

## **Sudan**

---

### **Butana Integrated Rural Development Project Supervision Report**

#### **Main report and appendices**

Mission Dates: 6 Nov - 1 Dec 2018  
Document Date: 23/01/2019  
Project No. 1100001332  
Report No. 4951-SD

Near East, North Africa and Europe Division  
Programme Management Department

## Abbreviations and Acronyms

<b>ABS</b>	Agricultural Bank of Sudan
<b>ABSUMI</b>	Agricultural Bank of Sudan Microfinance Initiative
<b>AF</b>	Additional Finance
<b>APO</b>	Associate Programme Officer
<b>ASAP</b>	IFAD Adaptation for Smallholder Agriculture Programme
<b>AWPB</b>	Annual Work-Plan and Budget
<b>BDA</b>	Butana Development Authority
<b>BDF</b>	Butana Development Fund
<b>BIRD</b>	Butana Integrated Rural Development Project
<b>BLMIE</b>	Business and Livestock Market Information Entity
<b>BoD</b>	Board of Directors (BDF)
<b>CAHWs</b>	Community Animal Health Workers
<b>CBOs</b>	Community Based Organisations
<b>CBS</b>	Central Bank of Sudan / Central Bureau of Statistics
<b>CCI</b>	Community Capability Index
<b>CCU</b>	Central Coordination Unit
<b>CD</b>	Country Director
<b>CDC</b>	Community Development Centre/Committee;
<b>CEAP</b>	Community Environmental Action Plan
<b>CEAs</b>	Community Extension Agents
<b>CIF</b>	Community Initiative Fund
<b>CPM</b>	Country Programme Manager
<b>CR CVP</b>	Climate Resilient Community Village Plans
<b>DG</b>	Director General
<b>DTs</b>	Development Teams
<b>ECAW</b>	Enhancing Climate Change Adaptation in Agriculture and Water Resources in the Greater Horn of Africa
<b>EUR</b>	Euro
<b>F</b>	Female
<b>FC</b>	Financial Controller
<b>Fe/Male</b>	Female and/or Male
<b>Fed</b>	Feddan
<b>FMoAF</b>	Federal Ministry of Agriculture and Forestry
<b>FMoARWF</b>	Federal Ministry of Animal Resources, Wildlife and Fishery
<b>FNC</b>	Forest National Corporation
<b>FS</b>	Financial Statement
<b>GALS</b>	Gender Action Learning System
<b>GEF</b>	Global Environmental Facility
<b>GoS</b>	Government of Sudan
<b>Ha</b>	Hectare
<b>HHs</b>	Households
<b>HQ</b>	Headquarters
<b>IA</b>	Institutional Advisor
<b>ICARDA</b>	International Center for Agricultural Research in the Dry Areas
<b>ICB</b>	International Competitive Bidding
<b>ICO</b>	IFAD Country Office
<b>ICSP</b>	Integrated Carbon Sequestration Project
<b>IMP</b>	Integrated Pest Management
<b>INGO</b>	International Non-Governmental Organisation
<b>ISA</b>	International Standards of Auditing
<b>KM</b>	Knowledge Management
<b>KP</b>	Knowledge Products
<b>LAPA</b>	Local Adaptation Plans for Action (manual)

<b>LMIS</b>	Livestock Marketing Information System
<b>LMRP</b>	Livestock Marketing and Resilience Programme
<b>LPG</b>	Liquid Petroleum Gas
<b>LR</b>	Learning Route
<b>LU<sub>s</sub></b>	Locality Units
<b>M</b>	Male
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MCC</b>	Meat Commodity Council
<b>MFIs</b>	Micro Finance Institutions
<b>MIS</b>	Management Information System
<b>MoAF</b>	Ministry of Agriculture and Forestry
<b>MoARWF</b>	Ministry of Animal Resources, Wildlife and Fishery
<b>MoFEP</b>	Ministry of Finance and Economic Planning
<b>MoIWR</b>	Ministry of Irrigation and Water Resources
<b>MoU</b>	Memorandum of Understanding
<b>MTR</b>	Mid-term Review
<b>NR</b>	Natural Resources
<b>NRGF</b>	Natural Resource Governance Framework
<b>NRM</b>	Natural Resources Management
<b>PCR</b>	Project Completion Review
<b>PIM</b>	Project Implementation Manual
<b>PIU</b>	Programme Implementation Unit
<b>PO</b>	Procurement Officer
<b>PP</b>	Procurement Plan
<b>PPM&amp;E</b>	Participatory Planning Monitoring and Evaluation
<b>PVC</b>	Poly Vinyl Chloride
<b>QCBS</b>	Quality Cost-Based Selection
<b>RAP</b>	Rural Access Project
<b>RF</b>	Revolving Fund
<b>RFA</b>	Rural Finance Agent
<b>RFO</b>	Rural Finance Officer
<b>RIMS</b>	Results and Impact Management System
<b>SA</b>	Special Account
<b>SCGs</b>	Saving and Credit Groups
<b>SCU</b>	State Coordination Unit
<b>SDG</b>	Sudanese Pound
<b>SECAP</b>	Social, Environmental and Climate Assessment Procedures
<b>SM</b>	Supervision Mission
<b>SMDC</b>	Sudanese Microfinance Development Company
<b>SMFU</b>	State Microfinance Units
<b>SRDC</b>	Sudan Rural Development Company
<b>SROI</b>	Social Return on Investment
<b>STC</b>	Supervisory Technical Committee
<b>SWA</b>	State Water Authority
<b>TA</b>	Technical Assistance
<b>TORs</b>	Terms of Reference
<b>ToT</b>	Trainers of Trainers
<b>UNDSS</b>	United Nations Department of Safety and Security
<b>VDC</b>	Village Development Committee
<b>VSCGs</b>	Village Savings and Credit Groups
<b>YPs</b>	Young Professionals

## A. Project Overview

Region:	Near East, North Africa and Europe	Project at Risk Status:	Not at risk
Country:	Sudan	Environmental and Social Category:	B
Project Name:	Butana Integrated Rural Development Project	Climate Risk Classification:	not available yet
Project Id:	1100001332	Executing Institution:	not available yet
Project Type:	Agricultural Development	Implementing Institutions:	Butana Development Agency
CPM:	Tarek Ahmed		
Project Director:	not available yet		
Project Area:	Gezira, Kassala, Gedaref, River Nile, Khartoum		

Approval Date	14/12/2006	Last audit receipt	10/09/2018
Signing Date	16/02/2007	Date of Last SIS Mission	01/12/2018
Entry into Force Date	07/07/2008	Number of SIS Missions	22
Available for Disbursement Date	07/07/2008	Number of extensions	2
First Disbursement Date	28/11/2008	Effectiveness lag	19 months
MTR Date	01/09/2012		
Original Completion Date	30/09/2016		
Current Completion Date	30/09/2019		
Financial Closure	not available yet		

## Project total financing

<b>IFAD Financing breakdown</b>	ASAP Trust Fund	\$3,000,000
	IFAD	\$24,799,231
	Debt Sustainability Framework	\$10,300,000
<b>Domestic Financing breakdown</b>	Beneficiaries additional financing	\$978,000
	Beneficiaries	\$766,462
	Local Government	\$1,055,907
	National Government	\$3,233,377
	National Government (add)	\$2,175,000
<b>Co-financing breakdown,</b>	Italy	\$381,245
<b>Project total financing</b>		<b>\$46,689,222</b>

## Current Mission

Mission Dates:	6 Nov - 1 Dec 2018
Days in the field:	12

Mission composition: Ms Lucy Maarse, Mission Leader; Natural Resources and Livestock Development;  
 Mr. Omer Egemi, Natural Resources and Climate Change;  
 Mr Manab Chakraborty, Rural Finance and Community Development;  
 Mr Mohamed Abdel-Latif, Civil Engineer and Procurement (21-31/10/2018);  
 Ms Sara Lili, Financial Management (07-18/11/2018);  
 Mr. El Fadul Ishag, Implementation Support and Procurement, ICO Sudan; Procurement (21-31/10/2018);  
 Mr. David Radcliffe, ASAP (DFID consultant); (partial);  
 Mr Ahmed Subahi, Country Programme Officer, ICO-Sudan (partial);  
 Mr. Adil Osman Idris, Senior Coordinator, CCU (partial)  
 Mrs. Neimat Ahmed Babikir and Mrs. Abla Malik Osman, General Directorate of International Relation Department, Mr. Asaad Mohamed Hassan, Department of Monitoring and Follow-up, FMoAF;  
 Mr. Salah Ankoush Ahmed, Department of Foreign Finance, FMoAF;  
 Mr. Moutz Mousa Adam Kbashi, Department of Planning, FMoARFW

Field sites visited: Al-Baabeesh; Al-Gurraa Tay Alla; Kurraj Shamal; As-Sasaraib Abu Gimbeel; Ash -Shag; Al-Elelaiw; Al-Khalwat; Abu -Hareeg Aj- Jamaab; Al-Karadab Alwuhda

## B. Overall Assessment

Key SIS Indicator #1	Ø	Rating	Key SIS Indicator #2	Ø	Rating
Likelihood of Achieving the Development Objective		5	Assessment of the Overall Implementation Performance		4

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

<b>Sustainability and Scaling-up</b>	<b>5</b>	<b>Financial Management and Execution</b>	<b>3</b>
Institutions and Policy Engagement	5	Acceptable Disbursement Rate	3
Partnership-building	4	Quality of Financial Management	3
Human and Social Capital and Empowerment	5	Quality and Timeliness of Audit	4
Quality of Beneficiary Participation	5	Counterparts Funds	2
Responsiveness of Service Providers	4	Compliance with Loan Covenants	4
Environment and Natural Resource Management	5	Procurement	4
Exit Strategy	5		
Potential for Scaling-up	6		

<b>Relevance</b>	<b>5</b>
------------------	----------

## C. Mission Objectives and Key Conclusions

### Background and Main Objective of the Mission

#### Mission Objective

The objectives of the supervision mission are: (i) to review both the technical and fiduciary aspects of BIRDP; (ii) to assess the progress made in the implementation of the recommendations and agreed actions, in particular on aspects and issues highlighted during the last supervision mission (November 2017) and the implementation support/follow-up mission (July 2018); (iii) to provide clear guidance on how the project improves its performance to meet the requirements of the remaining short lifetime to ensure smooth closure of the project to satisfy the stated project development goals. Special attention will be given to the disbursement and utilization of funds, completion of activities, BDF structure and role, the NRM governance framework and project exit strategy and sustainability.

An introductory meeting was held at CCU level (07/11/2018), while courtesy calls were made at FMoAF (07/11/2018), FMoAF and FMoARWF (08/11/2018). The field programme started with presentations at PCU level (11/11/2018) where after two nights were spent in each State covering a presentation made by the development team and two days of visiting the field covering one community or Natural Resource network per day; i.e. Gezira State (11-13/11/2018): Elbuabish community, Elgurrah Tay Allah; Kassala State (14-15/11/2018): Al Sasareeb community, Korraj Shimal community; Gedarf State (17-18/11/2018): Afag Eltanmiach network, Alshag Community; River Nile State (19-20/11/2018): Al Elewo Al-ubadba community, Al Kullwat community; Khartoum State (21-22/11/2018): Al-wddian Community Network, Al-karadab Al-wehda community. Wrap up meetings were held at PCU/SCU - (25/11/2018), Supervisory Technical Committee (STC) - (25/11/2018) and MoFNE level (26/07/2018). The latter two were respectively shared by the Under-Secretary of FMoAF, Dr. Azhari Ibrahim Basbar and Director General, General Directorate of Foreign Affairs, MoFNE, Mr. Musa Makin Kabbashi.

#### Background

The goal of BIRDP is 'improve in a sustainable manner the livelihoods and resilience to drought of the poor rural households' and the objective is 'the capacity of CBOs to engage in climate resilient, environmentally sound, socially and gender equitable development initiatives and management of NRs developed'. The Butana grazing area is the geographical outreach of BIRDP and covers 9 localities, 5 States, 140 targeted villages (34,000 Households) of phase 1 which are called mother or old communities and 400 satellite or new villages (64,000 Households) under AF phase. BIRDP has four components namely **1.)** Policy and Institutional Building, **2.)** Climate Resilient Natural Resources Management (range, forest, vegetables, crops, water), **3.)** Livestock and Marketing Development and **4.)** Community Development, Business Options, and Rural Micro Finance.

An Additional Financing (AF) agreement was signed between IFAD and the Government of Sudan on January 24th, 2017 to provide the project with additional financial resources of US\$13.3 million (US\$10.3 million from DSF Grant and US\$3.0 million from ASAP) to consolidate key project interventions and scale-up the successful interventions to other parts of the Butana to cover the majority of Butana's communities (540 out of 700). In addition, the same parties signed an Italian Grant Agreement in November 2016 to provide an amount of US\$381,245 to improve food security and access to markets through improved post-harvest storage systems and community access to residue detection systems for 300 HHs of BIRDP and non BIRDP communities in Kassala State. The new project completion date is 30 September 2019 and the closing date 31 March 2020. The total project costs are US\$43.15 million (IFAD loan US\$29.85 million + DSF grant US\$10.3 million + ASAP Grant US\$3.0 million). In addition, there is the Italian grant (US\$381,245) with completion date of November 2018.

### Key Mission Agreements and Conclusions

#### Key mission agreements and Conclusions

Rampant inflation, chronic diesel shortage, and non-availability of cash adversely affected the operation of the project. Routine field work was hindered due to shortage of fuel. High inflation discouraged road contractors and other consultants in entering into contracts paid in Sudanese currency.

Despite such unprecedented challenges, for the first time in the last eight years, BIRDP will record about 100% physical achievement by the end of this calendar year. Its implementation record stands at 100% for 58 of the planned activities and 84 activities by 67.2% by the end of October 2018. Decentralisation of tasks, quarterly fund flow arrangements to SCUs, strict monitoring by the Supervisory Technical Committee (STC), clear ToRs for the coordinator, and assistance for the Community Development and Gender Officer are the main contributing factors.

BIRDP presents an elegant and efficient example of how scaling up can take place; in less than two years (2017-2018) 239 additional communities have been reached against 140 communities during phase one (2009 – 2016). Many HHs of the AF phase are in the vicinity of the older communities and they had already shown interest. Pillars of this success are **i.)** the so-called horizontal extension namely old (Mother) communities reaching out to the new (Satellite) communities, exchange visits, and training by local extension agents; **ii.)** placing of female Young Professional (YPs) in the new communities; **iii.)** enhancement of capacities and capabilities of the Development Teams and PCU staff; and **iv.)** making

effective use of KPs developed. The field sites visited (communities and networks) form in fact potential learning routes for Scaling up, Development of Natural Resources, Empowerment of Women, Fodder conservation to name just a few.

Fortunately, the establishment of the Butana Development Fund (BDF) might turn into a reality. The Board of Directors (BoD) of BDF met in July 2018. In October 2018, Dr. Gotbi el Mahdi was appointed as the Director General of the BDF by a decree of the President of the Republic of Sudan. Dr. Gotbi met the mission members on 20th November 2018 at Shendi during which an Action Plan<sup>[1]</sup> was agreed upon which covers issues as contracting the staff, ensuring smooth handing over of assets, up-dating and approving the BDF Strategy and Five-Year Business plan, etc.

A critical concern remains the construction of the Rural Access Road linking El Sobagh Town to Sitta Arab Village (74 Km). Despite all odds, the GoS is very keen to continue with the construction. During the mission the Under Secretary of FMoAF checked daily on the progress and ensured that 40,600 litres of diesel arrived at the site on the 20th of November. In addition, progress is checked daily by the senior civil engineer of BIRD, communicated to PCU, and CCU, while the latter keeps the FMoAF up to date. Nonetheless, in view of the poor performance of the contractors, it is uncertain whether the road can be constructed in remaining period of the project (about 10 months). Therefore, the Government of Sudan should be solely responsible of all consequences arising from non-completion of the road within the remaining period December 2018 – September 2019.

There is high risk of not being able to fully utilize the estimated balance of \$ 8.23 million covering all financiers as at 31/12/2018, excluding the advance for the Authorised Allocation and including the project commitments and the forecast for the last two months of 2018, within the remaining ten months. There are however, pending infrastructural demands for water facilities, community centres (network level), and primary markets which can be implemented in the first quarter of 2019. Important is that the FC monitors the project balance on a monthly basis, informs the PCU and SCU teams and STC, to ensure that pro-active actions can be taken by the management in due course. A prerequisite remains timely payment of the GoS contribution.

The finalisation of the Natural Resources Governance Framework (NRGF), quality Planning, Monitoring, and Financial Management are some other concerns.

Furthermore, it is of utmost importance that the focus in the remaining ten months is on consolidation -know the weaknesses at community and network level and provide service accordingly- documentation, exit and preparing for the PCR. The latter concerns a range of studies including guided self-evaluation.

[1] Annex 1. ACTION PLAN – Butana Development Fund (BDF) to Aid Memoire. Regarding Supervision Mission report, concerned action plan is presented in Appendix 4 Technical Background Analysis, chapter III, 'Working Note Three: ACTION PLAN to arrive at a functional Butana Development Fund (BDF)'.



## D. Overview and Project Progress

### Component 1. Policy and Institutional Building

The component has three sub-components: (i) 'policy and strategy' that covers NRM legislations and undertaking relevant studies; (ii) 'institutional development' comprising establishment of Butana Development Fund BDF and support to Government partners; and (iii) 'capacity building at various levels' which covers 'technical assistance' (TA), 'Young Professionals' (YP) and 'Knowledge Products' (KP).

#### Policy and strategy:

The progress in this component is satisfactory although variations in progress between the sub components is conspicuous. The progress in policy and strategy, remains lagging behind. The recruitment of the National Climate Resilient and Natural Resources Management advisor proposed by the last SM has not been achieved. Progress in undertaking the four proposed studies is also very limited. It was only at the time of the SM that the contract for three studies had been finalized. The fourth study remains pending. Recognizing the importance of these studies for informing the development of Natural Resource Governance Framework (NRGF) due attention and rigorous actions are urgently required. The completion of the NRGF by end of February 2019 is an immediate task so that the Inter-State Workshop for the validation and endorsement of the NRGF be organized not later than the Third Week of March 2019.

Focus on the NRGF at community level has already progressed remarkably among the new communities under AF and the increased awareness about natural resources and the commitment to guard and enhance the quality of these resources, including community land use mapping and legalization of forests and range lands is visible and inspiring. 50% of the planned NRM Forums at community level were held and awareness about range and pastures law was fully undertaken.

#### Institutional development

The constitution of the Butana Development Fund (BDF) remains slow. The BDF Board of Directors (BoD) is currently in place, the chairperson of the BDF Board (Undersecretary of Ministry of Finance and Economic Planning) and Director General (DG) are appointed. As spelt out in the Action Plan[1] many issues remain pending and call for immediate action.

#### Capacity building at various levels

Institutional capacity building progressed remarkably during the reporting period with an average achievement of 92%. Only two activities remain pending: Training for DTs, YPs and Locality staff on GALS methodology and training in financial and performance measurement. The progress in KP and dissemination deserves compliment. The achievement in KP must be appreciated and praised. The production of knowledge material exceeded expectations and the dissemination of knowledge among communities using different communication channels progressed speedily. This involved production of 44 posters and leaflets, 11 knowledge films, 56 media programs ( radio and TV sessions). The training of YPs was fully implemented and their role in community mobilization, awareness raising, and up scaling is a major achievement. The exchange visits among Networks and between new and mother communities/villages proved to be an important driving force behind the success of up scaling during the AF.

### Component 2. 'Climate Resilient Natural Resources Management (range, forest, vegetables, crops, water)

The Component is intended to enhance resilience to climate change through effective use and management of water, range lands, forests and agriculture while promoting access to markets. It has three sub-components: (i) establishment of functional water structures; (ii) improved water harvesting and agro-forestry systems; and (iii) construction and maintenance of feeder rural road. The progress in the two first sub components is to be commended while the third remains very critical.

The platform for the implementation of this component is the development, approval, and implementation of Climate Resilient Community Village Plans (CR CVPs). During the reporting period all communities under AF (239) have established and continue following up on the implementation of their plans. The communities visited (10 communities) demonstrate deep understanding of their maps including opportunities available and perceived constraints to full realization of these maps. The capacities of the Development Committees are overwhelmingly described as the main catalyst for the realization of the plans. The development of the plans also reflects the full awareness of the communities about their natural resources and their readiness and preparedness to promote the development of NRGF. The challenge now lies outside the communities, on the PCU in the first place for finalization of the NRGF and the BDF and partner five states for endorsement, promotion and operationalization.

#### Establishment of functional water structures

Despite the severe fuel crisis, the high inflation rates and limited access to cash in the banks during 2018 appreciated progress had been achieved. The recruitment of Water structures consultant provided considerable support. Out of the total 46 planned new sources of water (hafirs, water yards and hand pumps) 39 (84.8%) have been completed and five sources are under construction. Out of the planned 20 boreholes to be drilled for the establishment of women farms the drilling of 16 (80%) boreholes was completed. The positive role played by BIRDP in resolving the problem of water among targeted communities had been continuously stressed by communities as well as authorities. Women and children, traditionally responsible for fetching water have particularly benefited from improved water provision. The positive impacts

on health and education are widely described by communities.

### **Improved water harvesting and agro-forestry systems**

For improved water harvesting and agro-forestry system inputs for the development of irrigation systems for existing women farms was provided for 62% of the farms. The installation of solar energy for the running of the farms is an innovation to be commended and the wide interest generated as reliable and cheap source of energy was highly commended by communities visited. The establishment of new women home gardens (jubraka) exceeded expectations (169%) reflecting the remarkable scaling up of the jubraka intervention and the recognition of its role in household food security as well as additional source of income for some women. Support to improved terrace cultivation continued during 2018 but with limited pace (43% achievement) as the intervention was severely impacted by the shortage of fuel under situation of high demand generated by the very good rains during the year. The cultivation of Guar on individual farms covered 3,808 feddan (89% of planned target) reflecting rapid scaling up process. Rehabilitation of communal range lands progressed significantly to cover 68,639 feddan (90% achievement); the planned 11,000 feddan of shared community rangelands (Community Network) had been fully achieved and the rehabilitation of existing range enclosures (200 feddan) is in progress. 19,950 feddan (81%) of the planned establishment and development of community forests had been achieved and 7 km of tree shelter belt around farms and water sources had been established.

### **Construction and maintenance of usable rural roads**

The mission was pleased to find that the PCU has adopted the agreed actions of the last follow-up/support mission and increased the number of technical staff responsible for the supervision of the on-going contracts headed by a full-time team leader stationed in El Sobagh City. Additionally, the PCU has secured the necessary logistical support to facilitate the work of the supervision team.

The status of the implementation of road construction is severely critical as the remaining period till the completion date (about 10 months) will not be enough to complete all anticipated works especially with the poor performance of the contractors. GoS intention to pursue the completion of construction works, despite IFAD concerns. Moreover, some weaknesses have been observed in the constructed parts of the road. The observed weaknesses lessen the resilience of the road against water overflows. Therefore, the Government of Sudan should be accountable to the consequences of the high risks namely not completing within the remaining period December 2018 – September 2019.

As a way forward, the mission has discussed with the PCU and the consultant the dire need for immediate implementation of the following actions:

- It is essential that the all urgent works that allow full usage of the road must be completed before the project completion date. These urgent works include (i) completion of new crossings works (concrete structures, approaches); (ii) essential protection works to enhance the resilience of the road against water overflows;
- The consultant should prepare a survey of all weak points along the road, bill of quantities and develop the new bidding documents for the crossing and protection works to be tendered within the pre-qualified contractors applying Limited Tendering Method (shopping method);
- The PCU in collaboration with the CCU should finalize the bidding process for the road section from Km 43.30 to Km 60.00 before the end of December 2018. The PCU with support from the consultant should negotiate the programme of works with successful bidder to achieve a realistic plan that will ensure full usage of the road;
- The PCU should apply contract provisions in full on the Non-performing contractor (Shirian El Shamal) responsible for the section from Km 0.00 to Km 16.70 of Al Subagh – Sitta Arab road, including revocation of the letters of guarantee for performance security and retender the remaining works within the pre-qualified contractors. Retendering is not a feasible option and therefore strict performance monitoring is needed;
- The PCU should closely follow up and monitor the implementation of road construction works and a meeting every two weeks should be held at the site headed by the project coordinator to assess the progress and take any corrective actions as needed.

### **Component 3: Livestock and Marketing Development**

Livestock Markets and Animal Husbandry form the two sub-components. Regarding the five secondary markets in which BIRDP has invested, some facilities were added and/or repaired (Kassala, Gedarif State), but interesting is that two States declared these markets (Gezira, Gedarif) have export markets, which encouraged traders and exporters to turn to these markets. Collection of market information happens in all States and radio broadcasting of livestock prices works in Kassala and River Nile State. For the period January – September 2018, the estimated total average revenues reached 15.8 Mio SDG; River Nile State: 2,116,534 (sold animals: 162,906; 70%); Khartoum State: 119,080 (sold animals: 11,441; 68%); Gezira State: 6,626,200 (sold animals: 156,492; 77%); Gedarif State: 4,410,000 (sold animals: 220,500; 72%); and Kassala State: 2,571,130 (sold animals: 150,525; 73%). Apart from revenue collection, positive effects are increase in shops, value of land around the market increasing, more female tea and food vendors.

For the additional financing phase, investing in primary markets is intended to provide equal opportunities for men and women to reach markets and to be able to sell their animals or products easily without a broker. The idea of primary markets is also based on the principle of enabling local communities to manage these markets themselves and benefit from the financial revenues by reinvesting in basic services. During 2018 the project has succeeded in encouraging communities to initiate construction of primary markets; construction was completed in 2 primary markets, some feasibility studies are on-going (4 sites), while additional primary markets are planned for 2019.

Although it is expected that the Tamboul slaughterhouse shall be opened in November 2018, there remain pending issues regarding the management, but these are addressed; the meat council shall run it but issue of land certificate of FMoAF remains pending. Capacity building on management and operation took place, while the meat council has their own legal adviser to assist.

The mission observed that the communities have a clear and practical understanding of resilience and expressed it in their CR CVP through using symbols, drawings etc so that also the many illiterate people can understand the plan. As a result, these plans triggered the development of fodder calendars (mapping feed resources to season) and subsequently aiming at filling feeding gaps resulting in hay making using the box or special knots, growing guar (cluster bean) under rainfed conditions and legumes in small gardens (communal women and/or home gardens). The calendars also show the use of a variety of fodders; natural pasture, grass from agriculture plots, crop residues, sorghum grain and bran, cotton seed cakes, bean straws, tree leaves, cultivated legumes (Clitoria, Luzern), etc. In short, a lot of efforts are made in conserving quality fodder; i.e. first loans are taken for conserving fodder. Fodder calendars are based on surveys among settled communities, and the next step is to cover the agro – and pastoralist communities. Grazing plans are another piloted activity but remains complex.

Next to the impressive uptake of fodder conservation in the new communities, the demand and attention for backyard poultry is prominent in 31 communities[2], and not observed to this extent in the previous phase.

Regarding the Veterinary Services Center, the project supported on a pilot basis the establishment and opening (10) animal veterinary service centers in 2018 in River Nile State by selecting communities that have good CAHWs. Each center should be supervised and followed by the CDC and linked with the livestock departments at locality level; most of the beneficiaries are livestock breeders from different selected villages in Eldamer and Shandi localities and neighbouring villages and nomadic pastoralists and nomads from different regions; these centers operate as an information network and service delivery; it has been linked to all the trained veterinarians who know to exchange information among themselves through mobile phones.

#### **Component 4. Community Development, Business Options and Rural Micro Finance[3]**

This component has three sub-components: i.) Community Development Committees, Interest groups and Networks; ii.) Business Options through microfinance; and iii.) Community Extension Agents (CEAs). The Italian grant has been added as sub component iv.) and concerns the establishment of post-harvest grain stores owned and managed by the people.

##### **Community Development Committees, Interest Groups and Networks**

66 new communities were added in 2018 bringing the total number of communities selected under the AF phase to 239. The additions came Khartoum (29), River Nile (20), and Gazeera (17) states. During AF phase, there was conscious attempt to work with all satellite communities close to the mother communities. The cumulative percentage of poor and middle households was 88%. Nearly 9% of the beneficiaries are female headed households (FHHs). The new communities reported water as their top priority (72.7%), followed by agriculture (9%), education (7.7%) and health (6%). All the new communities prepared CR CVPs.

Three new networks were established in 2018 takes the cumulative tally to fourteen community networks where 153 communities are represented. Each network is managed by an executive committee working on common issues requiring larger, concerted collaborative action.

##### **Business Options through microfinance**

The year saw exponential growth of village savings and credit group (VSCG) numbers, client outreach, savings mobilized, and inter-lending. By September 2018, 417 groups reported a total saving of SDG 1.8 million. In percentile terms, the membership increase was 210% and savings portfolio was 258% over 2017. This remarkable progress shows that the idea of savings is well entrenched in the communities. Inter-lending of internally accrued savings was 44% and repayment rate was 94.26%.

An important development has been credit linkage established with ABSUMI and Sudanese Rural Development Company (SRDC) after separate MOUs were signed with these two organisations in July 2018. ABSUMI has extended credit of SDG 183,000 to 3 groups in Abu Delige, Khartoum state. ABSUMI is yet to start operation in Tamboul, Gezira State. SRDC has extended credit of SDG 10.5 million to 3 groups in River Nile State for fodder production, restocking of small ruminants, and natural fibre made handicraft production. ABSUMI's overall performance remains disappointing. Given the challenges faced by ABSUMI, it would be difficult for them to reach out to 10,000 -12,000 new clients in BIRDP communities by September 2019 when the project comes to close. Under the circumstances, BIRDP is well advised to enrol the services of new microfinance institutions the Savings and Social Development Bank (SSDB) and Kassala Microfinance Foundation (KMF). One way to boost microfinance services in Butana is to provide on-lending capital to SRDC, SSDB and KMF. This could be done, after proper due diligence by an external consultant, by placing fixed deposits in these financial institutions against which they will create credit for the use of rural communities in Sudan.

##### **Community Extension Agents (CEAs).**

The BIRDP Development Teams were able to mobilise and train new satellite communities in many areas. In 2018, 865 CEAs were trained against a target of 943; 70% of these CEAs remained effective against an expected level of 75%. CEAs received training in animal health, seedling production, IPM, water harvesting techniques, hay making and volunteer forest guards.

## Post-harvest Storage System under Italian Grant

The Government of Italy approved a grant in November 2016 to establish improved post-harvest storage systems and community access to residue detection systems for 300 poor households in Kassala State. A survey of 660 households was conducted in October 2017 by PCU. Further, a consultant from Agricultural Research Corporation, Sudan has finalized design and location of two warehouses, and identified suitable residual detection technologies. Construction of the warehouses is on while further work is underway on an institutional mechanism for the management and operation of the warehouses. The management of the warehouses by the communities remains challenging regarding the short time remaining and therefore it is expected that the Kassala Development Team shall backup both communities until end of September 2018.

[1] See footnote 1.

[2] The Gezira SCU shared a cost – benefit analysis regarding backyard poultry keeping which is included in Appendix 4: Technical Background Analysis, Working Note three 'Cost – Benefit Analysis'.

