



Investing in rural people

## **Republic of Liberia**

### **Smallholder Tree Crop Revitalization Support Project (STCRSP)**

#### **Supervision report**

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

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## Abbreviations and acronyms

BOD	Board of Directors
CAC	County Agriculture Coordinator
CDA	Cooperatives Development Agency, Liberia
DAO	District Agriculture Officer
FUN	Farmers Union Network, Liberia
GOL	Government of Liberia
HIFAB	Swedish engineering consulting firm
IFAD	International Fund for Agricultural Development
INGO	International Non-Government Organization
PP	Private-sector Partner
LAADCO	Liberia Agriculture and Assets Development Company
LASIP	Liberia Agriculture Sector Investment Programme
LPMC	Liberian Produce Marketing Corporation
MoA	Memorandum of Understanding/Memorandum of Agreement
MOA	Ministry of Agriculture
PDR	Project Design Report
PIM	Project Implementation Manual
PIU	IFAD Project Implementation Unit
STCRSP	Smallholder Tree Crops Revitalization and Support Project
TA	Technical Assistance
YP	Young Professional (MOA)

## A. Introduction<sup>1</sup>

1. The STCRSP is the first project of the pipeline established by the 2011-2015 results-based country strategic opportunities programme (RB-COSOP) for Liberia approved by the IFAD Executive Board in September 2011. The project will contribute to the three strategic objectives of the RB-COSOP: (i) increased access to inputs for production; (ii) improved marketing of outputs, and; (iii) capacity-building. In addition, the project consolidates and complements the on-going IFAD operations focused on food security in Liberia, with a view to achieving a long-term increase in incomes for smallholder farmers.

2. The development objective of the STCRSP is to reduce post-conflict poverty and food insecurity, and improve the livelihoods and living conditions of rural communities. The specific objectives of the project are to: (i) raise the quantity sold and price received by poor farmers through plantation rehabilitation; (ii) improve access to markets through road rehabilitation; and (iii) reinforce the extension services of the Ministry of Agriculture and private providers, and strengthen farmers' organizations.

3. The expected outcomes are: (i) 15,000 smallholders sell high quality cocoa/coffee through market arrangements with the private sector; (ii) approximately 276,860 Lofa inhabitants are provided with road access to market centres; and (iii) farmers' organizations and Ministry of Agriculture extension services are able to work together to prepare and implement support activities.

4. To achieve this, the STCRSP has four components: (i) coffee and cocoa revitalization; (ii) rehabilitation of farm-to-market roads; (iii) institutional capacity building; and (iv) project management.

5. An IFAD Supervision Mission of the Smallholder Tree Crop Revitalization Support Project (STCRSP) was undertaken from July 13–27, 2016. The main objective of the mission was to: (i) assess the progress made in the implementation of the project, especially against the 2015-2016 AWPB and procurement plan; (ii) identify actual and potential/ emerging operational problems and challenges; and (iii) propose solutions, corrective measures and provide recommendations for improved implementation, with an eye towards the sustainability of project activities after the closure of the STCRSP.

6. The mission reviewed the Auto Supervision report prepared by the Project Implementation Unit (PIU) and held discussions with Liberia Assets and Agriculture Development Company (LAADCO) in Monrovia before travelling to the project operational sites in Lofa County. During the field visit, discussions were held with participating Coops, the County Agricultural Coordinator (CAC) District Agricultural Officers (DAOs) in four Districts (Voinjama, Kolahun, Quardu Gboni and Zorzor), and farm-to market roads visited in all seven Districts. Extensive discussions were also held with the Lofa PIU and the LAADCO station in Kolahun. On return to Monrovia the mission held meetings with the Ministry of Agriculture (MOA), the Ministry of Public Works (MPW), and LAADCO.

7. The mission focused on the progress made and challenges encountered since the last Supervision mission and sustainability strategy plans made by the Implementing Partner and the sponsored Cooperatives. Lessons learned over the four years of implementation (farms rehabilitation, roads rehabilitation, commercialization) and the ongoing fifth year against the objective of increasing quality cocoa and coffee production and smallholder farmer incomes were distilled and used to make recommendations for future actions.

8. The findings of the Supervision Mission were discussed in a participatory manner with the MOA, Project Implementation Unit (PIU) for validation prior to finalization of the Aide-Memoire and presentation at the final wrap-up meeting held in the MOA on 27<sup>th</sup> July 2016. The Aide-Memoire reflected the main mission findings and recommendations duly endorsed in the wrap-up meeting.

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<sup>1</sup> Mission composition: Ndaya Beltchika, CPM and Mission Leader; Dunstan Spencer, Technical Lead/ Institutions Specialist; Godfrey Wanjohi, Financial Management Specialist; Masahiro Kishi, Procurement Specialist; Akindele Beckley, Rural Infrastructure Engineer; Peter Lowe, Tree Crop Specialist; Marzia Perilli, M&E Specialist

## **B. Overall assessment of project implementation**

9. The STCRSP is a US\$ 24.9 million project, including the highly concessional IFAD loan of US\$ 16.8 million, private sector/implementing partner co-financing of US\$ 5.1 million, government contribution of US\$ 2 million and beneficiary contribution of US\$ 0.9 million.

10. The specific objectives of STCRSP are to: (i) increase the quantity sold and price received by 15,000 smallholder farmers for cocoa and coffee by rehabilitating plantations, (ii) improve access to markets through 315 km of rural roads rehabilitation and maintenance system development; and (iii) strengthen MOA at County and District level, private extension services (Liberia Agriculture and Assets Development Company - LAADCO) as well as 7 cooperatives (Foya Maliandoe, Sebehill, Guma Mende, Voinjama District, Quardu Gboni, Quapatamai & Zorzor District) in Lofa County.

11. The IFAD Results-Based Country Strategic Opportunities Programme (RB-COSOP) for Liberia (2011-2015) which has now ended, is fully aligned with the Comprehensive Africa Agriculture Dev. Programme (CAADP) and national policies, notably the Liberia Agriculture Sector Investment Programme (LASIP) and the Agenda for Transformation (AFT). A COSOP completion review was conducted in May 2016 to form the basis for a 2-year extension of the current RB-COSOP until December 2017 or the development of the new RB-COSOP (2016-2020).

12. The STCRSP is now in its final stages of operation since effectiveness 3 July 2012, with completion in September 2017 and closure in March 2018. Most PIU staff was recruited in August 2012 and the project was officially launched in September 2012. The project experienced a drastic slow down, particularly in June 2014, reaching a near-halt in December 2014. This was the direct consequence of the EVD outbreak in Liberia and the subsequent measures taken by the Government to limit the spread of the epidemic, including restrictions on group gatherings, travel limitations and market closures. The project (7 Coops, Private Partner, Central MOA) can be commended for the effort and speed with which it has moved in the post- Ebola period. The private partner resumed the provision of working capital to the seven cooperatives for purchase of produce from farmers in Lofa County, which had stopped during the EVD crisis.

13. As at 30 June 2016, disbursement on IFAD Loan of SDR 10.5 million was SDR 8.62 million or US\$ 12.75 million and representing 82%. However taking into account the pending WA the projected disbursement was SDR 9.27 million or US\$ 13.65 million representing 88% of the loan. The total available funds as of the same date are estimated at US\$ 3.05 million. The draft budget for 2016/17 financial year, which is yet to be finalised at US\$ 2.59 million is expected to absorb the bulk of the available funds. The Financial Agreement stipulates that the Project is planned to complete its activities by 30 September 2017 and close its Loan accounts on 31 March 2018.

14. However, due to the present financing situation caused by the exchange rate losses and delays in ratification, the mission recommends that implementation be accelerated to anticipate completion by March 2017 instead of September 2017.

15. To date, the seven cooperatives have rehabilitated a total of 12,632 ha (cocoa 10,165 and coffee 2,467) of farms against an appraisal target of 15,000 ha. The remaining target of 2,200 ha for the final project year in 2016-17 could be easily achievable; however, the budget constraints are likely to prevent implementation of the final year rehabilitation/ replanting program.

16. Since inception of the project, a total tonnage of 1,041.82 mt (965.96 mt cocoa and 75.86 mt coffee) valued at US\$ 1.9 million have been commercialized through LAADCO by the 7 cooperatives. The fourth commercialization season (FY2016/17) is fast approaching with a target of 400 mt of cocoa and coffee. Its successful implementation depends on successful contractual agreements between LAADCO and the Coops.

17. Out of the 315km farm to market roads targeted for rehabilitation with drainage structures and gravel pavement, to date almost all drainage structures (box and pipe culverts, and bridges) on batches 1 & 2 (143.2km) have been completed. The remaining structures mainly two bridges are at various stages of construction and will be substantially completed by end of 2016. The gravel pavement works is about 44.34% completed, through 10 local contractors who purchased local materials from the communities and engaged about 812 youths. The remaining structures are at various stages of construction while 53km of gravel roads pavement awaits IFAD "No Objection". The Mission was informed that the delay is due to caution because of the declining budget situation, but

hopes that the situation is resolved soon as further delays may cause inertia and affect the enthusiasm of all parties involved in implementation.

18. The 2015-2016 Annual Work Plan and Budget (AWPB) totals US\$ 3.9 million, and financial progress against the AWPB as at 30<sup>th</sup> June 2016 is US\$2.9 million or 73% of the total budget. In the future the PIU should intensify the efforts in implementing planned activities. This will maximise the use of all available funds during the last 14 months period of the project.

19. The procurement plan is for an amount of US\$433,319 of which overall progress is 36%. It was not possible for the Mission to determine the progress due to lack of the physical progress report of the actual against budget. It is hoped that the implementation of the 2016/17 AWPB and procurement plan will be monitored and the progress report included in the quarterly reports.

20. Central and mini warehouses, offices for the County Agriculture Coordinator (CAC) and District Agriculture Officers (DAO) are now constructed. Fourteen (14) Young Professionals<sup>2</sup> (YPs) from the 7 districts and 14 Interns from the Lofa County Community College (LCCC) in various rehabilitation activities on the cocoa and coffee farms in the seven (7) districts have been engaged.

21. Findings and recommendations of the mission are presented to reflect the fourth year results and the way forward during the remaining life of the project.

## **C. Outputs and outcomes**

### **Component 1: Cocoa/coffee rehabilitation**

22. During the four years to 2015/16, over which 12,800 ha was allocated for rehabilitation, the annual completion rates were 98%, 97%, 100% and 100%, respectively (Table 1:). There was a small accumulation of incomplete areas (168 ha) from the first two years, and about 10% of area rehabilitated was not de-shaded. The reason for this, and the likely impact on crop responses, is not known.

23. The previous mission advised to diversify the supply of planting materials by sourcing from Cote d'Ivoire and Ghana. Because of logistics reasons this could not be done and, the project has continued to procure from the Sierra Leone Agricultural Research Institute (SLARI) seeds garden in Pendembu. Since the project planting programme is winding down, concern is now shifting to the quality of planting material used by farmers who "adopt" the IFAD project model.

24. Around 270 village nurseries were established, and an estimated amount of 1,456,000 seedlings was distributed to farmers (Table 2:) – i.e. approx. 111 seedlings per ha. which, at an assumed replanting rate of 10%, suggests that the area rehabilitated has been adequately restocked.

25. The remaining target of 2,200 ha for rehabilitation during the rest of project life could be easily achieved. However, funding constraints are likely to cause the rehabilitation/replanting program to end prematurely. Nevertheless, the rate of implementation has been exemplary, despite the disruption caused by the Ebola crisis.

26. Through the rehabilitation activities, the project aims to increase crop production by a factor of three and to reduce the percentage of bad beans by 50% for 80% of the target farmers (at least 25% of whom would be female & 50% youths). In order to boost quality, the project has also focused on training of farmers in processing and better drying practices through the construction of 53 solar driers.

27. The baseline survey conducted in 2014 reported that average harvest per cocoa farmer was found to be 131.2 kg and 119.5 kg in Project and Non-project communities respectively, while that for coffee was calculated to be 91.6 kg and 92.5 kg in Project and Non-project communities respectively.

28. Because PIU has not systematically collected data on productivity changes, and on adoption and spill over effects of rehabilitation at farm level, it was not possible for the mission to assess

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<sup>2</sup> 7 Tree Crop YPs and 7 M&E YPs.

project achievements in this area beyond anecdotal evidence. It is expected that the on-going KIT/CARI Cocoa survey (Phase I), which will be finalized in September 2016, will provide much needed information.



Table 1: Rehabilitation of Cocoa and coffee farms

Cooperatives	FY12-13			FY13-14			FY14/15			FY15/16			Total for 4 Years			
	Allocated	Rehabilitated		Allocated	Rehabilitated		Allocated	Total		Allocated	Rehabilitated		Allocated	Rehabilitated		
PIU Supervised	Total	cocoa	Total	Allocated	Total	Total	Total	cocoa	Total	Allocated	Cocoa	Coffee	Total Allocation	Cocoa	Coffee	Total
Salayea	300	205	60	600	398	1,583	400	320	80	400	400	0	1700	1,323	260	1,583
Zozor	200	120	80	700	560	1,850	500	400	100	450	450	0	1850	1,530	320	1,850
Voinjama	0	0	0	200	120	768	300	240	60	300	238	62	800	598	170	768
Quardu-Gboni	0	0	0	300	60	781	300	240	60	200	80	120	800	380	401	781
<b>Sub-Total</b>	<b>500</b>	<b>325</b>	<b>140</b>	<b>1,800</b>	<b>1,138</b>	<b>4,982</b>	<b>1,500</b>	<b>1,200</b>	<b>300</b>	<b>1,350</b>	<b>1,168</b>	<b>182</b>	<b>5,150</b>	<b>3,831</b>	<b>1,151</b>	<b>4,982</b>
<b>LAADCO Supervised</b>																
Kolahun	400	320	80	1,530	1,224	3,355	800	640	160	625	565	60	3355	2,749	606	3,355
Foya	490	401	89	1,050	840	3,005	940	752	188	525	470	55	3005	2,463	542	3,005
Vahun	110	88	22	420	336	1,290	260	208	52	500	490	10	1290	1,122	168	1,290
<b>Sub-Total</b>	<b>1,000</b>	<b>809</b>	<b>191</b>	<b>3,000</b>	<b>2,400</b>	<b>7,650</b>	<b>2,000</b>	<b>1,600</b>	<b>400</b>	<b>1,650</b>	<b>1,525</b>	<b>125</b>	<b>7,650</b>	<b>6,334</b>	<b>1,316</b>	<b>7,650</b>
<b>Grand Total</b>	<b>1,500</b>	<b>1,134</b>	<b>331</b>	<b>4,800</b>	<b>3,538</b>	<b>12,632</b>	<b>3,500</b>	<b>2,800</b>	<b>700</b>	<b>3,000</b>	<b>2,693</b>	<b>307</b>	<b>12,800</b>	<b>10,165</b>	<b>2,467</b>	<b>12,632</b>

Table 2: Seedling Distribution FY2012-2016

Year	Purchased and planted (seeds)		Distributed (seedlings)		Total (seedlings)
	Cocoa	Coffee	Cocoa	Coffee	
2012/13	110,828	36,213	74,615	12,350	86,965
2013/14	644,950	147,050	543,420	42,437	585,857
2014/15	388,860	104,000	352,543	32,654	385,197
2015/16	467,570	61,173	398,376	In nurseries	398,376
<b>Total</b>	<b>1,612,208</b>	<b>348,436</b>	<b>1,368,954</b>	<b>87,441</b>	<b>1,456,395</b>

29. Anecdotal information obtained by the Mission indicates that project activities have undoubtedly achieved some of these targets. Discussions with stakeholders during the mission confirmed the report of the last Supervision Mission of definite improvements in yield and some improvement in quality. The increased tonnage and value of commercialisation of farm production are only imperfect proxy indicators, but suggest that the actual gains may fall short of target.

