessons and discuss challenges as well as to trigger policy dialogue as deemed necessary.

<b>Value for Money</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

The value for money is rated as moderately satisfactory, whereas project implementation is somewhat efficient and the project investments represents satisfactory value for money. However some project activities are implemented with delays.

#### **Main issues**

A brief analysis of the annual inputs (expenditures) to outputs show that as of November 2019 the project has achieved approximately 64% of the combined loan and grant annual output targets while recording a combined annual expenditure rate of 52%. Furthermore, an international co-financing ration of 6 – the ADB contribution to IPDMIP is USD 600 million against the USD 100 million from IFAD – ensures a high value for money for the IFAD investment.

With regards to activities implemented under the loan financing, the project has achieved 21% of the appraisal targets while spending less than 14% of the total IFAD loan. In addition, both the loan and grant activities are already showing concrete impact, such as increase in yields and contributions to national development plans and policies. While the MTR will is expected to revise the project budget and the overall outreach downwards, the project is still on track to achieve its objectives, which in turns confirms the strong value for money of the project.

<b>Coherence between AWPB and Implementation</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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#### **Justification of rating**

The coherence between AWPB and implementation is still rated as moderately satisfactory. In fact, while there have been some problems in meeting the targets, in particular the VC trainings and mappings, in 2019 the project achieved 70% of



its annual targets. In addition, more than 70% of the activities implemented conform to the AWPB that was submitted.

### AWPB Inputs and Outputs Review and Implementation Progress

In 2019, the combined annual expenditure rate was 48%, while the combined average annual physical achievement rate is estimated at 70% (98% for the grant and 60% for the loan).

The 2019 AWPB and 2020 were submitted on time and were of good quality, for both the loan and the grant components. The NPIU and Bappenas use the AWPB for monitoring purposes, and both parties have made timely revisions of the AWPB to reflect changes in context and implementation. Both the KMC and the NPIU have submitted revised 2020 AWPB to take into account the slow-down in implementation due to COVID-19. Both revisions have been approved.

<b>Performance of M&amp;E System</b>	<b>Rating: 3</b>	<b>Previous rating: 3</b>
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#### Justification of rating

The performance of the M&E system rated as moderately unsatisfactory. In fact, the MoA M&E system (SIMONEV) provides a significant web-based monitoring dashboard as part of the MIS. This dashboard provides annual physical and financial progress information, and been operational since 2018. The MIS was designed allows real-time monitoring of implementation progress, where Province and District can input their update data online. However, there are few important shortcomings: (i) physical data is incomplete and provides only a partial picture performance; (ii) data gathering processes are time consuming for district monitoring officer consolidating data; (iii) there is no proper mechanism for data verification and analysis, and; (iv) there are limited resource allocated to allow NPIU to do proper monitoring and evaluation.

#### M&E System Review

The current web-based MIS are fully functional in supporting NPIU to collect data and information from Province and District, and has been useful to monitor progress towards achieving annual target. However, this MIS will require some adjustment in order to be an effective monitoring system allowing management decisions and documentation of impact and learnings, and not just as data collecting tools.

The mission recognize the resource and capacity constraint to enable NPIU conduct a proper data analysis process. There is no dedicated person for M&E to manage data regularly. At NPIU level there's 2 consultant supporting the data collection and responsible for preparing project report. However, support at provincial and district level are also limited. There is only one officer at district level to support data input to the system. This officer also not a full time M&E officer and only support data input to the system. This results in delay of data input to the system. There is no data verification and analysis happens at district level. The NPIU will do data checking and verify with district. The mission suggest that the project should hire a dedicated M&E assistant at district level to ensure reporting are done in timely manner and data collected are verified and analyse.

Even with the system set up by NPIU, data collection remains a challenge. Districts tend to share the M&E data through whatsapp group instead of input them directly to the system. Whereby, the information dashboard in the website more often not showing actual monthly progress due to the delays. NPIU has done several measure to try to improve this situation. Each year the project meets two times for M&E specifically to input progress information to the system. It is suggested that the M&E coordination meeting should not only be focusing on data collecting purposes but also to validate and discuss the information received from district, and to provide feedback to the DPIU if any urgent management decision need to be made. However due to COVID-19, this year such meetings will be difficult and coordination need to be done virtually. During this time, it is essential to ensure that DPIU, PPIU fully use the M&E system as a tools to report progress in the ground. The mission recommend that a comprehensive monitoring and results measurement plan should be developed and shared with PPIU and DPIU. This to facilitate proper understanding on what action needs to be follow up on project implementation and to report the progress of in timely manner.

In response to these shortcomings, the 2020 AWPB revision and the project restructuring has included provisions to recruit additional M&E staff and national and subnational levels.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Deploy ICT equipment to the FEW</b>  Deploy ICT equipment to the FEW to enable direct transmission of technical and financial information to FEWs; and to improve.	NPIU and DPIU	03/2020

<b>Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
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## Justification of rating

The performance on SECAP requirements is rated as moderately satisfactory, whereas SECAP documents have been produced at design according to the requirements of ADB's safeguard policies. Furthermore SECAP/safeguard policies have made a partial contribution to the project to address social risks and enhance opportunities, namely with regards to the targeting of the FG members and women under the MoA component. In addition, the selection of irrigation schemes and areas to be rehabilitated under the ADB and MoPWH components has been made according to the ADB environmental and social safeguard policies. An in-depth analysis of the potential land acquisitions/resettlement needs was also undertaken by ADB at design.

## SECAP Review

The ADB and GoI have developed a standard review process for the selection, design and implementation of the rehabilitation activities, which is being followed by the NPMU, in order to minimise potential negative externalities and maximise the positive impact of the irrigation schemes. These procedures are included in the ADB Project Administration Manual, in addition to detailed procedures for land acquisition and/or resettlement.

Furthermore, there are strong measures in place to facilitate meaningful stakeholder engagement, information exchange and conflict resolution, including: (i) regular coordination meetings between the NPMU and NPIUs at national level; (ii) the creation of Water User Associations, which also include FG members, to ensure the proper management of the irrigation schemes; and (iii) regular consultations within the FG and between the FG and extension officers. The WUA in particular allow for meaningful discussions between various stakeholder on the use of the irrigation schemes.

## d. Financial Management & Execution

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

The Project is in its 3rd year of implementation. As of 29 May 2020, total IFAD the actual loan disbursement was EUR 4.85 million (5%) including EUR 0.27 million expenses that have yet to be claimed to IFAD and excluding EUR 8 million advance. Meanwhile, total actual grant disbursement was EUR 0.50 million (56%), including EUR 0.18 million expenses that have yet to be claimed and excluding EUR 0.29 million advance. GoI contribution was EUR 0.4 million (from the agriculture line). Budget execution for FY 2019 was 46% for IFAD loan financier, 97% for Grant and 87% for GoI contribution. For 2020, as of 29 May 2020, budget execution was 7% for IFAD loan financier, 20% for Grant and 12% for The GoI contribution. The disbursement status for all financiers is summarized in appendix 1.