[3] For this component a detailed working paper is enclosed including four annexures namely in Appendix 4 'Technical Background Analysis'.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Overview and Project Progress</b>		
<b>Road Construction</b> Tender the essential protection works.	Consultant, PCU, CCU, STC	12/2018
<b>Road Construction</b> Sign the contract for the section from Km 43.30 to Km 77.00.	CCU, PCU, STC	12/2018
<b>Road Construction</b> Close follow up and monitor the implementation of road construction contracts.	Consultant, PCU, CCU, STC	12/2018
<b>Rural Micro Financing</b> MOU with Kassala Microfinance Foundation and Savings and Social Development Bank of Sudan (SDBS) may be concluded at the earliest.	PCU, STC	12/2018
<b>Rural Micro Financing</b> Recruit a national consultant to explore legal, financial and institutional due diligence for placing fixed deposits to provide liquidity to Kassala Microfinance Foundation, Savings and Social Development Bank of Sudan, and Sudan Rural Development Company for primarily credit creation to CDCs and Savings and Credit groups; where needed hire an international advisor to back up the local consultant.	PCU, STC	12/2018
<b>Primary market</b> Ensure that all Development Teams and relevant Communities / Networks have the right understanding when and why to invest in primary markets and implement accordingly.	PCU, SCUs	12/2018
<b>Management of Water Facilities</b> Continue consolidation and investment in the capacities of CDCs and water committees to ensure effective and sustainable management of water resources. It also included finalising the finalisation of Water Management Manual.	NR Officer, SCUs	01/2019

<b>Rural Micro Financing</b>  Grade all village savings and credit groups to determine their quality of management and performance.	PCU, SCUs	01/2019
<b>Governance of Natural Resources &amp; Climate Change</b>  Undertake prompt measures for producing draft NRGF incorporating inputs from studies and organize the inter-state workshop for its validation, endorsement, and finalization.	PCU- NR Advisor	03/2019
<b>Rural Micro Financing</b>  In view of poor outreach, ABSUMI performance is regularly monitored, and corrective actions taken, including recalling all vehicles made available to ABSUMI.	PCU, STC	03/2019
<b>Communal and Individual Women Gardens</b>  Provide focused investment in the capacities of farming women groups and jubraka cultivation to enhance production and to ensure effective and sustained management of land and water.	PCU, SCUs, Extension workers	06/2019
<b>Cross learning communities, Development Teams</b>  Undertake actions to ensure a continued process of exchange visits (horizontal learning) between the different actors at community level (networks, local extension workers) and between DTs.	PCU; SCUs	06/2019
<b>Governance of Natural Resources &amp; Climate Change</b>  It is recommended that the PCU coordinator is advised by a part-time (5 days per month) Climate Change / Natural Resource advisor, who reports to coordinator and Technical Committee on frequent basis (concerns pending recommendation of SM November 2017).	NR Officer, PCU, SCUs	
<b>Butana Development Fund</b>  Implement the 'BDF action plan' (Appendix 4, Working Note Two) in time so that the allocated budget can be spend as planned and before end of September 2018.	Under Secretary MoFEP; STC; CCU; PCU	

## E. Project implementation

### a. Development Effectiveness

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

#### Justification of rating

No change in rating made. Analysis of the AWPB shows that remarkable progress had been achieved in the implementation of the Plan. 58 of the planned activities were implemented by 100% or more and 67.2% of the planned activities had been implemented by 67.2%. This is in addition to 12% of the interventions implemented by 50%-69%.

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

Field investigations and discussions with more than 1,000 community members provide ample evidence that the project is on track to meet its broad development objective of improving natural resource management while enhancing resilience of the poor to drought. The SM is on the opinion that the interventions in NR governance, institutional capacity building, community development, rainwater harvesting, and livestock and marketing development have collectively generated remarkable improvements in livelihoods, poverty reduction, food security, income generation, and enhanced resilience to drought and climate change. The empowerment of women and youth through active participation and representation in the established community structures is quite visible.

#### Main issues

Regarding the revised Logframe (Additional Finance version), the different teams should create clarify among each other regarding merging of indicators, while ensuring that data related to earlier indicators (set at Mid Term) are collected and analysed. This is an important exercise as input for the Project Completion Review (PCR).

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

#### Justification of rating

No change in rating is made. The project right from the design stage has employed poverty and livelihood analysis in the process of targeting project interventions to help determine who will engage in, and benefit from the different activities undertaken. Subsequent assessments of monitoring of targeting performance has been based on this analysis, while participatory assessment of targeting effectiveness have identified errors of inclusion and exclusion, which has been addressed in the course of implementation. Over 46% of population in Sudan live below poverty line. Political instability, adverse weather and climate change, and weak agricultural commodity prices ensures that much of the population will remain at or below the poverty line for years.

The project originally aimed to cover 300 communities in Phase I and 400 communities under AF. 140 communities were reached in Phase I. 30 communities were excluded because they were either too big (more than 300 households or too small (less than 50 households). Further, 173 in 2017, and 66 in 2018 communities were reached taking the total tally to 379. 93 communities were excluded during the AF phase, because either they were large, too distant from the mother community, or too scattered for cost effective implementation. Thus, so far, the project has fallen short of covering 198 communities - 130 communities in Phase I and 68 communities in AF Phase. However, it concerns a correct decision which has been taken after various consultations. Over time, it is the BDF who should consider how best to include the larger communities.

#### Main issues

BIRDP project interventions are targeted at well-defined geographical areas, and communities living below poverty line. Using various participatory wealth ranking techniques, the communities rank households according to "poor", "average" and "well off" categories. The poor, average, well-off households were 65%, 26% and 9% respectively in Phase I (2008-16), and 52%, 34% and 10% in the AF phase (post 2017).

In the recent years, there has been decline in the number of "poor" households among the total beneficiaries. This is partly due to the fact, that most of the poor households were already covered in Project Phase I. In the second phase, the emphasis moved to covering satellite communities by mother community. The idea was to embrace the entire satellite community without discrimination to wealth ranking. There was a surge among "average" households to join the programme, and benefit from the various innovations introduced by BIRDP in earlier years.

Gender equality & women's participation	Rating: 5	Previous rating: 5
---	-----------	--------------------

## Justification of rating

The project recognises that strengthening gender equality has long lasting benefits. It makes major contribution to improving household food and nutrition security, develops new skills base of rural communities, raise their incomes and strengthen their resilience, and turns them into stewards of natural resources. The rating is 5 as it is ground-breaking how women of mother communities inspire women of the satellite communities in a rather short time; i.e. during phase one, it could take 1-2 years before women could sit with men in the same meeting place, but in the current phase, women in the new communities turn inspired from the onset through women leaders of the mother communities, through exchange visits in which both women and men participate, etc.

## Main issues

The project has expanded access to and control over fundamental assets – cash savings, common land (for Jubraka group cultivation), knowledge and technologies related to fodder storage. The women are well represented in CDCs. The number of women in leadership positions in CDCs increased from 163 in 2017 to 325 in 2018. One of the three officers in CDC is a woman. Total number of women in leadership position in interest groups increased from 260 in 2017 to 685 in 2018. Women's participation in water management groups, increased from 295 in 2017 to 1277 in 2018. In percentile terms, women participation increased from 9% in 2017 to 18% in 2018. Women constituted 69% of beneficiaries in different types of extension and training programmes. Women constitute nearly 98% of the savings and credit group membership (6345). In 2018, 2368 women received on the job training in inter-loaning and saving management.

## Agricultural Productivity

Rating: 5

Previous rating: 5

## Justification of rating

This is the result of terrace rehabilitation, successful scaling up of jubraka cultivation and the good rains. Contribution to improved food security and nutrition, animal feeds, improved incomes and enhanced resilience to climate change had been widely recognized. The role of jubraka in improving food security at the household level has been particularly stressed which explains the rapid scaling up and momentum the intervention has gained. Jubraka's are also used by women for cultivation of legumes fodder (clitoris spp); when fed to goats more milk is produced which offered to children. The local Nubian goats turn champions in producing milk due to improved feeding covering dried guar (cluster bean, Cyamopsis Tetragonolobus) and hay of various type of rangeland grasses.

## Nutrition

Rating: 4

## Justification of rating

Although nutrition receives ample attention in various forms, the rating 4 has been provided as not all States did not update the study on malnutrition using Community Score Cards as was earlier done in River Nile. It is for the first time that 'nutrition' is rated.

Otherwise, improving food security through better food production systems is at the heart of BIRDP's work. The project is designed through a nutrition- and gender-sensitive lens, helping Butana people to improve their diets by growing and consuming diverse, nutritious, safe and affordable foods. To combat malnutrition, solid technical knowledge is combined with investments in nutrition- and gender-sensitive agriculture, through unique food-based approaches. The project finance nutritional education and support actions that reshape food systems and improve nutrition security. This section has not been previously rated.

## Main issues

A baseline benchmark for certain nutrition parameters was established in 2008, and later updated during mid-term assessment in 2012. An end of the project assessment using the same criteria will be carried out in early 2019.

The main intervention for improving nutrition has been a) awareness raising; b) establishment of home gardens (Jubrakas) for supply of vegetables and fruits; c) increasing small ruminant ownership to add to milk, dairy products, and meat protein; d) enhance income of household to enable purchase of essentials from the market. 1713 women and 113 men have been trained in vegetable and fruit production in 71 communities. The mid-term assessment (2012) recorded that none of the 25,572 households experienced any hungry season compared to benchmark when 457 households experienced one or more hungry season. Chronic malnourished children (height for age) reduced to 22.3% among boys, and 22.3% among girls. A study of impact of Terrace Cultivation on malnutrition was carried out in River Nile State using Community Score Cards in September 2015. The study found decrease in malnutrition amongst children (4.3 out of maximum 5 points).

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Development Effectiveness</b>		
<b>Nutrition</b> Update nutrition status of children in the project beneficiary households.	SCUs	06/2019

#### **Adaptation to Climate Change**

**Rating: 5**

**Previous rating: 5**

##### **Justification of rating**

No change in rating made. The targeted communities demonstrate valuable indigenous knowledge in adapting to drought. Owing to its participatory approach the project managed to effectively tap that knowledge and to build on it, which is more prominent in the new (satellite) communities. The development and understanding of CR CVP and priority setting to strengthen adaptation to climate change was remarkable. As stressed by communities, investment in water harvesting for human and livestock drinking as well as for agriculture and livestock, together with investment in alternative energy sources and house building material (stabilized sand bricks) and forest and range rehabilitation have combined to provide significant input for enhanced adaptation and reduced vulnerability to the impact of climate change.

##### **Main issues**

To sustain such an investment continued efforts for consolidation remain important. This involves fostering partnerships with other actors on climate change, support to local entrepreneurship and service providers (improved stoves) and support to enhance investment in innovative initiatives such as stabilized sand blocks.

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

#### **Institutions and Policy Engagement**

**Rating: 5**

**Previous rating: 5**

##### **Justification of rating**

The project has created dynamic process of engagement. The cooperation with Government institutions has remarkably improved and a significant process of civic-government had been constituted including some CDCs being able to obtain co-contribution from Localities and to negotiate access to NRs. Some CDCs also manage to get resources from external sources, including NGOs and charity organizations. Certain DTs (River Nile, Gazira, Khartoum and Gedarif) work closely with staff of the line departments. The NR networks are active and form an important chain between CDCs and government institutions. Overall, there is evident openness to partnerships than ever before. Community institutions (e.g. NR networks) created around natural resources and civic-government engagement established are anticipated to sustain while providing for improved policy environment.

#### **Partnership-building**

**Rating: 4**

##### **Justification of rating**

The section 'partnership building' was not rated earlier. IFAD defines partnerships as: Collaborative relationships between institutional actors that combine their complementary strengths and resources and work together in a transparent, equitable and mutually beneficial way to achieve a common goal or undertake specific tasks. Partners share the risks, responsibilities, resources and benefits of that collaboration and learn from it through regular monitoring and review.

BIRDP connects producers, government line departments and other players in the agricultural and rural sectors so that communities' benefits. BIRDP single major partners are various line departments of Government of Sudan, namely Ministry of Agriculture and Forests, and to some degree the Ministry of Social Affairs, and their state counterparts. It also collaborates with a few research institutions to promote innovation, and then bring this knowledge into the interventions it supports. BIRDP has not established partnerships with any private company for marketing of farm produce. It has established 2 primary livestock markets in River Nile and 4 secondary livestock markets in Gedarif and Kassala, which are operated by respectively by CDC and private players on behalf of the Locality Government. BIRDP also occasionally collaborates with UNICEF on children's nutrition issues. BIRDP has active engagement with Agriculture Research Corporation, Sudan for technical assistance on warehouse construction and food processing.

##### **Main issues**

There are not many international donor initiatives in Butana region, which limits the scope for strategically exploring, developing, maintaining formal and informal partnerships at project level. The project has not developed relationship with agribusiness SMEs. The project found a significant opportunity to its knowledge, experience, and influence by providing



peer-peer to training and technical assistance as well as addressing the needs of challenges of participants from Kajiado County, Kenya who visited BIRDP in October 2018.

This has motivated a renewed interest in local knowledge and in the development and testing of new learning tools to disseminate and scale up innovations. In this context, the Learning Routes designed by **PROCASUR Corporation** has proved to be a valuable platform to disseminate innovations and learning from Sudan to other countries and within Sudan.

BIRDP has entered MOU with two rural finance service providers namely, Sudan Rural Development Company (SRDC) and ABSUMI in July 2018. Discussion with a third provider Savings and Social Development Bank of Sudan is ongoing. It is advisable to link all VSCGs and CDCs with at least one microfinance organisation, or bank for continued relationship. In addition, it is time for the project to developing closer relationship with small businesses in fodder trade, and livestock marketing.

<b>Human and Social Capital and Empowerment</b>	<b>Rating: 5</b>	<b>Previous rating: 5</b>
---	------------------	---------------------------

#### Justification of rating

Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and, the extent to which specific groups such as youth are included or excluded from the development process. BIRDP works at 4 levels: individuals, community groups, community development centres, and community networks. Some of the highlights are:

- (a) BIRDP recruited 99 female and 7 male young professionals in 2018 against a target of 63 female and 10 male YPs. In 2017, there were 7 male and 65 female YPs;
- (b) Community capability index value rose to 79 in 2018 against a target of 75;
- (c) 53 CBOs were registered in the year 2018, against a target of 156. Though the CBOs are ready, in Kassala State the Governor has stopped registration process until the revision of the State law regarding voluntary work is completed;
- (d) A total of 312 CDCs was classified in 2018 – 49% of them were found to be good, very good, or excellent;
- (e) 153 communities have been organised into fourteen community networks with self-contained governance system. Several of these networks have created sub-committee for women and youth. The networks focus on issues of water conservation and utilisation, range management, and lobbying with the government for improving telecommunication facilities and electricity connection; and
- (f) 19222 beneficiaries (67% being women) provided training on community development, CR CVP, livestock disease management, inter-loaning for women savings and credit groups, and skills for CBO management.

#### Main issues

BIRDP has invested huge amount of resources in human resource development, capacity building, and training. An independent assessment of the effectiveness of the training interventions would help in designing demand-driven courses that participants want. The proposed assessment should include questions on (a) What knowledge and skills do participants need to be successful? (b) Where are the gaps in skills and knowledge? (c) How will behaviours or actions be identified, measured and sustained? (d) What is the value for money of the training programmes undertaken?

<b>Quality of Beneficiary Participation</b>	<b>Rating: 5</b>	<b>Previous rating: 5</b>
---	------------------	---------------------------

#### Justification of rating

The rating is kept to 5. A fine balance between women and men has been established in participating in physical activities as well as representation in community institutions and leadership positions. A balance in age structure had also been maintained where youth, males and females, are effectively represented and actively engaged in the planning, implementation and follow up of project interventions. Youth groups and committees are also active in protecting forests, promoting use of alternative energy and house building material. They are also spearheading local initiatives for service provision and local development. The poor have been given due attention by the project as well as by their communities and no single message of grievance had been expressed in all the 10 community meetings held. It was also interesting to observe that in 2018 increasing number of pastoralists has been included and become active participants in the project.

<b>Responsiveness of Service Providers</b>	<b>Rating: 4</b>	<b>Previous rating: 5</b>
--	------------------	---------------------------

#### Justification of rating

The rating is downsized with one point from 5 to 4. BIRDP uses a variety of service providers. It considers a service provider being an individual providing consultancy services; a contracting firm engaged in civil or infrastructure activities; software application service provider; financial service providers, and in general any third-party outsourced service providers of any kind. BIRDP has established relations with 312 Community Development Organisations; 153 Community Networks, 1 NGO (Red Crescent), 3 microfinance institutions, and various individual consultants etc.

## Main issues

The introduction of individual consultants with affiliation to various government and quasi government agencies have greatly accelerated provision of technical assistance to implementation for various components of the project especially during the current Additional Finance phase.

However, the delay in formulating service providers has greatly delayed in getting right persons and institutions on board. The project was not proactive in reaching agreements with ABSUMI and several quality individual consultants. The use of official exchange rate to USD below the prevailing market rate discouraged many quality experts to enter into service agreements with BIRDP.

Another issue has been the lack of close follow-up of "El Soubagh Town to Sitta Arab Village" road construction (74 kms). As a result, the project has not achieved even 10% of its target in the last 10 years. The status of progress of the road construction is very concerning as real progress over the current year has been a very modest 4 % of the overall works needed to complete the road. With the strict monitoring of the STC, the entire construction process can be speeded up.

### Environment and Natural Resource Management

**Rating: 5**

**Previous rating: 5**

#### Justification of rating

There is apparent improvement in community awareness about the importance of natural resources with strong commitment and determination among communities to effectively protect and manage these resources. The natural resource forums and conferences held together with the local networks established around natural resources have provided for social harmony while bringing people together around the shared interest for improved management and protection of resources. The social momentum created together with the benefits gained by communities from interventions in natural resource management and the successful scaling up process founded on horizontal learning provide important indicators of sustainability. The remarkable engagement of women and youth and their empowerment through natural resource management and livelihood interventions provides an additional impetus for sustainable natural resource management.

## Main issues

However, close and vibrant links to higher level policy remains a challenge to be addressed. Full functionality of the BDF provides valuable potential for that.

### Exit Strategy

**Rating: 5**

**Previous rating: 4**

#### Justification of rating

The rating has increased with one point as the exit strategy is in place; it is a short concise document understood by all actors as the basics were already agreed upon in 2016. At the centre are the functioning and independency of institutions at various levels. Actions to be taken to ensure functionality of the institutions are spelt out. In addition, steps to maintain the capacities and ensure knowledge management are shortly provided and finally how to arrange the handing over of the assets to the BDF. In appendix 4 'Technical Background Analysis', chapter VII, the summarised Exit Strategy is presented.

<i>Agreed Action</i>	<i>Responsibility</i>	<i>Agreed Date</i>
<b>Sustainability and Scaling Up</b>		
<b>Preparing for Project Completion (PCR)</b> As part of preparing for the PCR, it is important to study and document approaches, achievements and experiences; to consider are: - working with Youth; - results achieved in Gender approaches applied; - the long process of arriving at NRGF; - the scaling up approach, etc.	PCU, SCUs, Communities, Networks	07/2019

### Potential for Scaling-up

**Rating: 6**

**Previous rating: 5**

#### Justification of rating

Referring to para 7, page 2, the rating moved up from 5 to 6. In May 2015 a workshop on around scaling up was conducted whereby a Good Practice, which concerned an enclosed rangeland plot managed by different small groups of women, was used to study the IFAD scaling-up framework of Spaces, Performance and Drivers.

The additional finance phase was based on scaling whereby taking the Mother Communities as starting points namely them reaching out to satellite communities under the guidance and facilitation of various project actors . The diagram

prepared by Gedarif State DT shows the environment created which allows scaling regarding water facilities; i.e. keep in mind that the weak management of water facilities is the main reason of collapse, while adequate management allows up grading and/or expanding the facility.

## Main issues

Scaling-up must be understood correctly and it takes time before all implementing actors have a common understanding as to quickly it is understood as expanding project activities. The scaling-up experiences made by BIRDP deserve to be considered when designing new IFAD programmes in Sudan especially the current December design activity regarding the Sustainable Natural Resources and Livelihoods Programme. It should also be documented.

## c. Project Management

<b>Quality of Project Management</b>	<b>Rating: 3</b>	<b>Previous rating: 3</b>
--------------------------------------	------------------	---------------------------

### Justification of rating

The rating has not changed although there have been improvements but too many severe critical issues remain namely:

- (a) the extremely slow construction progress of the Rural Access Road linking El Sobagh Town to Sitta Arab Village (74 Km);
- (b) the high risk of not being able to fully utilize the estimated balance of \$ 8.23 million covering all financiers as at 31/12/2018 due to underspending the annual budget of 2018;
- (c) the finalisation of the Natural Resources Governance Framework (NRGF) remains pending;
- (d) quality Planning, Monitoring, and Financial Management remain pending concerns.

## Main issues

The STC should continue with the strict monitoring of the financial and physical progress whereby considered the ToRs of the project coordinator namely various PCU members are responsible for specific components / sub components.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Project Management</b>		
<b>AWPB implementation &amp; reporting</b>  Seek no objection of the up-dated AWPB 2018, timely prepare and seeking approval of the AWPB 2019, and ensure quality progress reports (June 2019: half yearly; Dec. 2019: final).	PC, STC	12/2019
<b>M&amp;E System</b>  The Monitoring and Evaluation officer should provide priority to monitoring so that quality can be assured.	PC, STC	

<b>Knowledge Management</b>	<b>Rating: 5</b>	<b>Previous rating: 5</b>
-----------------------------	------------------	---------------------------

### Justification of rating

The rating has not changed. The project has smoothly adopted its strategy on KM which primarily focusing on extraction of lessons and investment on good and successful practices in capitalizing the project achievements on community development, NRM, gender and youth engagement. KM sharing received special attention through dissemination of KP and exposure to the local and International experiences as indicated by the exposure visits to India and organized Learning Route for Kenyan Kajiado County in late October 2018. The project is approaching its completion stage and the generated KP would be recognized in scaling-up and sustaining the effects of the project achievements. The project continued to strengthen the SCUs teams in producing and utilizing the KP in enhancing the community capabilities on climate change, resilience and NRM.

## Main issues

**Reviewing the KM**, it is observed that i.) 2018 KM action plan has been satisfactory implemented with variable outputs; ii.) the project managed to coordinate with in-country and abroad partners to give staff and beneficiaries exposure to useful experiences and practices on gender, microfinance, community development, livestock, forestry, agriculture, watershed, research and functionality of government and NGOs in running projects similar to BIRDP; iii.) planning, management and partnership in development are among themes integrated in the KM Program; iv.) KM become an integral element in the project daily work; v.) the staff are technically capacitated to produce quality KM products that has been formulated in a result-oriented format to enhance upscaling and adoption of successful practi

Table 1: Progress and cost comparison between BIRDP Phase 1 and BIRDP AF phases		
Item	BIRDP Phase 1	BIRDP AF

ces.

<b>Value for Money</b>	<b>Rating:</b>
------------------------	----------------

#### Main issues

As the DFID consultant[2] of the team, who joint to assess the utilisation of the ASAP fund of the BIRDP AF phase, specifically asked us to look at cost effectiveness and value for money, a quick and dirty calculation was made; see table 1 'Progress and cost comparison between BIRDP Phase 1 and BIRDP AF phase'. Namely a crude comparison of comparative costs of supporting communities in the first phase and the AF phase of BIRDP based on total IFAD budget. The first phase achieved its target of 140 communities and BIRDP AF is currently on track to cover its target. The figures show a more than fourfold increase in the rate at which new communities are accessed and supported, and a more than threefold reduction in the average cost per community. The reduction in average cost per household is less striking because the average community is smaller in the AF phase, but it is still approximately half. The Phase 1 figures may be boosted by a greater expenditure on civil works, but the differences are still substantial, suggesting that the ASAP-supported AF phase represents good value for money relative to the preceding phase.

[2] Mr. David Radcliffe, ASAP (DFID consultant), participated partially in the Supervision Mission namely in visiting River Nile and Khartoum State, in wrap up meetings at Project and Federal level.

<b>Coherence between AWPB and Implementation</b>	<b>Rating: 3</b>	<b>Previous rating: 3</b>
--	------------------	---------------------------

#### Justification of rating

The rating has remained the same. Although the implementation of the AWPB has been remarkable, only the first version of the AWPB of 2018 was approved in March 2018; the second version developed in June and the third one in September were not submitted for no objection to IFAD. It has been difficult to obtain specific data; for instance, items and activities financed through ASAP funding.

<b>Performance of M&amp;E System</b>	<b>Rating: 4</b>	<b>Previous rating: 3</b>
--------------------------------------	------------------	---------------------------

#### Justification of rating

The rating has increased to 4. There had been an apparent improvement in submission of data, (physical progress reporting overviews, draft annual progress report). The STC had proved to be an effective mechanism for following up on project physical progress as well as providing for the revitalization of M&E at the project level. To that end the STC should be regularly provided with data on physical progress as well as related financial information.

#### M&E System Review

Providing quality data remains challenging for the team. It is important that the STC receives on a bimonthly basis up-to date physical progress reports in line with the related financial reporting.

<b>Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)</b>	<b>Rating: 4</b>
--	------------------

#### Justification of rating

The mission decided to provide the rating 'moderate satisfactory' (4) as there are currently no SECAP related documents such as ESMP/ESIA /IPP/RAP/ESMF/FPIC Plan/Climate risk analysis being produced. Otherwise, i.) there are established structures such as Board of Directors (BoD) of BDF, Supervisory Technical Committee (STC) for BIRDP, and CDCs across the project area to facilitate meaningful stakeholder engagement, information exchange and conflict resolution (grievance redress); ii.) though SECAP is not formally integrated into AWP&B, procurement and monitoring plan, the project is strongly inclined towards improving food and income security of the poor, and building resilience in the face of climate change; iii.) the Sudanese national authorities are actively engaged in implementing SECAP requirements through National Adaption Plans and specific programmes to integrate SDG within national plans, programmes, and projects; iv.) to reduce environmental and social risk, the project has undertaken priority measures for climate adaptation in the target villages.

## SECAP Review

Among the proven project interventions are:

- (a) Environmental management plans. Till October 2018, 378 CR CVP have been approved. Till 2016, only 140 environmental plans were formulated;
- (b) Development of water infrastructure. Development of 35 hafirs and 16 water yards in 2018 as well as development of sound system for management of the infrastructure. Solar power has also been tapped by many communities to pump water;
- (c) Improved Agriculture. In 2018, more than 529 households having 1,842 hectares of land benefited from improved terrace farming and 957 HHs having 69.3 hectare benefitted from Jubraka cultivation;
- (d) Social protection of range and forestland. In 2018, 19 communities have over 5966 feddan (2506 hectares) in 2018 have established their protected range / forest / pasture with demarcation and /or registration. In addition, 9910 feddan (4162 hectares) individual reserves were established in 2017-18;
- (e) Home vegetable gardens: 157 irrigation systems have been established including such gardens in 2017-18;
- (f) Mapping year around fodder resources to provide timely information to herders about the overall availability and quality of animal fodder, water level conditions and drought forecasts to guide transhumance and spatial movement of herds;
- (g) Preventive and curative animal health services are disseminated to the community and have achieved an average mortality rate of 12.8% in 2018 compared to 15% in earlier years;
- (h) Community Initiative Fund (CIF), involving in-kind grants for livestock restocking, cooking gas units, fodder storage, irrigation equipment, etc. and savings and credit groups (SCGs) have an outreach of 9924 individuals in 2018.

## d. Financial Management & Execution

### Disbursement by financier

Type	Name	Current Amount	Disbursed Amount	Actual Rate
<b>Domestic Financing breakdown</b>	Beneficiaries additional financing	\$978,000		
	Beneficiaries	\$766,462		
	Local Government	\$1,055,907		
	National Government	\$3,233,377		
	National Government (add)	\$2,175,000		
<b>Co-financing breakdown,</b>	Italy	\$381,245		

### Acceptable Disbursement Rate

Rating: 3

Previous rating: 3

### Justification of rating

Automated ratingThe project is in its 10th year of implementation and has disbursed SDR 20.69 million—inclusive of initial advance against the total allocation of SDR 26.32 million by 20th November 2018. The combined disbursement rate at 77% in terms of SDR from IFAD Financing ( Loan, Grant and ASAP) remains low though it is showing signs of improving over the recent months. Given the remaining period of 10 months up to completion date, it is highly unlikely that the project would be able to utilize fully during the remaining period the unspent balance estimated at USD 8.23 million equivalent. g based on IFAD disbursement data

### Main issues

IFAD Loan. The disbursement from the Loan excluding initial advance and including expenditures incurred but yet to be claimed is 93%. The disbursement of the loan is impacted by the delays in the implementation of the civil works contracts.

IFAD Grant (Additional financing). The disbursement from the grant excluding initial advance and expenditures incurred but yet to be claimed/WA under processing is 30%. The disbursement under grant is materially affected by the delays in the procurement processes of the road and the rapid fluctuation of the local currency exchange rate against hard currencies.

ASAP (Additional financing). The disbursement from the grant excluding initial advance and expenditures incurred but yet to be claimed is 62% and improve to 80% with the existing commitments. The disbursement under civil works category is estimated to go above the initial allocation due to expansion on the water constructions and the quarterly transfers mechanism of advances instead of monthly basis to SCUs.

The Italian grant. The amount disbursed and committed amount is estimated at 74% of the total allocation.

Recovery of the initial advances. The recovery plan for ASAP authorised allocation should be submitted along with the next withdrawal application as one of the recovery conditions has been met. In addition, the recovery plan of the grant initial advance should be planned to start from April 19 onward.

Conversion from the DA to operating accounts. Given the fluctuation of the exchange rate, the mission recommends that conversion from DA to operating account held in local currency is to be made on need basis and based on proper monthly cash out flow forecast as to reduce losses on exchange rate and no significant balances in local currency remain unutilised by the end of the project life.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>Ensure systematic submission of withdrawal application</b>	FC	10/2018
<b>Ensure systematic submission of withdrawal application</b>	FC	10/2018
<b>Submit the recovery plan for ASAP grant together with the next WA</b>	FC	12/2018
<b>Submit the recovery plan for ASAP grant together with the next WA</b>	FC	12/2018

## **Fiduciary Aspects**

**Quality of Financial Management**

**Rating: 3**

**Previous rating: 3**

### **Justification of rating**

Overall, the mission has noted some improvement in the quality of financial management since the last year supervision mission. However, several recommendations from past years missions remain pending. The Accounting software has been upgraded last in July 2018, but further customization is required in particular to automation of key financial reports, reconciliations of accounts and pre-financing. The budget monitoring and control continued to be a major weakness with no immediate corrective actions are taken to address significant variances between budget and actuals. In addition, during the verification of expenditures claimed by the project the mission has noted that the completeness of the supporting documents is weak and the filling system is not properly maintained.

### **Main issues**

**Staffing.** The recruitment of the vacant post of the PCU accountant has been concluded and the accountant of Kassala SCU has been selected to fill this position. The new accountant was supposed to report from 1st November 2018; however his joining date has been delayed to allow him to train his replacement. The finance team is fully in place now, however there is a need to recruit an assistant to support the accountant at Khartoum SCU during the remaining period of the project life.

**Accounting.** The project has upgraded the accounting package in April and July 2018, however further customization is required *to automate key reports and reconciliations along with clear guidelines on how the refund of the pre-financing should be recorded on the system and the implication on the exchange rate.*

**Accounting in the SCUs.** The mission has been to Gazira, Gadarif and Khartoum SCUs. The situation is particularly critical in Khartoum SCU where significant deficiencies in the internal controls over archiving, follow-up on advances, documentation and accounting of expenditures were noted. The mission recommends the FC to take periodical visits to each SCU and with immediate attention to Khartoum and Gadarif units.

**Flow of funds.** The Designated Accounts reconciliations show differences which mainly represent the pre-financed amounts from IFAD financing to cover government expenditures. As the project is approaching completion/closure dates, it is imperative that FC carries out the reconciliations systematically on a monthly basis to verify differences. In addition, the project should not allow for cross-financing to continue.

**Budget monitoring and execution.** The 2018 budget has been executed at 56% and 46% for the loan and the additional financing respectively as at 31/10/2018. The budget monitoring remains weak. Although the management has put major efforts and the spending under the ASAP and IFAD grant has improved in 2018, the actual expenditures in 2018 remain low. This is partially due to optimistic budget and the depreciation of the local currency. The FC should continue to prepare monthly financial reports and share them with management and the supervisory committee to assist in decision making on major variances.

**SOEs verification.** A sample of expenditures claimed under WAs claimed between January-October 2018 was reviewed. The quality of the SOE needs improvement particularly in Khartoum unit. Project to ensure that: (1) all



accounting documents are kept in order and properly filed; (2) advances are cleared immediately ensuring that all bills are attached; (3) the certification of the executed works is always attached to the payment, and that for community contracts, the community certifies the works executed; (4) a copy of the contract is always attached; (5) when required, the VAT invoice and delivery note are attached; (6) all contracts specify the amount of taxes; (7) attach the trainee attendance/ report to payment for trainings; (8) the payment voucher is always printed from the accounting system (including for bank transfer payment); (9) the boarding pass is attached for flight purchases as proof of completion; (10) the payroll is always signed by all staff.