30. **Commercialization:** The project model is based on strengthening farmer cooperatives through assistance to beneficiary farmers and marketing of their produce through a private sector partner (LAADCO).

31. Construction and use of solar dryers. As a mechanism for improving the quality of cocoa beans marketed by farmers, the project is trying to get farmers to adopt solar dryers. Two models are being propagated – a large capacity dryer located at central level and mini-solar dryers for use by individual farmers. Two hundred and forty-eight (248) rolls of thermal plastic have been procured by the project and distributed to Coops (which corresponds to approximately 248 large or 1,000 small solar dryers). Only 53 large dryers have been constructed and are being used by the Coops.

32. The February 2016 Supervision Mission agreed with the recommendation of the PIU that the solar dryer plastics be given to deserving farmers free of charge, but recommended that criteria be developed by the Coops and PIU to ensure that beneficiaries actually use the dryers. It is anticipated that this will lead to a higher adoption rate by the farmers. The criteria have been developed, but to date, none of the mini dryers have been constructed.

33. Grading and Marketing. Beneficiary farmers sign a contract with their cooperatives to deliver the produce from their rehabilitated farms to their cooperative for onward transmission to LAADCO. LAADCO pre-finances the Cooperative for commercialization of their produce. Cocoa delivered to LAADCO each year range from 270 – 365 mt of cocoa. Only 17 – 45 mt of coffee were delivered each year with no coffee deliveries during 2015-2016 financial year (Table 3:).

34. The mission found in the cooperatives visited that there are varying degrees of disconnect between members and the cooperative Board Members. The clear exception was Sebehill cooperative. Members attributed its success to the trustworthiness of their Board which respected all members, including the old, women and the illiterate. Membership trust in, and loyalty to their cooperative Board appears to be a defining element of a successful farmers' cooperative.

35. It is therefore no coincidence that last year (2015/16) Sebehill commercialised more produce than the other six cooperatives combined. Of the others, three commercialised less than US\$50,000 of produce in 2015/16, which approximates to the annual equivalent of the monthly subsidy (US\$4,000) given by IFAD PIU to each cooperative. Of this amount, US\$1,400 is for stipends of 6 key members of the cooperative management team. Such low revenue from commercialisation may render such cooperatives incapable of continuing the employment of their IFAD-sponsored management team when the project ends.

36. Although the PDR does not explicitly stipulate that the project beneficiaries should be members of the cooperatives, or required to join, this weakness was identified by the previous Supervision Mission. The present mission reiterates the view that consolidating supply commitments through cooperative membership, including shareholding, can discourage side-selling and reinforce the longer term viability of cooperatives. It was pleasing to note that most Coops visited that they are now insisting that all beneficiaries of project activities should become registered members of the coop.

The problems with the commercialization model were detailed in the last Supervision report. The present mission saw continued evidence of distrust of LAADCO, despite the support that LAADCO has given to farm rehabilitation. There are two main areas of contention: firstly, that value deductions made for excess moisture and quality defects are not transparent, because the grading process is performed in Monrovia; secondly, that prices offered by LAADCO are less than those offered by the parallel market.

Table 3: Commercialization of produce by Cooperatives through LAADCO

Cooperative	District	Tonnage; FY13/14		US\$		Tonnage: FY14/15		US\$		Tonnage: FY15/16		US\$ (rec'd by coops)		Total Tonnage		US\$
		Cocoa	Coffee	Cocoa	Coffee	Cocoa	Coffee	Cocoa	Coffee	Cocoa	Coffee*	Cocoa	Coffee	Cocoa	Coffee	
Sebehill	Kolahun	60.28	4.75	103,079	4,275	207.7	38.11	412,862	50,829	175.50	13.40	357,705	15,000	443.48	56.26	943,750
Maliando	Foya	60.62	0	103,660		51.89	4.69	94,039	6,098	44.30		86,740		156.81	4.69	290,537
Guma Mende	Vahun	48	0	82,080		50.1		89,539		30.12		58,464		128.22	0.00	230,083
Quapatamai	Salayea	41.62	0	71,170		6.13		12,000		24.66		47,568		72.41	0.00	130,738
ZDFCS	Zorzor	38	0	64,980		36.91		67,181		42.02		81,511		116.93	0.00	213,672
QGFCs	Quadu-Gboni	10.86	3.46	18,571	3,114	0.9		1,711		1.98		3,834		13.74	3.46	27,230
VDFCS	Voinjama	9.82	8.85	16,792	7,965	10.8	2.36	22,831	2,947	13.75	0.242	28,187	266	34.37	11.45	78,988
Total		269.2	17.06	460,332	15,354	364.43	45.16	700,163	59,874	332.33	13.64	664,009	15,266	965.96	75.86	1,914,998

\*FY15/16 coffee commercialization started in Jan. 2016, but coops are reluctant to sell at the current price (\$1.10/kg)

37. The previous Supervision Mission recommended that grading should be carried out at each cooperative warehouse, rather than in Monrovia. LAADCO management in Monrovia assured this Mission that it wholeheartedly concurs and will implement this important change for the next harvest season and had communicated that to the Coops. However, Coops visited by the Mission reported differently, indicating that LAADCO planned to continue with its old practice, and in fact worsen the situation by transferring grading from its Kolahun substation to Monrovia.

38. It is evident to the Mission that there is a strong element of miscommunication and misinformation. This was enhanced by the draft contract left with the Coops which does not specify where grading would take place or the incentives systems to be applied by LAADCO, which the Coops have refused to sign. Although LAADCO management subsequently informed the Mission that it expected the coops to suggest any modifications they wanted, the Mission believes and recommends that LAADCO should, with the support of the PIU, negotiate with the Coops and redraft the contract incorporating the location and system for grading, and agreed changes in the incentives structure to be applied.

39. The previous mission also recommended that grading should, if possible, be carried out by independent certified graders. LAADCO, has indicated that it is willing to accept such a system, but cannot finance it. The mission recommends that PIU continue to explore the possibility of putting such a system in place.

40. A more intractable issue is that LAADCO prices are uncompetitive with its competitors, whether these are from Monrovia or Guinea. In regard to coffee, LAADCO recognises that this crop is unprofitable and has reduced its purchases. In regard to cocoa, LAADCO seeks to expand its intake, and the project has endeavoured to increase the percentage of Grade 1 as a justification for better prices. The mission understands that farmers are not convinced. Apparently they can easily sell semi-fermented and moist cocoa beans, as well as coffee, to other traders. This is advantageous to them because they can sell their produce, and sooner, to indiscriminating buyers who generally offer higher prices. Critically, these buyers make advance payments earlier in the year (e.g. April) than does LAADCO (August), which alleviates urgent needs for the farm family. Moreover, these buyers appear to have no problem with repayments. In Guinea, where a large portion of cocoa and coffee is exported, the domestic market is more developed and can assimilate lower quality produce. In this context, the parallel market has a better business model and can out-compete LAADCO.

41. The issues mentioned – replication, cooperative viability, trust in cooperatives, lack of operating capital without the project, and the uncompetitive business model for commercialisation – pose serious challenges for the continuation of the commercialization model after the end of the project. They were explicitly recognised by the previous Supervision Mission. Farmers may well continue rehabilitating their farms with low inputs and sub-optimal yield and value. The cooperatives may combine into a Lofa Cooperative Union, but some cooperatives are likely to be non-viable, or may revert to their pre-IFAD state. The bottom line, however, is market price competition from aggressive competitors which may bypass the cooperatives unless they directly engage with those alternative markets.

Agreed Action	Responsibility	Agreed date
Improved data collection and analysis of: (i) yield and quality of farm production; (ii) impact of project outputs on target beneficiaries; (iii) farmer replication of 1 <sup>st</sup> ha.	M&E Staff, TCO	15th Dec
Explicitly confirm (in writing) that grading and billing will be done at cooperatives warehouses and communicate that to the cooperatives	PIU, LAADCO	15 <sup>th</sup> Aug
Assist LAADCO to prepare a more robust and informed contract with the support of legal counsel services	PIU, LAADCO	31 <sup>st</sup> Aug
Investigate the likely costs and benefits of introducing grading by independent certified graders, in follow up to previous recommendation	PIU	31 <sup>st</sup> Oct

## Component 2: Rehabilitation of farm to market roads

42. The farm to market component consists of the rehabilitation of feeder roads to facilitate smallholders' access to markets. Rehabilitation of 315 km of farm-to-market roads was planned for drainage structures and gravel pavement under this component. The target has been scaled down to about 153km due to funding constraint. To date almost all drainage structures (box and pipe culverts, and bridges) in batches 1 & 2 (143.2km) have been completed. The remaining structures mainly two bridges are at various stages of construction and will be substantially completed by the end of 2016. The gravel pavement works completed is about 75%. About 53km of gravel pavement works await approval before contract award. Batch 3 still has to be finalized and approved. Delay may affect the inertia and enthusiasm of all parties involved in implementation. In the ensuing discussion, it was apparent that the planned target will have to be down scaled as was observed during in February 2016, due to funding constraint.

43. **Batch 1:** The first batch of 60.2 km farm-to-market roads, consisted of 16 lots allocated to 8 local contractors 6 for drainage works and 2 for gravel pavement works respectively; 98% of drainage structures and 82% gravel pavement works have been completed (Table 4:). The drainage structure works comprising circular pipes and box culverts have been 100% completed and 10 bridges, 9 of which have been completed. The last bridge is under construction on the Foya Tengia - Sadu Bendu Road.

44. **Batch 2:** In mid-2015, rehabilitation of an additional 83 km of farm-to-market roads selected by cooperatives and local authorities was planned (Table 5:). Seven contracts were awarded for drainage works and two for both drainage and pavement works. Two roads were not awarded Clonal Garden (6.6km) and Memolahum (10.8km). Five of the contracts for culverts and bridges have been completed. One bridge on the Konia – Ziggida Road is under construction. The two contracts for drainage and gravel pavement works have been completed. Pavement works completed on 14.1km, 17% of the original target of 83km.

45. All drainage structures have been satisfactorily constructed within specifications and standards of the Ministry of Public of Works. The structures appear to be functional and providing an effective drainage system on all roads. The gravel pavement works by the three contractors with road plants and equipment have also been satisfactorily executed, considerably improving road condition with the resultant increase in vehicle speeds, reduction in journey time and improved access.

46. **Third batch:** In February 2016 an additional 125km was under preparation for rehabilitation. This target has been progressively down-scaled due to non-availability of funds. The priority now according to PIU is to complete Gorlue-Bosheleta (4.5km) and Gbanway – Kpanjoa (5.7km).

47. The 2016/17 dry season is the last full construction period of the project before the closing date of the loan in 2017. Action must now be taken on the way forward and all contracts awarded before the end of the current rainy season.

48. **Contract Management.** It was clear in February 2016 that there were lapses in supervision of road works and contract management. PIU was advised to upscale contract site supervision to fully apply relevant contract conditions and improve on the supervision of contractors. As a result PIU reported that the Ministry of Public Works (MPW) has continued to monitor the road works in Lofa County on a quarterly basis. The situation has not improved and the focus must be on daily site supervision to ensure that the contractors adhere to contract conditions and specifications. This cannot be achieved through periodic field visits which leaves works execution almost entirely to the interpretation and discretion of contractors. However since PIU is in the last year of project implementation with reduction in quantum of on-going and new works, it will therefore not be prudent to introduce this level of site supervision at this stage. This is therefore recommended for consideration in future projects.

The Works Payment Certificates (WPCs) were certified only by PIU Engineers. There was no evidence that, the MPW County Resident Engineer (CRE) who is supposed to be involved in the technical contract management of roads in the County, checked and endorsed the WPCs. Checking and endorsement by MPW would provide much desired oversight and added confidence in the supporting documents. The current Memorandum of Agreement (MoA) between PIU and MPW must be reviewed to reflect this role with provision of incentive for the CRE which must be performance based.

Table 4: Road Rehabilitation - Batch I (Status as at end of June 2016)

No	Road Name – Batch -1	District	Start Date	Length (Km)	Proposed Width (m)	Type of Works	% completion (Structures)	Contractor
	Structures							
1	Folima-Nyema	Vahun	11/07/13	6.3	4.5	Culverts	100.00%	CROSSROADS Ent.
2	Kamatahun – Yengema	Kolahun	10/24/13	5	4.5	Culverts	100.00%	CROSSROADS Ent.
3	Polowu-Kiatahun	Kolahun	10/24/13	6.6	6	Culverts	100.00%	Kolovalee Construction
4	Foya Tengia-Sadu Bendu	Foya	10/24/13	4.5	4.5	Culverts	100.00%	General Engineering
5	Yassadu-Kojoloe – Phoenica	Foya	10/01/13	8.5	4.5	Culverts	100.00%	PHOENICIA
6	Selega-Melvinkamadu	Quardu Gboni	10/24/13	10.9	4.5	Culverts	100.00%	General Engineering
7	Samadu road to Nyemakamadu	Quardu Gboni	11/07/13	8.6	4.5	Culverts	100.00%	PERFECT TRADING
8	Zorzor road-Nekebozu	ZorZor	10/24/13	6.7	4.5	Culverts	100.00%	Wonieco Inc.
9	Zorzor road-Vetusu	Zorzor	10/24/13	3.1	4.5	Culverts	100.00%	Wonieco Inc.
	Kamatahun – Yengema	Kolahun				Bridges	100.00%	Wonieco Inc.
	Foya Tengia-Sadu Bendu	Foya	02/13/14			Bridges	87%	General Engineering
	Yassadu-Kojoloe	Foya	10/15/13			Bridges	100.00%	PHOENICIA
	Nyemakamadu	Quardu Gboni	10/24/13			Bridges	100.00%	General Engineering
	Zorzor road-Nekebozu	ZorZor	10.24/14			Bridges	100.00%	CROSSROADS Ent.
	Gravel Pavement							
	Folima, Kamatahun, Foya Tengia, Yassadu, Kiantahun	30.9					65%	SSF
	Melvinkamadu, Nyemakamadu, Nekebozu, Vetusu	29.3	05/01/14				100%	MDMC
		60.2						

Table 5: Road Rehabilitation - Batch II (Status as at end of June 2016)