## Main issues

**Delay in project implementation and complexity of On Granting Mechanism.** The low disbursement rate and budget execution reflects the delayed project implementation, procurement process, coordination issues at national and sub national level and the complexity of the on-granting mechanism. On-granting expenditure for FY 2019 was IDR 50 billion or 48% of its AWPB. IDR 17 billion (34%) of the expenditure of 2019 has not yet been reimbursed and not reflected in the project DA. The on-granting expenditure of 2018 was IDR 14 billion or 16%. As of 29 May 2020, on granting expenditure for FY 2020 is IDR 5.6 billion (5%). Low expenditure in 2020 mainly impacted by the pandemic that has limit most activities both at national and subnational level

**Planning and Budgeting at NPIU level.** 35% of the project cost (IDR 538 billion or EUR 34.5 million) is channelled down to provinces and district through the on-granting mechanism while the 65% (IDR 914 billion or EUR 58.6 million) is planned to be executed through central budgeting system (central DIPA). However, the annual AWPB for central level/NPIU has never been more than 4% of its total allocation and will not allow implementation acceleration.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>On Granting Budget revision for 2020</b> To revise the budget for the on-granting for FY 2020 at Fiscal Balance-MoF to reflect its realistic AWPB	MoA, MPW & MoF	01/2020
<b>To revise AWPB 2020 to accommodate COVID 19 constraint, accelerate the implementation</b>	MoA	07/2020
<b>Recruitment of FM consultants for local governments</b> Recruit and deploy FM consultants for provinces/districts	NPIU	

## Fiduciary aspects

### Quality of Financial Management

**Rating: 3**

**Previous rating: 3**

#### Justification of rating

The Project financial management system has been challenging in budgeting and reimbursement process for the on-granting part of the project. The finance consultants at national level are recruited as planned and improvements were including the submission of project financial reports, inclusion of asset list and contract register in the IFR, follow up of the audit report 2017 and 2018. Some issues remain including: lengthy process of the on-granting reimbursement, insufficient budget at national level to accommodate the project implementation as planned, insufficient allocation at Fiscal Balance-Ministry of Finance and reporting quality and delay in recruiting the on-granting officers.

#### Main issues

##### Organization and Staffing.

NPIU is recruiting 23 'on-granting' officers at province/district level in order to support the PPIUs and DPIUs. It is of critical importance that these on-granting officers be fielded in as soon as possible and support the DPIUs in the consolidation of the reimbursement documentation and follow-up on the reimbursement process, in addition to providing regular coaching and advice on the on-granting procedures. In addition, to speed up the verification of reimbursement request, it is agreed to have additional finance consultant to be stationed at NPMU office.

**Budgeting.** AWPB 2020 was prepared in October 2019, sent to IFAD for NOL on 27 February 2020 and received NOL on 4 March 2020. Budget allocation at subnational level is finalised in November and can only revised in September or October. Delay in AWPB preparation means delay in implementation at subnational level and low execution of budget eventually. Furthermore, the on-granting budget at Fiscal Balance-MoF is allocated for each province and district on a proportional basis, which does not take into account the actual allocations done by districts and provinces from their own budgets. MoF provide allocation based on the performance of the previous year. The budgets are rigid for each provinces and district and even though the reallocation between provinces or district allowed and takes a week to process, the lengthy channel between NPIU, NPMU and MoF for administrative process has created delay in reimbursement process. Discussion has been made and agreed between NPIU, NPMU and MoF that if 50% of the available budget has been utilized, budget top up will be provided up to IDR 76billion or more if necessary. The available budget for 2020 is IDR 21 billion. IDR 17.2 billion of it will be used to reimburse part of the 2019 expenditure. COVID 19 has impact in implementation at national and subnational level. It is acknowledged that the AWPB for 2020 will be revised to accommodate the changes.

**Funds flow & Disbursement Arrangements.** Reimbursement for carry forward expenditure of 2019 with total amount of IDR 17.2 billion has not been made for various reasons including: delay in document submission due to travel restriction, staff changes, lengthy channel of processing at national level and insufficient budget for individual provinces and district. It is agreed that additional staff will be hired to be stationed at NMPU office to provide support in reimbursement process. The project submits one withdrawal application for the period of Jan-December 2019 manually in June 2020.

Coordination issues between Ministry of Agriculture as the implementation unit, Ministry of Public Work as PMU or Executing Agency and Ministry of Finance as the DA administrator has created delay in the functioning of ICP for IPDMIP. In the mission it was agreed that MoA will be act as the author, MPW as the reviewer and approval will be with MoF. The current document flow will be maintained as internal government communication standard.

**Internal Controls.** The mission conducted payment review remotely by reviewing scanned sample payments from the latest withdrawal application. In general, the payments are supported by adequate documents. Payment process is following the government system, PMK 190/PMK.05/2012.

**Accounting and Financial Reporting.** The project uses government accounting system, SAIBA and OM SPAN for monitoring and reporting purposes. Financial report, budget vs expenditure report based on government account code and funding sources can be produced from the system. However, the project has to maintain an excel based reporting system, using the data withdrew from SAIBA, reconcile it with supporting documents and bank accounts to produce report on category or component and other reports required for project management and reporting to IFAD.

The IFR period of October - December 2019 was submitted on time to IFAD on 10 February 2020. Meanwhile IFR period of January – March 2020 and the unaudited financial statement of 2019 are submitted on 9 June 2020. Improvement agreed in the previous mission such as: the sources and uses of funds do not reflect the opening and closing balance and that the category and component report in EUR, have not been made

**External Audit** The audit report of 2018 was received by IFAD on 28 June 2019. The audit noted the consolidated financial statements and the appended notes, present fairly in all material respect. The report also noted that in general, the project's internal control system application had been adequate to provide assurance that all project activities were carried out in accordance with the applicable procedures and regulations. A total ineligible expenditure of IDR 120,547,283 for Loan and IDR 23,126,000 for Grant has been fully refunded and transferred back to project Designated Accounts on 29 May 2020 for Loan and 21 January 2020 for Grant. The auditor currently is conducting the audit for the project financial statement of 2019. Based on the General Condition Section 9.03 the audit report should be submitted to IFAD not later than 30 June 2020. However, covid 19 has impacted the audit process which lead to delay of the report submission. Request to postpone the deadline to third quarter of 2020 has been submitted by the government on 30 June 2020

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Budget reallocation for 2019 and 2020</b> To reallocate on granting budget amongst provinces and district to accommodate the reimbursement request at end of 2019	MoA, MPW & MoF	11/2019
<b>Organisation and Staffing</b> To recruit 23 on granting officers to support PPIU and DPIU in on granting related activities	MoA	12/2019
<b>Fund Flow</b> To explore different options to reduce the number of transactions, and hence the administrative burden, necessary for reimbursements. To strengthen the consultant team to ensure that the MoA NPIU can receive further support from the NPMU to accelerate the reimbursement process to the provinces and districts.	MoA & MoF, MoPW (NPMU)	01/2020
<b>Budget reallocation for 2020</b> To reallocate on granting budget amongst provinces and district to accommodate the reimbursement request at first quarter of 2019, based on the carry forward reimbursement data	MoA, MPW & MoF	01/2020
<b>Financial Reporting &amp; Monitoring</b> To submit IFR with improvement in : sources and uses of fund, category and component in EUR, 45 days after the end of the period To submit unaudited financial report of 2019 by 30 April 2020 the latest	MoA	02/2020
<b>To recruit additional finance consultant to be stationed at NPMU office to provide support on the reimbursement process</b>	MoA	07/2020
<b>To finalize the recruitment of the on granting officers to support PPIU and DPIU in on granting related activities</b>	MoA	07/2020
<b>To process budget TOP UP and reallocation for on granting of 2020</b>	MoA, MPW & MoF	07/2020
<b>To initiate and submit AWPB 2021 and allow it to be included in the budgeting process for subnational on time</b>	MoA & MPW	07/2020
<b>To speed up reimbursement process for the expenditure of 2019</b>	MoA, MoF	07/2020
<b>To activate ICP</b>	MoA, MoF, MPW	07/2020
<b>submit the next WA (Justification ) with recovery of the ineligible expenditures</b>	Project and MOF	07/2020
<b>To submit the audit report of 2019</b>	MoA	09/2020

Quality and Timeliness of Audit

Rating: 4

Previous rating: 4

#### Justification of rating

The audited report and ML were separated into loan and grant, are submitted on time. Two mandatory reports per 4 requirements received by IFAD as it lacked of the Source and Use of Fund statement and Statement of receipt and

payment since its accounting standard is cash basis

#### Main issues

The audited financial statements, which were due on 30 June 2019 were submitted and received within the stipulated submission deadline.

