

Myanmar

Fostering Agricultural Revitalisation in Myanmar Project Supervision Report

Mission Dates: 24 August – 07 September 2020

Document Date: 12/10/2020

Project No. 1100001654

Report No. 5514-MM

Asia and the Pacific Division
Programme Management Department

Abbreviations and Acronyms

AMD	Agriculture Mechanization Department
AOS	Annual Outcome Survey
AWPB	Annual Work Plan and Budget
CIG	Common Interest Group
DALMS	Department of Agriculture Land Management and Statistics
DoA	Department of Agriculture
DRI	Development Resources International
ESAP	Eastern States Agribusiness Project
FARM	Fostering Agricultural Revitalisation in Myanmar
FSWG	Food Security Working Group
FFS	Farmer Field School
FO	Farmer Organizations
GAD	Gender and Development
GEWE	Gender Equality and Women Empowerment
HH	Household
IWUMD	Irrigation and Water Utilization Management Department
KC	Knowledge Center
KCM	KC Manager
KM	Knowledge Management
LC	Land consolidation
M&E	Monitoring and Evaluation
MADB	Myanmar Agricultural Development Bank
MoALI	Ministry of Agriculture, Livestock and Irrigation
MSME	Micro Small Medium Enterprises
MTR	Mid-Term Review
NPSC	National Project Steering Committee
NPT	Nay Pyi Taw
O&M	Operation and Maintenance
OAG	Office of the Auditor General
PCU	Project Coordination Unit
PDP	Project Development Profile
PIC	Project Implementation Committee
PLUP	Participatory Land Use Planning
RBF	Rural Business Fund
USD	US Dollar
WSAP	Western States Agribusiness Project
WUA	Water User Association
WUG	Water User Group

A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Not at risk
Country:	Myanmar	Environmental and Social Category:	B
Project Name:	Fostering Agricultural Revitalisation in Myanmar Project	Climate Risk Classification:	2
Project ID:	1100001654	Executing Institution:	Ministry of Agriculture, Livestock and Irrigation
Project Type:	Irrigation	Implementing Institutions:	not available yet
CPM:	Alessandro Marini		
Project Director:	U Tun Win, Project Director, Department of Agricultural Land Management and Statistics, Ministry of Agriculture Livestock and Irrigation		
Project Area:	Naypyitaw Union Territory		

Approval Date:	08/04/2014	Last audit receipt:	26/06/2020
Signing Date:	22/10/2014	Date of Last SIS Mission:	07/09/2020
Entry into Force Date:	22/10/2014	Number of SIS Missions:	10
Available for Disbursement Date:	18/03/2015	Number of extensions:	0
First Disbursement Date:	25/03/2015	Effectiveness lag:	6 months
MTR Date:	08/11/2017		
Original Completion Date:	31/12/2020		
Current Completion Date:	31/12/2020		
Financial Closure:	not available yet		

Project total financing

IFAD Financing breakdown	IFAD	\$18,726,034
	Asia and the Pacific Division	\$778,516
Domestic Financing breakdown	Private sector local	\$2,402,435
	National Government	\$5,296,549
	Beneficiaries	\$621,271
Co-financing breakdown,		
Project total financing:		\$27,824,805

Current Mission

Mission Dates:	24 August – 07 September 2020
Days in the field:	N/A
Mission composition:	Mission composition: The mission consisted of Mr Jerry Jing Pacturan, Mission/Team Leader; Mr Yolando Arban, Project Management and M&E; Mr Michele Pirazzoli, Rural Infrastructure; Mr Art Tantuan, Procurement; Ms Chi Nguyen, FM Consultant; Ms Elin Kjellin, Finance; Alessandro Marini, IFAD CD; Ms Sashwati Mishra and Ms Kisa Mfalila, IFAD ECG Staff; Ms Audrey Nepveu de Villemarceau, Project Technical Lead, IFAD PMI Division ; and, Ms Thiri Wai, IFAD country facilitator. Alessandro Marini, IFAD Country Director, attended component meetings including the pre wrap-up and final wrap-up meetings.

Field sites visited: Field sites where remote video interview was carried out: Kyotan/Pyianchi LC area and Zeegone KC Drainage area.

B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		4.04	Assessment of the Overall Implementation Performance		4.0

Effectiveness and Developmental Focus	4	Project Management	4
Effectiveness	4	Quality of Project Management	4
Targeting and Outreach	4	Knowledge Management	3
Gender equality & women's participation	4	Value for Money	4
Agricultural Productivity	4	Coherence between AWPB and Implementation	5
Nutrition		Performance of M&E System	4
Adaptation to Climate Change	4	Social, Environment, and Climate Standards requirements	4

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

Relevance	5
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C. Mission Objectives and Key Conclusions

Background and Main Objective of the Mission

1. An IFAD team conducted a remote supervision and implementation support mission from 24th of August to 7th of September 2020 to assess the progress of the project and the status of actions agreed during the October 2019 supervision and implementation support mission. With a completion date of December 31, 2020 and in view of the COVID19-caused disruptions and implementation delays, the mission was intended to assess and discuss with government the way forward for a one year extension of the Project.

2. The mission was conducted through virtual meetings with various project stakeholders, the National Project Steering Committee (NPSC) members and senior officials of the Ministry of Agriculture, Livestock and Irrigation (MoALI), the Department of Agriculture (DoA), executing agency for FARM, the Irrigation Water Utilization and Management Department (IWUMD), the FARM Project Coordination Unit (PCU) management and staff, and NGO service providers. Supplemental field interviews through remote video calls between the mission members and farmers in selected Knowledge Centers (KC) sites benefitting from land consolidation, Common Interest Groups (CIG) and Farmer Field Schools (FFS) interventions were carried out.

3. The mission's main findings and recommendations, and the agreements reached were discussed with, and agreed with, Government at a virtual wrap up meeting held on 7th of September 2020 which was jointly chaired by Dr. Ye Tint Tun, Director General of Department of Agriculture, MOALI, and Jerry Pacturan, IFAD CPO and FARM Mission/Team Leader. The mission expresses appreciation for the collaboration and hospitality extended by the Government of Myanmar.

Key Mission Agreements and Conclusions

4. Strong rationale for a one-year extension. The mission noted that overall project achievement is commendable despite the disruptions caused by COVID19. Component 1 accomplishment is satisfactory having implemented all major works planed in the current fiscal year AWPB. For Component 2, the critical intervention on CIG formation and strengthening by the service provider (contracted in 1 November 2019) was implemented until the start of government restrictions on field activities due to the pandemic. As of 31 August, the CIG service provider continued to implement field activities compliant with government requirements albeit on a very limited scale. For FFS, the service provider was contracted in June 2020 and despite the pandemic has implemented its activities on a limited scale. These two important contracts are necessary in attaining satisfactory performance of the Project at completion, and additional time is necessary to complete the capacity building required.

5. Priority focus for the extension. For the proposed extension period, IFAD and government agreed that the priority focus for Component 1 should be on enhancing the sustainability of investments by increasing climate resilience and sustainability prospects for the completed infrastructure, through: i) installation of stage gauges in Paunglaung for quantitative assessment of losses and improved water management; ii) repairs of critical diversion gates from the primary channels of Paunglaung; iii) erosion protection works on previously completed irrigation investments, particularly to stabilize slopes and prevent scouring around structures; and, iv) construction of check structures and lined sections on rehabilitated drains. For Component 2, the priorities should be to: i) ensure completion of the CIG targets on both number of CIGs formed and strengthened, including RBF disbursements, and implement activities through a service provider that will value add to the current achievements and ensure sustainability; and, ii) complete the remaining targets under the FFS and consider implementing activities through a service provider that will facilitate market-led identification of crops and commodities that will be subject to technology demonstrations.

6. Government has already begun the process of requesting for a one-year extension (i.e., until 31 December 2021) and it was agreed with the Mission that the official request to IFAD should be submitted in due time in order to amend the Financing Agreement before the current completion date of 31 December 2020. To ensure that the Project will have government allocation consistent with the Myanmar fiscal year, the Project has to prepare a 15-month workplan and budget and procurement plan for the period 01 October 2020 to 31 December 2021 which will be submitted to IFAD for review and no-objection.

D. Overview and Project Progress

7. Project's overall project performance for the review period is moderately satisfactory. Cumulative disbursement rate as of 1 August 2020 stands at 85% for the IFAD Loan and 92% for the IFAD Grant including the unjustified advances of USD 1.5 million and USD 0.25 million made to the Designated Accounts for the Loan and for the Grant respectively. In terms of budget utilization for this FY 2019-2020, 51% of planned budget was utilized with the total amount of approximately USD 2.42 million over the approved AWPB of USD 4.77 million.

8. Component 1, Agricultural Infrastructure. The implementation performance under the Agricultural Infrastructure Component remains satisfactory with all major works planned in the 2019-20 AWPB, valued at about USD 2.0 million of

IFAD loan funds, completed in spite of challenges posed by the pandemic. With the progress made during the review period, most of the physical targets specific to infrastructure investments set at MTR have been exceeded. The achievements for Land Consolidation (LC), Paunglaung channels lining and drainage upgrading are, respectively, 122%, 102% and 102% in terms of area benefitting and 143%, 91% and 135% in terms of HHs reached. These investments have already absorbed some 93% of funding under the relevant category of the IFAD Loan, which is projected to increase to 97% upon completion of pending payments. The timely implementation and progressively improved quality of works underlines the IWUMD's continued commitment, ownership of project approaches and follow up on supervision recommendations.

9. *Component 2, Agriculture and Business Services.* This component's performance is rated as moderately satisfactory. There are now 60 *Knowledge Centers (KC)* covering 279 villages with the latest validated household (HH) population of 68,145. Of the 60 KCs, one KC building in Pyinmana Township began construction but PCU suspended the works and is now in the process of tendering again the completion of its construction to be operational by January 2021. From 692 registered *Common Interest Groups (CIGs)* in 2019, 738 CIGs are registered in July 2020. There are now 12,069 CIG members (average of 17 members per CIG), an increase of 6% from the reported membership of 11,390 in 2019. DRI reported that from their target of 339 new CIGs, they have organized 188 CIGs with membership of 3,007 (women 63%), however, only 46 CIGs have been added in the list. On *Farmer Field Schools (FFS)*, the six-month contract of the service provider (FSWG) commenced in June 2020 and will terminate in November 2020. Accomplishments in the last three months are: (i) farmer needs assessment and technical review of FFS; (ii) conduct of Training of Trainers to KC managers (KCM); and, (ii) establishment of FFS learning plots. The assessment activity was joined by 1,112 farmers (30% women) from 59 KCs which signified participation in the conduct of FFS.

10. On Rural Business Fund (RBF), CIGs were formed bringing a total of 880 CIGs organized, however, only 46 of these new CIGs are registered, thus only 738 CIGs are qualified for RBF releases. Of the original 692 CIGs reported in the previous mission, 27 are no longer functional. 493 old CIGs were strengthened, including the training of 99 CIGs to prepare business plans; 20 mature CIGs were identified as small enterprises which will be mentored to prepare full scale Business Plans and Credit Risk Assessment Reports and will be linked to financial institutions (i.e., SME Development Bank, MEB bank, A Bank and two MFIs) for loan financing. In addition, guidelines for the conduct of market chain studies were completed for four crops: paddy rice, ground nut, pulses and corn, but not yet actually conducted. Interestingly, 801 CIGs were introduced to micro banking software during their financial literacy training, and 491 CIGs are using the tool.

11. *Financial Management.* Quality of financial management and disbursement are both rated as moderately satisfactory at the time of the mission. A new Finance Manager was recruited and has performed quite well despite not having been trained formally with the IFAD financial management procedures. The longstanding issues of accounting software and complex fund flow arrangements remain unresolved. The structure of funds flow remains overly complex and has not changed despite previous missions' findings and recommendations to simplify the procedures. On financial reporting, the project continues to use Excel to prepare their Financial Statements as the accounting software was discontinued. On counterpart funds reporting, as of June 2020, the contribution from Government reached 39%, with 3% increase in comparison to 36% in October 2019, while private sector and beneficiaries' contributions were at 11% and 94% respectively.

12. Since an extension is foreseen, the mission identified that the current DA and OA account balances have enough funds for the planned activities during the period from August to December 2020, therefore the latest WA no. 22L submitted to IFAD requesting the disbursement of USD 318,025.41 will not be processed. Project is advised to re-submit this WA before the end of 2020 for processing and payment in January 2021.

13. *Procurement.* All agreed actions during the last supervision mission have been complied by the Project. During the current review period, procurement performance in programmed civil works, consulting and goods procurement is moderately satisfactory. Despite the COVID-19 pandemic, all planned major civil works have been procured and implemented. Consulting services for FFS and formation and strengthening of CIGs have been procured but both are encountering contract implementation challenges brought by the COVID-19 pandemic and other constraints requiring contract modifications. Goods procurement is delayed but is expected to be completed before the end of the current Fiscal Year on 30 September 2020. Due to the COVID-19 pandemic disruptions, Project has been given by the government up to December 2020 to complete procurement and implementation of remaining minor KC related civil works and goods procurement packages to be procured via National Shopping. Major goods procurement contract for agricultural equipment was cancelled due to the pandemic and is reprogrammed for procurement for Fiscal Year 2020-2021.

14. *Lessons learned.* With a proposed one-year extension, it is timely that taking stock of lessons learned by FARM be undertaken as it prepares for project completion. As it was the very first foreign investment project in the country, already replicated in investments supported by other donors and international financial institutions, key learnings need to be capitalized. This aide memoire includes guidance on the essential issues to look into and document on Components 1 and 2 to be prepared for the completion process.

15. In addition, an initial collection of lessons learned was elaborated during the mission. These lessons relate to: (i) the institutional set-up of the Project; (ii) LC and water user groups; (iii) civil works; (iv) KCs and FFS; and (v) CIGs. The learnings will need to be complemented with quantitative data available from the Monitoring & Evaluation (M&E) system

as well as with additional findings, in particular those related to impact when they are documented and become available. The mission encourages PCU to develop one learning document per issue identified, as the information gathered will constitute a starting point for the completion study to flesh out.

E. Project implementation

a. Development Effectiveness

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

Justification of rating

The project shows evidence that its objective is going to be met. Implementation performance under Component 1 remains satisfactory, and almost all of overall output targets have been achieved. Component 2 output targets still behind schedule in terms of formation and strengthening of CIGs and releases of RBF. Currently, of the 880 organized CIGs, 669 CIGs (10,998 members) received the first tranche of the RBF, and of the 669 CIGs, 38 CIGs have accessed the 2nd tranche (641 HH). By end of September, 780 CIGs (about 12,815 HH benefitting) will have received the RBF. The RBF will directly contribute to increase income as these funds are utilized for livelihood/enterprise activities.

Log-Frame Analysis & Main Issues of Effectiveness

As stated in the Project Logframe, the development objective is for “34,000 HH in five townships of Nay Pyi Taw Union have higher incomes and nutrition”. Of these HH, 60% of farming HH and 40% of landless farmers should have increased their incomes or food expenditures. The project has targeted 20,000 HH as direct beneficiaries from the CIGs and WUGs.

With an extension of another year, the Project has a strong likelihood to achieve its development objective, though measuring outcome at this level will be conducted through an annual outcome survey (AOS) by the end of quarter 2020. For component 1, there are two outcomes: (1) land and water resources sustainably managed and (i) water organizations are functional. Based on the project maturity assessment of 89 WUGs, it was reported that all WUGs generally practice rotation and carry out channel weeding at least once per season. This an indication that WUGs are functional. It was also reported that water was made available all year round in irrigated areas. Other indicators will be reported once the AOS will be completed.

Component 2 has two outcomes which pertain to changes in the skills and livelihood opportunities of both farming and landless HH or those engaged in non-farming activities. With the conduct of the FFS via a service provider, it is expected that during extension period, capacities of farming HH on crop production will improve. Likewise, the strengthening of farming CIGs by linking them to private sector via contract farming, and the strengthening of savings and credit groups are moves that will help the farming and non-farming HH strengthen their capacities to improve their livelihoods/enterprises. It is expected that the upcoming AOS will capture whether the changes are happening as intended among the project beneficiaries.

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

Justification of rating

As of July 2020, the Project has counted 27,342 HH reached by the Project (14,270: direct, 13,082: indirect), 80% of the target of 34,000 HH outreach. Households reached via the CIGs, WUGs and from LC total to 14,270 or 71% of the targeted 20,000 direct beneficiaries. This number can increase if counting of direct beneficiaries receiving project services like training and access to contract farming, but outside of CIGs, WUGs and LC. The project is now improving its matrix to capture beneficiaries directly/indirectly receiving project services and benefitting from the project.

Main issues

The issue of reaching the intended number of HH via the CIGs was resolved in the previous mission by increasing the number of CIGs up to 1,031. In the original logframe total number of CIGs to be formed is 900 with the assumption that a CIG has average membership of 20 individuals. However, during the registration of each CIG, it was validated that the average number of CIG is 17, thus, by increasing the number of CIGs, the total outreach via CIGs will be around 17,000 HH. The Project is committed to reach this number, and with the project extension, outreach can be satisfactorily attained. Further, in the profiling of project beneficiaries, it was also agreed to capture the socio-economic status of project beneficiaries. Socio-economic categorization of actual project beneficiaries can be included in the upcoming AOS.

Agreed Action	Responsibility	Agreed Date
Guide to capture outreach Improve the current guide of capturing project outreach. The guide should be reviewed, and to include those HH provided or receiving project services, though not member of CIGs and WUGs, as direct beneficiaries.	PCU	09/2020

Gender equality & women's participation

Rating: 4

Previous rating: 4

Justification of rating

FARM has many activities across the components aimed at women's empowerment. At the project level, there is disaggregated data at input and output level in terms of a) gender responsive training (to KCMs and to some representatives of the KC Board, CIGs and WUGs); b) women participation in CIGs, WUGs, FFS and SHGs (63% of CIG members being; 66% of the Business Proposals submitted by women; 30% women farmer participated in FFS assessment activity); and c) 62% of the KCM from DoA are women and 55% of the PCU staff comprises women. Interaction with women beneficiaries clearly indicated that they are benefiting from both farm and non-farm activities. Nearing project completion, more substantive evidence in terms of outcomes and impact are needed to highlight achievements towards GEWE.

Main issues

In CIGs/SHGs, women have been provided book keeping and generic training. In terms of further building the capacities of CIG/SHGs members, the approach needs to shift towards mentoring, developing organisational and leadership skills among women and youth. The project can identify active women members in SHGs/CIGs who have demonstrated capacities and have potential to deliver and mentor and coach them on organisational management, governance system and leadership. Leadership training on running the CIGs/SHGs and targeted inputs on day-to-day management and administration aspects can be provided to the identified youth and women candidates. This will build a cadre of women leaders who can deliver on leadership positions in Managing Committee of CIGs. Gender sensitization of male committee members would also be important to create an enabling environment for more women to graduate to leadership positions.