No	Road Name	District	Start Date	Length (Km)	Proposed Width (m)	LOT #	Type of Works	% of Completion (Structures)	Contractor
1	Gorlue/Bosheleta Road – Guniea Border Intersection	Salayea	June 2015	6.6	6.0	16	Culverts, bridges & gravel Pavement	100%	Cross Roads Ent. Inc.
2	Kpademai/LISCO Camp Road – Clonal Garden	Voinjama	TBD	6.7	4.5	17	Culverts& gravel Pavement	TBD	
3	Kolahun/Foya H/way – Sevilahun-Dow Dow	Kolahun	June 2015	7.2	4.5	18	Culverts	100%	Wonieco
4	Memolahun – Seema	Vahun	June 2015	8.3	6.0	19	Culverts and bridge	22%	Cross Roads Ent. Inc.
5	Kolahun/Foya Highway – Joseph Kollieta	Kolahun	June 2015	9.2	6.0	20	Culverts and bridge	Conditional	
6	Voinjama/Kolahun Highway – Kpangblamin	Voinjama	June 2015	13.9	6.0	21	Culverts and bridge	96 %	LETCO
7	Warsonga-Sadu Bendu	Foya	June 2015	6.9	4.5	22	Culverts	100%	Perfect Trading
8	Kporlornin – Yengbemai	Foya	June 2015	4.9	6.0	23	Culverts	100%	EADECON
9	Konia – Ziggida	Zorzor	June 2015	11.8	6.0	24	Culverts	100%	Sama Tech
	Konia – Ziggida					25	Bridge	78.2%	Sama Tech
10	Zorzor H/way – Passama & Telemai to Yarpua	Salayea Salayea	Oct. 2015	5.4 2.1	4.5	26	Culverts& gravel Pavement	100%	MDMC
\				83					





49. **Utilisation of funds** for road rehabilitation and maintenance: The utilisation of funds for construction and rehabilitation from the technical information and documents made available and engineering review still appears to be satisfactory. This does not relate to issues of procurement and finance. The cost per km for rehabilitation increased considerably after project design and the targeted length of road was reduced. Furthermore currency devaluation will result in additional reduction. For most of these roads the intervention has been reconstruction involving earthmoving and other road equipment and not rehabilitation, hence the increased unit cost. Additionally some of these roads are in hilly terrain (steep slopes and serpentine horizontal alignment.) with the required extensive drainage and earthworks adding to the high cost per km.

50. **Sustainability:** Availability of resources for maintenance is key to the life of farm to market roads rehabilitated under the STCRSP. The resources are essentially in two main categories; funding and capacity to timely plan and effectively execute maintenance activities. There must be some institutional arrangement in place and commitment by all, to ultimately preserve the investment and maintain in good condition the farm to market access provided for the rural communities. It is critical that the MPW, MOA, MIA cooperatives, engineers and PIU together intensify the on-going efforts to inform and sensitize communities to ensure long-term sustainability of road maintenance.

51. **Findings:** Findings are presented below to reflect observation and discussion with some beneficiary communities both in February and July 2016 during field visits:

- The state of the main highway continues to be a major challenge to farming communities. The condition of the highway is deplorable and a disincentive to farmers to transport produce south to Foya, Kolahun and beyond. The Vahun Section of the highway continues to threaten the survival of the Coop which has major difficulty in evacuating its produce. This condition has also caused delays in the completion of two of the STCRSP feeder roads. It is possible the required maintenance intervention may not address the failed section in time for the feeder roads under contract to be completed before loan closing date;
- The project design post construction survey must determine the impact of the intervention. However some of the impacts observed or reported within the beneficiary communities as a consequence of the improved road condition:
  - The farm-to-market roads rehabilitation has brought **visible improvements** to the roads (Figure 1:)
  - **Intervention by other Donor Agencies** – other Donor Agencies have gained access to beneficiary communities to undertake other development projects as a result of the newly constructed roads;
  - **Livelihood for Community Residents** – there is visible improvement in the livelihood of community residents, commercial activities (pit sawyers, many petty traders, visible electricity), reduced transportation cost for commuters (reduced travel time), frequency of commercial vehicles/motor bikes;
  - **Better wages and easy access to health facilities** - Community residence are having better prices for their produce and easy access to schools, clinics, hospitals;
  - **Improved linkages between communities** – Towns and villages along the route are easily accessible improving communication and local governance.
  - **Youth/Local Contractor Empowerment:** - Youths were financially and technically empowered by their participation in various aspects of road works; similarly, the capacity of Local Contractors has significantly improved.

Figure 1: Photographs of rehabilitation works of some Batch 2 roads, highlighting road condition before, during and after rehabilitation

**Foya Tengoa to Sadu bendu road (4.5km)**

Bridge # 1



Before



During



After

Bridge # 2



Before



During



After

**Foya - Yassadu to Konjorole road (8.5Km)**



Before



During



After

**Voinjama - Selega/ Barkadu Rd. to Nyamakadu Bridge # 2**



Before



During



After

**Kolahun - Kamatahun to Yengema (5.0 km)**



Before



After

**Kolahun - Porlowu to Kiantahun (6.6Km)**



Before



During



After

Agreed action	Responsibility	Agreed date
Start bidding process for the gravel pavement for the remaining 53km of Batch 2 roads	Procurement, Project Coordinator	15 <sup>th</sup> August 2016
Start procurement process for the 10.52km of Batch 3 roads	Procurement	15 <sup>th</sup> August 2016
Community sensitization on road maintenance	PIU civil engineers with PP and coops, M&E	Continuous
Undertake baseline for batch 3 roads – traffic, differentiated crop prices; identify indicators	PIU civil engineers and M&E Officer	30 <sup>th</sup> September 2016
CRE to check and endorse all Work Payment Certificates	PIU and MPW	31 <sup>th</sup> July 2016

### Component 3: Institutional Capacity Building

52. Building and strengthening the institutional capacity of participating cooperatives, as well as the Ministry of Agriculture at County and District levels, is a cross-cutting and fundamental element of the project approach for effective implementation and long-term sustainability of interventions. This has taken the form of provision of hardware as well as training of Coops and partners, and exchange visits with other successful projects.

53. **Cooperative development.** With the view to meeting project objectives, strengthening of the institutional capacity of cooperatives to facilitate the commercialisation of cocoa/coffee produce and provide services to farmers has been giving particular attention throughout project implementation. Seven District-based cooperatives in Lofa County have been supported by the project (Sebehill in Kolahun District, Guma Mende, Foya Maliandoe, Quardu Gboni, Voinjama, Zorzor and Salayea).

54. The key features of the harmonised capacity building approach include: (i) development of business plans and complementary capacity-building plans; (ii) institutional support based on capacity-building plans; (iii) emphasis on good governance and management; (iv) provision of hardware; and (v) effective monitoring and evaluation. Given the implication on the workload of the PIU Institutional Capacity Building Officer, two additional consultant capacity building officers were recruited in October in 2014 to constitute a Lofa-based Coop support team.

55. Hardware supplied to Coops consist of vehicles and motorbikes to improve the mobility of the Coop Management team, construction and equipment of 3 central warehouses located in Zorzor, Salayea and Quardu Gboni, rehabilitation of two ware houses, construction of 23 mini warehouses, construction of 53 solar dryers. Other hardware comprise two five-ton trucks (one for 3 Coops & one for 4 Coops), 60 motorbikes, 43 laptops, 7 printers, 7 projectors, 8 5-KVA generators, 20 GPS, 6 moisture meters, furniture. Coops have also received equipment for their warehouses (platform scales, strollers, etc., and equipment for farm rehabilitation (machetes, hoes, planting irons, automated sharpening stones, etc.), which have been maintained in tool banks.

56. The mission observed with pleasure that furniture and equipment supplied to the Coops were produced on demand for inspection by the team, and were functional and in use by the coops.

57. Fourteen (14) young professionals (YPs), continue to be engaged to provide dual technical support to the Coops as M&E and tree crops officers. PIU in collaboration with the Lofa County Community College (LCCC) has also accommodated 14 Interns from the College's agriculture department for support to the Coops in community engagement, commercialization activities, KIT.CARI cocoa survey and rehabilitation of cocoa and coffee farms in the seven districts in Lofa.

58. Regular incentives have been provided to the Cooperatives in the form of stipends for the Management teams usually consisting of a Business manager, an Accountant, a Tree crop officer, a Marketing officer, a Driver and one Security staff.



59. The seven Coops can boast of overall increase in membership by 40% from last year as a result of membership drives supported by the project. As part of its capacity Building Support, the project in collaboration with the CDA has supervised 8 General Assemblies since its start in 2013 (Salayea(1), Zorzor(1), Sebehill (2) Foya(2) Vahun(1), and Voinjama(1)) to ensure information sharing among coop members and create a smooth leadership transition according to their by-laws and constitutions. Training workshops have been conducted on agribusiness and capacity building, computer use, tree crop rehabilitation, and M&E.

60. **Payback of investment costs:** All beneficiaries of farm rehabilitation whether Coop members or not, are required to pay back 40% of the investment cost (US\$207). Coops have signed agreements with all beneficiaries to pay the amounts in the form of produce delivered to the Coops – 10% after the second harvest and 30% after the third harvest. To date US\$1,992.27 has been collected (Sebehill US\$1,038.27, Foya US\$600.00, Vahun US\$159.27, Voinjama US\$15.00, Zorzor US\$60.00, and Salayea US\$120.00).

61. Following the recommendations of the last Supervision Mission PIU has increased its sensitization of the Coops on their obligations to have their farmers pay back the agreed amounts, as a result of which, and the recognition among Coops that the revenue would be useful in financing their trading activities after the end of the project, the mission noticed an increased awareness among the coops' Boards and management, to the extent that collection of outstanding amounts features in the exit strategy of the coops.

62. **Sustainability issues – exit strategies:** The mission noted with pleasure that there has been much increased attention to planning by coops for the end of support from the project next year. Strategies have been discussed in Board meetings with minutes kept of deliberations. Strategies planned include reduced stipends for management team members supported by IFAD, diversification of activities to include establishment of new coop owned cocoa plantations and rice farms, custom rice milling, operation of retail/agro business stores, etc; increased investment by shareholders e.g. agreement by Sebehill shareholders to contribute 50kg of cocoa with 50 out of 153 shareholders immediately making payments; plans to establish a Lofa County Union among the 7 Coops; and plans to move to “bulking” of produce from members for sale to buyers at the Coop warehouse.

63. PIU has worked with the Coops to develop and revise their “business plans”. However, the mission noted that the so called business plans are annual financial management plans. The mission recommends that PIU work with the coops to prepare a minimum 3-year business plan with projection of revenues of revenues and expenditures for at least 2 post project years. This will help focus the minds of the Boards and management to the feasibility of their current plans.

64. The mission confirmed the findings of the previous mission that there has been a general improvement in the performance of the seven Coops as a result of the support of the project. Some moribund Coops are now active with functioning Boards and regular meetings, with variable achievements among the Coops in terms of day-to-day management and performance, volume of produce commercialised over the three marketing seasons, etc. The challenge for the coops is now to put in place and implement strategies that would ensure their survival and growth after project support ends.

65. **Support to MOA at County and District Levels.** In addition to the institutional support to cooperatives, the project is also providing institutional capacity building support to the MOA at decentralised level (County and District levels), with an agreement in place between the PIU and the CAC. Support to the CAC/DAOs construction of 8 offices for the CAC and DAOs, supply of one 4x4 vehicle for the CAC and eight heavy duty bikes for 8 DAOs, 14 light motor cycles to the Young Professionals assigned to the DAOs and office furniture and equipment (generators, Laptops and printers). Financial support is being provided for meetings limited CAC and DAO operating costs, including monthly stipends and supply of fuel for vehicle and motor bikes.

66. Training has also been provided to the DAOs and YPs through their participation in all the workshops and training activities organized for the coops.

67. The mission confirmed the findings of the previous mission that there has been a general improvement in the performance of the CAC and DAOs as a result of the support of the project. The availability of the YPs has allowed them to have a wider outreach of farmers and provide technical support, e.g. advise on proper fermentation and processing of cocoa, monitoring of all IFAD rehabilitation processes, etc.

68. **Exit strategy:** As with the coops the ending of support to the CAC and DAOs at the end of the project will pose challenges. The CAC expects that the YPs will be absorbed into the staff of MOA and MOA will take over provision of support for operations, especially supply of fuel for the vehicle and motor bikes

69. **Support to Local Councils in the area of road maintenance:** It appears there is still no strategy for road maintenance although there are on-going studies to establish a road maintenance fund and road agencies for management of all categories of roads. The Local Councils do not appear to have the funding and structure in place for the maintenance of feeder roads and await guidance from the Ministry of Public Works. The STCRSP Project implementation Unit (PIU) has continued to carry out road maintenance training awareness to all beneficiary communities in routine maintenance activities such as road side brushing, de-silting of concrete structures and potholes repairs etc. The formation of youth brigades for road maintenance has still not taken-off. In the interim the PIU has engaged some local communities to perform routine maintenance (road side brushing) on some of the completed batch 1 roads. This appears to be working well and should be encouraged as it can be made to be sustainable.

Agreed action	Responsibility	Agreed date
Update all cooperatives business plans to three-year plans (including sustainability plans)	PIU Agribusiness consultant, Boards of Coops	30 Oct, 2016
Printing and distribution of STP manual	IFAD	30 Sept, 2016
Submission of formal request with costing for absorbing the Young Professionals, and post-project support to CAC and DAOs for inclusion in MOA annual budget.	PIU, MOA	30 Sept, 2016
Plan for a learning visit for selected coop board members in a country with successful cooperative experience	PIU	30 Nov, 2016

## D. Project implementation progress

70. **Component 4: Project Management:** To date, all STCRSP staff have been recruited with the Agro-Business Officer position, originally foreseen in the project design, for which suitable candidates were not identified, being occupied by two capacity building consultants. This component includes equipment, operating costs and consulting services as required to manage the project for the PIU. A County-level PIU is in place in Lofa for the implementation; following up on activities in the field and reporting to Monrovia PIU/MOA. Coordination, M&E, Finance and Procurement are also a part of this component. The project has a total of 24 staff (all local).

71. Although some of the constraints associated with the move of the Central PIU to Fendall, noted by past Supervision mission still exist, e.g. the loss of time due to the remote location, the general situation has improved (access to Wi-Fi, more regular power supply) and the unit has settled and is working well.

72. The mission concurs with the desire of the PIU to initiate, with new performance-based contracts, a reward/recognition scheme for well-performing staff/leaders at all levels (including YPs), e.g. with exposure visits for those making significant efforts and facilitating improvements in the areas of gender and targeting.

73. **Monitoring and Evaluation (M&E).** The mission observed that an effort has been put into improving the current reporting system. The mapping of the current data flow process between the different M&E related actors (from the field to MOA) is ongoing. This needs to be finalized, and the roles and responsibilities need to be clearly spelled out. Once this is done, the tools and templates utilized need to be standardized by district but tailored to the specific TORs of the reporting officer. For example, the template utilised to collect data by the Cooperatives or by the M&E YPs should be the same across districts, but different to those used by the Tree Crop YPs or the DAOs. The current way of collecting data and reporting does not seem to be efficient nor effective.