The financial statements were prepared on the cash basis, which are deemed acceptable to IFAD.

IFAD's assessment of the financial statements, rated the quality of the financial reporting as **moderately satisfactory** on the basis that the financial statements submitted were incomplete, the Withdrawal Application Statement and Fixed Asset Statement were not presented in the report.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Operation</b> Inadequate administration of Accountability Document Action: Carry out scrutiny and increase quality of control activities		
<b>Procurement</b> Procurement was not carried out in accordance to project provisions. 15 occurrences in this finding Actions: Head of NPIU and DPIU to follow up, NPIU to monitor and follow-up		
<b>Project planning</b> Project planning was not optimal. Actions: Head of NPIU and DPIU to follow up, NPIU to monitor and follow-up  AWPB did not outline the detail activities required to achieve the expected output. Actions: Instruct the Project Manager to cascade the activities in AWPB 2019 to more detailed sub activities.		

**Counterparts Funds**

**Rating: 3**

**Previous rating: 3**

#### Justification of rating

The government counterpart fund allocation for FY 2018, 2019 and 2020 is IDR 3.4 billion each based on the approved AWPB 2018, 2019 and 2020. Total project disbursement from the government counterpart funds is IDR 2.5 billion (75%) for 2018, IDR 2.9 billion (87% for 2019) and IDR 0.4 billion (12% for 2020) as of 29 May 2020.

#### Main issues

The government contribution stated in the report only for support cost from the national level/NPIU and has not yet include the staff cost and support cost from the sub national level. , it was noted that several local governments allocate support cost from their own budget for the project and some not and this has not yet included in the counterpart report. The farmers also provide seed contribution for the field school and has not been recorded as beneficiary contribution in the consolidated report.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Counterpart funds</b>  To include staff cost and support cost from national and sub national level for the counterpart funds on going as per the ORM report 2020 Jan	MoA	12/2019
<b>To include staff cost and support cost from national and sub national level for the counterpart funds and to include beneficiary contribution in the financial report</b>	MoA	07/2020

#### **Compliance with Loan Covenants**

**Rating: 4**

**Previous rating: 4**

#### **Justification of rating**

The compliance with the loan covenants is rated as moderately satisfactory. In fact, as per Appendix 3, the project is compliant with most of the key legal covenants. However the potential non-compliance of the remaining covenants could affect project implementation or achievement of development objective, but would not violate IFAD's statutory requirements.

#### **Procurement**

#### **Procurement**

**Rating: 4**

**Previous rating: 3**

#### **Justification of rating**

Performance of IPDMIP project procurement considered moderately satisfactory. It was due to delay of the project to respond the need on the recruitment of some consultants and consultancy services to support Farming Systems, Value Chain, and Rural Finance on the sub-national level (regional consultant). These 8 packages of regional consultancy services had been planned since 2018, selected during 2019 and eventually the contract signed on 25 June 2020. In addition, the recruitment of 20 on-granting officers that started on mid last year has contracted on 25 June 2020. The availability of those human resources that just recently recruited are very expected to strengthening the project implementation on the ground.

For procurement performance of KMC (Knowledge Management Centre), IPDMIP Grant. BAPPENAS has carry out the selection process of reviewed procurement packages in accordance with the national public procurement regulation (Perpres 16/2018).

In term of development of procurement plan and maintaining record management. Both MoA and Bappenas need further improvement to consistent with the Perpres 16/2018 and IFAD Procurement Guideline.

Despite the above achievement of the overall IPDMIP Loan and Grant. Processes, procedures, and systems applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance.

Implementation support is required; however, prompt resolution of issues/constraints is likely.

#### **Procurement Review**

The mission has reviewed procurement activities of some IPDMIP Project offices, i.e. National Project Implementation Unit (NPIU) at MoA, Knowledge Management Centre (KMC) at Bappenas, Province Project Implementation Unit (PPIU) at Aceh and Centre Sulawesi Provinces, and District Project Implementation Unit (DPIU) at Bireun and Tolioli Districts.

#### **1.Procurement Planning:**

It is a critical part of the procurement process to enable objectives and priorities to be set, workloads to be estimated and resources allocated. It enables the procuring entity to plan, organize, forecast, and schedule its procurement activities and to identify potential areas for aggregation of needs.

#### **2.Procurement implementation (contract management and documentation):**

Both are necessary for all contracts. The Project Manager has the overall responsibility for contract management and documentation, but will draw on other resources, such as technical expertise, payment services, legal services, and supply management systems, as required. Where such other services and systems are used, Project Manager will remain responsible for monitoring their performance and ensuring that their activities, in relation to the contract, are completed on time and in accordance with procurement rules.

#### **3.Human resources in Procurement:**

Carrying out procurement efficiently is critical to have a good project implementation, to the attainment of a project's



objectives, and to its sustainability. One of the points reviewed includes the number of staff and the level of the existing human capacity to undertake project procurement.

Based on the reviewed conducted, the mission rating the procurement performance into the specific pillars referring to the IFAD Guidance Note on Remote Procurement Review and Oversight.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Staffing on Project Procurement</b> <ul style="list-style-type: none"> <li>• Recruit Contract and Procurement Specialist</li> <li>• Recruit three or more Contract Management Officers to coordinate and responsible for procurement at PPIU &amp; DPIU.</li> </ul>	NPIU	07/2020
<b>Improvement of Project Procurement</b> <ul style="list-style-type: none"> <li>• Procurement guideline</li> <li>• Training to procurement officer at sub-national level.</li> <li>• Procurement Monitoring System available in place and updated (to monitor progress of procurement plan).</li> <li>• Prioritize to use e-catalogue as procurement method for goods.</li> </ul>	Project Manager / Procurement Specialist	08/2020
<b>Improvement the quality of Project Procurement Planning</b> <ul style="list-style-type: none"> <li>• Involves Procurement Functional Staff and UKPBJ (Procurement Service Unit).</li> <li>• Applies Decree of Deputy II NPPA Number 10 Year 2019, the GoI guideline on procurement plan <ul style="list-style-type: none"> <li>o Needs of identification</li> <li>o Spending analysis</li> <li>o Market survey</li> <li>o Procurement Strategy</li> </ul> </li> <li>• Prioritize to use e-catalogue as procurement method for goods.</li> </ul>	Project Manager	09/2020
<b>Improvement the quality of Project Procurement Planning</b> <ul style="list-style-type: none"> <li>• Involves Procurement Functional Staff and UKPBJ (Procurement Service Unit).</li> <li>• Applies Decree of Deputy II NPPA Number 10 Year 2019, the GoI guideline on procurement plan</li> <li>• Prioritize to use e-catalogue as procurement method for goods.</li> </ul>	Project Manager	09/2020
<b>Improvement the Contract Management and Documentation</b> <ul style="list-style-type: none"> <li>• Contract monitoring using ICP <ul style="list-style-type: none"> <li>o Managing all aspects of the contracting process</li> <li>o Managing contract deliverables and KPIs</li> <li>o Tracking performance and contractor payments</li> <li>o Managing specific schedules and timelines</li> </ul> </li> <li>• Record management referred to GoI Archived Regulation</li> <li>• Record management using Dynamic Filing Information System (SIKD)</li> <li>• Recruit archivist functional staff or outsourcing</li> </ul>	Project Manager / Procurement Specialist	10/2020

#### e. Key SIS Indicators

**Likelihood of Achieving the Development Objective**

**Rating: 4**

**Previous rating: 4**

#### Justification of rating

Amplly discussed along the supervision report.