**Internal Audit.** The internal auditor is in place; however his reports are not shared with the project management/team.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<p><b>Project to prepare interim and annual financial statement with an acceptable accounting standard such as IPSAS Cash basis and to adopt fully the new conceptual framework</b></p> <p>Project to prepare interim and annual financial statement with an acceptable accounting standard such as IPSAS Cash basis and to adopt fully the new conceptual framework</p>	FC/STC	07/2018
<p><b>Produce monthly financial reports to management.</b></p> <p>A monthly financial progress report of budget versus actuals and commitments must be produced for monitoring by STC, PCU and SCU during their monthly meetings. The corrective actions for significant variances should be minted.</p> <p>The FC must monitor actuals and commitments by category on regular basis under each financier and provide timely advice to project management as to ensure that amounts do not exceed the allowable overdraft percentage of 30% without a formal amendment to finance agreement.</p>	FC/STC	07/2018
<p><b>Constant monitoring of the liquidity level from all financier and to ensure no cross financing</b></p> <p>FC must monitor liquidity levels (cash inflow and out flow by financier by each implementing unit) and in consultation with SCUs accountants on regular basis. He should follow up with IFAD Disbursement unit to ensure that this is corrected over the system and to ensure controls are in place to avoid the re occurrence.</p>	FC, PC, STC	07/2018
<p><b>Submit WA whenever expenditures reach 30% of the authorized allocation or every three months whichever earlier</b></p> <p>FC should ensure timely recording of expenditures and submission of WAs in accordance with mechanism indicated in the letter to the recipient.</p>	FC, PC,	07/2018
<p><b>Monthly reconciliation of the accounts and adjustment of the cross financing</b></p> <p>FC must follow up with MoFEP on the immediate refund of the pre-financed amount and to adjust the cross-financing among IFAD different sources of financing.</p>	FC/STC	07/2018
<p><b>Follow up with IFAD Disbursement unit to ensure correction of the wrongly charged WA against grant instead of ASAP is made</b></p> <p>WA No. 2 of ASAP has been mistakenly claimed and processed under IFAD Grant. FC should follow up with IFAD Disbursement unit to ensure that this is corrected over the system and to ensure controls are in place to avoid the re occurrence</p>	FC, PC,	08/2018

<b>Increase the authorized allocation of ASAP to 1 Mio US\$</b>  Given the up-dated plans for the remaining period of the project life, and to ensure the implementation is not hindered by the lack of insufficient liquidity, there is a need to increase ASAP authorized allocation from USD 0.7 million to USD 1 million.	IFAD FO	08/2018
<b>Automate financial reports and reconciliations of Designated Account by financier</b>  The FC should follow up and work closely with the system developer to automate key reports and reconciliations and ensure clear guidelines are in place on how to record the refund of the pre-financing over the system and impact on the exchange rate on expenditures/WAs.	FC/STC	08/2018
<b>Fill in the vacant Accountant position at PCU</b>  Recruit the Project Accountant as soon as possible as the current one has been promoted to the post of AFC	PC/FC/STC	08/2018
<b>Ensure periodical visit to each Khartoum and Gadarif SCU with immediate effect</b>  FC to pay periodical (quarterly) visits to each Khartoum and Gadarif SCU with immediate effect	FC	10/2018
<b>Prepare monthly financial reports and shared them with management and the supervisory committee to assist in decision making on major variances</b>  FC and Director to prepare monthly financial reports and share them with management and the supervisory committee to assist decision making on major variances.	FC/ Director	10/2018
<b>Ensure that all financial documents are properly filed and securely maintained</b>  Financial, M& E and procurement officer to ensure that all financial documents are properly filed and securely maintained	FC/ Accountants/ Procurement officer	10/2018
<b>Ensure periodical visit to each Khartoum and Gadarif SCU with immediate effect</b>  FC to pay periodical (quarterly) visits to each Khartoum and Gadarif SCU with immediate effect	FC	10/2018
<b>Prepare monthly financial reports and shared them with management and the supervisory committee to assist in decision making on major variances</b>  FC and Director to prepare monthly financial reports and share them with management and the supervisory committee to assist decision making on major variances.	FC/ Director	10/2018
<b>Ensure that all financial documents are properly filed and securely maintained</b>  Financial, M& E and procurement officer to ensure that all financial documents are properly filed and securely maintained	FC/ Accountants/ Procurement officer	10/2018



<b>System developer to automate key reports and reconciliations</b> System developer to automate key reports and reconciliations and give clear guidance on how to record the refunds of prefinanced expenditures in the system and impact of exchange rates on expenditures/WAs	FC	12/2018
<b>System developer to automate key reports and reconciliations</b> System developer to automate key reports and reconciliations and give clear guidance on how to record the refunds of prefinanced expenditures in the system and impact of exchange rates on expenditures/WAs	FC	12/2018
<b>Recruitment of an assistant accountant</b> PMU/ Gadarif Coordinator to recruit an assistant accountant	PMU/ Gadarif Coordinator	01/2019
<b>Recruitment of an assistant accountant</b> PMU/ Gadarif Coordinator to recruit an assistant accountant	PMU/ Gadarif Coordinator	01/2019

<b>Quality and Timeliness of Audit</b>	<b>Rating: 4</b>	<b>Previous rating: 4</b>
--	------------------	---------------------------

#### Justification of rating

The audit report was submitted ahead of the deadline however the management letter was submitted a week after the deadline. The auditors conducted the audit in accordance with International Standards on Auditing

#### Main issues

The audit report was submitted ahead of the deadline however the management letter was submitted a week after the deadline. The auditors conducted the audit in accordance with International Standards on Auditing

The audit report did not reflect KAM to be communicated to those in charge with governance in accordance with ISA 701. There is inconsistency in the accounting basis adopted for the preparation of the project's financial statement between the opinion paragraph which refers to cash receipts and disbursement basis of accounting and the accounting basis under the note of the significant accounting policies which refers to the modified cash basis. The status of previous years audit recommendation are not sufficiently detailed.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>Financial Statement to be prepared in accordance with an acceptable accounting standards</b>	Financial Controller	01/2019

<b>Counterparts Funds</b>	<b>Rating: 2</b>	<b>Previous rating: 2</b>
---------------------------	------------------	---------------------------

#### Justification of rating

The level of the GoS cash contribution continues to be neither timely nor sufficient. Consequently, the project continued to use loan and grants proceeds to pre-finance expenditures budgeted under the counterpart contribution. The GoS has paid the carried forward deficit from 2017 of SDG 3.9 million on 1 November 2018. Moreover, the counterpart contribution deficit in 2018 has reached SDG 4.4 million SDG as of 15.11.2018. The total counterpart contribution to the project is however underestimated since the project does not record the taxes and custom exemption as well as the in-kind contribution from the States Governments.

#### Main issues

The current deficit of counterpart contribution will increase since the estimated monthly average amount of the government expenditures of SDG 0.95 million is more than the current monthly transfer to the project. The MoFEP will need to commit an amount of SDG 15 million for the year 2019 to cover the current deficit and the monthly government cash contribution till completion. A rigorous follow up with MoFEP by FC and the Project Director is required on the timely transfer of counterpart contribution. The deficit in counterpart contribution will interfere with the smooth closure of the

project.

The project has agreed to submit quarterly reports to MoFEP on the status of the counterpart expenditures

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>Submit all supporting documents and reports required by MoFEP on the utilization of the counterpart funds on monthly basis</b>  Submit all supporting documents and reports required by MoFEP on the utilization of the counterpart funds on monthly basis	FC/STC/CCU	07/2018
<b>Evaluate Government contribution.</b>  Evaluate Government contribution; BIRD to evaluate forfeited revenue of provision office space, payment of utilities and use of Government vehicles, salaries for government staff working for the project, etc.	FC	07/2018
<b>MoFEP to transfer the pre-financed amount up to June 2018, and then on monthly/quarterly basis in advance and for the remaining period</b>  MoFEP to transfer the pre-financed amount up to June 2018, and then on monthly/quarterly basis in advance and for the remaining period	MoFEP/CCU Coordinator	08/2018
<b>Collect and record the figures on the tax exemption, custom duties from MoFEP and in kind contributions made by the states governments</b>	FC/ CCU/ MoFEP	10/2018
<b>MoFEP to allocate and transfer sufficient balances to cover the deficit and government contribution of 2019 budget</b>  Allocate and transfer sufficient balances to cover the deficit and government contribution of 2019 budget	MoFEP/ Director/ FC	03/2019

**Compliance with Loan Covenants**

**Rating: 4**

**Previous rating: 4**

#### Justification of rating

Compliance with loan covenants has been rated as moderately satisfactory (4). A list of key covenants and the compliance is compiled in Appendix 3. The list of the agreed recommendations is in the table below.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>GoS counterpart fund should be transferred regularly to the project</b>  GoS counterpart fund should be transferred regularly to the project, to ensure smooth delivery of project activities and avoid running into the unwanted practice of pre-financing GoS obligations from donor resources	FC/PC/ CCU/ MoFEP	
<b>Procurement</b>  Keep up the improvement trend on procurement practices and upgrade community procurement capacity	Proc. Officer/SCUs coordinators	
<b>Project interim financial statement</b>  Adhere to timeline and quality for submitting project interim financial statement	FC/PC	

### Justification of rating

This rating is mainly due to i) the timely initiation of the procurement process for considerable number of transactions enrolled in the Procurement Plan; ii) the fact that procurement is often in compliance with procurement method and IFAD prior review stipulated by LTB thresholds. However, there is still room for improvement, some of the areas that still need improvement include: a) the timing of initiating the procurement processes for consultancy assignments; b) the need to ensure that procurement processes are in compliance with IFAD Procurement Guidelines and Handbook in what relates to: i) the preparation of bidding documents (including technical specifications in the bidding documents; these are inadequate. Also, the evaluation and post qualification criteria in the bidding documents is either absent, unclear or incomplete); ii) the evaluation process; and iii) the contract administration.

### Procurement Review

**Structure of the Procurement Unit.** The PCU Procurement Unit is consisting of one procurement officer has got experience in managing procurement activities especially at the level of planning and process management. Some gaps are identified at the level of the selection of consulting services and implementation of ICB method following the World Bank Guidelines.

**Procurement Planning.** The 2018 procurement plan was found to meet the basic requirements. However; the mission noted the following areas for improvement: (i) changes were done to the approved plan but were not communicated to IFAD; (ii) the actual Procurement Plan does not fully reconcile with the AWPB of 2018; (iii) The recruitment of Individual Consultants is over used while no selection of firms is envisaged in the Procurement Plan.

**Bidding Documents.** The project has adopted the Standard Bidding Documents (SBDs) that were developed earlier by Ministry of Finance and Economic Planning for the procurement of goods, works and services using NCB method. The National SBDs were found satisfactory and meet the basic requirements. For ICB method, the World Bank SBDs were utilized; however, unnecessary customization was mistakenly applied. It is also noted that the technical specifications might have been tailored for a specific manufacturer which leads to de facto Direct Contracting. It is also considered that contract conditions can be improved to achieve a more equitable balance between the procuring entity and the vendor. For shopping method, the project has utilized a simplified version of the NCB SBDs which were found enough in terms of ITBs, GCCs and SCCs. However, in many cases, the bidding documents were issued with inadequate technical specifications or even without any technical specifications at all. A major shortcoming in the BIRDP procurement procedures is that PCU, CCU and SCUs do not properly perform the evaluation and Post-Qualification process.

**Fluctuation in the foreign exchange rate.** Currently, the fluctuation in the exchange rate in Sudan has serious impact on the performance of service providers, vendors and contractors. In many cases, it causes a severe delay in the implementation of the signed contracts and/or failure of the vendors in fulfilling their obligations. Moreover, most of the vendors become reluctant to apply for the new tender opportunities due to the high risk. It is highly recommended that the PCU work closely with Ministry of Finance and Economic Planning to establish a new mechanism for risk sharing with respect to the variability of foreign exchange rates to encourage private sector to participate in the new tenders.

**Procurement Progress.** The revised version of 2018 procurement plan has included 392 Goods and Works procurement transactions, and 23 consultancy assignments with total cost estimate SDG 296.5 million. As of October 28, 2018, the procurement process for 265 packages worth SDG 108.9 million was completed by the PCU, CCU and SCUs constituting 40% of the planned amounts in terms of budget and 64% in terms of number. The procurement process for the road improvement transaction was initiated by the CCU but not yet completed.

**Contract Register.** The mission reviewed the project register of contracts –on sample basis. The register of contracts was found to be up to date in terms of contracts awarded in the current year and in conformity with IFAD requirements. However, some important information is missing, such as financier, date of IFAD No Objection, reference to the approved PP and the payment status.

**The procurement filing system.** The mission has reviewed –on sample basis- the procurement filing system of the PCU and copies of the filing of the SCUs. It was noted that the filing system includes the transactions of the current year only and procurement files miss some important documents.

**Procurement post review.** As part of the mission activities, procurement post review has been conducted on sample basis for the contracts carried out over 2018. The reviewer has noted that:

1. Inadequate evaluation process;
2. The contract payment monitoring is not properly updated;
3. The procurement files for works contracts are not updated with implementation progress certificates;
4. Special attention should be given to the identification and writing of the specifications;
5. The parallel procurement files at PCU level are not updated. This will make desk review of procurement transactions not possible to be conducted;
6. Ineffective contract administration. More details are included in Appendix 4., 'Technical Background Analysis', chapter IX 'Procurement Post Review Report'.

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Financial Management &amp; Execution</b>		
<b>xxx</b> Establish a mechanism for risk sharing with respect to fluctuation in the foreign exchange rate.	MOFEP/PCU	12/2018
<b>xxx</b> Ensure timely implementation of the procurement plan.	CCU/PCU/SCUs	12/2018
<b>xxx</b> Update the register of contracts to reflect the above-mentioned comments.	PCU	12/2018
<b>xxx</b> Adhere to IFAD guidelines regarding preparation of bidding documents and application of evaluation criteria.	PCU	
<b>xxx</b> Ensure that complete documentation of procurement processes is kept on procurement files, including proof of receipt of goods, works and services by the ultimate beneficiaries.	PCU/SCUs	

## F. Agreed Actions

<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed Date</b>
<b>Overview and Project Progress</b>		
<b>Road Construction</b> Tender the essential protection works.	Consultant, PCU, CCU, STC	12/2018
<b>Road Construction</b> Sign the contract for the section from Km 43.30 to Km 77.00.	CCU, PCU, STC	12/2018
<b>Road Construction</b> Close follow up and monitor the implementation of road construction contracts.	Consultant, PCU, CCU, STC	12/2018
<b>Rural Micro Financing</b> MOU with Kassala Microfinance Foundation and Savings and Social Development Bank of Sudan (SDBS) may be concluded at the earliest.	PCU, STC	12/2018
<b>Rural Micro Financing</b> Recruit a national consultant to explore legal, financial and institutional due diligence for placing fixed deposits to provide liquidity to Kassala Microfinance Foundation, Savings and Social Development Bank of Sudan, and Sudan Rural Development Company for primarily credit creation to CDCs and Savings and Credit groups; where needed hire an international advisor to back up the local consultant.	PCU, STC	12/2018

<b>Primary market</b>  Ensure that all Development Teams and relevant Communities / Networks have the right understanding when and why to invest in primary markets and implement accordingly.	PCU, SCUs	12/2018
<b>Management of Water Facilities</b>  Continue consolidation and investment in the capacities of CDCs and water committees to ensure effective and sustainable management of water resources. It also included finalising the finalisation of Water Management Manual.	NR Officer, SCUs	01/2019
<b>Rural Micro Financing</b>  Grade all village savings and credit groups to determine their quality of management and performance.	PCU, SCUs	01/2019
<b>Governance of Natural Resources &amp; Climate Change</b>  Undertake prompt measures for producing draft NRGF incorporating inputs from studies and organize the inter-state workshop for its validation, endorsement, and finalization.	PCU- NR Advisor	03/2019
<b>Rural Micro Financing</b>  In view of poor outreach, ABSUMI performance is regularly monitored, and corrective actions taken, including recalling all vehicles made available to ABSUMI.	PCU, STC	03/2019
<b>Communal and Individual Women Gardens</b>  Provide focused investment in the capacities of farming women groups and jubraka cultivation to enhance production and to ensure effective and sustained management of land and water.	PCU, SCUs, Extension workers	06/2019
<b>Cross learning communities, Development Teams</b>  Undertake actions to ensure a continued process of exchange visits (horizontal learning) between the different actors at community level (networks, local extension workers) and between DTs.	PCU; SCUs	06/2019
<b>Governance of Natural Resources &amp; Climate Change</b>  It is recommended that the PCU coordinator is advised by a part-time (5 days per month) Climate Change / Natural Resource advisor, who reports to coordinator and Technical Committee on frequent basis (concerns pending recommendation of SM November 2017).	NR Officer, PCU, SCUs	
<b>Butana Development Fund</b>  Implement the 'BDF action plan' (Appendix 4, Working Note Two) in time so that the allocated budget can be spend as planned and before end of September 2018.	Under Secretary MoFEP; STC; CCU; PCU	
<b>Development Effectiveness</b>		
<b>Nutrition</b>  Update nutrition status of children in the project beneficiary households.	SCUs	06/2019
<b>Sustainability and Scaling Up</b>		

<b>Preparing for Project Completion (PCR)</b>  As part of preparing for the PCR, it is important to study and document approaches, achievements and experiences; to consider are: - working with Youth; - results achieved in Gender approaches applied; - the long process of arriving at NRGF; - the scaling up approach, etc.	PCU, SCUs, Communities, Networks	07/2019
<b>Project Management</b>		
<b>AWPB implementation &amp; reporting</b>  Seek no objection of the up-dated AWPB 2018, timely prepare and seeking approval of the AWPB 2019, and ensure quality progress reports (June 2019: half yearly; Dec. 2019: final).	PC, STC	12/2019
<b>M&amp;E System</b>  The Monitoring and Evaluation officer should provide priority to monitoring so that quality can be assured.	PC, STC	
<b>Financial Management &amp; Execution</b>		
<b>Submit all supporting documents and reports required by MoFEP on the utilization of the counterpart funds on monthly basis</b>  Submit all supporting documents and reports required by MoFEP on the utilization of the counterpart funds on monthly basis	FC/STC/CCU	07/2018
<b>Evaluate Government contribution.</b>  Evaluate Government contribution; BIRD to evaluate forfeited revenue of provision office space, payment of utilities and use of Government vehicles, salaries for government staff working for the project, etc.	FC	07/2018
<b>Project to prepare interim and annual financial statement with an acceptable accounting standard such as IPSAS Cash basis and to adopt fully the new conceptual framework</b>  Project to prepare interim and annual financial statement with an acceptable accounting standard such as IPSAS Cash basis and to adopt fully the new conceptual framework	FC/STC	07/2018
<b>Produce monthly financial reports to management.</b>  A monthly financial progress report of budget versus actuals and commitments must be produced for monitoring by STC, PCU and SCU during their monthly meetings. The corrective actions for significant variances should be minted. The FC must monitor actuals and commitments by category on regular basis under each financier and provide timely advice to project management as to ensure that amounts do not exceed the allowable overdraft percentage of 30% without a formal amendment to finance agreement.	FC/STC	07/2018
<b>Constant monitoring of the liquidity level from all financier and to ensure no cross financing</b>  FC must monitor liquidity levels (cash inflow and out flow by financier by each implementing unit) and in consultation with SCUs accountants on regular basis. He should follow up with IFAD Disbursement unit to ensure that this is corrected over the system and to ensure controls are in place to avoid the re occurrence.	FC, PC, STC	07/2018

<p><b>Submit WA whenever expenditures reach 30% of the authorized allocation or every three months whichever earlier</b></p> <p>FC should ensure timely recording of expenditures and submission of WAs in accordance with mechanism indicated in the letter to the recipient.</p>	FC, PC,	07/2018
<p><b>Monthly reconciliation of the accounts and adjustment of the cross financing</b></p> <p>FC must follow up with MoFEP on the immediate refund of the pre-financed amount and to adjust the cross-financing among IFAD different sources of financing.</p>	FC/STC	07/2018
<p><b>Follow up with IFAD Disbursement unit to ensure correction of the wrongly charged WA against grant instead of ASAP is made</b></p> <p>WA No. 2 of ASAP has been mistakenly claimed and processed under IFAD Grant. FC should follow up with IFAD Disbursement unit to ensure that this is corrected over the system and to ensure controls are in place to avoid the re occurrence</p>	FC, PC,	08/2018
<p><b>Increase the authorized allocation of ASAP to 1 Mio US\$</b></p> <p>Given the up-dated plans for the remaining period of the project life, and to ensure the implementation is not hindered by the lack of insufficient liquidity, there is a need to increase ASAP authorized allocation from USD 0.7 million to USD 1 million.</p>	IFAD FO	08/2018
<p><b>MoFEP to transfer the pre-financed amount up to June 2018, and then on monthly/quarterly basis in advance and for the remaining period</b></p> <p>MoFEP to transfer the pre-financed amount up to June 2018, and then on monthly/quarterly basis in advance and for the remaining period</p>	MoFEP/CCU Coordinator	08/2018
<p><b>Automate financial reports and reconciliations of Designated Account by financier</b></p> <p>The FC should follow up and work closely with the system developer to automate key reports and reconciliations and ensure clear guidelines are in place on how to record the refund of the pre-financing over the system and impact on the exchange rate on expenditures/WAs.</p>	FC/STC	08/2018
<p><b>Fill in the vacant Accountant position at PCU</b></p> <p>Recruit the Project Accountant as soon as possible as the current one has been promoted to the post of AFC</p>	PC/FC/STC	08/2018
<p><b>Ensure systematic submission of withdrawal application</b></p>	FC	10/2018
<p><b>Ensure systematic submission of withdrawal application</b></p>	FC	10/2018
<p><b>Collect and record the figures on the tax exemption, custom duties from MoFEP and in kind contributions made by the states governments</b></p>	FC/ CCU/ MoFEP	10/2018
<p><b>Ensure periodical visit to each Khartoum and Gadarif SCU with immediate effect</b></p> <p>FC to pay periodical (quarterly) visits to each Khartoum and Gadarif SCU with immediate effect</p>	FC	10/2018

<p><b>Prepare monthly financial reports and shared them with management and the supervisory committee to assist in decision making on major variances</b></p> <p>FC and Director to prepare monthly financial reports and share them with management and the supervisory committee to assist decision making on major variances.</p>	FC/ Director	10/2018
<p><b>Ensure that all financial documents are properly filed and securely maintained</b></p> <p>Financial, M&amp; E and procurement officer to ensure that all financial documents are properly filed and securely maintained</p>	FC/ Accountants/ Procurement officer	10/2018
<p><b>Ensure periodical visit to each Khartoum and Gadarif SCU with immediate effect</b></p> <p>FC to pay periodical (quarterly) visits to each Khartoum and Gadarif SCU with immediate effect</p>	FC	10/2018
<p><b>Prepare monthly financial reports and shared them with management and the supervisory committee to assist in decision making on major variances</b></p> <p>FC and Director to prepare monthly financial reports and share them with management and the supervisory committee to assist decision making on major variances.</p>	FC/ Director	10/2018
<p><b>Ensure that all financial documents are properly filed and securely maintained</b></p> <p>Financial, M&amp; E and procurement officer to ensure that all financial documents are properly filed and securely maintained</p>	FC/ Accountants/ Procurement officer	10/2018
<p><b>xxx</b></p> <p>Establish a mechanism for risk sharing with respect to fluctuation in the foreign exchange rate.</p>	MOFEP/PCU	12/2018
<p><b>xxx</b></p> <p>Ensure timely implementation of the procurement plan.</p>	CCU/PCU/SCUs	12/2018
<p><b>xxx</b></p> <p>Update the register of contracts to reflect the above-mentioned comments.</p>	PCU	12/2018
<p><b>System developer to automate key reports and reconciliations</b></p> <p>System developer to automate key reports and reconciliations and give clear guidance on how to record the refunds of prefinanced expenditures in the system and impact of exchange rates on expenditures/WAs</p>	FC	12/2018
<p><b>System developer to automate key reports and reconciliations</b></p> <p>System developer to automate key reports and reconciliations and give clear guidance on how to record the refunds of prefinanced expenditures in the system and impact of exchange rates on expenditures/WAs</p>	FC	12/2018
<p><b>Submit the recovery plan for ASAP grant together with the next WA</b></p>	FC	12/2018
<p><b>Submit the recovery plan for ASAP grant together with the next WA</b></p>	FC	12/2018



<b>Recruitment of an assistant accountant</b> PMU/ Gadarif Coordinator to recruit an assistant accountant	PMU/ Gadarif Coordinator	01/2019
<b>Recruitment of an assistant accountant</b> PMU/ Gadarif Coordinator to recruit an assistant accountant	PMU/ Gadarif Coordinator	01/2019
<b>Financial Statement to be prepared in accordance with an acceptable accounting standards</b>	Financial Controller	01/2019
<b>MoFEP to allocate and transfer sufficient balances to cover the deficit and government contribution of 2019 budget</b> Allocate and transfer sufficient balances to cover the deficit and government contribution of 2019 budget	MoFEP/ Director/ FC	03/2019
<b>xxx</b> Adhere to IFAD guidelines regarding preparation of bidding documents and application of evaluation criteria.	PCU	
<b>xxx</b> Ensure that complete documentation of procurement processes is kept on procurement files, including proof of receipt of goods, works and services by the ultimate beneficiaries.	PCU/SCUs	
<b>GoS counterpart fund should be transferred regularly to the project</b> GoS counterpart fund should be transferred regularly to the project, to ensure smooth delivery of project activities and avoid running into the unwanted practice of pre-financing GoS obligations from donor resources	FC/PC/ CCU/ MoFEP	
<b>Procurement</b> Keep up the improvement trend on procurement practices and upgrade community procurement capacity	Proc. Officer/SCUs coordinators	
<b>Project interim financial statement</b> Adhere to timeline and quality for submitting project interim financial statement	FC/PC	

## Logical Framework

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members							Progress Reports; Surveys; Approved CR CVPs	half yearly	PCU/DTs	
	Household members			540 000	32 295	289 776	53.7				
	1.a Corresponding number of households reached							RIMS baseline and impact surveys; ASAP surveys (including benchmark setting); UNICEF MICS survey; Wealth surveys; Score Card; CCI	half yearly	PCU/DTs	
	Households			90 000	5 269	42 052	46.7				
	Non-women-headed households				4 610	43 370					
	Women-headed households				659	4 872					
	1 Persons receiving services promoted or supported by the project							Progress Reports; Surveys; Approved CR CVPs	half yearly	PCU/DTs	
	Males			50 000	49 353	101 987	204				
	Total number of persons receiving services			200 000	142 871	253 431	126.7				
	Young			100 000	28 517	50 817	50.8				
	Females			50 000	65 001	100 627	201.3				
	Communities receiving project services										
	Villages			540	63	379	70.2				

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
<b>Goal</b> Improve in a sustainable manner the livelihoods and resilience to drought of the poor rural households	Prevalence of malnutrition in children under age of five years							RIMS baseline and impact surveys; ASAP surveys (including benchmark setting); UNICEF MICS survey; Wealth surveys; Score Card; CCI	half yearly	PCU/DTs	- Continued political and macro-economic stability - Government continues its commitment to poverty reduction and development of Butana
	Males	22.3	16.75	15	11.2	11.2	74.7				
	Females	26.1	17.65	17	9.2	9.2	54.1				
	Poor smallholder household members supported in coping with the effects of climate change										
	Total household members			192 000	5 269	162 194	84.5				
	HHs with improved assets ownership										
	Household		0	90 000	2 371						
<b>Objective</b> The capacity of CBOs to engage in climate resilient, environmentally sound, socially and gender equitable development initiatives and management of NRs developed.	Persons -incl. pastoralists – receiving project services							Progress Reports; Surveys; Approved CR CVPs	half yearly	PCU/DTs	
	Female youth			60 000	3 046	28 148	46.9				
	Total			200 000	32 295	229 884	114.9				
	Male youth			40 000	3 171	19 291	48.2				
	Males			50 000	11 588	88 535	177.1				
	Females			50 000	14 490	93 910	187.8				
	<b>Outcome</b> Effective governance framework that ensures regulated access to land and water resources of the Butana	People reporting secure access and user rights to land							Impact Assessment Surveys; Minutes CDCs; Progress Reports	End current phase (2016), mid-term AF (2018) and end	
Females youth				8 000							
Males youth				26 000							
Males				35 000							

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	Females			17 000							
	People (pastoralists) reporting secure access and user rights to water							Impact Assessment Surveys; Minutes CDCs; Progress Reports	End current phase (2016), mid-term AF (2018) and end	PCU/DTs	
	Females			5 000							
	Males			5 000							
<b>Output</b> Policy and Strategy (incl. NRM legislation); Framework (FW) for Governance of NRs established; Relevant studies conducted ('Land tenure, ownership and access rights'; 'Mapping Study on NRs incl. WATER and Land Use Mapping', 'on impact of gold mining')	Study conducted							Reports of Policy Advisor; Content Framework; Minutes CDCs; ToRs studies; Agenda & Reports of W/shops, PCs	half yearly	PCU/BDA	Framework approved by all actors; Presidential decree (Feb., 2015) 'Range Org. and Dev. of Fodder Resources Law' activated at all five States
	Study	0		3							
	Workshop conducted							Reports of Policy Advisor; Content Framework; Minutes CDCs; ToRs studies; Agenda & Reports of W/shops, PCs	half yearly	PCU/BDA	
	Conference	0		20							
	Workshop	0		10							
	<b>Output</b> Institutional Development building occurred	BDA (Butana Dev. Agency ) established							Minutes BoD; Annual turn over; Progress reports BDA; Outcome pilots (business)	half yearly	
BDA				1							
Govt. partners supported: locality units (LUs) that are capacitated and reporting performance improvement							progress reports Locality Units; Surveys	half yearly	PCU/DTs		
Locality unit		0		9							
1.1.4 Persons trained in production practices and/or technologies											

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	Men trained in crop	0									
	Young people trained in crop	0									
	Women trained in crop	0									
	Total persons trained in livestock	0									
	Men trained in livestock	0									
	Young people trained in livestock	0									
	Women trained in livestock	0									
	Total persons trained in crop	0									
	People trained in post-production, processing and marketing										
	Females			700							
	Males			700							
	Studies										
	Study	0		15							
	Policy 1 Policy-relevant knowledge products completed										

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	Number	0		750							
	People trained in income generating activities										
	Males										
	Females										
	People reached with Knowledge Products										
	Persons	0		100 000							
	People trained in NRM - rangelands										
	Females			13 500							
	Males			31 500							
<b>Output</b> Drinking water / sanitation	Drinking water system constructed / rehabilitated										
	Water system	0		75							
<b>Outcome</b> Improved climate resilient natural resources management (range, forest, vegetables, crops)	Approved and implemented Climate Resilient Community Village Plans (CVPs)							Content approved CVPs; Surveys / GPS maps	Quarterly	DTs/ LUs/ PCU	Sufficient Technical Support received on planning and monitoring CVPs. Cooperation with other actors active in water supply facilities.
	CVPs	0		280							
	Time spent collecting water							CDCs minutes; Surveys; Data WUCs	half yearly	DTs/LUs/PCU	
	Min/day/HH			30							
<b>Output</b> Improved Water harvesting per agro-ecological zone and enhanced agro-forestry systems.	Land under improved management practices										Acquainted with Climate Risk Assessment. Constructive partnership with FNC.
	Hectares of land			333 060							
	Land under rainfed agroforestry practices									DTs/LUs/PCU	
	Hectares of land			50 000							
	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated										
	Hectares of land			302							

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
	3.1.4 Land brought under climate-resilient practices										
	Hectares of land			294 120							
	Land under climate-resilient practices							Progress reports; CDCs minutes; Surveys / GPS maps	half yearly	DTs/LUs/PCU	
	Land area			65 880							
<b>Output</b> Rural roads used and maintained	2.1.5 Roads constructed, rehabilitated or upgraded							Surveys; Minutes CDCs;Progress reports	Quarterly	DTs/LUs/PCU	Road & wadi crossing constructions in place.
	Length of roads										
<b>Outcome</b> Improved access to advisory services and bargaining position of men and women in marketing	People (including pastoralists) with access to secondary and primary markets							Data markets; Score card exercise		DTs/LUs/PCU	Market data reliable; 20% pastoralists access markets. Localities / States maintain secondary - and People primary markets.
	Males			26 000							
	Females			26 000							
	% of fully functioning primary (P) and secondary (S) livestock markets							Data markets; Score card exercise		PCU/DTs/LUs	
	Market			30							
<b>Outcome</b> Better Animal husbandry and - management (large and small animals incl. traditional poultry)	Mortality rate of large and small animals incl. traditional poultry (random sample of 150 head)										
	Mortality rate			5							
<b>Outcome</b> Community Development, Business Options and Rural Micro Finance	Implemented Community-based group Development Plans, CVPs, and others implemented							Records CEAs / networks / groups; Progress reports; Score card exercises	half yearly	DTs/LUs/PCU	Rural finance taking off as planned. Payment for services happens.
	Rate			85							
	Community Extension Agents being effective							Records CEAs / networks / groups; Progress reports; Score card exercises	half yearly	DTs/LUs/PCU	
	Rate			75							

Results Hierarchy	Indicators							Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Annual Result (2018)	Cumulative Result (2018)	Cumulative Result % (2018)	Source	Frequency	Responsibility	
<b>Output</b> Organisation, Management and Social Skills of CDCs, groups, networks enhanced.	Community Capability Index (CCI) value							CCI surveys; Progress reports; Studies	half yearly	DTs/LUs/PCU	CEAs/networks active in service provision.
	Rate			85							
<b>Output</b> Business promoted through access to Rural Finance	People with access to rural financial services							M&E Rural Finance Data; Progress reports	half yearly	DTs/LUs/PCU	Relevant credit products developed.
	People			10 000							
	Community extension agents trained										
	People	0		2 500							



## **Sudan**

---

### **Butana Integrated Rural Development Project**

### **Supervision Report**

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

Mission Dates: 6 Nov - 1 Dec 2018

Document Date: 23/01/2019

Project No. 1100001332

Report No. 4951-SD

Near East, North Africa and Europe Division  
Programme Management Department

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

Table 1A (1): Financial performance by financier, as at 31/10/18 under original loan

<i>Financier</i>	<i>Appraisal (USD '000)</i>	<i>Revised Appraisal (USD '000)</i>	<i>Disbursement (USD '000)</i>	<i>% disbursed</i>
IFAD Loan	24,799	24,799	23,024	93%
Federal Government	7,233	7,233	4,400	61%
State Government	2,856	2,856	193	7%
Beneficiaries	1,666	1,666	436	26%
<b>Total</b>	<b>36,555</b>	<b>36,555</b>	<b>28,053</b>	<b>77%</b>

Table 1A (2): Financial performance by financier, as at 31/10/18 under additional financing

<i>Financier</i>	<i>Appraisal (USD '000)</i>	<i>Revised Appraisal (USD '000)</i>	<i>Disbursement (USD '000)</i>	<i>% disbursed</i>
IFAD Grant	10,313	10,313	2,959	29%
ASAP Grant	3,009	3,009	1,262	42%
Government	2,172	2,172	274	13%
Communities	977	977	5	1%
<b>Total</b>	<b>16,471</b>	<b>16,471</b>	<b>4,500</b>	<b>27%</b>

**Table 1B (1): Financial performance by financier by component (USD '000) under original loan, as at 31/10/2018**

	IFAD Loan			Federal Government			State Government			Beneficiaries			Total		
Component	Revised Appraisal	Actual	%	Revised Appraisal	Actual	%	Revised Appraisal	Actual	%	Revised Appraisal	Actual	%	Revised Appraisal	Actual	%
1. Policy and Institutional Support	6,218	8,078	130%	3,134	3,344	107%	2,226	31	1%	-	57		11,578	11,510	99%
2. Natural Resource Development	11,744	10,308	88%	2,939	431	15%	-	28		300	99	33%	14,984	10,867	73%
3. Animal Resource Development	3,557	1,791	50%	1,148	106	9%	630	88	14%	-	29		5,335	2,014	38%
4. Community development and Business Options	3,280	2,847	87%	12	519	4316%	-	46		1,366	251	18%	4,658	3,663	79%
<b>TOTAL</b>	<b>24,799</b>	<b>23,024</b>	<b>93%</b>	<b>7,233</b>	<b>4,400</b>	<b>61%</b>	<b>2,856</b>	<b>193</b>	<b>7%</b>	<b>1,666</b>	<b>436</b>	<b>0.2617</b>	<b>36,555</b>	<b>28,053</b>	<b>77%</b>

**Table 1B (2): Financial performance by financier by component (USD '000) under additional financing as at 31/10/2018**

	IFAD Grant			ASAP Grant			Government			Communities			Total		
Component	Revised Appraisal	Actual	%	Revised Appraisal	Actual	%	Revised Appraisal	Actual	%	Revised Appraisal	Actual	%	Revised Appraisal	Actual	%
1. Policy and Institutional Building	740	492	66%	580	-	0%	123	-	0%	-	-	0%	1,443	492	34%
2. Natural Resources Management	4,808	823	17%	2,429	1,262	52%	1,215	2	0%	945	1	0%	9,397	2,087	22%
3. Livestock and Marketing development	215	75	35%	-	-	0%	25	9	35%	32	-	0%	272	84	31%
4. Community development and Business Options	1,836	529	29%	-	-	0%	310	1	0%	-	1	0%	2,146	532	25%
5. Project Management	2,714	1,041	38%	-	-	0%	499	263	53%	-	2	0%	3,213	1,306	41%
<b>TOTAL</b>	<b>10,313</b>	<b>2,959</b>	<b>29%</b>	<b>3,009</b>	<b>1,262</b>	<b>42%</b>	<b>2,172</b>	<b>274</b>	<b>13%</b>	<b>977</b>	<b>5</b>	<b>0 %</b>	<b>16,471</b>	<b>4,500</b>	<b>27%</b>

**Table 1C (1): IFAD loan disbursements (SDR, as at 08/11//2018)**

<b>Category</b>	<b>Description</b>	<b>Original Allocation</b>	<b>Revised Allocation</b>	<b>Disbursement</b>	<b>WA under review/ pending</b>	<b>Balance</b>	<b>% disbursed</b>
<b>Loan 717-SD</b>							
I	Civil works	5,650,000	5,440,000	6,053,518	-	(613,518)	111.3%
II (a)	Vehicles	650,000	820,000	895,182	-	(75,182)	109.2%
II (b)	Machineries & Others	700,000	1,000,000	1,012,180	-	(12,180)	101.2%
III (a)	Technical assistance & training	3,030,000	4,290,000	3,992,765	-	297,235	93.1%
III (b)	Inputs & Materials	170,000	1,360,000	32,511	-	1,327,489	2.4%
IV	Grants	1,180,000	1,320,000	740,631	-	579,369	56.1%
V (a)	Salaries and Allowances	1,700,000	1,420,000	1,428,683	-	(8,683)	100.6%
V (b)	Operation and Maintenance	400,000	1,150,000	1,213,686	-	(63,686)	105.5%
	Unallocated	3,320,000	-	-	-	-	
	Authorized Allocation	-	-	572,962	-	(572,962)	
<b>TOTAL PROJECT</b>		<b>16,800,000</b>	<b>16,800,000</b>	<b>15,942,118</b>	<b>-</b>	<b>857,882</b>	<b>94.89%</b>

**Table 1C (2): IFAD grant disbursements (SDR, as at 08/11/2018)**

Category	Description	Original Allocation	Revised Allocation	Disbursement	WA under review/ pending (*)	Balance	%
<b>IFAD Grant - 2000001634</b>							
I	Works	1,818,000	1,818,000	494,854	-	1,323,146	27.2%
II	Equipment and Materials	1,386,000	1,386,000	43,271	520,292	822,438	40.7%
III	Consultancies	1,836,000	1,836,000	416,343	-	1,419,657	22.7%
IV	Grants and Subsidies	162,000	162,000	-	-	162,000	0.0%
V	Salaries, Allowances and Operating Costs	1,431,000	1,431,000	356,849	-	1,074,151	24.9%
	Unallocated	737,000	737,000	-	-	737,000	
	Authorized Allocation			1,669,798	-	(1,669,798)	
						-	
<b>TOTAL PROJECT</b>		<b>7,370,000</b>	<b>7,370,000</b>	<b>2,981,114</b>	<b>520,292</b>	<b>3,868,594</b>	<b>47.51%</b>

(\*) WA No. 3 and 4 currently pending at IFAD (direct payments for vehicles and tractors purchase)

**Table 1C (3): ASAP grant disbursements (SDR, as at 8/11/2018)**

Category	Description	Original Allocation	Revised Allocation	Disbursement	WA under review/ pending	Balance	%
<b>ASAP Grant - 2000001633</b>							
I	Works	1,341,000	1,341,000	846,817	-	494,183	63.1%
II	Equipment and Materials	234,000	234,000	6,827	-	227,173	2.9%
III	Consultancies	360,000	360,000	71,324	-	288,676	19.8%
	Unallocated	215,000	215,000	-	-	215,000	
	Authorized Allocation			837,729	-	(837,729)	
<b>TOTAL PROJECT</b>		<b>2,150,000</b>	<b>2,150,000</b>	<b>1,762,696</b>	<b>-</b>	<b>387,304</b>	<b>81.99%</b>

**Table 1C (4): Italian grant disbursements (USD, as at 08/11/2018)**

Category	Description	Original Allocation	Revised Allocation	Disbursement	WA under review/ pending	Balance	%
<b>Italian Grant - 2000001462</b>							
I	Works	145,000	245,000	110,909	-	134,091	45.3%
II	Goods, services and inputs	141,000	75,000	18,572	-	56,428	24.8%
III	Consultancies	80,245	40,245	6,433	-	33,812	16.0%
IV	Training	15,000	21,000	10,120	-	10,880	48.2%
	Advance Account 2			233,157	-	(233,157)	
<b>TOTAL PROJECT</b>		<b>381,245</b>	<b>381,245</b>	<b>379,189.89</b>	<b>-</b>	<b>2,055.11</b>	<b>99.46%</b>

## **Sudan**

---

### **Butana Integrated Rural Development Project**

### **Supervision Report**

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

Mission Dates: 6 Nov - 1 Dec 2018

Document Date: 23/01/2019

Project No. 1100001332

Report No. 4951-SD

Near East, North Africa and Europe Division  
Programme Management Department

## Appendix 2: Physical progress measured against AWP&B<sup>1</sup>

Com.	Code	Activity by Category	Unit Unit type	Planned	No	Achieved %	Remarks <sup>2</sup>
<b>Component 1: Policy and Institutional Building</b>							
1	a.	<b>Development of NR Governance Framework</b>					
	1	National Policy Advisor	Person/day/	1	1	100	
	2	National Climate Resilient and Natural Resources Management advisor	Month	1	0	0	
	3	Study of land tenure, ownership and access rights	Study	1	0	0	
	4	Study of Mapping on NRs including water land use mapping	Study	1	0	0	
	5	Study on impact of gold mining	Study	1	0	0	
	6	Updating of the Ecological Zone study	Study	1	0	0	Consultant contracted
	7	NRM Forums at community level (New communities)	Forum	5	3	60	
	8	Activation of pasture laws at the community level (new villages)	Workshop	2	2	100	
	9	Orientation on the findings of the NRM Forums	Meeting	2	2	100	
	10	Interstate Forum for NRM	Forum	1	0	0	
1	b.	<b>Institutional Capacity Building</b>					
	1	Training for DTs and YPs on range measurements	Training	3	3	100	
	2	Training for DTs and YPs on Social Return on Investment (SORI)	Training	5	0	0	Dec-18
	3	Refreshment training for DTs, YPs and Locality staff on GALS methodology	Training	2	2	100	
	4	Training for DTs and YPs on value chain (Guar as feed for animal)	Training	1	1	100	
	5	Review the methodology of preparing the Community Resilience & Action Plan (CRAP)	Workshop	5	5	100	
	6	Review the community Networks Activation meeting	Meeting	3	3	100	
	7	Training YPs on Organization and legalization of graduates' associations	Course	1	1	100	River Nile State
	8	Training YPs on community mobilization and rural development (TOT)	Course	3	3	100	
	9	Training of DTs on procurement methodology (External )	Training	1	1	100	
	10	Refreshment Training of DTs on GIS and GPS	Training	1	0	0	Dec-18
	11	Learning/Study-tour on planning, management of integrated projects	Training/Exposure	1	1	100	
	12	Learning Route (LR) on projects, planning, management, coordination partnerships	Learning/Study-tour	1	0	0	
	13	Training in financial and performance measurement (External )	Training/Exposure	1	1	100	
	14	Young provisional program	YP	73	106	145	

<sup>1</sup> As per 31<sup>st</sup> Oct. 2018.

<sup>2</sup> This Physical Progress report is only partially up-dated. As report of SCU teams were also received, the SM team made use of it where relevant.



1	<b>c.</b>	<b>Knowledge Management</b>					
	1	Production of Knowledge materials (Posters/Leaflets)	Posters/ Leaflets	63	00	0	Many have been produced!
	2	National KM Advisor	Person/Month	6	0	0	
	3	Production of different knowledge films	Film	23	0	0	
	4	Documentation and dissemination the experience of community networks	Network	0	0	0	
	5	Media programs (Radio and television sessions)	Sessions	144	0	0	
	6	National KM Advisor	Person/Month	5	4	80	
	7	Production of different knowledge films	Film	23	12	52	
	8	Documentation and dissemination the experience of community networks	Network	3	2	67	
	9	Media programs (Radio and television sessions)	Sessions	144	94	65	
	10	Community radio programme	Sessions	48	36	75	
	11	Training of community radio coordinators	Course	1	1	100	
	12	Exchange visits for Community-networks	Visit	5	4	80	
	13	Exchange visits between communities	Visit	15	12	80	
	14	Exchange visits for savings and credit groups (outside State)	Visit	1	0	0	Decmber 2018 In NKS
	15	Specialized seminars	Session	8	6	75	
	16	Learning/Study-tour on management of development projects	LR	2	2	100	
	17	Learning Route (LR) on projects, planning, management, coordination partnerships	LR	1	0	0	Dec-18
	18	Develop and operation of the project website	Sum	1	1	100	
	19	Participation on specialized exhibitions	Exhibition	1	1	100	
	<b>Component 2:Climate Resilient Natural Resources Management (range, forest, vegetables, crops, water)</b>						
2	<b>a.</b>	<b>Development of Water Infrastructure</b>					
	1	Hafirs rehabilitation	Hafir	5	5	100	
	2	Hafirs construction (New)	Hafir	12	10	83	
	3	Hafirs fencing	Hafir	28	20	71	
	4	Water yards rehabilitation	Water yard	43	40	93	
	5	Water yards construction and Installation (New)	Water yard	31	20	65	
	6	Construction and installation of water pipeline	Pipeline	1	1	100	
	7	Construction of water hand-pumps	Hand-pump	10	10	100	
	8	Establishment of Women farms (debug and/or using solar energy)	Farm	23	16	70	
	9	Input for improving of Hafirs water (water pumping units, tanks, etc.)	Hafir	12	10	83	
	10	Inputs and materials for installation of water yards	Water yard	8	10	125	
2	<b>b.</b>	<b>Rainwater Harvesting, Range and Forest Management</b>					
	1	Inputs for the development of irrigation systems for existing women farms (solar energy)	Unit	13	0	0	Procurment process completed
	2	Equipment and inputs for the water harvesting program and opening of fire lines (four-wheel tractor with accessories)	Tractor	5	0	0	Procurment process completed
	3	Furnishing of extension service centers	Center	2	2	100	
	4	Inputs and materials for rehabilitation of enclosures	Feddan	200	187	94	
	5	Inputs for forest development (natural trees seeds)	Feddan	3,000	2,893	96	
	6	Farm Tractors (ICSP)	Tractor	1	0	0	

7	Tractor Accessories (ICSP)	Accessories	1	0	0	
8	Establishment of new women home Jubraka	Jubrakh/HHs	720	957	133	HHs Benefited
9	Development of exist women home Jubraka	Jubrakh/HHs	1,400	1,496	107	Jubrakh/HHs
10	Establishment of communal women's farms	Farm	30	23	77	
11	Establishment and development of individual reserves	Feddan	5,260	6,672	127	
12	Establishment and development of community range-reserves	Feddan	76,943	54,966	71	
13	Establishment and development of community forests	Feddan	4,750	6,695	141	
14	Improvement of traditional terraces	Feddan	7,250	4,385	60	
15	Support the establishment of fire lines	Km	8000	9000	113	
16	Range measurements	Report	10	5	50	
17	Registration of community forests	No	5	3	60	
18	Introduction of Fire Lines (ICSP)	Sum	1	0	0	
19	Studies (Water harvesting, HHS consumption...etc)- (ICSP)	Sum	1	0	0	
20	National Project (ICSP)	Person/Month	12	12	100	
21	Manager M&E Officer (ICSP)	Person/Month	12	12	100	
22	Financial Controller (ICSP)	Person/Month	12	12	100	
23	Procurement Consultant (ICSP)	Person/Month	12	12	100	
24	Project State Coordinator (ICSP)	Person/Month	12	12	100	
25	Local Accountants (ICSP)	Person/Month	12	12	100	
26	Additional Forest Guards (ICSP)	Person/Month	12	12	100	
<b>ICSP Operation and Maintenance Costs (ICSP)</b>						
1	Operation and Maintenance of Heavy Machinery (ICSP)	Sum	12	12	100	
2	Annual Operating Costs (ICSP)	Sum	12	12	100	
2	<b>c. Crossings and Rural Roads (Final Completion of the Roads)</b>					
1	<b>Works</b>					
1	Construction of road embankments	m <sup>3</sup>				
2	Construction of lower sub-Grade Layer	m <sup>3</sup>				
3	Construction of upper sub-Grade Layer	m <sup>3</sup>				
4	Construction of sub-Base Layer with gravel materials	m <sup>3</sup>				
<b>Component 3: Livestock and Marketing Development</b>						
<b>Operation of Livestock Markets and Other Infrastructure</b>						
1	Construction/Rehabilitation of primary livestock markets	P. Market	6	2	33	
2	Completion of secondary livestock markets	S. Market	2	2	100	
3	Construction animal vaccination yard	No	1	0	0	Under procurement process
4	Completion / Rehabilitation of primary Slaughterhouse	Slaughterhouse	1	0	0	Tamboul Slaughterhouse not yet completed
5	Collection and dissemination of market information	Report	15	15	100	
6	Training in the management and operation of primary slaughterhouses	Course	2	2	100	
3	<b>b Animal Husbandry and Management</b>					
1	Inputs, materials and animal fodder chopping equipment	Sum	1	1	100	
2	Updating of livestock survey	Survey	4	4	100	
3	Study the inventory and mapping of animal nutrition resources	Study	3	3	100	
4	Prepare /development of seasonality calendar of animal feeding resources	Calendar	5	5	100	

5	Mapping of animal diseases using GIS – (including nomads)	Map	4	2	50
6	Communities mobilization to prevention poultry diseases	Community	57	48	84
7	Communities mobilization to fight against animal internal and external parasites	Community	95	92	97
8	Communities mobilization to towards livestock vaccination campaigns	Community	120	72	60
9	Improvement of animal nutrition (dissemination of animal supplementary feeding)	Community	65	56	86
10	Communities' mobilization to prevention Abu Regaba disease	Community	60	67	112
11	Improvement of animal feeds	Community	40	42	105
12	Improvement of Nubian goat breeds by selection	No.	20	0	0
13	Extension program for nomads	Session	1	4	400
14	Meetings of livestock activities coordination team	Meeting	4	2	50
15	Activation of veterinary services centers (Managed by CAHWs)	Center	13	14	108

#### **Component 4: Community Development, Business Options and Rural Micro Finance**

##### **4 a. Community Development Committees, Interest Groups and Networks**

1	Construction and completion of community development centers	Centers	4	4	100
2	Construction of facilities in development centers	Centers	2	1	50
3	Construction of development service center	Centers	2	2	100
4	Input and materials for community training on combat the internal and external parasites	Sum	10	10	100
5	Inputs and materials for adult education classes	Sum	30	20	67
6	Inputs and materials for nutrition and mother and child health	Sum	20	15	75
7	Inputs and training materials for first aid and home nursing	Sum	20	15	75
8	Materials for furnishing network development center (Extension Service Center)	Sum	5	5	100
9	Input / furnishing of community development centers	Centers	10	10	100
10	Communities' awareness campaign and formation of CBOS	Community	80	60	75
11	Review the composition of interested groups and prepare the resilience plan	Community	340	320	94
12	Re-registration of exist CBOs	Community	80	60	75
13	Registration of new CBOs	Community	162	83	51
14	Follow-up implementation of CDCs meetings	CDC	318	499	157
15	Assess the effectiveness of the CDCs	CDC	274	312	114
16	Village health program in collaboration with State Ministry of Health.	Village	25	15	60
17	Communities training on planning and management	CDC	50	48	96
18	Training of teachers in adult education and nutrition and maternal and child health	Course	25	20	80
19	Training procurement committees	Community	90	85	94
20	Community training on cutting, drying and storage of fodder (hay making)	Community	68	32	47
21	Community training on primary market information systems	Course	2	2	100
22	Gender sensitization sessions	Sessions	152	118	78
23	Training of water committees in operation and management of water sources	Community	86	96	112

	24	Follow-up and evaluation of existing youth groups to manage natural resources	Group	7	7	100	
	25	Training of community-network	Network	5	5	100	
	26	Training of women on fodder farming	Community	75	71	95	
	27	Training communities on manufacturing of dairy products	Community	2	2	100	
	28	Community training on combat the internal and external parasites	Community	25	15	60	
ICSP	29	Awareness Training & Cap. Building in Agroforestry (ICSP)	Unit	2	NA	0	
ICSP	30	Support to Farmers for Irrigated Plantations (ICSP)	Unit	3	NA	0	
ICSP	31	Awareness Rising Sessions for State & Local Managers (ICSP)	Course	4	NA	0	
ICSP	32	Awareness Campaigns at Local Communities (ICSP)	Course	1	NA	0	
ICSP	33	Training for Developing Non-wood Products (ICSP)	Course	4	NA	0	
ICSP	34	Plan & Execution of 10 Events for 60 Technicians (ICSP)	Course	1	NA	0	
ICSP	35	Training Forestry Professionals and Policy Makers (ICSP)	Unit	3	NA	0	
ICSP	36	Improved Stoves Distribution (ICSP)	Unit	1	NA	0	
ICSP	37	Preparation & Dissemination of Measures for Improved Stoves Use (ICSP)	Unit	1	NA	0	
ICSP	38	Incentives for Use of Impr. Stoves, Tree Plantation & Forest Conservation (ICSP)	Unit	1	NA	0	
<b>4</b>	<b>b.</b>	<b>Business Options through Microfinance</b>					
	1	Construction of post-harvest storage facilities (Italian Grant)	Facility	2	0	0	Under Construction
	2	Construction of office/Rest-house (Supporting new ABSUMI units)	Office/Rest-house	1	0	0	Under Construction
<b>4</b>	<b>c.</b>	<b>Community Extension Agents and Networks</b>					
	1	Basic training of Community Animal Health Workers(CAHW)/Paravet	Course	5	4	80	
	2	Refreshment training for Community Animal Health Workers (CAHW)/Paravet	Course	3	3	100	
	3	Training of voluntary forest guards	Course	5	5	100	
	4	Basic training on integrated pest management (IPM)	Course	7	5	71	
	5	Training on management of home nurseries and seedling production	Nursery	15	15	100	
	6	Assessment of local community extension agents	Assessment	1	1	100	
	7	Training of midwives	Midwife	14	10	71	
	8	Follow-up and evaluation of existing youth groups to manage natural resources	Group	7	7	100	

## **Sudan**

---

### **Butana Integrated Rural Development Project**

### **Supervision Report**

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

Mission Dates: 6 Nov - 1 Dec 2018

Document Date: 23/01/2019

Project No. 1100001332

Report No. 4951-SD

Near East, North Africa and Europe Division  
Programme Management Department

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

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>Section 3.03-a</b>	Lead Project Agency (LPA) shall open and maintain a Project Account.	Before project inception	Complied with	- Project Account opened before loan effectiveness and the same accounts are being used for the Grant financing proceeds
<b>Section 3.05-b</b>	The Borrower shall deposit counterpart funds in an Initial amount of Euro 240,000 and shall replenish BDA project account quarterly in advance to fund AWPB.	Before project inception/continued	Partially complied with	- GoS transferred the initial amount to the project account at project inception. However, replenishment is not happening on quarterly basis, as it should happen. - Moreover, delays in transferring counterpart funds has in many instances caused pre-financing of Government commitments from foreign financing proceeds. - The erstwhile BDA (Butana Development Agency) has been abolished and the new Butana Development Fund (BDF) established.
<b>Section 3.06 – Loan/Section 7.05 – Grant</b>	The LPA and each other project party shall procure all items financed by the loan in accordance with shedule-4 of the Loan agreement and section 7.05 of the Grant agreement.	Immediately/continued	Partially complied with	- The Project procurement practices have improved overtime and are becoming more in line with the provisions of FAs prescribed procurement method, with only a few cases of deviation in procedures.
<b>Schedule-3A, 4</b>	The Borrower shall ensure that all vehicles procured under the project are insured and used for project implementation	Immediately/continued	Complied with	- All projects vehicles are fully insured.
<b>Section 5.02-b - Loan/Section 9.03 Grant</b>	The Borrower/Recipient shall have the financial statements (FS) relating to the project audited each fiscal year and shall submit certified audit reports to the Fund no later than 6 months after year end	Annually	Complied with	- Audit reports submitted to IFAD annually, in compliance with IFAD deadline.
<b>Section 4.02 – Loan/Section 9.04 (a) – Grant</b>	The Borrower through the LPA shall submit to the Fund semi-annual and consolidated annual progress reports	Annually	Partially complied with	- Interim (semi-annual) FS are submitted to IFAD but with some delays.

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>Section 3.02-b – Loan/Section 7.01 (b) - Grant</b>	Draft AWPB to be submitted to the Fund for its comments and approval not later than 60 days before the beginning of the relevant project year		Not fully complied with	- Submission the final version of AWPB for FY 2018 was delayed due to the need to revise the AWPB several times. Also, for FY 2019 and until the SM in November 2018, the AWPB has not started albeit a proposed Annual Budget for 2019 proposed.
<b>Section 4.03 – Loan/Section 8.03 (b) – Grant</b>	A mid-term review to be carried jointly by the borrower and the Fund during the fourth project year	4 <sup>th</sup> anniversary of the project	Complied with	- A mid-term review was done jointly by IFAD and GoS in September 2012
<b>Schedule-3. B. 1.1 – Loan/Section E.1 (b) – Grant</b>	Project Implementation Manual to be prepared not later than 90 days after the effective date	90 days after project effectiveness	Not fully complied with	- The Lead Project Agency finalized a draft version of PIM and sent it to IFAD for concurrence. - BIRDP never managed to draft a well-developed PIM. - At least Financial Management is covered properly.
<b>Section E.1 (a) - Grant</b>	Configuration of account system to include additional financing	Before disbursement of additional financing	Complied with	- The Project accounting system has been configured, tested and was produced from the system
<b>Section E.1 (c) - Grant</b>	Recruitment for the vacant post of finance controller	Before disbursement of additional financing	Complied with	- Up to three times, a project finance controller was recruited but left within a short period. Ultimately, the existing accountant was promoted to the position of FC and assistant accountant to accountant and a new assistant accountant appointed.
<b>Section E.1 (d) - Grant</b>	Receipt of a report from the Government on satisfactory details pertaining to strengthening the Butana Development Agency (BDA)	Before disbursement of additional financing	Complied with	- The Government has abolished the BDA and established the Butana Development Fund (BDF). The BDF director general is in place and core office staff is now recruited. GoS and BIRDP budgets have allocated for FY 2018 and 2019.

## **Sudan**

---

### **Butana Integrated Rural Development Project Supervision Report**

#### **Appendix 4: Technical background analysis**

Mission Dates: 6 Nov - 1 Dec 2018  
Document Date: 23/01/2019  
Project No. 1100001332  
Report No. 4951-SD

Near East, North Africa and Europe Division  
Programme Management Department



## Appendix 4: Technical Background Analysis

### Contents

<b>I. Working Note One:</b>	Construction and maintenance of usable rural roads	2
<b>II. Working Note Two:</b>	Cost – Benefit Analysis of Backyard Poultry Keeping in Gezira State	4
<b>III. Working Note Three:</b>	ACTION PLAN to arrive at a functional BUTANA DEVELOPMENT FUND (BDF)	5
<b>IV. Working Note Four:</b>	Proposed BIRDP Budget for period Jan – Sept. 2019	7
<b>V. Working Note Five:</b>	GALS in BIRDP	9
<b>VI. Working Paper One:</b>	Community Development, Business Options and Community Extension Agents	11
	<b>A. Description of Sub-Components</b>	11
	<b>B. Observations</b>	15
	<b>C. Main Recommendations</b>	16
	Annex 1: TOR Microfinance Institutions and Banks Due Diligence Consultant	17
	Annex 2: Grading System of Village Saving and Credit Groups	19
	Annex 3: TOR Microfinance Training Consultant	24
	Annex 4: TOR Rural Finance Manager	26
<b>VII. Exit Strategy of BIRDP</b>		29
<b>VIII. Case Study ‘Golden Rule of No Regret – Savings first, Credit later’</b>		31

## **I. Working Note One: Construction and maintenance of usable rural roads**

1. The Mission visited the road which is under-construction to link El Sobagh Town to Sitta Arab Village (74 Km). The mission reviewed the progress of the road construction with great concern as real progress since the last follow up/support mission has been a very modest at 4 % of the overall works needed to complete the road. The status of implementation of the road can be grouped in three main categories: **(i)** From El Sobagh to Bridge El Gegei (31 Km) where the concrete crossings were completed under RAP but the procurement process for the earthworks was initiated but not completed. The PCU and CCU went for lengthy procurement process of the prequalification of the contractors that caused additional delay in the road construction; **(ii)** El Gegei Bridge: The contractor succeeded in completing the two small contracts for the repair of the collapsed stone pitching and earthworks; and **(iii)** From El Gegei Bridge to Sitta Arab (43.3 Km).

2. This part is divided among three contractors: **a.** Hiwa contractor responsible for the construction of 14.35 Km of the road up to the sub-base level. The contractor has made significant progress until January 2018, making the actual progress at 93%, however, a minimal progress has been made since then estimated at 2.6% of the contract value; **b.** Basunda contractor: responsible for the construction of 12.25 Km of the road up to the sub-base level. The work accomplished up to the end of October 2018 is estimated at 63% of the total contract value while the contractual completion date was extended until 31 December; and **c.** Shirian El Shamal contractor who is responsible for 16.70 Km of the road up to the sub-base level. The contractor almost made 8% progress of the total contract value while the contractual completion date was extended until 31 January 2019. It was noted that, the contractor has not complied with the action plan that was developed during the last follow-up mission in July 2018.

3. The mission was pleased to find that the PCU has adopted the agreed actions of the last follow-up/support mission and increased the number of technical staff responsible for the supervision of the on-going contracts headed by a full-time team leader stationed in El Sobagh City. Additionally, the PCU has secured the necessary logistical support to facilitate the work of the supervision team.

4. The status of the implementation of road construction is severely critical as the remaining period till the completion date (about 10 months) will not be enough to complete all anticipated works especially with the poor performance of the contractors. Moreover, some weaknesses have been observed in the constructed parts of the road. The observed weaknesses lessen the resilience of the road against water overflows. Therefore, the Government of Sudan should be accountable to the consequences of the high risks namely not completing within the remaining period December 2018 – September 2019.

5. As a way forward, the mission has discussed with the PCU and the consultant the dire need for immediate implementation of the following actions:

- (a) It is essential that the all urgent works that allow full usage of the road must be completed before the project completion date. These urgent works include **(i)** completion of new crossings works (concrete structures, approaches); **(ii)** essential protection works to enhance the resilience of the road against water overflows;
- (b) The consultant should prepare a survey of all weak points along the road, bill of quantities and develop the new bidding documents for the crossing and protection works to be tendered within the pre-qualified contractors applying Limited Tendering Method (shopping method);
- (c) The PCU in collaboration with the CCU should finalize the bidding process for the road section from Km 43.30 to Km 60.00 before the end of December 2018. The PCU with support from the consultant should negotiate the programme of works with successful bidder to achieve a realistic plan that will ensure full usage of the road;
- (d) The PCU should apply contract provisions in full on the Non-performing contractor (Shirian El Shamal) responsible for the section from Km 0.00 to Km 16.70 of Al Subagh – Sitta Arab road, including revocation of the letters of guarantee for performance security and retender the remaining works within the pre-qualified contractors. Retendering is not a feasible option and therefore strict performance monitoring is needed;

- (e) The PCU should closely follow up and monitor the implementation of road construction works and a meeting every two weeks should be held at the site headed by the project coordinator to assess the progress and take any corrective actions as needed.
-

## **II. Working Note Two: Cost – Benefit Analysis of Backyard Poultry Keeping in Gezira State<sup>1</sup>**

### **Introduction:**

Albeit given serious attention only in recent years, poultry husbandry has turned into an income-generating activity popular among Butana women who easily take a small loan from the Village Credit and Saving Group to buy a small flock of poultry (10 hens, 1 cock) and construct a simple night shelter. It is now liked by Development Teams as well as the women, especially the poor, because of

- easy management and handling of backyard poultry,
- high demand and easy marketing of eggs,
- eggs can also be used for hatching and producing chicks,
- capital recovery is fast,
- easy to slaughter a hen when guests arrive, or to offer an egg to a sick child.

### **Pre- production costs:**

#	Items	Cost / SDG
1	Crate cage for keeping chickens at night (night shelter)	2000
2	Purchase of (10) adult chickens	800
3	Purchase (1) Cock	150
4	Others (drugs, vitamins, vaccines, etc.)	300
	<b>Total</b>	<b>3250</b>

### **Post - Production Costs :**

#	Items	Cost / SDG
1	The monthly feed cost of 11 chicken	28
	<b>Total</b>	<b>28</b>

#### **(A) In the case of egg production and marketing**

##### **Assumptions of production and marketing :**

- The expected mortality rate is 2% and equal to 2 chickens
- Proportion of expected production represents 90%
- The number of eggs produced per day is 7 eggs
- Net monthly yield = 610 SDG (7eggs×30day×3SDG)
- ❖ The recovery period of capital is about 6 months

#### **(B) In the case of the production and marketing of chicken meat**

- Incubated eggs = 50 eggs
- Hatching rate 80% = 40 chick
- Mortality rate 3% = 12 chick
- Number of chicks remaining = 28 chick
- Feeding (5 months) = 140 SDG
- Total costs of feeding period = **140 SDG**
- Number of chickens sold during this period (28 chickens ×80SDG) = **2240 SDG**
- Net monthly yield = **2100 SDG**
- ❖ The recovery period of capital is about 6 months

First, this study was based on experience in working with the communities. The pattern of poultry husbandry is a very traditional style. In order to improve nutrition and reduce mortality rates and increase production, we introduced medicines, vitamins and vaccines and feed and provide a night shelter for keeping chickens. Second, prices provided are real figures that reflect the actual prices of chickens and feed.

<sup>1</sup> Prepared by: Elsadig Mohammed Othman Al Hassan, Animal Production extension, Gezira State Coordination Unit, Email:elsadig01@gmail.com

### III. **Working Note Three:** ACTION PLAN to arrive at a functional BUTANA DEVELOPMENT FUND (BDF)<sup>2</sup>

No.	Activity	Person Responsible <sup>3</sup>	Time frame	Budget (US\$) <sup>4</sup>	Deliverable
1	Developing ToRs for Director General of BDF	Under Secretary MoFEP	immediately		ToRs in place
2	Issuing and signing contract of Director General of BDF	Under Secretary MoFEP	immediately		Contract signed
3	Staffing of BDF unit: - Executive Mng. & Accountant <sup>5</sup>	DG	asap	A.1.1	Contract signed
4	Opening of BDF bank account	BoD, DG	asap		Functional BDF bank account
5	Including BDF account in BIRDP financial system	PC, FC	asap		BIRDP accounting system has additional unit called 'BDF'
6	With the help of the previous institutional and business advisors up-date the BDF draft Strategy and Five-Year Business Plan	DG & EM of BDF; BoD	March 2019	B.4	Updated and approved BDF strategy and BDF five-year business plan
7	Approving the BDF (revised) Strategy and Five-Year Business Plan	BoD	April 2019	B.5.1	Revised BDF Strategy and Five-Year Business Plan
8	Ensuring that inventory of all assets is up to date, and smoothly transferred to BDF.	PC, STC, EM, BoD	September 2019		All assets listed, and are in good condition, transferred from BIRDP to BDF
9	Develop MoUs to ensure service delivery to the Butana communities and Natural Resources Network; i.e. Development Teams (SCU), Local Extension Workers, Locality Teams, Young Professional Association, Private Service providers, others.	DG & EM of BDF, BoD, STC	Before mid-July	B 7.3 B 6	Basic Service Delivery to current BIRDP communities and NR network in place
10	Ensure timely and full transfer of co-funds of GoS	DG & EM of BDF, PC, STC	Monthly	B.5.1, B.6, B.7.1 - 7.3, A.1.1, A 1.8	GoS contributions paid in time.

<sup>2</sup> The content of this Action Plan was agreed upon by the meeting initiated by the appointed Director General Dr. Gotbi el Mahdi, attended by all members of the supervision mission as well as Development Team of River Nile and held at the office of the Locality Commissioner at Shendi. It forms annex 1 of the signed Aid Memoire.

<sup>3</sup> PC: Project Coordinator BIRDP; SC CCU: Senior Coordinator – Central Coordination Unit; STC: Supervisory Technical Committee; Director General BDF (DG); Executive Manager (EM) (still to be appointed); BoD of BDF; Chair of BoD (Undersecretary MoFNE), FC: Financial Controller of PCU.

<sup>4</sup> Budget as per Additional Financing Proposal and concerning financier 'IFAD grant' and GoS; i.e. see table 1.

<sup>5</sup> Others to be taken on board gradually and as per BDF strategy and five-year business plan; i.e. NR, Community Dev., Business advisor. Strategy and Business plan to be approved first.

**Table 1: Budget as per Additional Financing Proposal for BDF**

ITEM*1			Total	IFAD grant	GoS
			000 US\$	000 US\$	000US\$
i. Investment costs					
B.4	Advisory Services		67.80	67.80	-
B.5.1	BoD meetings, etc.		42.30	36.20	6.10
B.6	Linking BDF - Localities		10.50	9.00	1.50
B7	BDF Services on cost basis				
B7.1	Goods	Pilot	45.30	38.70	6.60
B7.2	Works	Pilot	54.50	46.60	7.90
B7.3	Services	Pilot	17.60	15.00	2.60
B7.4	Field days		6.00	6.00	-
		Sub-total	244.00	219.30	24.70
ii. Recurrent costs					
A.1.1	BDF team		126.50	94.90	31.60
A.1.8	Subject Matter officers		72.30	54.20	18.10
		Sub-total	198.80	149.10	49.70
		Total	442.80	368.40	74.40
			SDG '000	SDG '000	SDG '000
		Total	21,033.00	17,499.00	3,534.00
Exchange rate	US\$	SDG	*1 Source: Additional Financing Proposal, table 7 Component 1:		
	1	47.5			

## IV. Working Note Four: Proposed BIRDP Budget for period Jan – Sept. 2019<sup>6</sup>

Budget in US\$ for remaining period January – September 2019

Butana Integrated Rural Development Project					
Proposed Budget for period 1st January - 30th September 2019 in USD					
		IFAD Grant	ASAP Grant	IFAD Loan	Total
I	Investment Costs				
1	Civil Works	4,201,732			4,201,732
2	Vehicles and Equipment	23,700			23,700
3	Technical Assistance, training, Inputs & Materials				
a.3	Technical Assistance & training	231,640	310,000	606,539	1,148,179
b.3	Inputs & Materials	435,600	215,605	610,540	1,261,745
4	Grants and Subsidies	162,000		425,000	587,000
	Total Investment Costs	5,054,672	525,605	1,642,079	7,222,356
II	Recurrent Costs				
a.5	Salaries and allowances	520,000			520,000
b.5	Operation and Maintenance Costs	494,535			494,535
	Total Recurrent Costs	1,014,535	-	-	1,014,535
	Total	6,069,207	525,605	1,642,079	8,236,891
	SDC* <sup>1</sup> in '000	288,287	24,966	77,999	391,252
	* <sup>1</sup> Exchange rate: 1 US\$ = 47.5 SDG				

**Item 1.0 Civil Works:** - Road construction in package 1, 4, 5 and 6 at a total cost of USD 1.9 million; - Water infrastructure namely construction of water yards (30), hafirs (12) and establishing primary markets (7) totalling USD 1.7 million;

**Item 2.0 Vehicles and Equipment:** include Tractor attachments and Miscellaneous Equipment.

### Item 3 Technical Assistance, training, inputs & materials

**3.a Technical Assistance & training** involves: - Development of NR Governance Framework; Butana Conferences; - Institutional Capacity Building; - Climate resilience Community Village Plans Formulation/Updating; - BDF/Task Force/STC Members Meetings; - Community Land Use Maps; - Support on Climate Smart Agriculture Documents and Dissemination; - Knowledge Management; - Young Professional Program; - Documenting Success Stories and Extension Materials; - Editing and Printing of Extension Materials; - Scaling of Animal Feeding Practices; - Vaccination campaigns for Settled Farmers and Pastoralists; - Development of Savings and Credit Groups; - Support for project completion, - Annual Audit; - Project impact and other studies; - Support for Butana Development Fund; - Water Infrastructure Advisor; - National Policy Advisor; - Water Users Training and Capacity Building on Infrastructure Management; - Training on Water Harvesting and Land Management Techniques; - Training of Farmers and Pastoralists on Animal Feeding; - Comprehensive Extension and Vaccination; -Social Skills Training to Beneficiaries at Community Level (adult education, nutrition classes and First Aids); -Training Rural Finance Agents etc. In addition to Productive skills training in Jubraka, Women farms, Tree nurseries and other income generating activities.

**3.b Equipment and Materials** cover: - Land Management mainly introducing of water harvesting structures and fodder and tree seeds; - Introducing of solar units for developing the irrigation Systems in women farms; - Inputs and materials for Improving Range and Forest

<sup>6</sup> This proposed budget forms annex 2 of the signed Aid Memoire.

Management; - Equipment and inputs for youth groups and networks; - Support for ABSUMI Existing Units / other Micro Finance Institutions.

**4.0 Grants and Subsidies** for: - Savings and Credit groups in terms of incentives and subsidies to motivate and encourage the impressive and notable groups; others in the field of micro finance as per consultant's advice; i.e. Kassala Microfinance Foundation, Savings and Social Development Bank of Sudan, Sudanese Rural Development Corporation, etc.

**5.a Salaries and Allowances** include: - Salaries of Support and PCU Staff; - BIRD Staff Allowances Annual Leave; - Social insurance (17%); - Benefits after Service and SCU salaries, allowances and running costs in the 5 States.

**5.b Operation and Maintenance Costs** cover: - Operation and maintenance of vehicles including heavy machinery and General Running Cost.

---



## V. Working Note Five: GALS in BIRDP

Gender Action Learning for Sustainability (GALS) is a community-led empowerment methodology that has been adapted to Butana's own cultural and organisational contexts. The generic root of GALS is Participatory Action Learning System (PALS) methodology; however specifically focuses on expressing new visions for relationships between women and men as equal human beings, and moderating changes in gender inequities in resources, decision making, and opportunities for engagement in beyond the confines of the house. GALS at scale is visible in communities covering a wide variety of issues including: livelihoods, food security, microfinance services, value chain development, governance of natural resources -particularly water, forest and range lands. In all the communities, the Community Development Centres – which is a coalition of interest groups – depict their plans in a series of visual diagrams that are deeply reflective of their current situation and dreams for the future. Inevitably a large part of reflection concerns increased welfare provisions in health, education, roads, electricity, and livelihoods. Most importantly, these visuals diagrams identify what are the changes that need to be pushed forward in different spheres of their life — at the household, community and the market level — in order to increase welfare, economic activities, and access to income.

Sudan is male dominated, patriarchal society where women have well defined space and roles. The community groups approach to elimination of discrimination to many forms of discrimination against women is nuanced according to what is acceptable within tribal ethos. The participation of women in decision making in community affairs is one of the most notable successes of the BIRDP interventions. Experience shows that with larger participation key concerns of women are voiced, and change is slowly taking place that benefit both men and women as part of a mutual empowerment process.

BIRDP at field level has three layers. At the village level interest groups, followed by community development centres (CDCs) covering few villages, and finally, community networks embracing several CDCs. There are 153 CDCs and 14 community networks.

The interest groups in water management, forest and range lands protection, and livestock development are the basic blocks for planning and implementation of development activities. The water interest groups concern about water harvesting on terraces, promoting vegetable and fruit farms and cultivation on Wadis. The forest range activities revolve around individual and community range reserve, community forest, plantation of tree seedling in homestead, and managing community nursery. The livestock interest group promotes local breed development, introducing supplementary feeding to enhance milk productivity and control of animal diseases. In 2017, women participation in these groups was only 42%, which has risen to 50% in 2018. The number of members in these groups have more than doubled between 2017 to 2018 (see Table 1 below)

**Table 1: Evolution of Interest Groups**

Year	Water activities			Forest and Range activities			Livestock Development			Grand Total
	M	W	Total	M	W	Total	M	W	Total	
2018	9316	6421	15737	7281	9964	17245	5526	5305	10831	43813
2017	5297	2254	7551	3157	3298	6455	2850	2279	5579	19585

This growth in women membership has been made possible due to increased attention to gender issues during planning and implementation process to ensure addressing gender specific needs and women empowerment. The development team of BIRDP project, spearheaded by 325 young women professionals held 320 training session compared to 118 sessions in 2017. The results the drive for social inclusion is all too visible in the project.

- The project has expanded access to and control over fundamental assets – cash savings, common land (for Jubraka group cultivation), knowledge and technologies related to fodder storage.

- The women are well represented in CDCs. The number of women in leadership positions in CDCs increased from 163 in 2017 to 325 in 2018. One of the three office bearer in CDC is a woman.
- Total number of women in leadership position in interest groups increased from 260 in 2017 to 685 in 2018.
- Women's participation in water harvesting groups, increased from 295 in 2017 to 1277 in 2018. In percentile terms, women participation increased from 9% in 2017 to 18% in 2018.
- Women constituted 69% of beneficiaries in different types of extension and training programmes.
- Women constitute nearly 98% of the savings and credit group membership (6345). In 2018, 2368 women received on the job training in inter-loaning and saving management.

#### **Key Factors for Success**

- The use of very simple, visual graphics on locally available material that can be easily used by poor illiterate women and men.
  - Inclusion of everyone who wishes to be listened to in an atmosphere of mutual respect
  - The articulation of people's collective needs and plans for future, with minimal external interventions.
  - The inclusion of large number of young female professionals who live in the community and facilitate peer-learning every day.
  - The adoption of a comprehensive livelihoods' strategy, which recognizes and values the multiple farm and non-farm activities, importance of saving and credit, introduction of new technology and building institutions where men and women play distinctive and complementary roles.
  - Aggregation of interest groups and CDCs into Community Networks for collective planning, and joint action on protecting natural resources and representing before government agencies.
-

## **VI. Working Paper One: Community Development, Business Options and Community Extension Agents**

**Introduction** The supervision of the rural finance aspects of the Butana Integrated Rural Development Programme (BIRDP) was conducted by Mr. Manab Chakraborty, Rural Finance and Community Development Consultant from 6-27 November 2018. The mission involved field trips to 10 communities in the States of Gezira, Kassala, Gedaref, River Nile, and Khartoum. Detailed discussions were held with the BIRDP Project Coordination Unit staff in Rufaa and SCU staff in the five States. Discussions were also held with the microfinance partners namely the manager and credit officers of the ABSUMI senior staff in Abu Delege, Khartoum State; management of Sudan Rural Development Finance Company (SRDFC), Khartoum; Kassala Microfinance Foundation, and staff members of Social Development and Savings Bank at Es Subagh, Gezira State.

The Mission made courtesy calls to the Dr. Azhari Ibrahim Basbar, Under Secretary, Federal Ministry of Agriculture and Forests (FMOAF) at his office in Khartoum on 8<sup>th</sup> November 2018, and Dr. Gotbi al Mahdi, the newly appointed Director General of Butana Development Fund (BDF) at Shendi Locality on 20<sup>th</sup> November 2018. On 25 November 2018, in Khartoum, the mission presented its observations, findings and recommendations to the Project Technical Advisory Committee chaired by the Under Secretary, FMOAF, and attended by key BIRDP stakeholders. A wrap meeting was held on 26 November 2018 at the Ministry of Finance and Economic Planning.

The Community Development, Business Options and Rural Finance component consists of three sub-components which are **A.)** Community Development Committees, Interest groups and Networks; **B)** Business Options through microfinance; **C)** Community Extension Agents (CEAs). The Italian grant has been added as sub component iv.) and concerns the establishment of post-harvest grain stores owned and managed by the people. The outcome of the project intervention is to create empowered and business-oriented community-based groups, which is done through training and capacity building of the Community Based Organisations (CBOs). Detailed observations and recommendations on each of the sub-components is presented below.

### **A. Description of Sub-Components**

#### **Community Development Committees, Interest Groups and Networks**

The highlights of the period under review are:

- i) The focus is on reaching out to new and smaller communities. 66 communities were added in 2018 taking the total of communities reached to 379. Of these, 140 were covered in Phase I (2008-16), 173 under Additional Finance Phase (2017-2019) in 2017. Conscious decision was made to identify satellite communities near older well-functioning mother communities covered by the project in Phase I.
- ii) Originally, the project estimated there were 700 communities in the project area spread over 9 localities in five states. In Phase 1, 140 communities were reached which was in line with the target set. By then, only poor communities were selected as per criteria set. In the second phase against a target of 400 communities, 239 were reached and 161 not excluded because the communities were either too large (>300 households), or too small (<50 households), or very distant. Thus, of the approximate 700 communities, 379 have been covered till date, 321 communities excluded. In terms of communities, the number of '700' is arbitrary as the administrative boundaries of what belongs to Butana and what not is not always clear; i.e. Butana area belongs to five States.
- iii) A discernible trend in the households selected in AF phase is rise of middle-income households particularly in Gezira. The emphasis in AF phase was to cover the entire community. The new communities identified water as their top priority (72,7%), followed by agriculture (9%); education (8%), and health (6%).

- iv) An evaluation of all CDC was carried to rank their performance regarding their ability to manage their own affairs. Of the 312 CDC evaluated, 21 was ranked excellent (7%), 53 very good (17%), 89 good (29%), 83 middle (27%), and 76 weak (24%). The classification of CDCs is being used to plan training and capacity building programs to strengthen the CDCs. iv) The number of women in leadership positions in the CDCs increased from 163 in 2017 to 325 women in 2018.
- v) Increased YP's presence, currently number 106 in 2018 up from 72 in 2017, has energized community connect in all activities that project has undertaken, impact on CDCs and Community Networks is palpable. 93% of the YPs are female. Male YPs face difficulties of finding suitable accommodation in rural areas and are attracted to more lucrative career options within and outside Sudan.
- vi) New kinds of networks have emerged embracing shared neighborhood affinities. The CDCs together create networks which enable them to address issues of forest protection, rangeland improvement, and water conservation collectively, and in the process resolves conflicts in natural resource use. BIRDIP has established fourteen networks -3 of them in 2018 -comprising of 153 communities. The networks have been effective in mobilizing resources from government agencies, NGOs, and other charities, and resolve intra-community dispute on natural resource management through improved understanding and dialogue.
- vii) 66 new Climate Resilient Community Village Plans<sup>7</sup> were prepared in 2018, The community extension teams facilitate on devising milestones for community adaptation and defining where, when and who will implement various components of the plan. The three axis for these village climate plans are priority setting to strengthen adaptation to climate change; integration of natural resource management (water, forest, range, livestock, fodder, conservation, crops); and elaboration of options for community organisation structure, governance system, saving & credit options, access to services and markets.
- viii) Registration of community-based organizations (CBOs) remained sluggish in 2018. Against a target of 156, only 83 new CBOs were registered in 2018. The total cumulative tally of registered CBOs in the 5 states under BIRDIP is 217. The number of registered CBOs in Khartoum is 15 and Kassala 22. Kassala is revising the State law regarding voluntary works; consequently, new registrations of CBOs remain suspended in the State.

## **Business Options through Microfinance**

The Phase I of the BIRDIP focused on microfinance through village savings and credit groups (VSCGs), community investment funds (CIFs), and partnership with Agricultural Bank of Sudan Microfinance Initiative (ABSUMI). The AF proposal expanded the rural finance menu to include support to APEX<sup>8</sup>. In addition, the Italian government supported grant for 'Development of pro-poor warehouse systems for improvement of access of small producers to markets and value chains in Kassala State' was added under this component as it concerns a value addition activity.

The highlights of the year 2018 on microfinance finance front are:

---

<sup>7</sup> The concept of climate resilience has been widened by the communities to include ability of ecosystems to withstand and overcome periodic shocks but also the ability of the community to reverse the debilitating effects on individuals and households. The adaptation of new natural resource management systems, deployment of available technologies, and the acquisition of knowledge to tackle climatic uncertainties was echoed in numerous community meetings that the Mission had. For instance, at Alwiddian Community Network in Khartoum State lists its development are priorities being water conservation, drought-proof agriculture, livestock health and range and pasture lands protection.

<sup>8</sup> The Consultative Group to Assist the Poor (CGAP) defines an APEX as an institution is a second-tier or wholesale organization that channels funding (grants, loans, guarantees) to multiple microfinance institutions (MFIs) in a single country or region. Funding may be provided with or without supporting technical services.

- i) The year saw exponential growth of VSCG numbers, client outreach, savings mobilized, and inter-lending. In September 2017, the number of VSCGs covered 46 communities in 92 groups with a total saving of 506,698 SDG compared to 371 communities in 417 groups with total saving of SDG 1.81 million. In percentile terms, the membership increase was 210% and savings portfolio was 258%. This remarkable progress shows that the idea of savings groups is well entrenched in the communities, and a positive reflection of the superior coordination, and hard work that exerted by the DTs, YPs and community extension agents (CEA). The growth of VSCGs have been fastest in Gedaref State. Inter-lending of internally accrued savings is 44% and repayment rate is 94.26%.
- ii) An important development has been credit linkage established with ABSUMI and SRDFC. Separate MOUs with these two organisations have been signed by BIRDP in July 2018. ABSUMI has extended credit of SDG 183,000 to 3 groups in Khartoum state. At Al-Karadab Alwuhda community, on November 18<sup>th</sup>, 2018, ABSUMI Abu Delege branch also disbursed SDG 4000 each to 52 women after initiating contact with the women on 11<sup>th</sup> November 2018. These 'groups' did not exist before 11<sup>th</sup> November and have not even initiated saving or inter-lending. Pushing credit without saving, and no seasoning is contrary to prudential norms gory ABUMIs on prudential lending principles. Further, a loan amount of SDG 55,000 is likely to be approved in December 2018 by ABSUMI, Abu Delege, Khartoum branch to two community groups. ABSUMI is yet to start operation in Tamboul, Gezera where BIRDP has made available a furnished for them.
- iii) SRDFC<sup>9</sup> has extended credit to 3 groups in River Nile for fodder production, restocking of small ruminants, and natural fiber made handicraft production. The major concentration of lending is in Al Khalwat community where 79 members have been provided SDG 10.3 million for guar and sorghum fodder production, and trading in handicrafts. The women groups have found markets for their handicraft items in nearby Shendi, Abu Delege, and Kubashi markets.

**Box 1: The Power of Informal Credit Providers**

Usman (24) learnt about vegetable farming from a network at Al-Khalwat, River Nile established by BIRDP, River Nile SCU. He struck a deal with an acquaintance in Shendi for investment to grow purchase agri-inputs for growing onion in his 6 feddan (2.4 hectares) irrigated land. Usman's investment was SDG 70,000. Fortunately, onion price has soared to SDG 16/kg from SDG 12/kg last year. Usman expects to sell his output at SDG 400,000 in Ed Damer, and Khartoum. He plans to retire all his debt as soon as the sale is realized. He is looking forward to growing okra and potatoes in the next season.

- iv) ABSUMI's progress in the Abu Delege locality remains disappointing. The number of credit officers have fallen from 4 in 2017 to 3 in November 2018. At a meeting on 22<sup>nd</sup> November 2018 with Manab Chakraborty, Mission Member, Mr. Mosa Abdallah, Manager, ABSUMI Abu Delege holds non-availability of vehicles to reach out BIRDP communities as the major reason for weak outreach. He also believes that the staff should be incentivized to work with rural communities. Exposure to microfinance work in other countries would better equip the staff to deliver microfinance services. Given the challenges faced by ABSUMI, it would be difficult for them to reach out to 10,000 - 12,000 new clients in BIRDP communities by September 2019 when the project comes to close.
- v) Under the circumstances, BIRDP is well advised to enroll the services of additional microfinance service providers. BIRDP has been discussion with Savings and Social

---

<sup>9</sup> SRDFC has financed many small enterprises in Butana, including: plastic factories, ice factories, agricultural warehouses, wheat and sorghum flour mills, small grinding mills, egg trays factories, poultry farms, green houses, dairy farms, and metal and wood furniture works.

Development Bank (SSDB), Kassala Microfinance Foundation (KMF), and Family Bank (FB) to avail their services in the 5 States of Butana. Family Bank has 5 branches in Butana, SSDB has one branch in Kassala town, and KMF three branches in Kassala State. KMF has a group lending model in which they first provide financial literacy and business training to all group members, and thereafter provide credit assistance of SDG 5000 per member. KMF has also tied up with two Sudanese telecoms to provide financial transaction services through mobile wallet. FB has a wide range of financial products for solidarity groups, and provides non-financial services to groups such as training in business development and enterprise management. It plans to roll out mobile wallet, mobile phone banking, and Point of Sales services by May 2019. Extension agents will be appointed in communities for hassle free door step services. It has been agreed that FB officers will visit Rufaa to get a first-hand experience of VSCGs, and BIRDP Rural Finance Officers will visit FB branch in Khartoum to appraise themselves of FB's microfinance operation, and examine how some of the non-financial services can be introduced in BIRDP area.

- vi) The potential for creating credit through Modaraba or profit-sharing arrangement with these institutions should be explored<sup>10</sup>. The expected profits could be shared at a fixed ratio say 60% to BIRDP, the investor, and 40% to the financial institution. These partnerships, if successful, can provide convenient means for scaling up in other States and by other IFAD projects. It is expected that BIRDPs arrangement will reduce cost of finance to end users from 24% flat rate to 20% flat rate to the end borrower. The annual dividend from the investment made could potentially be a source of significant income for the Butana Development Fund. Upon maturity, the principal sum invested by BIRDP may be credited to BDF. It is proposed to hire an experienced external consultant to carry out due diligence of SRDFC, Kassala Microfinance Foundation, Family Bank, and any other if deemed fit by BIRDP. It is proposed that up to USD 3 million in two or more tranches is invested as fixed deposit in these financial institutions after a due diligence of the strength of these institutions and capacity to meaningfully disburse the new credit in Butana. Terms of Reference for a national consultant to undertake the due diligence is attached in **Annex 1**.

### **Community Extension Agent (CEA)**

The Development Teams (DTs) were able to mobilize and peer train new (satellite) communities in many aspects. The highlights of this year's achievement are 865 CEAs were trained against a target of 943; 70% of these CEAs remained effective against an expected level of 75%. Among those trained in 2018 are i) 70 male and 8 female animal health workers against the years' target of 138 (achievement rate 60%); ii) 24 men and 76 women workers trained in time seedling production against the years' target of 78 (achievement rate 128%); 266 men and 68 women trained in IPM against the year's target of 346 (achievement rate 97%); iii) 73 men and 72 women trained in water harvesting techniques against this year's target of 154 (achievement rate 94%); 82 men trained as volunteer forest guards against a target of 115 (achievement rate 71% ); and 86 men and 40 women trained in hay making against a target of 120 in 2018 (achievement rate 105%).

### **Warehouses under Italian Grant**

The Government of Italy approved a grant of US\$381,245 in November 2016 with completion date of November 2018 to establish improved post-harvest storage systems and community access to residue detection systems for 300 poor households in Kassala State. A survey of 660 households was conducted in October 2017 by PCU. Further, Prof. Yasir Gasm Elseed A. Bashir, a consultant from Agricultural Research Corporation, Sudan have finalized design and location of two warehouses, and identified suitable residual detection technologies. Construction of the warehouses is on while further work is underway on an institutional mechanism for the management and operation of the warehouses. The management of the warehouses by the communities remains challenging regarding

---

<sup>10</sup> Family Bank has shared a model Modaraba agreement with BIRDP Coordinator on 29/11/2018. This document should be examined by BIRDP Legal Counsel.

the short time remaining and therefore it is expected that the Development Team shall backup both communities.

## B. Observations

**Partnership and Collaboration:** BIRDIP has built collaborative relationships among many actors that combine their complementary strengths and resources and work together in a transparent, equitable and mutually beneficial way to achieve a common goal or undertake specific tasks. BIRDIP connects producers, government line departments and other players in the agricultural and rural sectors so that communities' benefits. BIRDIP single major partner are various line departments of Government of Sudan namely Ministry of Agriculture and Forests, Ministry of Social Affairs, and their state counterparts. It also collaborates with several research institutions to promote innovation, and then bring this knowledge into the interventions it supports. BIRDIP has not established partnerships with any private company for marketing of farm produce. It has established 2 primary livestock markets in River Nile and 4 secondary livestock markets in Gedaref and Kassala, which are operated by private players. BIRDIP also occasionally collaborates with UNICEF on children's nutrition issues. BIRDIP has active engagement with Agriculture Research Corporation, Sudan for technical assistance on warehouse construction and food processing. A visual manifestation of partnership is presented by Gezira SCU below.

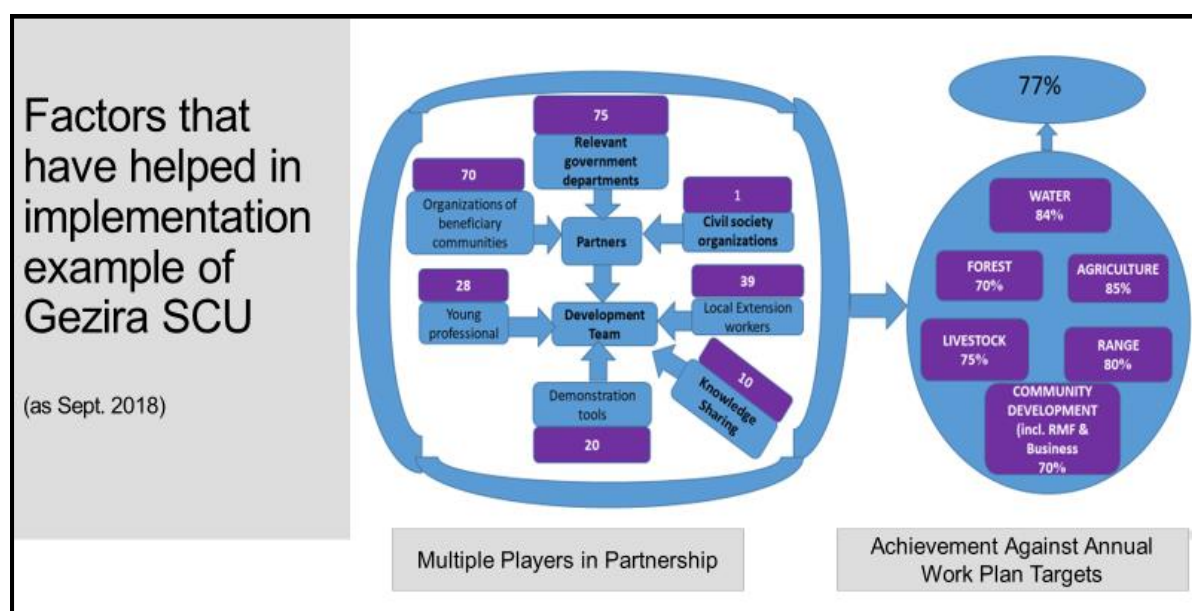


Figure 1: Partnership in Gezira

The need for standardisation: The last SM had emphasised on the need for standardising management and lending practices in VSCGs. However, not much progress is visible on the ground. The SM 2017 had noted the following:

Banking for the poor and microfinance, is built on the foundations of standardised practices and group discipline. Though the project has guidelines on formation of the saving groups, conduct of the meetings, and maintenance of records, these are not uniformly enforced. As a result, different ways of record keeping are found in VSCGs.

Currently, VSCGs meet once a weekly, once in fortnight, or once a month. BIRDIP PCU may consider having all VSCG meeting on weekly basis. Experience worldwide shows nascent groups greatly benefit from repeated interactions. Further, all groups may start inter-loaning within three months of inception to practically demonstrate the benefit of saving to needy members. Inter-loaning also reinforces mutual trust within the group. It is suggested that the project follow uniform methods of record keeping across all the groups it is associated with. SCU Rural Finance Officers should report deviation from standardised practice to their supervisor for further guidance.

**Grading of All VSCGs:** In order to have a better grip on the ground realities, it is proposed that the Community Development and Gender Officer undertakes a grading of all the VSCG in line with the guidelines provided in Annex 2.

**Training of Rural Finance Officers:** BIRDP has appointed 5 Rural Finance Officers, one in each State. The presence of Rural Finance Officers has greatly accelerated the growth and maturity of VSCG. However, the RFO need to be thoroughly trained in techniques of group formation, credit risk management, and business feasibility planning. It is proposed that all the Rural Finance Officers are provided a TOT in microfinance. They in turn can train all extension agents - 218 'trained' and 113 'untrained' - using a standard training curriculum. The Rural Finance officers should be trained on VSCG grading tools, and identification of viable livelihood opportunities, developing simple business feasibility analysis for these activities and promoting the investment of VSCGs funds and external MFIs/banks in these activities.

## C. Main Recommendations

The main recommendations of the mission with regards to VSCG promotion are as follows:

- BIRDP should finalise and ink the MOU with Savings and Social Development Bank and Kassala Microfinance Foundation. A model MOU was developed by SM 2017.
- The potential for creating credit through Modaraba or profit-sharing arrangement should be explored with SRDFC, Kassala Microfinance Foundation, Family Bank, and any other if deemed fit by BIRDP. A TOR for hiring the external consultant is available in **Annex 1**.
- All the VSCGs may be graded following the guidance provided in **Annex 2**.
- Organise a week-long training for all Rural Finance Officers of the project in methodologies of microfinance, and techniques of scaling up. This can be organized at Rufaa with the help of external resource persons. Likewise, a three-day refresher training for all microfinance credit agents in the project be organized at each of the 5 States with the help of external resource persons and rural finance officers. A TOR for hiring an external consultant is available in **Annex 3**.
- Dr. Abdallah Bashir Hadi, a veteran banker from ABSUMI is currently advising the Community Development and Gender Officer on matters related to microfinance. He is likely to return in December 2018 to his parent company Agricultural Bank of Sudan. It is proposed to hire a part-time consultant to replace Dr. Hadi. A TOR for the Rural Development Manager position is outlined in **Annex 4**.



## Annex 1: TOR Microfinance Institutions and Banks Due Diligence Consultant

<b>Location:</b>	Khartoum, Sudan
<b>Type of Contract:</b>	Individual Contract
<b>Post Level:</b>	National Consultant
<b>Languages Required:</b>	Arabic, and English
<b>Starting Date:</b>	15 Dec 2018
<b>Duration of Initial Contract:</b>	30 working days during the 3 months period
<b>Expected Duration of Assignment:</b>	20 working days during the 2 months period

### I. Introduction

Microfinance in Sudan is in nascent stage. Butana Integrated Rural Development Project (BIRDP) has promoted hundreds of village savings and credit groups (VSCGs) in 153 communities of the States of Gezira, Kassala, Gedaref, River Nile, and Khartoum. The groups are nurtured by a cadre of rural finance officers and extension agents belonging to the communities. The rural finance officers and extension agents would benefit from structured learning and are eager to learn about best practices from around the world.

Acute liquidity crisis has plagued Sudanese banks due to the exit of large amount of liquidity from the banking system. Economic analysts attribute the main cause of the crisis to the bank administration's use of customer deposits on the pretext of investing in unknown areas. The crisis led to a decline in confidence in the banking system and the expectation of continued reluctance of citizens to deal with banks for long periods. Sudan's major exports have fallen, and exchange rates against major currencies have plummeted.

It is proposed to recruit a consultant on short term to explore how liquidity of Sudanese Rural Development Finance Company (SRDFC), Kassala Microfinance Foundation (KMF), Savings and Social Development Bank (SSDB), and Family Bank (FB), and other microfinance institutions, if deemed fit, can be augmented for on-lending to BIRDP communities.

### II. Background

The **goal** of BIRDP is 'improve in a sustainable manner the livelihoods and resilience to drought of the poor rural households' and the **objective** is 'the capacity of CBOs to engage in climate resilient, environmentally sound, socially and gender equitable development initiatives and management of NRs developed'. The Butana grazing area is the geographical outreach of BIRDP and covers 9 localities, 5 States, 140 targeted villages (34,000 Households) of phase 1 (2008-2016) which are called mother or old communities and 400 satellite or new villages (64,000 Households) under Additional Finance (AF) phase (2017-2019). BIRDP has four components namely **1.)** Policy and Institutional Building, **2.)** Climate Resilient Natural Resources Management (range, forest, vegetables, crops, water), **3.)** Livestock and Marketing Development and **4.)** Community Development, Business Options, and Rural Micro Finance.

An Additional Financing (AF) agreement was signed between IFAD and the Government of Sudan on January 24th, 2017 to provide the project with additional financial resources of US\$13.3 million (US\$10.3 million from DSF Grant and US\$3.0 million from ASAP) to consolidate key project interventions and scale-up the successful interventions to other parts of the Butana to cover most of the communities (540 out of 700). In addition, the same parties signed an Italian Grant Agreement in November 2016 to provide an amount of US\$381,245 to improve food security and access to markets through improved post-harvest storage systems and community access to residue detection systems for 300 HHs of BIRDP and non BIRDP communities in Kassala State. The new project **completion date** is 30 September 2019 and the closing date 31 March 2020. The total project costs are US\$43.15 million (IFAD loan US\$29.85 million + DSF grant US\$10.3 million + ASAP Grant US\$3.0 million). In addition, there is the Italian grant (US\$381,245) with **completion date** of November 2018.

Butana Development Fund (BDF) has been designated as the successor to all assets and functions of BIRDP. In October 2018, The President of Republic of the Sudan has appointed Dr. Gotbi al Mahdi as Director General of BDF.

Under component 4, BIRDP has entered MOU in July 2018 with the Agricultural Bank of Sudan Microfinance Initiative (ABSUMI) and Sudan Rural Development Finance Company (SRDFC). Under the MOU, both these organisations are guaranteed incentives of 30% for the loans extended and recovered from the BIRDP communities. The major microfinance product of both these institutions is Modaraba<sup>11</sup>.

### III. Job description

1. The Microfinance Consultant under supervision of Ms. Aida Adam Osman, Community Development and Gender Officer, BIRDP will
  - a. Examine various options for enhancing the liquidity of SRDFC, SSDB, KMF, and FB considering legal, financial, and operational mandates of each of these institutions;
  - b. Advise on the options available for increasing the liquidity while ensuring maximum credit flow to the BIRDP communities while minimising risks to BIRDP;
  - c. Advise on the best option to suit BIRDP's interest;
  - d. Based on risk assessment, consider whether it is advisable enhanced capital to these institutions in the form of fixed deposit or any other form.

### IV. Person Profile

- Minimum 10 years of professional experience in financial services, business enabling environment, communications and advocacy, or any other related field.
- Professional fluency in Arabic and English is required. Knowledge of financial institutions in Sudan is advantageous.

### V. Key Activities and Deliverables

- Prepare an institutional analysis of targeted MFIs/Banks, including their liquidity risk and willingness and ability to engage with BIRDP communities;
- Based on the due diligence, recommend on options for enhancing liquidity to them for on lending to BIRDP communities.
- Suggest a model legal agreement that can be used for entering into business contract with the recommended microfinance institutions/banks.

Interested individual consultants must submit by email to BIRDP, Rufaa at [rashidmusaad@yahoo.com](mailto:rashidmusaad@yahoo.com) with cc [aidadam\\_osman@yahoo.com](mailto:aidadam_osman@yahoo.com) the following documents /information to demonstrate their qualifications:

- **Letter of interest explaining why you consider yourself as the most suitable candidate for the work;**
- **Please provide a brief due diligence methodology on microfinance as per TOR requirements;**
- **Recent CV including experience in similar projects and at least 3 referees;**
- **Financial proposal: Lump sum offer** (in US dollar, but payment in SDG as per market rate on date of invoice submitted)

---

<sup>11</sup> The various Islamic products offered in Sudan are Murabaha, Modaraba, Musharaka, Muqawala, Muzara'a, Ijara leading to ownership, and Istisnaa. Murabaha is the most popular modes of financing, and it takes more than half of total financing and is considered attractive due to low administrative costs and guaranteed profit. See Yesuf, A.J. (2017). Islamic Economics and Finance in Sudan: An Overview (Report No. 4). Istanbul: Research Center for Islamic Economics.

## **Annex 2: Grading System of Village Saving and Credit Groups**

BIRD has formed hundreds of Village Saving and Credit Groups (VSCG) which seek linkages with a variety of service providers, including banks, microfinance organisation, and other institutions. A formal appraisal of VSCGs is a good indicator of their worthiness under many credits linked schemes. Moreover, these grading performances of existing groups would lead to identification of common business needs which can be converted into business proposals for consideration of banks, microfinance institutions and government agencies.

The broad areas of assessment for the VSCGs would be in the light of the basic principles followed by the groups in their functioning. The basic principles on which these groups need to function are:

- a. The members of the groups should be known to each other residing in the same community and must have an affinity in terms of ethnicity or occupation or gender or economic status.
- b. They should have norms regarding membership, meetings etc.
- c. They should have norms regarding membership, meetings etc.
- d. Savings first, inter-lending second, and credit from external agency thereafter.
- e. All groups must save SDG 10 or more and deposit the same in "Sanduk" every week.
- f. Groups should hold regular weekly meetings on fixed day, and time.
- g. Groups should maintain record of financial and other transactions.
- h. Individual passbooks of members, minutes books and ledger book should be updated in every meeting and kept in the "Sanduk".
- i. All Sanduks will have three locks, with keys kept with the office bearers.
- j. Group office bearers (President, Secretary and Treasurer) should be elected by members and rotated periodically
- k. Transparency in operations of the group and participatory decision making
- l. Rates of profit margin on loans should be decided by the group
- m. Group liability and peer pressure to act as substitutes for traditional collateral.

For any financing institution, appraisal is very important for ensuring the utility of the loan and repayment of the loan. For considering a loan application for financing the financial institution must evaluate the capability, and character of the prospective borrower groups. Assessment of creditworthiness of a group is very different from that of an individual. Groups are not to be assessed in terms of their ability to provide collateral or guarantees of net worth. They must be assessed in terms of Group dynamics like cohesion, vibrancy, goal-oriented action, participation of members, democratic decision and collective leadership. The appraiser must examine the motivation of group members, the quality of their internal fund management process, and how they would use extra resources. For assessing a Group, the important aspects that the assessor should investigate include;

### **1. Norms for functioning:**

Groups should have developed norms for its functioning the norms should be covering major areas of its functioning as well as the decision-making processes, leadership etc., Norms generally relate to:

- a. Membership -size, recruitment norms
- b. Meetings - time, periodicity
- c. Savings - amount, periodicity, rate of profit (return)
- d. Credit - procedure for sanction, ceiling amount, purposes, rate of profit to be charged, repayment period etc.
- e. Fines - in case of default in attending meetings, savings and credit repayment.
- f. Leadership - election or nomination of leaders, rotation of leaders etc.
- g. Personal/social improvement - minimum literacy level to be achieved, social work to be done etc.

The above norms may be written or oral. They may be decided in the initial meetings or they may evolve over a period depending upon the need of the group. The important aspects to be investigated are:

- a. How norms evolved, whether by the consensus of the whole group.

- b. Whether the members are aware of the norms (even if they are oral) and understand them,
- c. Whether the norms are implemented.

## **2. Meetings**

The group decides the periodicity of the meetings i.e., weekly, fortnightly or monthly. They also decide on the time of the meeting. Decision on time and periodicity helps in regular conduct of meetings. The regularity in the holding of the meeting and the attendance during meeting gives an indication about groups functioning. The assessor may use his / her observations during the meetings and the meetings' register to get data on this appraisal aspect.

## **3. Maintenance of Records**

Whether group is maintaining the basic records that will give details of its functioning and accounts of the group is an important criterion to be judged. The records should give the details of number of meetings held, decisions taken in the meetings, amount of savings of the members and credit availed, the total savings of the group and repayments. Who maintains these books is another important criterion for judging the group. Do members maintain it? if not are they making efforts to achieve basic numeracy or literacy so that they can start doing it themselves. The assessor must verify:

- a. Whether details of meetings, proceedings, and attendance are maintained.
- b. Whether member-wise record of saving and credit are maintained.
- c. Whether the records are up to date
- d. Whether all members are kept informed of their savings and credit balances from time to time.
- e. In case of illiterate groups whether what is the system followed, does the group verify the books maintained by extension agent/relatives of family members.
- f. Whether systems have been developed to ensure safe custody of cash.

## **4. Leadership**

Generally, three group members are elected as leaders/ book-writers. Initially the opinion leaders may be the leaders and over a period they are expected to rotate leadership. The group leaders e.g. President, Secretary and Treasurer are expected to regularly convene and conduct the meetings, facilitate decision making, resolve conflicts, maintain books of account, and open bank accounts, if needed.

## **5. Participation and Awareness of Group Members**

Only if members are aware of the purpose of group formation, the norms of operations and activities of the group, individual members can contribute to the work of the group. The awareness level of members helps in transparent functioning of the group and cohesion within the group.

## **6. Savings:**

The group decides on the amount of savings as also its periodicity. The assessor should assess and rate whether the saving, as decided upon, is regularly made, how the defaults are dealt with and whether the system is modified as per the requirements of the members.

## **7. Inter-loaning:**

Inter-loaning among group members is a sign of maturity and trust among members. While assessing the group, the aspects that should be investigated are the decision-making process of selecting borrowers; the system followed in assessing credit requirement of individual members and the amount to be sanctioned; and action taken in case of default. Only after 3 months of inter-loaning, a group may approach external agencies for credit.

## **8. Self-Reliance of the Group**

Whether or not the group function on its own without the support of BIRDP is an important criterion for assessment. The level of dependency on BIRDP of the group and impact of withdrawal of BIRDP on the group is to be assessed.

## **9. Groups' plan to starting/strengthening Business Activities**

Discussion about groups' plans to commence business activities will reveal if they are ready to take the risks. It is important that the group is fully aware of the demands of business and the inherent risks it carries.

### ABOUT THE GROUP GRADING TOOL

The tool has 3 sections namely profile, financial and non-financial parameters. While the profile section is to generate basic information about group and is not to be rated, groups performance is to be rated on financial and non-financial parameters (with focus on groups' activities to start/strengthen any business opportunity).

### GRADING TOOL

#### SECTION I: PROFILE OF THE GROUP

Name of the Group:

Locality:

Establishment date:

Bank details, if any:

Title of the bank account	
Account Number	
Name of the bank	
Bank Branch Address	
Phone number	

Name of Office bearers

Office bearer	Name	Mobile No.
Chairperson		
Secretary		
Treasurer		

Amount in Saving SDG -----

No. of Savers -----

Amount in Inter-loaning SDG -----

No. of borrower -----

#### SECTION II: RATING ON NON-FINANCIAL PARAMETERS

1. Group Governance / Homogeneity	Tick all relevant	Marks Actual
Homogeneity / Solidarity / Affinity (Close knit group with concern for each other)	5	
Awareness of members about rules & regulations of the Group	2	
Leader responsibility sharing by members	2	
Awareness about frequency/quantum of savings; profit rate on loans etc	1	

2. Conduct of Meetings (during last 6 months)	Tick one	Marks Actual
Meetings are held regularly on fixed day, time & place	10	

Meetings are held regularly but at convenience of members	8	
Only 80% of scheduled meetings are held	5	
Not more than 20% of scheduled meetings are held	2	

<b>3. Attendance in Meetings</b>	<b>Tick one</b>	<b>Marks Actual</b>
Above 90% in all group meetings	10	
70% - 90% in all group meetings	8	
50% - 70% in all group meetings	5	
Less than 50% in all group meetings	0	

<b>4. Awareness about Business Activities</b>	<b>Tick one</b>	<b>Marks Actual</b>
Above 80% of members are aware about the business decisions of the Group	10	
70% - 90% of members are aware	8	
50% - 70% of members are aware	5	
Less than 50% are aware	0	

<b>5. Maintenance of Records</b>	<b>Tick one</b>	<b>Marks Actual</b>
Minute book, bye laws/rules of the group, Attendance Register	10	
Minute book and Bye-laws/Rules of the group	6	
Only one of the three: Minute book, or Bye laws/rules of the group, or Attendance Register	2	

### SECTION III: RATING ON FINANCIAL PARAMETERS

<b>1. Regularity of Savings</b>	<b>Max marks</b>	<b>Marks Actual</b>
All members are regular in savings	8	
Up to 90% members are regular in savings	6	
70 - 90% members are regular in savings	3	
Less than 70% members are regular in savings	0	

<b>2. Regularity in Internal Loan repayment</b>	<b>Max marks</b>	<b>Marks Actual</b>
Regular in 100% repayment of principal + profit	10	
Regular payment of profit in full & partial repayment of principal	6	
Regular repayment of only profit in full	2	
No regular payment of principal and profit	0	

<b>3. Velocity of Internal Lending: Formula-Total loans disbursed / Corpus (Savings + Accumulated Profit)</b>	<b>Max marks</b>	<b>Marks Actual</b>
Over 1.5 times	4	
Between 1 - 1.5 times	3	
Less than one time	0	

<b>4. Pattern of Internal Lending</b>	<b>Max marks</b>	<b>Marks Actual</b>
Need based loan availed by many members	8	
Need based loan availed by few members	6	
Equal distribution of loan among members	4	
Loans extended repeatedly to only to select members in the group	0	

5. Regularity in Internal Loan repayment	Max marks	Marks Actual
No defaulting members	10	
Only 1 defaulting member	9	
Between 2 – 3 members	6	
Between 3 – 5 members	5	
More than 5 defaulting members	0	

6. Maintenance of Records	Tick all relevant	Marks Actual
Maintenance of savings ledger up to date	5	
Maintenance of loan ledger up to date	3	
Maintenance of cash register up to date	2	

#### GRADING for Groups

Parameters	Max Marks	Marks Actual	Weighed Score
Non-Financial parameters	50		75% <i>Weighted score =</i>
Financial parameters	50		25% <i>Weighted score =</i>
Total Weighted Score	50		

Following matrix can be referred to conclude analysis of the groups.

Total Weighted Score	Interpretation	
Excellent A: $\geq 30$	Groups can be seen ready for starting business activity but may need capacity building inputs; Identify CB needs of the groups	
Good B: $<30=20$	Groups can be seen nearly ready for starting business activity but may need further capacity building inputs; identify CB needs of the groups	
Poor C: $<20$	Groups not ready for starting business activity and hence need to be capacitated, identify CB needs	
<i>Indicate capacity building needs of the group</i>	<b>Financial CB needs</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<b>Non-Financial CB needs</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>

### Annex 3: TOR Microfinance Training Consultant

<b>Location:</b>	Rufaa, Sudan
<b>Type of Contract:</b>	Individual Contract
<b>Post Level:</b>	National Consultant
<b>Languages Required:</b>	Arabic, and English
<b>Starting Date:</b>	15 Dec 2018
<b>Duration of Initial Contract:</b>	30 working days during the 3 months period
<b>Expected Duration of Assignment:</b>	20 working days during the 2 months period

#### I. Introduction

Microfinance in Sudan is in nascent stage. Butana Integrated Rural Development Project (BIRDP) has promoted hundreds of village savings and credit groups (VSCGs) in 153 communities of the States of Gezira, Kassala, Gedaref, River Nile, and Khartoum. The groups are nurtured by a cadre of rural finance officers and extension agents belonging to the communities. The rural finance officers and extension agents would benefit from structured learning and are eager to learn about best practices from around the world.

It is proposed to recruit a consultant on short term to provide training in selected topics to rural finance officers and extension agents to improve their efficiency and effectiveness.

#### II. Background

The **goal** of BIRDP is 'improve in a sustainable manner the livelihoods and resilience to drought of the poor rural households' and the **objective** is 'the capacity of CBOs to engage in climate resilient, environmentally sound, socially and gender equitable development initiatives and management of NRs developed'. The Butana grazing area is the geographical outreach of BIRDP and covers 9 localities, 5 States, 140 targeted villages (34,000 Households) of phase 1 (2008-2016) which are called mother or old communities and 400 satellite or new villages (64,000 Households) under Additional Finance (AF) phase (2017-2019). BIRDP has four components namely **1.)** Policy and Institutional Building, **2.)** Climate Resilient Natural Resources Management (range, forest, vegetables, crops, water), **3.)** Livestock and Marketing Development and **4.)** Community Development, Business Options, and Rural Micro Finance.

An Additional Financing (AF) agreement was signed between IFAD and the Government of Sudan on January 24th, 2017 to provide the project with additional financial resources of US\$13.3 million (US\$10.3 million from DSF Grant and US\$3.0 million from ASAP) to consolidate key project interventions and scale-up the successful interventions to other parts of the Butana to cover most of the communities (540 out of 700). In addition, the same parties signed an Italian Grant Agreement in November 2016 to provide an amount of US\$381,245 to improve food security and access to markets through improved post-harvest storage systems and community access to residue detection systems for 300 HHs of BIRDP and non BIRDP communities in Kassala State. The new project **completion date** is 30 September 2019 and the closing date 31 March 2020. The total project costs are US\$43.15 million (IFAD loan US\$29.85 million + DSF grant US\$10.3 million + ASAP Grant US\$3.0 million). In addition, there is the Italian grant (US\$381,245) with **completion date** of November 2018.

Butana Development Fund (BDF) has been designated as the successor to all assets and functions of BIRDP. In October 2018, The President of Republic of the Sudan has appointed Dr. Gotbi al Mahdi as Director General of BDF.

Under component 4, BIRDP has entered MOU in July 2018 with the Agricultural Bank of Sudan Microfinance Initiative (ABSUMI) and Sudan Rural Development Finance Company (SRDFC). Under the MOU, both these organisations are guaranteed incentives of 30% for the loans extended and recovered from the BIRDP communities.

In April 2018, 44 BIRDP staff and associates, including 5 rural finance officers, undertook a 12- day tour to microfinance and community development organisations in India.



### III. Job description

The Microfinance Training Consultant under supervision of Ms. Aida Adam Osman, Community Development and Gender Officer, BIRDP will

- a. Conduct training needs assessment of all Rural Finance Officers, and half a dozen extension agents
- b. Develop a training agenda, curricula and specific lesson plans for a one-time training for Rural Finance Officers and Extension agents.
- c. Conduct a training for the Rural Finance Officers, Extension Agents and other staff
- d. Assist in revising and updating BIRDP Village Savings and Credit Group Manual.
- e. Assist Community Development and Gender Officer, BIRDP in conducting Grading of all VSCGs, and compiling a report on the credit worthiness of VSCGs for linkages with microfinance institutions

### IV. Person Profile

- Minimum 5 years of professional experience in financial services, business enabling environment, communications and advocacy, or any other related field.
- Professional fluency in Arabic is required, and preferably in English.
- Knowledge of microfinance training institutions in Sudan is advantageous.

### V. Key Activities and Deliverables

- Conduct of training of Rural Finance officers and extension agents in Rufaa and deliver the same.
- Preparing suitable training material.
- Provide written advice on updating of the BIRDP VSCG Manual.
- Analyse data from VSCG Grading exercise.

Interested individual consultants must submit by email to BIRDP, Rufaa at [rashidmusaad@yahoo.com](mailto:rashidmusaad@yahoo.com) with cc aidadam\_osman@yahoo.com the following documents /information to demonstrate their qualifications:

- **Letter of interest explaining why you consider yourself as the most suitable candidate for the work;**
- **Please provide a brief microfinance training methodology on microfinance as per TOR requirements;**
- **Recent CV including experience in similar projects and at least 3 referees;**
- **Financial proposal: Lump sum offer** (in US dollar, but payment in SDG as per market rate on date of invoice submitted)

## Annex 4: TOR Rural Finance Manager

<b>Location:</b>	Rufaa, Sudan
<b>Type of Contract:</b>	Individual Contract
<b>Post Level:</b>	National Consultant
<b>Languages Required:</b>	Arabic, and English
<b>Starting Date:</b>	1 <sup>st</sup> January 2019
<b>Expected Duration of Assignment:</b>	Till 30 <sup>th</sup> September 2019

### 1. Background Information

The overall goal of Butana Integrated Rural Development Project (BIRDP) would be to improve in a sustainable manner the livelihoods and resilience to drought of the poor rural households.

The specific objectives of the project would include: (i) establishing a coherent and cost-effective governance framework that ensures a regulated access to land and water resources of the Butana; (ii) improving the access and bargaining position of women and men in the marketing of livestock; (iii) developing the capacity of community-based organizations to engage in economically and environmentally sound, socially and gender equitable development initiatives.

The Phase I of the BIRDP focused on microfinance through community investment funds (CIFs) to assist poor households to engage in some income generating activities for improving their livelihood. In addition, the project piloted with the village savings and credit groups (VSCGs) as a result of the knowledge built during a learning route attended in Uganda in addition to a partnership with Agricultural Bank of Sudan Microfinance Initiative (ABSUMI).

The rural micro finance pilots have demonstrated that the ABSUMI model as well as VSCGs are acceptable at the community level in Butana and can deliver sustainable results. Accordingly, and following successes of the microfinance model in other IFAD projects, the Additional Financing Agreement<sup>12</sup> would be used to further intensify and consolidate achievements through a more focused outreach to the smaller communities and scale up the most successful activities implemented by BIRDP and other programs in Sudan particularly the highly successful microfinance initiatives that was piloted recently in the Butana.

To ensure long term development support for the people of Butana the Butana Development Fund<sup>13</sup> (BDF) has been created as per Presidential Decree dating 22/05/2017. The BDF is mandated to: (i) supervise all development projects implemented in the Butana; (ii) initiate and plan new projects targeting developmental needs of Butana people; (iii) undertake the responsibility of sustaining the impacts of projects implemented; and (iv) mobilizing internal and external resources for development projects. Furthermore, as per the same Decree a Board of Directors (BoD) is put in place and by the General Secretariat (GS) namely the Under-secretary of Planning of the MoFEP.

It is important to notice that there is a BDF strategy and five-year business plan. Five strategic directions are proposed and presented below. Direction (i) is related to rural micro finance in Butana.

#### Strategic Directions of BDF:

- i.) Strengthening BDF as an evolutionary and strategic agency that truly operate as a lead agency for the development of Butana.
- ii.) Facilitate the establishment of **BDF special Development Fund** (Sandouck Tanimiat El Butana) and organization; promotion and investment in sustainable NR (Natural Resource)

---

<sup>12</sup> Extended phase the of BIRDP namely with three years and closing date of 30<sup>th</sup> September 2018. Reference document is 'BIRDP, Proposal for Additional financing', Document Date: 17 May 2016 Project No. 1332 (1100001332).

<sup>13</sup> As per Presidential Decree dating 22/05/2017, the Butana Development Fund (BDF) replaces the Butana Development Agency (BDA). The establishment of the BDF was intended to overcome the structural and legislative gaps that created the BDA as an institution not subject to Government funding.

based business opportunities building on own capital assets and best practices of BIRD as self-sustaining organization.

- iii.) Developing an enabling environment for Natural Resource Management (legislations, policies and plans) to ensure a regulated access and use of resources through facilitating an interactive process with all relevant stakeholders and partnership arrangements at all levels.
- iv.) Enabling, capacitating and empowering the communities so that they can lead their own development, emphasis on roads, access of poor people to sustainable financial system, markets and basic services (water, education and health).
- v.) Consolidating the activities in mature communities and playing a prominent role in up-scaling the good practices in new communities.

## **2. Objective of the rural micro finance sub component and expected outcomes (sub-component 4.2.)**

The description of the sub component 4.2. Business Options through Microfinance as presented in the AF document is presented in end note <sup>i</sup>. Below, a short overview is provided.

**The objectives of the microfinance activities** as spelt out in the AF phase document can be summarize as follows

- Improve financial literacy with achievable & tangible products;
- Identify and build formal financial linkages that empower communities;
- Improve gender equality through microfinance services & products;
- involvement of local communities in planning, implementation and monitoring of savings and enterprise development for more empowerment and sustainability.

**The expected outcomes are:**

- Strong & sustainable financial linkages with other partners;
- Improved microfinance delivery models that can be adapted and replicated already available and in place;
- Community relations (social capital) strengthened alongside financial products and services.

## **3. Duties and Responsibilities**

This ToR present the tasks and responsibilities of the Rural Finance Manager (RFM) as full-time member of the Project Coordination Unit. He/she oversees the sub-component 4.2. and works in close cooperation with the Community Development and Gender Officer as well as other members of the PCU.

More specifically, the **key responsibilities** of the RFM include the following:

- Monitor the implementation of the Memorandum of Understanding between BIRD and the three micro finance institutions; i.e. ABSUMI, Sudanese Rural Development Finance Company (SRDFC), Saving and Social Development Bank of Sudan
- Provide technical assistance and the support needed for the establishment of the planned two new ABSUMI units in Tamboul (Gazera State) and New Halfa (Kassala State),
- Assist the PCU and SCUs to follow up with ABSUMI in Abu Delege unit and the new ones to realize the outputs and outcomes expected,
- Support the project to develop and consolidate a successful partnership with the Microfinance institutions operating in the project area to provide a convenient means for scaling up of VSCG model,
- Support the BDF regarding facilitating the establishment of **BDF special Development Fund** (Sandouck Tanimiat El Butana) and organization; promotion and investment in sustainable NR (Natural Resource) based business opportunities building on own capital assets and best practices of BIRD as self-sustaining organization,
- Prepare MoUs for the different MFIs involved with the project in a partnership making use and considering the part of the budget allocated to support apex as grantee fund. Monitor the implementation of the MoUs,
- Follow up with the PCU and the SCUs to ensures the implementation of the roles and responsibilities of the partners as agreed in the MoUs,

- Develop practical manuals, one for the field activities and the other for the training of the community trainer (ToT) and to deliver/conduct training sessions as needed,
- Identify the technical training needs for the different actors, duration and suitable time,
- Assist in organizing practical business trainings for the staff (inter –loaning, maintenance of simple accounts, leadership development, etc.),
- The consultant act as a focal point between the project and the different resource persons employed for training and capacity building activities, the consultant will help the concerned project staff to make sure of the availability of right materials needed for different types of training,
- Preparing TOR for the rural land escape study of supply and demand for funds for microfinance institutions,
- Support the project to develop the different level indicators that allow achieving measurable outcomes and outputs,
- Prepare the format needed for different periodic reports and supervise and consolidate the quarterly, biannual and annual reports,
- Undertake the periodic and annual evaluation of the microfinance activities implemented,
- Contribute to developing and implementing the Exit Strategy of BIRDP as well as the Work Plan for Project Completion Review,
- Where relevant, development Knowledge Management (KM) products and/or seek assistance for the same regarding rural micro finance experiences made through BIRDP.

#### **Modalities**

- The RFM should conduct field visits to sites to monitor and coach the micro finance activities,
- In case of any problems/constraints arises regarding rural micro financing activities, he/she conducts field visits and provides appropriate solutions,
- He/she organizes and conducts quarterly briefing sessions to the project on the progress achieved and the way forward,
- In close cooperation with the Community Development and Gender Officer of PCU, prepare monthly work programs.

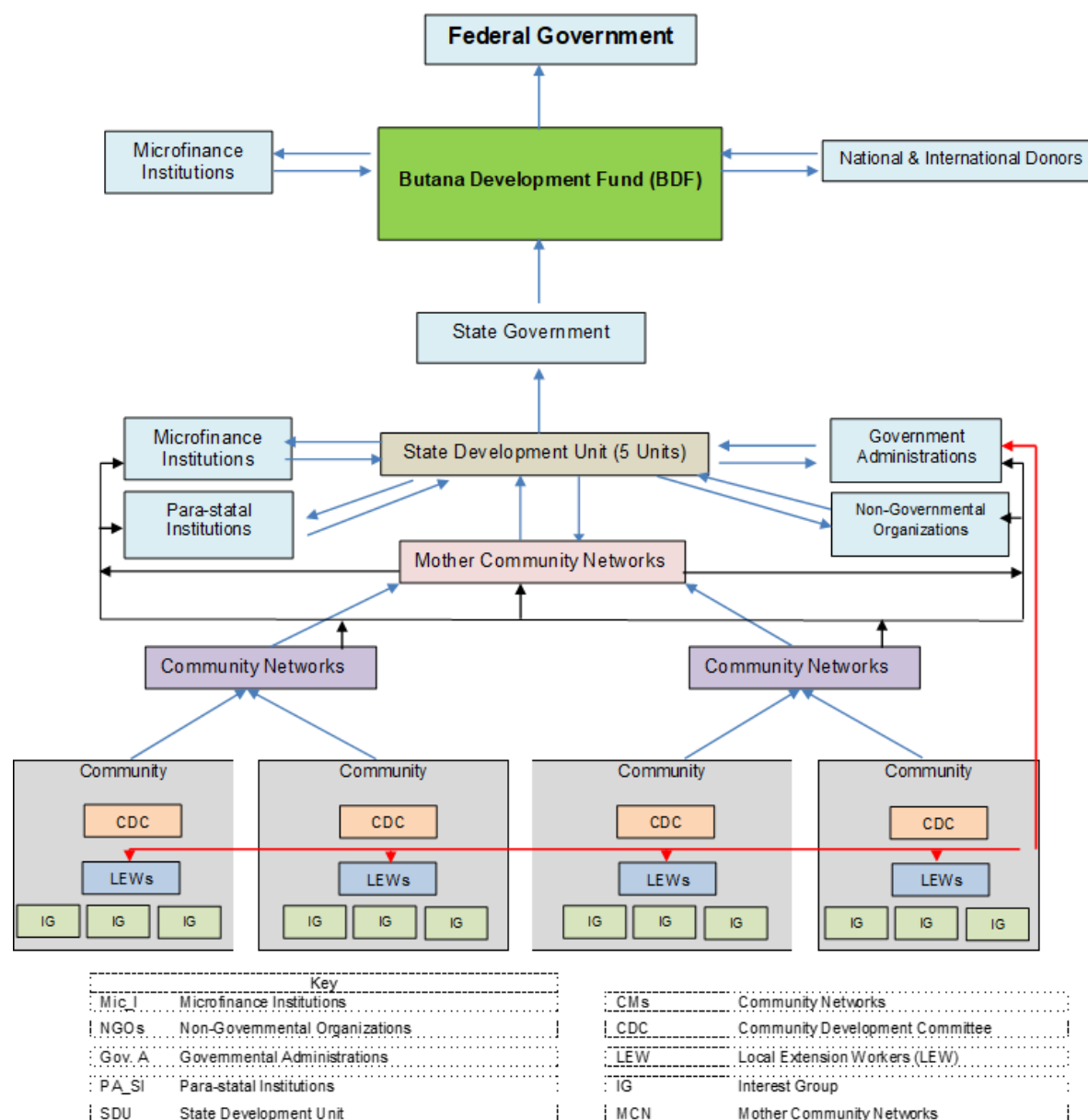
#### **Duration**

The RFM works on a full-time basis until the end of the AF phase namely 1<sup>st</sup> January 2019 to 30<sup>th</sup> September 2019. Interested individual consultants must submit by email to BIRDP, Rufaa at [rashidmusaad@yahoo.com](mailto:rashidmusaad@yahoo.com) with cc aidadam\_osman@yahoo.com the following documents /information to demonstrate their qualifications:

- **Letter of interest explaining why you consider yourself as the most suitable candidate for the work;**
  - **Recent CV including experiences in similar projects and at least 3 referees;**
  - **Financial proposal: Lump sum offer per month ((in US dollar, but payment in SDG as per market rate on date of invoice submitted)**
-

## VII. Exit Strategy of BIRDP

### 1. Functioning and independent Institutions



### 2. Actions to be taken to ensure functionality of the above institutions

#	Action	Timeline
1	Assisting in establishment of more community networks & their structure for empowerment & sustainability	January 2019 – September 2019
2	To ensure legalization of CBOs (CDCs & Networks)	December 2018 – September 2019
3	Ensuring strong linkages of CDCs, networks with different partners as well as linkages of LEWs with respective technical governmental administrations.	To start Immediately
4	Filling all vacant posts at SCUs	Immediately
5	BDF builds strong linkages with the National Service Administration to secure deployment of YPs	To start immediately
6	Each state to issue a decree by which to maintain the respective SCU and rename under the title "State Development Unit "	Before the end of December 2019

#	Action	Timeline
7	BDF contribute to the staff incentives (topping) of DTs at SDUs;	By beginning of October 2019
8	New projects to come under the BDF through SDUs	After September 2018
9	BDF senior staff to be based & positioned in BIRDP head office in Rufaa	To start from October 2019

### 3. Capacity building & Knowledge management:

- To maintain the existing development teams along with strengthening the capacity of the recently seconded staff;
- BDF contribute to the staff training & capacity building ;
- strong linkages with all partners & actors under KM ;
- Secure appointment of skilled person in KM in staffing of any new Project Coordination Unit (PCU);
- Collection, compilation & sorting out of KM materials & to be archived with easy access.

### 4. Assets

- Each State Coordination Unit (State Development Unit) to update the inventory of assets at all level (at SCU office, communities,);
- Each State Coordination Unit (State Development Unit) to get the full ownership of all assets e.g. offices, rest house, tractors, cars, trucks, heavy machineries (Completion of ownership transfer process before July 2019);
- BDF to contribute to the maintenance &/or replacement of such assets & operation when relevant ;
- Review the status of the assets of public/common nature (e.g. secondary livestock market) & ensure the share of BDF in the profits accrued (before April 2019).
- Transfer the ownership of all assets at the community level to the CDC or network with full responsibility (e.g. hafir, water yard, primary livestock market, etc.) before July 2019;
- BIRDP to authorize the Tamboul Butchers Cooperative Society (TBCS) to shoulder the responsibility of operating & managing Tamboul Slaughterhouse (by the end of December 2018);
- Transfer the ownership of all assets at the BIRDP head office to the BDF.

## **VIII. Case Study ‘Golden Rule of No Regret – Savings first, Credit later’<sup>14</sup>**

Microfinance is a powerful way to stabilise rural incomes, and when given in right does over a period can lift households out of poverty. Three decades of experience across Africa has taught many lessons how to deliver financial services in the right way. For, the cost of extending credit without preparation can land women into debt trap. It is therefore, most women groups start with regular savings, gradually move to inter-loaning among themselves, before approaching any external financial institution for credit assistance. One of the unwritten rules followed in women groups is savings first, credit later.

Yet sometime these rules are flouted to create false impressions of success. At a recent visit to a sub-Saharan country, our Supervisory Mission was very happy to learn that 5 women groups numbering 52 members were able to establish credit linkages with a well-known bank. Digging deeper, we discovered the groups were formed by the bank’s loan officer on 11<sup>th</sup> November 2018 and credit of USD 85 to each member was disbursed on November 18, 2018 – literary two days before the visit of the Supervisory Mission. The women groups had not met previously, had no record of savings, and barely knew each other. Three of the groups opted for sheep fattening, while others spoke about starting tailoring shops for women’s garments. The fact is that it was the loan officer who suggested for what the women should use the loans – they themselves had not thought about it.

When borrowers do not how they will invest the money, the risks of wrong use increases. If the borrowers start a business they do not know enough, the likelihood of failure is high. Sometime, the money is used up for consumptive purposes.

The savings first, credit later maxim suggests that the borrowers think through their proposed business, prepare themselves through exposure visits, and learning from those who have treaded the path before them. Giving credit to women groups without savings, also exposes microfinance institutions to unwanted risk. Those who do not save, also may not know how to pay back!

---

---

<sup>14</sup> Prepared by Manab Chakraborty, Microfinance Specialist

## **Sudan**

---

### **Butana Integrated Rural Development Project**

### **Supervision Report**

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

Mission Dates: 6 Nov - 1 Dec 2018

Document Date: 23/01/2019

Project No. 1100001332

Report No. 4951-SD

Near East, North Africa and Europe Division  
Programme Management Department



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

- A. Terms of Reference**
  - B. Task division among core members of the SM team**
  - C. BIRDP, Supervision Mission 6th November – 23rd November 2017, Recommendation and action taken; update as per 16<sup>th</sup> November 2018**
- 

### **A. Terms of Reference**

**Terms of Reference for Consultants and other persons hired by IFAD to participate in missions under a non-staff contract**

**COUNTRY OF ASSIGNMENT/LOCATION: Sudan**

**MISSION NAME: Butana Integrated Rural Development Project (BIRDP) Supervision Mission**

**MISSION START AND END DATES: 21-31 Oct 2018 & 7-26 Nov 2018**

**REPORT TO: Tarek Abdallah Ahmed, CD, NEN/PMD**

#### **MISSION COMPOSITION:**

Ms Lucy Maarse, Mission Leader (NR and Livestock Specialist)  
Mr Omar Egemi, NR and Climate Change Specialist  
Mr Manab Chakraborty, Finance and Business Specialist  
Mr Mohamed Abdelatif, Civil Engineering and Procurement Specialist (21 – 31 October 2018)  
Mr Ahmed Subahi, Country Programme Officer, ICO-Sudan  
Ms Sara Lili, Finance Management specialist  
Mr El Fadul Ishag, Programme Support Officer, ICO-Sudan  
Mr Tarek Abdalla Ahmed, Country Director (Mission Overall Guidance)

#### **BACKGROUND:**

1. The BIRDP became effective in July 2008. The project covers the Butana rainy season grazing area that hosts approximately 7 million heads of livestock and is inhabited by 800,000 persons. The increase in livestock population over the past years, coupled with decreasing rainfall and removal of the regulated access to the rangelands has led to severe deterioration of the Butana grazing areas. The goal of the BIRDP is to improve in a sustainable manner the livelihoods and resilience to drought of the poor rural households. The specific objectives of the project include: (i) establishing a coherent and cost effective governance framework that ensures a regulated access to land and water resources of the Butana; (ii) improving the access and bargaining position of women and men in the marketing of livestock; and (iii) developing the capacity of community-based organizations to engage in environmentally sound, socially and gender equitable development initiatives. The project has 4 main components: (i) Policy and Institution Building; (ii) Natural Resources Management (water, range, forest, vegetable, fodder and agricultural crops); (iii) Animal Resources; and (iv) Community Development and Business Options. Direct beneficiaries from the project are 180,000 households. The project Coordination Unit is supported by fully functioning 5 State Coordination Units (SCU) and their development teams (DTs).

2. The project drains a total financial resource from the initial IFAD's loan US\$29.85 million (in 2008); additional Financing agreement (AF) grant (in 2017) provided 13.3 million US\$ (10.3 million

from IFAD and 3.0 million from IFAD-ASAP) and an Italian Grant Agreement (2016) to provide an amount of US\$381,245. The total project costs are US\$43.15 million.

3. The project completion date is extended to September 2019 and the closing to March 2020.
4. The last supervision mission took place in November 2017, in addition to other issues highlighted some important issues which are critically assessed in perceiving the future of the project under the additional financing conditions such as:
  - (a) The dilemma arises from the low disbursement and irregular flow of the counterpart funding.
  - (b) Serious delays regarding the implementation of the 'Pro poor post-harvest storage in Kassala State', Italian grant as well as physical achievements of BIRDP's contribution to ICSP and implementation of phase one MoU with ABSUMI.
  - (c) Butana Development Fund is lagging in terms of implementation of the BDF strategy and business plan, hence the government of Sudan and the project were expected to communicate to IFAD the names of the BDF selected staff and members of the Board of Directors (BoD) and specified financial resources allocated to the Fund. As well, enough information on the institutional arrangements between BIRDP and BDF is also expected to be communicated to IFAD.
  - (d) Project Management regarding internal controls, M&E and Implementation of the AWPB, have been downgraded to moderately unsatisfactory and the revised PIM is still "not yet in place". Management has largely failed to follow up on previous missions' recommendations.
  - (e) A significant delay in the start-up of the AF activities as the government response to IFAD on fulfilling the preconditions of the additional financing is not timely received and long time elapsed before a decision is reached by the government regarding the adoption of a new exchange rate/incentive policy.
5. An implementation support and follow-up mission delivered in July 2018 raised the high concern regarding the main risk connected to the moderate financial and poor contract management capacity of the Project Coordination Unit. To ensure that the objectives of the project are met, and funds are utilised, the mission in consultation with the stakeholders agreed on specific milestones:
  - (a) Implementation of Action Plan 'Soubagh to Sitta Arab road' (reference annex 1) namely activity 1) resolving fuel shortage problem, by 1 August 2018; 2) updating TORs and revising contract of Senior civil engineer (SCE) to act as a Team Leader; 3) recruitment of additional 7 technical staff for the road construction supervision; 4) providing logistical support to fields teams; 5) follow up on the progress of the road construction in accordance with the milestones set by 1 September 2018.
  - (b) Settling the accumulated government contribution deficit of SDG 7.8 million (or equivalent to EUR 0.4 million) by 1 September 2018.
  - (c) Quality project management in place namely restricted adoption and adherence to the Project Coordinator new ToRs (reference annex 2) by 1 September 2018.
  - (d) In case the above-mentioned milestones are not met by 1 September 2018, Government of Sudan must send an official request for cancellation of the foreseen unutilised funds under BIRDP to be invested in another project in Sudan for IFAD review and possible endorsement.

#### **MISSION OBJECTIVES AND OUTPUTS:**

6. The objectives of the supervision mission are: (i) to review both the technical and fiduciary aspects of BIRDP; (ii) Assess the progress made in the implementation of the recommendations and agreed actions, in particular on aspects and issues highlighted during the last supervision mission (November 2017) and the implementation support/follow-up mission (July 2018); (iii) to provide clear

guidance on how the project improves its performance to meet the requirements of the remaining short lifetime to ensure smooth closure of the project to satisfy the stated project development goals. Special attention will be given to the disbursement and utilization of funds, completion of activities, BDF structure and role, the NRM governance framework and project exit strategy and sustainability.

7. The mission will present its findings and observations from the field in a wrap-up meeting at Khartoum level through a presentation. The mission's findings and recommendations will be presented in an Aide Memoire to be shared with government for endorsement after the mission. A more detailed project implementation progress will be presented through the Supervision Report.

## **INDIVIDUAL RESPONSIBILITIES, EXPECTED OUTPUTS AND REQUIRED COMPLETION DATES**

8. In addition to the mission members mentioned above, the mission will include representatives from the Federal Ministries of Agriculture and Forestry (MoAF), Animal Resources and Fisheries (MoARs&F) and Finance and Economic Planning (MoFEP). Initial wrap-up meeting at the states level and final wrap up meeting at the Federal Level will be organized to present mission findings, observations and recommendations. An aide-memoire will be prepared by the mission team, shared with Project staff and Government, and signed by the Sudanese authorities and the IFAD Country Director.

### **Specific TORs for mission members**

9. **Ms Lucy Maarse, Mission Leader (NR and Livestock Specialist)**, will travel to Sudan from 6 to 26 November 2018 (plus five days for report writing) to carry out the supervision mission for the above-mentioned project. During that period, she will undertake the following tasks:

- (a) Review the background documents to gain in-depth information about the project.
- (b) Travel to the project area for 14 days at least.
- (c) In consultation with the Country Programme Officer, coordinates the overall mission, ensures synergies of the work of the mission team members and provide guidance to them considering the mission overall objective.
- (d) Supports team members and leads the review of the activities related to components 2, 3 and 4, including NRM and forestry; animal resources and community development, as needed.
- (e) Discuss implementation modalities, constraints and lessons learnt with stakeholders involved.
- (f) Assess the status of implementation of recommendations and agreed actions of the project last supervisions and implementation support/follow-up missions.
- (g) Assess the role played by the project structures to ensure success of the activities and sustainability of the project interventions.
- (h) With support from the CPO and the NRM/CC Specialist, assess the effectiveness of the established BDF functionality in terms of structural set-up, resources allocated from the government, work organisation, staffing and the linkages with BIRD and other implementing partners to verify and validate its potential ability to take over the Butana development after project closure.
- (i) Provides technical guidance, as needed, on how the project improves and enhances implementation arrangements to ensure completion of the obligatory activities for the remaining Programme period.
- (j) Review and assess the project's exit strategy and provide recommendations and guidance to improve and/or ensure sustainability of the project interventions and continuity of impacts.
- (k) With support from the CPO, review Knowledge Management and communication activities, assess quality and timeliness of progress reports, and distil lessons learned and innovation from the field level and determine their scaling up and dissemination as part of the project exit strategy and sustainability arrangements.
- (l) Contribute to and lead the mission discussions, presentations and the write up of the mission aide-memoire and following the IFAD template and requirements; and

consolidate and synthesize the contributions from the mission members into supervision report.

- (m) Finalize the supervision report with all mandatory appendices following the IFAD template, including the Project Status Report (PSR) to be discussed with the Project staff.

10. **Mr Omar Egemi**, NRM and Climate Change Specialist, will be responsible for the following tasks during the period from 7 to 26 November 2018.

- (a) Assess progress achieved regarding the implementation of the recommendations and agreed actions of the last supervision and implementation/follow-up missions on components 1&4.
- (b) Review implementation progress under Component 1 “Policy and Institutions building” with respect to the overall project objectives as well as those set in the AF and the AWPB for 2018.
- (c) Review the status of BDF development and establishment of institutional linkages between BIRDP and other project implementing partners besides assessing the transitional arrangements to transferring of responsibilities between BDA and BDF, development of BDF strategy and business plan to ensure BDF taking off.
- (d) Critically review and provide feedback on the NR Governance Framework developing by the project.
- (e) Review the progress made by the project to achieve the development objectives and document the level of achievement and the outcomes under Component 1 with regards to legislation for NRM; Policy and Strategy and Institutional Development to ensure sustainability of the framework and policies when project phases out.
- (f) Review the progress made by the project to achieve the development objectives and document the level of achievement and the outcomes under Component 4 namely - CBO organization and management; social skills, trainings and effectiveness of the Community-Based Extension Workers (CBEAs).
- (g) Review and assess the effects and impact of climate change in the project area in terms of water scarcity, productivity of crops and forests, desertification, soil erosion/soil fertility and hence the impact on vulnerabilities and resilience of beneficiaries; and (ii) impact on willingness of farmers to adopt BIRDP's approach to pay for necessary inputs; i.e. take into account the Adaptation for Smallholder Agriculture Programme (ASAP) approach and define the set of activities to be executed up-to the project completion.
- (h) Evaluate the effectiveness of linkages, coordination and complementarity achieved between the ICSP-GEF components and the Butana Integrated Rural Development Project.
- (i) With support from the CPO, review the project Knowledge Management and communication activities from NRM-CC perspectives and to draw lessons learned and innovation from the field level and determine their scaling up and dissemination as part of the project exit strategy and sustainability arrangements.
- (j) Contribution to the write-up of the Aid Memoire and mission report to the standards and requirements determined by the IFAD's new template in addition to, timely provision of the working paper / annex as needed and directed by the mission leader.

11. **Mr Manab Chakraborty**, Rural Finance and Institutional Development specialist, will be travelling to Sudan from 6 to 26 November 2018 and will be responsible for the following tasks:

- (a) Participate fully in the mission activities to carry out full supervision of microfinance activities and where relevant related community development activities under BIRDP; i.e. item 4.3 Business Promotion / Community Development Projects; 4.4 Community Based Extension Workers (i.e. Community Level Rural Finance agents).
- (b) Assess progress achieved by BIRDP regarding the established Saving and Credit Groups (SCGs) and their respective business plans.
- (c) Verify and consolidate linkages and agreements signed by BIRDP with microfinance institutions to ensure sustainability and accessibility of the project beneficiaries to quality credit services.

- (d) Guide and monitor microfinance work and BIRDP's approach to be more business oriented.
- (e) Follow up implementation of AWPB 2018 regarding MF and assess progress.
- (f) Assess compatibility of MF approach with BIRDP's experience with the community development fund and develop recommendations for improvement.
- (g) Assess the progress made by the project in implementing the recommendations and agreed actions of last supervision and implementation support/follow-up missions. Qualify the work of the CIF and develop recommendations and guidance for improving performance and sustaining the impacts.
- (h) Develop recommendations to ensure workability of MF arrangements on short- and long-term before the closure of the project.
- (i) With NRM, CC Specialist and the CPO, review progress achieved regarding strengthening of project institutions considering the Presidential Decree to establishment of Butana Development Fund (BDF) to ensure the sustainability of the project interventions.
- (j) Support the identification of micro-finance and credit services activities and preparation of project closing plans.
- (k) Support the team leader in implementing any other needed supervision mission activities (related to microfinance, enterprise development, economization of the activities).
- (l) Timely contribute to the Aide-memoire and mission report writing in accordance to the IFAD's new template requirements by preparing working paper / annex as applicable.

12. **Mohamed Abdelatif**, Civil Engineer and Procurement Consultant, will travel to Sudan from 21 to 31 October 2018, and will undertake the following tasks:

- (a) Critically review the background documents to verify progress achieved considering the recommendations and agreed actions (including milestones) of last supervision (Nov 2017) and implementation support/follow-up (July 2018) missions regarding the road, wadi crossings construction, construction of the warehouses under the Italian grant and any other project civil work infrastructures.
- (b) Verify and assess the project contractual management measures to ensure efficient implementation of the contracts signed by the project and provide guidance on the timely completion of all civil works at the time of the project closure.
- (c) Assess procurement measures undertaken by BIRDP during the implementation of the AWPB 2018 and achievement of the year outputs and targets besides adjusting activities and/or implementation arrangements for the remaining lifetime of the project.
- (d) Review the overall performance on procurement actions and systems of the Project including community procurement and implementing partners.
- (e) Review and assess the procedures and processes applied on the procurement of goods, services and civil works, their adherence to IFAD guidelines and covenants, and performance in terms of efficiency and transparency.
- (f) Review status of and update the procurement plan(s) and provide mentoring on how this should be done.
- (g) Provide technical guidance and practical recommendations to improving procurement functions as needed to mitigate any procurement risks may emerge.
- (h) Provide technical feedback to the project technical committee to formulate a clear road map for effective project performance in terms of civil works/infrastructure and procurement during the remaining period of the project lifetime.
- (i) Timely contribute to the Aide Memoire and mission report write up in accordance to the IFAD's new template requirements by preparing working paper / annex as applicable.

13. **Ms Sara Lili**, Finance Management specialist, will travel to Sudan from 7 to 18 November 2018, and will perform the following tasks:

- (a) Risk assessment activities – Key tasks.
- (b) Use the original FMAQ as the basis to review the relevant information to Review actions taken to address recommendations of previous year's Supervision review, recommendations raised by external auditors on previous years' management letters, recommendations raised by FMD during the audit review exercise.

- (c) Perform a Financial Management Performance Assessment, based on the questionnaire as per FMD guidelines. Re-assess the strengths and weaknesses of financial management systems and suggest mitigation actions.
- (d) Review sample Withdrawal Applications and Statements of Expenditure to verify adequacy, completeness and validity of claims, using the checklist provided. Note down any ineligible expenditures.
- (e) Review bank account reconciliations and the status of advances given to implementing partners (if any).
- (f) Follow-up ineligible expenditures (if any) and prepare disbursement plan for next financial year.
- (g) Review and analyse the projects/programmes financial performance (annual and cumulative) and
- (h) Assess the reliability and adequacy of the accounting software and the accounting records.
- (i) Review the adequacy of Internal controls in place in the PMU/s and State Coordination Units as applicable including the level of segregation of duties, authorization levels, financial procedures manual/ and periodic account reconciliations.
- (j) Review the most recent Financial Progress Reports. have periodic progress reports been submitted within the prescribed time limit? Is content as agreed?
- (k) Review the Internal audit arrangements, including reports and status of recommendations.
- (l) Undertake ad-hoc tasks as assigned through email by the Director, Senior Finance Officer, and Finance Officer before each mission.

#### **Reporting/outputs**

- (a) Prepare the Financial management risk assessment including an updated Summary of project fiduciary risk (Financial Management Performance Assessment at Supervision and Summary of Project Fiduciary Risk Assessment at Supervision) as per IFAD's guidelines.
- (b) In line with the Supervision Guidelines and FMD guidelines, provide inputs to the Aide-Memoire and supervision mission report as follows:  
Input to Main body of the Aide-Memoire and the Supervision report including the following under section iv. "Financial Management and Execution": i) Disbursement Rate; ii) Quality of financial management; iii) Quality and timeliness of audit including follow up on the finding of the audit review exercise performed by FMD); and iv) Counterpart funds. Assign ratings and record the agreed actions, responsibilities and dates under each section.
- (c) Appendix 1: Financial: Actual financial performance by Financier; Disbursements by Category and by component: Tables 1A, 1B and 1C.
- (d) SOE – review log showing the expenditures items reviewed during the SOE review and observations requiring follow-up, and clearly document any ineligible expenditures identified and their values.
- (e) Audit and previous missions' recommendations logs
- (f) Include relevant recommendations concerning the fiduciary issues in the Aide Memoire.

14. **Mr Elfadul Ishag**, Portfolio Support Officer. During this period (might go to the field earlier), to undertake the following tasks:

- (a) Follow up status of the project contractual functions of civil works, including quality of management and follow up activities.
- (b) Review the quality, (efficiency, accountability and transparency) of the community management to water facilities to ensure sustainability and profitability.
- (c) Review the overall performance of the community procurement actions and systems of the project and implementing partners; i.e. where opportune, visit an ad randomly chosen SCU.
- (d) Review and assess the procedures and processes applied for the procurement of goods, services and verify their adherence to IFAD guidelines and covenants, and performance in terms of efficiency and transparency.

- (e) Identify the current risks and propose the practical recommendations for improving community procurement functions needed to mitigate risk and ensure sustainability of the procedures after the closure of the project.
- (f) Assess the capacities and technical skills of the communities/structures and give suggestions on skill promotion and capacity building programs.
- (g) Conduct procurement post-review and prepare special annex to the aid-memoire for that purpose.
- (h) Provide mentoring to the administrative / procurement officer regarding procedures for shopping and individual consultants in terms development of standard forms, documentation and filing for shopping and selection of individual consultants.
- (i) Support project in preparation of the AWPB and procurement plan for 2019.
- (j) Give support to both the Finance Officer and the Procurement Consultant as needed and requested by the mission team leader.
- (k) Timely contribute to the Aide Memoire and mission report write up in accordance to the IFAD's new template requirements by preparing working paper / annex as applicable.

15. **Mr Ahmed Subahi**, Country Programme Officer, ICO-Sudan, will be responsible for the following tasks:

- (a) Review and assess the sustainability, targeting, gender and youth aspects of the project including implementation of the gender and youth mainstreaming strategy, in particular: (i) compliance with quota set in the BIRDP design (participation of women and youth); (ii) monitoring of the profile of participants to ensure that women and youth are equitably benefiting from the Project; and (iii) training of CBO's and project staff on gender mainstreaming and in this regard check on efficiency of applying the Gender Action Learning System (GALS) methodology.
- (b) Assess the Monitoring & Evaluation (M&E) system and provide further guidance and recommendations to improve its overall effectiveness, efficiency and performance.
- (c) Review Knowledge Management and communication activities assess quality and timeliness of progress reports, and distil lessons learned and innovation from the field level and determine their scaling up potential.
- (d) Assess the progress made regarding Knowledge Management from BIRDP and CCU/ICO perspective.
- (e) Support the Team Leader to review Knowledge Management and communication activities, assess quality and timeliness of progress reports, and distil lessons learned and innovation from the field level and determine their scaling up potential.
- (f) Prepare inputs on 'Knowledge Management and Lessons Learnt' whereby seeking lessons learnt drafted and/or captured by the other mission members.
- (g) Support the NRM/CC Specialist is assessing the institutional development with regards to the BDF and the role of the Project Supervisory Technical Committee (PSTC) to ensure close follow-up and monitoring to the project activities to ensure satisfactory completion of the project.
- (h) Assess progress made in the implementation of the recommendations and agreed actions of the last supervision and implementation support/follow-up missions.
- (i) Support the mission leader in relation to assessment of the project management.
- (j) Support the mission leader in handling the overall mission activities to the standards meeting the mission deliverables and outputs.
- (k) Timely contribute to the Aide Memoire and mission report write up in accordance to the IFAD's new template requirements by preparing working paper / annex as applicable.

16. **Mr. Tarek Ahmed**, The Country Director, will be responsible for the following tasks:

- (a) Provide support to the mission activities, ensure synergies of the work of the mission team members and provide guidance considering the mission overall objective.
- (b) Provide support to the team leader in discussing the project implementation critical issues, meetings, field visits and working sessions, as appropriate/needed with Project staff, beneficiaries and Government authorities.

## DOCUMENTATION

The following documentation will be made available to consultants prior to the assignment:

PDR, 2017 supervision mission report, March 2018 implementation support mission report, July 2018 implementation support/follow-up mission, project progress reports and the status of funds.

**MISSION SCHEDULE:** 7-26 November 2018

**Mission itinerary.** The overall itinerary for the main mission activities are indicated below:

Date	Activities
6 November 2018	Travel to Sudan (Lucy and Manab)
7-8 November 2018	Mission's briefing and preliminary meetings in Khartoum
9-23 November 2018	Travel to project area, field visits, write-up and wrap-up in Rufa'a
24 November 2018	Project staff debriefing on mission findings and travel to Khartoum
25 November 2018	Mission meets with the PSTC
26 November	Wrap up meetings
26-27 November 2018	Travel back home (Lucy and Manab)

**Clearance by COM if TORs include communication activities (see section 4.7(iii)):**

**Name:** Aziz Al Athwari, Finance Officer, FMD    **Signature:**    cleared by email, dated 19 Sep 2018

---



## B. Task division among core members of the SM team

Chapter	Person responsible <sup>1</sup>	Remarks <sup>2</sup>
<b>C. Mission Objectives and Key Conclusions</b>		
Background and main objective of the mission	LM	
Key mission agreements and Conclusions		
<b>D. Overview and Project Progress</b>	We might put part in the AM (see page 21 of the format which allows this); we can agree as a team	
• Component 1, 2	OE	2 x 3300 characters
• Component 3,	LM	3300 characters
• Component 4	MC	3300 characters
• Financial Management	SL, MA, IE	1650 characters
• Project Management	LM	1650 characters
<b>E. Project implementation</b>		
<b>i. Effectiveness and Development Focus</b>		
a. Development Effectiveness	OE	
b. Development Focus		
i. Targeting and Outreach	MC	
ii. Gender equality & women's participation	MC	
c. Agricultural Productivity		
i. Agricultural Productivity	OE	400 characters
ii. Livestock Productivity	LM	400 characters
d. Nutrition	AS	
e. Adaptation to Climate Change	OE	
<b>ii. Sustainability and Scaling-up</b>		
a. Institutions and Policy Engagement	OE	
b. Partnership-building	MC	
c. Human and Social Capital and empowerment	MC	
d. Quality of beneficiary participation	OE	
e. Responsiveness of service providers	MC	
f. Environment and natural resource management	OE	
g. Exit Strategy	LM	
h. Potential for Scaling-Up	LM	
<b>iii. Project Management</b>		
a. Quality of Project Management	LM	
b. Knowledge Management	AS	
c. Value for Money	MC	
d. Coherence btw. AWPB and implementation	LM	SL might have inputs
e. Performance of M&E System	OE	
f. Requirements of SECAP	OE	
<b>iv. Financial Management and Execution</b>		
a. Disbursement Rate	SL,	
b. Fiduciary Aspects	SL	
c. Quality of financial management	SL	
d. Quality and timeliness of audit	SL	
e. Counterpart funds	SL	
f. Compliance with loan covenants	AS, IE	

<sup>1</sup> OE: Omer Egemi; LM: Lucy Maarse; MC: Manab Chakraborty; SL: Sara Lili; MA Mohamed Abdelatif; AS: Ahmed Subahi; IE: Ishag El Fadul

<sup>2</sup> Characters as prescribed in the format unless indicated in this column.