74. Although reporting by the project is still largely focused on activities and output indicators included in the Project logical framework, some additional work has been undertaken since the last supervision mission, with external partners, to collect outcome/impact data. The cocoa assessment was in fact conducted between May and June by CARL with technical support by the Royal Tropical Institute. As part of the assessment, FGDs with “treatment” and “control” farmers were also undertaken to complement the quantitative data from the household survey. The final report will be available by the end of August. A follow up survey is planned during harvest to collect yield data at the farm level and a socio-economic survey on the impact of the farm-to-market roads rehabilitation component is also in the pipeline.

75. The Mission was informed that in May 2016 the PIU participated in the Project Completion Review Workshop organized by IFAD in Monrovia to formally kick-off the project completion review process for STCRSP. During this event the PIU staff (Project Coordinator, M&E Unit, FM, Procurement) were provided with an overview on IFAD’s operating model, stages of the project cycle, self-evaluation process with a focus on project completion and IFAD’s current institutional requirements. The final output of the workshop was a ‘0 draft’ of the Project Completion Report (PCR) and a Plan of Action for the project from May to completion (September 2017). As part of the workshop the PIU team also reviewed the assessments and studies conducted in the past years that document project results and that will feed into the PCR. Data-gaps were identified and the PIU is moving forward in planning additional studies to be rolled-out to fill in those gaps.

76. The project has yet to purchase the appropriate software to download and analyze data collected through the 20 GPS devices purchased by the PIU. Therefore the area measurements, and the geo data for rehabilitated plots has yet to be utilized for reporting and decision making. The mission recommends the timely purchase of the software and the roll-out of the training plan to the users of the GPS devices and software.

77. **Knowledge Management.** The Sao Tome & Principe (STP) manual is yet to be printed by IFAD for distribution to the farmers to serve as guide for replication of the STP learning. The STP learning at the demonstration sites is yet to be fully utilized. The mission repeats the recommendation of the last Supervision Mission that printing of the manual should be expedited.

78. The mission reiterates the view expressed by the last Supervision Mission that results achieved by some of the cooperatives supported by STCRSP (e.g. Sebehill Kulasumai Farmers Cooperatives) could undoubtedly be a source of inspiration for other cooperatives. It is therefore recommended that a “road show” be organized for the high-performing cooperatives to facilitate sharing of knowledge and good practices with other cooperatives. Furthermore, it is also recommended that the Project explore alternative ways of sharing good practices with farmers – Community Radios to disseminate information on tree crop rehabilitation, production and commercialization, etc., tapping on the experience acquired by the NPCU in Sierra Leone.

Agreed action	Responsibility	Agreed date
Review data flow between different actors in the M&E system and revise reporting tools and templates to avoid duplication of efforts.	Central and Lofa PIU	31 Aug 2016
Ensure necessary actions are taken to purchase and install GIS software on YPs computers and that necessary training is conducted	Central and Lofa PIU	30 Oct 2016
Invite NPCU Communication Officer from Sierra Leone to provide support on dissemination of project information	PIU, M&E	30 Jan 2017

79. **Targeting approach.** The project focuses on youth and women’s engagement in all aspects. The sensitization of communities on the targeting strategy is an ongoing process and there is a good

level of understanding, with emphasis on inclusion of the most vulnerable (including elderly, disabled and women-headed households). PIU has documented the stages of the farm rehabilitation process. However, the farmer selection process still needs to be documented.

80. **Gender focus.** Total Cooperatives' Membership now stands at 9,370, consisting of 28% women (Table 6:). Female beneficiaries of rehabilitation currently comprise 33% of beneficiaries of rehabilitation, ranging from 17% in Voinjama to 34% in Quardu Gboni (Table 7:), as against the 25% target .

Table 6: Gender distribution of Cooperative membership

Cooperation	Male	Female	Total	# of Shareholders	Cost/share	Registration fees
					LRD	LRD
Sebehill	1405	468	1,873	153	1,000	500
Guma Mende	1106	479	1,585	300	500	200
Maliandoe	1,320	705	2,025	1,500	500	100
Quardu	884	266	1,150	800	500	free
Zorzor	511	131	642	199	500	500
Quapatamai	861	170	1,031	435	1,000	300
Voinjama	653	411	1,064	16	1,000	300
TOTAL	740	2,630	9,370			

Table 7: Gender composition of beneficiaries of the rehabilitation exercise for LAADCO supervised coops (2015-2016)

	Coop name	# of ha allocated	# of farmers	# of male	# of female
1	Guma Mende	500	500	365	135
2	Foya Maliandoe	525	525	364	161
3	Sebehill	625	625	512	113
<b>Total</b>		<b>1,650</b>	<b>1,650</b>	<b>1,241</b>	<b>409</b>

81. **Youth focus.** For youth, 7,781 have been mobilised into village youth groups to date, 12% of whom were female. In addition, to date youths involved in roads side brushing total 812 (females 117 and males 695)., and 42 interns from three community colleges recruited and served as enumerators in the collection of data for the TCEP cocoa study. The physical nature of the work of Youth Groups (brushing, de-shading) which are traditionally male activities, is an understandable constraint to increasing women's participation in that activity (Table 8:). It appears that the project has commendably been able to achieve more than the project target, and the proportion of female beneficiaries has increased during the 2015/16 campaign.

Table 8: Composition of Youth Groups (Break-down per year of youth engaged)

Fiscal Year	Total	Male	Female
2012-2013	1,357	1,320	37
2013-2014	2,215	1,935	280
2014-2015	1,771	1,511	260
2015-2016 <sup>3</sup>	2,438	2,089	349
<b>Total</b>	<b>7,781</b>	<b>6,855</b>	<b>926</b>

<sup>3</sup> Youth engagement for farms rehab. in FY15/16 is partial , work ongoing until May 2016



82. The mission notes that the PIU and Coops appear to be paying increased attention to the quality of women participation. While women beneficiaries continue to have constraints in auto expansion of rehabilitated areas due to lack of capital, especially access to farm labour, this appears to be an issue mainly for widows, a situation common with aged and disabled men, both of whom were targeted by the project for receipt of rehabilitation benefits. Some Coops are making efforts to assist their disadvantaged members in this respect, as the project draws to a close.

83. Although the mission got information of reasonable gender participation in the Boards of other coops, it supports the recommendation of the last Supervision Mission to further promote women's leadership in cooperatives through the facilitation of exchange visits with Sebehill Cooperative, which is performing well under female leadership and training women members in value addition activities, and that the new performance-based contracts to be signed should include gender and targeting aspects, developed as a consultative process.

Agreed action	Responsibility	Agreed date
Document selection process (including criteria and actual selection process) for all project activities targeting farmers	PIU Tree Crops Officer/ STCRSP M&E Officer	31 Dec, 2016
Allocate resources in the AWPB for technical gender training for key staff and implementing partners	PIU Tree Crops Officer/ STCRSP M&E Officer	15 Aug, 2016
Promote women's leadership in cooperatives through facilitation of exchange visits	PIU Tree Crops Officer	31 Dec, 2016

## E. Fiduciary aspects

### A. Financial Management

84. **Overall assessment:** As at 30 June 2016, actual disbursement on IFAD Loan of SDR 10.5 million was SDR 8.62 million or US\$ 12.7 million. However, taking into account the pending WAS the projected disbursement was SDR 9.27 million or US\$ 13.65 million or 88%. The total available funds as of the same date are estimated at SDR 2.20 million or<sup>4</sup> US\$ 3.05 million. The draft budget for 2016/17 financial year, which is yet to be finalised at US\$ 2.59 million is expected to absorb the bulk of the available funds. The Project is planned to complete its activities on 30 September 2017 and close its Loan accounts on 31 March 2018. It was agreed that during the 14 months period to completion, the project management will focus on the following key issues:

- a) During the 14 months period to completion, PIU should focus on revising, rationalizing and finalizing the 2016/2017 AWPB and ensuring consistency with the available funds. Priority of the funds available should be given to key beneficiary activities, particularly roads. The submission of the finalised budget should be done by 15 August 2016.
- b) The Salaries and operating costs category has a balance of US\$ 310,000 which is short of US\$ 81,000 of the estimates of the draft budget of US\$ 391,000. Following the Financing rules of IFAD, when there are no funds in the Un-allocated category transfer of funds from the beneficiary categories to the salaries and operating costs is not allowed. The budget revision should ensure that the final estimates are within the available funds.

85. **Review of the Actions agreed during the last Mission:** the mission notes that the bulk of the agreed actions for the previous missions have been acted upon and the remaining ones have been carried over for immediate attention and implementation.

86. **Financial Management Systems, Capacity and Internal controls:** The Financial management systems including, planning through AWP, Accounting and reporting, Funds flow, audit

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<sup>4</sup> Estimated at the exchange rate of 1 SDR to US\$ 1.3855

and procurement have been put in place and spelt out in the Accounting manual. PIU has a fully complemented financial management team. The level of segregation of duties is adequate and all payments are duly authorized and the financial data is backed up regularly. The Project Coordinator provides the required oversight and management. However, performance of the financial planning, financial monitoring and evaluation are performing below expectations and require improvement. The budgeting through AWPB is not carried out finalised and submitted within the set timelines of 60 days before the start of the financial year. It is recommended that that in future, the AWPB process should be completed and budget document submitted by 30 April.

87. As for the accounting and reporting for the advances given to the implementing partners the reporting laid down procedures are not being followed as required in the contracts. The monitoring and evaluation by PIU should be deepened with regular monthly follow-ups of the outstanding balances. Review and evaluation of the expenditure returns in terms of value for money and for budgetary intended use should be intensified, and financial monitoring and oversight of the disbursed funds will be tightened for effective implementation.

88. **Financial reporting and Accounting Systems:** The PIU maintains its accounting records in accordance with IPSAS-cash basis of accounting. The project financial transactions are captured and accounted for using the dedicated accounting software of TOMPRO. The FM team prepares the quarterly and financial year end financial statements regularly on a timely manner. The financial statements are properly structured with the accurate sources of funds and expenditures reported by category and by components. The surplus of funds is accurately reconciled to the bank balances and outstanding advances pending accountability. The mission notes that the books and other accounting records are up-to-date. The mission commends the financial team for this quality of work. However, improvements are required in terms of accuracy, for the automated performance report of budget against actual by activity and by summaries of components and categories. This report should also include suitable explanations for the significant variances.

89. **2015/16 Budget performance against actual:** As at 30 June, 2016, actual expenditure is US\$ 2.9 million or 73%, against the budget of US\$ 3.9 million (Table 9:). In future PIU should intensify the efforts in implementing the planned activities. This will avoid the risk of closing the loan with unutilised funds.

Table 9: 2015/16 AWPB performance against Actual as at 30 June 2016.

Categories		BUDGET	ACTUALS	%age
		USD'000	USD'000	
I	Civil works	2,392	1,327	55%
II	Vehicles, Equipment, Goods & Materials	178	82	46%
III	Technical Assistance	774	928	120%
IV	Salaries, Allowances and Operating Costs	570	532	93%
TOTAL		3,914	2,869	73%

90. **2016/17 AWPB Review:** The mission reviewed the status of the budget. The mission is informed that the AWPB preparation is not yet finalised. On the basis of the draft document the planned expenditure is US\$ 2.6 million. This compared with the estimated funds available estimated at US\$ 3.05 million which indicates that on the overall, there is adequate financing. However, Category 1: Civil works, and 3; Salaries and allowances, do not have adequate funds for financing the draft budget cost estimates (Table 10:). There are no more funds in the Un-allocated category. The IFAD financing rules allow transfer of funds between development categories, but do not allow transfer to Salaries and operating costs categories unless from unallocated categories whis is fully exhausted after the last expenditure re-allocation. Therefore, the budget deficit of US\$ 81,000 would have to be financed through the rationalisation of expenditure costs. It is therefore recommended that by 15 August 2016, project management will revise, rationalise and finalise the 2016/2017 AWPB and ensure consistency with the available funds. Priority of the funds available should be given to the key beneficiary activities particularly roads.

Table 10: 2016/17 AWPB Review

		AWPB for 12 mths to 30 June 17	Estimated Balance as at 30 06 16	Surplus/D eficit
Categories		USD'000	USD'000	USD'000
I	Civil works	1,827	1,530	(298)
II	Vehicles, Equipment, Goods & Materials	16	299	284
III	Technical Assistance	357	915	558
IV	Salaries, Allowances and Operating Costs	391	310	(81)
TOTAL		2,592	3,054	462

91. **Assets and Asset Register:** The mission reviewed the Asset register and noted that it is updated with assets procured up to 30 June 2016. The project being in the last 14 months of implementation and in line with standard IFAD procedures for project completion, the PMU should conduct a physical verification of all the assets in different cost centres and those with the implementing agencies. Other improvements should include summary of the assets under suitable classes which should include motor vehicles and Motor cycles, Office Equipment, and Computers. This summary should be disclosed in the notes to the audited accounts of at the financial year end.

92. **Statements of Expenditures (SOEs):** The Mission reviewed a sample of randomly selected SoEs supporting withdrawal applications WA 31 and 32 with a total value of US\$ 1,021,416 that were submitted for replenishment of the DA since the last mission (**Error! Reference source not found.**). The random selection included transactions totalling US\$ 389,329 and representing 38% of the total WAs value. The mission reviewed the supporting SOEs of the sample and found most of them to be in accordance with procurement procedures and the Financing Agreement, and therefore eligible for claim. However, a number of items listed here below did not have critical supporting documents that would confirm use of funds for intended purpose:

- a) Cocoa pods and coffee seeds valued at US\$ 22,500. These were delivered to LAADCO for distribution to beneficiaries. The requisite signed distribution documentary evidence by the beneficiary recipients was not available. The documentation can include the signed stock issue note or confirmation reports from the cooperatives.
- b) The spare parts procured for repairing motorbikes at US\$ 5,736. No supporting documents that would demonstrate that the spares were used for repair of the project motorcycles. The stores issue notes should and motor bike log books should be used to account for these spares.
- c) Farms rehabilitation cost at US\$ 28,952. There was no documentary evidence of the work carried out and the workers paid the amount. The returns from the cooperatives should be used to account for these funds disbursed to the chairman.
- d) Fuel Cost at US\$ 2400. No evidence was available for the use by project vehicles in terms of issue notes. The fuel stock card should be used for accounting for fuel used.

93. It is recommended that the Internal Auditor should follow up the documentary support for review during the next mission, and if no satisfactory documentation is made available the amounts or unsupported part thereof should be declared ineligible.