**Justification of rating**

Amplly discussed along the supervision report.

**F. Agreed Actions**

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Overview and Project Progress</b>		
<b>Finalise recruitment of regional management consultants</b>  Sign contracts with the selected consultants	NPIU	09/2019
<b>MoU on partnership with FI</b>  NPIU should draft a concise MoU and propose it selected DPIUs and Banks for discussions leading to signing for execution in partnership of financial literacy training and formal credit provision to IPDMIP beneficiaries	NPIU, DPIU, Banks	09/2019
<b>Review of Seed supply system</b>  Where relevant, support the FG to produce their own seeds and/or purchase certified seeds directly from available retailers	NPIU	12/2019
<b>Undertake Value Chain mappings</b>  Undertake rice VC mappings in order to adequately plan for VC support activities in 2020	NPIU and Dinas MoA	12/2019
<b>Sub-component 4.1 Intensifying farming systems activities</b>  (i) train all FEW in targeted sub-districts (not only FEW engaged with IPDMIP villages. (ii) double number of annual FFS training in targeted villages, to target more FG members	NPIU and DPIUs	04/2020
<b>Project Management</b>		
<b>Deploy ICT equipment to the FEW</b>  Deploy ICT equipment to the FEW to enable direct transmission of technical and financial information to FEWs; and to improve.	NPIU and DPIU	03/2020
<b>Financial Management &amp; Execution</b>		
<b>Budget reallocation for 2019 and 2020</b>  To reallocate on granting budget amongst provinces and district to accommodate the reimbursement request at end of 2019	MoA, MPW & MoF	11/2019
<b>Counterpart funds</b>  To include staff cost and support cost from national and sub national level for the counterpart funds on going as per the ORM report 2020 Jan	MoA	12/2019

<b>Organisation and Staffing</b>  To recruit 23 on granting officers to support PPIU and DPIU in on granting related activities	MoA	12/2019
<b>On Granting Budget revision for 2020</b>  To revise the budget for the on-granting for FY 2020 at Fiscal Balance-MOF to reflect its realistic AWPB	MoA, MPW & MoF	01/2020
<b>Fund Flow</b>  To explore different options to reduce the number of transactions, and hence the administrative burden, necessary for reimbursements. To strengthen the consultant team to ensure that the MoA NPIU can receive further support from the NPMU to accelerate the reimbursement process to the provinces and districts.	MoA & MoF, MoPW (NPMU)	01/2020
<b>Budget reallocation for 2020</b>  To reallocate on granting budget amongst provinces and district to accommodate the reimbursement request at first quarter of 2019, based on the carry forward reimbursement data	MoA, MPW & MoF	01/2020
<b>Financial Reporting &amp; Monitoring</b>  To submit IFR with improvement in : sources and uses of fund, category and component in EUR, 45 days after the end of the period To submit unaudited financial report of 2019 by 30 April 2020 the latest	MoA	02/2020
<b>Staffing on Project Procurement</b>  <ul style="list-style-type: none"> <li>• Recruit Contract and Procurement Specialist</li> <li>• Recruit three or more Contract Management Officers to coordinate and responsible for procurement at PPIU &amp; DPIU.</li> </ul>	NPIU	07/2020
<b>To recruit additional finance consultant to be stationed at NPMU office to provide support on the reimbursement process</b>	MoA	07/2020
<b>To finalize the recruitment of the on granting officers to support PPIU and DPIU in on granting related activities</b>	MoA	07/2020
<b>To revise AWPB 2020 to accommodate COVID 19 constraint, accelerate the implementation</b>	MoA	07/2020
<b>To include staff cost and support cost from national and sub national level for the counterpart funds and to include beneficiary contribution in the financial report</b>	MoA	07/2020
<b>To process budget TOP UP and reallocation for on granting of 2020</b>	MoA, MPW & MoF	07/2020
<b>To initiate and submit AWPB 2021 and allow it to be included in the budgeting process for subnational on time</b>	MoA & MPW	07/2020
<b>To speed up reimbursement process for the expenditure of 2019</b>	MoA, MoF	07/2020

<b>To activate ICP</b>	MoA, MoF, MPW	07/2020
<b>submit the next WA (Justification ) with recovery of the ineligible expenditures</b>	Project and MOF	07/2020
<b>Improvement of Project Procurement</b> <ul style="list-style-type: none"> <li>• Procurement guideline</li> <li>• Training to procurement officer at sub-national level.</li> <li>• Procurement Monitoring System available in place and updated (to monitor progress of procurement plan).</li> <li>• Prioritize to use e-catalogue as procurement method for goods.</li> </ul>	Project Manager / Procurement Specialist	08/2020
<b>Improvement the quality of Project Procurement Planning</b> <ul style="list-style-type: none"> <li>• Involves Procurement Functional Staff and UKPBJ (Procurement Service Unit).</li> <li>• Applies Decree of Deputy II NPPA Number 10 Year 2019, the Gol guideline on procurement plan <ul style="list-style-type: none"> <li>o Needs of identification</li> <li>o Spending analysis</li> <li>o Market survey</li> <li>o Procurement Strategy</li> </ul> </li> <li>• Prioritize to use e-catalogue as procurement method for goods.</li> </ul>	Project Manager	09/2020
<b>Improvement the quality of Project Procurement Planning</b> <ul style="list-style-type: none"> <li>• Involves Procurement Functional Staff and UKPBJ (Procurement Service Unit).</li> <li>• Applies Decree of Deputy II NPPA Number 10 Year 2019, the Gol guideline on procurement plan</li> <li>• Prioritize to use e-catalogue as procurement method for goods.</li> </ul>	Project Manager	09/2020
<b>To submit the audit report of 2019</b>	MoA	09/2020
<b>Improvement the Contract Management and Documentation</b> <ul style="list-style-type: none"> <li>• Contract monitoring using ICP <ul style="list-style-type: none"> <li>o Managing all aspects of the contracting process</li> <li>o Managing contract deliverables and KPIs</li> <li>o Tracking performance and contractor payments</li> <li>o Managing specific schedules and timelines</li> </ul> </li> <li>• Record management referred to Gol Archived Regulation</li> <li>• Record management using Dynamic Filing Information System (SIKD)</li> <li>• Recruit archivist functional staff or outsourcing</li> </ul>	Project Manager / Procurement Specialist	10/2020
<b>Recruitment of FM consultants for local governments</b>  Recruit and deploy FM consultants for provinces/districts	NPIU	
<b>Operation</b>  Inadequate administration of Accountability Document Action: Carry out scrutiny and increase quality of control activities		

<p><b>Procurement</b></p> <p>Procurement was not carried out in accordance to project provisions. 15 occurrences in this finding</p> <p>Actions: Head of NPIU and DPIU to follow up, NPIU to monitor and follow-up</p>		
<p><b>Project planning</b></p> <p>Project planning was not optimal.</p> <p>Actions: Head of NPIU and DPIU to follow up, NPIU to monitor and follow-up</p> <p>AWPB did not outline the detail activities required to achieve the expected output.</p> <p>Actions: Instruct the Project Manager to cascade the activities in AWPB 2019 to more detailed sub activities.</p>		

