

Turkey

Murat River Watershed Rehabilitation Project Supervision Report

Main report and appendices

Mission Dates: 2/09/2018 to 13/09/2018
Document Date: 01/11/2018
Project No. 1100001623
Report No. 4890-TR

Near East, North Africa and Europe Division
Programme Management Department

Abbreviations and Acronyms

AWPB	Annual work Program and Budget
ÇEM	General Directorate of Combating Desertification and Erosion
CFP	Central Focal Point
COU:	Central Operation Unit
DAP	Eastern Anatolia Project - Regional Development Administration
DPM	Deputy Project Manager
DSI	General Directorate of Hydraulic work
FPM	Field Project Manager
FOU	Field Operations Unit
GoT	Government of Turkey
LWF	Livestock water facilities
LTB	Letter to Borrower
MC	Micro catchment
MCP	Micro-catchment plan
MCPT	Micro-catchment Planning Team
MFWA	Ministry of Forestry and Water Affairs
M&E	Monitoring and Evaluation
MTR	Mid-Term Review
NWFP	Non Wood Forest Products
RIMS	Results and Impact Management System
OIM	Provincial Forestry Directorate
PFP	Provincial Focal Point
DFAL	Directorate of Food, Agriculture and Livestock
PFP	Provincial Focal Point
PPT	Provincial Project Team
SC	Steering Committee
OGM	General Directorate of Forestry
WA	Withdrawal Application
WUA	Water Users Association

A. Project Overview

Region:	Near East, North Africa and Europe Division	Project at Risk Status:	Not at risk
Country:	Turkey	Environmental and Social Category:	B
Project Name:	Murat River Watershed Rehabilitation Project	Climate Risk Classification:	not available yet
Project Id:	1100001623	Executing Institution:	not available yet
Project Type:	Agricultural Development	Implementing Institutions:	not available yet
CPM:	Dina Saleh		
Project Director:			
Project Area:	The hilly parts of the Murat river watershed (the upper watershed of the Murat/Euphrates river system), which includes upland districts and villages of Elazığ, Bingöl and Muş provinces.		

Approval Date	13/12/2012	Last audit receipt	27/06/2018
Signing Date	15/02/2013	Date of Last SIS Mission	13/09/2018
Entry into Force Date	15/02/2013	Number of SIS Missions	9
Available for Disbursement Date	15/02/2013	Number of extensions	0
First Disbursement Date	27/08/2013	Effectiveness lag	2 months
MTR Date	24/09/2017		
Original Completion Date	31/03/2020		
Current Completion Date	31/03/2020		
Financial Closure	not available yet		

Project total financing

IFAD Financing breakdown	IFAD	\$8,200,000
	IFAD	\$27,660,947
	Near East, North Africa and Europe Division	\$430,000
Domestic Financing breakdown	Beneficiaries	\$2,968,489
	National Government	\$7,424,455
Co-financing breakdown,		
Project total financing		\$46,683,891

Current Mission

Mission Dates:	2/09/2018 to 13/09/2018
Days in the field:	7 days
Mission composition:	Dina Saleh, Country Director/Programme Manager, IFAD, Lenyara Fundukova, Programme Officer, IFAD, Rikke Olivera, NRM senior technical advisor, IFAD, Peter Frøslev Christensen, consultant, Team Leader, Stefania Gnoato, targeting, gender & M&E, Michele Pirazzoli, rural infrastructure, Ioseb Tchonkadze, Procurement and Sara Lili, Financial management
Field sites visited:	Projects sites in Elazığ, Bingöl, Muş

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		5	Assessment of the Overall Implementation Performance		5

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

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

Relevance	5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

A team from the International Fund for Agricultural Development (IFAD) visited Turkey from 2 to 14 September 2018 to supervise the Murat River Watershed Rehabilitation Project (MRWRP). The purpose of the mission was to assess project outputs in the field, operational aspects including project management, implementation of activities, the extent to which objectives are being achieved, compliance with the financing agreement and corrective actions to optimise impact. Meetings were held with the three provincial project teams (PPTs for Elazig, Bingol and Mus), the regional field operation unit (FOU) in Elazig, and the central operation unit (COU) in Ankara. Wrap-up meetings were held in Elazig on 8 September and Ankara on 10 September 2018 with the participation of the Ministry of Forestry and Water Affairs (OGM), the General Directorate of hydraulic work (DSI) and the Directorate of Strategy and Budget (the successor to the ministry of development). The wrap-up meetings focussed particularly on the reaching agreement on the actions to be implemented going forward.

The mission comprised Dina Saleh, Country Director, IFAD, Lenyara Fundukova, Programme Officer, IFAD, Rikke Olivera Grand, NRM senior Technical Advisor, IFAD, Peter Frøslev Christensen, consultant Team leader, Stefania Gnoato, targeting, gender & M&E, Michele Pirazzoli, rural infrastructure, Ioseb Tchonkadze, procurement and Sara Lili, financial management.

The Murat River Watershed Rehabilitation project (MRWRP) is IFAD's ninth investment in Turkey. The project total cost at appraisal is USD 39 million confirmed financed through an IFAD loan of USD 28 million and grant of USD 0.4 million, a government contribution of USD 7.5 million and beneficiaries' contribution of USD 3 million. The IFAD credit agreement was signed on 15 February 2013. The project became effective on 15 February 2013 with 31 March 2020 as a completion date. However, both IFAD and OGM are actively exploring the option of providing additional finance to the project, which would also extend the timeframe by two years to March 2022.

Key Mission Agreements and Conclusions

The project's implementation effectiveness is clearly being outstanding and with a highly committed and capable OGM team delivering on the expected outputs. On this basis there is a convincing argument for providing additional finance. Going forward the project can be even more transformative by accelerating efforts aimed at strengthening individual and village management of the investments, making the investments more commercially viable, increasing inclusivity and strengthening the involvement of agricultural and hydrological expertise. This could arguably also for part of the exit and consolidation strategy for the last part of the period, which the additional finance will provide an appropriate platform upon which to execute. Hence the following mission agreement:

a) Refine exit strategies for commercial viability and sustainability

The need for such exit strategies also call for including a broad set of stakeholders that have the competencies and mandates to provide services to the beneficiaries, not least with hydrology and agronomy, which in turn calls for more robust engagement of DSI and PDAs. This relates to the second core mission agreement:

b) Ensure better cooperation with and inclusion of public and private stakeholders that have a mandate within the supported sectors (e.g. DSI, PDA and private extension) by involving them earlier in the MCPs preparation stages thus strengthening the rural livelihood development focus

Clearly with the recent creation of a 'super-ministry' encompassing both OGM, DSI and ministry of food, agriculture & livestock, there is increased scope for delivering on such enhanced multi-sector cooperation. Indeed, the Murat project could arguably become trailblazer in pioneering this and indications from both DSI and agriculture are that they are willing to accelerate these efforts, with potentially transformative impacts as well as substantial co-funding for small-scale irrigation (see below).

To be able to deliver on the above impact promises, it will be important that the additional finance, including critical government contributions, are detailed, so planning for the consolidation and up-scaling phase can be properly executed. The government has made a first initial draft, but more granular and detailed guidance for the next phase will be needed. Hence the third agreed action:

c) Further detail budget incl. government past & future contribution, activity plan, output, outcome and impact targets for additional finance

Finally, in optimizing project future investment and the applied MCP participatory approach, there is also a need for ensuring capacity improvement of project staff and beneficiaries. In this respect, a final agreed action:

d) Optimize project investments by strengthening project/government staff and beneficiaries' capacity in areas related to village participatory planning, natural resource management and gender sensitive approach for women and youth empowerment.

D. Overview and Project Progress

The overall progress since the last supervision is **satisfactory** with the following findings in each component.

Component 1. Natural Resources Management

MCP preparation and raising awareness on natural resources management The overall performance of this component is satisfactory with the development of 26 MCPs covering a total area of around 266,000 ha and involving 191 villages. One of the two MCPs finalized in early 2018 was developed by OGM and project staff, without outsourcing, showing increased ownership and capacity of the MCP planning process. The MCPs are of high technical quality but could benefit from the involvement of other actors, in particular DSI but also the provincial directorates of agriculture (PDAs), to insure issues related to development of agricultural and livestock activities including the provision of water for increasing the resilience and productivity.

There has been a strong effort from the provincial teams to reach out to all villages in each micro-catchment as part of the *formulation of the MCPs* and jointly identify the livelihood and natural resources management interventions needed and opted for in each village. This local participation has increased villagers awareness of the soil erosion and afforestation activities. To consolidate the sustainability of the various common and income generating interventions, the mission suggests that each selection of an investment and its beneficiaries is followed by another planning step before the investment is made. This step would consist in the preparation of a simple management and operation and/or a business plan for the investment developed by the beneficiaries (group or individuals) supported by the project team.

Capacity strengthening of government and project staff. 952 COU, FOU, PPTs and government staff have been trained in technical aspects related to natural resources management. The mission suggests training is also offered in facilitation of participatory processes in village planning of livelihood development and natural resources management as well as gender sensitive approaches including the empowerment of women and youth.

Thematic studies. The project team have had difficulties in identifying relevant studies. The mission would like to reiterate the suggestion of a market study to identify threats from market saturation and low prices and opportunities for value addition, produce aggregation among the villagers and joint access to markets.

Component 2. Investments in Natural Resources

The overall implementation of this component is **satisfactory**, with details under the key activities below.

Afforestation, soil conservation and erosion control. These activities are rated as satisfactory to highly satisfactory implemented with high efficiency and technical quality generating seasonal employment for villagers. *With* 16,154 hectares under soil conservation and erosion control and 3,818 hectares under afforestation the project targets have now been exceeded with 179% and 127% respectively. It is important to keep paying attention to the inclusion of multiple-use species in afforestation efforts to secure non-timber forest product benefits to villagers as the trees mature.

Soil erosion, siltation and stream flow monitoring. The detailed monitoring sites have been established and a baseline for soil erosion and stream flows have also been done for each micro catchment against which benefits in terms of erosion control and reduced flood risks will be assessed for each catchment at the end of the project, and after the project. In collaboration with the DSI, the mission suggests to also monitor the medium and long term parameters of water quantity in the rehabilitated landscapes. Monitoring and illustrating the linkage between restoration activities, rainfall and improved water availability will be important.

Communal livestock facilities. The construction of communal livestock facilities (CLFs), including shades, itch poles and salt licks has progressed rapidly, with 133 communal livestock shelters completed to date, largely exceeding (+554%) the end target. Some additional 80 CLFs are currently under construction which is also in excess of the AWPB target. The structures are durable and used extensively. Specific attention shall be paid to combining CLFs with livestock water facilities and rangeland rehabilitation and management. CLF are reducing animal heat stress and facilitate veterinary services (e.g. vaccinations). Overall the implementation of CLFs is rated satisfactory.

Livestock water facilities. During the review period the project has dramatically increased the number of troughs provided to beneficiaries. These are projected to reach 359 units by year end (nearly 10 times the target), absorbing only 74% of the original budget. While the facilities implemented represent a simple and cost-effective solution, under specific site conditions the project shall still consider alternative technical options including e.g. the development of multiple distribution lines to maximize the distance between the trough sets or the development of shallow wells with solar pumping. The performance of this activity is rated moderately satisfactory.

Public nursery upgrade. The installation of a state-of-the art drip irrigation system and the construction of a cold store in the OGM nursery in Altinova has now been completed. This investment has allowed for an estimated 30% increase in seedling production (and created 125 full time equivalent jobs, of which 70% women). The tender docs for the upgrade of a second OGM nursery in Bingol have been prepared which will increase production and create and estimated 15 additional jobs. These investments are proving instrumental for afforestation activities including with fruit bearing varieties, particularly walnuts. The performance of this activity is highly satisfactory.

Component 3: Investments in Improved Livelihood

The overall *implementation* of the component is rated **satisfactory**, with details under the key activities below.

Barn Rehabilitation. Since the mid-term review (MTR), the project has completed construction works at 138 additional private barns, reaching a cumulative total of 374 (75% of the target). The project adopts adequate standards to ensure durability of the structures built and has adopted a flexible approach allowing the construction of new barns where the structure of the existing barn did not provide scope for upgrading (frequent in Bingol). The current pipeline of works includes 21 barns scheduled for implementation by end 2018 and 40 additional new barns likely to be finalized by spring 2019. The improved barn ventilation will help achieve the targeted 20% increase in cattle productivity which has not yet been reflected in the annual outcome survey undertaken by the project. The performance of this activity is rated satisfactory.

Irrigation development. The demand for the development of new water sources supplying comprehensive village-wide irrigation networks has emerged as a strategic priority in MCPs. The scale of such interventions was, however, beyond the scope of works and the allocations foreseen in the PDR. The OGM has successfully mobilized initially the Eastern Anatolia Regional Development Agency (DAP) and later DSI for coordinated action. This has resulted in a potential leveraging of financing valued in excess of USD 30 million for the development of irrigation infrastructure across 24 MCs targeted by the project. The collaboration with DSI has led to the completion of irrigation schemes serving 2 MCs in Mus. [1] The first lot of 6 schemes to be implemented in Bingol and Elazig is currently at a standstill due to a temporary freeze of the allocated budget. DSI officials in the region confirmed to the mission their readiness to call for a tender for the construction of this first lot of schemes (value: USD 10m) having already completed the designs (value: USD 0.3m) as soon as the budget will be available. DSI approach to irrigation development is in line with good engineering practices and it ensures good prospects for sustainability supporting the formation of water users associations (WUA) and build-up of local O&M capacity. It is, however, the first time DSI works with smaller schemes necessitating careful monitoring and adjustment to lessons learned on cost recovery arrangements. To maximize the benefit of the schemes, it is important that the MRWRP exit strategy adequately addresses the continued provision of dedicated agronomic advisory services across the newly irrigated lands.

Irrigation rehabilitation and upgrading. The project is still providing opportunities for individuals and villages for the upgrading of existing irrigation systems with co-financing for: i) additional water storage capacity (50-250m³); and ii) the replacement of open channels with polyethylene pipes. To date, 58 concrete tanks (23% of target) and 19 km of pipe laying works (76% of target) have been completed covering 920 ha of command areas. 16% of the sampled households involved in the outcome survey reported increase in their irrigated areas thanks to the project intervention. The systems are generally easily manageable and reliable, hence conducive to triggering farmers' own investments in drip irrigation systems for the cultivation of high value crops. The overall performance of these investments is rated satisfactory with potential further improvements in rating, pending completion of communal irrigation water systems under DSI.