94. **Review of the SPA and other Programme Accounts:** The mission reviewed the operation of the Loan Designated Account and other Programme Account and confirms that the Special Account allocation of USD 1.5 million is accounted for as at 30 June 2016. As of this date the combined cash position in the SPA and other programme accounts amounted to USD 482,378. The accountability includes expenditure pending preparation and submission of the WAs, amounting to USD 900,627. Another reconciling item is made up of balances totalling USD 23789, made up of advances made to the implementing partners. The other reconciling item is an advance of USD 93,207 for financing baseline survey for the new planned (TCEP) project. Apart from following up the balance of 23,789 by the implementing partners there are no major issues relative to these accounts.

Table 11: Reconciliation of the DA as at 30 June 2016.

95.

96. Review of the Performance of the Implementing Partners. During the financial year 2015/16 the project was assisted by 8 implementing partners. (Table 11:) The funds flow available to them amounted to US\$ 798,394 of which US\$ 776,528 or 97.3% was invested in the project activities. The mission reviewed a number of the reports and notes that PIU did not evaluate the financial returns in depth in terms of actual and outputs against the agreed budgets, as well as for value for money and intended use. Further, contrary to the requirement of the contract, financial reports are not received regularly on a monthly basis. It was agreed that PIU will intensify their supervision, evaluation and follow-ups and ensure receipt of monthly reports supported by analysis of implemented activities, their costs, supporting bank reconciliation and bank statements.

Table 11: Analysis of Implementing Partners and disbursement in 2015/16

Name of Implementing Partners (IPs)	Contract Duration	Contract Amount	Balance with IP at Beginning of Year	Amount Disbursed to IP at Year end	Total Fund available to IP during the Year	Amount Justified by IP Up during the Year	Balance with IP at Year end
		US\$	US\$	US\$	US\$	US\$	US\$
Quapatamai Cooperatives	2015-2016	97,354	15,816	70,468	86,285	73,472	12,812
Zorzor Cooperative	2015-2016	104,680	33,856	66,345	100,201	100,216	(15)
Voinjama Cooperative	2015-2016	74,524	4,136	56,895	61,031	60,889	142
Quardu Gboni Cooperative	2015-2016	51,868	19,016	53,295	72,311	70,482	1,829
Sebehill Coopeorative	2015-2016	36,363	8,920	85,582	94,501	94,475	27
Foya maliando cooperative	2015-2016	36,113	6,838	61,620	68,458	62,762	5,696
Guma Mende Cooperative	2015-2016	36,050	5,808	74,204	80,013	79,978	35
LAADCO (Private Partner	2015-2016	31,802	99,635	135,959	235,594	234,254	1,340
<b>Total</b>		<b>468,754</b>	<b>194,026</b>	<b>604,368</b>	<b>798,394</b>	<b>776,528</b>	<b>21,866</b>

97. **IFAD Loan:** The IFAD Loan Cumulative disbursement as at 30 June, 2016 is SDR 8.6 million or US\$ 12.75 million representing 82% of the Loan, which includes the Initial Deposit of US\$ 1.5 million (Table 12:). The Programme accounts have been reconciled with IFAD statements. However, the estimated loan utilization, excluding the Initial Deposit is SDR 8.30 million or US\$ 12.15 million and represents utilization level of 79%. These balances include expenditures pending WA 7 preparation and submission, which amounts to US\$ 901,000 or SDR 650,000 equivalents, at the current exchange rates. Consequently, the projected balance is SDR 2.2 million or approximately US\$ 3.05 million at the current exchange rates.

Table 12: IFAD loan disbursement by Category (SDR'000) and Projected Loan Utilisation as at 30 June 2017.

Category description	Original Allocation	Revised Allocation	Disbursement up to WA 32		Expenditure Pending WA 33 submission		Projected Utilisation at 30 06 16		Estimated Balance at 30 06 16		DRAFT AWPB to 30 June 2017	Estimated Balance as at 30 06 17
	A	B	C	D=C/B	E	F=E/1.385514	G=C+F	H=G/B	I=B-G	J=I*1.385514	K	L=J-K
	SDR'000	SDR'000	SDR'000	%age	USD'000	SDR'000	SDR'000	%age	SDR'000	USD'000	USD'000	USD'000
I Civil works	5,350	4,700	3,304	70%	405	292	3,596	77%	1,104	1,530	1,827	-298
II Equipment, goods, and materials	1,250	1,250	1,018	81%	22	16	1,034	83%	216	299	16	284
III Technical assistance	1,140	2,840	1,940	68%	332	240	2,180	77%	660	915	357	558
IV Salaries, allowances and operating costs	1,710	1,710	1,384	81%	141	102	1,486	87%	224	310	391	-81
V Unallocated	1,050	-	-	0%	-	-	-	-	0	-	-	-
<b>Sub-total</b>	<b>10,500</b>	<b>10,500</b>	<b>7,645</b>	<b>73%</b>	<b>901</b>	<b>650</b>	<b>8,296</b>	<b>79%</b>	<b>2,204</b>	<b>3,054</b>	<b>2,592</b>	<b>463</b>
Initial Deposit	-	-	979	-	-	-	979	-	-	-	-	-
<b>Total</b>	<b>10,500</b>	<b>10,500</b>	<b>8,624</b>	<b>82%</b>	-	-	<b>9,274</b>	<b>88%</b>	-	-	-	-

98. **Available Funds for implementation to Project completion and Closure Periods:** The estimated expenditure/budget for the remaining 12 month period 30 June 2017 is projected to US\$ 2.6 million. As at the end of the financial year 2016/17 only US\$ 463,000 is estimated to remain.

99. **Counterpart funds.** The mission noted that the total GoL contribution is approximately US\$ 70,000 equivalents, in tax exemptions on procured motor vehicles, motor bikes as well as computers and office equipments. This represents 7 % of the US\$ 2.0 million budgeted at appraisal. However, the taxes forgone by GoL on contracts including civil works and roads, Technical Assistance and studies have not been evaluated. It was agreed that all contracts will be evaluated for Taxes forgone by GoL for full credit and disclosure as GoL counterpart contribution.

100. **Compliance with loan covenants:** The mission reviewed the covenants of the financing agreement and confirms that no contravention has been noted, except for the late preparation and submission of AWPB. The Project has contravened Chapter VII, Section seven (b)ii which submission of the draft AWPB to IFAD by the lead Agency by 30 April of each. For 2016/17 AWPB this has not been complied with.

101. **Statutory Audit:** The Audit is up-to-date and the review for the financial statements for the 2014/15 financial year was covered by the last mission. The mission assessed the status of the audit for the 2015/16 financial year. The mission confirms that the books of account and other financial records are up-to-date. The Audit process may start by 1 September 2016 and PIU is confident of meeting the submission deadline. As for the future and starting with the Financial statements of 2015/2016 the mission was informed that the PIU is in touch with the General Auditing Commission, the new auditor and the Draft accounts for audit will be delivered to them by 31 August 2016.

102. **Internal Audit:** This process is in effect. The management has reviewed the report covering the period February to June 2016. It covers a reasonable scope including aspects of value for money spent. Despite the pertinent issues raised the PIU management has not managed to address the questions raised. Among the questions raised include long outstanding balances for imprests made to staff, expenditures processed without the signature of the Project coordinator. It was agreed that in future the questions raised in the internal Auditor's reports will be addressed as a matter of priority.

Agreed action	Responsibility	Agreed date
Revise, rationalise and complete 2016/2017 AWPB process, including provision that the budget deficit be financed by reduction of expenditure or by transferring eligible expenses to TCEP/RCFP	PIU	15 Aug 2016
Improve financial monitoring and oversight of the funds disbursed to the implementing partners effectively.	PIU	30 Sept 2016
Intensify efforts to implement the planned activities within 6 months (this assumes no ratification of TCEP/RCFP)	PIU/Lofa	30 June 2016
Audit and account for the cocoa pods, coffee seeds, motorcycle spare parts, farm rehabilitation cost and fuel	Internal Auditor/PC	30 Sept 2016
Strengthen the accounting system	FC, PC, Lofa PIU	31 Oct 2016
Evaluate the civil works and services contracts for taxes forgone by GoL for disclosure as counterpart contribution	FC/PC	31 July 2016
Address the issues raised in the Internal Auditors report	PC/FC/M&E	15 Aug 2016

## B. Procurement

103. **Structure of the Procurement Unit;** The Procurement Unit is located in Monrovia, consisting of one Procurement Officer and one Procurement Assistant.

104. **Procurement Plan (PP):** The Mission was informed that, following the recommendation of the last mission, the Procurement Unit was involved in the discussion for finalizing the 2016-2017 AWPB for STCRSP, and is being involved for the same for ASRP. The new PP is still a draft stage, and the contents not yet complete. However, the structure is well prepared. The Mission reviewed the Procurement Plan (PP) 2015-2016 and found it properly updated by the Procurement Unit, with all the data of actual dates as well as any schedule changes properly reflected therein.
105. **Community Procurement:** The Mission noted that there were some minor (low value) procurement items in the PP (e.g. procurement of hanging scales) based on community procurement taken care of by Cooperatives. While community procurement is in line with the IFAD Procurement Guidelines, the Mission reminds that:
- (a) in view of the nature of community procurement, the Procurement Unit provides proper guidance/trainings based on public procurement principles to the cooperatives and support them with adequate information including procurement templates so that they are able to build capacity.
  - (b) In view of the fact that the Procurement Plan may not show the actual history of any community procurement, the Procurement Unit prepares a summary report of community procurement per each case concluded.
106. **Procurement processes and methods;** The Mission did not find any substantial irregularities in the procurement process of any of the procurement files prepared by the Procurement Unit, apart from some areas for improvement, as outlined in Annex 1. However, the Mission observed in the case of contracts that did not go through “ordinary process” (such as contracts with KIT/CARI) that the Procurement Unit was not active in dealing with the situation. The Mission recommends that they should play more leading role in ensuring that the procurement rules and principles are observed. Whether it is a direct contracting or other situation, it is the role of the Procurement Unit to ensure that rules are followed and principles are observed. If it is not the case, it is again the role of the Procurement Unit to warn the user departments.
107. **No Objection:** It is positively recognized that each procurement file includes a copy of No Objection if any granted, while at the same time, there is a master file only for copies of emails conveying No Objections. However, it was observed that the master file does not include all the NOs. The Mission recommends that the master file for NOs includes all NOs received for procurement issues.
108. **Bidding document (Invitation for Bids):** The Mission observed that bidding documents are prepared with high standard. It was informed at the same time that completing one set of bidding documents takes considerable time as it is finalized through lengthy internal discussions involving all stakeholders. While the Mission commends the team work, it recommends that duties and accountabilities in terms of preparing bidding documents be clearly defined at PIU per each part of the bidding documents: namely, the Procurement Unit is accountable for preparing Invitation for Bids, while user departments are accountable for preparing specifications/terms of reference. While both may contribute to improving the quality of the documents as a whole, the responsibility in finalizing the respective documents needs to rest as per the duties assigned.
109. **Contractual documents:** The Mission was informed that drafting contracts including MOUs and MOAs are carried out by the Procurement Unit, in accordance with the recommendation made during the last mission. It is observed however that the Procurement Unit needs further capacity building. In terms of Purchase Orders, it was noted that the general terms and conditions are not attached, or even not referred to. The Mission recommends that contracts and purchase orders, regardless of the value involved, should attach or clearly refer to the terms & conditions of the Ministry (or the Project).
110. **Contract Register:** The Mission was happy to observe that all the contracts (incl. MOUs/MOAs as well as small value orders) that have been processed by the Procurement Unit are included in the Contract Register. It was also noted that, following the recommendation made during the last mission, the contract register has been separated per ASRP and STCRSP. The Mission noted however that some important columns in the register are kept blank, such as “period of

execution”, “No Objection reference numbers”. The Mission recommends that a complete Contract Register is produced and kept updated.

111. **Contract Administration Table:** During the last mission, a recommendation was made that the Procurement Unit should produce Contract Administration Table. However, in view of the small number of contracts issued in the last months, the Procurement Unit gave it a lower priority and have not produced it yet.
112. **Request for Quotations;** The Project uses a Quotation Submission Form, which is an efficient tool in making sure that the bidders confirm all the necessary points that the project needs to get confirmation from bidders, such as their acceptance of terms and conditions, payment terms, delivery terms, the required validity of prices etc. Terms & Conditions need to be attached (or at least referred to) from the outset of bidding. Otherwise, the quotations/bids may have been prepared/submitted by the bidders based on another conditions, and may become void in terms of the STCRSP project. The Mission has drafted a revised template for Request for Quotation and recommends its use by the Procurement Unit.
113. **Terms of Reference:** “Deliverables” must be clearly spelled out in any terms of reference. It is the responsibility of the Procurement Unit to ensure that terms of reference are prepared in a manner suitable to conduct bidding/procurement, before taking procurement actions. The proper Terms of Reference is essential in order to ensure:
  - (a) the bidders know what and how they need to quote;
  - (b) both the bidders and evaluators know on which basis the bids shall be evaluated;
  - (c) the eventual successful bidder knows what is their obligation under the contract.
114. **Evaluation Reports;** Evaluation Reports for minor procurement showed some areas for improvement. The Mission therefore prepared a revised template , which is attached to the present report (Annex 4). The Mission also reviewed a past evaluation report for Construction Work (Road Construction Lot 16), identified areas for improvement and made revision for a future similar case.
115. **Contract Monitoring Table:** As explained during the last mission, contract monitoring table is a tool for contract managers for monitoring each of their contracts and thus the contract managers are the one to fill in the table. Unfortunately, there was no opportunity to have a dialogue with any contract manager during the present mission. The Mission recommends to have a meeting with contract manager, and/or preferably a contract management training during the next visit.
116. **TOMMARCHE (Procurement module of TOMPRO):** The Mission was happy to know that the supplier (DISS, France) came to install TOMMARCHE in April 2016, further to the recommendation of the last mission. The Procurement Unit has started to use the software. The Mission recommends that the Procurement Unit continues to explore its utility and maximize the usage.
117. **Filing (records);** The Mission finds that filing of procurement documents is generally made in a complete and consistent manner. However, the Mission observed that contract files that have not gone through the “regular” process (such as contracts with KIT/CARI) also need to include essential documents that ensure compliance to the procurement rules and principles. In order to further increase the efficiency and transparency, as well as for the purpose of subsequent auditing, the Mission reminds that following key documents to be in each file, as below:
  - A copy of Procurement Plan highlighting the referenced procurement;
  - A copy of No Objection (letter or email) at any of the required procurement stages, if applicable;
  - Official request from the User dept (or documents that has initiated the procurement action);
  - Justification for Single Source procurement (or Direct Contracting) as well as its NO if applicable.
  - Expression of Interest, if any;
  - A copy of Request for Proposal (or Request for Quotation/Invitation to Bid) with a complete set of documents including the specifications or terms of reference;

- Evaluation report (or technical evaluation report + combined evaluation report):
- Any key communication with the bidder(s)/contractor, be it emails, letters, minutes of the meetings (e.g. request for clarification, negotiation on some issues):
- Minutes of negotiation with the bidder, if any:
- Bidders' proposals/quotations, both successful and unsuccessful:
- Complete set of the original signed contract (or purchase order/MOU/MOA) including TOR, terms and conditions etc.
- A copy of an invoice for Advance Payment as well as its Bank Guarantee, if any:
- A copy of Performance Guarantee, if any:

In addition, the below could be added to the file, as necessary;

- A copy of Contract Monitoring Table, filled by the contract manager:
- Any other written communications with the contractor (e-mails, letters, minutes of the meeting):
- Inception Report or any other report submitted by the contractor:
- Invoice as well as Certification memo;
- Payment voucher

118. **Payment Certification;** It was positively recognized, further to the recommendation made during the last mission, that invoices are certified not only by the contract managers but also by procurement officer before they are processed for payment.