## **Indonesia**

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### **Integrated Participatory Development and Management of the Irrigation Sector Project**

#### **Supervision Report**

#### **Logical Framework**

Mission Dates: 18 May 2020 - 16 July 2020  
Document Date: 09/09/2020  
Project No. 1100001706  
Report No. 5495-ID

Asia and the Pacific Division  
Programme Management Department



## Integrated Participatory Development and Management of the Irrigation Sector Project

### Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
<b>Outreach</b> The total number of project beneficiaries is estimated at 900,000 households or 4 million individuals, of whom approximately 50 per cent are women.	1 Persons receiving services promoted or supported by the project							Annual Outcome Survey	Annual	MoA	
	Females					61 481					
	Males					213 372					
	Young					41 228					
	Not Young					233 625					
	Total number of persons receiving services					274 853					
	1.a Corresponding number of households reached							Annual Outcome Survey	Annual	MoA	
	Women-headed households					27 485					
	Non-women-headed households					197 968					
	Households			900 000		274 853	30.5				
	1.b Estimated corresponding total number of households members							Annual Outcome Survey	Annual	MoA	
	Household members			4 000 000		1 279 721	32				
<b>Project Goal</b> Improve food security and livelihoods in rural Indonesia											

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
<b>Development Objective</b> Improved food security and livelihoods in rural Indonesia	Households with improved asset index							RIMS impact survey; MoPW, MoHA, MoA; Baseline data;	Annual	MoA	Change in Government's development priorities; Limited fiscal capacity of Local Government
	Households with improved asset ownership index			50							
	Households have improved food security							RIMS impact survey; MoPW, MoHA, MoA; Baseline data;	Annual	MoA	
	Households			75							
<b>Outcome</b> Increased value of sustainable irrigated agriculture	Beneficiaries reporting an increase in production in rice or high value irrigated crops							MoPW, MoHA, MoA; Baseline data; Annual Outcome Survey	Annual	MoA	Change in Government's development priorities
	Percentage of targeted beneficiaries			75							
	1.2.4 Households reporting an increase in production							MoPW, MoHA, MoA; Baseline data; Annual Outcome Survey	Annual	MoA	
	Households			75							
	Total number of household members										
	Households										



Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	At least 450 000 hectares are served by improved irrigation system infrastructure							MoPW, MoHA, MoA; Baseline data; Annual Outcome Survey	Annual	MoPWH	
	Hectares of land			450 000							
	Irrigation schemes in program areas showing improved and sustained performance in management operation and maintenance							MoPW, MoHA, MoA; Baseline data; Annual Outcome Survey	Annual	MoPWH/MoHA	
	Irrigation schemes										
	Other productive infrastructure constructed/rehabilitated										
	Targeted households reporting an increase in income from irrigated agriculture							MoPW, MoHA, MoA; Baseline data; Annual Outcome Survey	Annual	MoA	
	Households			75							
<b>Output</b> Strengthened policy and institutional frameworks for irrigated agriculture	IMPs incorporated into regional medium-term development plans (RPJMD) increased							MoPW, MoHA, MoA	Annual	MoHA	Regional parliaments delay endorsement of IMPs for RPJMD for political or other reasons
	IMPs incorporated	0		90							
	Competency certification systems established for irrigation planning, financing and participatory management							MoPW, MoHA, MoA	Annual	MoPWH	
	Competency certification system	0		1							
	Staff and field facilitators certified by the system							MoPW, MoHA, MoA	Annual	MoPWH	
	Staff and field facilitators certified	0		70							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Output Improved irrigation systems management	Irrigation commissions operationalized by 2021							MoPW, MoHA, MoA	Annual	MoHA	Government guidelines are not properly implemented due to poor capacity or commitment; Political issues impede the establishment and functioning of commissions and WUAs; Demotivation of WUAs, staff and field facilitators impede activities.
	Irrigation commissions operationalized	39		52							
	Irrigation Development and Management Plans (IMPs) endorsed by Provincial and District Irrigation Commissions by 2021							MoPW, MoHA, MoA	Annual	MoHA	
	IMPs	0		90							
	Updated and GIS-based irrigation asset management systems increased							MoPW, MoHA, MoA	Annual	MoPWH	
	GIS-based irrigation asset management systems	0		75							
	Water Users Associations (WUAs)/WUAF established and trained with program support increased by 2021							MoPW, MoHA, MoA	Annual	MoHA	
	WUAs/WUAF established and trained	1 516		4 981							
	Irrigation schemes managed by WUA/WUAFs increased by 2021							MoPW, MoHA, MoA	Annual	MoHA	
	Irrigation schemes managed by WUA/WUAFs	0		50							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
<b>Output</b> Improved irrigation systems infrastructure	Irrigation schemes having water balance computation and financial feasibility increased							MoPW, MoHA, MoA	Annual	MoPWH	Government guidelines are not properly implemented due to poor capacity or commitment; Political issues impede the establishment and functioning of commissions and WUAs; Demotivation of WUAs, staff and field facilitators impede activities
	Irrigation schemes	0		100							
	Irrigation schemes having detailed engineering designs prepared in line with government guidelines increased							MoPW, MoHA, MoA	Annual	PMU	
	Irrigation schemes	100		1 144							
	Irrigation infrastructure in program areas rehabilitated and upgraded							MoPW, MoHA, MoA	Annual	MoPWH	
	Irrigation infrastructure	50		100							
	Irrigation schemes modernized according to government technical standards							MoPW, MoHA, MoA	Annual	MoPWH	
	Irrigation schemes modernized	0		50							
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated							MoPW, MoHA, MoA	Annual	PMU	
	Hectares of land					0					
<b>Output</b> Improved farm productivity and services	Access to extension services									MoA	
	Targeted beneficiaries having access to extension services			75							
	Extension workers trained and working									MoA	
	Extension workers			10 000							
<b>Output</b> Improved market access and services	Farmers trained in value chain development									MoA	
	Beneficiary farmers			200 000							
	1.1.3 Rural producers accessing production inputs and/or technological packages									MoA	
	Females			250		0	0				
	Males			250		0	0				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Young					0					
	Not Young					0					
	Indigenous people					0					
	Non-Indigenous people					0					
	Total rural producers					0					
<b>Output</b> Improved financial services and use of services	1.1.5 Persons in rural areas accessing financial services									MoA	
	Total number of accesses to financial services					0					
	Women in rural areas accessing financial services - savings					0					
	Young people in rural areas accessing financial services - savings					0					
	Men in rural areas accessing financial services - savings					0					
	Indigenous people in rural areas accessing financial services - savings					0					
	Men in rural areas accessing financial services - credit					0					
	Women in rural areas accessing financial services - credit					0					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Young people in rural areas accessing financial services - credit					0					
	Indigenous people in rural areas accessing financial services-credit					0					
	Total persons accessing financial services - savings			675 000		0	0				
	Total persons accessing financial services - credit			675 000		0	0				
	1.1.6 Financial service providers supported in delivering outreach strategies, financial products and services to rural areas									MoA	
	Service providers			8		5	62.5				

## **Indonesia**

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### **Integrated Participatory Development and Management of the Irrigation Sector Project**

#### **Supervision Report**

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

Mission Dates: 18 May 2020 - 16 July 2020  
Document Date: 09/09/2020  
Project No. 1100001706  
Report No. 5495-ID