Greenhouses The project is effectively responding to the demand for investments in greenhouses in the target MCs, particularly in Elazig and Bingol, with 162 units covering 3.9 ha completed to date and 20 more units that will be installed before winter, ultimately absorbing 84% of the PDR budget, achieving 73% of the physical target. Besides the required 20% contribution to the construction of the greenhouse, the beneficiaries have in some cases made further irrigation-related investments. This has resulted in improved yields and better selling prices for off season vegetables. The reported increased annual income is TL 4,000/year leaving considerable margins to increase further with the improvement of practices (e.g. rotation, IPM and aeration). The performance of this activity is satisfactory.

Market stalls have recently been proposed in response to demand from beneficiaries to improve their marketing assets. In principle these investments can be supported if they meet objective eligibility criteria targeting poor producers, and have a *convincing* business case, including beneficiary contribution of at least 20%. If demand exceeds supply, a competitive selection ranking should be applied.

Drip Irrigation, orchards and vineyards. The installation of drip irrigation lines on private land during the period under review has proceeded as scheduled: investments across 24 MC are completed and will be completed for the 2 new MCs in spring 2019. The total coverage of drip irrigation implemented to date is 217 ha or approximately 270 HH. The drip irrigation has mostly been implemented linked to investments in orchards establishment and greenhouses and has exceeded the PDR target by 171%, but within budget. The establishment of fruit orchards on private land is also well ahead of target (by 201%), but these have not yet entered the production cycle. The impact of the trellis for vineyards introduced by the project (not foreseen at design) is already delivering benefits (50% yield increase and 2,000-3,000 TL per HH in incremental income). The performance of these activities is rated satisfactory, yet the mission notes that these investments still require substantial assistance in agronomic practices and eventually marketing.

Hot water panels. With 3184 hot water panels installed since the start of the project, 773 under installation and 200 more to be procured and installed by year end, this activity shows already a threefold increase against the target of 1250HH, while remaining within budget, due to lower unit cost and bulk procurement. The available computations of TL 200/HH annual cost saving (25-30%) for water heating has to be cross-checking and updated. The implementation of this activity is rated satisfactory.

Insulation of village houses is in high demand from beneficiaries. Since last year, nearly 1,000 additional houses were insulated across targeted MCs. The PDR target of reaching 625 HH has been exceeded by 373% and there are some additional 59 HHs under implementation and 230 HH for which the required cash contribution has been collected. The higher than anticipated demand, requires a reallocation of IFAD loan proceeds approved after MTR. The 50% reduction in fuel usage in insulated houses results in reduced firewood harvesting, lowering the pressure on forest resources. The corresponding monetary savings estimated are up to 1,500 TL/HH annually, yet these need to be re-assessed robustly. The mission clarifies that the isolated cases of provision of corrugated iron sheets for roof repairs provided to HH not suitable for insulation shall be discontinued. This activity is rated highly satisfactory.

Energy efficient stoves. During the review period more than 1,000 additional units of energy efficient stoves were distributed across targeted MCs. Due to high demand and its low unit cost (now about 900 TL for the standard unit), this activity exceeded the PDR target of 1250 HH while absorbing a fraction of the funds allocated. A total of 4,506 HH have benefitted since the start of the project and 500 additional units are yet to be delivered by year end. Following the demand from the villagers for brick lined stoves costing TL 1,200 each and having higher thermal inertia, the project has adopted a flexible approach enabling beneficiaries to select the preferred type of stove. Given the higher than planned implementation progress, low cost and its overall positive impact on fuel consumption, the rating of this activity is satisfactory.

Village bakeries. The project has continued supporting the construction of communal village bakeries for energy saving. A total of 18 bakeries have been built to date and 3 more are at the tendering stage. These investments directly benefit women by improving their working and health conditions, their social well-being, and reducing firewood consumption. The mission recorded positive feedback from women using the communal bakery visited in Elazig, where working management arrangements for joint use by most of the village HHs are informally in place. Similar management arrangements were not in place at the site visited in Mus resulting in the bakery not being used, a reportedly isolated case. The project should follow up and review its identification criteria for such investments and support for women's project should ensure prior commitment to the management of the bakery before investing. The implementation of this activity is rated moderately satisfactory.

[1] Mus is under a different regional directorate of DSI as compared to Elazig and Bingol

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Develop market studies for the produce facing threats of market saturation and low prices FOU Continuous Agreed Develop market studies for the produce facing threats of market saturation and low prices	FOU	11/2018
Support to beneficiaries for the management of their investments. Support beneficiaries (groups or individuals) with professional services in the preparation of a simple management and operation and/or a business plan for their investments.	PPT & FOU	11/2018

E. Project implementation

a. Development Effectiveness

Effectiveness and Developmental Focus		
Effectiveness	Rating: 5	Previous rating: 5

Justification of rating

This rating is based on the solid execution platform the project has established with OGM effectively rolling out agreed interventions, often exceeding targets and completing them before deadlines. This is clearly a testimony to OGM's long track-record in afforestation, soil erosion control and NRM. However OGM has also proven effective in adopting new innovative approaches to include aspects in the project that are not strictly related to its core forest mandate, such as participatory planning, livelihood support and improved agricultural productivity.

Log-Frame Analysis & Main Issues of Effectiveness

The project has developed a log-frame in line with the ORMS requirements. Collected data and indicators are duly aggregated by age and sex and are mostly reporting progress at output level and partially at outcome level. Overall, they point to good progress, at times outperforming appraisal targets, thus increasing the likelihood of achieving the project development objective. In particular, the logframe shows:

- Overall project outreach in the three provinces stands at 119% of appraisal target, and some 81,000 direct and indirect beneficiaries (101% of appraisal target), with a significant women ratio of 49% and 39% youth.
- 90% of households heads (vs. 30% appraisal target) living in targeted micro catchment areas have participated in the negotiations of the development of project supported Micro Catchment Management Plans.
- 26 Micro Catchment Plans have been developed, against 25 appraisal target.
- 43% increase in the average annual income of targeted households (source: Annual Outcome Survey), against 40% appraisal target.
- 25 % of households report an increase in production (source: Annual Outcome Survey), against 40% appraisal target.
- 40-50% reduction in annual household wood consumption, against 30% target at appraisal.

In order to consolidate further the impressive good results mentioned above, thus progressing towards achieving outcomes and the project's objective, project management needs to proactively respond to the pressing high demand for the development of new water sources that can supply comprehensive village-wide networks for better integration of soil erosion control, livestock and irrigation investments, through continued efforts in securing DSI collaboration and financing. Given the ongoing progress ascertained by mission, no major risks are foreseen in this specific area.

Development Focus		
Targeting and Outreach	Rating: 5	Previous rating: 5

Justification of rating

Project targeting and outreach continues being satisfactory as confirmed by the following findings: i) MCPs are implemented following comprehensive self-targeting, geographic and empowering targeting (Beneficiary-Centred Problem Solving Census) mechanisms; ii) MCPs have proven to be effective enabling measures for strengthening stakeholders' and partners' attitude and commitment vis-à-vis the target group; iii) the quality of data on outreach performance made available continues being satisfactory as properly collected and disaggregated (by sex and age); and (iv) quantitative outreach targets are being fully met and even outperforming appraisal targets (i.e. 14,800 beneficiary households (119%), 81,000 direct and indirect individual beneficiaries (101%), 49% women and 39% youth).

Main issues

The project is delivering its benefits to the intended target group: poor women and men living in upland villages of the provinces of Elazig, Mus and Bingol, in the selected micro-catchments (direct beneficiaries) and other non-farming residents who benefit from improvements to their physical environment and living standards (indirect beneficiaries). A third group of indirect beneficiaries are the general population living downstream.

Targeting mechanisms are in place. In line with appraisal, the project applies geographic and self-targeting to poor regions and districts in the 3 provinces. Within this framework, investments under implementation are demand-driven and self-targeting. In order to ensure equitable geographic targeting, specific selection criteria have been developed for each province, taking into account physical and social specificities. Furthermore, significant efforts are deployed by staff in ensuring community participation in the preparation of MCPs, particularly through two different tools developed by field staff: additional selection criteria introduced for each type of investment implemented by the project (e.g. for forage crop production, barn rehabilitation, greenhouse establishment, etc.); and the guidelines for the preparation of MCPs which continue to ensure increased consistency and quality.

Youth targeting. Although the project did not foresee youth-specific activities, rural youth in the project area continues being targeted through the beneficiary selecting criteria adopted by the project which gives a higher score to younger farmers.

As confirmed by the beneficiaries met, project ownership and commitment within the different stakeholders continues being noticeable, with a remarkable attitude change in village communities towards accepting and understanding the importance of protecting the forest and other natural resources by adhering to the rules and principles the project is promoting while showing interest in the opportunities it offers, i.e. engaging in a more profitable and sustainable agricultural production. In turn, forest officials and staff are showing an increased level of understanding and consideration for farmers' requests and priorities. This reconfirms the relevance of project design and the effectiveness of its participatory approach. That said, as argued in earlier sections, *there is a need to turn MCPs and sub-plans at village level from 'plans' to more useful long-term 'management strategies and tools' for increased investments impact and sustainability. This will require further investments in project staff and beneficiary capacity, in particular through specific training on village-based participatory methods (as mentioned under Component 1).*

Emerging lessons on MCPs preparation and implementation, aiming at ensuring improved inclusion and effectiveness, are captured and applied on a continuous basis. Some of the lessons shared by project staff and beneficiaries include: i) continued sensitization and encouragement is needed to build beneficiaries' trust vis-à-vis project income diversification and asset increase activities, as opposed to more attractive, less risky living conditions improvement interventions; and ii) constant field staff support is key in guiding beneficiaries in the application process requirements, particularly when challenged by technical issues, such as e.g.. inadequate soil for the specific type of investment requested.

Gender equality & women's participation

Rating: 5

Previous rating: 5

Justification of rating

Gender equality and women's participation is rated satisfactory. Through the participatory approach and trust building adopted in the MCP preparation, men and women are being empowered in decision making on improved resource management and demand-driven income generating activities. In particular, women and youth are being empowered through their participation in livelihood improvement interventions. The project is promoting greater gender equality by reaching out to poor rural women (49% of total indirect and direct beneficiaries), with most activities being gender neutral as they deliver benefits to the whole household. Notwithstanding, the project has yet to deliver training in leadership and gender issues.

Main issues

The project area is characterized by a highly patriarchal society which restricts women's economic opportunities and social autonomy. Typically, rural women's work comprises domestic chores, livestock production including dairy, vegetable production and processing, and labour-intensive farm fieldwork. While activities in the project are gender neutral as they intend to deliver benefits to the whole households, due to the traditional gender roles on the villages, some activities such as energy saving, afforestation and horticulture are intended to target mainly women.

As emerged during the field visits, and based on project data, women are enthusiastic about their participation in the project, especially for the benefits they receive at the household level through income and asset increase from energy saving investments which reduces their workload in the household (e.g. decreased wood collection), and agriculture investments. These include small-scale irrigation, high value horticulture, livestock, wheat and barley production, and income diversification activities. The latter have a particularly high impact on women beneficiaries and include: i) local handicraft production for 20 young women in the province of Mus; ii) beekeeping through the provision of 5.320 beehives benefiting 532 households in the province of Bingol; (iii) extraction of grape juice benefiting 3.872 households in the province of Elazig through the provision of the collective use of 51 village level grape crushers; and (iv) the introduction of strawberry production through drip irrigation and greenhouse production which yield an additional annual income around 6000-7000 TL per household. In terms of women training outreach, cumulative data shows gender focus on smallholders training and exchange visits continues being almost at par with male training (850 women vs. 1088 men).

The proactive role of the female members of the PPTs continue to remain key in ensuring: i) awareness and spreading of information on project activities to women in the villages, through mosque announcements and separate sessions for women to openly ascertain their views and needs; and ii) advocating for the application of measures and mechanisms to support women's involvement and inclusion in planning and decision making. The project has implemented the MTR recommendations of i) filling the vacant position of gender focal point in the Bingol PPT through the recruitment of a female forest engineer at the OGM nursery, and ii) formalizing the gender focus role in the TORs of the other two female members of the Mus and Elazig PPTs, in recognition of their hard work and efficiency in addressing gender targeting.

Based on female beneficiaries feedback, women leaders are key in supporting increased social autonomy (i.e. reinforcing trust for obtaining permission from the husband to work outside the household), thus increased support to leadership among women is imperative. *The mission reiterates the importance of implementing the (pending) MTR recommendation on training staff and women in leadership and gender issues, in order to maximize project results and optimize efforts. This would in turn strengthen further the capacity of PPT gender focal points in their continued critical proactive role in advocating for women involvement in project planning and decision-making.*

Justification of rating

Aggregate data from the 2018 outcome survey report a 27% yield increase due to project activities, yet with an uneven distribution across provinces (16% in Bingöl, 40% in Elazığ and 17% in Mus), requiring further analysis. Beneficiaries met had significant productivity increases due to increased cropping intensity in greenhouses (+100% for an additional crop) and vineyard rehabilitation (+50% yield). The project has supported the establishment of orchards on underutilized and non-productive private land, but these have not yet reached a productive stage. The provision of certified seed and equipment to improve cereal and fodder productivity have also reportedly been successful, resulting e.g. in 50% increased wheat productivity and in a 35% reduction in the use of seeds for forage crops.

Main issues

While available results and field observations are promising, there are considerable margins for agricultural productivity to increase further with the improvement of practices (e.g. rotation, integrated pest and soil fertility management and aeration in greenhouses) that can be achieved with continued technical support for beneficiary farmers. Overall, the data on increased productivity (both for crop production and livestock) need to be analysed systematically and disaggregated as deemed relevant. Activities geared to improve wheat and barley productivity as well as those for improving irrigated and non irrigated forage production (for which the project fully financed the provision of certified seed and machinery such as seed selector and sowing machine) need also to be assessed thoroughly (e.g. by linking the availability of quality fodder with animal productivity).

If DSI commitment to provide parallel financing for the development of new water sources supplying comprehensive village-wide irrigation networks in targeted microcatchments will be honoured, agricultural productivity would be boosted throughout the project areas, involving most of the project beneficiary population. Such irrigation works are way beyond the scope of works and the allocations foreseen in the PDR that were geared to the rehabilitation of existing small scale irrigation networks and would immediately result in increased yields for the current crops due to availability of irrigation water. Notwithstanding, in order to maximize the potentially great benefit of these investments it will be important that dedicated agronomic advisory services are provided across the newly irrigated lands to support changes in cropping patterns and the application of appropriate on farm irrigation techniques.

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Technical follow-up on sound agricultural practices Technical follow up about sound agricultural practices in newly developed irrigation areas, greenhouse and orchard production, ensuring that proper maintenance is undertaken by the beneficiaries FOU, PDAs, Consultants continuous Agreed	FOU/PDAs	12/2018
Cattle barn rehabilitation Keep focus on cattle barn rehabilitation with improved ventilation, promoting the use of semi-opened barns as applicable and monitoring of impacts in terms of animal productivity FOU and CEM continuous Agreed	FOU/CEM	12/2018

Justification of rating

Soil conservation and erosion control, afforestation, gully rehabilitation, retention walls to slow down water-flows in steep creeks, and irrigation infrastructure are important 'no-regret' adaptation measures. These will strengthen the resilience of the MC landscapes by mitigating flash floods and increasing water retention and storage capacity in slope soils and aquifers, and water availability for forest villages. The solar heaters, improved stoves and house insulation are all measures with co-benefits for adaptation and mitigation by reducing deforestation. The project could systematically apply climate change trend analysis (historical and future) and vulnerability assessments of MC villages to identify eventual adaptation measures going beyond the no-regret measures in the MCPs.

Main issues

The project design was done before climate change adaptation was mainstreamed in all IFAD designs and the design does not in general respond to an analysis of climate change historical trends and future projections and resulting

vulnerabilities of targeted forest villages and their production activities.

OGM is adapting the planting time for trees (e.g. from October to November) reflecting the change in the onset of the rainfall and the selection of tree species for afforestation has also partly taken into account climate change trends (e.g. with the planting of more red pines which are resilient to prolonged dry periods). These are examples of additional adaptation measures to the important 'no-regret' adaptation measures mentioned above. DSI in their assessments of availability of water resources, as part of their feasibility studies for irrigation investments, take into account the historical average of water availability and ensure there is plenty of extra water in the source than needed for the irrigation system. This should leave the water provision sustainability of the irrigation system on the safe side even though not directly building on future water availability projections in climate change scenarios. DSI's focus on piped water and drip irrigation also considerably increases water use efficiency and resilience to water scarcity.

If OGM wants to pursue further climate change adaptation options, the focus should be on participatory identification of current and future climate vulnerabilities of forest villages and their production activities, providing training to build their adaptation capacities (awareness on climate change trends, risks and adaptation options) as part of the MCP process. Considering that the three provinces mostly have arid to semi-arid climatic conditions with an increasing trend in temperature and rainfall variability, vulnerability to water scarcity in the hot and dry summers is a central adaptation issue for forest villages. In addition, to including DSI early in the MCP process to ensure the identification of options and investments for provision of water for livestock and irrigation, attention could also be given to build farmers capacities for soil and water management in their fields. The objective would be to minimize tillage and soil disturbance, increase mulching among other measures to improve soil water retention and storage capacities in particular in open field cultivation.

b. Sustainability and Scaling up

Institutions and Policy Engagement	Rating: 5	Previous rating: 4
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Justification of rating

The potential for scaling up is rated satisfactory. The project is embedded in the OGM structures allowing for further investments in natural resource rehabilitation. OGM is a competent institution and forestry is a priority sector in Turkey. The size and budget of the project is small compared to the scale of OGM on going operations in the project area and countrywide. As reflected by the high achievement rates over targets of major outputs, the scaling up within the project area is taking place. The potential is high for replication in other provinces. The inclusion of DSI and the agriculture further promotes upscaling both financially and technically. The extension will also allow for significant upscaling, leveraging the technical and monetary resources of all partners, and should be processed ASAP

71. The size and budget of the project is small compared to the scale of OGM on going operations in the project area and countrywide. As reflected by the high achievement rates over targets of major outputs and high level of government budget mobilized (yet to be fully accounted for) the scaling up within the project area is taking place. The mission also notes the project readiness to implement new MCPs with the top up financing of the IFAD loan of 8.2 million requested by the GoT. The initial steps for the development of 2 additional MCPs, that may be already finalized by year end have been completed, so to allow for investments from the additional financing to start in early 2019. The top up will allow for the development and implementation of 5-6 additional MCPs contiguous to those completed, hence consolidating project impacts.

Main issues

There is still a need to detail the government contribution to the additional finance (also including staff, O&M, tax exemption, afforestation and water infrastructure investments etc.) and also the relative allocations between the components, and the extent to which the current practice where the government is financing most NRM activities while IFAD finance livelihood interventions will still apply. Given the robust track record of substantial government contribution to the project and willingness to discuss budget issues, the mission is confident that agreement on the structuring of the additional finance will be reached. Finally, the additional targets to be reached with the additional financing for the relevant indicators in the logframe also need to be set.

It shall be noted that the recent merger of DSI, OGM and MFAL provides opportunities for using the project as a pioneer/pilot for realising the synergistic potential of the three institutions working together. In this context, the additional financing for the project is an important opportunity to increase focus on inclusive and productive management of natural resources, not least water for livestock and irrigation, but also rangelands and fodder production, greenhouses, and open field vegetable production and orchards. For instance, the upfront inclusion of DSI in the MCP process could improve the coherence and technical quality, speeding up implementation, ensuring that issues related to the conservation of water sources and provision of water to the villages are more thoroughly dealt with up front, in accordance with DSI criteria and expertise. This may constitute a best practice to be replicated in any watershed rehabilitation programme in Turkey and elsewhere.

Partnership-building	Rating: 4
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Justification of rating

OGM has reached out to partners in order to address the demands identified with the villages in the MCPs. Technical guidance has been sought from the Provincial Directorates of Agriculture (PDAs) for implementation of agricultural activities. PDAs has in return been exposed to new ideas which they have transferred and are now taken up by farmers outside the project (e.g. strawberry, trellis for vineyards). OGM has also successfully mobilized the Eastern Anatolia Regional Development Agency (DAP) to make smaller water infrastructures and since 2016 the DSI to develop village level irrigation schemes potentially leveraging more than USD 30 million in parallel financing. Further efficiency in using partners could be gained by involving them from the beginning of the development of the MCPs.

Main issues

The mission underlines the opportunity of realising the synergistic potential of the merger of DSI, OGM and MFAL using the project as a pioneer/pilot for demonstrating the benefits of working together. As such the mission suggest to involve relevant partners for livelihood development, including PDAs but in particular the DSI, already in the formulation of TORs and revision of the work of contractors developing the MCPs and also in the consultations with villages. Bringing in DSI expertise early on may ensure a better analysis of water resources and needs for their protection linked to afforestation activities and options for water infrastructures to improve the provision of water to the villages for livestock and irrigation. The MCPs developed so far lack a comprehensive hydrological analysis as they do not address upfront the potential for development of additional sources of water which is normally prepared by DSI in their feasibility studies, and designs of water infrastructures. DSI can also be useful in making medium to long-term hydrological projections on water availability, quantity and reliability as a result of the OGM's NRM activities.

Moving forward, it would therefore be more effective to involve DSI from the beginning of the formulation of the MCPs. Involvement of DSI will also allow for tapping into their expertise in setting up WUAs as mentioned under section D above. The mission had discussions with DSI top management about the release of budget and possible implementation timeframe for the investments in irrigation for which DSI has already completed designs. It was proposed and agreed to consolidate involvement and integrate DSI in project activities (e.g. by inviting DSI to do field visits with OGM to expose them more to the needs of smallholders and in the context of the development of small scale schemes).

Human and Social Capital and Empowerment

Rating: 5

Previous rating: 5

Justification of rating

Human and social capital and empowerment is confirmed as satisfactory. The capacities and social capital of the target group are strengthened collectively and individually) through: i) the participatory approach and trust building applied in the MCP development; ii) the technical training provided along with investments in agriculture; and iii) improved access to energy saving technologies. As a result, their access to essential social and productive services has been increasing. However, while project staff have come a long way in adopting a more inclusive approach with forest village community, by promoting their participation and trust building, there is still scope for strengthening further beneficiaries' organizational capacity for more sustainable and profitable investments

Main issues

The capacity of forest village communities in managing resources and organizing themselves along with opportunities offered by the project has been mostly confined to expressing their investment priorities within the MC planning process. The mission believes these capacities should be further developed through staff training in community-driven problem solving facilitation, planning and creation of producers' institutions to support the establishment of more sustainable and profitable investments that are driven by beneficiaries.

Quality of Beneficiary Participation

Rating: 5

Previous rating: 5

Justification of rating

The quality of beneficiary participation continues being satisfactory. MCPs are effective consultation mechanisms which ensure activities are demand-driven and tailored to the specific needs of the beneficiaries. Their views are mostly captured in the periodic Annual Outcome Survey and investment follow up carried out by field staff. Beneficiaries' contribution is largely on track with appraisal target, although the valuation and accounting of their in-kind contribution is not yet done by project management (see detailed recommendation under financial management).

Responsiveness of Service Providers

Rating: 5

Previous rating: 5

Justification of rating

The project is making extensive use of the capacity of the relevant sections of OGM and of other public institutions such as the PDA and DSI. This approach is increasingly applied also to the preparation of MCPs, that was previously

outsourced. The key external service providers for the project are civil works contractors and suppliers of goods (e.g. solar panels and stoves). Civil works contractors and suppliers are typically small scale local enterprises which have generally delivered in compliance with contractual obligations. The contractors carrying out afforestation works are most often deeply rooted in the communities in which they are called to operate and from which they source most of the labour, hence securing ownership and good performance. Notably, the provision of saplings for the afforestation activities is sourced from OGM's own nurseries, whose production capacity has been increased (with project resources) in order to be able meet growing demand.

Main issues

Under the current macroeconomic circumstances, contractors remain exposed to inflation and exchange rate risk, which, in principle, may increase the risk of defaults, particularly for the case of civil works contracts signed prior to the drop of the TL to the USD. This risk is partly mitigated by fact that most products procured by the project are made in Turkey and contracts are signed in TL.

Environment and Natural Resource Management

Rating: 5

Previous rating: 5

Justification of rating

Most project investments have positive impacts on the environment. Intensive afforestation and terracing on slopes retains soil erosion and increases water infiltration and will in the long-term sustain the recharge of shallow aquifers and spring flow. Terracing techniques used are low invasive conserving the topsoil and mainly native tree species are planted. Solar heaters, efficient stoves and household insulation reduce coal and firewood needs by up to 50%, the pressure on forest resources and women's workload. Rangeland management is important for the future avoidance of grazing on the rehabilitated slopes but has resulted a challenging activity in terms of creating local ownership and the pilots will need to give strong attention to village level co-management arrangements.

Main issues

As a micro-catchment project the main focus of the project investments in catchment conservation is on reducing soil erosion, but the mission found limited linking to the medium-term benefits from afforestation for sustained water availability in springs and shallow ground water. These benefits are very important for the livelihoods of forest villages when combined with investments in water access infrastructures. The mission suggest that OGM and DSI work together on including monitoring and illustrating the linkage between rehabilitation activities, rainfall and improved water availability over time to give additional incentives for villagers for their support and participation in catchment conservation and sustainable use activities.

The clearly positive outcomes of the investments in energy saving technologies seems highly relevant for future investment planning and decision making both at household and government levels. However, the available data (e.g. in the Beneficiary Identification Forms) are yet to be analysed systematically and knowledge management products developed to create systematic evidence of these benefits for future decisions.

Agreed Action	Responsibility	Agreed Date
Sustainability and Scaling Up		
set up a periodic monitoring system Where feasible, include water quantity baselining of springs, creeks and small rivers as well as groundwater levels in the rehabilitated landscapes and set up a periodic monitoring system for these parameters	FOU/DSI	12/2018
comparisons between investments Carry out a comparison (e.g. computing the USD saved/USD invested ratio) between the different investment options (insulation, solar panels, stoves and bakeries). Outcomes shall be reflected both in monetary terms and in terms of corresponding forest area (ha) spared due to reduced need of firewood harvesting and when relevant savings on women's time spent on firwood collection. FOU, CEM March 2019 Proposed	FOU/CEM	03/2019

Exit Strategy

Rating: 5

Previous rating: 5

Justification of rating

The project is embedded in the government structures and has consequently a potentially strong exit strategy in-built, to the extent that it mainstreams the approaches piloted. Indications are that they will and OGM will continue to invest in

NRM in the region with its own ample resources. Moreover, the project management has leveraged substantial resources outside of those of the project to ensure plans are implemented to the maximum extent without being bound the limitations of the project funds.

Main issues

There are thus many significant achievements that may benefit from a more explicit exit strategy. To a certain extent this is already materialising. For the core forestry and terracing activities, the OGM has displayed a strong commitment to consolidate and maintain the structures and forests established and there is also increased internalisation of the core MCP concept within OGM. Similarly, in the livelihood investments there are several activities, such as strawberry production, vineyards and household insulation, being replicated either through pro-active dissemination by the PDAs or through simple neighbouring farmer imitation, which should support and inform the exit strategy. The additional finance and the consequential expanded timeframe will allow for even more focussed work in this space. More systemic exit strategy consideration of e.g. the MCP approach could be promoted through e.g. leveraging the competencies of DSI and the respective PDAs from the beginning of the formulation of the MCPs. This will allow for a further efficient integration of water provision for livestock and irrigation, support for the formation of WUAs for the O&M of irrigation systems based on cost recovery and water use efficiency in cropping plans and practices.

A systematic exit strategy is also needed for the income generating activities in all catchments assessing the sustainability (proper operation and maintenance) and profitability of the use of the various investments. Likewise, eventual needs for follow-up training and technical assistance to beneficiaries should be identified including in formulating and implementing of simple plans for operation, maintenance and cost recovery for common good investments and plans for business development for income generating investments. More attention should also be given to develop farmers skills in improved farming practices, integrated pest management and soil fertility management to minimize the use of chemical pesticides and fungicides combined with biological approaches, crop rotation, intercropping and the use of e.g. manure, mulching and compost. For the hand-over it is important to involve the PDAs and other possible future extension service providers in these follow-up training and technical assistance activities.

Potential for Scaling-up	Rating: 5	Previous rating: 5
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Justification of rating

The potential for scaling up is rated satisfactory. The project is embedded in the OGM structures allowing for further investments in natural resource rehabilitation. OGM is a competent institution and forestry is a priority sector in Turkey. The size and budget of the project is small compared to the scale of OGM on going operations in the project area and countrywide. As reflected by the high achievement rates over targets of major outputs, the scaling up within the project area is taking place. The potential is high for replication in other provinces. The inclusion of DSI and the agriculture further promotes upscaling both financially and technically. The extension will also allow for significant upscaling, leveraging the technical and monetary resources of all partners, and should be processed ASAP

71. The size and budget of the project is small compared to the scale of OGM on going operations in the project area and countrywide. As reflected by the high achievement rates over targets of major outputs and high level of government budget mobilized (yet to be fully accounted for) the scaling up within the project area is taking place. The mission also notes the project readiness to implement new MCPs with the top up financing of the IFAD loan of 8.2 million requested by the GoT. The initial steps for the development of 2 additional MCPs, that may be already finalized by year end have been completed, so to allow for investments from the additional financing to start in early 2019. The top up will allow for the development and implementation of 5-6 additional MCPs contiguous to those completed, hence consolidating project impacts.

Main issues

There is still a need to detail the government contribution to the additional finance (also including staff, O&M, tax exemption, afforestation and water infrastructure investments etc.) and also the relative allocations between the components, and the extent to which the current practice where the government is financing most NRM activities while IFAD finance livelihood interventions will still apply. Given the robust track record of substantial government contribution to the project and willingness to discuss budget issues, the mission is confident that agreement on the structuring of the additional finance will be reached. Finally, the additional targets to be reached with the additional financing for the relevant indicators in the logframe also need to be set.

It shall be noted that the recent merger of DSI, OGM and MFAL provides opportunities for using the project as a pioneer/pilot for realising the synergistic potential of the three institutions working together. In this context, the additional financing for the project is an important opportunity to increase focus on inclusive and productive management of natural resources, not least water for livestock and irrigation, but also rangelands and fodder production, greenhouses, and open field vegetable production and orchards. For instance, the upfront inclusion of DSI in the MCP process could improve the coherence and technical quality, speeding up implementation, ensuring that issues related to the conservation of water sources and provision of water to the villages are more thoroughly dealt with up front, in accordance with DSI criteria and expertise. This may constitute a best practice to be replicated in any watershed rehabilitation programme in Turkey and elsewhere.

c. Project Management

Quality of Project Management	Rating: 5	Previous rating: 5
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Justification of rating

The successful implementation of the project is based on the solid project management that is experienced, capable and committed to deliver. The project management is also engaging in spaces outside the traditional 'comfort zone' with the micro-catchment planning process being the first step in a highly participatory and multidisciplinary effort, that engages the project management from OGM with many other stakeholders including, farmers, DIS and agronomists. The project has also bolstered management capacity since the MTR with additional M/E staff, gender staff in Bingol and upgraded the M&E system to become more integrated.

Main issues

The cooperation with a wider audience of stakeholders has enabled the project to deliver service and advice in e.g. civil engineering, agriculture and veterinary. Against this background, it is impressive that the project management costs are only allocated 4% of total cost, and, as of 1 August 2018, only 2% have been disbursed of the project management allocation, which indicates high efficiency combined with strong implementation effectiveness (e.g. many targets have already been achieved or exceeded ahead of schedule). Current projection is that the project cost at completion will only be 3%. The close integration of the project into OGM mainstream organisational set-up has been critical for achieving this benign outcome and also been instrumental in securing strong ownership. Consequently the choice of OGM as implementing partner has clearly proven correct, the key challenge (still) being to nudge the project towards a more rural developmental approach, that puts the transformation of rural livelihoods more at the centre of the project. A task that is also discussed below in the section on exit strategies and sustainability.

There are still outstanding issues, such as the updating of the project implementation manual and limited disbursement this year (see also below), which are causes for concerns. Nevertheless, these are minor issues, that don't detract from an impressive project management performance.

Knowledge Management	Rating: 4	Previous rating: 5
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Justification of rating

The project has completed the setup of an online GIS based platform consisting of a georeferenced database of the investments undertaken in each micro-catchment, as defined by its physical boundaries. The software provides a powerful platform for analyzing through queries the distribution of investments carried out in each microcatchment, including both afforestation and erosion control in the upper sections of the watershed as well as income generation and livelihood improvement activities in the villages concerned. It is geared to be an effective knowledge management tool to analyze how crowding in and integration of investments supports rural development.

Main issues

The mission notes that data entry in the GIS based Monitoring System developed by CEM is only at the early stages. This need to be accelerated and relevant data analysed to generate and retain knowledge on Integrated Watershed Rehabilitation Projects. The need and the opportunity to develop relevant knowledge management products by comparing the different types of investments in energy saving technologies carried out under the project is reflected under the section above of the Supervision report on Environment and natural resource management.

There are also other issues related to knowledge management, which could be pursued more systematically. First of all the impressive results in terms of the approach and outroll, could be evidenced better and in an accessible format, that would allow for wider dissemination also to an international audience. The project has many achievements to learn from and the knowledge management products should better reflect this.

Value for Money	Rating: 5
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Justification of rating

The project is making good value of the financial resources allocated. Unit costs of key investments are aligned with and in many instances below the PDR estimates and the ratio of management to investment cost is a low 3%. These factors contributed to exceeding many of the project original targets, including the coverage of 26 MCs (against the PDR target of 25) within the original budget envelope. Available data and information collected during the mission field visits supported also the quick assessment of the project efficiency in terms of returns for farmers on project supported investments, showing relatively high levels of incremental income per USD invested and short payback periods, but these findings have yet to be supported through a comprehensive analysis.

Main issues

The unit costs of erosion control and afforestation works (averaging 308 and 756 USD/ha, respectively) are well within an

acceptable range and both below the PDR projections (56% and 84%, respectively). The unit costs of other items such as energy efficient stoves and solar panels are substantially below those considered at design (30% and 7% respectively), due to a combination of: i) overestimated unit cost in the project design report; ii) market consolidation for domestically produced goods; and iii) effective procurement in bulk. Following the MTR, the unit prices for barns rehabilitation and for greenhouses were updated to reflect adequate construction standards. The unit cost of ongoing investments both in barns and greenhouses is line with the MTR revision and with reasonable values for this type of steel structures (about 50-60 USD/m2 for barn rehabilitation and new construction, respectively, and 20 USD/m2 for greenhouses).

The preliminary estimations of the payback period of project supported investments carried out under Component 3, both for productive assets (e.g. greenhouses, orchards etc.) and for investments in energy saving technologies (as monetary savings on firewood purchases), ranges between 2 and 5 years, providing an indication of efficient use of funds. During the remaining implementation period, the project should focus on systematically analysing and comparing the efficiency of the various types of project investments, which is deemed to provide relevant information for future planning and decision making. The analyses yet to be carried out would consists of: i) comparative analysis of the financial savings in the case of investments in energy saving technologies (see agreed action under section above on environment and natural resource management); and ii) ex post calculations of financial benefit streams and EFA for investments in productive assets.

The mission notes that the TL 900,000 invested from the IFAD loan in the upgrade of the Altinova OGM nursery allowed a 30% increase in seedling production (mainly used for OGM afforestation activities) and had noticeable impact on employment, with an incremental 125 full time equivalent jobs, of which 70% occupied by women. This positive impact on job creation was not foreseen at design, yet it underlines a highly efficient use of funding, with only about USD 1,200 per FTE job created, an extremely low figure for middle income countries. Similar outcomes are expected from the planned upgrade of the other OGM nursery in Bingol.

1. With the recent devaluation of the TL to the USD, it is expected that project would be able to achieve even higher value for money for each USD invested as most products procured are made in Turkey and contracts are signed in TL. While the exchange rate gains would be partly offset by inflation (and by the increased unit cost of a limited number of items such as polyethylene pipes which are manufactured in Turkey with imported raw materials), it is still expected that a net gain will be achieved.

Agreed Action	Responsibility	Agreed Date
Project Management		
Cost/benefit analysis on the return of investments Carry out cost/benefit analysis on the return of investments in greenhouses, orchards and barns, complemented by case studies/success stories from individual beneficiaries	CEM	07/2019

Coherence between AWPB and Implementation

Rating: 4

Previous rating: 4

Justification of rating

In terms of reaching the non-financial targets of the 2018 AWPB the project is mostly well on its way and the performance on this issue is satisfactory. These achievements are documented in appendix 1. However, as regards financial performance there is significant underspending compared to the level planned in the AWPB. Thus the overall AWPB has been disbursing only 13% as at 31/07/18, with major shortcomings in component 2 and 1 (1% and 7% respectively). This is partly a reflection of the significant devaluation of the Turkish lira, but it should also be noted many contracts have been signed and numerous tenders are out. This should help driving better financial performance.

AWPB Inputs and Outputs Review and Implementation Progress

Generally the AWPBs presented have been of good quality and delivered timely, with execution being impressive. They have displayed a reasonable degree of realism, and many of the teething problems with using the MCPs as the basis for AWPBs drafting seems to have been overcome. However physical progress has been uneven, but picking up speed and the project is expected to reach most targets by year-end. This is probably not the case for the financial targets, where considerably underspending will need to be monitored carefully. However, over the remaining project period, indications are that the fully IFAD loan will be disbursed.

Performance of M&E System

Rating: 4

Previous rating: 4

Justification of rating

The rating of the M&E System is confirmed as moderately satisfactory. This is owed to the following reasons: i) the integrated M&E system (bringing together 4 different platforms monitoring socioeconomic, forest and rangeland, erosion control and physical progress), has not yet been finalized and will become operational only once the uploading of data is completed (expected by end of 2018); ii) current system capacity is limited to reporting progress at output/activity level with limited outcome reporting capacity, currently mostly relying on the Annual Outcome Survey (AOS); and iii) although project makes use of system data to steer decisions over project activities, future project investments should be guided more by analytical data and lessons produced by the M&E system.

M&E System Review

The M&E system put in place by the project continues to improve overtime. The system is Excel-based with beneficiary information constructed according to the household identification card. The project has continued working on the development of an integrated system which brings together 4 different platforms (socio-economic, forest and rangeland, erosion control and physical progress). This upgrading of the system is expected to be finalized by the end of 2018 with the uploading of data. Once completed, the system will allow the generation of reports also at impact level (currently limited to outputs and partially outcome level).

Building on last year lessons and experience, in July 2018, the project has conducted an Annual Outcome Survey (AOS) through an external consultancy, with results showing a project satisfaction rate close to 92% (up from last year 82%) and a household income increase of 43% (up from last year 35%). While the quality of the AOS report has improved from last year, the mission recommends further efforts are deployed to better qualify through quantitative data the main conclusions reported in the English version of the report (of which the mission was only able to access and review the Executive Summary).

The project had adopted an adequate ORMS logframe since the MTR where targets were also revised. The mission recommends the updating of the logframe is exercised on a regular basis and not only at the time of a supervision.

The mission agrees that staff capacity has continued to improve over time, also through the hiring of an additional M&E specialist, as recommended by the MTR. Further capacity is also expected to stem from the overall staff training on the new integrated M&E system which has been planned towards the end of 2018. Moreover, the M&E specialist from CEM (Ankara) will participate in a week training organized by IFAD in China next month. Adequate budget resources are regularly allocated for these and other M&E activities in general.

Overall quality of data has improved over the years reaching increasingly adequate and accurate standards, with disaggregation allowed at different levels (including age, sex). Although the project appears to make regular use of the system data to steer decisions over project activities, the mission recommends this is further used to carry out analysis on investments and draw lessons that can guide future project interventions.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Project Management		
Integrated M&E System Complete the integrated M&E system (including the GIS platform) with the uploading of data	cem	12/2018

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

Rating: 5

Justification of rating

Most project activities have positive environmental and climate change adaptation benefits for forest villages (see previous sections). MCPs are of high technical quality in their analysis of biophysical dynamics in the catchments and prioritize areas for soil conservation, afforestation and flood control and activities are implemented with high technical standards. DSI uses solid hydrological analysis and safeguards for investments in water infrastructures. For the investment in greenhouses and orchards farmers are trained in some biological pest and diseases management methods. But, farmers met during the mission reported they are mostly getting advice from the local pesticide dealer. There is therefore room for improvements to reach an efficient and responsible use of agrochemicals.

SECAP Review

The project was designed with an Environment and Social Review note before the current IFAD SECAP procedures were put in place. The note does not foresee an Environmental and Social Management Plan (ESMP) for the project, but highlights that country has high capacities including standards and regulations in relation to catchment rehabilitation and conservation and construction of irrigation infrastructure. The validity of this assessment has been confirmed during project implementation where in particular OGM technical standards and guidelines have shown to be rigorous and have

been carefully applied both in the formulation of the MCPs and the subsequent implementation of planned activities. With the involvement of DSI from 2016, the project has also benefited from their solid technical standards and safeguards when it comes to hydrological and feasibility studies and the incorporation of findings in the designs of water infrastructures.

Improvements can be done in the training of farmers in integrated soil and pest management practices in relation to investments in green houses, vineyards, orchards and open field crop production. This is important to avoid adverse impacts on the health of farmers, their families and consumers and the surrounding environment. Not all farmers met during the mission seemed to be aware of the importance of crop rotation in greenhouses in order to avoid up-concentration of diseases and the many other tools in the Integrated Pest Management (IPM) toolbox for reducing the need for chemical pesticides. Other farmers (in vineyards) still spray based on a fixed 'just-in-case' schedule, instead of observation of actual needs and combining with other IPM tools.

d. Financial Management & Execution

Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$2,968,489		
	National Government	\$7,424,455		

Acceptable Disbursement Rate

Rating: 5

Previous rating: 5

Justification of rating

Automated rating based on IFAD disbursement data

Main issues

The project is in its 6th year of implementation and its total disbursement rate is 86.57% of the total allocation (including the Initial Deposit) as at 31/07/2018. There has not been any extension.

The grant disbursement remains at 24.32% as per 2017 mission. Only one WA was submitted under the grant in 2018 for USD 37,174.78 as justification of the previous advance. The utilization of the grant facility shows an extremely low pace.

The recovery of the Authorized Allocation (AA) of the loan has already started and a recovery plan has already been submitted and approved by IFAD.