Agreed action	Responsibility	Agreed date
Procurement Unit shall be involved in finalization of AWPB	PC/FC	30 April 2016
TOR/specifications shall be reviewed and modified as appropriate by Procurement Unit	Technical staff & Proc Officer	01 March
Constant updating of the PP and sharing the copy among PC and the originators	Proc Officer	01 March
Monthly (or Quarterly) meeting between Procurement Unit and originators on procurement execution	Proc Officer	30 April 2016
Functions of TOMMARCHE to be fully utilized	Proc Officer	30 September 2016
Contract Registration & Administration Table to be produced and implemented	Proc Officer	30 April 2016
All contracts/MOUs shall be drafted by Procurement Unit	Proc Officer	01 March
Invoices should be certified by the Procurement Unit before payment is processed by the Finance.	PC/FC	30 April 2016

## F. Sustainability

119. **Institution building.** The project has invested a lot in this area. The Coops supported by the project appear to be self-managed and their governance systems are transparent and largely free from political interference. The mission is of the view that the training of the Coop management teams (Management and Board) is making some contribution to their effectiveness. However, the issue of trust between cooperative management (Boards and management staff) is still an issue for some cooperatives.

120. **Empowerment:** Compared to the situation described by the last Supervision Mission, this mission saw increased evidence that Coop members including women have been have been empowered and have gained control and manage their own affairs. This is indicated by their representation on Boards, and the evident increase in the influence of the Boards on the activities of the Coops, as the end-of-project approaches. And the observation goes beyond the one case observed by the last mission. As indicated previously, the support to the CAC and DAOs is evidently



helping to improve their performance in most cases, making a contribution to the sustainability of the intervention.

**121. Quality of beneficiary participation.** To the extent that that Coops have been assisted to hold general meetings and assemblies in which the views of members on project implementation are expressed and Boards are elected, beneficiaries have some role in influencing the sequencing of project activities. However, beneficiaries have no direct inputs into the AWPB. Except for some contribution to brushing of paths to allow road contractors to access roads to be rehabilitated or youth groups to access farms, the Mission saw little evidence of beneficiary contribution to project activities. Beneficiary repayments for farm rehabilitation has been very low, although the mission saw signs that steps are being taken by Boards to improve the situation.

**122. Responsiveness of service providers.** As indicated by the last Supervision Mission service provision is demand driven in rural road rehabilitation to the extent that the roads to be rehabilitated are decided by local communities, and the capacity of the road contractors has been enhanced by their participation in the project and that the experience is being carried forward to other areas. For farm rehabilitation, to the extent that farmers to be rehabilitated are selected by the Coops, the system can be regarded as demand driven.

**123.** In the area of commercialization that the last Supervision Mission identified as that service provision was not responsive and service provider has not succeeded in building a transparent and equitable relationship with its clients – the Coops and farmers, this mission noted that there has been some improvements, although the lack of communication of good intentions between the coops and LAADCO needs much improvement. Actions recommended by the mission should help to improve the situation.

**124. Exit strategy (readiness and quality).** As indicated earlier, the mission noted with pleasure that since the last Supervision Mission, there has been increased attention to planning by coops for the end of support from the project next year. Strategies have been discussed in Board meetings with minutes kept of deliberations. PIU has worked with the Coops to develop and revise their annual “business plans”. However, these need to be extended into three-year plans with projection of revenues of revenues and expenditures for at least 2 post project years. This will help focus the minds of the Boards and management to the feasibility of their current exit plans.

**125.** As with the coops the ending of support to the CAC and DAOs at the end of the project will pose challenges. The CAC expects that the YPs will be absorbed into the staff of MOA and MOA will take over provision of support for operations, especially supply of fuel for the vehicle and motor bikes. A formal request needs to be made to MOA in this respect.

**126. Potential for scaling up and replication:** The mission concurs with the observation of the last Supervision Mission that there are great possibilities for scaling up and replication of project interventions. Some lessons learned have already been used in the design of the new TCEP, e.g. use of the Kuu system for farm rehabilitation rather than youth groups and the need for establishment of proper baselines. Other positive achievements that enhance to scalability and replication of project activities include the very successful system of contracting of feeder roads rehabilitation by separating the contracts into those for structures and those for gravelling/pavement; the strengthened the capacity of roadside communities for routine road maintenance by providing them with tools; the introduction of a sliding scale of support to beneficiary cooperatives so that by project end they are already responsible for a substantial proportion of their own costs of operations, and the demonstration that campaigns by project management for beneficiary coops to be more active in providing services and preparing exit strategies have a positive impact.

## **G. Conclusion**

**127.** The STCRSP is now in its final stages of operation since effectiveness 3 July 2012, and is planned to complete its activities on 30 September 2017 and close its Loan accounts on 31 March 2017. As at 30 June 2016, disbursement on IFAD Loan of SDR 10.5 million was SDR 9.27 million or US\$ 13.65 million representing 88% of the loan. The total available funds as of the same date are estimated at US\$ 3.05 million. The draft budget for 2016/17 financial year, which is yet to be finalised at US\$ 2.59 million is expected to absorb the bulk of the available funds

128. The 2015-2016 Annual Work Plan and Budget (AWPB) totals US\$ 3.9 million, and financial progress against the AWPB as at 30<sup>th</sup> June 2016 is US\$2.9 million or 73% of the total budget. In the future the PIU should intensify the efforts in implementing planned activities

129. To date, the seven cooperatives have rehabilitated a total of 12,632 ha (cocoa 10,165 and coffee 2,467) of farms against an appraisal target of 15,000 ha. The remaining target of 2,200 ha for the final project year in 2016-17 could be easily achievable; however, the budget constraints are likely to prevent implementation of the final year rehabilitation/replanting program.

130. Rehabilitation is carried out by Youth Groups organized and recruited by the Cooperatives. To date the project through the cooperatives has engaged a total of 7,781 youths, 12% of whom were female in the 7 Districts, and have infused close to US\$ 1m into over 200 communities.

131. Since inception of the project, a total tonnage of 1,041.82 mt (965.96 mt cocoa and 75.86 mt coffee) valued at US\$ 1.9 million have been commercialized through LAADCO by the 7 cooperatives. The fourth commercialization season (FY2016/17) is fast approaching with a target of 400 mt of cocoa and coffee. Its successful implementation depends on successful contractual agreements between LAADCO and the Coops.

132. Out of the 315km farm to market roads targeted for rehabilitation with drainage structures and gravel pavement, to date almost all drainage structures (box and pipe culverts, and bridges) on batches 1 & 2 (143.2km) have been completed. The remaining structures mainly two bridges are at various stages of construction and will be substantially completed by end of 2016. The gravel pavement works is about 44.34% completed. The remaining structures are at various stages of construction while 53km of gravel roads pavement will be contracted as soon as No Objection is received from IFAD. Due to budget constraints only 10.23km of the the initial target of 148km Phase 3 roads are likely to be undertaken. Rehabilitated roads are of high quality and are having noticeable positive effect on traffic volumes, and the benefits are much appreciated by communities serviced even before full completion of road works.

133. As part of its capacity building effort, central and mini warehouses, offices for the CAC and DAOs in Lofa are now constructed. Fourteen (14) Young Professionals<sup>5</sup> (YPs) from the 7 districts and 14 Interns from the Lofa County Community College (LCCC) in various rehabilitation activities on the cocoa and coffee farms in the seven (7) districts have been hired, The support to the CAC and DAOs is having positive effects on their performance and the provision of extension services to project beneficiaries. Steps should now be taken by the project to submit a formal request with accompanying budget to MOA for absorbing of the YPs into the staff of MOA and takeover of the provision of logistics support to the DAOs after project closure.

134. Targeting of women has been successful in the project. Cooperatives' membership now stands at 9,370, consisting of 28% women. Female beneficiaries of rehabilitation currently comprise 33% of beneficiaries of rehabilitation. These figures are commendably above the project design target of 25% of beneficiaries.

135. With 14 months to project completion the sustainability of systems put in place comes to the fore. This mission found welcome evidence that the Boards and management of the beneficiary coops are paying much more attention to their project exit strategies. Further assistance from the project to help them prepare three years business plans spanning the first two years after project closure will help them clarify the challenges they have to continue successful operations after the end of the project.

136. IFAD and the Government of the Republic of Liberia endorse the findings and the recommendations of the Supervision Mission.

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<sup>5</sup> 7 Tree Crop YPs and 7 M&E YPs.

## Appendix 1: Summary of project status and ratings

### Basic Facts

Country	Liberia	Project ID	1616 [1100001616]	Loan/DSF/Grant/ASAP FI No.	1000004133
Project	Smallholder Tree Crop Revitalization Support Project			Top-up Loan/DSF/Grant/ASAP FI No.	
Date of Update	08- Aug -2016				
Supervising Inst.	IFAD				
No. of Supervisions	8	No. of Implementation Support/Follow-up missions	3		
Last Supervision	12-Feb-2016	Last Implementation Support/Follow-up mission	18-Oct 2013		

					US\$ million	Disb. rate %
Approval	13-Dec-2011			Total financing	24.96	
Agreement	10-Jan-2012	Effectiveness lag	7.1	IFAD Total	16.88	
Entry into force	13-Jul-2012	PAR value	Not at risk	IFAD loan	16.88	85
First disbursement	13-Nov-2012			DSF grant		
MTR	05-May-2015	Last amendment		IFAD grant		
Original completion	30-Sep-2017	Last audit	17-Feb-2015	ASAP grant	0.00	0
Current completion	30-Sep-2017			Domestic Total	8.08	
Current closing	31-Mar-2018			Beneficiaries	0.92	
No. of extensions	0			National Govern	2.02	
				Local private	5.13	17
				External Co financing Total		



### Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	4	4
2. Acceptable disbursement rate	5	5	2. Performance of M&E	3	3
3. Counterpart funds	4	4	3. Coherence between AWPB & implementation	3	3
4. Compliance with financing covenants	4	3	4. Gender focus	4	5
5. Compliance with procurement	3	3	5. Poverty focus	5	5
6. Quality and timeliness of audits	5	5	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	5	5
			8. Climate and environment focus	4	4
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Cocoa and Coffee Rehabilitation	4	5	1. Institution building (organizations, etc.)	4	5
2. Farm to market roads rehabilitation	3	3	2. Empowerment	5	5
3. Institutional Capacity building	4	5	3. Quality of beneficiary participation	4	4
			4. Responsiveness of service providers	3	3
			5. Exit strategy (readiness and quality)	3	4
			6. Potential for scaling up and replication	5	5
B.5 Justification of ratings					

B.1.4 The project has again been late in submission of its AWPBB. B.2.4 In terms of gender the project has exceeded its targets - female beneficiaries currently comprise 29% of Coop members, 33% of beneficiaries of rehabilitation, and 12% of Youth Groups, against the 25% target. Women have crucial management and leadership roles in some Coops. Gender differentiated data is provided for all activities; and gender training has been included in the 2016/2017 AWPB B.3.1 The project has met all its targets up to 2015 and could meet the 2,200 ha for the 2016/17 season if funds were available. Rehabilitation is having a positive effect on farmers, and Coops are actively pursuing exit strategies. B.3.3 SCOPEinsight showed that coops are performing better. Membership of Coops has increased B.4.1 Coops and Extension agents (CAC & DAOs) working better as result of project support. Institutions are actively looking at maintaining their services after the end of the project. B.4.5 Coops and Extension staff paying much increased attention to planning for the end of support from the project next year and exit strategies supported by most project stakeholders being developed.

### Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	4	4
C.2 Food security	4	4
C.3 Quality of natural asset improvement and climate resilience	4	4
C.4 Overall implementation progress (Sections B1 and B2)	4	4
Rationale for implementation progress rating		
C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4

#### Rationale for development objectives rating

Having met the first to fourth year rehabilitation targets, despite the disruptions caused by the EVD emergency, the project is in a strong position to deliver on the overall appraisal targets and meet the development objectives. The emphasis on cooperatives as a viable business, and the focus on promoting sustainability and implementation of a clear exit strategy should ensure that project stakeholders are committed to commercialising cocoa/ coffee production in the interest of improving farmer incomes. The rehabilitation of farms provides on the one hand, scope for positive improvement to production levels, and the partnership with the private export partner and the good conditions provided, presents the scope for generating income through increased production. The creation of youth employment opportunities and injection of cash into the communities is also contributing to the likelihood of achieving the development objectives

#### C.6 Risks Short description of major risks for each section and their impact on achievement of development objectives and sustainability

##### Fiduciary aspects:

AWPBs are still being submitted to IFAD late, three months after required submission date. The monitoring and evaluation of expenditures disbursed through implementing partners. Budget reporting against actual activities (physical progress).

##### Project implementation progress:

It is critical that the procurement procedures/ processes are implemented in a timely manner to ensure no unnecessary delay in carrying out project activities. Particularly, delays in conditions set for awarding the contract for the road *rehabilitation should be eliminated*. Risk of not implementing the AWPB in a timely manner and therefore the consequent risk of losing allocated funds.

##### Outputs and outcomes

Key risks by component relate to: (i) cocoa/ coffee rehabilitation –repayment mechanism (ii) farm to market roads rehabilitation – putting in place a more effective system of supervision of contractors, ensuring that MPW collaborates in designing and implementing a participatory system for community participation and ownership of maintenance of rehabilitated roads; (iii) institutional capacity building –although progress has been made under this component, issues remain with regards to cooperatives' design and adherence to revised business plans and sound financial management.

##### Sustainability

Some progress has been made in developing exit strategies for the cooperatives, but a 3-year business plans is still required. This should include 2-year post-project activities. For feeder roads, establishing an effective community owned and operated road maintenance system is still required.

#### Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Financial Management	(i) Have internal auditor of the PMU to deepen his involvement in the follow up of the recommendations. (ii) Plan for FM support mission for follow up on good practices.	31 Oct 2016	Ongoing
	Implementation of TOMMARCHE software; training of the project staff; realignment of the procurement function within the procurement unit; procurement plan regular update, follow-up and monitoring.	31 Dec 2016	Ongoing
Procurement	(i) Plan for support mission focused on the monitoring of the execution of the procurement plan and of the timely preparation and submission of bidding documents.	31 Dec 2016	Ongoing
Coop capacity building	Support coops develop their 3-year business plan as part of exit strategy, as well as validation of the capacity building plan	31 Dec 2016	Ongoing

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developed by SCOPEinsight.