Asia and the Pacific Division  
Programme Management Department



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

Table 2A: Financial performance by financier

Financier	Appraisal (EUR '000)	Disbursements (EUR '000)	Per cent disbursed
IFAD loan *	93,150	4,852	5%
IFAD grant **	1,410	504	36%
Government ***	111,707	404	0.36%
Beneficiary		-	0%
ADB & AIF****	569,068	48,816	9%
<b>Total</b>	<b>775,335</b>	<b>54,575</b>	<b>7%</b>

Exchange Rate USD-EUR= 1.056

\*including: Actual disbursement including EUR 0.27million disbursement that has yet been claimed and not including advance

\*\* including: Actual disbursement including EUR 0.18 million disbursement that has yet been claimed and not including advance

\*\*\* only government contribution from the agriculture line

\*\*\*\* as 24 June 2020



**Table 2B: Financial performance by financier by component (EUR '000)**

Component	IFAD loan			IFAD grant			The Government			ADB & AIF			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
<b>A. Increased Irrigation Agricultural Income</b>															
1. Improve Farm Productivity and Services	44,229	3,728	8%				4,423	-	-				48,652	3,728	8%
2. Improve Market Access and Services	7,397	75	1%				740	-	-				8,136	75	1%
3. Improved Financial Access and use of Services	20,815	100	0%				2,082						22,897	100	0%
Project Management	19,728	948	5%				1,973	404	20%				21,700	1,352	6%
<b>Subtotal</b>															
<b>B. Improved Irrigation Infrastructure</b>							43,479	-	-	435,423	40,556	9%	478,901	40,556	8%
<b>C. Improved Irrigation System Management</b>	981		0%				8,622			85,367	6,322	7%	94,971	6,322	7%
<b>D. Strengthened Policy and Institutional Frameworks for Irrigated Agriculture</b>				1,410	504	0	50,389			48,278	1,937	4%	100,077	2,441	2%
	<b>93,150</b>	<b>4,852</b>	<b>5%</b>	<b>1,410</b>	<b>504</b>	<b>36%</b>	<b>111,707</b>	<b>404</b>	<b>0%</b>	<b>569,068</b>	<b>48,816</b>	<b>9%</b>	<b>775,335</b>	<b>54,575</b>	<b>7%</b>

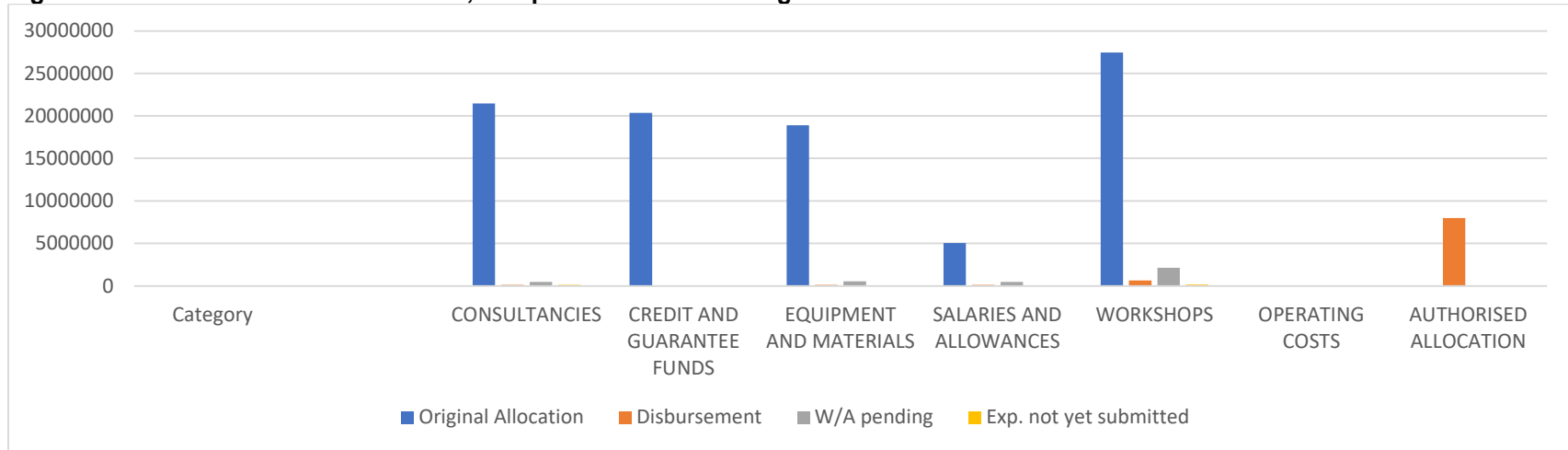
**Table 2C: IFAD loan disbursements (EUR, as at 29 May 2020)**

Category	Category	Original Allocation	Disbursement	W/A pending	Exp. not yet submitted	Balance	%
1	CONSULTANCIES	21,440,000	107,580.05	466,717.72	112,438.39	20,753,264	3%
2	CREDIT AND GUARANTEE FUNDS	20,340,000	5,345.49	1,739.46	-	20,332,915	0%
3	EQUIPMENT AND MATERIALS	18,880,000	126,217.44	520,177.72	6,352.08	18,227,253	3%
4	SALARIES AND ALLOWANCES	5,050,000	106,053.57	460,256.70	0.04	4,483,690	11%
5	WORKSHOPS	27,440,000	648,733.06	2,140,260.37	149,728.09	24,501,278	11%
6	OPERATING COSTS	-	8,000,000.00	-	-	-	-
7	AUTHORISED ALLOCATION	-	8,000,000.00	-	-	(8,000,000)	-
	Total	93,150,000.00	8,993,929.61	3,589,151.97	268,518.60	80,298,399.82	14%

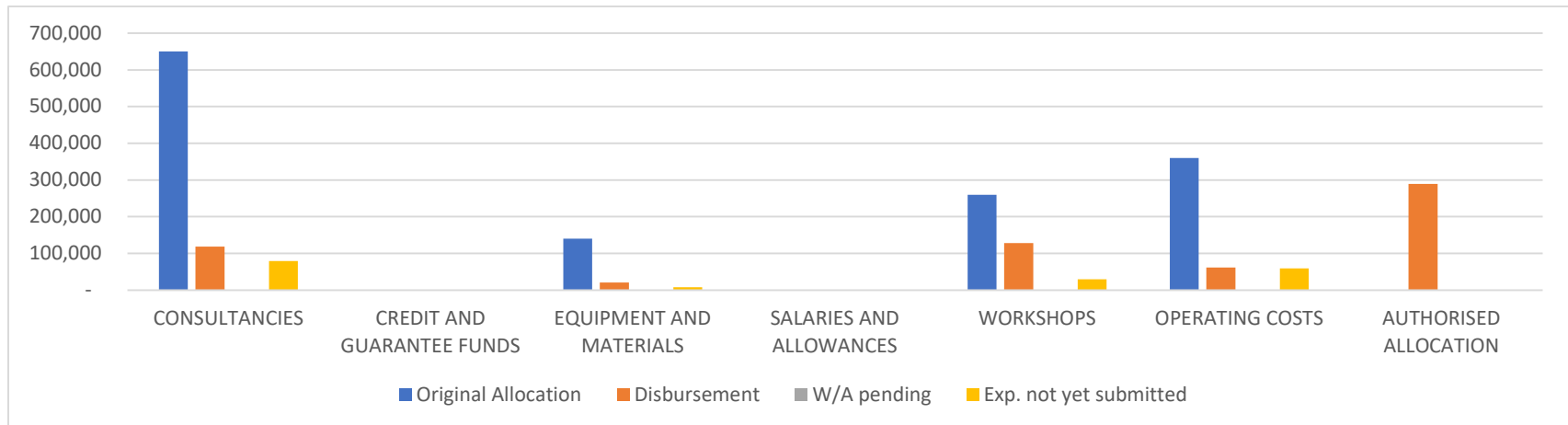
**Table 2D: IFAD Grant disbursements (EUR, as at 29 May 2020)**