Chapter	Person responsible <sup>1</sup>	Remarks <sup>2</sup>
g. Procurement Review	MA, IE	
v. Key SIS Indicators ==auto calculated		
vi. Additional Aspects	?	Individuals can decide
F. Relevance	AS	
G. Project Modification	?	Likely not
H. Lessons Learnt (tentative the following) <ul style="list-style-type: none"> <li>ToRs of Coordinator</li> <li>Involvement Pastoralists</li> <li>Equity issue (salaries, allowances, topping up)</li> <li>Budgeting in SDG == inflation problem</li> <li>Technical Committee</li> <li>Counterpart funds</li> </ul>	All	
I. Logical Framework	OE	
Appendix 1: Physical progress measures against AWP&B	LM	To be shared by Yassin
Appendix 2: Financial: Actual financial performance by financier; by component and disbursements by category	SL	
Appendix 3: Compliance with legal covenants: Status of implementation	SL	
Appendix 4: Technical Background Analysis <ul style="list-style-type: none"> <li>- Related to component 1 &amp; 2</li> <li>- Related to component 4 (micro finance in particular)</li> </ul>	OE MC	WE need to check to also highlight issues in WPs which are relevant for the to be designed SNRLP <sup>3</sup> Optional and to be agreed To be considered.
Appendix 5: Mission Preparation and Planning, TORs, Schedules, People met. <ul style="list-style-type: none"> <li>Mission Preparation and Planning</li> <li>ToRs</li> <li>Schedules</li> <li>People met</li> </ul>	AS LM LM OE	
<b>Agreed:</b> <ul style="list-style-type: none"> <li>Apart from chapter iv 'Financial Management and Execution', we first agree what he/she intends to write in his/her section to avoid duplication and to ensure a common understanding. Each person also should propose the rating<sup>4</sup>, and all should agree first;</li> <li>Apart from chapter iv 'Financial Management and Execution', we agree as a team including our counterparts regarding 'recommendations'. Once agreed we can indicate in which section.</li> <li>Content of section C&amp;D to be discussed with counterparts.</li> </ul>		

<sup>3</sup> SNSLP Sustainable Natural Resources & Livelihoods Programme

<sup>4</sup> Please use the 'Performance Scores Descriptions' as shared by Lourdes Lim.

**C. BIRDP, Supervision Mission 6th November – 23rd November 2017, Recommendation and action taken; update as per 16<sup>th</sup> November 2018**

Agreed action	Responsibility	Agreed date	Action taken
<b>Overall assessment of project implementation</b>			
Absorption capacity is in place at State level, but a <b>realistic planning and rigorous implementation</b> is needed to ensure smooth fund flows. The Technical Committee established for strong guidance on implementation.	PCU coord. / CCU/FMoAF/FMoAR/MoFEP	31 <sup>st</sup> December, 2017	1- Each SCU prepared its realistic work plan under technical supervision of the PCU and based on each SCU operational capabilities;
			2- Budgets have been transferred in advance for each SCU immediately after the mission;
			3- The technical committee was established at federal level (headed by the undersecretary of the Federal Ministry of A & F), by the first of November 7 meetings were convened;
			4- Arrangements taken to ensure smooth implementation of AWP&B 2018. These arrangements considered as golden rules to guide work (is attached)
The <b>PCU team should be strengthened</b> with a full-time civil engineer and a rural finance manager using consultancy modalities. In addition, 3 Assistant Community Development Officers should be recruited from the pool of experienced YPs to assist the current PCU Community Development and Gender Officer.	PCU coordinator	31 <sup>st</sup> December, 2017	1- The Civil Engineer is in place since mid of March 2018 on time-based consultancy but later in August 2018 re-contracted on full time basis as senior civil engineer;
			2- A microfinance consultant was recruited since the beginning .of April & he started his assignment with a three day mini-workshop involved the micro-fiancé &, the community development extension agents in all SCUs in addition to the 3 Assistants of the Community Development Officer. Based on the advice of the support mission (July 2018) to recruit him on full time basis to which he didn't take due to institutional barriers but instead he managed to attend all the planned activities at PCU level including the periodical meetings of the concerned group of the DTs. He has committed to monthly follow up on reporting & technical support to SCUs through direct communication over phones & emails;
			3- The 3 Assistants of the Community Development Officer were recruited and in place;
			4- To boost up implementation process a large number of service providers were being mobilized & entrusted e.g. during the first mid of this year Gezira SCU alone hired 47 professionals (761 days including 192 overnights) from the

Agreed action	Responsibility	Agreed date	Action taken
			localities & line ministries to implement different activities such as water harvesting, community mobilization & animation campaigns, range reserves survey for validation & registration, various training at communities level, water point rehabilitation & construction, etc.;
			5- In Gedarif, SCU continuously suffered from the lack of YPs. The PCU decided to increase the incentive for those YPs who are interested to join Gedarif SCU from other states. Accordingly, 14 YPs from Gezira state have joined the unit since February 2018 and up to now (November 2018);
It is recommended that the <b>PCU coordinator is advised</b> by a part-time (5 days per month) <b>Climate Change / Natural Resource advisor</b> , who reports to coordinator and Technical Committee on frequent basis.	PCU coordinator	31 <sup>st</sup> December, 2017	1- ToRs for the climate change/natural resource advisor was not yet developed by the mission.
			2- Despite this, the development teams and YPs were trained on using PLA tools to facilitate the preparation of community climate resilience plans which were consolidated and being implemented at community level
<b>FMoAF, FMoAR and MoFEP</b> may develop a more pro-active engagement with BIRDP through <b>participating in Technical Committee</b> and providing specific focus on financial contributions of GoS, cooperation with ICSP, agreement ABSUMI / other MFIs, Italian grant on grain storage, etc.	FMoAF, FMoAR and MoFEP, PCU coordinator (convener)	31 <sup>st</sup> December, 2017	1- The technical committee was formed at federal level headed by the undersecretary of the federal M of A&F & held 7 meetings;
			2- The MoFEP is being represented in the monthly meeting which is being adopted & implemented under the leadership of the undersecretary of FMoAF as well as Involvement of ICO
<b>Outputs and outcomes</b>			
<b>Component 1. 'Policy and Institutional Building'</b>			
<b>Conduct the planned studies</b> (3) on 1. 'Land tenure, ownership and access rights'; 2. 'Mapping Study on NRs incl. WATER and Land Use Mapping', 3. 'on impact of gold mining'.	PCU/CC&NR Advisor	First quarter of 2018	1- Three ToRs were drafted by the National Policy Advisor. One study (land) is under implementation since the 4th day of November 2018, while for the gold mining one consultant was selected & promised to sign during this month. For the third study a re-request was sent for extra & new candidates and by the end of this month proposals are planned to be received from such candidates;  2- For the updating study on the agro-ecological zonation the contract was signed the 11th day of November 2018 with a group of 4 experts;
Ensure a <b>smooth transition of BDA to BDF</b> .	PCU/BDF Director/GoS	Before 31 <sup>st</sup> of Dec., 2017	1- A decision was issued by the President of the Republic & accordingly the BDF was established;

Agreed action	Responsibility	Agreed date	Action taken
			2- Board members were officially appointed;
			3- The MoFEP is being represented in the monthly meeting which is being adopted & implemented under the leadership of the undersecretary of FMoAF as well as Involvement of ICO
Organise rounds of <b>NR forums among the new communities</b> and address the two pending <b>pastoralist NR forums</b>	PCU/SCUs/ policy advisor/BDF	Before Sept. 2018	One pastoralist NR forum was executed in Khartoum in Dec. 2017. In addition, 2 & 1 forum were implemented in River Nile & Gedarif respectively. What is new or seen differently from the previous forums is that the communities of RN State (most of them recently selected under AF) proposed more practical solution in facing shrinkage in land under range & forests. This proposal calls for representation/association of the Village Popular Committee in the survey team fielded by the Investment Department at the locality level in addition to reconciling & checking of stamp that validates land certification/approval;
Organise the <b>pending Inter-state and Federal level workshops</b> regarding the draft content of Natural Resource Governance Framework (NRGF)	PCU/Policy Advisor/BDF	Before Sept., 2018	This workshop is postponed and to be organized before the first of March 2019;
Up-dating and <b>finalizing of NRGF</b> whereby incorporating inputs of NR forums/conferences conducted and capitalizing on inputs from the studies (ref. to Recommendation	PCU/Policy Advisor/BDF	Fourth quarter of 2018	The draft NRGF to be submitted before the end of December 2018;
<b>Component 2. 'Climate Resilient Natural Resources Management (range, forest, vegetables, crops, water)</b>			
<b>A hydrologist cum water engineer to be placed</b> in SCUs of those States in need of it for planning, supervising, speeding up implementation of water structures. Relevant experts for developing water management manual should also be hired and others as per need. Use TA budget lines.	SCUs	31 <sup>st</sup> December 2017	1- The recommendation was considered;
			2- In Gezira, River Nile & Kassala States all water works are going directly in coordination and consultation with the concerned government water departments
			3- In Gezira, River Nile & Kassala States all water works are going directly in coordination and consultation with the concerned government water departments
			4- Moreover, one of the above 2 consultants is mandated to certify & approve all works under water in all states
			5- Board members were officially appointed;
Provide <b>focused attention to water harvesting</b> per ecological zone and invest in advocacy, awareness raising and adoption of <b>agro-</b>	PCU/SCUs/ICS P	Start second quarter of 2018	This was considered in the AWPB 2018 by providing for supply of natural range & forestry seed in addition to guar. TV channels at federal level were accessed and finally agreed & provided space

Agreed action	Responsibility	Agreed date	Action taken
<b>forestry / silvi pasture practices.</b>			of time for all video films produced by BIRDP;
Undertake measures (consultative workshops, on-the job guidance, etc.) to PCU and SCUs staff on <b>Climate Resilient Community Village Planning</b> to arrive at clarity and understanding with special attention to monitoring outcomes & impacts, links to land uses, NRGF and other related issues.	PCU/CC&NR advisor/SCUs	First half, 2018	1- Community climate resilience plans were consolidated and being implemented at community level; 2- Already the resilience issues were considered in NR forums at community level; 3- Moreover, one consultative workshop is re-planned in Dec. 2018.
Elevate the reaches of <b>the road</b> (EI Subagh to Bridge EI Geigel) between the concrete crossings to the level of the road at the crossings through adding lower-base, upper-base and sub-base layers.	PCU coord/civil engineer	First quarter 2018	On-going, two contractors working on the site but are facing shortage of fuel; referring to action taken report of July Support Mission for details;
Undertake prompt necessary measures with the contractor to <b>repair the collapsed stone pitching</b> of EI Geigel Bridge	PCU coord. /civil engineer	First quarter 2018	The contractor was selected and already the earth work was completed & the masonry work is under preparation; referring to action taken report of July Support Mission for details;
Prepare a <b>survey of all weak points along the road</b> and consider undertaking fortification works (stone pitching with mortar, adding more culverts/cells, etc.) to protect the road during heavy rains.	PCU coord. /civil engineer	First quarter 2018	Already all the weak points at a total number of 12 locations were identified. In addition, a Bill of Quantities for stone pitching was made under New Bid documents which are currently being announced; referring to action taken report of July Support Mission for details;
<b>Component 3: 'Livestock and Marketing Development'</b>			
Regarding the <b>Tamboul Slaughterhouse</b> , the pending construction corrections (camel slabs, entry cows, meat sorting bench, movable meat hangers, drainage system, fence, and toilet facilities) to be executed soonest; generator to be installed; and finalizing tri-partite contract (MCC, BDF and Locality of East Gezira)	SCU Coordinator Gezira/MCC & legal advisor/Locality Commissioner	31 <sup>st</sup> March, 2018	1- Work is started in all these assignments. Nevertheless, the tripartite is not yet in place waiting for completion of the construction plus the full fledge operation of BDF; 2- Legal support was provided by BIRDP for the private sector (MCC) to assure legitimacy & better functionality. Based on this the MCC renamed as Meat Producers Cooperative Society (currently 80 members);
In close cooperation with the <b>Meat Commodity Council</b> (MCC) conduct studies namely i.) processing offal and ii.) skins, iii.) transporting meat to selling places, iv.) feasibility of attached fattening units	SCU coordinator/MC C/PCU	30 <sup>th</sup> September, 2018	See the above paragraph;
Make quantitative and qualitative inventory of the current fodder sources used to season and by the different livestock keepers residing in	SCUs/CC&NR advisor/PCU	4 <sup>th</sup> Quarter, 2018	For the last year this was done in all SCUs, while for 2018 was done in Kassala & Khartoum. Although this was done for sedentary rather than pastoralists and by using only Focussed

Agreed action	Responsibility	Agreed date	Action taken																																							
and/or visiting Butana.			<p>Group Discussion (FGD) rather than other biophysical measurements it was very indicative &amp; gives clues on livestock feeding /grazing condition. For instance, in Gezira according to FGD executed in Feb. 2017 covering 12 communities the average as findings as follows :-</p> <table> <tr> <th rowspan="2">Season Type of Feeds</th><th colspan="3">% of Feeds Type on which Livestock Relied by Season</th></tr> <tr> <th>Rainy Season</th><th>Summer</th><th>Winter</th></tr> <tr> <td>Sorghum Stalks</td><td>0</td><td>49.1</td><td>39.10</td></tr> <tr> <td>Crushed grains of sorghum</td><td>2.5</td><td>10</td><td>19.25</td></tr> <tr> <td>Sorghum grains husks</td><td>0.5</td><td>4.4</td><td>6</td></tr> <tr> <td>Wheat Bran</td><td>6.25</td><td>8.9</td><td>8.8</td></tr> <tr> <td>Seed cakes (mainly Groundnuts)</td><td>4.1</td><td>11.6</td><td>6</td></tr> <tr> <td>Concentrates</td><td>0.85</td><td>2.25</td><td>0.85</td></tr> <tr> <td>Natural Rangelands</td><td>85.8</td><td>13.75</td><td>20</td></tr> <tr> <td><b>Average Total</b></td><td><b>100</b></td><td><b>100</b></td><td><b>100</b></td></tr> </table>	Season Type of Feeds	% of Feeds Type on which Livestock Relied by Season			Rainy Season	Summer	Winter	Sorghum Stalks	0	49.1	39.10	Crushed grains of sorghum	2.5	10	19.25	Sorghum grains husks	0.5	4.4	6	Wheat Bran	6.25	8.9	8.8	Seed cakes (mainly Groundnuts)	4.1	11.6	6	Concentrates	0.85	2.25	0.85	Natural Rangelands	85.8	13.75	20	<b>Average Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
Season Type of Feeds	% of Feeds Type on which Livestock Relied by Season																																									
	Rainy Season	Summer	Winter																																							
Sorghum Stalks	0	49.1	39.10																																							
Crushed grains of sorghum	2.5	10	19.25																																							
Sorghum grains husks	0.5	4.4	6																																							
Wheat Bran	6.25	8.9	8.8																																							
Seed cakes (mainly Groundnuts)	4.1	11.6	6																																							
Concentrates	0.85	2.25	0.85																																							
Natural Rangelands	85.8	13.75	20																																							
<b>Average Total</b>	<b>100</b>	<b>100</b>	<b>100</b>																																							
<b>Component 4. 'Community Development, Business Options, and Rural Micro Finance'</b>																																										
Sign the draft <b>MoU between BIRDP and ABSUMI</b>	PCU coordinator/ABS UMI	Nov., 2017	Several meetings were convened with ABS (ABSUMI) in which the draft was discussed and the agreed upon points were included. Not signed yet, however.																																							
Referring to the budget line 'Support to Microfinance Apex', explore using it as a <b>Guarantee Fund</b> to promote microfinance with Kassala Microfinance Foundation (Kassala State), Sudan Rural Development Company (River Nile State) and Social Development & Savings Bank (Gedarif State)	PCU/SCUs	1 Jan. 2018	<p>1- With the help of the recruited micro-finance consultant a MoU with each of the Savings and Social Development Bank of Sudan (SCDB) Head Quarter and Sudan Rural Development Company (SRDC) was discussed, agreed upon &amp; just in the process of signature depending about each entity;</p> <p>2- The MoU with SRDC was signed by both parties on the 15 of July while with ABS was signed on the 16th of July 2018.</p> <p>3- The SRDC as provided for in the MoU will extend its services to Khartoum, Gezira in addition to River Nile BIRDP working areas. While SCDB will cover Gedarif with willingness &amp; readiness to spread its work in other states.</p>																																							
Initiate a <b>RMF landscape study</b> for assessment of supply of funds and demand for funds for microfinance in Butana.	Director, BDF	2 <sup>nd</sup> Q., 2018	Is part of Microfinance Consultant TORs who is currently working on it. This study was discussed with SCDB and agreed to undertake it jointly starting with Gedarif State (As-Subagh).																																							
Finalize design, location and implementation of <b>grain storage</b> , and test management plans for its operation.	Kassala SCU Coordinator/PCU	April, 2018	<p>1- Two sites were identified,</p> <p>2- The storage design was done,</p> <p>3- The tender was announced,</p>																																							

Agreed action	Responsibility	Agreed date	Action taken
			4- Contractor was selected, 5- The selected contractor was apologized & declined & he didn't complete the BID bold to 10% as performance security due to inflation as alleged (before signing the contract he requested to get 70 % in advance); 6- The project through the CCU obtained IFAD no-objection to re-announce the tender and now the bidding committee has opened the bidding envelopes on 11 July & completed its work & submitted the respective report to CCU by the 15 of July; 7- However, before the end of July a letter of award of contract is expected to be issued to the selected winner;
Sharpen the preparation, outlining and approval process of climate resilient community village plans (CR CVP)	PCU/SCUs	1 March, 2018	1- In some communities completed. 2- Others are going well
<b>Project implementation progress</b>			
The <b>Project Implementation Manual</b> (PIM) should be finalized whereby using the inputs provided in follow-up mission (April 2017) and regarding finance section, the advice provided during SM 2017	PCU coord. /Financial controller	31 <sup>st</sup> December, 2017	All points in the PIM considering change from BDA to BDF were done and forwarded to IFAD. Also transfer modality was included in the financial part.
<b>Fiduciary aspects</b>			
Transfer of funds to SCUs on a quarterly basis	PCU management team	Quarterly basis from now onward	Done and 80 transactions completed.
Send Withdrawal Applications for ASAP and IFAD Grant	Finance Controller	30 <sup>th</sup> November 17	Done and fund received in December 2017.
Recruitment of SCU Gedaref accountant	Finance Controller	30 <sup>th</sup> December 17	Recruited in March 2018
Send a letter to MoFEP claiming for the repayment of the counterpart deficit up to Sep 17 and the forecasted expenditures up to end of financial year	Project Coordinator	30 <sup>th</sup> November 17	Done, money was transferred to BIRD account in March and November 2018
Complete the configuration of the accounting software system and testing	Finance Controller	15 <sup>th</sup> December 17	1- The configuration was done by the consultant. 2- The system was tested and the project AWPB of 2018 was entered and a few WAs were produced through this system.
Fully reconcile the different sources of financing	Finance	As soon as	Fully addressed, fully reconcile the different sources of financing



Agreed action	Responsibility	Agreed date	Action taken
over the account software system	Controller	possible	over the account software system.
Recovery plan for BIRDP loan to be sent to IFAD	Finance Controller	13 <sup>th</sup> November 17	Done
Update of PIM and Financial Management	Finance Controller	15 <sup>th</sup> December 17	Done
<b>Procurement</b>			
Improve implementation capacity on procurement at PCU/SCUs level and/or plan procurement activities rationally in line with implementation capacities	PD/PO/SCUs	Immediately/on-going	1- Five BIRDP procurement staff attended training course facilitated by IFAD during 28 – 29 Jan. 2018. 2- Two of them also participated in procurement training conducted by SICSP last June. 3- Currently, they are in an abroad training in India; 4- On the job training was done for the five SCUs; 5- Training for community procurement committees (CPCs) was conducted for 85 CPCs in all states
Provide justification and seek IFAD retroactive approval for contracts awarded on SSS basis.	PD/PO	Immediately/on-going	Done
Finalise PP before beginning of year, update/revise as needed and obtain approval before implementing revised activities	PD/PO	Immediately	Updated in the 2nd quarter;
Avoid the use of direct contracting and SSS to the extent possible, except where it explicitly included in the approved PP, and should also obtain IFAD prior approval.	PO at PCU/SCUs	Continuous	This recommendation is considered e.g.in recruitment of civil /road consultant , micro-finance , rural store/Italian grant;
Ensure that complete documentation of procurement processes is kept on procurement files, including proof of receipt of goods, works and services by the ultimate beneficiaries.	PO at PCU/SCUs	Immediately/on-going	Applied by updating and using check list
Modification to contracts terms, where needed, should be affected by an amendment to the contract that is signed by parties to the contract.	PO/PD	Immediately/on-going	Considered.
<b>Sustainability</b>			
Finalizing the draft rolling EXIT strategy	PCU	31 <sup>st</sup> Dec., 2017	Outlines was drafted. Nevertheless, in the last periodical meeting which is headed by the undersecretary of FMoAF this issue was presented & discussed with recommendation to speed up having functional BDF soon. Final draft was submitted to the SM team during the mission.

### Follow up/Implementation Support report (15 to 26 July 2018)

Agreed Actions	Responsibility	Deadline	Status	Actions Taken
<b>Butana Development Fund</b>				
1) BDF key staff is to be recruited/appointed and transferring of responsibilities (including assets, vision, strategy and business plan) between BDA and BDF to be completed to pave the way for full functionality of BDF.	BDF, MoFEP, MoAF, STC	31/08/ '18	Agreed	On going
2) Undersecretary of MoAF/STC chairperson to be assigned as BDF Deputy Chairperson.	BDF, MoFEP, MoAF, STC	31/08/ '18	Agreed	It needs to BDF decree
3) Extending the contract period with the Institutional Advisor and Business Expert so that they can provide the planned services (20 days per expert for 2018 and 2019 respectively) to BDF in terms of understanding and implementing the BDF strategy and five-year business plan.	PC, STC,	31/07/18	Agreed	It is a decision of BDF Board of directors
4) Seeking approval of the BoD of BDF for the BDF strategy and five-year Business Plan.	BoD, Institutional Consultant, STC	Next BoD meeting	Agreed	BDF Board of directors will decide later
<b>Project Management</b>				
5) <b>Quality project management</b> in place namely restricted adoption and adherence to the Project Coordinator new Terms of Reference (annex 2)	STC, FMoAF	Immediately	Agreed	<ul style="list-style-type: none"> <li>- TOR was developed by Follow/Implementation Support report (15 to 26 July 2018)</li> <li>- The Project Coordinator signed agreed and signed the contract with the Undersecretary of MoAF/STC</li> </ul>
6) <b>Finalize the Exit Strategy</b> and seek approval of STC and IFAD	PCU, SCU, STC	Nov. '18	Agreed	Ongoing
7) Prepare <b>Work Plan for Project Completion Review</b> including: - impact study covering also the Economic Financial Analysis (EFA); - smaller assessment studies as per interest Line Dep., Localities, etc.	PCU, SCU, STC	Nov.'18	Agreed	<ul style="list-style-type: none"> <li>- Work plan developed</li> <li>- TOR for impact study was developed and shared with project stockholders</li> <li>- Tree studies under process.</li> </ul>
8) All <b>staffing pending issues</b> including removing inequality in the staff remunerations and hiring full-time civil engineer & full time RFM on consultancy terms; CC consultant; NR Policy consultant to be addressed	STC, PD, TT&DTs	Immediately	Agreed	Proposal was prepared and approved by BIRDP made a proposal including topping and allowance for STC. It has been accepted and endorsed by the STC.
9) Ensuring that the <b>ToRs and Contracts for pending planned studies</b> are initiated; - updating Ecological Zonation study; 3 studies related to NRGF	NRM officer, Acting PC	Before 31/07/18	Agreed	Done accordingly
<b>Road Construction</b>				
10) <b>Implement the 'Road' action plan</b> (Annex 1) including	PCU, STC	August 2018	Agreed	Road action plan was agreed with contractors

Agreed Actions	Responsibility	Deadline	Status	Actions Taken
the application of contract provisions strictly to ensure timely completion of the delayed contracts.				In general work progressing well compared in July 2018.
<b>11) Expedite the procurement process</b> for the two remaining contracts (road construction)	CCU/PCU/STC	September 2018	Agreed	Bidding stage under process. Tenders will be opened in 20-Nov-21018
<b>12)</b> Apply the Contract General and Special Conditions with respect to the <b>defect's liability</b> on the original contractor of El Geigei Bridge to recover the cost of remedying Defects	PCU/STC	August 2018	Agreed	The defects have been repaired and the retention money kept from the original contractors were used for this purpose.
<b>Financial Management</b>				
<b>13)</b> Submit WA whenever expenditures reach <b>30% of the authorised allocation</b> or every three months whichever earlier	FC, PC,	Ongoing	Agreed	Done
<b>14)</b> Constant <b>monitoring of the liquidity level</b> from all financier and to ensure no cross financing	FC, PC, STC	Ongoing	Agreed	Done
<b>15)</b> Increase the <b>authorised allocation of ASAP to 1 Mio US\$</b>	IFAD FO	15/08/'18	Agreed	Done
<b>16)</b> Follow up with IFAD Disbursement unit to ensure correction of the <b>wrongly charged WA</b> against grant instead of ASAP is made	FC, PC,	01/08/'18	Agreed	Done
<b>17)</b> Fill in the <b>vacant Accountant position</b> at PCU	PC/FC/STC	31/08/ '18	Agreed	Done
<b>18)</b> <b>Automate financial reports</b> and reconciliations of Designated Account by financier	FC/STC	31/08/ '18	Agreed	Done
<b>19)</b> Produce <b>monthly financial reports</b> to management -, technical -, and development teams at PCU and SCU respectively, and STC, for <b>budget versus actual</b> and document <b>corrective action for significant variances</b>	FC/STC	On-going	Agreed	Done on a monthly basis
<b>20)</b> <b>Monthly reconciliation of the accounts</b> and adjustment of the cross financing	FC/STC	31/07/ '18	Agreed	Done on a monthly basis
<b>21)</b> Project to prepare <b>interim and annual financial statement</b> with an acceptable <b>accounting standard</b> such as IPSAS Cash basis and to adopt fully the new conceptual framework	FC/STC	Ongoing	Agreed	Done
<b>22)</b> Evaluate <b>Government contribution</b> ; BIRD to evaluate forfeited revenue of provision office space, payment of utilities and use of Government vehicles, salaries for government staff working for the project, etc.	FC	On-going	Agreed	Done
<b>23)</b> <b>MoFEP to transfer the pre-financed amount up to June 2018</b> , and then on monthly/quarterly basis in advance and for the remaining period	MoFEP/CCU Coordinator	31/08/'18 On-going	Agreed	Done

	Agreed Actions	Responsibility	Deadline	Status	Actions Taken
24)	Submit all <b>supporting documents and reports</b> required by MoFEP on the utilisation of the counterpart funds on <u>monthly basis</u>	FC/STC/CCU	On-going	Agreed	Done
25)	Adhere to <b>IFAD guidelines regarding procurement</b> methods, preparation of procurement plan and application of evaluation criteria.	PCU	Continuous	Agreed	Done
26)	Ensure timely implementation of the <b>procurement plan</b>	CCU/PCU/SCUs	August 2018 and continuous	Agreed	Ongoing
27)	<b>Update the register of contracts</b> to reflect the above-mentioned comments.	PCU	August 2018	Agreed	Done accordingly

No.	Activity	Person Responsible <sup>5</sup>	Time frame	Budget (SDG) <sup>6</sup>	Deliverable	Actions Taken
1	<b>Updating TORs<sup>7</sup></b> and revising contract of Senior civil engineer (SCE) to act as a Team Leader(TL) for supervising the road construction; seeking approval (no objection) and signing contract.	- PC - STC <sup>8</sup>	Immediate: 1 <sup>st</sup> of August '18	1,626,900	Up-dated and approved ToRs and signed new contract for the team leader.	Done The TOR was updated, and the SCE was contracted
2	<b>Recruitment of additional 7 technical staff</b> for the road construction supervision; seeking approval (no objection) and signing contracts.	- PC - TL - STC	01/09/2018	3,570,000	Signed new contracts	Additional technical staff were recruited
3	<b>Providing logistical support to fields teams</b> including accommodations, office space <sup>9</sup> , 3 additional vehicles <sup>10</sup> , and other support staff	- PC - TL - STC	01/09/2018	1,500,000	Availability of the proper accommodation and facilities	Some logistical supports were provided to the field teams
4	<b>Follow up on the progress of the road construction</b> in	- PC,	Immediate:	On-going	Monthly	

<sup>5</sup> PC: Project Coordinator; SC CCU: Senior Coordinator – Central Coordination Unit; TL: Team Leader; SCE Senior Civil Engineer / TL: Team Leader; STC: Supervisory Technical Committee.

<sup>6</sup> Budget details are presented on page 3 of this annex.

<sup>7</sup> Draft ToRs enclosed from page 4 – 5.

<sup>8</sup> STC: Supervisory Technical Committee. Referring to 'Administrative Decree No. (48) for the Year 2018, dated 17/07/2018, number: 48/B/1/3' and issued by under-secretary of Federal Ministry of Agriculture and Forestry. In attempts of strengthening the coordination between the Ministry of Agriculture and Forestry with other concerned entities involved in the monitoring the implementation of the activities of Butana Integrated Rural Development Project to the expected standard and the utilization of the available resources provided by the International Fund for Agricultural Development (IFAD) and other project financiers, it is decided to form a supervisory technical committee (STC).

<sup>9</sup> It covers rehabilitation of accommodation hostel and offices.

<sup>10</sup> Three additional teams and one TL, each requiring one vehicle.

No.	Activity	Person Responsible <sup>5</sup>	Time frame	Budget (SDG) <sup>6</sup>	Deliverable	Actions Taken
	<p>accordance with the following milestones:</p> <p><b>ShirianAlshamal for Roads &amp; Dams</b></p> <ul style="list-style-type: none"> <li>• Mobilization of equipment staff by 31/07/2018</li> <li>• Completion of 17,000 m<sup>3</sup> of the earth works by 01/09/2018</li> <li>• Revised contract completion date by 31/01/2019</li> </ul> <p><b>Basonda for Engineering &amp; Contracting</b></p> <ul style="list-style-type: none"> <li>• Completion of 10,000 m<sup>3</sup> of the earth works by 01/09/2018</li> <li>• Revised contract completion date by 21/10/2018</li> </ul> <p><b>Hiwa company</b></p> <ul style="list-style-type: none"> <li>• Complete all remaining works under the three on-going contracts within 15 days subject to the availability of the fuels</li> </ul>	- TL	1 <sup>st</sup> of August '18 and continuous	contract	progress report submitted to PC & STC	
5	<b>Resolving fuel shortage problem</b>	<ul style="list-style-type: none"> <li>- SC-CCU</li> <li>- STC</li> </ul>	01/08/2018		Availability of fuel for all contractors	
6	<b>Finalize the bidding process for the new package essential for the road completion and sign the contract agreement with the lowest evaluated bidder.</b>	<ul style="list-style-type: none"> <li>- SC</li> <li>- CCU</li> <li>- PC</li> <li>- TL</li> <li>- STC</li> </ul>	15/10/2018	45,000,000	Signed contract	
7	<b>Concise reporting to the Supervisory Technical Committee</b> on the progress and constraints facing the implementation of road construction	<ul style="list-style-type: none"> <li>- PC,</li> <li>- TL</li> </ul>	01/09/2018 and continuous		Minutes of the Supervisory Technical Committee meetings	
8	<b>Held a monthly coordination meeting with the contractors at the site headed by the project coordinator</b> with the presence of State all stakeholders	<ul style="list-style-type: none"> <li>- PC,</li> <li>- TL</li> </ul>	26/08/2018 and continuous	150,000	Minutes of the coordination meetings	

---