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Roads	Further review the road targets and implement the revised road contract management approach to strengthen on-site supervision.	30 Sep 2016	Pending
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**Additional observations**

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## Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Results Hierarchy	Indicators	Results (cumulative for outputs)				Target	Means of Verification		
		YR1	YR2	YR3	YR4	End Target	Source	Frequency	Responsibility
<b>Goal:</b> Empower the rural poor to increase their food security and improve their livelihoods, in the counties covered by IFAD, on a sustainable basis	1. No. of smallholder farmers with an improved household assets ownership index based on additional assets*	-	-	-	-	15,000 (at least 25% female & 50% youths)	■ MDG progress report ■ WFP Food security and analysis report ■ WFP Vulnerability Analysis and Mapping ■ LISGIS surveys	Baseline and Completion	PMU/PIU
	2. % reduction in child malnutrition prevalence in the targeted smallholder farmers' households*	-	-	-	-	20%			
	3. % of targeted smallholder farmers' households report an improvement of food security (duration/frequency of hungry season)*	-	-	-	-	25%			
<b>Development Objective:</b> Incomes of targeted	4. Increased income generated by cocoa and coffee farming	-	-	-	-	Income at least x 5 for 80% of the targeted smallholders (at least 25% female & 50% youths)	■ Project impact assessment	Baseline, Mid-Term and Completion	PMU/PIU

Results Hierarchy	Indicators	Results (cumulative for outputs)				Target	Means of Verification		
		YR1	YR2	YR3	YR4	End Target	Source	Frequency	Responsibility
cocoa and coffee smallholder producers have increased	5. Increased cocoa and coffee prices received by targeted smallholder farmers on local markets	\$1.00\$0.50	\$1.0\$0.80	\$1.80\$0.50	\$1.85-	Prices at least x 2 for 80% of the targeted smallholders (at least 25% female & 50% youths)  This is based on Average price since the prices change during every season-first row is cocoa price and second is coffee  Sales at least x 3 (at least 25% female & 50% youths)  Thus far not recorded by project.	t studies and surveys ▪ National and local household income and poverty studies	n	
	6. Increased cocoa and coffee sales by targeted smallholder farmers	-	-	-					
<b>Outcome 1</b> Increased quantity and quality for the targeted cocoa and coffee smallholder producers	7. No. of farmers using improved cocoa/coffee production practices					15,000 (at least 25% female & 50% youths).  Thus far not recorded by project.	Project progress Reports Ad-hoc surveys	yearly	PIU/TCO
	8. No. of coops that are profitable and finance recurring cost	5	7	7	7	3	Project progress Reports Ad-hoc surveys	yearly	PIU/ICBO
	9. No. of processing facilities functioning	19	12	121	109	3,000	Project progress Reports Ad-hoc surveys	yearly	PIU/ICBO
<b>Outputs</b>	10. Marketing groups formed/strengthened	5	7	7	7	3	Project progress Reports	monthly	PIU/ICBO
	11. People trained in crop production and technologies	1,500	3,500	4,800	3,000	15,000	Project progress Reports	monthly	PIU/TCO

Results Hierarchy	Indicators	Results (cumulative for outputs)				Target	Means of Verification		
		YR1	YR2	YR3	YR4	End Target	Source	Frequency	Responsibility
	12. People trained in post-production, processing and marketing	105	105	105	105	-	Project progress Reports	monthly	PIU/TCO
	13. Processing facilities (solar dryers) constructed/rehabilitated	25	39	160	0	3,000	Project progress Reports	monthly	PIU/ICBO
	14. Storage facilities (warehouses) constructed/rehabilitated	10	16	33	0	-	Project progress Reports	monthly	PIU/ICBO
<b>Outcome 2</b> Improve access to markets through rehabilitation of roads	15. % of km of roads passable year round	-	-	34	30	80%		yearly	Engineers
<b>Outputs</b>	16. Roads constructed (km)	0	0	34	30	315	Field Report	monthly	Engineers
<b>Outcome 3</b> Reinforce the extension services of the Ministry of Agriculture and private providers,	17. % of the targeted cocoa and coffee producers sell their production through group arrangements (at least 25% female & 50% youths)	-	-	-		20%  Thus far not recorded by project.	Project progress Reports Ad-hoc surveys	yearly	PIU/ICBO

Results Hierarchy	Indicators	Results (cumulative for outputs)				Target	Means of Verification		
		YR1	YR2	YR3	YR4	End Target	Source	Frequency	Responsibility
and strengthen farmers' organizations	18.No. of agreements link cooperatives and standard commodity and/or fair trade private buyers	5	7	7	7	3	Project progress Reports Ad-hoc surveys	yearly	PIU/ICBO
<b>Outputs</b>	19.Staff of service providers trained	152	152	152	152	-	Project progress Reports	monthly	PIU/ICBO
	20.No. of cooperatives with a legal status and a board (at least 25% female members & 25% female in leadership positions)	5	7	7	7	3	Project progress Reports	yearly	PIU/ICBO

### Appendix 3: Summary of key actions to be taken within agreed timeframes

	Agreed Action	Responsibility	Agreed date
<b>Component 1: Tree crop rehabilitation</b>	Improved data collection and analysis of: (i) yield and quality of farm production; (ii) impact of project outputs on target beneficiaries; (iii) farmer replication of 1 <sup>st</sup> ha.	M&E Staff, TCO	15th Dec
	Explicitly confirm (in writing) that grading and billing will be done at cooperatives warehouses and communicate that to the cooperatives	PIU, LAADCO	15 <sup>th</sup> Aug
	Assist LAADCO to prepare a more robust and informed contract with the support of legal counsel services	PIU, LAADCO	31 <sup>st</sup> Aug
	Investigate the likely costs and benefits of introducing grading by independent certified graders, in follow up to previous recommendation	PIU	31 <sup>st</sup> Oct
<b>Component 2: Feeder Roads</b>	Start bidding process for the gravel pavement for the remaining 53km of Batch 2 roads	Procurement, Project Coordinator	15 <sup>th</sup> August 2016
	Start procurement process for the 10.52km of Batch 3 roads	Procurement	15 <sup>th</sup> August 2016
	Community sensitization on road maintenance	PIU civil engineers with PP and coops, M&E	Continuous
	Undertake baseline for batch 3 roads – traffic, differentiated crop prices; identify indicators	PIU civil engineers and M&E Officer	30 <sup>th</sup> September 2016
	CRE to check and endorse all Work Payment Certificates	PIU and MPW	31 <sup>th</sup> July 2016
<b>Component 3 : Capacity Building</b>	Update all cooperatives business plans to three-year plans (including sustainability plans)	PIU Agribusiness consultant, Boards of Coops	30 Oct, 2016
	Printing and distribution of STP manual	IFAD	30 Sept, 2016
	Submission of formal request with costing for absorbing the Young Professionals, and post-project support to CAC and DAOs for inclusion in MOA annual budget.	PIU, MOA	30 Sept, 2016
	Plan for a learning visit for selected coop board members in a country with successful cooperative experience	PIU	30 Nov, 2016
<b>M&amp;E/ Knowledge Management</b>	Review data flow between different actors in the M&E system and revise reporting tools and templates to avoid duplication of efforts.	Central and Lofa PIU	31 Aug 2016
	Ensure necessary actions are taken to purchase and install GIS software on YPs computers and that necessary training is conducted	Central and Lofa PIU	30 Oct 2016

	<b>Agreed Action</b>	<b>Responsibility</b>	<b>Agreed date</b>
	Invite NPCU Communication Officer from Sierra Leone to provide support on dissemination of project information	PIU, M&E	30 Jan 2017
<b>Targeting Approach</b>	Document selection process (including criteria and actual selection process) for all project activities targeting farmers		
	Allocate resources in the AWPB for technical gender training for key staff and implementing partners		
	Promote women's leadership in cooperatives through facilitation of exchange visits		
<b>Fiduciary Aspects</b>	Revise, rationalise and complete 2016/2017 AWPB process, including provision that the budget deficit be financed by reduction of expenditure or by transferring eligible expenses to TCEP/RCFP	PIU	15 Aug 2016
	Improve financial monitoring and oversight of the funds disbursed to the implementing partners effectively.	PIU	30 Sept 2016
	Intensify efforts to implement the planned activities within 6 months (this assumes no ratification of TCEP/RCFP)	PIU/Lofa	30 June 2016
	Audit and account for the cocoa pods, coffee seeds, motorcycle spare parts, farm rehabilitation cost and fuel	Internal Auditor/PC	30 Sept 2016
	Strengthen the accounting system	FC, PC, Lofa PIU	31 Oct 2016
	Evaluate the civil works and services contracts for taxes forgone by GoL for disclosure as counterpart contribution	FC/PC	31 July 2016
	Address the issues raised in the Internal Auditors report	PC/FC/M&E	15 Aug 2016

## Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

Component/ Sub-component or Output	Indicator	Unit	Period: 01-July-15 to 30-June-16			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
Component 1: Cocoa and Coffee Revitalization								
	OUTPUT INDICATORS							
Rehabilitate the productive capacity of existing areas of cocoa & coffee	Hectares under improved management practices	Ha	3,000	3,000	100%	12,632	15,000	84%
	Youth groups hired	Number	2,438	2,438	100%	7,781		
	Cocoa pods distributed	Pods	17,424	15,339	88%	48,381		
	Coffee seedlings distributed	Seedlings	89,734	61,173	68%	190,023		
	Establishment of village nurseries	Number	189	189	100%	374		
	Polytene bags for Nursery seeds distributed	Bags	525,334	525,334	100%	528,334		
	Support to Land Commission	Persons	1	0	0%			
	Number processing facilities established	Number	109	0	0%	63	3,000	2.1%
Component 2: Rehabilitation of Farm-to-Market Roads								
	OUTPUT INDICATORS							
Roads rehabilitation	Culvert constructed	Number	143	110	77%	248		
	Bridges constructed	Number	5	4	80%	13		
	Roads rehabilitated (pavement)	Km	83	14	17%	64	315	20%
	Baseline & post construction survey on traffic volume, population, livelihood income	Number	1	0	0%			
	MPW supervision - to provide support to PIU Engineers	Number	4	4	100%			
	Assessment of 125km of roads	Number	1	1	100%			
Component 3: Institutional Capacity Building								
	OUTPUT INDICATORS							
Sub-component 3.1: Capacity Building of District Agricultural Officers & YPs	a. Allowances and logistics CAC & DAOs	Persons	9	9	100%			
	b. Support to CAC&DAOs for effective monitoring	District	9	9	100%			
	c. Provision of office equipment and furniture to CAC/DAOs	Number	9	8	89%			
	d. Allowances and logistics YPs	Persons	14	14	100%			
	e. Support to YPs for effective monitoring	Persons	14	14	100%			
Sub-component 3.2: Capacity Building of	a. Provide office equipment and storage to cooperatives	Number	7	7	100%			

<i>Cooperatives</i>	b. Incentives to cooperatives staff	Persons	7	7	100%			
	c. staff of service providers trained	Persons	152	152	100%			
<b>Component 4: Project Management</b>								
	<b>OUTPUT INDICATORS</b>							
<i>Central Project Implementation Unit (PIU)</i>	National steering committee is meeting at least twice a year	Number	2	2	100%			
	a. Quarterly monitoring and supervision by PIU	Number	4	4	100%			
	b. Studies and training	Number	4	3	75%			
	c. Refresher training and upgrade of Tompro software	Persons	6	6	100%			
	d. Study tour	Persons	1	0	0%			
	e. Project annual audit	Number	1	0	0%			
	f. PIU staff salaries and allowances	Persons	18	18	100%			
	g. Consultants/Technical Assistants	Persons	6	6	100%			
	h. Conduct annual progress and planning review meeting at county level	number	1	1	100%			
	i. PIU monthly staff meetings	Number	12	24	200%			
	j. Baseline survey commitment	Study	1	1	100%			



## Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

**Table 5A: Financial performance by financier\* - as at 30 June 2016**

Financier	Approval (US\$ '000)	Current (US\$ '000)	Disbursements (US\$ '000)	Per cent disbursed
IFAD loan	16,884	16,884	12,749	75.51%
Private Partners	5,131	5,131	2,197	42.82%
Beneficiary contribution	923	923	-	0.00%
Government of Liberia	2,025	2,025	69	3.41%
<b>Total</b>	<b>24,963</b>	<b>24,963</b>	<b>15,015</b>	<b>60.15%</b>

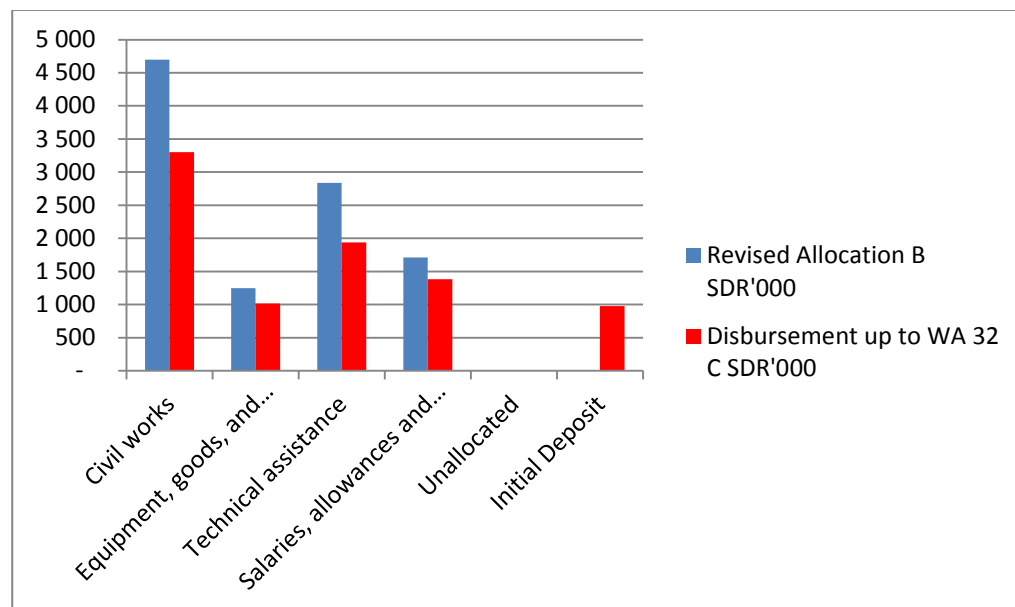
\*Funds disbursed by financier to the project

**Table 5 B. Financial performance by financier by component- as at 30 06 2016 (US\$'000)**

	IFAD loan			Government of Liberia			Beneficiary contribution			Private Partners			Total		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
1. Revitalization of Cocoa & Coffee	1,388	2,046	147	752		0 %	149	0	0	5,131	2,197	43	7,420	4,243	57
2. Rehabilitation of Farm to Market roads	10,068	5,089	51	531	7	1 %	553	0	0	-			11,153	5,096	46
3. Institution Capacity Building	2,951	2,286	77	193	29	15 %	221	0	0	-			3,365	2,315	69
4. Project Management	2,476	2,729	110	549	34	6 %	-	0	0	-			3,025	2,763	91
<b>TOTAL</b>	<b>16,884</b>	<b>12,150</b>	<b>72</b>	<b>2,025</b>	<b>70</b>	<b>3 %</b>	<b>923</b>	<b>0</b>	<b>0</b>	<b>5,131</b>	<b>2,197</b>	<b>43</b>	<b>24,963</b>	<b>14,416</b>	<b>58</b>