Category	Category	Original Allocation	Disbursement	W/A pending	Exp. not yet submitted	Balance	%
1	CONSULTANCIES	650,000	118,570.73		79,502.06	451,927	30%
2	CREDIT AND GUARANTEE FUNDS		-				
3	EQUIPMENT AND MATERIALS	140,000	20,528.30		7,920.50	111,551	20%
4	SALARIES AND ALLOWANCES						
5	WORKSHOPS	260,000	128,135.18		29,140.41	102,724	60%
6	OPERATING COSTS	360,000	61,285.54		58,774.08	239,940	33%
7	AUTHORISED ALLOCATION		288,936.00			(288,936)	
	Total	1,410,000.00	617,455.75	0.00	175,337.05	617,207.20	56%

**Figure 1: IFAD loan disbursement, comparisons between original and revised allocations and actual disbursement**



**Figure 2: IFAD grant disbursement, comparisons between original and revised allocations and actual disbursement**



## **Indonesia**

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### **Integrated Participatory Development and Management of the Irrigation Sector Project**

#### **Supervision Report**

#### **Appendix 2: Physical progress measured against AWP&B**

Mission Dates: 18 May 2020 - 16 July 2020  
Document Date: 09/09/2020  
Project No. 1100001706  
Report No. 5495-ID

Asia and the Pacific Division  
Programme Management Department



## Appendix 2: Physical progress measured against AWP&B

### Appendix 2.1: NPIU AWPB 2019 and 2020

Activities / Component	2019			2020		
	P	R	%	P	R	%
<b>4.1 - Improve Farm Productivity and Services</b>						
A. Recruitment & Training of Extension Staff						
MOA visits	2	2	100%	2	-	0%
Workshop Sinkronisasi Program IPDMIP Tahun 2020 (koordinasi)	3	3	100%	2	-	0%
Workshop AWPB & Procurement	1	1	100%	1	1	100%
Workshop Reconciliation	4	4	100%	1	1	100%
Workshop Koordinasi IPDMIP untuk Provinsi Jawa Tengah dan Banten	2	2	100%	2	-	0%
B. Seeds Access						
IRRC supply foundation seeds (FS)	-	-		1	-	0%
Seed sector modernisation design	1	-	0%	1	-	0%
Seed sector modernisation implementation	-	-		-	-	
Soil Tester Kid and Fertilizer Tester Kid	1 086	1 086	100%	-	-	
Perbanyak buku paket rekomendasi pengelolaan lahan	849	-	0%	-	-	

Bimtek Pengelolaan Kesuburan Lahan	66	-	0%	67	52	78%
C. Partnership & Technology Transfer	2	2	100%	-	-	
<b>Subtotal 4.1</b>						
<b>4.2 - Improve Market Access and Services</b>						
A. Value Chain Fund						
Value chain fund	-	-		-	-	
<b>Subtotal 4.2</b>						
<b>4.3 - Improved Financial Access and use of Services</b>						
A. Support to Financial Institutions						
Call for Expression of Interest and Questionnaire	10	2	20%	1	-	0%
Training on new financial instruments	1	1	100%	-	-	
Fine-tuning existing products/services and/or design new ones	1	-	0%	1	-	0%
Introduction of new financial instruments	1	1	100%	-	-	
Training of financial institutions' staff	1	1	100%	5	-	0%
Outreach development	-	-		-	-	
B. Support to Farmers and Households						
Financial Literacy and Education	-	-		-	-	
OJK Working Group meetings	2	2	100%	2	-	0%

Printing revised training modules	1	-	0%	630	-	0%
Training of regional/national project staff	1	1	100%	1	-	0%
Social mobilization in villages	200	50	25%	200	-	0%
Training of extension workers and lead farmers	14	7	50%	144	-	0%
Training of selected households	174	-	0%	360	-	0%
Training of remaining households	-	-		-	-	
Implementation of Savings and Credit Groups	-	-		-	-	
Savings and Credit Groups	-	-		-	-	
C. Support to Value Chain Strengthening						
Financial Instruments for value chain	-	-		-	-	
Strengthening of value chains	-	-		-	-	
Risk mitigation measures	-	-		-	-	
Land registration and titling	-	-		-	-	
<b>4.4 - National Project Implementation Consultant - MOA</b>						
A. International Consultant						
Project Management Advisor	1	1	100%	9	4	44%
Farming Systems Specialist	1	1	100%	6	1	17%



Extension Specialist	-	-		-	-	
Value Chain Specialist	1	1	100%	6	2	33%
Rural Finance Specialist	1	1	100%	5	4	80%
Nutrition & Gender Specialist	-	-		-	-	
B. National Consultant						
Farming Systems/Rice seed, Extension, Value Chain, Rural Finance/ Financial Literacy Company Package:						
Region 1 ACEH - SUMUT	1		0%	1	-	0%
Region 2 SUMBAR - SUMSEL				1	-	0%
Region 3 LAMPUNG - JAWA BARAT				1	-	0%
Region 4 JATIM				1	-	0%
Region 5 KALBAR - KALSEL				1	-	0%
Region 6 SULSEL - SULTENG - SULUT				1	-	0%
Region 7 NTB - NTT				1	-	0%
Region 8 PUSAT - BANTEN - JATENG				1	-	0%
Financial Literacy Training and Rural Finance Consultant Company Package	-	-		-	-	
Rice Seed Specialist	1	1	100%	6	-	0%

Training Specialist	10	10	100%	10	4	40%
Nutrition & Gender Specialist	5	4	80%	6	3	50%
Financial Administration/WA	11	10	91%	9	4	44%
Monev/IT	10	9	90%	10	2	20%
Procurement	6	5	83%	1	1	100%
Consultans Individual On Granting	1		0%			
Pengadaan Jasa konsultan Nasional On Granting Provinsi Aceh		-		6	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Sumut		-		6	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Sumbar		-		12	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Sumsel		-		12	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Lampung		-		12	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Jabar		-		12	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Banten		-		6	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Jawa Timur		-		12	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Kalbar		-		6	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Kalsel		-		6	-	0%

Pengadaan Jasa konsultan Nasional On Granting Provinsi Sulut		-		6	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Sulteng		-		6	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Sulsel		-		12	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi NTB		-		6	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi NTT		-		6	-	0%
Pengadaan Jasa konsultan Nasional On Granting Provinsi Jateng - Jakarta		-		12	-	0%
C. Supporting Consutant / Staff						
Bilingual Secretary	9	7	78%	9	5	56%
Finance/WA Assistant	10	10	100%	9	5	56%
Planning	-	-		-	-	
Monev/IT Assistant	10	10	100%	10	5	50%
Reporting Assistant	10	10	100%	9	5	56%
Computer Operator	10	10	100%	10	5	50%
<b>4.5 -Additional Activities</b>						
IT Equipment	8	8	100%	-	-	
Office Equipment	-	-		-	-	