The reconciliation of the loan DA as at 31/07/2018 shows a discrepancy with IFAD balance. The discrepancy is generated by the beneficiary contribution of USD 35,273.36 paid from IFAD account which has been refunded back to the operating account in December 2017 but has not been reported to IFAD yet.

Although a regular verification of the bank balance is done through the online system, the project does not have a systematic bank reconciliation, which is only formally done at the time of preparation of the WA.

The preparation of WA has recently shifted to the automated system.

The archiving system of the financial documents needs some improvements. While the documentation related to expenditures were made available, some were mis-filed.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Ensure regular reconciliation of all IFAD bank accounts with the accounting systems in use (manually included) Ensure regular and timely Bank reconciliation of all IFAD bank accounts maintained by the project.	FM	09/2018
Ensure acceleration in the utilization of the grant provisions Only one WA was submitted under the grant in 2018 for USD 37,174.78 as justification of the previous advance. There is need to submit more WA's on the grant	PM, FM	09/2018
Implement an orderly and efficient filing system of all expense related documentation The accounting unit should arrange different files related to different bank accounts and in each file expense documents should be arranged chronologically.	FM	12/2018
Ensure that the refund of \$ 35,273.36 of the beneficiary contribution is properly included in the next WA submitted to IFAD The refund of USD 35,273.36 should be included in the next WA to be submitted to IFAD.	FM	12/2018

Fiduciary Aspects

Quality of Financial Management

Rating: 4

Previous rating: 4

Justification of rating

No major changes have been encountered in the financial team. , the Financial Manual has not been developed yet and the accounting system for the in-kind beneficiary contribution is not yet functional. The accounting system is under maintenance causing delays in system update. Some weaknesses have been identified in the budget control.

Main issues

An internal control is in place but because the Financial manual has not yet been adopted, it is not formalized system. The accounting is centralized in the COU and involves both project staff and the OGM accounting section for expenditures's approval. However, the reporting and documentation of expenditures are done at provincial level, which sometimes may be cause of delay. The financial review could not be undertaken at the provincial units and at the field unit in Elazig to assess any improvement in their performances.

The accounting software covers most of the financial modules, however it is under maintenance since June 2018 causing a delay in the accounting of the project. Currently the accounting is updated till March 2018. The maintenance may continue for other 2-3 months which may cause an extensive amount of back log at the end of the year. To avoid disruption in the financial processes, as back stopping system, the project is currently using an Excel cash book where all expenditures for all donors are accounted for. The Excel file is updated till July 2018.

The budget analysis shows a low level of implementation for the year 2018: the overall AWPB has been implemented only for 13% as at 31/07/18, with major shortcomings in component 2 and 1 (1% and 7% respectively).

Asset inventory is in place but assets can't be identified due to lack of codification and labelling, hence physical verification could not be undertaken.

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Strengthen the budget control to be able to take corrective actions in due course The project is reminded to ensure that the total amount of the budget for 2019 is within the available balance of the financing provisions and that the approved budget is submitted in due course of time.	PM & FM	09/2018
Improve the asset inventory by introducing codification and labelling of assets Improve the asset register by introducing a coding system for a unique identification of each asset and a labeling system which is clearly readable, water proof and permanent.	COU, FOU and provincial units, FM	12/2018
Finalize the Financial Manual and ensure its approval by IFAD The manual is also due to become a precondition for additional financing. The manual should include the following sections: - Budgeting and planning; - Accounting system; - Record Management; - Internal controls and segregation of responsibilities; - Disbursement procedures; - Processing of payments; - Financial Reporting; Fixed Asset Management; Audit Arrangements.	PM & FM	06/2019

Quality and Timeliness of Audit

Rating: 4

Previous rating: 5

Justification of rating

The audit report was on time. The audit was conducted in accordance with International Standards on Auditing and IFAD guidelines. The auditors expressed unqualified opinion. The auditors also issued a management letter.

Main issues

The accounting basis for preparation of the financial statements is indicated as cash basis of accounting. This is not acceptable to IFAD and project will be requested to adopt an acceptable standards such as IPSAS cash basis going forward. The accompanied notes to financial statements should be improved in future audits too.

Counterparts Funds

Rating: 5

Previous rating: 5

Justification of rating

The Government increased its contribution in regards to the provision at design by covering the costs of the Component 1, which originally was co-financed by IFAD and it is currently funded 100% by the Government.

Main issues

As of 31/07/2018, the level of the Government contribution amounted to 49% of the contribution foreseen at appraisal. However, this is likely to be an underestimation, as the government has financed substantial NRM activities in the MCs, which has hitherto not been properly recorded.

There is no mechanism for the valuation and recording of the in-kind contribution from beneficiaries

Agreed Action	Responsibility	Agreed Date
Financial Management & Execution		
Establish a procedure for the valuation and accounting of the in-kind contribution of the beneficiaries A mechanism of valuation and accounting for in-kind contributions from beneficiaries should be put in place..	FM and data entry officer	12/2018
Account for and reflect the government expenditures incurred for NRM activities in the financial reporting of the financial performances of the project (Appendix 2) All government expenditures incurred on NRM activities should be accounted for and reflected in the financial performance report of the project (Appendix 2)	COU, FM	12/2018

Compliance with Loan Covenants

Rating: 4

Previous rating: 4

Justification of rating

The projects has complied with the legal covenants of the financing agreement with the same exceptions already noticed in the previous mission: (i) PIM has not been updated since the start of the project and as a consequence the Financial Manual has not been adopted by the project and (iii) Goods and buildings used by the project are not insured.

Procurement

Procurement

Rating: 4

Previous rating: 3

Justification of rating

On the basis of the conducted review, the project's compliance with procurement is rated as moderately satisfactory (4). The mission carried out a procurement review of an implementing unit of project since the Procurement Support Mission (PSM) January 2018. Overall, the review has determined that the procurement and contracting procedures and processes followed for the sample contracts are generally in compliance with the new procurement manual and general guiding principles.

Procurement Review

Legal and Regulatory Framework: Based on the previous mission recommendations the amendment have been made to IFAD LTB dated 28/2, 2018, according to which the thresholds for procurement methods were updated and the simplified procurement manual has been issued.

Staffing: Procurement process is managed by the procuring entity COU/FOU. All has an adequate capacity in handling procurement efficiently, although procurement staff should be trained in procurement planning and new procurement manual.

Procurement Planning: Considering the findings and recommendation of previous mission, the Project improved the planning document which is in Microsoft Excel (planner-MRWRP) and now it contains all required milestones which is needed for procurement planning, but timelines of planned activities are not realistic

Register of Contracts: The project keeps a detailed contract register in both Turkish and English that shows procurements that have been contracted. Although, the contract numbering doesn't match to the Procurement ID's indicated in Procurement Plan.

Filing system: Mostly, each procurement activity has its own separate folder where records are kept properly and contains all procurement documents, but in few cases, the documents were available either in public procurement portal or in other division/department.

Processes and Procedures: The review covered 10 out of 35 contracts and purchasing orders awarded after January 21st, 2018 and for a total amount of TRY 1,367,157. These contracts are comprised of 9 local shopping and 1 open tender.

Based on the procurement records reviewed, the COU/FOU uses only two procurement methods – the Open Procedure (using the public procurement portal (EKAP)) and Local Shopping. The procurement process in both methods starts out with a process to establish the budget estimate. After that, if it is Open Procedure the procurement opportunity is advertised in the EKAP, from where interested bidders apply to participate and submit bids. The process is transparent and competitive. PMU/PCU implemented the recommendation of previous mission and the bidders/suppliers were given

sufficient time for preparation of their bids/quotations in line with new procurement manual. Nevertheless, the review has revealed the existence of the following areas where improvements can be made: (i) the similar goods or works (e.g. solar panels or house insulation), which is under one line item in PP with multiple packs and its cumulative planned budget is over the threshold for Local Shopping, in some cases the project is using Local Shopping method instead of Open Procedure. Clearly it can be difficult to identify correctly projected demand from beneficiaries in advance and hence if the ceiling will be reached, but the open procedure could be used as a precautionary measure. For example Contracts number 22, 47 and 53 (purchase of solar energy panels) - accumulated contract value is TRY 1,616,879 and the contracts number 25 and 51 (Insulation of Houses) - TRY 690,783.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
Financial Management & Execution		
Training in procurement Consider advanced training for COU/FOU staff in procurement. COU, FOU As soon as possible Agreed	COU/FOU	12/2018
Procurement Methods Where conditions permit, use the Open Procedure methods for procuring goods or works of similar nature, the cumulative annual value of which is exceeding the threshold of Local Shopping, instead of multiple local shopping processes.	OGM, COU, FOU	12/2018

F. Relevance

Relevance

Rating: 5

Justification of rating

The project's relevance is rated satisfactory as the soil erosion and deforestation are clearly real problems for the rural communities for sustainable natural resource management, which in turn is also a precondition for viable agricultural production. The partnership with OGM may seem somewhat less relevant as their mandate is on forest preservation and soil erosion control (and less on rural poverty reduction), but the project has demonstrated its relevance by engaging in community based planning while also delivering on its core forestry objectives.

Main issues

The project remains a relevant vehicle for delivering on the twin objectives of sustainable NRM and for livelihood improvement, as also evidenced by the substantial achievements. The project is also consistent with the Turkey's own rural development strategies as well as IFAD's country strategy (COSOP, 2016).

The project approach is also relevant, with relevant technical designs, implementation arrangements, target area and beneficiary selection processes. Not surprising the project is producing many relevant outcomes in terms of increased agricultural productivity, energy efficiency, soil erosion control and irrigation availability.

G. Project Modifications

Responsibility	Modification Type	Description
OGM/IFAD	Additional Financing	<p>The Turkish authorities have requested additional finance amounting to USD 8.4m which will both scale up the significant achievements as well as consolidate those already made. The additional finance will also allow the project to consolidate emerging partnerships with DIS and agriculture that holds the promise of leveraging both significant technical expertise that can improve productivity and ultimately the rural poor's incomes, as well as bringing substantial additional counterpart finance to the table, not least in relation to irrigation works. The additional finance also necessitates the extension of the project by two years (see above).</p>
CEM/IFAD	Logical Framework	<p>The logframe is updated to reflect both the additional finance as well as the current progress, the latter of which has often exceeded the original targets. Thus more beneficiaries will be included in the project, more MPs and subsequent investments will take place and more hectares under sustainable natural resource management will be achieved. The updated logframe is in the appendix</p>
OGM/IFAD	Completion Date	<p>The project has applied for additional finance for scaling up the impressive results and consolidate the achievements in the areas covered. The project will remain in the same areas and also have the same target groups but will be enabled to reach more beneficiaries. A two years extension is proposed.</p>

H. Lessons Learned

successful implementation of small scale civil works

At the core of the successful implementation of small scale civil works under the project (including the construction of sheds, barn rehabilitation, house insulation as well as the construction of greenhouses) is the development of site specific designs rather than the reliance on available “blueprints”, which turned out to be unsuitable for the harsh field conditions of the project area. This approach required the mobilization of two full time civil engineers, not foreseen in the original design, to carry out design and supervision of the works. This is deemed as a key success factor proven by: i) the high level of satisfaction and beneficiaries’ ownership of the works done; ii) the improved technical quality of construction as compared to the initial stage of implementation based on standard drawings; iii) the additional features progressively piloted and replicated to meet beneficiaries’ demands (e.g. the introduction of vaccination facilities by the communal sheds); and iv) overall cost efficient implementation.

IFAD as a catalyst for combining the comparative advantages of different organisations

The key lessons learnt in the project is that IFAD can act as a catalyst for combining the comparative advantages of different organisations into powerful and impacting engagements that transforms the livelihoods of the rural poor. By engaging OGM and, at a later stage DSI and agriculture, in the catchment planning and investment processes, the project has managed to synergistically provide a package that both protects and augments natural resources (e.g. forestry and soil conservation) as well as providing tangible benefits to beneficiaries. These benefits have been in form of livelihoods improvements (e.g. energy efficiency) and in the form of more productive and income generating activities. The additional finance offer an opportunity to further consolidate these still nascent partnerships and also allow IFAD to distill the core lessons more in depth.

I. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Overview and Project Progress		
Develop market studies for the produce facing threats of market saturation and low prices FOU Continuous Agreed Develop market studies for the produce facing threats of market saturation and low prices	FOU	11/2018
Support to beneficiaries for the management of their investments. Support beneficiaries (groups or individuals) with professional services in the preparation of a simple management and operation and/or a business plan for their investments.	PPT & FOU	11/2018
Development Effectiveness		
Technical follow-up on sound agricultural practices Technical follow up about sound agricultural practices in newly developed irrigation areas, greenhouse and orchard production, ensuring that proper maintenance is undertaken by the beneficiaries FOU, PDAs, Consultants continuous Agreed	FOU/PDAs	12/2018
Cattle barn rehabilitation Keep focus on cattle barn rehabilitation with improved ventilation, promoting the use of semi-opened barns as applicable and monitoring of impacts in terms of animal productivity FOU and CEM continuous Agreed	FOU/CEM	12/2018
Sustainability and Scaling Up		

set up a periodic monitoring system Where feasible, include water quantity baselining of springs, creeks and small rivers as well as groundwater levels in the rehabilitated landscapes and set up a periodic monitoring system for these parameters	FOU/DSI	12/2018
comparisons between investments Carry out a comparison (e.g. computing the USD saved/USD invested ratio) between the different investment options (insulation, solar panels, stoves and bakeries). Outcomes shall be reflected both in monetary terms and in terms of corresponding forest area (ha) spared due to reduced need of firewood harvesting and when relevant savings on women's time spent on firewood collection. FOU, CEM March 2019 Proposed	FOU/CEM	03/2019
Project Management		
Integrated M&E System Complete the integrated M&E system (including the GIS platform) with the uploading of data	cem	12/2018
Cost/benefit analysis on the return of investments Carry out cost/benefit analysis on the return of investments in greenhouses, orchards and barns, complemented by case studies/success stories from individual beneficiaries	CEM	07/2019
Financial Management & Execution		
Ensure regular reconciliation of all IFAD bank accounts with the accounting systems in use (manually included) Ensure regular and timely Bank reconciliation of all IFAD bank accounts maintained by the project.	FM	09/2018
Ensure acceleration in the utilization of the grant provisions Only one WA was submitted under the grant in 2018 for USD 37,174.78 as justification of the previous advance. There is need to submit more WA's on the grant	PM, FM	09/2018
Strengthen the budget control to be able to take corrective actions in due course The project is reminded to ensure that the total amount of the budget for 2019 is within the available balance of the financing provisions and that the approved budget is submitted in due course of time.	PM & FM	09/2018
Training in procurement Consider advanced training for COU/FOU staff in procurement. COU, FOU As soon as possible Agreed	COU/FOU	12/2018
Procurement Methods Where conditions permit, use the Open Procedure methods for procuring goods or works of similar nature, the cumulative annual value of which is exceeding the threshold of Local Shopping, instead of multiple local shopping processes.	OGM, COU, FOU	12/2018

<p>Establish a procedure for the valuation and accounting of the in-kind contribution of the beneficiaries</p> <p>A mechanism of valuation and accounting for in-kind contributions from beneficiaries should be put in place..</p>	FM and data entry officer	12/2018
<p>Account for and reflect the government expenditures incurred for NRM activities in the financial reporting of the financial performances of the project (Appendix 2)</p> <p>All government expenditures incurred on NRM activities should be accounted for and reflected in the financial performance report of the project (Appendix 2)</p>	COU, FM	12/2018
<p>Implement an orderly and efficient filing system of all expense related documentation</p> <p>The accounting unit should arrange different files related to different bank accounts and in each file expense documents should be arranged chronologically.</p>	FM	12/2018
<p>Ensure that the refund of \$ 35,273.36 of the beneficiary contribution is properly included in the next WA submitted to IFAD</p> <p>The refund of USD 35,273.36 should be included in the next WA to be submitted to IFAD.</p>	FM	12/2018
<p>Improve the asset inventory by introducing codification and labelling of assets</p> <p>Improve the asset register by introducing a coding system for a unique identification of each asset and a labeling system which is clearly readable, water proof and permanent.</p>	COU, FOU and provincial units, FM	12/2018
<p>Finalize the Financial Manual and ensure its approval by IFAD</p> <p>The manual is also due to become a precondition for additional financing. The manual should include the following sections: - Budgeting and planning; - Accounting system; - Record Management; - Internal controls and segregation of responsibilities; - Disbursement procedures; - Processing of payments; - Financial Reporting; Fixed Asset Management; Audit Arrangements.</p>	PM & FM	06/2019

Murat River Watershed Rehabilitation Project

Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Outreach Number of persons receiving services promoted or supported by the project (men/women)	1.b Estimated corresponding total number of households members										
	Household members			145 600	14 089	81 004	55.6				
	1.a Corresponding number of households reached										
	Non-women-headed households			12 500	65	14 935	119.5				
	1 Persons receiving services promoted or supported by the project							progress reports			
	Males			65 600	825	40 930	62.4				
	Not Young										
	Total number of persons receiving services			78 100	1 563	81 004	103.7				
	Young										
	Females			12 500	738	40 074	320.6				
Goal Rural poverty is reduced in the targeted provinces of the Murat river watershed (Muş, Elazığ, and Bingöl).	Percentage reduction in rural poverty in the targeted provinces of the Murat river watershed (Muş, Elazığ, and Bingöl).										National statistics, UNDP MDG Reports
	reduction in rural poverty	0		10							
Objective Improved livelihoods and natural resources management in the upper catchment areas of the Murat watershed.	Percentage of households with improvement in assets ownership index							BL and impact survey	BL and completion	OGM/CEM	
	Percent	0		30							
	Percentage increase in the average annual income of targeted Households							Household survey	BL		
	Females										
	Households			40							

	Males										
Outcome Outcome 1. Environmental conscious community capable of planning and managing the use of natural resources.	Percentage of households heads living in targeted micro catchment areas have participated in the negotiations of the development of project supported Micro Catchment Management Plans (MCPs)							progress reports, MTR report	annual	OGM/CEM	Existing village and OIM structures for decision-making allow establishing effective modalities for NRM co-management.
	Households			30							
Output Output 1.1 Natural Resource Management (NRM) awareness campaigns and capacity building in targeted areas	Number of persons trained in NRM							progress reports	annual	OGM/CEM	
	Males			11 394	207	1 047	9.2				
	Females			4 431	140	748	16.9				
Output Output 1.2 Strengthening of technical capacities of government staff	Number of Government staff trained in NRM (men/women)							Progress reports	annual		Village communities and government staff are interested in participating in NRM training and awareness activities.
	Males			400	196	775	193.8				
	Females			60	14	220	366.7				
Output Output 1.3. Development of participatory Micro Catchment Plans (MCPs)	Number of MCPs, covering the 3 provinces, approved							progress reports, MTR	annual		Sufficient land available and farmers interested in applying new technologies.
	MCPs			25	0	26	104				
Outcome Outcome 2. Reduced erosion, improved vegetation and steady flow of water.	Percentage increase in vegetative cover in targeted micro-catchment areas, in terms of Ha of vegetative cover							GIS, Satellite images	annual	OGM/CEM	Physical conditions (soil, rainfall) and management practices (fire wood collection, livestock rearing) adequate for soil and vegetation rehabilitation.
	Hectares of land			30	10	10	33.3				
	Percentage reduction of soil erosion in targeted areas, calculated in tons/hectare/year,										
	Erosion reduction measured in tons/ha/year			20	20	20	100				
Output Output 2.1 Soil conservation and rehabilitation of degraded forests, grazing land/rangelands	Land under climate-resilient practices							progress reports	annual	OGM/CEM	
	Land area			12 280	3 889	24 864	202.5				
Output Output 2.2 Development of public nurseries for forest seedlings	Number of public nurseries (with meteorological stations, irrigation systems and seedling producing equipment) Improved/rehabilitated							progress reports	annual	OGM/CEM	
	public nurseries				0	1					

Output Output 2.3 Livestock watering structures	Number of livestock watering structures constructed or rehabilitated										
	livestock water points			46	30	334	726.1				
Outcome Outcome 3. Improved living conditions through supporting small-scale crop and livestock production on private land.	1.2.4 Households reporting an increase in production							Outcome survey	annual	OGM/CEM	Villagers demonstrate an interest and are willing to invest in new management practices.
	Total number of household members										
	Males										
	Females										
	Households			40	25	25	62.5				
	1.2.3 Households reporting reduced water shortage vis-à-vis production needs							Outcome survey	annual	OGM/CEM	
	Males										
	Households			30	16	16	53.3				
	Females										
	Total household members										
	Households										
	Output Output 3.1 Improvement of crop production and productivity of targeted farmers in project areas	1.1.4 Persons trained in production practices and/or technologies									
Men trained in crop				3 037	917	1 082	35.6				
Women trained in crop				1 012	274	355	35.1				
Total persons trained in livestock					1 191	290					
Men trained in livestock					374	619					
Total persons trained in forestry											
Women trained in forestry											
Women trained in livestock					0	145					

	Total persons trained in crop			4 049	374	619	15.3				
	Men trained in forestry										
Output Output 3.2 Forage crop production	Number of hectares of farmland planted with forage crops							progress reports	annual	OGM/CEM	
	Hectares of land			1 300	45	696	53.5				
Output Output 3.3 Improvement of livestock stables	Number of livestock barns constructed/rehabilitated							progress reports	annual	OGM/CEM	
	livestock barns			1 200	70	374	31.2				
Output Output 3.4 Orchard establishment	Number of hectares of farmland planted with new orchards							progress reports	annual	OGM/CEM	
	Hectares of land			180	39	365	202.8				
Output Output 3.5 Development of small-scale irrigation	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated							progress reports	annual	OGM/CEM	
	Hectares of land			570	142	920	161.4				
Output Output 3.6 Promoting energy saving technologies	3.1.3 Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions							progress reports	annual	OGM/CEM	
	Persons accessing technologies..... (total)			3 175	1 715	10 023	315.7				
	Females				857	5 011					
	Males			3 175	858	5 012	157.9				

Turkey

Murat River Watershed Rehabilitation Project

Supervision Report

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

Mission Dates: 2/09/2018 to 13/09/2018

Document Date: 01/11/2018

Project No. 1100001623

Report No. 4890-TR

Near East, North Africa and Europe Division
Programme Management Department

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

Table 1A: Financial performance by financier

Financier	Appraisal (USD '000)	Disbursement (USD '000)	% disbursed
IFAD Loan	27,791	19,706	71%
IFAD Grant	430	85	20%
Government	7,453	3,667	49%
Beneficiaries	2,969	2,116	71%
Total	38,643	25,574	66%

Table 1B: Financial performance by financier by component (USD '000)

Component	IFAD Loan			IFAD Grant			Government*			Beneficiaries			Total
	Appraisal	Actual**	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal (*)	Actual (*)	%	Appraisal
1. Natural resources and Env. Management	2,395	2,268	95%	315	26	0%	523	423	81%	-	-		3,233
2. Investments in natural resources and Env. Assets	11,698	7,093	0%				3,818	1,497	39%	63	26	41%	15,579
3. Investments improved livelihood	12,405	9,632	78%				2,959	1,627	55%	2,906	2,090	0%	18,270
4. Implementation Unit	1,293	713	55%	115	59		153	120	79%	-	-		1,561
TOTAL	27,791	19,706	71%	430	85	20%	7,453	3,667	49%	2,969	2,116	71%	38,643

Notes:

* Government budget and Government taxes

** The amount of USD 35,273.36 for the beneficiary contribution was refunded into IFAD account but not yet reported in any WA. The project will have to insert it in the next WA in order to have reconciled records.

Table 1C: IFAD loan disbursements (SDR, as at 31/08/2018)

Category Description		Original Allocation	Revised Allocation	Disbursement (***)	Balance	Disbursement in %	WA under review/ pending	WA under preparati (*) (**)
IFAD Loan No. 889-TR								
I	Civil Works	10,194,162	6,440,162	5,899,407	540,754.93	91.6%		20,
II	Vehicles, Equipments and Goods	4,261,000	8,015,000	5,099,275	2,915,725.05	63.6%		311,
III	Technical Assistance, Studies and Workshop	2,991,000	2,991,000	2,239,407	751,592.75	74.9%		132,
IV (a)	Salaries	257,000	257,000	164,936	92,063.71	64.2%		15,
IV (b)	Other operating expenditures	252,000	252,000	160,788	91,211.86	63.8%		31,
	Unallocated	-	-		-			
	Initial Deposit			2,153,778	(2,153,778.27)			
TOTAL		17,955,162	17,955,162	15,717,592	2,237,570	87.54%	-	511,

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

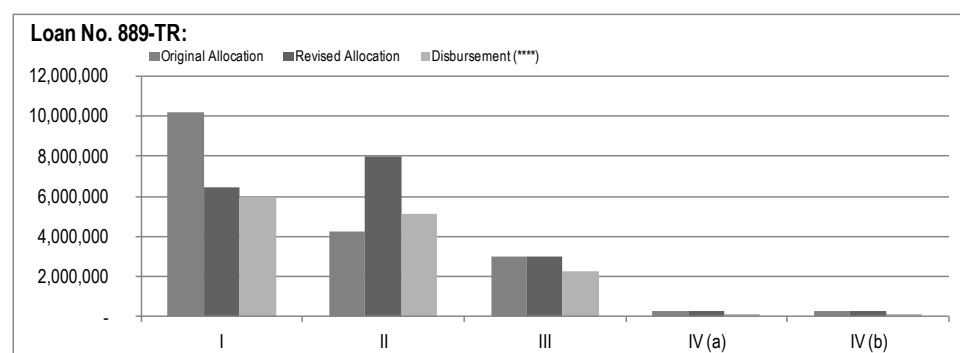
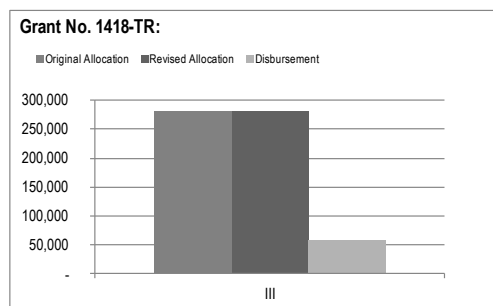


Table 1D: IFAD grant disbursements (SDR, as at31/08/2018)

Cat.	Description	Original Allocation	Revised Allocation	Disbursement	Balance	Disbursement in %	WA under review	WA under preparation	Total disbursed WA
IFAD Grant G-I-C-1418									
III	Technical Assistance, Studies and Workshop	280,000	280,000	57,209	222,791.44	20.4%			57,209
	Unallocated	-	-		-				
	Authorised Allocation			10,887	(10,886.80)				10,887
TOTAL		280,000	280,000	68,095	211,905	24.32%	-	-	68,095

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

Turkey

Murat River Watershed Rehabilitation Project

Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 2/09/2018 to 13/09/2018
Document Date: 01/11/2018
Project No. 1100001623
Report No. 4890-TR

Near East, North Africa and Europe Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B

	Activities	Units	Cumulative			As of August 2018			Cumulative			
			Target	('000) USD.		Target	Actual	%	Actual	%	('000) USD.	%
Component 1	Natural Resource and Environmental Management											
1.1.1	Four wheel drive vehicles	Number	10	195		1	1	100	14	140	160	82.1
1.1.2	Mini van	Number	6	87.50		1	1	100	5	83	31	35.4
1.1.3	Vehicle Purchase	Number	8	300		0	0		8	100	252	84
1.2	Office Equipment	Number	24	23.70					24	100	28	118
1.2.1	GIS software	Number	1	40		1	0	0	1	100	86	215
1.2.2	GIS maps	Number	1	62.50		0	0		1	100	17	27.2
1.2.3	Aerial imaging device	Number	1	7.50		0	0		1	100	4	53.3
1.3.1.1	GIS/Data Management Specialist 15 man days	Number	1	60		0	0		2	200	5	8.33
1.3.1.2	Monitoring and Physical Intervention Specialist	Number	1	67.50		0	0		1	100	0	0
1.3.2	Micro catchment planning teams	Number	25	1875		1	0	0	23	92	1906	102
1.3.3.1	Planning and technical subjects workshops/y	Number	6	30		1	1		3	50	8	26.7
1.3.3.2	Awareness raising campaigns	Number	25	120		1	1	100	14	56	187	156
1.3.3.3	Villagers exchange visits	Number	50	50		0	0		4	8	0	0
1.3.3.4	Multifunctional Forestry Management Plans	Number	12	10					0	0	0	0
1.3.3.5	PPT training	Number	3	70		1	1	100	6	200	76	109
1.4.1	Natural Resource Economics. Man months.	Number	4	60					0	0	0	0
1.4.2	Assessment of opportunities for carbon sequestration	Number	2	30					0	0	0	0
1.4.3	Assessment of opportunities for NWFP. Man months	Number	3	45.00		0	0	100	1	33	28	62.2
1.4.4	Assessment of alternative energy sources. Man months	Number	1	7.50					0	0	0	0
1.4.5	Private / public nursery feasibility study. Man months	Number	1	15					0	0	0	0
Component 2	Investments in Natural Resources and Environment											
2.1	Civil Works/Degraded Areas, Soil and Flora Investments											
2.1.1	Erosion Control in Degraded Areas								0			
2.1.1.1	Soil preparation (erosion control)	Ha	9000	4950	550	2611	2490	95	16754	186	5162	104
2.1.1.2	Multi-year maintenance works (erosion control)	Ha	24120	2653		7657	1200	16	13858	57	1110	42
2.1.2	Afforestation Activities	Ha										
2.1.2.1	Afforestation of degraded forests	Ha	3000	2685	895	362	592	164	3818	127	2888	108
2.1.2.2	Afforestation / follow-up works (multi-year)	Ha	8080	1535	189.975248	2048	708	35	4175	52	305	20
2.1.2.3	Coppice rehabilitation	Ha	3000	870	290	251	399	159	2547	85	506	58
2.1.2.4	Coppice rehabilitation / follow-up works (multi-year)	Ha	8080	727	89.9752475	834	0	0	941	12	8	1
2.1.2.5	Closure of degraded areas	Ha	1200	108	90				0	0	0	0
2.1.3	Rehabilitation of Pasture/Grazing Areas	Ha			#DIV/0!							
2.1.3.1	Closure	Ha	1200	144	120	393	408	104	2098	175	86	60
2.1.3.2	Livestock drinking water ponds	each	6	900	150000				0	0	0	0
2.1.3.3	Livestock water troughs	each	40	250	6250	35	0	0	304	760	124	50
2.1.3.4	Simple livestock shelters for communal use	each	24	798	33250	35	0	0	133	554	758	95
2.2	Erosion measuring equipment	each	25	250	10000	0	0		2	8	153	61
2.3	Forest guard	Person/Year	79	516	6531.64557				87	110	91	18
Component 3	Investments in Improved Livelihood											
3.1	Developing small-scale irrigation											
3.1.1	Water storage pools	each	250	3750	15000	10	0	0	58	23	422	11
3.1.2	Rehabilitation of soil canals	Km	25	1225	49000	5	2	40	19	76	583	48
3.1.3	On-farm drip irrigation	Ha	127	763	6007.87402	40	35.6	89	216.6	171	462	61
3.2	Technical Assistance and Workshops											
3.2.1	Demonstration programs	each	308	154	500				2	1	0	0
3.2.2	Farmers training programs	each	292	88	301.369863				337	115	35	40
3.2.3	Visits for farmers information exchange	each	33	198	6000				3	9	27	14
3.3	On-farm and off-farm investments											
3.3.1	Improving wheat and barley yield	Ha	1381	186	134.685011	76	0	0	2145	155	351	189
3.3.2	Improving livestock production											
3.3.2.1	Increase the production of dry fodder crops	Ha	615	154	250.406504				8	1	14	9
3.3.2.2	Increase the production of watery fodder crops	Ha	615	277	450.406504	75	45.6	61	694.6	113	188	68
3.3.2.3	Improve animal barns in the villages	each	500	2500	5000	105	70	67	374	75	1799	72
3.3.3	Improving horticultural production											
3.3.3.1	Installation of orchards	Ha	180	810	4500	82	36.5	45	362.5	201	652	80
3.3.3.2	Inputs for vegetable production under plastic	each	18	923	51277.7778	25	15	60	162	900	728	79
3.3.3.3	Improve the production of field vegetables	Ha	49.5	27	545.454545	10	0		9	18	27	100
3.3.3.4	Contracted seedling production	each	20	280	14000				0		0	0
3.3.4	Supporting nursery infrastructure investments for seedling production											
3.3.4.1	Irrigation systems	Ha	3	570	190000				20	667	154	27
3.3.4.2	Meteorological observation stations	each	2	53	26500				0	0	0	0
3.3.4.3	Seedling production materials	each	1	510	510000				2	200	118	23
3.3.5	Promoting energy saving technologies											
3.3.5.1	Hot water solar panels	each	1250	2000	1600	500	180	36	2611	209	1324	66
3.3.5.2	Insulation of the village houses	each	625	938	1500.8	865	426	49	2333	373	4121	439
3.3.5.3	Energy-efficient stoves to heat	each	1250	2000	1600	600	550	92	4506	360	512	26
3.3.5.4	Bakeries	each	50	285	5700	10	4	40	18	36	187	66
Component 4	Operations Unit											
4.1	Baseline survey (reference search)	Number	1	40					2	200	50	125
4.1.1	Participation in international events / international conferences	Number	4	210					0	0	75	36
4.1.2	18 month assessment	Number	1	20					0	0	0	0
4.1.3	Training needs assessment of CIU+FIU	Number	1	10					0	0	6	60
4.1.4	Various studies, man months	Number	7	105					0	0	9	9
4.1.5	Project training of CIU and FIU	Number	1	15					1	100	0	0
4.1.6	Project Start-up Workshop (Ankara)	Number	1	10					0	0	0	0
4.1.7	Project Start-up Workshop (Provinces)	Number	1	7.5					0	0	0	0
4.1.8	Foreign language courses	Number	2	10					2	100	16	160
4.1.9	Project impact survey, completion workshop	Number									18	
4.2	Office equipment (Computers, Printers and photocopiers)	Number		10.5					2		12	114
4.3.1	Salaries (DPM), 1 ppl/years (OU & FOU)		7	294					5	71	1694	576
4.3.2.1	Travels, allowances and flight tickets			295					2		53	18
4.3.2.2	Other operating expenses 3rd component			104					2		267	257
4.3.2.3	Accounting package software			20					0		13	65

Turkey

Murat River Watershed Rehabilitation Project

Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 2/09/2018 to 13/09/2018
Document Date: 01/11/2018
Project No. 1100001623
Report No. 4890-TR

Near East, North Africa and Europe Division
Programme Management Department

Appendix 3: Compliance with legal covenants: Status of implementation

Section	Covenants	Target/Action due date	Compliance Status/ Date	Remarks
Section B 2	The Borrower shall pay to the Fund interest on the principal amount of the Loan outstanding.	Semi-annually, payable on each 1 June and 1 December. To be routinely monitored for compliance.	Complied with	
Schedule 1 10	The project agency shall prepare a draft Project implementation Manual (PIM), which will be forwarded to the IFAD for comments and NO before being formally adopted.	Submitted to IFAD on 03/2013	Currently to be implemented	The project complied with the initial submission of PIM, however the initial version of PIM needs to be updated as recommended in the last two supervision and MTR missions. The FM manual has not been finalized yet and it will be included as precondition for disbursement with the additional financing
GC 4.02 (b)	No withdrawal shall be made from the Loan Accounts until the first AWPB has been approved by the Fund and the Fund has determined that all other conditions specified in the Financing Agreement as additional general conditions precedent to withdrawal have been fulfilled.		Complied with	
GC Section 4.04 (d)	If the Borrower requests a withdrawal from the Loan Accounts for amounts to be paid thereafter for Eligible Expenditures, the Fund may, before transferring such amount to the Borrower, require that the Borrower provide evidence satisfactory to the Fund showing that previous withdrawals have been properly spent for Eligible Expenditures. The Fund may place reasonable limits on the amount that the Borrower may withdraw in advance or the overall balance of such advance withdrawals, and may require that such amounts be held in a freely convertible currency and/or be held in an account designated for that purpose in a bank acceptable to the Fund.	Continuous	Complied with	

Section	Covenants	Target/Action due date	Compliance Status/ Date	Remarks
GC 4.08 (a)	All expenditure under the Financing shall meet the reasonable cost of goods, works and services required for the Project and covered by the relevant AWPB and procured in conformity with the Fund's Procurement Guidelines.	Continuous	Complied with	
GC 7.01 (b) (ii)	Before each Project Year, the Lead Project Agency shall, if required, submit the draft Project AWPB to the days before oversight body designated by the Borrower/Recipient for beginning of its review. When so reviewed, the Lead Project Agency shall submit the draft Project AWPB to the Fund for comments no later than sixty (60) days before the beginning of the relevant Project Year. If the Fund does not comment on the draft	No later than 60 days before beginning of each Fiscal Year	Partially Complied with	The project is facing some delay in the submission of AWPB within the due date. The 2019 AWPB is currently under preparation.
GC 7.08	The borrower shall insure all goods imported and building used by the project.	Continuous	Not complied with	The project believes it is challenging to comply with this covenant and this should be negotiated between Treasury as borrower and IFAD
GC 8.01	The project Parties maintain records and documents adequate to reflect their operations in implementing the project.	Continuous	Partially complied with	The financial records were found in order and easily retrievable. However the GoT contribution is currently underestimated since the contribution from OGM budget under 1st component has not been reported in the financial annexes. The in-kind contribution from the beneficiaries has not been yet valued and recorded
GC 8.03	MFWA, or other party so designated in the relevant Agreement, shall furnish to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered during the reporting period, (iii) steps taken or proposed to be taken to remedy these problems, and (iv) the proposed programme of activities and the progress expected during the following reporting period.	Continuous	Complied with	
GC 9.01	The project Parties shall maintain separate accounts and records to reflect the operations, resources and expenditures related to the project until the financing closing date.	Continuous	Complied with	
GC 9.02	MFWA shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four (4) months of the end of each Fiscal Year.	Continuous	Complied with	
GC 9.03	The annual accounts of the project should be audited in accordance with auditing standards acceptable to the Fund and the audit report submit to the Fund within 6 months of the end of each fiscal year.	Continuous	Complied with.	2017 audit report and management letter were submitted on time

Turkey

Murat River Watershed Rehabilitation Project

Supervision Report

Appendix 5: Mission preparation and planning, TORs, schedules, people met

Mission Dates: 2/09/2018 to 13/09/2018
Document Date: 01/11/2018
Project No. 1100001623
Report No. 4890-TR

Near East, North Africa and Europe Division
Programme Management Department

Appendix 5: Mission Preparation and Planning, TORs, Schedules, People met.

The mission was prepared primarily by the diligent project teams in Ankara and, especially, in Elazığ where the logistic and meeting scheduling was done. The supervision mission provided suggestions and inputs, as well as studies the documentation. The main focal interaction points included the following persons:

Bekir Karacabey – General Director of Forestry - OGM

Yusuf Şahin – Deputy General Director of Forestry / MRWRP Project Director - OGM

İbrahim Yüzer – Head of the Afforestation Department / MRWRP Central Focal Point - OGM

Ahmet Başkan – Head of the Forest and Village Relations Department (Orkoy) - OGM

M.Metin Avcıoğlu – Branch Manager / MRWRP Financing & Accounting Manager - OGM

Ahmet İpek – General Director of Combating Desertification and Erosion / M&E Department of MRWRP - ÇEM

Murat Dağdeviren – Deputy General Director of State Hydraulic Works (DSİ)

Ziya Polat – Elazığ Regional Director of Forestry / MRWRP Field Operations Unit Manager

Halim Özdemir - Elazığ Deputy Regional Director of Forestry / MRWRP Field Activities Manager

Fatih Ülger – Branch Manager in 9th Regional Directorate of DSİ

TERMS OF REFERENCE

COUNTRY OF ASSIGNMENT/LOCATION: Turkey

MISSION NAME: Supervision mission of Murat River Watershed Rehabilitation Project (MRWDP)

MISSION START AND END DATES: 2 – 15 September 2018

REPORT TO: Country Programme Manager for Turkey, NEN

MISSION COMPOSITION:

- CPM/Country Programme Officer, NEN, Mission Leader
- Mr. Peter F. Christensen, Rural Development Expert/Team Leader;
- Mr. Renaud Colmant, Natural Resources Specialist
- Ms. Stefania Gnoato, Gender and Targeting Specialist,
- Mr. Michele Pirazzoli, Infrastructures Specialist;
- Mr. Walid Dhouibi, Procurement Specialist and
- Ms. Sara Lili, Financial Consultant, FMD

I. Background

1. The Murat River Watershed Rehabilitation Project (MRWRP) was approved in December 2012 and declared effective in February 2013. Its completion and closing dates are 31 March 2020 and 30 Sept. 2020 respectively. The total project cost is estimated at USD 43.1 million financed as follows: IFAD loan of 27.66 million and grant of 0.43 million, the Government contribution of USD 7.45 million and beneficiary contribution of USD2.97 million. The current disbursement rate is at 41% (April 2016).

2. The MRWRP aims at improving livelihoods through the rehabilitation and sustainable use of natural assets. The project is intended to reduce poverty of people living in the upper elevations of the basin by preventing the degradation of natural resources in 25 micro-catchments to be selected in Murat River Watershed of Elazığ, Muğ and Bingöl provinces. The primary target group of the MRWRP would be poor women and men living in upland villages in the selected micro-catchments. A secondary target group would be other non-farming residents who would also benefit from improvements to their physical environment and living standards. Together, these groups total an estimated 80 000 very poor potential direct beneficiaries (12 500 households).
3. The project consists of three components: (i) Natural resources and environmental management (consultations, empowerment and planning); (ii) investments in natural resources and environmental assets (land, water and vegetation); and (iii) investments in improved livelihoods empowering upland communities to maintain and benefit from the natural resources improvements.

II. Objectives of the mission

The mission will supervise the implementation of the MRWRP in close collaboration with the Implementing Agency, the Ministry of Forestry and Water Affairs. The overall objective of the mission is to review and assess the current state of physical and financial implementation of the project. In particular the mission will:

1. Assess physical and financial project implementation progress against appraisal targets and annual work plan and budget;
2. Review the status of the MTR mission recommendations carried out in Sept 2017.
3. The mission will collect factual data on the implementation of individual components from records kept in the PCUs in Elazığ, Muğ and Bingöl and at MFWR in Ankara and to the extent possible verify such data on the ground.
4. Undertake field visits in the project area to discuss with beneficiaries their perception of the project, the level of their participation in, and fairness in benefit/resource allocation;
5. In consultation with the project counterparts including the beneficiaries, identify actual, emerging or potential problems, constraints and bottlenecks in project implementation;
6. Propose and agree on possible implementation support measures (e.g. timely training and specialized TA, changes and improvements in procedures and approaches);
7. Prepare AM and Discuss Mission recommendations with the implementing agency and agree on a plan of action.

Financial data should be checked against the project's financial records and accounts and IFAD records.

III. INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES

IFAD CPM for Turkey will assume the overall leadership of the mission. In particular, s/he will:

- Provide the over guidance and oversight of the team members;
- Lead the discussions of the project progress and the status of its implementation with the relevant Government officials;
- Discuss mission findings with the mission members, delineating the main findings and an action plan for the adjustment of the activities;
- Review the draft Aide Memoire and present it to the Government counterparts;
- Review and finalize the preparation of the draft of the Management Letter.

IFAD Programme Officer for Turkey will support the CPM in coordinating the overall mission activities, in particular:

- In coordination with the CPM, discuss project progress with relevant Government officials;
- Review the project's physical and financial progress against the 2018 AWPBs;
- Take part in reviewing the operations and performance of the IFAD CPIU;

- Review the CPIU's monitoring and impact assessment systems and progress reporting mechanisms;
- Contribute to the preparation of the aide-memoire and the MTR on mission findings, delineating the main findings and an action plan for the adjustment of the components; and
- Take part in preparing a draft of the Management Letter.

Ms. Peter Frøslev Christensen, Rural Development Expert/Team Leader, will assume the overall responsibility for the mission activities and preparation of the Aide-mémoire and Supervision mission report. In particular, she will:

- Lead the Mission and coordinate the work of the mission members;
- Take overall responsibility for assigning tasks to mission members within the scope of their TORs and for overseeing the mission's work in drafting the Aide-Mémoire;
- Assess the efficiency of project organisation and management with respect to its size and composition, organisational structure, personnel management and policy, the qualifications of local staff and consultants;
- Assess the implementation of the MTR mission recommendations;
- Assess physical progress measured against the 2017-2018 AWP&Bs and appraisal targets;
- Conduct an overall assessment of the implementation progress/arrangement, lessons learnt and sustainability of the project;
- Identify actual, emerging or potential problems, constraints and bottlenecks in project implementation and provide relevant recommendations on operational efficiency and institutional strengthening;
- Review the project sustainability and discuss its exit strategy with the implementing agency;
- Support and monitor the work of the mission members to ensure coherence in the findings among mission members and the development of concrete recommendations as to the achievement of project effectiveness and sustainability in the remaining period of the project implementation;
- Consolidate the team members contributions to reporting on the achievement and impact of project activities;
- Draft the Supervision Aide-memoire with input from other mission members as appropriate for presentation at the wrap-up meeting;
- Prepare the final Supervision Report with the required appendices in line with IFAD new template and requirements for ORMS inputs;
- Prepare a draft of the Management Letter; and perform any other duty requested by the CPM.

Mission Dates: 2 to 12 September 2018 in Turkey (of which 8 days in Elazig and 4 days in Ankara)
+ 3 days for report writing home-based

Mr. Renaud Colmant, NRM/Environment Specialist will be responsible for the following tasks:

- Assess the progress towards participatory preparation and implementation of the micro catchment plans in project area. Assess the progress towards the preparation, negotiation and implementation of applicable and sustainable 25 micro-watershed plans at end of project period. Assessment should be made in relation project activities for erosion control, afforestation, oak rehabilitation, closure of degraded areas;
- Review the status of the recommendations formulated by the last MTR mission regarding the component 1 on NRM and the implementation progress of the activities planned for the current year against the AWPB 2017-2018;
- Identify actual, emerging or potential problems, constraints and bottlenecks in project implementation and provide relevant recommendations;
- Estimate project future benefits based on evidence accrued during first half of project;

- Contribute to the assessment of the overall implementation progress of the Project, and make recommendations for activities to be undertaken and targets to be achieved during the remaining part of the Project implementation period;
- Contribute to the write-up of the Aide-memoire and relevant working paper assigned by the mission leader in regard of the natural resources management component. Input should include recommendations for activities and implementation arrangements to support a successful implementation of the Project and to enhance sustainability.

Mission Dates: 2 to 11 September 2018 in Turkey (of which 8 days in Elazig and 2 days in Ankara) + 2 days for report writing home-based

Ms. Stefania Gnoato, Gender/Targeting and M&E Specialist, will assess the progress of the implementation and will review in particular the following aspects:

- Assess the targeting approach in line with IFAD requirements and the poverty and gender focus of the Project's activities and suggest measures for improvement;
- Estimate the Project outreach in terms of direct beneficiaries and compare with the initial target set at Design for project completion;
- Assess the participatory dimension of Micro Catchment Plans prepared in collaboration;
- Assess the quality of the targeting applied and the level of women and youth inclusion in the project activities;
- Discuss with Project beneficiaries their perception of the Project, the level of their participation and fairness in benefit/resource allocation; and actively seek their opinion on the Project's performance;
- Review the achievements in terms of training and strengthening of the smallholders' capacity and the gender/poverty focus;
- Assess the functionality of the M&E system which has been put in place at start-up and capacity of the M&E Project staff;
- Review the overall adequacy and performance of the project M&E system in the domains of project planning, timely monitoring and reporting quantitative outputs and outcomes;
- Review the Project Logical Framework and update the inputs/outcome indicators with the Project results, as well as the RIMS indicators according to IFAD revised Guidelines;
- Validate project current outreach data in the field and assess whether the data is in line with the target set in the Design Report and Logical Framework;
- Provide advice on required revisions in the M&E system, and modifications of the component and implementation arrangements;
- Contribute to the write up of the Aide-memoire and the Supervision mission report on sections relevant to targeting, gender and M&E performance, delineating the main findings and an action plan for the adjustment of the activities, to the extent needed; and
- Undertake any other related tasks as required by the CPM and Team leader.

Mission Dates: 2 to 11 September: (8 days in Elazig and 2 days in Ankara) and 2 days home-based for report writing

Mr. Michele Pirazzoli, Infrastructure specialist

Will assess the progress made by the project in terms of infrastructures investment for the natural resources management under component 2, in particular the livestock drinking water structures, the shelters/pens for rangeland protection, the fencing for the protection of the grazing land, etc., as well as the investments in livelihoods improvement under Component 3 such as: small-scale irrigation, energy saving technologies, greenhouses, orchard establishment, etc. More specifically, he will:

- Review the project progress and status of the recommendations of the MTR mission and assess the overall performance of the Investments made under Component 2 and 3 and compliance of implementation with the 2017-2018 AWPBs;
- Identify actual, emerging or potential problems, constraints and bottlenecks in project implementation and provide relevant recommendations
- Estimate project future benefits based on evidence accrued during first half of project;

- Review sustainability of the project supported infrastructure and discuss with project exist strategy with the implementing agency and other partners;
- Prepare specific recommendations for activities and implementation arrangements to support a successful implementation of the Project and to enhance sustainability during the last phase of the project until completion;
- Contribute to the write-up of the Aide-mémoire and Supervision report sections in regard of the NRM Infrastructure Investments under Component 2 and Component 3; and
- Undertake any other related tasks as required by the CPM and Team leader.

Mission Dates: 2 to 11 September in Turkey (8 days in Elazig and 2 days in Ankara) + 4 days for report writing and technical review of Procurement for Civil Works home-based.

Ms Sara Lili, Financial Management Specialist - on the basis of IFAD "Financial management Assessment guidelines at supervision" and under the supervision of the Financial Division, she will be responsible for assessing the performance of the PMU in relation to the fiduciary aspects of the project. in terms of:

Prepare via desk review

- Results of the latest External Audit Report (including specifically the Management letter) to ascertain whether any issues raised by the auditor identify potential fiduciary risks - where relevant follow up on issues arising by meeting on-site with Supreme Audit Institution.
- Consult main findings, requests for clarification and action plan proposed by CFS with the latest audit review exercise.
- Review the most recent quarterly Project Progress Reports. - have periodic progress reports been submitted within the prescribed time limit? Is content as agreed?

Re-assess the Project Financial Management Arrangements

- Review actions taken to address recommendations of previous year's raised by external auditors on previous years management letters and recommendations raised by CFS during the audit review exercise.
- Using the IFAD FMAQ as the basis to collect the relevant information re-assess the strengths and weaknesses of financial management systems, internal controls and financial reporting systems relating to financial management and financial administration of project funds in order to ensure that they satisfy IFAD's fiduciary requirements.
- Test check sample internal controls, by system "walk through" to ensure that approved procedures are consistently being followed.
- Review the functionality of the accounting system and the financial reporting system; where is required the preparation of consolidated financial statements, test the correctness/completeness of consolidations activities.
- Review the operation of the project special/ designated account, and project imprest accounts as applicable and check that funds were channelled and used in line with IFAD project objectives.
- Review sample Withdrawal Applications, and Statement of Expenditures to verify adequacy, completeness and validity of claims. (Is the Special Account Reconciliation correctly prepared? Are all SOE expenditures properly supported by documentation? Are WAs prepared regularly?). Sampling shall cover minimum 60% of amount claim/incurred by the project.
- Verify, by sample, Bank reconciliations.
- Review status of counterpart funding (has the Borrower/Lead Project Agency made available financing proceeds to the Project, as planned, is the quantum of counterpart funds provided so far in line with the minimum amount mentioned in the Project Financing Agreement?).
- Review a sample of Fixed Asset procurements to verify that the asset is properly registered into the accounting system and sample test check physical existence of the asset.

- Identify current risks arising from material deficiencies and propose practical recommendations for improving financial management functions and/or staffing for financial operations needed to mitigate risk.
- Prepare the current Summary Risk Analysis.

Assess the Project's Financial Performance:

- Review compliance, to date, with Financial and Audit Covenants.
- Review overall project financial performance by comparing expenditure to date, by component, and by co-financier's share, against original (or subsequent revised) approved plans.
- Prepare a current estimate of the total project cost "out-turn" and compare against approved project cost estimates and funding envelope.
- Prepare estimates of disbursements for balance of current financial year and for the next financial year.
- Reporting: Contribute to the write up of the aide-memoire, in particular, input to the main body of the aide-memoire: on (a) financial management; (b) disbursement; (c) counterpart funds; (d) loan covenants; and (e) external audit. In addition, you will prepare a working paper delineating the main findings and an action plan for any relevant adjustments, to the extent needed and relevant appendixes and tables on actual financial performance by financier, compliance with loan covenants status and external audit recommendation Log. Provide a completed Financial Management Risk Assessment on completion of the mission.

Mission Dates: duration of the contract will be determined by FMD¹

Mr. Walid Dhouibi, Procurement Specialist, will be responsible for the assessment of procurement function and activities in the project. To this end, he will undertake following tasks:

- **Staffing:** Provide a summary description of the procurement capacity of the implementing unit (PMU/PCU), the availability of staff dedicated to this task and the adequacy in terms of experience and qualifications;
- Check the availability and application of procurement manual and guidelines;
- **Procurement Planning:** Review the procurement plan for the current year and reflect the following:
 - i. quality of the procurement plan and whether it contains all the required milestones (plan by category [goods, works, non-consulting and consulting services], correct methods, prior review, realistic timelines, planned and actual rows, coherence with the AWPB, i.e. are procurement lead times taken into account in the AWPB and vice versa).
 - ii. Provide comments/suggestions to improve the quality.
 - iii. Timely submission to IFAD and whether the version currently implemented is the one approved by IFAD.
 - iv. Updates, upgrades of the plan.
 - v. Whether the process of developing the plan is a participatory one and whether it involves (all of) the relevant actors.
 - vi. Whether the plan is used as a management tool (with regular implementation status updates; and upgrades for additional or changed requirements, as needed).
 - vii. Level of implementation of the procurement plan at the time of the mission.
- **Register of contract:** Enquire if a contract register is available on file. The contract register should contain all the awarded contracts from the project start, up to the time of the supervision mission. The mission should review if the register is timely updated and comprises all necessary milestones (e.g. payment status, remaining balance under the contract, status and, if appropriate, expiration dates, of performance guarantees).

¹ Contract for Ms. Sara Lili is managed by FMD.

- **Sample Review:** Select a sample of procurement activities/transactions that are sufficiently representative for each category (goods, works, consulting and non-consulting services) and review the entire procurement cycle, from TOR (services) and other specification documents, selection of appropriate procurement method, advertising, bidding documents, receipt of bids/proposals, evaluation process, minutes of negotiation and other elements of contract finalization, contract administration and prior review procedures;
- **Filing system:** Review the procurement filing and the ease of documentation retrieval. Best practice requires that each procurement case/activity should have its own separate folder where records are kept properly and coded in chronological order. Module C of the IFAD Procurement handbook provides details of what the procurement folders should contain;
- Contribute to the write-up of the Mission Aide Memoire and Supervision report; and
- Undertake any other related tasks as required by the CPM and Team leader.

Mission Dates: 2 to 10 September in Turkey (4 days in Elazig and 4 days in Ankara) + 2 days for report writing home-based

MISSION DELIVERABLES

- An Aide Memoire of the mission discussed and finalized, based on the wrap-up meeting with the Government;
- A Supervision report as per IFAD's new template;
- A draft Management Letter summarising the key issues, as identified in conclusion of the Supervision Report that need to be acted upon and monitored by the supervising authorities.

IV. Mission Itinerary and Programme

2 Sept. 2018	Mission arrival to Project Area: Elazig
3-7 Sept.	Briefing with Project implementation unit and Field visits
8 September	Drafting Mission AM
9 September	Travel to Ankara
10-11 Sept.	finalization of the <i>Aide-Mémoire</i> Meetings with MFWR, and Treasury and Wrap-up Meeting;,
11-12 Sept.	Mission departure
12 to 15 Sept.	Supervision report finalization and ML preparation, home based
16 Sept.	Submission Supervision Report and ML to IFAD

Clearance by FMD if TORs include financial management responsibilities:

Name:**Signature**.....

Date:.....

IMPORTANT NOTE:

IFAD will accept only reports that have been properly formatted by using the template, which will be provided separately. The team leader is responsible for preparing the main report and annexes in the required format, and ensuring that the working papers submitted by the individual team members are consolidated in one single document and in the correct format. He will compile the full report, including his own contributions and those of all the mission members into one consistent final and complete Report and submit it to IFAD on or before the agreed deadline.