Towards meeting the economic empowerment objective, M&E system needs to capture key output/outcome indicators (of increase in income, diversification of income sources at the HH level, enhanced expenditure, security of livelihood because of project activities, RBFs and loan taken by CIG members and micro/small enterprises, etc.) of the target groups disaggregated by gender and age across the project components. The project through a sample survey (viber calls in the context of COVID-19), needs to assess the activities for which women are taking loans and what kind of further support is needed to run their business. Special attention to potential women entrepreneurs needs to be provided through coaching and mentoring services to develop technical skills for new business/ enterprises, farming as a business, entrepreneurship and negotiating skill; profitable business.

The project is nearing its completion by next year, it becomes imperatives to consolidate the gains on GEWE and develop pathways for sustainability of interventions. For example, an association of CIGs is strongly recommended that will coordinate the groups, develop and nurture entrepreneurial drive, access the formal financial institutions, develop a profitable business acumen and finally graduate into a community-based institution. Hence hiring of a seasoned gender professional is extremely imperative.

Project needs to prepare guidance on capturing the gender impact/process of empowerment following the logic:

1. indication of women beneficiaries earlier socio-economic conditions/gendered roles/sources of incomes;
2. FARM's inputs/gender activities/strategy;
3. process of empowerment (time duration, coaching and mentoring services to develop technical skills for new business/enterprises, improving livelihood, developing entrepreneurship and negotiating skills);
4. outputs in terms of increase in HH incomes, nutrition, diversified crops, alternative sources of livelihood, safety net and income diversity; and
5. impact in terms of enhancement of women's position at the HH level and community, equitable sharing of work between men and women, enhanced decision making abilities, etc. IFAD can review the case studies and provide further inputs for its dissemination.

Agreed Action	Responsibility	Agreed Date
Prepare TOR for a social inclusion and gender impact study and hire a consultant to conduct the study	PCU	10/2020
Hire Community Development and Gender Specialist (CGDS) Hire Community Development and Gender Specialist at the level of Senior Manager reporting to PD and working across all components. Identify Gender Focal persons from within the existing teams to support the CGDS for improving gender performance. For the interim period, assign a senior staff within the PCU until the new CGDS comes on-board.	PCU	12/2020

Agricultural Productivity

Rating: 4

Previous rating: 4

Justification of rating

Project impacts on agricultural productivity continue to be rated moderately satisfactory. During the period under review, increases in agricultural productivity were reportedly attained in connection with infrastructure investments under Component 1. These include: i) crop diversification with the cultivation of 100 ac of sesame in LC areas; ii) introduction of a third crop (summer rice) on 1 460 acres benefitting from channel lining works in Paunglaung; and iii) reduced losses of monsoon paddy in 3 665 acres benefitting from investments in drainage.

Main issues

The increases in productivity resulting from crop diversification in LC areas recorded by the mission cover only some 4% of the total LC area. Efforts leading to crop diversification are to be further supported and systematically documented in preparation for the PCR. Moreover, noting that results from a single season may be deemed not significant, the improvements recorded in connection with drainage investments (measured at monsoon season) and Paunglaung main channel upgrading works (measured at summer season) shall be based on figures from at least 2 consecutive seasons for each type of investment.

The conduct of the season long FFS started in June 2020 and it is early to gauge whether this will contribute to improving the productivity of farmers. For the first set of FFSs, the following crops were identified: (i) paddy rice for 55 KCs, (ii) sweet corn for 3 KCs, and (iii) ground nut for 1 KC. Of these, 36 learning rice plots and 3 sweet corn plots were prepared sometime in July-August. Twenty KCs have just established nurseries. In the case of paddy rice, some areas have delayed their monsoon rice planting due to delayed summer harvest season and onset of monsoon rains. Under normal conditions, there are three cropping seasons in Nay Pi Taw (summer: February to May, monsoon: May-August, winter: September-January). In every season, different crops are planted by farmers with rice growing throughout the year.

With the delay in the cropping seasons in some areas, the following scenarios will likely occur: (i) there will be different timing of harvesting of monsoon rice between November 2020-January 2021, (ii) some farmers will skip planting winter crops. This scenario will have implications to FFS as a season-long learning cycle under the current contract of FSWG: (i) there will be one FFS learning cycle covering only three crops, (ii) not all FFSs (those that will harvest in December or January 2021) will have their graduation under the facilitation of FSWG when the latter's contract ends by November 2020, (iii) some KCMs and farmers will not complete the learning cycle as FFS facilitators under the tutelage of FSWG.

Aside from extending the services of FSWG during the extension period to cover other crops, it was also agreed that FSWG should include strengthen its documentation of the FFS process and to asses to what extent the introduction of farming practices (e.g. selection of seeds, pest management) will increase agricultural productivity.

Agreed Action	Responsibility	Agreed Date
Monitoring of irrigated areas Monitoring changes in cultivated areas benefitting from drainage and main channel lining over an additional growing season	IWUMD / PCU	09/2020
Crop diversification in LC areas FFSs extended to cover at least one summer season, with plots in LC areas established to foster market led diversification. Case studies about summer crop diversification elaborated.	FFS Service Provider / KC managers	09/2020
Procurement of FFS Service Provider Complete the procurement of the FFS service provider and reflect in the ToR the demonstration target of 120 plots in 5 townships (at least two seasons in each KC and to promote crop diversification). The FFS service provider should also consider doables as suggested in this mission to improve agricultural productivity in the target areas.	PCU and MOALI	12/2020

Nutrition

Rating:

Adaptation to Climate Change

Rating: 4

Previous rating: 4

Justification of rating

The project focus on the development of the Paunglaung scheme responds to the need to cope with erratic rainfall distribution as this scheme benefits from the storage capacity of a cascade of upstream reservoirs, yet water management in the system remains largely based on demand and empirical evidence rather than in quantitative flow modelling. The drainage upgrading works in areas prone to water logging completed during the review period support rice growers' adaptation to climate change, in light of increasing rainfall intensities and risk of flooding. On the other hand, the FSWG-introduced FFS curriculum that employs natural and organic farming approaches is a strategy for climate change adaptation.

Main issues

While there has been evidence of LC areas diversifying into Sesame production, so far limited progress is recorded in relation to crop diversification and shift to less water demanding crops in paddy areas benefitting from LC. Project needs to pursue a more market-oriented approach of introducing crops supported with climate resilient production technologies.

Also, the H-Q curves developed by the study completed by the IWUMD hydrology branch on the Paunglaung irrigation scheme may be used to develop a set of flow monitoring points to: i) facilitate water management and distribution; and, ii) identify critical sections for losses (to guide future investments and eventually estimate the water savings attributable to the lining works supported by FARM through extrapolations). This will require: i) installation of staff gauges and H-Q plaques at relevant channel sections; and ii) periodic readings of discharge values at all the sections equipped with the staff gauges by the relevant department of IWUMD concerned with O&M. A dedicated consultancy assignment may also be considered to support IWUMD optimize water distribution in the scheme considering the physical upgrades and the assessments of water demand under different cropping patterns (including a scenario driven by Climate Change adaptation principles).

Further developments still to be introduced in the drains that have been recently reshaped and widened by the FARM include the construction of proper check structures and stone pitching short channel sections across the drain. These small scale investments would be geared to improve the drains secondary function as water storage to overcome the dry spells subsequent to the monsoon.

High intensity rainfall events continue to pose a challenge to all hydraulic structures and to the stability of channel slopes, calling for erosion protection works to be prioritized during the remaining implementation period, based on a need assessment across the infrastructure investments completed by the project.

During the extension period, monitoring changes in cultivated areas benefitting from drainage and main channel lining will increase opportunities for crop diversification from summer rice to other climate resilient crops such as pulses, etc. Selection of varieties for the summer crop and application of water management practices through FFS will increase the adaptive capacity of farmers to increasing rainfall intensities, risk of flooding, and reduce greenhouse gas emissions (methane) from flooded rice. Supporting the upgrading of farming practices through the FFS approach may be geared not

only to the achievement of the project objectives in terms of increased farmers' income, ultimately contributing to a positive assessment of the project Internal Rate of Return at completion, but also to fostering climate change adaptation.

Agreed Action	Responsibility	Agreed Date
Identification of complementary irrigation works Carry out a need for assessment and identify the preliminary scope of works, budget and implementation arrangements for: i) installation of stage gauges and secondary gates repairs on Paunglaung scheme; ii) erosion protection works on previously completed irrigation investments; and, iii) check structures and lined sections on drains rehabilitated in KC areas in 2020	IWUMD / PCU	06/2021
Water Management and losses on Paunglaung Quantitative assessment of water losses and improved water management by IWUMD on Paunglaung	IWUMD	09/2021
Completion of complementary irrigation works Completion of all the works identified at points i)-iii) above financed by IWUMD	IWUMD / PCU	12/2021

b. Sustainability and Scaling up

Institutions and Policy Engagement

Rating: 4

Previous rating: 4

Justification of rating

IWUMD is a key project partner for infrastructure development. Timely implementation and improved quality of irrigation works underlines its commitment and ownership of project approaches. The mobilization of its own O&M budget for the upcoming fiscal year to carry out small scale yet strategic investments identified as a priority during the mission further confirms its commitment. The Project is also set to organize associations of WUGs and CIGs with draft guidelines ready for implementation. Consolidating WUGs and CIGs into associations will further strengthen them as rural institutions that can leverage government programs, financial institutions and private sectors both input suppliers and buyers. Associations are expected to be formed during the project extension period.

Main issues

The project does not have a specific focus on policy engagement. However, IFAD supervisions highlighted that some project activities have underlined relevant areas of focus for policy makers and administrators such as the need to reform the procedure of re-issuance of land titles after LC works. The mission was informed that a new agreement has been drawn in early August 2020 by the concerned parties (i.e., the Agriculture Development Bank and Department of Agriculture Land Management and Statistics) which is expected to unlock the current situation whereby only some 15% of cadastral titles (form 7, which original is usually kept as loan collateral) have been formally re-issued. Re-registration of all the land parcels in LC areas completed by FARM would result in exceeding the target set for the Logframe COI 1.1.1 *Persons whose ownership or user rights over natural resources have been registered in national cadastres and/or geographic information management systems*, currently at 23% of target. The PCU needs to follow up on the re-issuance of land titles in LC areas throughout the remaining implementation period.

On farmer organizations (FOs), FOs do not enjoy a specific status in the Myanmar law. Recognizing the potential role of FOs in agricultural development is still low in Myanmar as farmers' organizations are new actors with still little credibility to most stakeholders. At best they are only considered as ways to access large amount of produce from a group of farmers with approaches that often tend to look like to top-down contract farming (FSWG, Emergence of Farmer's Organizations in Myanmar, 2015). In the case of FARM, the government is open for associating the farmers towards improving their livelihoods. Pursuing the formation of Water User and Farmer/Landless CIGS will contribute to the policy dialogue on the role of FOs in agriculture and rural development.

Agreed Action	Responsibility	Agreed Date
CIG Association Develop a roadmap for associating the CIGs	PCU/DRI	09/2020
Reissuance of land title Follow up with other stakeholders on the revision of the procedure and re-issuance of land titles across the LC areas	PCU/ DALMS	12/2020
Land Titles Follow up on the re-issuance of land titles in all LC areas	PCU, DALMS, beneficiaries	09/2021

Partnership-building

Rating: 4

Previous rating: 4

Justification of rating

Project has made good progress in facilitating contract farming with 374 farmers (184 CIG members, 190 non-CIG members) into contract farming with four companies (i.e., Newayar, Golden Sun Land, Yadanar Mo Thant, MAPCO). Under this arrangement, 1,461 acres are planted with the following crops: hybrid rice (891 acres, 235 farmers), non-hybrid rice (551 acres, 130 farmers), and sunflower (19 acres, 9 farmers). Further, about 20 mature CIGs which exhibited capacity as small enterprises are now linked with micro financing institutions and with the SME Bank. In addition to IWUMD as the implementing partner for irrigation and LC works, the Project also tapped NGOs as service providers which are strategic potential partners: DRI for CIG formation-strengthening and FSWG for FFS.

Main issues

While the mission welcomes IWUMD's commitment to make use of its annual O&M budget for complementary investments in small scale irrigation structures (see section on sustainability), it shall be emphasised that the implementation of these works shall be reflected in the physical and financial reporting of FARM. The PCU follow up would also entail building farmers' O&M capacity as required.

As the project is about to complete, more CIGs should be linked with markets and relevant support such as credit/financing linking CIGs to MFIs and banks should be pursued vigorously, and agri-extension services to be extended by the KCM in partnership with traders/agri-input suppliers. The focus of the Project and the service providers for CIG strengthening and FFS during the extension period should be geared towards this direction.

Agreed Action	Responsibility	Agreed Date
Deploy government seconded staff and the JICA/MOALI VC consultant to support the Project The VC specialist and the DOA seconded staff initiates the documentation of good practices on partnership building in coordination with FARM M&E unit and management and systematically share the lessons learned.	PCU/DOA	12/2019

Human and Social Capital and Empowerment

Rating: 4

Previous rating: 4

Justification of rating

110 WUGs were established to date (110% of target) and provided initial training and capacity building despite COVID19. The Project developed a WUG maturity assessment matrix which is used as basis for capacity building activities. 17 WUGs have jointly requested assistance to develop into a WUA in early 2019 but progress on this pilot was restricted by COVID19 restrictions. DRI strengthened 493 CIGs and trained 99 to prepare livelihood proposals, introduced 801 CIGs to a micro banking software with 491 utilising the tool. 669 CIGs (10,998 HH) received the first RBF tranche amounting to USD1.028 million. Of these, 38 CIGs (641 HH) accessed the 2nd tranche amounting to USD81,515.50. FSWG started the FFS in 59 KCs with more than a thousand participants.

Main issues

21 WUGs have been formed since last supervision, reaching a total of 110 groups and 110% of target. The WUGs were provided initial training and capacity building, despite the challenges posed by the COVID-19. The project also developed

a maturity assessment matrix to prioritize locations and capacity gaps across WUGs. The assessment covers 89 WUGs across 8 different LC areas and rates 60% of the WUGs as “good” or “fair”, while 40% are rated “weak” (yet they practice rotation and carry out channel weeding at least once/season). Notably, in one instance, 17 WUGs have jointly requested assistance to develop into a WUA back in early 2019. The progress recorded on this pilot WUA has been limited and restricted by the COVID-19 prohibition on large gatherings, like General Assembly meetings.

The performance rating of WUGs remains to be extended to the LC areas completed in 2020, and findings used to guide future capacity strengthening efforts by the PCU of the WUGs. The assessment will inform progress under the Logframe outcome level indicator *1.2 Functional Water User Groups/Associations (WUG/WUA)*^[1] and may well continue to be used after FARM completion and into the winding up period (up to loan closing), to assess the WUGs maturity and readiness to merge and federate into WuAs. The one year extension of FARM would not only allow reaching the target of establishing 1 WUA, spearheading the PIM principles as set in the Guideline officially launched by the MOALI in February 2020, but would also ensure that IWUMD gains experience and develops feasible long term plans for WuAs establishment in the project area.

By September 2020, the Project would have released the RBF 1st tranche to 780 CIGs (about 12,815 HH) of which about 345 are farming CIGs and about 435 are non-farming CIGs (balance of 251 CIGs) and the RBF 2nd tranche to 170 CIGs (balance of 55 CIGs)^[2]. Of the second tranche, 132 CIGs will receive an amount of USD 254,312.73 with 8 CIGs having group businesses (USD 15,940.07), 53 CIGs having individual business (USD 105,483.15) and 71 CIGs are into relending (USD 132,889.51). The September 2020 targets have implementation implications: (i) immediate registration of new CIGs (currently there are 880 organized CIGs of which 738 only are registered); (ii) persistent mentoring and coaching the 170 CIGs with the RBF 2nd tranche to ensure efficient start and continuity of business/relending activities.

^[1] Reporting under this indicator would exclude WUGs that stopped functioning or rated “very weak”, currently showing no occurrences

^[2] The balance of 251 CIGs for the first tranche and 55 CIGs for second tranche will be carried over as deliverables in the extension period.

Agreed Action	Responsibility	Agreed Date
Formation and strengthening of WUGs Complete the organizing of WUGS, strengthen less performing WUGs, and establish one pilot WUA	IWUMD	10/2019
Formation and strengthening of CIGs As soon as possible sign the contract of the CIG service provider and reflect in service provider work plan the formation and capacity building of 400 CIGs.	PCU	11/2019
Pilot WUA The pilot WUA in Paukmyaing village along DY-10, Minor 1 and Minor 2 is fully established with functioning governance and management bodies	WUGS/IWUMD	04/2021
WUGs performance Continued performance assessment and strengthening of WUGs	PCU WUGS	12/2021

Quality of Project Target Group Engagement and Feedback

Rating:

Responsiveness of Service Providers

Rating: 5

Previous rating: 5

Justification of rating

IWUMD’s performance in carrying out designs, surveys and construction works, securing technical capacity and own equipment, has resulted in the successful implementation of irrigation works of the 2019-20 budget. The AMD, working as a subcontractor for IWUMD to carry out land levelling in LC areas, has used laser-controlled precision levelling in the sites implemented during the review period.

DRI introduced new tools and technology in managing the financial health of CIGs. Linkages with financial institutions are

being pursued.

FSWG conducted a needs assessment of potential FFS participants from 59 KCs and a technical review of the project's FFS. It is expected that this review and assessment will guide FSWG in finalizing its FFS curriculum.

Main issues

There are unaccomplished key deliverables under the DRI contract which are significant to livelihood/enterprise development: (i) formation of new 151 CIGs and registration of 293 CIGs so that they can qualify for the RBF 1st tranche; (ii) preparing additional 55 business plans for RBF 2nd tranche (as reported 38 CIGs have received RBF 2nd tranche and 132 business proposals are for release of RBF second tranche); (iii) linking of 20 CIG-MSMEs to banks/MFIs for credit access; (iv) completion of market chain studies and disseminating the results to concerned CIGs for them to improve their links to input suppliers and markets; (v) mentoring the CIGs that received the RBF 2nd tranche, (vi) completing the CIG maturity assessments on their financial and enterprise capacities as basis for continuing interventions during the extension period and sustainability planning.

Performance of DRI was affected by the pandemic travel restrictions for about two months (April-mid May) and ensuing restrictions of beneficiaries that can attend gatherings/meetings. With the slowing down of activities, it is expected that DRI cannot fully achieve its key deliverables by end of contract (31 October 2020). With the view of ending the contract by September 2020 to match the fiscal year before starting a new contract, it is agreed that under the challenges of the pandemic, both parties should agree on the reduction of deliverables and cost of contract with due consideration of the overhead cost and other cost incurred by DRI during the lockdown period.

As per contract, FSWG will conduct FFS in two seasons (monsoon and winter cropping cycles), however, due to climatic changes and slowing down of activities due to the pandemic, FSWG will be able to have only one monsoon season FFS. To optimize the FFS as a crop season-long learning cycle for the KCM, farmer-leader facilitators and for the FFS enrollees, for September-November FSWG should:

- Prepare a clear capacity building plan for KCM and farmers as facilitators for FFS. This should be a season-long ToT design which may include action-reflection-action and solutions-seeking sessions which will be directly implemented by the FSWG technical staff;
- Prepare a learning plan of the 59 KC first cycle crops from FFS mobilization to graduation determining which of the learning sites can graduate by end of November 2020. In every KC FFS learning plan, prepare a gantt chart of key activities per KC which include the field visits of the FSWG FFS facilitators;
- Prepare curriculum and learning modules of the 10 selected learning topics;
- FFS learning activities to be scheduled according to gender-based work outside the field to allow women's participation. Boys and girls are encouraged to participate with their parents in training activities to expose them to learning opportunities;
- The training cycle of FFS should ensure that learning and other activities are done in real time without requiring extra commitments from already time-constrained women farmers;
- Document the processes and learnings of each learning plot which will be summarized during graduations where such learnings can be handed over to KCMs and farmer facilitators;
- M&E to be built into the FFS, enabling farmers to track progress, costs, and profit and loss and to use this information to make decisions based on their specific circumstances; and,
- Prepare a post-graduation plan to address unresolved/emerging concerns during the implementation of the FFS.

Agreed Action	Responsibility	Agreed Date
Timely Completion of planned irrigation works by IWUMD Complete all works under the 2019-20 irrigation construction programme	IWUMD	05/2020
FSWG Action Plan Require FSWG to submit a 3-month action plan (September-November) to complete their deliverables and to improve the quality of their work	PCU, FSWG	09/2020
CIG Formation and Strengthening Prepare a ToR for CIG formation, strengthening and sustainability for the period January to December 2021 drawing lessons from DRI's October 2019-September 2020 implementation. Submit this to IFAD for review and N.O.	PCU	10/2020
Continuity of DRI/FSWG Services Ensure that the services of DRI to strengthen CIGs and FSWG to conduct a market-led FFS will continue after the end of their contracts. ToRs should be prepared for IFAD review and N.O.	PCU	10/2020

Environment and Natural Resource Management

Rating: 4

Previous rating: 4

Justification of rating

LC environmental benefits are yet to be fully attained with the improvement of irrigation and farming practices that include :a) better field irrigation efficiency; b) controlled use of nutrients and pesticides; c) reduce soil erosion; d) reduced GHG emission if alternating submergence and drying of rice basins. Abstractions from Sittaung river for Paunglaung scheme is only a fraction of the river discharge at the weir site (which is heavily regulated and sustained by the cascade of dams for hydropower production): no measurable negative impacts on the ecosystem downstream. Scheme water management remains largely based on demand and empirical evidence rather than on quantitative flow modelling. Use of bioengineering for slope stabilization is starting to be practiced and needs to be expanded.

Main issues

On the basis of the technical data and photo documentation available, the LC works completed during the period under review benefitted from the project-procured laser levellers, as recommended in previous IFAD supervisions. Positive feedback was also collected from AMD on the use of these levellers both in FARM and elsewhere in central Myanmar. This is deemed to foster the timely delivery of many environmental benefits attributable to LC, which in fact heavily depend on a high accuracy of the initial levelling, that can hardly be achieved by manual two wheel levellers.

The measures geared to improved water management in the Paunglaung scheme are reported in the section on Adaptation to Climate Change. The channel lining works completed resulted in a reduction of water losses, and allowed to extend the area supplied with irrigation during the dry season. The first assessment carried out in the summer of 2020 shows that with the lining works undertaken during the period under review, the area reached out for summer paddy cultivation has extended downstream beyond the NPT territory into Bago division by 1,460 acres, benefitting 471 additional HHs. As requested by previous supervisions, the outreach figures are now corrected to avoid double counting of beneficiaries owning multiple plots in the newly irrigated summer paddy areas. However, noting that results from a single season may be deemed not significant, the improvements recorded, in connection with Paunglaung main channel upgrading works (measured at summer season) and with drainage improvement (measured at monsoon season), shall be based on figures from at least 2 consecutive seasons for each type of investment (see action agreed under the section on Agricultural Productivity).

Waterlogging is one of the significant environmental impacts related to irrigation schemes especially in tropical monsoon climate such as that of Myanmar. Drainage works and canal lining activities implemented by the project will potentially reduce waterlogging problems likely to be associated with the irrigation schemes or flooding. Improved management of water in the irrigation schemes and control in the use of nutrients and pesticides will significantly reduce return flows, which are often susceptible to pollutants from agriculture runoff and reduce the potential for polluting river flows for downstream users. Soil erosion protection works on previously completed irrigation investments to be implemented during the extension period, will reduce the potential for increased sediment loads in water flows.

Agreed Action	Responsibility	Agreed Date
Precision Levelling AMD secures land levelling equipment for project supported investments in Land Consolidation in 2019-20	IWUMD/AMD	05/2020

Exit Strategy	Rating: 4	Previous rating: 4
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Justification of rating

Project has developed exit strategies for KCs, CIGs and WUGs: a) KC governance and management; b) effective, short-term nurturing programme for CIGs/federation of CIGs and linkages to finance institutions; c) federation of WUGs into WUAs. Contract farming between farmers and private sector buyers covered more acres and is expected to be scaled up as part of the exit strategy. The proposed extension would allow for these strategies to be implemented and an opportunity to consolidate experiences, draw lessons from and to generate policy and programme and recommendations relevant to ESAP and WSAP. The results of project assessments and studies on thematic areas can be turned into policy briefs which are beneficial to the agricultural and rural development programmes of MOALI.

Main issues

There are initiatives of the PCU, IWUMD, DRI and FSWG that run parallel (e.g. conduct of value chain/supply chain studies). Given that the Project will be extended for a year, it is high time that the Project has to draft a coherent approach for continuity of project gains beyond project life. This may include completing the maturity assessment of CIGs and WUGs and coming up with a 15-month capacity strengthening program, developing roadmaps for the formation of WUAs and CIG Associations, developing operation and maintenance plans for the rehabilitated irrigation systems, turn-over and continuity plan for the 60 KCs

Potential for Scaling-up	Rating: 4	Previous rating: 4
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Justification of rating

The potential for scaling up of LC is high given that the plot-to plot irrigation system is still prevalent in Myanmar's irrigated lowlands. The proposed upgrading of rehabilitated drains to include check structures and lined sections at set intervals to practice recession irrigation has a widespread scope for replication in the Myanmar plains. The civil works on irrigation system improvement (drainage and canal lining) is also applicable and scalable in other parts of the country. The lessons learned in implementing the CIG/SHG approach and the FFS interventions through the KCs provides guidance in the implementation of the same activities replicated in both ESAP and ESAP.

Main issues

Implementation of LC is challenged by several factors including: i) high investment costs; ii) difficult social mobilization; and iii) weak policy framework. The need to improve conveyance efficiency in primary and secondary irrigation channels is also widespread and capital intensive, yet some opportunities for applying alternative lining technologies or pied water could still be explored within the Project and in other similar projects of MOALI.

Given the existing opportunities for scaling up, the project needs to make continued efforts into documenting and eventually revising the approaches implemented under FARM. The mission reiterates that during the one year extension, relevant training on new technologies (including e.g. piped irrigation or use of alternative liners such as HDPE) for IWUMD staff shall be prioritized and contacts with relevant overseas training institutions be made in due course to speed up implementation as soon as the current restrictions are lifted.

Documentation of the approach implemented for FFS and CIGs/SHGs continues to need strengthening, and the possible additional year of implementation will be helpful to make this documentation available. Because of COVID-19, Government indicated the priority to give to rural finance, which opens another area for scaling-up.

Agreed Action	Responsibility	Agreed Date
Capacity building for MOALI Implement capacity building for Irrigation upgrading activities for MOALI staff and officers implemented	PD/MOALI	10/2020
Capacity building for IWUMD staff Partner institutions for capacity building for IWUMD staff identified and training implemented	PCU	12/2021

c. Project Management

Quality of Project Management

Rating: 4

Previous rating: 4

Justification of rating

Project management and staffing have been stable during this period with a total of 87 project staff (55% women). Majority of the project staff are from the government with 14 contacted staff at the PCU. A value chain specialist and a new finance manager were hired. Implementation of activities at the KCs are complemented by 8 CIG community development facilitators from DRI and 5 FFS facilitators from FSWG. No major issues have been raised in coordinating the activities between the PCU, KCs and service providers. Implementation at the KCs has slowed down beginning April due to the pandemic. The NPSC did not meet this period, however, oversight was done through the meeting of all overseas development assisted projects under MOALI in June.

Main issues

By June, the community development and gender specialist (CDGS) ended his contract. In his absence, no staff was assigned to oversee gender and social inclusion concerns. The mission recommends hiring of CDGS reporting to the PD and working across all the components. The project has also been requested to identify Gender Focal persons from within the existing teams to support the work on gender equality and women's empowerment. It is requested to allocate the responsibility on issues of social inclusion, youth empowerment, women's equality and gender to a senior staff within the PMU for the interim period until the new CGDS comes on board.

In the previous mission, it was agreed that in order to improve the quality of implementation, the management has to consolidate its project experiences and come-up with common and practical guides for implementation. The Project has so far come up with a guide for the collection and reporting of reporting of direct and indirect beneficiaries. The task of coming up with a guide for the formation and strengthening of CIGs was given to DRI as the service provider. Part of the deliverable of DRI is to prepare a guide which can be reference to other MOALI projects, in particular ESAP and WSAP.

While management has now gone outside of the box by engaging the services of the private sector as service providers, it now has to improve its oversight function by coordinating the seemingly parallel activities of the service providers and the PCU, i.e. value chain/supply chain studies, towards a coherent and more focused strategy to maximize resources and optimize results.

It was also agreed during the mission that project completion will be up to December 2021 subject to approval by the Myanmar government and IFAD management. The request for one-year extension to the Myanmar government has been initiated by the Project and once approved the request for extension to IFAD will also follow. It was agreed that a 15-month AWPB and Procurement Plan be attached to the request.

Agreed Action	Responsibility	Agreed Date
Standardization of Project processes and protocols Consolidate the Project experiences and come-up with common and practical guides on: (i) formation and strengthening of CIGs, WUGs, WUA which includes maturity assessments; (ii) collection and reporting of direct and indirect beneficiaries; (iii) mainstreaming Gender Equality and Women Empowerment (GEWE) in CIGs, WUGs, WUA; (iv) coordination and communication lines between Project specialist, KCMs and service providers.	PCU and Service Providers	12/2019
Faster approval procedure by NPSC Ensure that RBF disbursement targets for CIGs are achieved, the NPSC should meet regularly	PCU and MOALI	12/2019
Coherent Value Chain/Supply Chain Studies Conduct a roundtable discussion between PCU, DRI, FSWG to come up with priority or focus commodities that have market potentials which will be pursued in the value chain/market chain studies	PCU, DRI, FSWG	09/2020
Work/Budget and Procurement Plans for the Extension Period Prepare a 15-month work plan and budget and procurement plan and submit to IFAD for review and no objection. Project may use loan funds under the loan category IV. Goods, Services and Inputs, to pay for service providers. This will be discussed by the PCU and MOPF	PCU	10/2020

Knowledge Management

Rating: 3

Previous rating: 4

Justification of rating

There were no particular knowledge products developed during this period, aside from the knowledge products shared during the First Knowledge and Learning Workshop organized by FARM in the last quarter of 2019. This event was reported in the previous mission. The semi-annual report of FARM enumerated some lessons learned related to KC management. The AOS that will capture some project lessons is scheduled in the last quarter of 2019.

Main issues

There is no KM officer in FARM, however the task of producing knowledge products has been assumed by the Project Management Staff Officer. There was no KM plan that the Project prepared to guide them in capturing the lessons learned. During the mission, the Team was able to draw project lessons which can be further studied on: (i) project institutional set-up; (ii) land consolidation, WUGs/WUAs; (iii) civil works; (iv) KCs and FFS; and (v) CIGs. It was agreed that part of the project completion review, the project will include case studies as identified in the lessons learned section. The mission also recommends that a simple KM plan (in matrix form) be prepared to accompany the 15-month AWPB for the extension period.

Agreed Action	Responsibility	Agreed Date
Case Studies Include in the ToR of the service provider which will conduct the Project Completion Review case studies that can improve project operations and contribute to the policies and programs of MoALI.	PCU	06/2020

Value for Money

Rating: 4

Previous rating: 4

Justification of rating

LC beneficiaries met remotely, reported that LC allowed replacement of summer rice with sesame, resulting in a net incremental income of about USD 120/acre. While the cost/benefit ratio shall factor in all the three crops in the annual cycle, this shows that there are obvious limitations to the viability of an investment of USD 1,600/acre. On the other hand,

the past losses of the monsoon rice were estimated to at least USD 100 /acre, for an investment in drainage upgrading of only USD 64/acre. The MTR decision to diversify the type of investments in irrigation to include more cost efficient options such as drainage (3% of infra budget) and main channel lining (38% of infra budget) has been instrumental to the overall positive rating of Component 1 in terms of value for money.

Main issues

During the remaining implementation period the PCU shall produce notes from the field and crop budgets for dissemination of good practices bringing positive impacts on farmers' incomes. Moreover, it shall ensure that future FFS plots in LC areas (particularly for the summer crop) are geared to promote market led crop diversification. The PCU shall keep records of yields and cropping intensities in the areas benefitting from FARM irrigation investments as these will be an essential element of the evaluation of the overall project cost efficiency at completion (see also section above on Agricultural Productivity).

Coherence between AWPB and Implementation

Rating: 5

Previous rating: 5

Justification of rating

In spite of COVID19 restrictions, all major works planned in the 2019-20 AWPB under Component 1 valued at about USD 2.0 million of IFAD loan funds, have been completed except the international training for irrigation engineering. Targets for component 2.2. on the conduct of training, demo plots, and field day visits have low achievement because of COVID19 restrictions. For component 2.2., 90% of the targeted registered CIGs will be provided with RBF 1st tranche and 75% of targeted mature CIGs will access RBF 2nd tranche by September 2020. Component 2.2. performance is greatly affected by the pandemic. For the current FY, 51% of planned budget was utilized with the total amount of approximately USD 2.42 million over the approved AWPB is USD 4.77 million.

AWPB Inputs and Outputs Review and Implementation Progress

Under Component 1, with the successful and timely implementation of the AWPB activities, most of the physical targets specific to infrastructure investments set at MTR have been exceeded. The achievements for LC, Paunglaung channels lining and Drainage upgrading are, respectively, 122%, 102% and 102% in terms of area benefitting and 143%, 91% and 135% in terms of HHs reached. These investments have already absorbed some 93% of funding under the relevant category of the IFAD Loan, which is projected to increase to 97% upon completion of pending payments.

For the proposed extension of the Project, the physical investments under Component 1 to be included in the next AWPB shall be only geared to increase climate resilience and sustainability prospects for the completed infrastructure, for which IWUMD has committed to mobilize its own O&M budget for the upcoming FY 2020-2021 (to be accounted as Government cash contribution to FARM). To this effect, expenditures from IFAD funding in the next AWPB will be limited to support complementary soft activities geared to enhance positive impacts on farmers' incomes and sustainability as well as to document FARM achievements and lessons learned prior to completion. Such activities will be mostly carried out by PCU and IWUMD staff, the main cost items being only: i) extending the scope of FFSs to cover at least one summer season, with field activities and demo plots in LC areas established to foster market led diversification; and ii) organizing capacity building for IWUMD staff on improved irrigation technologies.

The AWPB review covered the period from October 2019 to July 2020 or a 10-month implementation. Because of restrictions to travel and to assemble farmers through physical gathering beginning April, implementation on Component 2 was delayed. To mitigate the effects of the pandemic, the government of Myanmar has agreed to utilize the project unspent monies allocated for the fiscal year October 2019 to September 2020 for the period October to December 2020. The three-month extension is to offset delays incurred for about two months (April-May) due to COVID 19. It is expected that performance in Component 2 will improve by end of 2020.

Agreed Action	Responsibility	Agreed Date
Submission of the 2019-2020 AWPB Use the IFAD AWPB template in submitting the October 2019-September 2020 AWPB for IFAD NO	PCU	11/2019

Performance of M&E System

Rating: 4

Previous rating: 4

Justification of rating

The Project's logframe' narratives and indicators were adjusted to be consistent with the agreed targets at the midterm and succeeding missions, and with the IFAD's ORMS records. Subsequently, data entry for reporting should be adjusted according to the updated logframe. This will not be a difficult task for the project as it has established a database of registered CIGs, WUGs, training, demo plots, etc. However, the Project has to continue cleansing data to avoid double

counting of beneficiaries, and to migrate the data from the IWUMD and from the service providers into the Project's database. KCMs and service providers are regularly reporting on a monthly basis. Data has been disaggregated as men, women, identifying the women-headed HH as well.

M&E System Review

Though the project's data capture, storage and reporting have improved significantly as evidenced that the Project could provide information to the Mission Team as requested, there are still some issues on the consistency of data and timely aggregation of information coming from implementing partners and service providers. As a way forward, to improve reporting and for ease of data aggregation and analysis, the Project should prescribe standard quantitative reporting formats from the service providers and implementing partners. It is expected that in the upcoming supervision mission, the M&E Unit will be the source of validated/valid Project data and information.

The Project should also start gathering data /information on youth participation (in Myanmar, youth are those from 16 to 35 years). This can be generated from existing Project's database on membership profiles of CIGs, WUGs and list of training participants. The project has only to ensure that age entries should be included in data capture forms.

As planned, an AOS will be carried out in-house by the last quarter of 2020. Outside resource persons will be tapped to assist in instrument preparation and data analysis. The Project needs to submit to IFAD its AOS methodology and questionnaire prior to data collection for review.

In proposed extended project completion, the Project should plan for project completion review activities which include: (i) conduct of end-line evaluation study, (ii) conduct of economic and financial analysis; and (ii) case studies to capture the lessons learned, good practices and/or innovations (see IFAD PCR guide 2109 for reference). The assessment and evaluation studies should be carried out by service providers, and as such ToRs should be prepared by the Project for IFAD's review and issuance of no objection.

Agreed Action	Responsibility	Agreed Date
Prepare the TOR for the Project Completion Report.	PCU	03/2020
Standard Reporting from Implementing Partners Standardize the content reporting of DRI, FSWG and other implementing partners for ease in data disaggregation and reporting	PCU	09/2020
Annual Outcome Survey Prepare outcome survey methodology and questionnaires for IFAD review and conduct the study by end of 2020.	PCU	09/2020
One Project Database Continue migrating data from IWUMD and other implementing partners and service providers to Project's database. It is expected that in the next mission, the source of validated data is the M&E Unit.	PUC, IWUMD, DRI, FSWG	12/2020
PCR Planning Prepare a PCR plan including ToRs for the conduct of the end-line evaluation study, EFA analysis and case studies for IFAD review and no objection	PCU	07/2021

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

Rating:

d. Financial Management & Execution

Acceptable Disbursement Rate

Rating: 4.0

Previous rating: 4

Justification of rating

Automated rating based on IFAD disbursement data

Main issues

The Project disbursement rate as of 1 August 2020 stands at 85% for the IFAD Loan and 92% for the IFAD Grant including the unjustified advances of USD 1.5 million and USD 0.25 million made to the Designated Accounts for the Loan and for the Grant respectively.

The mission supported the Project in preparing the cash forecast until the fiscal year end on 30 September 2020. For the period from October to December 2020, the Project provided the list of expenditures to be incurred. The information provided by the Project shows that they have enough cash to support their operations until the end of December 2020.

Since an extension is foreseen, the mission identified that the current DA and OA account balances have enough funds for the planned activities during the period from August to December 2020, therefore the latest WA no. 22L under the loan submitted to IFAD requesting the disbursement of USD 318,025.41 will not be processed. Project is advised to re-submit this WA before the end of 2020 for processing and payment in January 2021.

Fiduciary aspects

Quality of Financial Management

Rating: 4

Previous rating: 3

Justification of rating

The quality of Financial Management has improved since the previous supervision mission. A new Finance Manager has been recruited. All key positions as approved in the original design have been filled with clear job descriptions described in PDR and PIM. However, the longstanding issues of accounting software and complex fund flow arrangements remain unresolved.

Main issues

Organization and Staffing: After a long uncertainty, a new Finance Manager has been recruited on 2 January 2020 as the fourth person to hold this position. She received a proper handover from previous Finance Manager but has not been given any formal trainings for the IFAD FM procedures. Mission advised the Finance Manager to undertake an IFAD e-learning course on IFAD financial management practices and procedures.

Funds flow: The structure of funds flow remains unchanged as overly complex despite previous missions' findings and recommendations. Transfers from Other Accounts (OA) to Ministry Accounts (MD) for the release of payments continue hampering the project implementation. Within the short remaining project period, even though the issue is identified as difficult to be resolved, the mission revised the project to continue to pursue the possible improvement of the funds flow for more effective and efficient implementation.

Accounting software: The 2019 mission recommendation on the use and customization of the purchased accounting software is likely to remain unsolved. Currently, the project only uses Excel to prepare their Financial Statements as the accounting software was discontinued. No accounting or chart of accounts was applied, thus it is rather difficult for the project to monitor its expenditure by expense type and follow up on AWPB execution. This issue has been raised in the previous missions. Despite this issue, the project has maintained a proper record of expenditures and despite the manual environment, the project is able to provide reports by Category and Component of expenditure. As the project is approaching completion date, the mission understood that this issue would remain unsolved. The mission recommended to the Project to continue processing accurate transactions and ensure a proper audit trail.

Budgeting: The mission noted the timely submission of 2019-2020 AWPB for IFAD no-objection. The project has been using the IFAD AWPB template as recommended from the 2018-2019 AWPB. When preparing the AWPB, information is collected from all specialists in consideration of all components while final decision for the budget amount is taken by PCU and PD. Due to the manual accounting practice, there are difficulties in obtaining accurate reports leading to potential overestimation during the discussions on physical and financial progress for AWPB preparation. The budget was in the past overestimated, resulting in high ending balance.

As of 27 August 2020, according with IFAD books, the available funds for the Loan is approximately SDR 2.87 million and for the Grant approximately SDR 0.2 million (including initial advance). The mission worked closely with the project to obtain an estimation of the expense until the end of the fiscal year and for the first quarter of FY 2020–2021. The mission recommended that given the foreseeable project extension, the project should prepare the 2020-2021 AWPB and submit for IFAD no-objection in September 2020.

Agreed Action	Responsibility	Agreed Date
Perform a yearly fixed asset inventory that included the KCs Continuing to perform a yearly fixed asset inventory that included the KCs	FARM	12/2019
Revise the FM manual to expedite the payment processes	FARM	12/2019
2020-2021 AWPB preparation Prepare 2020-2021 AWPB as the project extension is foreseeable	FARM PCU	09/2020
Accounting Continue performing the accounting work ensuring accuracy and audit trail	FARM PCU	12/2020
Online Training for new Finance Manager Project Finance Manager is advised to undertake the IFAD e-learning course on IFAD financial management practices and procedures	FARM Finance Manager	12/2020
Prepare monthly reports of availability of funds for decision making and preparation of the AWPB	FARM	
Update and monitoring of the fixed asset inventory	FARM	
Hire and train a new Finance Manager	FARM	

Quality and Timeliness of Audit

Rating: 3

Previous rating: 3

Justification of rating

The audit report of the project was submitted late and incomplete.

Main issues

The audit report carried out by OAG was submitted one month after the due date.

Similar to previous audits, there are still some missing required financial statements:

- Statement of source and uses of funds;
- Fixed assets statement

Also, the auditor didn't follow up on previous audit observations.

The qualified opinion is referred to presentation issues rather than financial issues. No major concerns were identified from the Management Letter of the audit for the FY 2018 - 2019.

As per usual practice, the supervision mission carried out in October 2019 followed up on the pending audit observations. The spreadsheet to follow up on pending audit observations is attached.

Agreed Action	Responsibility	Agreed Date
The project agreed to submit its audited Financial Statements for the FY 2019 – 2020 no later than 31 March 2021 The project agreed to submit its audited Financial Statements for the FY 2018 – 2019 no later than 31 March 2020	FARM	03/2020
Submit audited Financial Statements in 2021 The project agreed to submit its audited Financial Statements for the FY 2019 – 2020 no later than 31 March 2021	FARM	03/2021
Submit final audited FS The project agreed to submit its final audited Financial Statements covering the period 1 October 2020 to 28 February 2021 by 30 June 2021	FARM	06/2021
Follow the templates provided by IFAD for Financial Reporting to prepare the annual Financial Statements of the project Follow the templates provided by IFAD for Financial Reporting to prepare the annual Financial Statements of the project	FARM	

Counterparts Funds

Rating: 5

Previous rating: 5

Justification of rating

Overall, counterpart funds is rated as satisfactory. The Government counterpart, private sector and beneficiaries' contribution have been provided on time. Provision of the required funds for the FY 2020-2021 has been made.

Main issues

As of June 2020, the contribution from Government reached 39% while private sector and beneficiaries' contribution were at 11% and 94% respectively. After the amendment of the Financing Agreement in February 2018 for the Loan funds to cover taxes and duties, the Government counterpart is used only for the machinery of works under Component 1 and salaries of Government staff assigned to the project. The project calculates the Government contribution based on the official letters of salary that is paid to Government staff, and the statement of costs of the use of construction equipment that is provided by the IWUMD. The private sector contribution is calculated based on amounts reported by the KCM. The contribution for the RBF is based on the business proposals at the beginning of the project instead of actual expenses incurred and workers used. Farmer's contributions are calculated based on an estimate of contribution provided by the farmers after harvesting, and steering committee meetings.

The recommendation of previous supervision mission to improve the tracking system on Government counterpart contribution has not been resolved yet and needs to be acted upon. The mission advised the project to continue improving its mechanisms to update regularly and maintain properly the Government counterpart, the private sector and beneficiary contribution to ensure the accuracy and reliability of relevant reports.

Agreed Action	Responsibility	Agreed Date
Improvement of tracking system Improve the tracking system to maintain updated figures of Government counterpart, private sector and beneficiary contribution	FARM PCU	12/2020
The project should develop a system of recording total expenditures funded Government, beneficiaries and the private sector systematically	FARM	
Improve tracking system The project to improve its tracking system to maintain updated figures of Government counterpart, private sector and beneficiary contribution.	FARM	

Compliance with Loan Covenants

Rating: 4

Previous rating: 4

Justification of rating

Loan covenants vital to achievement of development objectives and meeting IFAD's statutory requirements have been complied. Since the last supervision mission, Project procured the Service Provider for FFS and commenced providing support to project beneficiaries, farming and landless HH to obtain proper identification documents to meet financial institutions requirements with the assistance of the service provider for CIG formation and strengthening. Project has also formed grievance committee. While it has failed to contract a legal advisor to facilitate selection of beneficiaries and electoral process for KC Boards formation, the failure is not expected to significantly affect project implementation.

Procurement

Procurement

Rating: 4

Previous rating: 4

Justification of rating

Processes, procedures and systems applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely.

Procurement Review

Agreed actions during the last supervision mission were complied. Access to procurement actions and documentations was given by the project leadership thru the project's Procurement Officer. Procurement is conducted by a procurement committee composed of regular employees of MOALI. Procurement performance is varied. All planned major civil works are completed despite the pandemic. Major consulting services were procured but implementation is affected by the pandemic. Goods procurement is delayed but completion is expected by the end of the current Fiscal Year on 30 September 2020 and extension period up to December 2020.

Review of Procurement Plan Procurement Plan (PP) is aligned with IFAD AWPB template. At least eighty percent (80%) of procurements listed are completed and implemented. Ongoing and completed procurements are consistent with PP issued with NO by IFAD with adequate budget although Variation Orders not exceeding allowable ten percent (10%) threshold were issued for civil works. However, PP is not easily and publicly accessible. It is neither uploaded in MOALI nor Project supported website. Other than planned dates for preparation of bidding documents only actuals were provided on other steps of the procurement process rendering the PP more of a report than a plan.

Review of Ongoing/Completed Procurement Activities and Documentation. At least ten percent (10%) of listed procurements was reviewed. In general, processes are compliant with the FARM Procurement Manual, consistent with IFAD Project Procurement Guidelines, IFAD Procurement Handbook and LTB. Formal procurement requisition initiated procurement processes using PP prescribed methods. Sufficient actions were undertaken to achieve competition with bidders given sufficient time to request and receive clarifications before deadline. Remaining minor civil works and goods packages are delayed but completion is expected before end of the Fiscal year. As implementation support, Project was advised that one qualified quotation will be sufficient to issue an award if at least three quotations were requested per current IFAD Crisis Guidance Note (Fast Tract Project Procurement for COVID 19).

Review of Contract Administration and Management. In general, Project has sound processes, procedures and systems in place for contract administration and management. IFAD prior review requirements are complied with. Contract register follows IFAD's template, is updated correctly and submitted in accordance with LTB. Contracts are

signed by Project/Government authorities. Major civil works contracts directly contracted with IWUMD were supervised and implemented on schedule despite the pandemic. The Project needs to manage the remaining contract for KC construction in Pyinmana or terminate the contract as warranted and retender to ensure that the KC will be operational by January 2021. A contract (agricultural equipment) procured via NCB was cancelled because delivery from abroad was not possible due to the pandemic. The procurement is reprogrammed for next Fiscal Year. On consulting services, implementation of the contract with Development Resources International Co., Ltd. (DRI) was affected by the pandemic. Expiring by end of the Fiscal Year, the contract will be amended to reduce targets and corresponding contract amount, where appropriate. Should its services will be needed, the Project may directly contract DRI's services during project extension based on the above IFAD Crisis Guidance Note, the services being a continuation of DRI's tasks, its necessary experience and limited duration to achieve targets. Project will amend the Service Provider's (FSWG) contract for the FFS based on mission observations and recommendations under sub-component 1.1.

Agreed Action	Responsibility	Agreed Date
Upload in MOALI website the upgraded 2019-2020 Procurement Plan In compliance with IFAD underlying procurement principle of transparency and ensure more competition Procurement Plan must be uploaded in a public domain	PCU	09/2020
Submit 2020-2021 Procurement Plan and upload in MOALI website after issuance of IFAD N.O. In compliance with IFAD underlying procurement principle of transparency and ensure more competition Procurement Plan must be uploaded in a public domain	PCU	09/2020
Complete procurement of remaining civil works and goods packages As of the mission, minor civil works and goods packages procurement already delayed due to COVID 19 pandemic disruptions	PCU	09/2020
Amend consulting services contract with DRI and FSWG Due COVID 19 pandemic disruptions, DRI contract deliverables and contract amount agreed to be reduced before contract expiry and close of Fiscal Year 2019-2020. FSWG contract need to be strengthened taking into consideration the mission's observations and recommendations	PCU	09/2020

e. Key SIS Indicators

Likelihood of Achieving the Development Objective	Rating: 4.04	Previous rating: 4.0
Assessment of the Overall Implementation Performance	Rating: 4.0	Previous rating: 4.0

F. Relevance

Relevance	Rating: 5	Previous rating: 5
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Justification of rating

FARM's development objectives are very relevant to the Government policies and priorities, and with beneficiaries' needs. The experiences and positive results from this very first externally-financed investment project in Myanmar continues to provide insights and lessons for policy making and program development within MOALI, and in the implementation of the two other IFAD projects, ESAP and WSAP. The lessons learned from LC, drainage improvement and CIGs helps refine the implementation of LC and SHGs in the two other ongoing IFAD projects. The agri-extension services through the KCs are used as building block for MOALI/DOA's proposal under IFAD's RPSF facility. The preparation of the PCR will include thematic areas for further study as identified in the lessons learned section of this report.

Main issues

In the preparation of the PCR, the Project needs expertise and technical support to further capture the thematic areas of the lessons learned portion of this mission and to be able to develop a well thought-out TOR for the PCR and to be able to procure the most qualified service provider to prepare the PCR.

G. Agreed Actions

Agreed Action	Responsibility	Agreed Date
Development Effectiveness		
Guide to capture outreach Improve the current guide of capturing project outreach. The guide should be reviewed, and to include those HH provided or receiving project services, though not member of CIGs and WUGs, as direct beneficiaries.	PCU	09/2020
Monitoring of irrigated areas Monitoring changes in cultivated areas benefitting from drainage and main channel lining over an additional growing season	IWUMD / PCU	09/2020
Crop diversification in LC areas FFSs extended to cover at least one summer season, with plots in LC areas established to foster market led diversification. Case studies about summer crop diversification elaborated.	FFS Service Provider / KC managers	09/2020
Prepare TOR for a social inclusion and gender impact study and hire a consultant to conduct the study	PCU	10/2020
Procurement of FFS Service Provider Complete the procurement of the FFS service provider and reflect in the ToR the demonstration target of 120 plots in 5 townships (at least two seasons in each KC and to promote crop diversification). The FFS service provider should also consider doables as suggested in this mission to improve agricultural productivity in the target areas.	PCU and MOALI	12/2020
Hire Community Development and Gender Specialist (CGDS) Hire Community Development and Gender Specialist at the level of Senior Manager reporting to PD and working across all components. Identify Gender Focal persons from within the existing teams to support the CGDS for improving gender performance. For the interim period, assign a senior staff within the PCU until the new CGDS comes on-board.	PCU	12/2020
Identification of complementary irrigation works Carry out a need for assessment and identify the preliminary scope of works, budget and implementation arrangements for: i) installation of stage gauges and secondary gates repairs on Paunglaung scheme; ii) erosion protection works on previously completed irrigation investments; and, iii) check structures and lined sections on drains rehabilitated in KC areas in 2020	IWUMD / PCU	06/2021

Water Management and losses on Paunglaung Quantitative assessment of water losses and improved water management by IWUMD on Paunglaung	IWUMD	09/2021
Completion of complementary irrigation works Completion of all the works identified at points i)-iii) above financed by IWUMD	IWUMD / PCU	12/2021
Sustainability and Scaling up		
Formation and strengthening of WUGs Complete the organizing of WUGS, strengthen less performing WUGs, and establish one pilot WUA	IWUMD	10/2019
Formation and strengthening of CIGs As soon as possible sign the contract of the CIG service provider and reflect in service provider work plan the formation and capacity building of 400 CIGs.	PCU	11/2019
Deploy government seconded staff and the JICA/MOALI VC consultant to support the Project The VC specialist and the DOA seconded staff initiates the documentation of good practices on partnership building in coordination with FARM M&E unit and management and systematically share the lessons learned.	PCU/DOA	12/2019
Timely Completion of planned irrigation works by IWUMD Complete all works under the 2019-20 irrigation construction programme	IWUMD	05/2020
Precision Levelling AMD secures land levelling equipment for project supported investments in Land Consolidation in 2019-20	IWUMD/AMD	05/2020
CIG Association Develop a roadmap for associating the CIGs	PCU/DRI	09/2020
FSWG Action Plan Require FSWG to submit a 3-month action plan (September-November) to complete their deliverables and to improve the quality of their work	PCU, FSWG	09/2020
Capacity building for MOALI Implement capacity building for Irrigation upgrading activities for MOALI staff and officers implemented	PD/MOALI	10/2020
CIG Formation and Strengthening Prepare a ToR for CIG formation, strengthening and sustainability for the period January to December 2021 drawing lessons from DRI's October 2019-September 2020 implementation. Submit this to IFAD for review and N.O.	PCU	10/2020

Continuity of DRI/FSWG Services Ensure that the services of DRI to strengthen CIGs and FSWG to conduct a market-led FFS will continue after the end of their contracts. ToRs should be prepared for IFAD review and N.O.	PCU	10/2020
Reissuance of land title Follow up with other stakeholders on the revision of the procedure and re-issuance of land titles across the LC areas	PCU/ DALMS	12/2020
Pilot WUA The pilot WUA in Paukmyaing village along DY-10, Minor 1 and Minor 2 is fully established with functioning governance and management bodies	WUGS/IWUMD	04/2021
Land Titles Follow up on the re-issuance of land titles in all LC areas	PCU, DALMS, beneficiaries	09/2021
WUGs performance Continued performance assessment and strengthening of WUGs	PCU WUGS	12/2021
Capacity building for IWUMD staff Partner institutions for capacity building for IWUMD staff identified and training implemented	PCU	12/2021
Project Management		
Submission of the 2019-2020 AWPB Use the IFAD AWPB template in submitting the October 2019-September 2020 AWPB for IFAD NO	PCU	11/2019
Standardization of Project processes and protocols Consolidate the Project experiences and come-up with common and practical guides on: (i) formation and strengthening of CIGs, WUGs, WUA which includes maturity assessments; (ii) collection and reporting of direct and indirect beneficiaries; (iii) mainstreaming Gender Equality and Women Empowerment (GEWE) in CIGs, WUGs, WUA; (iv) coordination and communication lines between Project specialist, KCMs and service providers.	PCU and Service Providers	12/2019
Faster approval procedure by NPSC Ensure that RBF disbursement targets for CIGs are achieved, the NPSC should meet regularly	PCU and MOALI	12/2019
Prepare the TOR for the Project Completion Report.	PCU	03/2020
Case Studies Include in the ToR of the service provider which will conduct the Project Completion Review case studies that can improve project operations and contribute to the policies and programs of MoALI.	PCU	06/2020

Coherent Value Chain/Supply Chain Studies Conduct a roundtable discussion between PCU, DRI, FSWG to come up with priority or focus commodities that have market potentials which will be pursued in the value chain/market chain studies	PCU, DRI, FSWG	09/2020
Standard Reporting from Implementing Partners Standardize the content reporting of DRI, FSWG and other implementing partners for ease in data disaggregation and reporting	PCU	09/2020
Annual Outcome Survey Prepare outcome survey methodology and questionnaires for IFAD review and conduct the study by end of 2020.	PCU	09/2020
Work/Budget and Procurement Plans for the Extension Period Prepare a 15-month work plan and budget and procurement plan and submit to IFAD for review and no objection. Project may use loan funds under the loan category IV. Goods, Services and Inputs, to pay for service providers. This will be discussed by the PCU and MOPF	PCU	10/2020
One Project Database Continue migrating data from IWUMD and other implementing partners and service providers to Project's database. It is expected that in the next mission, the source of validated data is the M&E Unit.	PUC, IWUMD, DRI, FSWG	12/2020
PCR Planning Prepare a PCR plan including ToRs for the conduct of the end-line evaluation study, EFA analysis and case studies for IFAD review and no objection	PCU	07/2021
Financial Management & Execution		
Perform a yearly fixed asset inventory that included the KCs Continuing to perform a yearly fixed asset inventory that included the KCs	FARM	12/2019
Revise the FM manual to expedite the payment processes	FARM	12/2019
The project agreed to submit its audited Financial Statements for the FY 2019 – 2020 no later than 31 March 2021 The project agreed to submit its audited Financial Statements for the FY 2018 – 2019 no later than 31 March 2020	FARM	03/2020
Upload in MOALI website the upgraded 2019-2020 Procurement Plan In compliance with IFAD underlying procurement principle of transparency and ensure more competition Procurement Plan must be uploaded in a public domain	PCU	09/2020

Submit 2020-2021 Procurement Plan and upload in MOALI website after issuance of IFAD N.O. In compliance with IFAD underlying procurement principle of transparency and ensure more competition Procurement Plan must be uploaded in a public domain	PCU	09/2020
Complete procurement of remaining civil works and goods packages As of the mission, minor civil works and goods packages procurement already delayed due to COVID 19 pandemic disruptions	PCU	09/2020
Amend consulting services contract with DRI and FSWG Due COVID 19 pandemic disruptions, DRI contract deliverables and contract amount agreed to be reduced before contract expiry and close of Fiscal Year 2019-2020. FSWG contract need to be strengthened taking into consideration the mission's observations and recommendations	PCU	09/2020
2020-2021 AWPB preparation Prepare 2020-2021 AWPB as the project extension is foreseeable	FARM PCU	09/2020
Improvement of tracking system Improve the tracking system to maintain updated figures of Government counterpart, private sector and beneficiary contribution	FARM PCU	12/2020
Accounting Continue performing the accounting work ensuring accuracy and audit trail	FARM PCU	12/2020
Online Training for new Finance Manager Project Finance Manager is advised to undertake the IFAD e-learning course on IFAD financial management practices and procedures	FARM Finance Manager	12/2020
Submit audited Financial Statements in 2021 The project agreed to submit its audited Financial Statements for the FY 2019 – 2020 no later than 31 March 2021	FARM	03/2021
Submit final audited FS The project agreed to submit its final audited Financial Statements covering the period 1 October 2020 to 28 February 2021 by 30 June 2021	FARM	06/2021
The project should develop a system of recording total expenditures funded Government, beneficiaries and the private sector systematically	FARM	
Prepare monthly reports of availability of funds for decision making and preparation of the AWPB	FARM	
Update and monitoring of the fixed asset inventory	FARM	

Improve tracking system The project to improve its tracking system to maintain updated figures of Government counterpart, private sector and beneficiary contribution.	FARM	
Hire and train a new Finance Manager	FARM	
Follow the templates provided by IFAD for Financial Reporting to prepare the annual Financial Statements of the project Follow the templates provided by IFAD for Financial Reporting to prepare the annual Financial Statements of the project	FARM	

Myanmar

Fostering Agricultural Revitalisation in Myanmar Project Supervision Report

Logical Framework

Mission Dates: 24 August – 07 September 2020
Document Date: 12/10/2020
Project No. 1100001654
Report No. 5514-MM

Asia and the Pacific Division
Programme Management Department

Fostering Agricultural Revitalisation in Myanmar Project

Logical Framework

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members							RIMS survey	Twice during implementation	PMU	
	Household members			153 000	3 165	83 507	54.6				
	1.a Corresponding number of households reached							RIMS report	Annual	PCU	
	Women-headed households			30 000		27 943	93.1				
	Non-women-headed households			4 000		5 178	129.5				
	Households			34 000	703	33 824	99.5				
	1 Persons receiving services promoted or supported by the project							RIMS report	Annual	PCU	
	Females			10 000	356	8 725	87.3				
	Males			10 000	347	9 832	98.3				
	Total number of persons receiving services			20 000	703	18 557	92.8				
Project Goal Economic status of poor rural women and men in the project area improved	Child nutrition standards improved							UNICEF	start; mid-term and endline surveys	PCU	
	Improvement in child nutrition standards	31.5									
	HHs expenditure increased above the poverty line							UNDP	start; mid-term and endline surveys	PCU	
	Increase in HH expenditure	31.6									

Results Hierarchy	Indicators							Means of Verification		Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility
Development Objective 34,000 households in 5 townships of Nay Pyi Taw Union have higher incomes and improved nutrition	Percentage of farming HHs with increased income of USD400/annum in real terms							RIMS survey, focus group discussions	Annual	PCU
	Households			60						
	Percentage of landless households with increased average food expenditure of USD20/month							RIMS impact survey	Annual	PCU
	Landless HHs			40						
	Shift in relative asset ownership for 2 poorest quintiles (RIMS relative measure)							RIMS survey, focus group discussions	Annual	PCU
	Shift in relative asset ownership for 2 poorest quintiles			20						
Outcome 1.1 Land and water resources sustainably managed	Access to water all year secured water-user HHs							RIMS survey, focus group discussions, HH survey	Annual	PCU
	Households			3 000	2 779	4 721	157.4			
	1.2.1 Households reporting improved access to land, forests, water or water bodies for production purposes							RIMS survey, focus group discussions, HH survey	Annual	PCU
	Total no. of households reporting improved access to water			3 000						
	Field to roadside haulage costs reduced by 15%							RIMS survey, focus group discussions, HH survey	Annual	PCU
	Reduction in field to roadside haulage costs			15	0					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Output Improved water availability and management in 9000 acres	Lining of primary and secondary canals							NGO progress reports, ID/MOAI records GPS and satellite pictures	Annual	PCU	NGO recruited to assist in adopting PLUP & FPIC approaches Risks: Lack of skills, equip. for land consolidation; Land confiscation by GoM Political interference in land consolidation works.
	length of canals			19	3.74	13.67	71.9				
	Out of 3642 ha of farmland, 1012 ha are land consolidation area							NGO progress reports, ID/MOAI records GPS and satellite pictures	Annual	PCU	
	Hectares of land			1 012	242.3	1 235.1	122				
	2.1.5 Roads constructed, rehabilitated or upgraded							NGO progress reports, ID/MOAI records GPS and satellite pictures	Annual	PCU	
	Length of roads			50	18.9	92.4	184.8				
	Out of 3642 ha of farmland, 1456 ha are area under improved drainage							NGO progress reports, ID/MOAI records GPS and satellite pictures	Annual	PCU	
	Hectares of land			1 456	1 484.21	1 484.21	101.9				
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated								Annual	PCU	
	Hectares of land			850	238	1 311	154.2				
	Out of 3642 ha of farmland, 1174 ha are area under lined primary and secondary canals							NGO progress reports ID/MOAI records, GPS and satellite pictures	Annual	PCU	
	Hectares of land			1 174	613.42	1 245.31	106.1				

Results Hierarchy	Indicators							Means of Verification		Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility
	1.1.1 Persons whose ownership or user rights over natural resources have been registered in national cadasters and/or geographic information management systems							Settlements and Land Records Department (SLRD) records	Annual	PCU
	Total persons					190				
	Females			200		67	33.5			
	Males			600		123	20.5			
Outcome 1.2 Water Management Organizations functional	Functional Water User Groups/Associations (WUG/WUA)							WUGs admin. Records	Annual	PCU
	WUG			70						
	WUA			1						
	People in groups managing productive infrastructure							WUGs admin. Records	Annual	PCU
	Males			756						
	Females			189						
Output 2.1 Water User organized	WUG Formed									
	Males			1 080	173	831	76.9			
	females			270	35					
	Number of WUGs formed			100	21	110	110			
	Number of members									
	3.1.1 Groups supported to sustainably manage natural resources and climate-related risks									
	Groups supported			100		89	89			
	Total size of groups					1 038				
	Males			1 080		863	79.9			

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Females			270		175	64.8				
Outcome 2.1 Skills of farming HHs enhanced and relevant value chains upgraded	Increase in net income per acre							Surveys, SMEs records, Rural businesses records	Mid-term	PCU	
	increase			15							
	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices							Surveys, KC records	Mid-term	PCU	
	Households			60							
	Number of Knowledge Centres established and functional							project report	Annual	PCU	
	KCs			60							
	Rural businesses (farming related) financed by RBF operating at end of project										
	Rural Business			20							
	Percentage of SCGs (farmers) have a PAR less than 5%										
	SCGS			30							
Output Value chains strengthened	Value chain analyses undertaken							NGO progress reports	Annual	PCU	SMEs/entrepreneurs interested in contract farming with farming HHs.
	Value chain analyses undertaken			6							
	1.1.4 Persons trained in production practices and/or technologies							NGO progress reports	Annual	PMU	
	Total number of attendances to training sessions				3 161	11 042					
	Men trained in crop			7 500	1 748	7 121	94.9				
	Women trained in crop			1 500	1 413	3 921	261.4				

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Total persons trained in crop			9 000	3 161	11 042	122.7				
	Number of demonstrations undertaken							KC records	Annual	PCU	
	demonstrations			1 862	145	1 530	82.2				
	Number of farming CIGs formed							KC records	Annual	PCU	
	farming CIGs			400	17	312	78				
	2.1.3 Rural producers' organizations supported							KC records	Annual	PCU	
	Rural POs supported			400		342	85.5				
	Number of farmers in contract arrangements							KC records; progress reports	Annual	PCU	
	farmers in contract arrangements			600	374	842	140.3				
	Business plans (farming CIGs) developed and financed										
Business plans			45		12	26.7					
Outcome 2.2 Skills of landless HHs enhanced and employment opportunities improved	Households benefit from livelihood opportunities							KC records; surveys, SMEs records	Annual	PCU	NGOs engage to assist landless entrepreneurs in NPT
	HHs			9 000	647	7 086	78.7				
	Rural businesses (non-farming related) financed by RBF operating at end of project										
	Rural Business			40	2	32	80				
	Percentage of SCGs (landless) have a PAR less than 5%										
	SCGS			50							

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
Output Rural businesses for landless entrepreneurs sustainably implemented	Number of landless CIGs formed							KC records; CIGs records	Annual	PCU	MFI and commercial banks agree to finance rural businesses and SMEs to complement project grant
	CIGs			500							
	2.1.3 Rural producers’ organizations supported							KC records; CIGs records	Annual	PCU	
	Rural POs supported			500		453	90.6				
	Number of training courses for landless CIGs							KC records; CIGs records	Annual	PCU	
	training courses			4							
	Business plans (landless CIGs) developed and financed							KC records; CIGs/SME records	Annual	PCU	
	business plans			105							
Outcome 2.3 Financial environment for creation/expansion of sustainable and profitable rural businesses improved	1.2.5 Households reporting using rural financial services							MFI records	after mid-term annually	PCU	"Commercial banks and MFIs have resources to lend to beneficiaries. Financial institutions are actively targeting FARM villages"
	Households			70							
	Rural businesses and SMEs operating after 3 years							rural business & SMEs records	after mid-term annually	PCU	
	SMEs			80							
	rural businesses			60							
	Percentage of SCGs have a PAR less than 5%							MFI records	after mid-term annually	PCU	
	SCGs			80							
	Output Rural businesses and SMEs access sustainable financing	Landless entrepreneurs financed							MFI records	Annual	
Males				200							
Females				1 800							
1.1.5 Persons in rural areas accessing financial services							MFI records	Annual	PCU		
Total number of accesses to financial services						7 701					

Results Hierarchy	Indicators							Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2020)	Cumulative Result (2020)	Cumulative Result % (2020)	Source	Frequency	Responsibility	
	Men in rural areas accessing financial services - credit			200		3 374	1 687				
	Women in rural areas accessing financial services - credit			1 800		4 327	240.4				
	Total persons accessing financial services - credit			2 000		7 701	385				
	Entrepreneurs financed for processing SMEs							MFI records	Annual	PCU	
	Enterpreneurs financed - Number			7							
Output Microfinance outreach extended to at least 5,000 HHs	No. of Savings and Credit Groups (SCGs) formed							SCG records	Annual	PCU	"NGO willing to promote Savings and Credit Institutions Risk: lack of sufficient capitalization to reach sustainability"
	SCG			750							
	1/3 of SCGs members are women							SCG records	Annual	PCU	
	Males			9 900							
	Females			5 100							

Myanmar

Fostering Agricultural Revitalisation in Myanmar Project Supervision Report

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

Mission Dates: 24 August – 07 September 2020
Document Date: 12/10/2020
Project No. 1100001654
Report No. 5514-MM

Asia and the Pacific Division
Programme Management Department

Country

MYANMAR

Project

FARM Project

Supervision mission dates: 24th August 2020 to 4th September 2020

Appendix 1:

Disbursement by financier, financial performance by component and disbursement category
As of 30th June 2020

Table 1A:

Disbursement by financier

Financier	Appraisal	Disbursement in USD	Per cent disbursed
IFAD loan	16 660 323	12 932 268	78% **
IFAD Grant	699 322	402 686	58% **
Government	5 296 600	2 057 109	39%
Private Sector	2 402 400	265 256	11%
Rural HH	621 300	583 902	94%
Total	25 679 945	16 241 221	63%

* Excluding the initial advance

** Exchange rate SDR/USD 1.371220

Table 1B:

Financial performance by component and by financier (actual expenditure)

Component	IFAD loan			IFAD Grant			Government			Private Sector			Rural HH			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Component 1	7 830 352	8 257 806	105%	251 756	97 647	39%	3 808 400	1 392 642	37%				341 300			12 231 808	9 748 095	80%
Component 2	6 997 336	3 501 998	50%	321 688	264 012	82%	775 100	492 919	64%	2 402 400	265 256	11%	280 000	583 902	209%	10 776 524	5 108 086	47%
Component 3	1 832 636	1 172 464	64%	125 878	41 027	33%	713 100	171 548	24%							2 671 614	1 385 040	52%
Total	16 660 323	12 932 268	78%	699 322	402 686	58%	5 296 600	2 057 109	39%	2 402 400	265 256	11%	621 300	583 902	94%	25 679 945	16 241 221	63%

Table 1C:

Loan Financial performance per disbursement category

Category	Category Description	Appraisal	Actual	Actual Balance	Per cent spent including
		Allocation	Expenditure		
Cat I:	Civil Works	8 496 765	8 114 891	381 874	96%
Cat II:	Equipment & Materials	333 206	351 874	-18 667	106%
Cat IV:	Goods, Services and Inputs	3 165 461	1 405 339	1 760 123	44%
Cat V:	Grants & Subsidies	2 499 048	1 109 593	1 389 456	44%
Cat VI:	Operation Cost	2 165 842	1 950 572	215 270	90%
	Total	16 660 323	12 932 268	3 728 055	78%

Table 1C:

Grant Financial performance per disbursement category

Category	Category Description	Original	Actual	Actual Balance	Per cent spent including
		Allocation	Expenditure		
Cat III:	Consultancies	699 322	402 686	296 637	58%
	Total	699 322	402 686	296 637	58%

Myanmar

Fostering Agricultural Revitalisation in Myanmar Project Supervision Report

Appendix 2: Physical progress measured against AWP&B

Mission Dates: 24 August – 07 September 2020
Document Date: 12/10/2020
Project No. 1100001654
Report No. 5514-MM

Asia and the Pacific Division
Programme Management Department

Appendix 2: Physical progress measured against AWP&B (Logframe Indicators)

Component/Outcome Sub-component or Output	Indicators	Unit	Period :	01 Oct 2019 to 31 Jul 2020				
			AWP&B	Actual	%	Cumulative Actual	Appraisal Target	%
Component 1	Lining of primary and secondary canals	length of canals - Length (km)	3.74	3.74		13.67	19	72%
	Out of 3642 ha of farmland, 1012 ha are land consolidation area	Hectares of land - Area (ha)	242	242.3	100%	1235.1	1012	122%
	2.1.5 Roads constructed, rehabilitated or upgraded	Length of roads - Length (km)	Not In AWPB	18.90		92.40	50	185%
	Out of 3642 ha of farmland, 1456 ha are area under improved drainage	Hectares of land - Area (ha)	Not in AWPB	1484.2		1484.21	1456	102%
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated	No. of Structure (Lining + Drainage + Land Consolidation)	22*** (In AWPB, targeted only for lining + Drainage, no target for Land Consolidation)	238** (Lining + Drainage+ Land Consolidation)		1311	850	154%
	Out of 3642 ha of farmland, 1174 ha are area under lined primary and secondary canals	Hectares of land - Area (ha)	Not in AWPB	613.42		1245.31	1174	106%
	1.1.1 Persons whose ownership or user rights over natural resources have been registered in national cadasters and/or geographic information management systems	Males - Number	Not in AWPB	0		123	600	21%
	1.1.1 Persons whose ownership or user rights over natural resources have been registered in national cadasters and/or geographic information management systems	Females - Number	Not in AWPB	0		67	200	34%

Component 2.1	Output1.2.1 Water User organized	Number of WUGs formed	Not in AWPB	21		110	100	110%
	Output1.2.1 Water User organized	Number of members	Not in AWPB	208		1010	1350	75%
	Output1.2.1 Water User organized	Males - Number	Not in AWPB	173		831	1080	77%
	Output1.2.1 Water User organized	Females - Number	Not in AWPB	35		179	270	66%
	Value chain analyses undertaken	Value chain analyses undertaken - Number	Not in AWPB	0		3	6	50%
	1.1.4 Persons trained in production practices and/or technologies	Men trained in crop - Number	Not in AWPB	1748		6652	7500	89%
	1.1.4 Persons trained in production practices and/or technologies	Women trained in crop - Number	Not in AWPB	1413		3600	1500	240%
	1.1.4 Persons trained in production practices and/or technologies	Total person in crop	Not In AWPB	3161		10252	9000	114%
Component 2.2	Number of demonstrations undertaken	demonstrations - Number	200	145	73%	1530	1862	82%
	Number of farming CIGs formed	farming CIGs - Number	Not in AWPB	17		312	400	78%
	Business plans (farming CIGs) developed and financed	business plans - Number	Not In AWPB	0		12	45	27%
	Number of farmers in contract arrangements	farmers in contract arrangements - Number	Not in AWPB	374		842	600	140%
	Number of landless CIGs formed	CIGs - Number	Not in AWPB	15		426	500	85%
	Number of training courses for landless CIGs	training courses - Number	Not in AWPB	1		8	4	200%
	Business plans (landless CIGs) developed and financed	business plans - Number	Not in AWPB	1		31	105	30%
	***	Only lining and drainage improvement targeted in AWPB but not including Land Consolidation						
**	All structure constructed in lining, drainage and land consolidation							

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Fostering Agricultural Revitalisation in Myanmar Project Supervision Report

Appendix 3: Compliance with legal covenants: status of implementation

Mission Dates: 24 August – 07 September 2020
Document Date: 12/10/2020
Project No. 1100001654
Report No. 5514-MM

Asia and the Pacific Division
Programme Management Department

Appendix Compliance with legal covenants: status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Financing Agreement:				
Section B, Para 7	The Borrower/Recipient shall provide counterpart contribution for the Project in a total amount equivalent to approximately USD5,300,000, in order to cover, inter alia, machinery for works under Component 1, extension staff salaries and allowances under Subcomponent 2.1 and taxes and duties levied on the implementation of the Project.	Request MOF on permit and procedure for Tax and duties exemption	Partially Complied	Salary and allowances of extension staff and seconded staff to PCU are borne by Government. Taxes and duties are still being paid from IFAD source. MOPF has formally requested IFAD on Oct 26, 2017 to fund the Commercial tax and VAT levied over the project expenditures.
Section C, Para 1	The Lead Project Agency shall be the ministry of Agriculture and Irrigation		Complied	
Section C, Para 2	Additional Project Parties shall include, inter alia, the participating government agencies, Yezin Agricultural University, and the Non-Governmental Organizations (the "NGO") and contracted services providers selected to implement the Components of the Project.		Partially complied	Non-Governmental Organizations are still to be involved. CIG Services provider contract signed during the mission.
Section D	2 mid-term reviews shall be jointly conducted by the Fund and the Borrower/Recipient at the end of the second and fourth years of Project Implementation respectively.		Complied	First mid-term review due has been postponed for the third year due to low progress. The Mid-term Review is being conducted in November 2017.
Section E, Para 2	The Project Director and Project Manager, both acceptable to IFAD, shall have been selected.		Complied	Third Project Director was deputed in September 2017.
Schedule 1, Para 5	The MOAI, in its capacity as the Lead Project Agency, shall have the overall responsibilities for the Project's implementation.		Complied	
Schedule 1, Para 6	The project's governance framework shall consist of: (i) the NPSC; (ii) the Project Working Committee(the PWC); (iii) the Township Project Coordination Committees (the TPCC); and (iv) the Village Tract Facilitation and Monitoring Groups.		Complied	NPSC, PWC, TPCCs, VTFMGs have been established.
Schedule 1, Para 7	NPSC shall be co-chaired by the MOAI Deputy Minister for Irrigation and the Deputy Minister for Agriculture. Other members may include the Director Generals of relevant MOAI Departments as well as representatives from the Ministry		Complied	MOAI became MOALI by merging with the MOLFRD. MOF became MOPF (The Ministry of Planning and Finance).

	of National Planning and Economic Development (MNPED), the Ministry of Finance (MOF), the Ministry of Livestock, Fisheries and Rural Development (MOLFRD) and the Nay Pyi Taw Council. The NPSC shall be based in Nay Pyi Taw.			
Schedule 1, Para 8	The PWC shall serve as the MOAI committee to provide guidance and oversight for Project Implementation. It shall be established by the Minister of the MOAI and shall consist of Deputy-Director Generals of the relevant MOAI Departments and the Project Director.		Complied	
Schedule 1, Para 9	In each project township, a TPCC shall be established, co-chaired by a local officer of the DOA of the MOAI and a local official, with other members representing relevant MOAI departments, implementing agencies and farmers' organizations.		Complied	
Schedule 1, Para 10	The project village tracts, facilitation and monitoring groups shall be established, chaired by the Village Tract Leader, and include representatives of the partner NGOs, the KCs, and community organizations, as well as a staff member of the DOA.		Complied	
Schedule 1, Para 11	The PCU shall be established by the Lead Project Agency and managed by the Project Director. The PCU shall be responsible and accountable for the management of the Project and the achievement of its results. It shall be an autonomous entity reporting to the NPSC, and will be located in Nay Pyi Taw. Its structure shall reflect project component and investments, and it shall enjoy a certain level of financial autonomy in order to fulfill its mandate.		Partially complied	PCU is autonomous entity and is responsible and accountable for the management of the Project and the achievement of its results. However, the project payments are made by the dedicated Finance Unit of the MOAI on request of the project after verification of supporting documents and PD is not one of the signatories of the MD bank account.
Schedule 1, Para 12	The Project Director shall be as a senior officer seconded from the MOAI. The Project Director shall be supported by a Project Manager (an agriculture specialist) and other Project personnel. The selection of the Project Director, Project Manager and Finance Manager shall be subject to the NPSC's approval and concurrence of the Fund.		Complied.	
Schedule 1, Para 13	A specific committee composed of the PCU management shall be created to address and		complied	

	grievances arising from the implementation of the Project.			
Schedule 1, Para 14	The Project shall be implemented under the leadership of the Lead Project Agency through partnerships with relevant government agencies, NGOs, contracted service providers and the private sector.		Partially complied	NGOs are still to be involved.
Schedule 1, Para 15.1	Participatory planning for land development shall be implemented by the local NGO experienced in Participatory Land Use Planning (the PLUP) and Free, Prior and Informed Consent (the "FPIC") approaches, selected by the PCU on a competitive basis and contracted for an aggregate period of up to four (4) years.		Being complied	IFAD gave consent to conduct PLUP through government agencies.
Schedule 1, Para 15.2	Participation in land development under PLUP and FPIC approaches shall be organized by the NGO and PCU to ensure that farming households: (i) participate in the design of all civil works; (ii) set up mechanisms for sharing losses of cultivatable land arising from civil works; (iii) redefine the boundaries of each household's plot of land for land re-titling purposes; and (iv) elect a Project Implementation Committee to monitor execution and accept works. .		Being complied	Project is conducting the PLUP and FPIC with PLUP team. To fill the gap of PLUP service Provider, project formed the PLUP support team by the MOALI seconded staffs, TOR of the PLUP Team has been drafted and agreed by NPSC on 20 October 2017.
Schedule 1, Para 15.3	Civil works for land development shall be implemented through direct contract with MOAI's irrigation Department (ID). The ID shall execute the design, civil works and supervision of tertiary canals, drainage networks and farm roads.		Complied	
Schedule 1, Para 15.4	The full package of design, implementation and training services for micro hydro turbines shall be provided by a specialized international entity duly contracted by the PCU through an international bidding process. This activity shall not start before the second Project Year.		Not complied	No decision if will still be pursued.
Schedule 1, Para 16.1	The rehabilitation and/or construction of KCs shall be undertaken by a local firm duly selected through national competitive bidding.		Complied	
Schedule 1, Para 16.2	A legal advisor contracted by the PCU shall facilitate the selection of beneficiary representatives as well as the electoral process for the formation of the KC boards.		Not complied	Project determined that legal advisor position will no longer be filled up.
Schedule 1, Para 16.4	A local NGO shall be duly selected through a competitive		Not yet complied	Development Resources International Co. Ltd. (DRI) has been

	procurement process and contracted by the PCU.			contracted until September 2020 to organize and strengthen CIGs and the Myanmar Food Security Working Group (FSWG) for the conduct of FFS up to November 2020.
Schedule 1, Para 16.5	Demonstration and trials shall be organized through agreements among the PCU, the MOAI Department of Agriculture Research (the "DAR"), the YAU, and the private sector as appropriate, based on KC plans.		Being complied	DAR and YAU have assigned the representatives to coordinate with and are assisting time to time in designing and implementation of the trial and demonstration and related training. Seven private companies are recently working with the KCs for trial and demonstration and training.
Schedule 1, Para 17.1	The Rural Business Fund (RBF) and Agribusiness Fund (ABF) shall be managed by the PCU. The PCU will issue periodic calls for proposals, analyse the proposals received based on pre-defined eligibility criteria, define possible amounts of Project financing based on resources mobilized by the entrepreneur, submit short-listed proposals to the Grant Committee composed of representatives from the PCU, the MOAI and private sector representatives, and manage financial flows (tranches) to beneficiaries.		Being complied	Rural Business Fund is being disbursed.
Schedule 1, Para 17.2	The PCU shall broker an agreement with a microfinance institution(s) (the "MFI") to establish operations in the Project area and provide financial services to smallholders and the landless.		Not yet complied	Discussion ongoing
Schedule 1, Para 17.3	The formation of savings and credit institutions shall be organized by a specialized NGO/MFI contracted by the PCU.		Complied	DRI already contracted
Schedule 1, Para 18	The PCU shall prepare a draft Project Implementation Manual (PIM) which shall be approved by the NPSC before the Fund's non-objection shall be obtained.		Complied	
Schedule 1, Para 19	The Lead Project Agency shall forward the draft PIM to the Fund for its non-objection. If the Fund does not comment on the draft PIM within thirty (30) days after receipt, it shall be deemed approved.		Complied	
Schedule 3, Para 3	The Borrower/Recipient shall ensure that Project investments in KCs are managed by appointed extension staff, who shall not be transferred to positions outside the Project area during the implementation period.		Being complied	10 KC managers have been transferred till now from the beginning of the project.
Schedule 3, Para 4	The Borrower/Recipient shall ensure that Project beneficiaries, farming and landless households, will be		Being complied	Being complied by project with service provider, DRI.

	supported to obtain proper identification documents enabling them to meet the requirements of financial institutions.			
General Condition for Agricultural Financing:				
Section 7.03(b)	Borrower/Recipient shall make available to the Project Parties during the Project Implementation Period counterpart funds from its own resources in accordance with its customary national procedures for development assistance.	During implementation period	Ongoing compliance	
Section 7.05 (a)	Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines. Each Procurement Plan shall identify procedures which must be implemented by the Borrower/Recipient in order to ensure consistency with the IFAD Procurement Guidelines.	During implementation period	Partial compliance.	Based on FA, Procurement regulations are based on IFAD Procurement Handbook as reflected in Procurement Manual. Procurement Plan complies with IFAD template rules.
Section 7.08 (a)	Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice.	During implementation period	Partially complied	Third party insurance of vehicles and motorbikes.
Section 7.09 (a)	The Borrower/Recipient shall ensure that no Project Party shall enter into any Subsidiary Agreement, or consent to any modification thereof, inconsistent with the Financing Agreement or the Project Agreement.	During implementation period	Being complied	
Section 7.11	The Borrower/Recipient or the Lead Project Agency shall appoint the Project Director and all other key Project personnel in the manner specified in the Agreement or otherwise approved by the Fund. All key Project personnel shall have qualifications and experience specified in the Agreement or otherwise approved by the Fund.		Complied.	The new PD and PM were appointed since September 2017 with the consent of IFAD.
Section 7.13	The Borrower/Recipient and the Project Parties shall ensure that the resources and benefits of the Project, to the fullest extent practicable, are allocated among the Target Population using gender disaggregated methods.	During implementation period	Being complied	
Section 8.02 (a)	The Lead Project Agency shall establish and thereafter maintain an appropriate information management		Not yet complied	There is no management information system software rather the information are maintained in

	system in accordance with the Fund's Guide for Project Monitoring and Evaluation with which it shall continuously monitor the Project.			excel spreadsheet for monitoring & dissemination purpose.
Section 8.03 (a)	Progress Report: The Lead Project Agency shall submit to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request which is the Project's Implementation no later than 2 months after end of each reporting period during the Programme Implementation Period.	Six monthly and Yearly	Complied	
Section 8.03 (b)	Mid-Term Review: The Lead Project Agency and the Fund shall jointly carry out a review of Project implementation no later than the midpoint of the Project Implementation Period (the "Mid-Term Review") based on terms of reference prepared by the Borrower and approved by the Fund.		Complied	The mid- term review was carried out in November 2017 at mid - point of implementation.
Section 8.04	Completion Report: The borrower shall submit to the Fund the completion report on the Programme no later than six (6) months after the Programme Completion Date.		Not yet applicable	
Section 8.05	Plans and Schedules: The Project Parties shall furnish to the Fund promptly upon their preparation, such plans, design standards, reports, contract documents, specifications and schedules relating to the Project, and any material modifications subsequently made therein.	During implementation period	Partially complied	
Section 9.01	The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date, and shall retain such accounts and records for at least ten (10) years thereafter.	During implementation period	Being complied	
Section 9.02	Financial Statements: The borrower shall prepare consolidated financial statements of the operations, resources and expenditures related to the Program for each Fiscal Year. Within 4 months of each Fiscal Year end, such financial statements shall be delivered to the Fund.	31 st July of every year	Complied	
Section 9.03 (a)	Audits: The Borrower/Recipient shall, each Fiscal Year, have the accounts relating to the Project		Complied	The audit has been conducted in compliance with generally accepted auditing standards instead of

	audited in accordance with auditing standards acceptable to the Fund.			International Standards of Supreme Audit Institutions (ISSAI).
Section 9.03 (b)	The borrower shall, within six (6) months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower/Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof.	30 th September of every year	Partially complied	The 2018-2019 Audit was submitted late for one month after the audit due date with qualified opinion and lacked some required statements. No major concerns were identified from the Management Letter of the audit for the FY 2018 - 2019.
Section 9.03 (c)	If the Borrower/Recipient does not timely furnish any required audit report in satisfactory form and the Fund determines that the Borrower/Recipient is unlikely to do so within a reasonable period, the Fund may engage independent auditors of its choice to audit the accounts relating to the Project.		Complied	

Myanmar

Fostering Agricultural Revitalisation in Myanmar Project Supervision Report

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

Mission Dates: 24 August – 07 September 2020
Document Date: 12/10/2020
Project No. 1100001654
Report No. 5514-MM

Asia and the Pacific Division
Programme Management Department

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

Mission preparation and planning

As the mission is the first remote supervision mission in Myanmar portfolio, it has done the zoom meeting on Remote Missions Sharing of Experience with Tamara and MMR & PHL Teams on 23rd July 2020. Then IFAD mission team and FARM PCU team arranged the zoom meeting for detail schedule and mission preparation on 7 August 2020.

TORs of mission team members

Jerry Pacturan, Mission / Team Leader will have overall responsibility for guidance and management of the mission's work. The Mission Leader will be responsible for debriefing the Government of Myanmar during the wrap-up meeting, and will ensure that all deliverables are met in a timely manner and comply with IFAD's required formats and quality standards. He will coordinate the preparation of the aide memoire report. Specifically, the mission leader will:

- a. Lead the team's meetings with Government counterparts and partners throughout the mission;
- b. Coordinate mission activities, review the assessment of the overall project performance and quality of implementation and synthesise the findings and recommendations;
- c. Assess the overall quality of project management and coordination;
- d. Together with the supervision team, review, the overall implementation progress of each component since project effectiveness;
- e. Review, together with the team, the physical/financial progress of the project to date since effectiveness;
- f. Provide overall implementation support as required to FARM PCU and recommend action plan for the remaining duration of the project; and,
- g. Lead the drafting of the Aide Memoire before submission to the Government.

Audrey Nepveu de Villemarceau, PTL, as PDT lead she will:

- a. Review the results OSC deliberation of the DOA RPSF proposal and lead the articulation of RPSF activities together with the mission team and government;
- b. Lead the identification and discussions on the capitalization of the lessons learned from this very first IFAD intervention in the country particularly on the: (i) Institutional set-up of the Project; (ii) knowledge centers; (iii) land consolidation; (iv) common interest groups; and. (v) civil works; and,
- c. Contribute to the report writing requirements for the Aide Memoire and the ORMS report.
- d. Provide other necessary support as needed.

Kisa Mfalila, ECG staff, will be responsible for providing technical support on issues of environment and climate change and will contribute assessing and providing inputs on

- a. The nature, scope and specifications for the irrigation and drainage civil works funded by the project (both planned and completed);
- b. Environmental and Social risk and impact assessments that have been carried out for the completed projects, including assessing the existing E&S system in place (at the PMU level) for identifying and managing site-specific environmental and social risks and impacts;
- c. Assess the extent to which climate risks and impacts have been assessed and integrated into the project activities and provide guidance to the PMU;
- d. Provide guidance on sustainability of Environment and Climate Change (ECC) interventions and measuring of project impacts;
- e. Contribute to the report writing requirements for the Aide Memoire and the ORMS report; and,
- f. Provide other necessary support and tasks as identified by the Team and the Team Leader.

Sashwati Mishra, ECG Staff, will be responsible for the review and technical support on gender, youth, nutrition, ethnic groups, targeting (in collaboration with the M&E specialist).

- a. Assess the overall quality of the performance on gender, targeting and issues of social inclusion;

- b. Develop an action plan to improve the performance of project on gender equality and women's empowerment by indicating pathways for improved decision making/agency development, economic empowerment and workload reduction;
- c. Assess the AWP/B and ensure sufficient budgetary allocations are made for meeting the gender and social inclusion activities;
- d. Review the progress of implementation of the service provider contracts for FFS and CIG/SHG strengthening (i.e., FSWG and DRI);
- e. Provide overall implementation support as required to FARM PCU and recommend action plan for the remaining duration of the project;
- f. Contribute to the report writing requirements for the Aide Memoire and the ORMS report; and,
- g. Provide other necessary support and tasks as identified by the Team and the Team Leader.

Yolando Arban, Project Management and Monitoring & Evaluation (M&E) Specialist will do the following:

- a. Assess the overall Project management and M&E performance and quality of implementation in line with the defined result objectives;
- b. Review institutional arrangements and performance;
- c. Review staffing set-up, organigrams and performance;
- d. Propose ways to improve the performance and delivery of the project;
- e. Assess the progress and implementation performance of Programme's components against 2019/20 AWPBs and logical framework of the project;
- f. Assess the relevance and effectiveness of technical assistance and training given to primary stakeholders and staff in relation to design objectives, and the extent to which they have been given based on needs assessment and followed up on to determine their impact;
- g. Assess the progress of project interventions in the field of general management and make time-bound recommendations to ensure knowledge and best practices are systematically captured and shared;
- h. Undertake an overall assessment and rating of the performance of M&E system;
- i. Review the baseline survey report and the outcome report;
- j. Conduct the assessment and rating of the performance of M&E system and related MIS;
- k. Summarize the overall programme implementation progress of the M&E and institutional aspects and make recommendations to improve program performance;
- l. Assess the progress of programme interventions in the field of knowledge management and make time-bound recommendations to ensure knowledge and best practices are systematically captured and shared;
- m. Review and update the first and second level RIMS indicators and overall project log frame;
- n. Preparation of the Appendices "Updated logical framework" and "Physical progress measured against AWPB" (including CI indicators)
- o. Review and update the logframe and retrofit indicators with the new Corporate indicators within the ORMS;
- p. Review and update the yearly results and include them in the logframe;
- q. Support mission team and project staff in selecting and agreeing on relevant Corporate Indicators (CIs);
- r. Prepare written contribution to the relevant sections of the mission Aide Memoire and to the report including data, annexures, field observations, project results, findings and recommendations and in collaboration with the IFAD CPA in Manila, input the mission report to the ORMS;
- s. Any other tasks assigned by the Team Leader.

Michele Pirazzoli, Infrastructure Specialist will be responsible for reviewing the physical and qualitative progress of the project's infrastructure works, particularly under those under Component 1. The Specialist, in particular, will:

- a. Review the infrastructure work plan for the project period and progress made on physical works;
- b. Assess the quality and cost effectiveness of the infrastructure design and works undertaken as part of expansion of irrigated areas under the command of primary and secondary canals under selected irrigation schemes, including land consolidation and land titling, land levelling, construction of tertiary canals, the drainage networks, farm roads and small hydraulic structures;

- c. Assess the extent of outputs achievable under the component in the remaining project period, revise targets accordingly and assess the viability of expansion of irrigation works in upland and lowland rain-fed areas;
- d. Assess the extent of community participation involved in the design and supervision process the infrastructure components of the project;
- e. Assess the progress made with regard to establishing a participatory water management systems in the project areas;
- f. Identify implementation challenges and provide clear recommendations on how to address them in the remaining duration of the project;
- g. Prepare written contribution to the relevant sections of the mission Aide Memoire and to the report including data, annexures, field observations, project results, findings and recommendations; and,
- h. Carry out any other relevant assignment as may be determined by the Team Leader.

Arthur Tantuan, Procurement Specialist will be responsible for:

- a. Review the current Procurement Plan in order to assess it has been fully updated and upgraded, ascertain its completeness, its concurrence with the AWPB, and its consistency with the country systems and/or IFAD Procurement Guidelines and Handbook;
- b. Provide support, advice and recommendations on the following:
 - i. The thresholds, ceilings and preferences to be applied in the implementation of procurement under the project;
 - ii. The contract types and contractual arrangements for goods, works and consulting services required to implement the projects;
 - iii. The proposed methods of procurement;
 - iv. The related IFAD review procedures and provide suggestions to improve the overall quality of the procurement processes;
- c. Review a minimum sample of 10% of all procurement contracts for compliance;
- d. Carry out spot checks on past procurement activities and assess the extent these adhere to Government and/or IFAD Procurement Guidelines and Handbook; in particular, verify that the goods, services and works procured correspond with the approved AWPB and Procurement Plan, in terms of quality and quantities;
- e. Review the procurement, contracting and implementation processes and timeliness and appropriateness of procurement actions;
- f. Assess contract administration and management procedures;
- g. Assess the procurement capacity of all entities to be reviewed in terms of manpower, levels of training of procurement staff, work environments and independence of procurement staff to carry out their statutory assignments;
- h. Conduct specific analysis of value for money (VFM) at all levels and the reasonableness of prices for:
 - i. Goods, equipment, etc using available price indicators;
 - ii. Civil Works, compared to locally accepted standards and prices; and
 - iii. Services compare quality-output to international standards and prices;
- i. Determine whether adequate systems are in place for procurement planning, implementation and monitoring, and whether documentation are maintained as per required standards and can be relied upon;
- j. Verify to the extent possible, whether goods, works and consulting services contracted were supplied/completed according to the required specifications and technical standards;
- k. Review issues identified in the previous procurement review and aide-mémoire and procurement related issues identified in project audit reports;
- l. Identify deficiencies and make recommendations for improvements and control mechanisms in the procurement procedures and processes;
- m. Conduct a review of any significant changes in the borrower/recipient's procurement system and practices, and ensure project procurement procedures and systems are updated accordingly;
- n. Review/update the Procurement Risk Assessment, using the IFAD Procurement Risk Matrix (Module I of the IFAD Procurement Manual);
- o. Assess further procurement staff training needs and ensure relevant training is planned and provided to project management and procurement staff in a timely manner;

- p. Submit an assignment report (as per IFAD format), and any other relevant ancillary documents;
- q. Prepare written contribution to the relevant sections in the mission Aide Memoire and the full report for ORMS;
- r. Review the Project Implementation Manual (PIM) and recommend improvements as necessary in regard to Procurement;
- s. In the context of participatory procurement processes and initiatives at community level, assess the progress made on promoting gender equality and women's empowerment (GEWE), particularly the involvement of women in all procurement activities carried out by the project, and against the three dimensions covered by IFAD gender policy: (1) economic empowerment to enable both rural women and men to participate in and benefit from profitable economic activities; (2) both women and men have equal voice and influence in rural institutions and organizations, including decision making processes at household, community or local level; (3) More equitable balance in workloads and in the sharing of economic and social benefits between women and men; and,
- t. Perform other tasks as required by IFAD and Mission Leader.

Elin Kjellin & Chi Nguyen will handle all matters related to financial management, including disbursement performance. Using the IFAD FMAQ as the basis to collect the relevant information, they will 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 and comply with the Financing Agreement and LTB. Specifically, they will:

- a. Review financial management progress, identify constraints in disbursements and expenditure programming; propose solutions where appropriate. Assess physical and financial project implementation progress against appraisal targets and Annual work plans and budgets. Identify actual, emerging or potential problems, constraints and bottlenecks in project implementation;
- b. Identify risks arising from material deficiencies and propose practical recommendations for improving financial management functions and/or staffing for financial operations needed to mitigate risk;
- c. Review the financial reporting systems, including Government reporting requirements. Assess the functionality of the accounting software used, highlight duplications with manual/ Excel reporting and make recommendations, if any, to customise the software in order to enhance its usefulness for project reporting purposes;
- d. Review the operation of the Project's designated account, and project accounts (OA, MD). Assess the efficiency of the established fund-flow system and whether advances are appropriate for the projected expenditure needs;
- e. Assess regularity of WA preparation. Recommend concrete measures to ensure faster and more efficient disbursements. Assess the project's treasury planning; analyse adequacy of DA authorised allocation, with respect to projected expenditure requirements;
- f. Review SOEs prepared since the last field review to verify adequacy, completeness and validity of claims by selecting on a sample basis expenditure items from each category of expenditures and performing a system 'walk-through'. Document findings on individual SOE items, noting down any ineligible expenditures. Provide recommendations on any internal controls weakness noted. Assess the adequacy of the project's filing of financial records;
- g. Review contractual and payment procedures (as well, assess (for quality, timeliness) and identify any capacity gaps in contractor/IP/SP preparation of documentation for payment of works, financial reports, etc.); check contract register, usage of contract monitoring forms, register of advances; highlight outstanding advances (ageing analysis); verify compliance with audit requirements foreseen in contracts/ MOUs, if applicable;
- h. Review status of counterpart funding, including checking if the Borrower/Lead Project Agency has made available financing proceeds to the Project, as planned and in line with the Financing Agreement;
- i. Review key internal controls in project expenditure management, assess number of days required for payment approvals;
- j. Assess compliance with financing agreement, LTB and applicable guidelines, including PIM;
- k. Review internal audit arrangements provided by PCU, IWUMD and MoALI, document findings of internal audit reports;

- l. Discuss findings of FY 2016 audit report with finance team, describe planning for addressing audit observations;
- m. Discuss the status of preparation of the next annual financial statements, including impact of upcoming change of Myanmar financial year on annual reporting and audit processes;
- n. Discuss Mission recommendations with the PCU and relevant stakeholders and agree on a plan of action; based on above work, assign FM performance ratings to the projects, and update FM risk assessments, following CFS guidelines;
- o. Review the Project Implementation Manual (PIM) and recommend improvements as necessary in regard to Financial Management;
- p. Provide overall implementation support as required; and,
- q. Prepare written contribution to the relevant sections of the mission Aide Memoire and to the report findings and recommendations, within the deadline set by the Mission Leader.

Myat Thiri Wai, Mission Facilitator will be responsible for providing overall support to the supervision team and ensuring logistical arrangements to carry out the planned mission activities such as but not limited to;

- a. Liaise between the mission and the concerned government agencies and officials;
- b. Support the supervision team's field visits and meetings with Government entities (at all levels);
- c. Provide inputs for drafting mission's Aide Memoire;
- d. Arrange for the hiring of qualified on-the-ground interviewers/interpreters to support the mission team and the video documentation of the interviews; and,
- e. Any other relevant tasks requested by the Mission / Team Leader.

Tentative mission schedule

24 August	10 am: Kick-off meeting with MOALI and FARM PCU (All mission members) 1 pm: Detailed discussions for Component 1 with FARM PCU & IUWMD (M.Pirazzoli, J.Pacturan, A.Tantuan, Y.Arban, S.Mishra, K.Mfalila)
25 August	9am: Detailed discussions for Component 2 with FARM PCU & KC staff (J.Pacturan, Y.Arban, S.Mishra) 1 pm: Detailed discussions for Financial Management with FARM PCU (E.Kjellin, C.Nguyen)
26 August	9am: Detailed discussions for Procurement with FARM PCU (A.Tantuan, J.Pacturan) 1 pm: Detailed discussions for RPSF implementation (A.Nepveu de Villemarceau, J.Pacturan, S.Mishra, T.Wai)
27 August	9am: Meeting with CIG/SHG service provider (J.Pacturan, Y.Arban, A.Tantuan, S. Mishra) 1 pm: Meeting with FFS service provider (J.Pacturan, Y.Arban, A. Tantuan, S.Mishra, M.Pirazzoli)
28 August	9am: Meeting on Project Management (Y.Arban, J.Pacturan, Y.Tantuan) 1 pm: Meeting on KM & M&E and Lessons Learned (A.Nepveu de Villemarceau; Y. Arban, S.Mishra, J.Pacturan)
29 August	9am: Meeting with CIGs in the field (Y.Arban, J.Pacturan, S. Mishra) 1pm: Land consolidation field interview (M.Pirazzoli, M.Thiri)
30 August	Documents review and report writing
31 August	9am: DRI-PCU-IFAD meeting
1 September	1pm: SISMs team meeting
2 September	1pm: Meeting with FSWG (Y.Arban, J.Pacturan, Y.Tantuan)
3 September	Report writing / revision
4 September	1pm: FARM Pre Wrap-up Meeting with PCU (All team members)
7 September	1pm: Final Wrap-up Meeting (All team members)

Persons met

No.	Name	Position	Organization/Department
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1	U Kyaw Swe Linn	Director General	Department of Planning/ MOALI
2	Dr. Ye Tint Tun	Director General	Department of Agriculture/ MOALI
3	Daw Khin Swe Oo	Deputy Director General	Treasury Department/ MOPFI
4	Daw Khin Mar Oo	Director	Department of Planning/ MOALI
5	U Aung Win	Director	Agricultural Mechanization Department/ MOALI
6	U Tun Win	Project Director	FARM/ MOALI
7	Dr.Pau Chinkhaung	Director	Department of Agriculture Research/ MOALI
8	Daw Thein Thein Maw	Deputy Director	Department of Agriculture Research/ MOALI
9	U Aung Thiha	Deputy Director	IWUMD/ MOALI
10	U Aung Ko Latt	Assistant Director	DALMS/ MOALI
11	U Soe Moe Lwin	Assistant Director	IWUMD/ MOALI
12	U Myo Min Thant	Officer	IWUMD/ MOALI
13	U Yan Naing Soe	Officer	IWUMD/ MOALI
14	Daw Aye Aye Tun	Officer	Department of Agriculture/ MOALI
15	Dr. Myo Kyaw Thu	Project Management Officer	FARM/ MOALI
16	U Nay Myo Aung	National Agriculture Infrastructure Engineer	FARM/ MOALI
17	U Si Thu Tun	Water User Group Specialist	FARM/ MOALI
18	Daw Nyein Nyein Nwe	Rural Finance Specialist	FARM/ MOALI
19	Daw Yin Min Htmwe	Value Chain Specialist	FARM/ MOALI
20	U Soe Naing	M&E Specialist	FARM/ MOALI
21	U Kyaw Thura	Procurement Specialist	FARM/ MOALI
22	Daw Htet Htet San	Finance Manager	FARM/ MOALI
23	Mr. Shafique Rahman	Strategic Technical Advisor and Director	DRI
24	U Kyaw Naing	Team Leader and Managing Director	DRI
25	Dr. Ohnmar Khaing	Team Leader	FSWG
26	U Kyaw Kyaw Aung	Technical Expert	FSWG
27	U Aye Lwin	Project Manager	FSWG
28	U Kyaw Thet Naing	Township Officer	FSWG
29	Daw Thet Thet Mar	KC Manager	Pyanchi KC/ FARM
30	U Nyunt Win	Farmer in LC area	Kyotan village, Alekyun village tract
31	U Khin Win	Farmer in LC area	Kyotan village, Alekyun village tract
32	U Khin Win	Farmer in LC area	Kyotan village, Alekyun village tract
33	U Nyo Htay	Farmer in LC area	Kyotan village, Alekyun village tract
34	U Mg Thwin	Farmer in LC area	Kyotan village, Alekyun village tract
35	U Than Tun	Farmer in LC area	Kyotan village, Alekyun village tract
36	Daw Ni Ni Lwin	KC manager	Zeegone KC/ FARM
36	U Aung Myint Swe	Farmer in Drainage Rehab area	Zeegone Village, Nga Kaung Kan Village tract
37	U Aung Nyunt	Farmer in Drainage Rehab area	Zeegone Village, Nga Kaung Kan Village tract
38	U Htay Hlaing	Farmer in Drainage Rehab area	Zeegone Village, Nga Kaung Kan Village tract
39	U Kyaw Iwin	Farmer in Drainage Rehab area	Zeegone Village, Nga Kaung Kan Village tract
40	U Soe Hla	Farmer in Drainage Rehab area	Zeegone Village, Nga Kaung Kan Village tract

41	U win Naing Oo	Farmer in Drainage Rehab area	Zeegone Village, Nga Kaung Kan Village tract
42	U Tin Hlaing	Farmer in Drainage Rehab area	Zeegone Village, Nga Kaung Kan Village tract
43	U Mg Mg	Farmer in Drainage Rehab area	Zeegone Village, Nga Kaung Kan Village tract
44	U Tin Aye	Farmer in Drainage Rehab area	Zeegone Village, Nga Kaung Kan Village tract
45	U Thet Naing Soe	KC manager	Pauk Myaing KC/ FARM
46	Daw Khin Chaw	CIG chairman	Sabal Phyu CIG/ FARM
47	Daw Tin Win Maw	CIG chairman	Kyan Tine Aung CIG/ FARM
48	Daw May Thu Tun	CIG member	Pyit Tine Htaung CIG/ FARM
49	Daw Khin Moe Hlaing	CIG accountant	Sabal Phyu CIG/ FARM

Myanmar

Fostering Agricultural Revitalisation in Myanmar Project Supervision Report

Appendix 6: Procurement

Mission Dates: 24 August – 07 September 2020
Document Date: 12/10/2020
Project No. 1100001654
Report No. 5514-MM

Asia and the Pacific Division
Programme Management Department

Procurement Review Working Paper

Fostering Agricultural Revitalization in Myanmar (FARM)
24 August – 04 September, 2020

Name of Procurement Specialist: ARTHUR F. TANTUAN
Field Locations: Remote Supervision Mode

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i. Review of Procurement Plan

Procurement Plan is aligned with AWPB and uses the current IFAD template. PP has a summary page with an AWPB reference column with methods and thresholds are entered correctly per LTB provisions. No less than 80% of the procurements listed are completed and implemented. These include all major civil works, consulting services and goods procurements except procurement of agricultural equipment whose contract was cancelled because the supplier could not deliver the goods due to supply disruptions from abroad resulting from the COVID 19 pandemic. Other than planned dates for preparation of bidding documents only actuals were provided on other milestones of completed procurements rendering the PP more of a report than a plan. Ongoing and completed procurements are consistent with PP issued with NO by IFAD with adequate budget estimates. However, the PP needs to be upgraded further to reflect additional three drainage works packages and procurement packages for five (5) associated structures. PP is not easily and publicly accessible. It is neither uploaded in the MOALI nor Project supported website. Due to the COVID-19 pandemic disruptions, Project has been given up to December 2020 to complete procurement and implementation of remaining minor KC related civil works and goods procurement packages to be procured via National Shopping.

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ii. Review of Ongoing/Completed Procurement Activities and Documentation

Processes and procedures applied by the Lead Project Implementing Agency initiation of procurement process, evaluation and contract award exhibit consistency, fairness, value for money, competition, and efficiency. At least ten percent of completed/ongoing procurements was reviewed. These items are in the PP. In general, procurement processes are compliant with the FARM Procurement Manual and consistent with IFAD Project Procurement Guidelines, IFAD Procurement Handbook and the Letter to the Borrower. A formal procurement requisition initiated the procurement processes using methods prescribed in the PP while observing procurement timelines. Sufficient actions were undertaken to achieve competition with bidder given sufficient time to request and receive clarifications, before the submission deadline. Remaining minor civil works and goods packages are delayed but are expected to be completed before end of the Fiscal year.

iii. Review of Contract Administration and Management

In general, the Lead Project Implementing Agency has sound processes, procedures and systems in place for administration, supervision and management of contracts. IFAD prior review requirements are complied with. Contract register follows IFAD's template and is updated correctly and submitted in accordance with provisions in the Letter to the Borrower. Contracts are signed by Project/Government authorities. Major civil works contracts directly contracted with IWUMD were supervised and implemented fairly on schedule despite the pandemic. The only goods contract (agricultural equipment) procured via NCB was cancelled due to the pandemic. The supplier manifested that it could not continue with the contract because its supplier from abroad could not facilitate the delivery of the contracted goods. The Project informed the mission that the procurement of the equipment is reprogrammed for Fiscal year 2020-2021. On consulting services, contract implementation of the contract with Development Resources International Co., Ltd. (DRI) was affected by the pandemic resulting in likely failure to fully achieve targets. With its contract expiring by end of Fiscal Year on 30 September 2020, the contract will be amended to reduce targets and corresponding contract account where appropriate. The Project will consider the engagement of the services of DRI during any project extension as the intended services will be a continuation of the tasks performed by DRI, its necessary experience for the procurement and the limited project duration to achieve the component. Also, the Project may have to review the Service Provider's contract for the Farmer Field School to consider the appropriateness of amending the contract to further measure the quality of agreed deliverables in the interest of attaining project objectives.

iv. Review of project's procurement filing system and the ease of document retrieval

Despite the limitations presented by the pandemic, the project was able to provide the requested procurement related documents. The procurement filing system appears to be compliant with IFAD requirements.

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v. **Review of issues identified in the previous procurement supervision and aide-mémoire and procurement related issues identified in project audit reports**

All agreed actions in the November 2019 supervision mission have been complied by the project.

vi. **Assessment of further procurement staff training needs**

No further procurement staff training is assessed to be needed.

vii. **Review of any significant changes in the Borrower/Recipient's procurement system and practices**

No significant changes in the Borrower's procurement system and practices that will impact on the project implementation are observed. Also, the FA provides that IFAD procurement procedures will apply as reflected in the Project Procurement Manual.

viii. **Key findings and conclusions from the PRM assessment update**

No PRM assessment was conducted because Project's existing Physical Completion Date is 31 December 2020.

ix. **Procurement performance indicator rating and justification**

Pillars	Rating	Justification
A. Review of Procurement planning	4	Procurement planning exhibits some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely
B. Process and Procedures: from prequalification to bidding	5	Processes and procedures applied exhibit minor shortcomings that have no impact on project implementation and performance
C. Process and Procedures: from evaluation to awards	4	Processes and procedures applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely.
D. Contract management	4	Processes, procedures and systems for administration, supervision and management of contracts exhibit some weaknesses. Implementation

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		support is required, however, prompt resolution of issues/constraints is likely
E. Record Retention	5	The project's record retention exhibits minor shortcomings that have no impact on project implementation and performance
Overall	4	Processes, procedures and systems applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely.

x. Recommendations for improvement and follow-up actions for the Borrower/Recipient and/or IFAD

a) Recommendations

Agreed Action	Responsibility	Agreed Date
Upload in MOALI website the upgraded 2019-2020 Procurement Plan	PCU	15Sept2020
Submit 2020-2021 Procurement Plan and upload in MOALI website after issuance of IFAD N.O.	PCU	30Sept2020
Complete procurement of remaining civil works and goods packages	PCU	30Sept2020
Amend consulting services contract with DRI and FSWG	PCU	15Sept2020

b) Follow-up

Recommendation	Follow-up action	Responsibility	Agreed Date
Upload in MOALI website the upgraded 2019-2020 Procurement Plan	Project to advise IFAD on uploading for verification	PCU	30Sept2020
Submit 2020-2021 Procurement Plan and upload in MOALI website after issuance of IFAD N.O.	Project to advise IFAD on uploading for verification	PCU	30Sept2020

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Complete procurement of remaining civil works and goods packages	Update PP on actual dates	PCU	15Oct2020
Amend consulting services contract with DRI and FSWG	Submission in NOTUS of proposed amendment of contracts	PCU	30Sept2020

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Annotated Guide for procurement review

Review of Procurement Plan

A. Procurement planning process - PP is aligned with the AWPB, is prepared and updated consistently and accurately and is based on consultative and collaborative processes. PP follows the IFAD PP template, has a summary page with an AWPB reference column, methods and thresholds are entered correctly, and no less than 80% of the procurements listed are ongoing/completed as planned. PP is updated (with the “actuals” rows updated) and upgraded as necessary in a timely manner, with IFAD NOs provided accordingly. All procurements carried out are in the PP, as consistent with the Financing Agreement and the Letter to the Borrower. PP is easily and publicly accessible – demonstrating transparency and promoting participation and competition.

Review of Procurement Plan for each procurement should be completed in accordance to the following questions:

- Is it consistent with the latest approved AWPB:
 - Do the nature and quantity of goods/works/services appear consistent with the activities in the AWPB?
 - Is the procurement schedule consistent with the implementation schedules in the AWPB (does the delivery of goods, works and services correspond to targets in the AWPB)?
 - Is the procurement budget adequate?
- Is the selection of procurement methods in compliance with the provisions of the LTB?
- Do the time estimates indicated seem realistic?
- Adequacy of procurement packaging:
 - Are the procurement activities systematically and logically grouped according to the categories of the procurement (goods/works/services)?
 - Has packaging been done in a way that generally facilitates the use of the most competitive and efficient procurement method, that ensures the best value for money and that avoids pseudo-packaging?
- Progress in implementing and updating and upgrading the PP, including identifying significant delays and causes, proposing adjustments to the PP and recommending improvements relating to planned/ongoing procurement processes (e.g. in the preparation of the bidding documents)

Review of Ongoing/Completed Procurement Activities and Documentation

B. Process and Procedures from Prequalification to bidding - From prequalification (if applicable) to bidding, processes and procedures applied by the Lead Project Implementing Agency exhibit consistency, fairness, value for money, competition, efficiency, and responsiveness to requests for information and to complaints. Processes and procedures are consistent and comply with the following: national procurement regulations and laws; IFAD Project Procurement Guidelines and Handbook (including any ancillary IFAD Procurement Documents/Templates); the Financing Agreement and Letter to the Borrower (including provisions for prior review); and, other policies and requirements, such as the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations. Prequalification criteria and schedules of requirements (i.e. technical specifications, quantities or terms of reference, etc.) are clearly expressed and measurable. Evaluation methodology is fully disclosed in the bidding documents. There are no requirements in the bidding documents that present a barrier to entry for bidders, except for acceptable national participation requirements. There is evidence showing the following: more than the minimum number of bidders were invited to participate; all bidders received the bidding documents; minimum number of bids were received, as per method requirements; and, competition was maximised.

Process and Procedures from Prequalification to bidding for each procurement should be completed in accordance to the following questions:

- Is the item in the Procurement Plan?
- Is there a formal Procurement Requisition that initiates the process?
- Is the Method proposed in the PP used?
- Is enough done to demonstrate that competition was achieved?
- Is there time provided for bidders to request and receive clarifications, before the submission deadline?
- Is there sufficient time allotted for bidders to prepare quotations, bids and proposals?
- No late bids were accepted?

C. Process and Procedures from Evaluation to Awards: Processes and procedures applied by the Lead Project Implementing Agency for evaluation and contract award exhibit consistency, fairness, value for money, competition, efficiency, and responsiveness to requests for information and to complaints. Processes and procedures are consistent and comply with the following: national procurement regulations and laws; IFAD Project Procurement Guidelines and Handbook (including any ancillary IFAD Procurement Documents/Templates); the Financing Agreement and Letter to the Borrower (including provisions for prior review); and, other policies and requirements, such as the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations. Proper number of evaluation committee members as per IFAD, including at least 1 member with the technical knowledge and experience in coherence with the type of procurement. Evaluation done across 3 steps, Preliminary Examination, Technical Evaluation and Financial Evaluation, consistent with the methods of procurement.

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Evidence of signatures of evaluation committee members in the pages that carry final recommendation and final scores. Arithmetic corrections are accurate with evidence to show that the errors were formally communicated to bidders, and bidders' acceptance of such corrections. For Prior Review procurements, Technical and Combined Evaluation Reports and Draft Contracts evident with IFAD No Objection filed. Evidentiary documents and/or justification to show how bidders were eliminated from each step. For Post Review procurements, evaluation reports and contracts showing the steps, evident in file.

The Evaluation process for each procurement should be completed in accordance to the following questions:

- Was Preliminary Examination done?
- Are there objective and justifiable reasons for rejections at Preliminary Examination?
- Was Technical Evaluation done?
- Are there objective and justifiable reasons for rejections at Technical Evaluation?
- For QCBS and QBS was a Technical Evaluation Report submitted to and no-objected to by IFAD before the Financial Proposal(s) was/were opened?
- For all advertised procurement, were bidders informed of the (technical) evaluation outcome?
- Were the bidders given sufficient explanation as to their performance at the (technical) evaluation, if one or more requested this information?
- Were bidders given enough time to submit a challenge/protest?
- For consulting services under QCBS, QBS and LCS, was there a formal opening of financial proposals?
- Was Financial evaluation done and properly?
- Were corrections to Bidders' financials/prices were done, is there correspondence to show that the bidders were (i) notified and (ii) accepted the correction?
- Are there objective and justifiable reasons for rejections at Financial Evaluation?
- For consulting services under QCBS, were bidders provided the results of the combined evaluation and accorded sufficient time to challenge/protest?
- Were challenges/protests received? Were they handled properly?

The Award and negotiations process for each procurement should be completed in accordance to the following questions:

- Was award done after all challenges/protests were received?
- Negotiations were not held for Goods and Works
- Negotiations were held for consulting services?
- Did the negotiations significantly alter:
 - the scope
 - the duration
 - the price

Review of Contract Administration and Management

D. Contract management and Administration: The Lead Project Implementing Agency has sound processes, procedures and systems in place for administration, supervision and management of contracts, including for non-procured contracts/agreements such as grants, partnership agreements etc. Contract formats are consistent with bid documents and/or other legal templates, and include provisions regarding prohibited practises and IFAD's right to audit. Contracts are signed by Project/Government authorities. Correspondences and communication between the parties to the contract are available. As applicable, warranties, guarantees (advance payment, performance, retention) and insurance are available or valid. Payments are consistent and timely in accordance with contract provisions. Delivery of goods, works and services is in accordance with timelines. Supervision of works contract is undertaken. Delays are managed and liquidated damages are applied consistently. Complaints and disputes are managed and promptly resolved. IFAD prior review requirements are complied with. Contract register follows IFAD's template and is updated correctly and submitted in accordance with provisions in the Letter to the Borrower.

To ensure that **contract administration review** is effective and efficient, the following should be addressed:

- Advance payment (for Goods and Works): review should include checks for a copy of the advance payment security, acceptability of the format (guarantee, bond, etc.), validity, advance payment recovery plan as captured in the contract, and formal correspondence from issuing bank/financial institution confirming security was issued by them;
- Performance security (for Goods and Works): review should include checks for a copy of the performance security, acceptability of the format (guarantee, bond, etc.), validity (should be valid up to 28 days after contract completion), and formal correspondence from issuing bank/financial institution confirming security was issued by them;
- Retention money guarantee (for Works): review should include checks for need for a retention money guarantee as against a retention, validity, and formal correspondence from issuing bank/financial institution confirming security was issued by them;
- Timeliness of progress payments; and
- Validity of insurance policies.

To ensure that **contract management review** is effective and efficient, the following should be addressed:

- Assessing if contracts are effectively managed by the technical units in charge; and if contracts are executed as per the original schedule.

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To ensure that **contract payment monitoring form** review is effective and efficient, the following should be addressed:

- Identifying issues and weaknesses (and the relevant underlying causes of these issues and weaknesses) in contract administration and management and recommend improvements.

The contract, contract administration and management process for each procurement should be completed in accordance to the following questions:

- Was the Contract signed by both parties? (A copy must be evident in file)
- Has the contract the standard commercial and contractual terms required for a proper procurement agreement, as per relevant category and method?
- Is the procurement requirement (terms of reference, description of services, schedule of requirements, technical specifications) expressed in the contract as consistent with the successful bidder's bid evaluation report and negotiated outcome?
- Was a Contract amendment made to extend time/add funds/add scope?

Review of project's procurement filing system and the ease of document retrieval

E. Record retention: The Lead Project Implementing Agency keeps procurement records orderly in file records in shelves or other safe place, or even better if records are saved orderly electronically and are uploaded to the cloud or other safe electronic environment (including a protected in-house server). The file record should not be cramped. Excess papers should be in additional volumes in one or more additional lever-arch folders. Bids and proposals submitted by bidders may be left out of the lever arch file and kept in appropriately labelled box files. Lever arch folders should have a side label and a file index.

File Index should carry the following minimum information:

- Copy of Procurement Plan, with the item highlighted
- Signed Requisition
- Bidding Document
- Bid Opening documents
- Bids, proposals or quotations (when these are voluminous, a box-file should be used)
- Evaluation documents
- Contract documents
- Any other relevant documents

Review of issues identified in the previous procurement supervision and aide-mémoire and procurement related issues identified in project audit reports

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Such review assesses if adequate remedial actions are being taken to address issues or weaknesses raised in the previous procurement supervision, aide-mémoire and in recent project audit reports, as well as identifying any outstanding risk mitigation actions and other procurement-related issues arising from implementation support and monitoring. Based on such review, further actions to be taken by IFAD, the project or the Borrower/Recipient will be recommended.

Assessment of further procurement staff training needs

The assessment of further procurement staff training needs entails ensuring relevant training is planned and provided to project management and procurement staff in a timely manner. The assessment should refer to the Capability in Public Procurement under Project Institutional risk assessment of the Risk Matrix. The following must be addressed:

- Existence of a Procurement Unit with at least 2 staff members (Design stage, reference is to government agency)
- Existence of a Procurement Officer (Implementation)
- Staff member(s) required experience in donor funded public procurement
- General quality of documents produced by the procurement office
- Procurement staff having immediate access to the legal and regulatory framework documents
- Procurement and financial management functions being separated

Review of any significant changes in the Borrower/Recipient's procurement system and practices

The review should ensure project procurement procedures and systems are updated accordingly and should focus on the Legal and Regulatory Framework and the Accountability and Transparency under the Country Risk Assessment of the Procurement Risk Matrix. The following must be addressed:

Legal And Regulatory Framework

- Country procurement law, regulations and manual exist
- Existence of Standard Bidding Documents for Goods, Works and Services
- Procurement Monitoring
- Procurement Methods
- Public access to procurement information

Accountability and Transparency

- Procurement Complaints Management
- Country Corruption Perception Index score
- 2-tiered system to handle complaints
- Existence of a debarment system

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- Existence of an independent and competent local authority responsible for investigating corruption allegations

Key findings and conclusions from the PRM assessment update

A project's PRM will need to be reviewed and updated every time the procurement performance of a project is supervised. The PRM will be updated in light of evolving conditions or circumstances, for example, with respect to the national procurement system, improvement/deterioration of project procurement performance, overall implementation progress and results delivery. As a result, procurement and prior review thresholds may be revised, other existing risk mitigation measures may be adjusted or additional measures may be introduced.

If the colour of the circle under the **NET RISK RATING** of the Procurement Matrix changes from:

- 1) **Low risk to High Risk or Medium Risk to High Risk-** (|●→|●) (|●→|●)

Procurement specialist must give thorough explanation why the change has occurred, and what the recommendations are

- 2) **High Risk to Medium Risk or Medium to Low Risk** (|●→|●) (|●→|●)

Procurement Specialist must give thorough explanation why the change has occurred and how

- 3) **Risk remains the same** (colour remains the same)

Procurement Specialist is not required to provide any justification

Procurement performance indicator rating and justification

The Borrower/Recipient and Lead Project Implementing Agency's performance with respect to procurement is assessed in terms of the quality, reliability, transparency and efficiency with which it carries out procurement processes it is responsible for, and the effects on project implementation and results delivery. The procurement performance indicator consists of five pillar sub-ratings that must be averaged (on an equal weight basis) to compute the overall rating. This indicator will be assessed at least once a year.

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Ratings (as per below):

Pillars/Ratings	(6) Highly satisfactory	(5) Satisfactory	(4) Moderately Satisfactory	(3) Moderately unsatisfactory	(2) Unsatisfactory	(1) Highly unsatisfactory
A. Planning	Procurement is very well planned, and all related processes and procedures applied fully meet requirements	Procurement planning exhibits minor shortcomings that have no impact on project implementation and performance.	Procurement planning exhibits some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely	Procurement planning exhibits significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.	Procurement planning exhibits serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	Procurement planning is non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.
B. Pre-qualification - Bidding	Processes and procedures applied fully meet requirements.	Processes and procedures applied exhibit minor shortcomings that have no impact on project implementation and performance.	Processes and procedures applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely	Processes and procedures applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.	Procurement process and procedures applied exhibit serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	Processes and procedures are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.
C. Evaluation - Award	Processes and procedures applied fully meet requirements.	Processes and procedures applied exhibit minor shortcomings that have no impact on project implementation and performance.	Processes and procedures applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. 21 Implementation support is required, however, prompt resolution of issues/constraints is likely.	Processes and procedures applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.	Procurement process and procedures applied exhibit serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	Processes and procedures are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.
D. Contract management	Processes, procedures and systems for administration, supervision and management of contracts exhibit high performance across all requirements	Processes, procedures and systems for administration, supervision and management of contracts exhibit minor shortcomings that have no	Processes, procedures and systems for administration, supervision and management of contracts exhibit some weaknesses. Implementation support is required, however, prompt	Processes, procedures and systems for administration, supervision and management of contracts exhibit numerous shortcomings. Project implementation is negatively impacted; implementation support	Processes, procedures and systems for administration, supervision and management of contract exhibit significant lapses and gaps in terms of performance standards, inconsistently applied controls, inefficiency,	Processes, procedures and systems for administration, supervision and management of contracts are non-functional. Project implementation and achievement of development

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		impact on project implementation and performance.	resolution of issues/constraints is likely	is required; resolution of issues/constraints is likely but will take some time.	and transparency. Project implementation is severely impacted; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of	objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.
E. Record retention	The project's record retention fully meets requirements, and can be regarded as a best practice.	The project's record retention exhibits minor shortcomings that have no impact on project implementation and performance.	The project's record retention exhibits some weaknesses. Implementation support is required, however, prompt resolution of issues/constraints is like	The project's record retention exhibits numerous shortcomings. Project implementation is negatively impacted; implementation support is required; resolution of issues/constraints is likely but will take some time.	The project's record retention exhibits serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	The project's record retention is non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.
OVERALL	Processes, procedures and systems applied fully meet requirements.	Processes, procedures and systems applied exhibit minor shortcomings that have no impact on project implementation and performance.	Processes, procedures and systems applied exhibit some gaps and inconsistencies that have limited impact on project implementation and performance. Implementation support is required, however, prompt resolution of issues/constraints is likely.	Processes, procedures and systems applied exhibit significant shortcomings and inconsistencies across some of the requirements. Project implementation is negatively impacted and delayed; implementation support is required; resolution of issues/constraints is likely but will take some time.	Processes, procedures and systems applied exhibit serious shortcomings and inconsistencies across the board. Project implementation is severely impacted and delayed; procurement risk is high; significant implementation support is required; resolution of issues/constraints is uncertain. Some evidence of prohibited practices.	Processes, procedures and systems are non-functional. Project implementation and achievement of development objectives are compromised; procurement risk is very high; resolution of issues/constraints is unlikely. Extensive evidence of prohibited practices.

Recommendations for improvement and follow-up actions for the Borrower/Recipient and/or IFAD

Based on the supervision review, recommendations for improvement and follow actions should be worked out.

- c) In the recommendations, agreed actions should be worked out in order to improve the procurement process

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Agreed Action	Responsibility	Agreed Date

- d)** The follow-up actions must be based on what has been stated in the recommendation for the improvement.

Recommendation	Follow-up action	Responsibility	Agreed Date