Office Furniture	1	1	100%	-	-	
Vehicles (cars)	2	2	100%	-	-	
Motorcycle	2	2	100%	-	-	
Coordination Meeting prior to Project Implementation	-	-		-	-	
Baseline Survey	1	1	100%	-	-	
Start-up Workshop	-	-		-	-	
Management Training for Management Unit	-	-		-	-	
Knowledge Management Activity	1	1	100%	-	-	
Consolidation Forum on Strengthening the On Granting Commitment of IPDMIP	1	1	100%	1	-	0%
<b>4.6 Budget Allocation for Provincial Support (Banten &amp; Jateng)</b>						
4.6.1 Banten & Jateng						
A. Recruitment & Training of Extension Staff						
1. Recruitment						
2. Training						
Refresher training	15	15	100%	-	-	
New staff training	5	5	100%	-	-	
3. Review of Technical Packages						
Rice	1	1	100%	-	-	

High value crops	1	1	100%	-	-	
B. Seeds Access						
Foundation Seed (FS) multiplication (producing Stock Seed/SS)	1	1	100%	2	1	50%
Support to BBI/BPTP	4	-	0%	-	-	
Support to Stock Seed (SS) multiplier farmers	1	1	100%	-	-	
Seed certification	-	-		-	-	
Seed certification equipment	-	-		-	-	
C. Mechanisation	-	-		-	-	
1.2 - Improve Market Access and Services						
A. Value Chain Studies & Workshops	-	-		-	-	
B. Facilitation Training						
Basic value chain facilitation training	60	20	33%	-	-	
Advanced value facilitation training	-	-		-	-	
C. Value Chain Fund						
1.4 - National Project Implementation Consultant - MOA	-	-		-	-	

## Appendix 2.1: PPIU AWPB 2019 and 2020

Component/Outcome <i>Sub-component or Output</i>	Unit	2019			2020			Cumulative	Appraisal	%
		AWP&B	Actual	%	AWP&B	Actual	%	Actual	Target	
<b>1.1 - Improve Farm Productivity and Services</b>										
<b>A. Recruitment &amp; Training of Extension Staff a/</b>										
<i>1. Recruitment b/</i>										
<b>2. Training</b>										
Refresher training	training	8	5	63%	36	1	3%	9	28	32%
New staff training	training	-	-	-	17	-	0%	-	28	0%
<b>3. Review of Technical Packages</b>										
Rice	province	5	3	60%	2	-	0%	6	14	43%
High value crops d/	province	6	2	33%	2	-	0%	5	14	36%
<b>C. Seeds Access</b>										
F2 seed multiplication n/	province	12	8	67%	7	2	29%	12	70	17%
Support to BPTP n/	l.s.	12	4	33%	7	-	0%	5	70	7%
Support to F-3 multiplier farmers o/	Farmer	558	1 581	283%	168	-	0%	1 608	1 858	87%
Seed certification /p	Farmer	349	66	19%	195	-	0%	66	1 858	4%
Seed certification equipment	province	12	-	0%	5	-	0%	-	14	0%
<b>D. Mechanisation</b>										
<b>1.2 - Improve Market Access and Services</b>										
<b>A. Value Chain Studies &amp; Workshops</b>										
<b>B. Facilitation Training</b>										
Basic value chain facilitation training c/	training	16	8	50%	16	1	6%	9	117	8%

Advanced value faciliation training d/	training	-	-	-	2	-	-	-	14	0%
<b>C. Value Chain Fund</b>										
<b>1.4 - National Project Implementation Consultant - MOA</b>										

## Appendix 2.1: DPIU AWPB 2019 and 2020

	Unit	2019			2020			Cumulative	Appraisal	%
		AWP&B	Actual	%	AWP&B	Actual	%	Actual	Target	
Field Staff Recruitment										
New Staff	Person	395	279	71%	575	201	35%	480	2 765	17%
New Staff Operational Costs	PM	2 096	1 688	81%	1 696	286	17%	1 974	2 765	71%
Training										
Poktan Chair training to become a Self-Help Instructor	Person	1 441	875	61%	560	-	0%	875	2 001	44%
Farmers Field School										
<b>Field School 1</b>	Unit	3 685	1 711	46%	1 906	185	10%	1 896	12 266	15%
Field School 2	Unit	2 017	587	29%	1 927	123	6%	710	12 223	6%
		5 702	2 298	40%	3 833	308	8%	2 606	24 489	11%
Farmer's Notebook	Book	49 688	34 907	70%	27 991	3 385	12%	38 292	308 082	12%
Other Visits and Training										
Experience Sharing Forums between Farmers	forum	1 484	708	48%	1 081	9	1%	717	9 873	7%
Cross-village Visit	visit	439	288	66%	427	5	1%	293	2 130	14%
Monthly Counseling Review Meeting										

Monthly Counseling Review Meeting	meeting	785	471	60%	665	95	14%	566	5 058	11%
appreciation										
Award to Instructors	prize	485	169	35%	390	11	3%	180	2 551	7%
Award to Farmers	prize	2 600	780	30%	1 692	25	1%	805	18 473	4%
Seed Storage Procurement	drum	11 401	2 546	22%	8 289	-	0%	2 546	96 874	3%
Demonstrated Equipment (Agricultural Machine Tools)	unit	5 078	1 526	30%	2 422	86	4%	1 612	24 587	7%
<b>Demonstration (Event)</b>	event	230	182	79%	409	1	0%	183	852	21%
Initial Mapping of the Value Chain	district	23	5	22%	22	-	0%	5	42	12%
<b>Value Chain Validation</b>	workshop	18	11	61%	20	-	0%	11	32	34%
Value Chain Mapping Updates	study	5	1	20%	19	-	0%	1	84	1%
Value Chain Facilitation	event	113	30	27%	46	-	0%	30	591	5%



## **Indonesia**

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### **Integrated Participatory Development and Management of the Irrigation Sector Project**

#### **Supervision Report**

#### **Appendix 3: Compliance with legal covenants: status of implementation**

Mission Dates: 18 May 2020 - 16 July 2020  
Document Date: 09/09/2020  
Project No. 1100001706  
Report No. 5495-ID

Asia and the Pacific Division  
Programme Management Department



### Appendix 3: Compliance with legal covenants: status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>Section B6</b>	The Designated Account shall have been duly opened, the authorized signatories have been submitted to the Fund	Precedent to withdrawal	Complied	
<b>Section E.2 (a)</b>	The Borrower shall have established within MoA the National Project Implementation Unit (NPIU) and key NPIU staff nominated to the satisfaction of IFAD	Precedent to withdrawal	Complied	
<b>Section E.2 (b)</b>	The Borrower has prepared a draft PIM in form and substance satisfactory to the Fund	Precedent to withdrawal	Complied	
<b>Section 4.02 (b) General Conditions</b>	Submission of First AWPB	Precedent to Withdrawal	Complied	
<b>Section 4.04 (b) General Conditions</b>	Submission of Certification of authorized signatories to Withdrawal Application	Precedent to Withdrawal	Complied	
<b>Section 4.08 General Conditions</b>	Submission to IFAD of Statement of Expenditure only with eligible expenditures	On-going	Last SOE submitted 08/06/2020	
<b>Section 7.05 General Conditions</b>	Procurement in accordance with GoI procurement regulations such are consistent with the IFAD Procurement Guidelines	On-going	Complied	
<b>Section 9.02 General Conditions</b>	Submission of Financial Statements to IFAD 4 months after financial year	On-going	2019 FS submitted on 09 June 2020	
<b>Section 9.03 General Conditions</b>	Submission of Audit report to IFAD 6 months after the financial year	On-going	Audit Report for 2019 to be submitted by 30 Sept 2019	