**TABLE 5C: IFAD Loan Disbursement by category - as at 30 June 2016 and Projected balances as at 30 June 2017**

Category description		Original Allocation	Revised Allocation	Disbursement up to WA 32		Expenditure Pending WA 33 submission		Projected Utilisation at 30 06 16		Estimated Balance at 30 06 16		DRAFT AWPB to 30 June 2017	Estimated Balance as at 30 06 17
		A	B	C	D=C/B	E	F=E/1.385514	G=C+F	H=G/B	I=B-G	J=I*1.385514	K	L=J-K
		SDR'000	SDR'000	SDR'000	%age	US\$'000	SDR'000	SDR'000	%age	SDR'000	US\$'000	US\$'000	US\$'000
I	Civil works	5,350	4,700	3,304	70%	405	292	3,596	77%	1,104	1,530	1,827	-298
I	Equipment, goods, and materials	1,250	1,250	1,018	81%	22	16	1,034	83%	216	299	16	284
I	Technical assistance	1,140	2,840	1,940	68%	332	240	2,180	77%	660	915	357	558
I	Salaries, allowances and operating costs	1,710	1,710	1,384	81%	141	102	1,486	87%	224	310	391	-81
V	Unallocated	1,050	-		0%					0			
	<b>Sub-total</b>	<b>10,500</b>	<b>10,500</b>	<b>7,645</b>	<b>73%</b>	<b>901</b>	<b>650</b>	<b>8,296</b>	<b>79%</b>	<b>2,204</b>	<b>3,054</b>	<b>2,592</b>	<b>463</b>
	Initial Deposit			979				979					
	<b>Total</b>	<b>10,500</b>	<b>10,500</b>	<b>8,624</b>	<b>82%</b>			<b>9,274</b>	<b>88%</b>				



**Figure 5A: IFAD loan/grant disbursement, comparisons between original and revised allocations and actual disbursement (SDR'000)**



## Appendix 6: Compliance with legal covenants: Status of implementation (Reviewed on 24 07 2016)

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B 6.	GOL to open a General Revenue Account at the Central Bank to receive the loan proceeds	Upon entry into force	Done	The revenue account is the Designated Account
Section B 6. and E 2.	PIU to open and maintain a Project Account in a commercial bank	Upon entry into force	Done	The Project (or Operating) account opened at the Liberia Bank for Development & Investment (LBDI) is in the process of being closed. A new operating account was opened at Ecobank Monrovia, as well as a sub-account at Ecobank Voinjama in Lofa county
Section B 7.	GOL to provide approximately US\$ 2.02 million in total in counterpart financing	Continuous	Done	Contribution in form of tax & import duty exemption, office space and costs of CACs (see comments in aide-memoire and mission recommendations)
Section E 2.	Draft PIM submitted to IFAD for approval	Prior to 1st withdrawal	Done	
GC – Section 7.01(b)	AWPB submitted to the Fund each year, for review and comments	30 April	Not on time	Not complied
GC – Section 7.05 and Letter to the Borrower	Procurement of goods, works and services carried out in accordance with IFAD Procurement Guidelines; each Procurement Plan to identify procedures that must be implemented by the Project	Continuous	Done	See comments in aide-memoire and mission recommendations
GC – Section 7.08	Insurance of all goods/buildings used in the Project in amounts consistent with sound commercial practice	Continuous	Done	
GC – Section 7.11	Insurance of project staff against health and accident risks	Continuous	Done	
GC – Section 8.03	Midterm review (MTR) to be carried out jointly by Borrower and IFAD	31 March 2015	Done	
GC – Section 9.02	Submission of unaudited financial statements for each fiscal year	31 October	Done	
GC – Section 9.03	Submission of audit report for each fiscal year	31 December	Done	
Schedule 3 Para 2	Loan proceeds to be exempted from all taxes. Payment by Borrower, in cash, of any amount that cannot be exempted	Continuous	Done	All investment expenditures are tax exempt

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Schedule 3 Para 3	Project staff salaries to be subject to income tax and social security deductions in accordance with applicable domestic legislation	Continuous	Done	

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## **Appendix 7: Knowledge management: Learning and Innovation**

### **Learning**

The mission repeats the observations of the last Supervision Mission:

- a) The Sao Tome & Principe (STP) manual is yet to be printed by IFAD for distribution to the farmers to serve as guide for replication of the STP learning. The STP learning at the demonstration sites is yet to be fully utilized. The mission recommends that printing of the manual should be expedited.
- b) The mission is of the view that results achieved by some of the cooperatives supported by STCRSP (e.g. Sebehill Kulasumai Farmers Cooperatives) could undoubtedly be a source of inspiration for other cooperatives. It is therefore recommended that a “road show” be organized for the high-performing cooperatives to facilitate sharing of knowledge and good practices with other cooperatives. Furthermore, it is also recommended that the Project explore alternative ways of sharing good practices with farmers – Community Radios to disseminate information on tree crop rehabilitation, production and commercialization, etc., tapping on the experience acquired by the NPCU in Sierra Leone.

In addition the mission notes that:

- a) There is evidence that sensitization activities do work. Efforts since the last mission to sensitize Coops on the need to develop and work on their exit strategies have borne fruit with most Coops actively working on preparation of their post project strategies
- b) Future projects should plan for decreasing support to beneficiaries over time so that they progressively take responsibility for project activities during the life of the project.
- c) It is advisable to give lump sum support to Coops for administrative and other support (which should be progressively decreased over time as suggested above), and allowing the Coops to decide how to allocate the monies received, rather than financing specific positions. That would allow the Coops to set remuneration packages that are within their own means to finance without the project.

### **Innovation:**

The mission reiterates the innovations highlighted by the last mission:

- a) Use of YPs and Interns: Fourteen (14) young professionals (YPs), have been engaged to provide dual technical support to the Coops as M&E and tree crops officers. PIU in collaboration with the Lofa County Community College (LCCC) has also accommodated 14 Interns from the College’s agriculture department for support to the Coops in community engagement, commercialization activities, and rehabilitation of cocoa and coffee farms in the seven districts in Lofa. This has allowed not only to increase its capacity for technical advise to farmers and Coops, but also to contribute to national capacity building for agricultural development in Liberia
- b) Assessment of business potential of Coops. The use of SCOPEinsight assessment of the business potential of the seven Coops is an innovation of note. The SCOPEinsight assessment found that the weakest area of the Lofa Coops is that of external risks whereas they perform very well on internal management. Voinjama district cooperative is the best performing with formalized policies, and ensures there is monitoring of progress within the cooperative. Foya Maliandoe Cooperative was the least performing - the organization is not fully aware of all its risk and possible biological and marketing mitigation strategies that they could put in place.
- c) Separation of works contracts in road rehabilitation: The system of awarding road rehabilitation contracts to individual contractors for structures only (culverts and bridges) or and gravel pavement works and structures has allowed the full exploitation of the limited capacities of local contractors and has proved to be effective in delivering the quality of works within required time frames

In addition the mission notes that the decision to provide basic tools to local communities to be used for routine maintenance of feeder roads is encouraging the communities to engage in much needed maintenance activities.



## **Procurement Annex 1: Post review of procurement files**

In total 6 procurement files were reviewed out of 23 contracts in the contract registry and all the procurement process therein found satisfactory in principle. As there have been not so many procurements to be processed in the last few months, the register does not show so many big items. Below are areas for improvement identified in those files:

### **Order no. IFAD/PIU/GC/NS/176/2015 for Procurement of Polythene bags – with Milla Group Inc. – US\$ 7,179.48**

#### **Request for Quotation**

It is based on a template, which shows some areas for improvement. The Mission prepared an improved version as per the attached and recommends it as an example to refer to (Appendix 2). One of the most important is that terms and conditions of the Project is not referred.

#### **Evaluation – Price Quotation Analysis**

It is based on a template, which shows some areas for improvement. The Mission prepared an improved version of a Price Quotation Analysis (for minor goods) as per attached and recommends it as an example to refer to (Appendix 3).

#### **Purchase Order**

It is based on a template, which shows some areas for improvement. The Mission prepared an improved template as per attached: Appendix 4.

### **Order no. IFAD/PIU/GC/NS/177/2015 for Procurement of Polythene bags – with Milla Group Inc. – US\$ 8,710.02**

Same points apply as above.

### **Order no. IFAD/PIU/GC/NS/16/2016 for Procurement of Laptop PCs – with Dzire Stationery – US\$ 4,050.00**

Same points apply as above, apart from the below:

#### **Evaluation Report**

Since this is an order for IT equipment, more detailed technical evaluation is required to ensure that the cheapest quote satisfies the requirements of the project.

### **MoA (amendment) with LAADCO – US\$ 4,050.00**

#### **Contract Amendment**

The Mission is happy to see that the recommendation made during the last mission has been implemented and that the amendment includes only the provisions that were being amended.

### **Contract no. SC 2016/ASRP-01 for Procurement of Service for TOMPRO&TOMMARCHE training – with DISS, France – EUR 16,719.00**

#### **Contract**

- 1) Documentation: It appears to the Mission that a complete set of contract documents including all the Annexes does not exist (but only one without full Annexes).
- 2) Annexes: The Contract defines that there are in total 7 Annexes (Annex A to G). However, it appears that Annexes B, C, D, and F are in one page. As long as they are Annexes, there should be separate pages attached to the Contract.

### **Order no. IFAD/PIU/GC/NS/15/2016 for Procurement of Tablets – with Dzire Stationery – US\$ 8,358.00**

Same points apply as above order with Dzire, apart from the below:

#### **Evaluation Report**

Since this is an order for IT equipment, more detailed technical evaluation is required to ensure that the cheapest quote satisfies the requirements of the project.

## Procurement Annex 2: Request for Quotation (example)

June 16, 2016

Dear Sir;

### REQUEST FOR QUOTATIONS

#### Request for Quotation Number: NS/G-21/2016

The Smallholder Tree Crop Revitalization Support Project of the Programme Management Unit, the Purchaser funded by the International Fund for Agricultural Development (IFAD), invites you to submit your quotation for the supply of **Video Conferencing Equipment and Accessories, Television and an Ethernet Switch** as listed in Section C of this document. Purchaser reserves the right to award or reject contract for selected items.

#### SECTION A: QUOTATION REQUIREMENTS

1. The attached Schedule of Requirements in Section C details the items to be supplied. You are requested to quote your most competitive price for these items by completing and returning Sections B and C.
2. Goods shall be delivered to IFAD PIU Office, University of Liberia Campus, Fendell, at your risk and account
3. The delivery period is **4 weeks**, from the date of the order. Installation and commissioning are expected to be completed in **2 weeks**.
4. Quotations must be returned to the **Project Coordinator** with the address above, in sealed envelope marked, **"Quotation for the Supply of Video Conferencing Equipment and Accessories, Television and Ethernet Switch IFAD PIU** not later than the deadline for submission of quotations: 12:00 noon, July 15, 2016.
5. Quotations must be valid for **60 days** from the Deadline
6. The warranty period shall be **1 year after the successful installation**.
7. Quotations must be accompanied by supporting documents as specified in Section B and must indicate your acceptance of the terms and conditions.

Signed quotations will be evaluated on the basis of quality, quantity, and price and delivery/completion time. Suppliers may quote options that would meet the required specifications. Award of contract will be made to the lowest cost and responsive quotation, through the issue of a Local Purchase Order. Payments will be made within 30 days of receipt of an invoice supported by delivery receipt or dispatch documentation and a certificate of satisfactory completion issued by the Project.

Sincerely yours,

Princetta Clinton-Varmah  
Project Coordinator

### Procurement Annex 3: Price Quotation Analysis (example for minor goods)

PRICE QUOTATION ANALYSIS FOR Agriculture tools									
		Building Materials Center				GreenField Liberia Inc		Al Madina Building Materials	
No	Description of Item	Unit	Qty	Unit Price	Amount USD	Unit Price	Amount USD	Unit Price	Amount USD
1	Hanging Scales (50Kgs)	Pcs	14	15.00	210.00	25.00	350.00	45.00	630.00
2	Cocoa cutter	Pcs	7	10.00	70.00	12.00	84.00	13.00	91.00
TOTAL					280.00		434.00		721.00
All of the three suppliers have quoted the items as per the specifications requested by IFAD PIU. Building Materials Center (BMC) was substantially responsive and offered the lowest price.									
Therefore, BMC is hereby recommended to supply IFAD/PIU.									
Prepared by: _____ Date: _____									
Procurement Assistant									
Verified by: _____ Date: _____									
Procurement Officer									

## Procurement Annex 4: Purchase Order (template)



IFAD-Project Implementation Unit  
 Program Management Unit (PMU)  
 Ministry of Agriculture  
 University of Liberia Campus, Fendell



Procurement Number			
Procuring Entity	Department/Project	Purchase Order Number	Financial Year
PMU	IFAD PIU		201x

To:

xxxx xx, 201x

Your quotation number: xxxxxxx for the below item has been accepted and you are required to supply the item based on the specific terms and conditions contained in this Purchase Order as well as the General Terms and Conditions of the Ministry of Agriculture

No	Description of Item	Qty	Measure Unit	Unit Price USD	Amount USD
1					
<b>TOTAL</b>					

Specific Terms of the Purchase Order:

- Contract Price:** US\$.....00 ( ..... United States Dollars).
- Delivery Period:** On or before xxxx xx, 201x.
- Warranty:** n/a
- Delivery Point:** The delivery shall be made by the Supplier at their risk and account at the IFAD PIU Office, Program Management Unit, Ministry of Agriculture, University of Liberia Campus, Fendell
- Contact Person:** Princetta Clinton-Varmah, IFAD/PIU, Cell:0886 547865; Email: princettav@gmail.com
- Payment:**  
 Payment will be made in full within 30 days of receipt of an invoice supported by a delivery note signed by PIU confirming satisfactory completion of the delivery. The above *documentations must be submitted to the PIU Finance Office.*



IFAD-Project Implementation Unit  
**Program Management Unit (PMU)**  
Ministry of Agriculture  
University of Liberia Campus, Fendell



7. The following document(s) attached as Annex(es) form part of this Purchase Order:
- a. Proforma Invoice for tyre issued to the PMU.
  - b.

**This Purchased order shall be considered authentic only when it is duly signed by the three authorities below.**

_____ Procurement Officer	_____ Finance Controller	_____ Project Coordinator
_____	_____	_____

**ACCEPTANCE OF PURCHASE ORDER BY THE SUPPLIER:**

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

Position: .....

On behalf of: ..... Date: