

Republic of Liberia

Smallholder Tree Crop Revitalization Support Project (STCRSP)

Supervision report

Main report and appendices

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Abbreviations and acronyms

ASRP	Agriculture Sector Rehabilitation Project
AWP/B	Annual Work Plan and Budget
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 Agriculture Development
INGO	International Non-Government Organization
IP	Implementation 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
PMU	MOA Project Management Unit for donor-funded Projects
QFMCS	Quapatamia Farmers' Multipurpose Cooperative Society
SIDA	Swedish International Development Agency
STCRSP	Small-holder Tree Crops Revitalization and Support Project
TA	Technical Assistance
UNOPS	United Nations Office for Project Services
ZDMFCS	Zorzor District Multi-purpose Farmers' Cooperative Society

A. Introduction¹

1. A joint Ministry of Agriculture and IFAD direct supervision mission of the Smallholder Tree Crop Revitalization Support Project (STCRSP) was undertaken from 14 to 25 May 2013, the second of its kind since the project was officially launched in September 2012. The main objective of the mission were to: (i) assess the progress made in accelerating the project and in its implementation, against the 2012-2013 AWPB and procurement plan and against recommendations arising from the previous supervision mission; (ii) identify actual and potential/emerging operational problems and challenges; (iii) propose solutions, corrective measures and provide recommendations for improved implementation; and (iv) where required, provide additional training and/or guidance to the Project Implementation Unit (PIU).

2. The mission held a progress review meeting with the PIU in Monrovia, followed by field visits to project operational sites/ areas in Lofa County from 15 to 19 May 2013. The mission visited five districts (Salayea, Zozor, Vahun, Foya and Kolahun) and held meetings with the Lofa PIU, County Agriculture Coordinator, District Agriculture Officers, LAADCO (private exporter), cooperatives implicated as implementing partners/ service providers and other farmer groups and associations receiving project support. Upon the return to Monrovia, additional consultations and follow-up meetings were held with the cooperatives, partners and agencies involved in the project. The findings of the field visits and outcome of meetings were discussed with the PIU and PMU for validation prior to finalization of the Aide-Memoire and presentation at the final wrap-up meeting held in the Ministry of Agriculture (MOA) on 24 May 2013.

3. The Aide-Memoire and Supervision Report reflects the main mission findings and recommendations duly endorsed in the wrap-up meeting.

B. Overall assessment of project implementation

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

5. The specific objectives of the STCRSP are as follows: (i) to increase the quantity sold and price received by poor farmers for cocoa and coffee through rehabilitation of plantations; (ii) to improve access to markets through rural roads rehabilitation and maintenance system development; and (iii) to strengthen the Ministry of Agriculture (MOA) and/ or private extension services as well as Farmer-based Organizations. These objectives are to be achieved through four related and reinforcing components: (i) cocoa/ coffee rehabilitation; (ii) rehabilitation of farm to market roads; (iii) institutional capacity building; and (iv) project management.

6. The **overall project progress can be rated as moderately satisfactory**. The STCRSP is less than one year effective (effective date of 3 July 2012) having experienced initial delays in ratification; subsequently the PIU staff were only recruited in August 2012 and the project officially launched in September 2012. Since the launch and revision of the AWPB, the PIU has made remarkable progress in identifying, negotiating, and finalizing the Agreements with Implementing Partners (IPs) before end 2012, thus establishing a strong foundation for roll-out of project activities. Most notably within this short timeframe, the PIU in partnership with IPs has successfully met the 2013 cocoa/ coffee campaign through mobilisation, sensitization and effective rehabilitation of 1500 ha of smallholder cocoa/ coffee plantations. As well, solutions to mitigate the early challenges (and delay) related to implementation of the rehabilitation of farm to market roads as a consequence of lack of cost-effective options, are being applied. The pace of activities in the second half of the implementing year has been very encouraging and is on a whole, on track to achieve annual targets. Preparations are also already underway to accelerate and expand the targets for the second campaign.

¹ Mission composition: Mr Hubert Boirard, CPM and Mission Leader; Ms Tamara Lampe, ACPM, Institutional and Implementation Support; Mr Roberto Longo, Technical Advisor, Farmers Organization; and Ms Anta Sow, Financial Specialist/ Consultant.

7. Overall, the project is proving to be highly innovative in its approach through: (i) the engagement of the private sector exporter as an IP providing substantial investment, and which has been highly appreciated by the cooperatives and their member farmers; (ii) early sensitization and emphasis on an exit strategy through development of cooperative business plans that embed principles of sustainability and self-sufficiency; (iii) the 40% payback mechanism for rehabilitation of farms/ plantations; and (iv) the specific attention in targeting youth and generating youth employment opportunities (youth groups undertaking rehabilitation works and road maintenance; recruitment of young professionals at district-level). Fine-tuning of the arrangements and project approach relate primarily to further strengthening the cooperatives' good governance, organizational and management processes and structures for responsible fiduciary management, planning and implementation aligned with their respective work plans and budget.

8. To date, the 2012-2013 AWPB execution rate is 40% taking into account commitments. This is a satisfactory delivery rate, especially when viewed against the initial delay related to the feeder roads component. With regards to the operational components, component 1 can be rated satisfactory, component 2 rated moderately satisfactory and component 3 rated moderately satisfactory. Of note, key achievements include: the delivery in the rehabilitation of cocoa/ coffee plantations, the establishment of nurseries and mini-warehouses, and the identification of key priority feeder road structures.

9. With the Monrovia and Lofa-based PIU settled in an improved working environment and having built up a stronger working relationship with the IPs, there is encouraging scope to now accelerate the pace of implementation and focus on the issues/ areas that require sustained effort to improve performance and impact.

C. Outputs and outcomes

10. **Component 1: Cocoa/ coffee rehabilitation:** *Overall progress under this component is satisfactory.* Towards improving incomes and productivity of smallholder farmers involved in the cocoa/ coffee sub-sectors, 1500 ha of cocoa/ coffee plantation rehabilitation have been planned for 2012-2013 (on the principle of one hectare, one farmer); the related activities are implemented through the engagement of Implementing Partners (IPs) comprising (i) LAADCO, a private sector exporter (for 1000 ha of rehabilitation) working with three cooperatives; and (ii) two cooperatives (totalling 500 ha of rehabilitation), Zorzor District Multipurpose Farmers' Cooperative (ZDMFCS) and Quapatamai Farmers Multipurpose Cooperative (QFMCS) under Memorandum of Agreements (MoA) with the PIU.

11. In the first year of implementation, establishing a solid approach for targeting and mobilisation of the target group(s) has been critical. Facilitated by the IPs and PIU, awareness raising and sensitization were undertaken in Salayea, Zorzor, Vahun, Foya and Kolahun districts across 20 communities and 95 villages, which included the participation of MOA representatives, community members (cooperative members and non-members) and local government. The roles and responsibilities of all stakeholders regarding targeting, community/ village selection and community interaction strategies were also discussed and are well understood.

12. **Rehabilitation of farms.** With the engagement of the IPs, activities included the selection of villages, the mobilisation of farmers, and registration of first year project support recipients. Whilst membership registration in the five cooperatives implicated in the project amount to over 3220 members, of these, 1500 farmers have now been registered to receive support for the first year. Contributing to rural youth employment, and under facilitation by the IPs, youth groups comprising 1527 youth have been formed and trained, commencing rehabilitation works on 1500 ha of plantations.

13. Despite the rehabilitation of farms commencing relatively late in the farming production cycle, approximately 95% of rehabilitation works (under-brushing, and partial de-shading and pruning due to fruiting of trees) has been realised, with the expectation that the remaining works will be completed

before fiscal year. It can be reasonably expected that the efforts will already show in this year's harvest during the period June to December; by next year's harvest, results should become even more evident, and it is important at this stage to establish the baseline to monitor production levels, and consequently produce commercialised and the impact on household incomes.

14. An especially important element of the project approach for rehabilitation has been the **repayment mechanism by farmers**. During farmer sensitization, emphasis was placed on highlighting the responsibility of farmers to payback 40% of the cost of the one hectare rehabilitation commencing in the second year following project support. With an average cost of US\$ 207 for the rehabilitation of one hectare (the package cost includes the cost of the hired labour required to undertake under-brushing, de-shading and pruning, shared solar dryers and replacement seedlings), farmers are expected to payback US\$ 83; encouragingly, this clause is included in the contract/ agreement with each and every beneficiary farmer. Through group discussion with farmers, this payback concept appears to be well understood and accepted, but can only really be assessed in year 2 when the repayment must take place. Furthermore, to ensure sustainability and commitment, the mission also recommends to include the condition that in the event of non-maintenance of rehabilitated farms, farmers must reimburse the project at 100%. On an annual basis, a cost-benefit analysis at farm-level should be undertaken to provide evidence of the appropriateness and advantage of farm rehabilitation.

15. Efforts to build technical capacity amongst institutions and farmers themselves have also started on a solid footing. Technical training was conducted for the seven newly recruited young professional tree crop officers (one per project district) and other key project stakeholders; similarly the cooperatives have also commenced tree crop training for member farmers in Zorzor and Salayea districts. In complement to the public extension services system, the recruitment of the tree crop young professionals, cooperative tree crop officers, and LAADCO's technical extension structure (including district-based technicians, agronomists and supervisors) are offering an effective solution.

16. In parallel to the rehabilitation works, cocoa and coffee nurseries have also been established by the IPs as an important measure verified by farmers to counter the problem of old trees/ plantations that are facing the problem of decreasing production (4 nurseries were established by ZDMFCS, 3 nurseries by QFMCS, and 3 central nurseries by LAADCO - one per cooperative). Responding to this issue, LAADCO in close collaboration with the MOA and PIU made arrangements for the purchase of 6000 cocoa pods (representing approximately 160,000 seeds) and 30,000 coffee seeds from the Sierra Leone Agriculture Research Institute (SLARI). However, as the contracts with IPs were only formalized in December 2012, the planning and subsequent request for seedlings was undertaken very late in the production cycle; this meant that SLARI and other seedling suppliers had other commitments and could not provide the best quality seeds requested, nor the levels requested. The result was that only 4000 pods (120,000) seeds were finally delivered in two batches in January of this year and were further distributed to the nurseries established by the cooperatives and the LAADCO. Whilst the nurseries themselves have been well established and are well-managed, the main challenge encountered has been the seed quality and germination. To date, the survival rate of cocoa seedlings is 64% and for coffee seedlings, 39%. To avoid this challenge in the subsequent years, it is imperative that the IPs make early preparations and confirm next year's targets, in order to put in the request for seedlings early in the production cycle, and by September at the latest. This will improve the chances of receiving the requested amount and better quality seeds. Going forward, the effective distribution of seedlings, to commence in June/ July to farmer beneficiaries also needs careful consideration. Transportation to farms without further damage to seedlings and at a reasonable cost has to be prioritised. This suggests that the establishment of smaller village nurseries would be a more effective solution, managed by the village/ community themselves.

17. As the **sourcing of seed material** is an increasing priority, a long-term solution to the issues was discussed with all stakeholders. The mission noted with interest that a clonal garden with the relevant cultivars is in existence in Lofa County, but due to the conflict, was abandoned and is now overgrown. An option to rehabilitate this clonal garden to produce cocoa and coffee seedlings in close

proximity to the project sites could be a longer-term and viable solution; the CAC and PIU have been delegated the responsibility to assess the clonal garden potential and this option.

18. In terms of the collection and bulking of farmer produce, the project also envisaged the construction of mini-warehouses and central warehouses owned and managed by the two cooperatives. Under the full responsibility of the cooperatives themselves, ten mini-warehouses have been fully constructed in a remarkably short period of time. Preparations for construction of the central warehouse for each cooperative are on-going, though the mission emphasized the need to ensure that they are well located to facilitate transportation of produce; works should commence during the period September to December 2013.

19. **Pricing and quality.** As the project prepares to enter into its second year and the level of rehabilitation is to increase substantially, produce quality considerations must be emphasized as this has a bearing on marketing/ commercialisation and subsequent impact on farmers' income. Produce buyers/ exporters have consistently underscored the importance of, and premium price attached to quality produce. A basic understanding by farmers and the cooperatives of the cocoa market and pricing is absolutely necessary. In parallel, the effort to support improved quality produce (cocoa beans) through provision of solar dryers at the village level has been envisaged. As the most effective solar dryer specifications are relatively costly (approximately US\$ 250 – 300 per dryer), the mission recommends that in order to put in place a sustainable and replicable approach, solar dryers, although the property of the cooperatives, should be managed by a community/ village level committee, with village users responsible for repaying the full cost of the solar dryer (commencing after the second year of its construction and over two years).

20. With the impending harvest, it is imperative that the cooperatives determine the quantities of produce they could realistically bulk for commercialisation, and begin discussions with interested buyers, including the private sector exporter to establish a contractual arrangement that could include pre-financing in the absence of adequate working capital.

21. To improve understanding by beneficiaries (many illiterate) of the project approach, principles and concepts, visual material and more innovative sensitization and communication methods (including radio medium) should be instigated and repayment percentage converted into dollar amounts.

Agreed action	Responsibility	Agreed date
Develop database of all beneficiaries, including systematically recording baseline production levels and commercialisation data	IPs and PIU M&E Officer	15 August 2013
LAADCO partner cooperatives to institute contracts with individual farmers for payback mechanism	LAADCO	June 2013
Prepare TORs to engage a Service Provider to develop visual aide and communication materials (incl. radio) for payback mechanism, project concepts, information, etc.	PIU Institutional Specialist	June 2013
Incorporate 100% payback condition in contracts in the event of non-maintenance of rehabilitated farms	IPs	On-going
Undertake annual cost-benefit analysis (CBA) of farm rehabilitation (at the farm-level)	PIU Tree Crops Officer, Institutional Specialist and M&E	December 2013; yearly
Assess clonal garden rehabilitation potential and develop related proposal	CAC	July 2013
Establish produce quantities to be commercialised ahead of the current year harvest and communicate with buyers/ exporters	IPs with support from Institutional Specialist	End May 2013
Finalize second year targets and submit associated request for seedlings	IPs and PIU	Mid June 2013
Review and fine-tune village youth group tools package	PIU Tree Crops Officer	End May 2013
Submit central warehouse proposal and budget to the PIU	IPs	July 2013
Establish village nurseries	IPs	August 2013

Develop technical manuals for cocoa production – production, harvesting, fermentation, handling, etc..	PIU Tree Crops Officer	July 2013
Provide YPs with GPS for mapping of surface area under rehabilitation	PIU	October 2013
Implement construction of solar dryers at village level for improved accessibility and devise management strategy and repayment scheme	IPs	July 2013

22. **Component 2: Rehabilitation of farm to market roads:** *Overall progress under this component is rated moderately satisfactory.* The project appraisal recommendation to sole-source HIFAB, a private consulting firm to implement the component proved to be unfeasible upon assessment of the projected costs associated with their engagement. Whilst another option to engage UNOPs was explored, the related costs were also deemed too high to justify. In view of these challenges and the need to mitigate any further delays, the PIU sought a practical and more cost-effective solution whereby implementation would become an in-house responsibility; this required and involved the recruitment of two national engineering staff and quality/ backstopping by an international consultant.

23. As a quasi-pilot measure, the first year of implementation of this component set a modest target for the rehabilitation of only 50 km of feeder roads. To ensure the prioritisation and relevancy of road selection for the target farmers, the IPs were implicated in the selection consultation process, alongside the County Resident Engineer from the Ministry of Public Works and with consideration for the County Development Agenda.

24. Two additional national civil engineers were hired and a short-term engineer consultant engaged to support the PIU civil engineer. After a consultation process with local authorities, farmers and IPs, a roads condition survey was undertaken which identified 60.2 km of priority feeder roads across the County for the first year of implementation. As a first measure, the design and specifications for the selected roads, which included the priority structures (culverts, bridges) to be constructed, were completed and submitted to the Ministry of Public Works (MPW). However, the mission was informed that MPW has recently established a new set of guidelines and indicated their preference for 6m roads; subsequently the MPW requested a revision of the design and specifications to be in accordance with these new guidelines. This has resulted in a significant increase in the estimated cost of rehabilitation by almost two-fold; on average, 1km of road had an estimated cost of US\$ 52,000.

25. Whilst the PIU had already started preparations for the procurement of feeder road works, the on-set of early rains, preventing any substantive work on road paving, has necessitated a focus on the construction of priority structures (culverts and bridges) under the 60.2 km of roads identified. Stakeholders confirmed that structures were a priority measure, as despite the lack of rehabilitated/ paved roads for vehicle traffic, motorbikes could still pass provided the structures were in place. The list of structures per district and by type, required under the first set of 60.2 km of roads have now been finalized (a total of 133 culverts and 12 bridges), as has the related drawings, technical specifications and BOQ. The procurement process will be launched before the end of May, with the aim to complete all infrastructure by January 2014, and to commence with paving at the start of the dry season (around December). The bidding lots will be grouped to ensure that contractors are incentivized to undertake the works efficiently and effectively. To date, a list of potential and qualified contractors to undertake the works has been compiled after consultation with MPW; going forward, contractors and works will require close monitoring and supervision to deem whether their delivery/ output is of a sufficient and quality standard.

26. With the commencement of works on road structures for the first batch of 60.2 km expected to start mid-year, the PIU should also commence with identifying a second batch of 140 km of roads to be rehabilitated; the preparation of bidding documents should be completed by November 2013.

27. Finally, it is imperative that the cooperatives continue the on-going efforts to inform and sensitize communities on the importance of road maintenance and their respective responsibilities

and contribution. The mission noted with appreciation the commitment already demonstrated by communities for the feeder roads rehabilitation, evidenced by the voluntary labour undertaken in a first clearing of the roads.

Agreed action	Responsibility	Agreed date
Confirm MPW guidelines and revise estimated associated road rehabilitation costs; rethink strategy for road rehabilitation accordingly	PIU engineers	31 May 2013
Finalize bidding documents for first batch of feeder road structures	Procurement officer, PIU	31 May 2013
Prepare bidding documents for first batch of feeder road rehabilitation (paving)	Procurement officer, PIU	September 2013
Identify second batch of feeder roads to be rehabilitated (roads and structures)	PIU civil engineers	August 2013
Community sensitization on road maintenance	PIU civil engineers with IPs	Continuous
Undertake baseline of roads – traffic, differentiated crop prices; identify indicators	PIU civil engineers and M&E Officer	September 2013

28. **Component 3: Institutional capacity building:** *Overall progress under this component is rated moderately satisfactory.* To effectively implement and monitor activities under components 1 and 2, and in view of weak institutional capacities at local level, the project has dedicated efforts into the strengthening and capacity building of the key institutions who hold levels of responsibility for implementation and monitoring of activities. The implementation arrangements via: (i) the two cooperative IPs; and (ii) the private sector exporter (LAADCO), showcase a need to harmonise the project approach.

29. An **assessment of the cooperatives** revealed the following:

- (a) **IP cooperatives (ZDFMCS and QFMCS).** As agreed in the MoAs with ZDFMCS and QFMCS, the two cooperatives have been supported with: transportation/ mobility (4WD pick-up and four motorbikes); office equipment; power-saws; assorted farming tools; building material for mini-warehouses; communication and internet facilities; and financial support for remunerated professional staffing. Cooperative management teams are all in place, and an assessment of the management capacity of the cooperatives revealed encouraging signs that indicate a good basis for increased and improved capacity; already there is improved organization, evidenced by comprehensive filing systems (receipts, minutes of meetings, individual contracts between the cooperatives and the farmers that benefit from rehabilitation, contracts between the village youth groups and the cooperatives). With the support of dedicated M&E and tree-crop staff, cooperatives have successfully achieved the following: (i) farm rehabilitation; (ii) establishment of nurseries; and (iii) the construction of mini-warehouses (see component 1).
- (b) **Cooperatives under partnership with LAADCO.** The assessment of the three cooperatives in Vahun, Kolahun and Foya districts found diversity in their institutional maturity, capacity and set-up; this is largely attributable to the different levels of external support they have received². Nonetheless, some common features emerge: (i) none of the cooperatives have business plans; (ii) cooperatives are marginally involved in the bulking and marketing of cocoa due to limited availability of working capital and lack of warehouses; and (iii) cooperatives are all managed on a voluntary basis by a group of shareholders. With LAADCO support and investment, some of these drawbacks are being addressed – most notably, LAADCO has provided their partner cooperatives with pre-financing for working capital (for purchase of cocoa from member and non-member farmers) and transportation (use of pick-up truck and motorbikes during the harvest period), as well as close technical extension services through district teams comprised of technicians, agronomists and supervisors.

² Maliandoe Cooperative in Foya district, with 1411 members, is currently supported by GIZ; Sebehill Cooperative, with an estimated 507 members in Kolahun district has received past support from ACDI/VOCA and Concern Worldwide; Vahun Cooperative, with an estimated 750 members, was until recently isolated due to poor road infrastructure and have thus not benefited from any notable external support.

30. **A harmonised approach for cooperative development.** The mission observed that the different approaches adopted by the IPs are highly complementary and could be combined and harmonised to offer a comprehensive package of support to address the management, governance and technical extension needs, as well as working capital constraints of *all* project-implicated cooperatives. Based upon a tripartite agreement (PIU, LAADCO and the cooperatives), the key features of this harmonised approach are as follows:

(a) **Development of business plans and complementary capacity-building plans.** As a priority, and serving as an exit strategy, all cooperatives should develop and finalize their five-year business plan for effective planning, decision-making and growth. The business plan will also guide the cooperative in assessing their training and capacity building needs (in the areas of financial management, governance, leadership, community mobilisation/ sensitisation, extension services, product/ service development, etc.). As an additional support measure, the mission also provided a diagnostic 'profiling' tool that the project could use to assess the level of cooperative development on an annual basis.

(b) **Institutional support based on capacity-building plans³.** The project will provide cooperatives with support on the basis of the findings of the institutional assessment and capacity building plan, and can cover: professional/ management staff remuneration, logistics, equipment, other recurrent costs, and investment costs for construction of warehouses.

(c) **Emphasis on good governance and management.** With the expectation of cooperative expansion and increased activities, emphasis should also be placed on developing transparent and good governance and management structures to secure sound financial management and build confidence and trust of members. The mission also recommends the institutionalisation of quarterly external audit of finances and compliance with agreed procedures.

(d) **Effective monitoring and evaluation (M&E).** There is need to systematically capture the information and data related to the 'before project situation' (i.e. pre-rehabilitation) in terms of production levels and commercialisation. All cooperatives should be responsible for capturing farm-level data on the average production levels, assess cocoa production in the current 2012-2013 harvest, and ensure this is done for farms already rehabilitated and all future rehabilitation.

(e) **Establishing linkages with private sector buyer/ exporter.** To counter the fundamental constraint of limited working capital, cooperatives are encouraged to enter into contract with a private sector exporter that is committed and able to provide pre-financing or other support measures such as transportation.

31. The harmonised approach applicable to *all* cooperatives has implications on the workload of the PIU Institutional Specialist. Therefore, the mission recommends to recruit two additional institutional specialist consultants to complete the Lofa-based cooperative support team⁴.

32. With the approaching new fiscal year, the development of the 2013-2014 AWPB for all cooperatives is now a priority. In this regard emphasis should be on the arrangements that ensure available working capital for the purchase of cocoa from farmers, as well as the construction of village level solar dryers for improving quality of cocoa and market price premiums.

33. **Additional IP cooperatives to expand coverage.** During project appraisal, a third cooperative should have been identified as an IP to serve the remaining two districts not covered by the existing cooperatives and LAADCO. The PIU held separate meetings with the Voinjama District Farmers' Cooperative Society and Quardu Gboni Farmers' Cooperative Society, and the mission further recommended the following activities to be undertaken without delay: (i) an institutional assessment of each cooperative; and (ii) estimation of the business potential of each cooperative to assess the

³ In the special case of Maliandoe cooperative that is still benefiting from GIZ support, it is important that the capacity building plan is developed to complement the on-going support

⁴ All field staff will be provided with motorbikes to facilitate their support to cooperatives.

viability, sustainability and scope of required support. On the basis of the institutional assessment and sustainability of the business, both cooperatives could benefit from the harmonised cooperative development approach.

34. Over and above the institutional support to cooperatives, priority **institutional capacity building support to the MOA** at the decentralised level (County and District level) has also been identified and is now ready to be implemented. The scope of support to the CAC and DAOs includes: extension of the CAC office and construction of DAO office space in each district; office equipment; vehicles and motorbikes for improving mobility; technical and leadership training; monthly incentives for DAOs; recruitment of both an M&E and tree crop young professional officer per district; and financial support for operating costs. The support provided is conditioned on performance and results, with the expectation that the MOA at decentralized level will be capacitated to carry out its responsibilities in the key areas of: (i) M&E; (ii) coordination; and (iii) technical advisory extension services. It was agreed that the CAC should effectively coordinate with the DAOs to ensure that monthly workplans are submitted to the PIU, and monthly district coordination meetings which will form the basis of the financial support to be provided.

35. To date, 14 young professionals, one M&E and one tree crops officer per district, have been recruited and are in the field; the equipment and motorbikes to facilitate their work will be available shortly with the finalization of the MoA with the CAC. In addition, the procurement process for construction for expansion and construction of the CAC and DAO offices is on-going, but must be accelerated after the delay encountered with the higher than expected unit costs for works.

36. It was also brought to the attention of the mission that the number of DAOs in Lofa County totalled 8, with one district comprising two DAOs. Whilst the original project appraisal only made provision for support to 7 DAOs, the mission recommended that support in the form of incentives and mobility be provided to all 8 DAOs, though office space will be shared.

Agreed action	Responsibility	Agreed date
Development of the business plans, capacity building plans and 2013-2014 AWP/B of ZDFMCS and QFMCS cooperatives	Management of cooperatives with support from the PIU Institutional Specialist	June 2013
Preparation of TORs, tender and procurement of the TA for the capacity building plan for ZDFMCS and QFMCS	PIU with the involvement of the cooperative management	July 2013
Institutional assessment and assessment of business potential of the two additional cooperatives in Voinjama and Quardu Gbondi Districts	PIU Institutional Specialist	End June 2013
Signing of MoA with the additional cooperatives (Voinjama and Quardu Gbondi)	PIU	July 2013
Institutional assessment of the Maliandoe, Guma Mende and Sebehill Cooperatives	PIU	July 2013
Development of the business plans, capacity building plans and 2013-2014 AWPB for Maliandoe, Guma Mende and Sebehill Cooperatives	Management/leadership of cooperatives with support from the PIU Institutional Specialist	July 2013
Signing of MoA with Maliandoe, Guma Mende and Sebehill Cooperatives	PIU and Cooperative with involvement of LAADCO	July 2013
Institute quarterly audit of cooperative finances and compliance with procedures	PIU	Continuous
Undertake Learning Route on cocoa/ coffee cooperative development in Sao Tome	PIU and Cooperative representatives	July 2013
Signature of MoA with CAC	PIU	May 2013
Complete construction of CAC/DAO office	PIU and Procurement Officer	December 2013
Transfer motorbikes from ASRP to YPs in the interim	PIU	31 May 2013
Institute <i>monthly</i> district coordination meetings	CAC	June 2013
Recruit two additional institutional specialist consultants to support PIU institutional specialist	PIU	August 2013

D. Project implementation progress

37. **Component 4: Project Management:** *Progress under this component is rated as satisfactory.* To date, all STCRSP staff have been recruited with the exception of an Agro-Business Officer and the project has commenced full implementation following the signing of the Memorandum of Agreements (MoA) with three implementing partners and project launch in Monrovia and Lofa County. In keeping with its 2012-2013 AWPB, the PIU during the period under review conducted regular field monitoring visits and workshops, supervising six of the seven districts in Lofa County (Salayea, Zorzor, Voinjama, Vahun, Kolahun and Foya). The field visits followed the January coordination workshop that provided hands-on support and guidance to project IPs, attended by 56 participants (49 males, 7 Females).

38. With the improved working conditions for the Monrovia-based PIU and Lofa PIU, there is now ample opportunity to address the issue of improving communication and interface between the PIU, implementing partners, CAC/DAOs and local authorities to ensure joint ownership, timely information flow, frequent reporting and feedback. With the recruitment of district young professionals and with the finalization of the MoA with the CAC, the seamless complementarity of responsibilities and information exchange should be facilitated.

39. **Annual Work Plan and Budget:** The revised 2012-2013 AWPB totalling US\$ 2,276,788 was prepared and finalized following the last supervision mission. Financial progress against the AWPB is US\$ 704,197 or 31% of the total budget, with the execution rate rising to 40% when taking into account commitments. The procurement plan had also been accordingly revised for an amount of US\$ 2,734,505 of which overall progress is 32%. It should be noted that although the 40% execution rate is primarily a result of the delay and challenges encountered in the rehabilitation of feeder roads and in the delay in finalizing the MoA with the CAC, the launch of the roads rehabilitation procurement process and the finalisation of the MoA with the CAC ensures an accelerated pace in the coming 2013-2014 fiscal year. The PIU is now in the course of drafting the new AWPB to incorporate the revised approach and recommendations arising from the current supervision mission.

40. **Monitoring and Evaluation.** Repeated emphasis has been placed on the importance of effective M&E and reporting, as a joint effort and responsibility of all project stakeholders. In support of this, all the IPs have confirmed the recruitment of dedicated M&E officers/ focal persons; furthermore, the district M&E young professional officers have now also been recruited and are in place. An M&E workshop was subsequently conducted and held for the IPs, CAC, DAOs, YPs and Lofa PIU in April, attended by 45 participants. At this early stage of implementation, establishing a consistent practice of information/ data collection through regular monitoring by the various actors, notably field-level actors (LAADCO technicians, cooperatives' tree crop and M&E officers, M&E and tree crops YPs), is key; consolidation of the information by the IPs with YP/DAO/CAC support and further analysis by the Lofa PIU M&E officer is also critical; finally all information, data and analysis should be systematically aggregated at the PIU level for further distribution and to inform decision-making. At this juncture, the mission has reiterated the fundamental need to capture the baseline/ pre-project intervention information with regards to farmers' production levels, commercialisation and incomes. It was noted with appreciation that efforts to capture this information is underway, but this needs to be systematically done and recorded. The M&E officer at Lofa PIU must ensure this is the case and establish a database to capture this information.

41. **Baseline survey.** Preparations to undertake a RIMS compliant baseline survey are underway, with the technical and financial proposals to be received shortly. All project actors will be mobilised and implicated in the survey. It should be noted that some discussions have also been held with the University of California, San Diego, who have expressed an interest in partnering with the project to undertake or support a rigorous randomized impact assessment of the project. A draft methodology has been developed by the University, and the project must now assess how best to move forward with this proposal.

42. **Targeting.** The sensitization of communities has been rolled out, which has resulted in good understanding and adherence to the targeting strategy; emphasis for the identification of project

beneficiaries has to-date been focused on the most vulnerable (elderly, disabled, women-headed households, etc.). Through participatory and consultative processes, both cooperative members and non-members have been identified for project farm rehabilitation support in this first year. During the five year project duration, it is reasonably expected that the vast proportion of eligible members of the cocoa/ coffee farming community will receive support. There is every expectation that this will also contribute to confidence in the cooperatives and eventually increase their membership numbers. According to the project's targeting criteria, the project would benefit 15,000 or 60% of the total poor households in seven districts of Lofa County under Component 1. In general, the project's target villages are those where over 70% of the farming households own less than 2 ha of land.

43. **Gender and youth considerations.** While a special gender workshop has not been held, specific emphasis has been placed on gender sensitive approaches to targeting in all workshops and meetings held; tracking of male and female ratios is also regularly reported, and today female beneficiaries comprise 21% of all project beneficiaries. Whilst a sustained effort will be required to reach the 25% target, the lack of cocoa/ coffee plantations owned by women does present a constraint.

44. The project is also making substantial headway in promoting youth participation and supporting their employment opportunities through: (i) mobilisation of 1,527 youth into village youth groups that have been contracted to undertake rehabilitation works on farms, and which today has injected more than US\$ 125,000 in revenue in just a 3 month period; (ii) recruitment of 14 young professionals providing M&E and tree crop extension services; and (iii) recruitment of youth within the cooperative structures.

Agreed action	Responsibility	Agreed date
Submit draft 2013-2014 AWPB and PP for no-objection	Programme Coordinator and FC	June 2013
Establish and adhere to a communication list for information sharing	Programme Coordinator	Continuous
Establish a database to capture baseline data and updated progress data on each beneficiary	M&E Officer, Lofa PIU	June 2013
Finalize contract with SP to conduct baseline survey	M&E Officer, PMU/PIU	15 June 2013
Review UCSD impact assessment methodology/ proposal and identify a way forward	Programme Coordinator	31 May 2013
Provide technical (and financial if required) support to GoL to ensure Liberia's membership in the ICCO	Programme Coordinator	1 September 2013

E. Fiduciary aspects

45. **Financial and administrative management.** Following the move to new (rented) premises at the beginning of 2013, the IFAD PIU is now working under optimal conditions in a conducive work environment, in a more central location with sufficient office space and a regular power supply. The financial and administrative management of both the ASRP and the STCRSP is handled by the IFAD PIU with a team of 5 officers (Financial Controller, Procurement Officer, Project Accountant, Accounts Officer, Administrative Assistant) and support staff headed by a Project Coordinator. Overall, the PIU's internal controls system is found to be adequate.

46. **Administrative management.** The following recommendations are made to improve the project's administrative management:

- Completion of personnel files with all missing documents;
- Conduct of year-end staff evaluations and setting of objectives for 2013-14 in July 2013;
- Independent assessment of staff's knowledge of the IFAD PIU procedures manual;
- Systematic use of travel authorizations (including for travel covered by lump sum DSA) and approval by the Project Coordinator (through email for Lofa staff); systematic submission of mission reports upon return from the trip;
- Monitoring of assets on TOMPRO using the assets register format from the manual;

- Contract for IT maintenance and troubleshooting.

47. Financial management. At the central PIU office in Monrovia, the TOMPRO accounting and financial management software was installed during the month of May and the staff was trained. All STCRSP transactions since project start and the 2012-13 AWPB are currently in the process of being inputted into the system. The TOMMARCHE procurement monitoring software installation and staff training were also completed this month. Now that these tools are in place, a complete financial report must be prepared on a monthly basis (including analyses of the project disbursement rate, execution of AWPB, financial situation of implementation partners, cash situation, execution of procurement plan and administrative issues).

48. The PIU Lofa office has a USD 1,000 petty cash fund for local purchases, with the M&E officer as Petty Cash custodian. In order to ensure proper monitoring and safeguarding of these funds, the mission recommends the implementation of (i) an Excel petty cashbook; (ii) a weekly cash reconciliation and cash count; and (iii) monthly surprise counts by the head of office. In addition, a monthly closing procedure should be carried out, and the cash reconciliation/count, petty cashbook and supporting documents must be submitted to the central PIU office within a week after month-end for verification and input in TOMPRO.

49. Annual work plan and budget. As of 30/04/13, only 31% of the revised 2012-2013 AWPB – totalling USD 2,276,788 – has been executed, as shown in the table below (amounts in USD):

	Component 1	Component 2	Component 3	Component 4	TOTAL
2012-13					
BUDGET	329 335	360 168	635 237	952 048	2 276 788
ACTUAL (10 months)	93 919	16 995	138 907	454 391	704 197
% execution	29%	5%	22%	48%	31%

This poor execution rate reflects (i) the time lag between physical progress and recording of expenditures incurred by the implementing partners (2 cooperatives and LAADCO), (ii) the delay in the implementation of the roads rehabilitation program and (iii) the postponement of the support to the CA and DAOs (due to the delay in the signature of the MOA).

50. The execution rate goes up to 40% when commitments are taken into account; however, it is not expected to increase much before the end of the fiscal year, as most of the remaining activities will be executed as part of the 2013-14 AWPB. This illustrates the need to prepare more realistic AWPBs; also, in order to facilitate the budget-to-actual variance analyses, the mission recommends that the assumptions and bases for budget estimates be fully documented in the next AWPB.

51. Disbursement. Treasury situation. The STCRSP has not experienced any cash shortages since project start, and according to the cash forecast prepared by the PIU, no treasury problems are anticipated in the next 6 months.

52. Implementing partners. As of 30/04/13, the financial situation of LAADCO and the Quapatamai and Zorzor cooperatives (responsible for implementation of Component 1) is as follows (amounts in USD):

	LAADCO	QUAPATAMAI	ZORZOR	TOTAL
Advances	100 000	59 242	47 012	206 254
Disbursements	73 824	19 894	18 769	112 487
As a % of advance received	74%	34%	40%	-
Balance of advances to be justified	26 176	39 348	28 243	93 767

53. Although the quality of the returns submitted by the cooperatives was found acceptable, the mission recommends that:

- the cooperatives and LAADCO submit a complete financial report to the PIU at the end of each month (including a detailed expenditure report, budget-to-actual statement, reconciliation of funds, bank reconciliation/bank statement and petty cash reconciliation);
- the cooperatives subscribe to internet banking to facilitate monitoring of the bank account and timely reconciliations;

- payments of USD 100 or more be made by check instead of cash (except for salaries and rehabilitation labour costs), so as to minimize the amount of cash held at the cooperative;
- a competitive selection process be carried out for procurement valued at USD 200 or more;
- the cooperatives accounts be audited on a quarterly basis by an independent auditor.

As part of the review of the financial returns, the PIU must verify that the expenditure claimed are in line with the approved IPs' AWPB.

54. The volume of activity will increase significantly in Year 2 with an additional 600 ha of rehabilitation for Quapatamai and 700 ha for Zorzor; in order to ensure a smooth flow of funds to the cooperatives, the mission recommends that the advances provided by the PIU be increased from USD 10 000 to USD 20 000.

55. IFAD disbursements. The status of the IFAD loan disbursements as of 30 April 2013 is shown in the following table (amounts in SDR):

Cat	Description	Loan Allocation	Cumulative disbursements to date (WA #1 and 2)	% disbursement	Available balance
1	Civil works	5 350 000	-	-	5 350 000
2	Equipment, goods and materials	1 250 000	48 319	4%	1 201 681
3	Technical assistance	1 140 000	18 506	2%	1 121 494
4	Salaries, allowances & operating costs	1 710 000	77 489	5%	1 632 511
	Unallocated	1 050 000	-	-	1 050 000
	Initial Deposit	-	655 080	-	(655 080)
	TOTAL	10 500 000	799 395	8%	9 700 605

56. The disbursement rate goes up to 10% when the WA #3 (currently in process at IFAD) and the unclaimed expenditure are taken into account. This low rate is due to the delays in project ratification, staff recruitment and signature of the MOAs with the IPs, as well as the lack of activity on Component 2 (roads rehabilitation).

57. Withdrawal applications. The PIU has produced 3 WAs since project start, 2 of which were for the replenishment of the Designated Account. Recommendations are issued by the mission for the following three issues noted during the review of these WAs:

- The improper use of the higher 'special hotel' DSA rate in one instance
- The procurement of legal consulting services without a competitive selection process
- The absence of signature on staff pay slips.

58. Reconciliation of the Designated Account. The reconciliation of the STCRSP designated account as of 30/04/13 is shown below (amounts in USD):

Initial deposit (A)	1 000 000	
USD Designated Account Bank balance at 30/04/13		319 981
Project Account Bank balance at 30/04/13		6 235
Petty cash balance at 30/04/13 (Monrovia & Lofa)		333
Current WA (#4)		168 156
WAs submitted but not yet paid by IFAD (WA #3)		242 136
Amount withdrawn from the Designated Account and not yet claimed		175 729
Subtotal (B)	912 570	
Difference (C) = (A) - (B)	87 430	
Explanation:		
59. Pre-financing of FUN activities (to be refunded upon signature of the financing agreement and transfer of the Italian grant funds to the PIU)		

60. **Counterpart funds**. GOL contribution to the STCRSP financing is in the form of duty/tax exemptions on investment expenditures (totalling USD 22,124 since project start) and office space for

the PIU⁵. The mission recommends that duty/tax exemptions be estimated in the AWPB and recorded in the STCRSP accounts as expenditures are incurred.

61. In-kind contributions in the form of blocks and land were donated by project beneficiaries for the construction of 10 mini-warehouses in Zorzor and Salayea districts. In addition, starting in 2014, the following contributions are expected from beneficiaries (i) payback of 40% of the plantations rehabilitation costs, (ii) cash contributions for the maintenance of roads and (iii) cash contributions for the cooperatives running costs. The mission recommends that all these contributions be estimated in the AWPB, valued and reported monthly by the Implementing Partners, and recorded in the STCRSP accounts.

62. **Compliance with loan covenants.** All STCRSP loan covenants that were due on or before 30/04/13 have been implemented by the PIU.

63. **Procurement.** Procurement planning and monitoring. The mission noted that the procurement plan (prepared on Excel) is not monitored on a regular basis and procurement is often initiated at the last minute, in a state of urgency; it is recommended that (i) procurement be undertaken sufficiently in advance to ensure on-time delivery, and (ii) the plan be updated on a real time basis to ensure that timely actions are taken and to avoid delays in the procurement process. In addition, contract monitoring forms must be established for each contract signed.

64. Execution of the procurement plan. The revised procurement plan totals USD 2,734,505, of which over USD 1.4 million initially planned for the rehabilitation of 50 km of roads will be postponed to the next fiscal year. As of 30/04/13, only 32% of the plan was executed, in line with the AWPB.

65. Procurement process. All 10 post review procurement cases completed to date were reviewed in detail. The following issues were noted, which call for closer supervision of the procurement function by the Financial Controller:

- In most cases, no request for quotation (RFQ) was prepared for procurement under the national shopping method (only specifications were provided to the pre-selected suppliers)
- In one instance, no RFQ or specifications were issued, and the 2nd highest bidder was selected without any proper justification
- In two instances, no evaluation report was prepared
- In a few cases, brand names or models were included in the specifications
- IFAD no objections are not systematically included in the procurement files
- The numbering of procurement cases and purchase orders is not always consistent.

Recommendations are issued to the PIU accordingly.

66. **Audit.** The first audit of the STCRSP will cover the year ended June 30, 2013. The PIU is currently preparing the evaluation report for the selection of an audit firm that will conduct both ASRP and STCRSP annual audits. The contract should be finalized mid-June. The mission has reminded the PIU that the final audit report must be submitted to IFAD before 31 December 2013.

67. The main recommendations made by the mission for the fiduciary aspects of project implementation and management are summarized in the table below:

Agreed action	Responsibility	Agreed date
1. Preparation of a complete STCRSP financial report each month	Financial Controller	Continuous
2. Full documentation of the budget assumptions and bases for cost estimates in the AWPB	Financial Controller	31 July 13
3. For all IPs: submission of a complete monthly financial report by all IPs and review by the PIU within 3 days (including verification against the IP AWPB).	Implementing partners	Continuous

⁵ The contribution related to Monrovia office space (up to January 2013) is taken into account entirely by ASRP. The contribution related to the Lofa office space (since November 2012) is minimal (due to the size and rental value of the premises) and is therefore not taken into account.

For cooperatives: payments by check for all expenses ≥ USD100; subscription to internet banking; use of competitive selection process for all procurement ≥ USD200; and quarterly independent audit		
4. Increase of advances to Zorzor and Quapatamai cooperatives from USD 10,000 to USD 20,000	Financial Controller	01 July 13
5. Implementation of adequate Petty Cash monitoring and safeguarding procedures at the Lofa PIU office (cashbook, cash reconciliations and counts, and prompt reporting to the central PIU office on a monthly basis)	Financial Controller and M&E Officer (Lofa)	15 June 13 Continuous
6. Counterpart and beneficiary contributions: (i) estimation of all contributions in the AWPB; (ii) implementation of monitoring and reporting mechanisms; and (iii) recording of the contributions in the project accounts	Financial Controller and IPs	31 July 13 Continuous
7. Procurement: (i) launch of procurement actions in advance; (ii) update of procurement plan on a real time basis; (iii) fully documented competitive selection process for all procurement ≥ USD200	Financial Controller and Procurement Officer	Continuous
8. Systematic use of travel authorizations (with approval by Project Coordinator) and submission of 'back-to-office' reports	Financial Controller	Continuous
9. Human Resources: completion of all personnel files; conduct of annual staff evaluation for 2012-13 and setting of objectives for 2013-14	Project Coordinator and Financial Controller	31 July 13
10. Independent assessment of staff's knowledge of the procedures manual	Financial Controller	31 August 13

F. Sustainability

68. **Institutional sustainability.** A core principle and effort of the project is to embed sustainability of activities; the strategy to achieve this is largely through implementation of component 3 which seeks to strengthen the capacity of the institutions implicated in the project. Through a combination of building cooperative (at the frontline of all activities) capacity, supplemented by a conducive and supportive technical and policy environment through decentralised MOA strengthened capacity, self-sufficiency and growth can be assured. It should be noted that support to cooperatives will be phased out once their capacity is built and commercial operations are well established over the project duration; financial health of the institution is also reinforced with recovery of 40% of rehabilitation costs that are channelled back into the working capital of the cooperatives.

69. **Social sustainability (empowerment).** It is expected that the project support to cooperatives will facilitate an important social element that is generated through the increasing outreach to farmers and economic activities and services provided by the cooperative. With an initial emphasis on the rural poor smallholders and the vulnerable, cooperatives are targeting this group and facilitating their improved economic well-being through rehabilitation of farms; in so doing, there is also an active effort to include these farmers, often non-members, into the cooperative as shareholders over the long-run and instilling a sense of ownership and empowerment through decision-making rights. Effectively, project and cooperative activities are geared towards inclusion of smallholders to actively engage in development processes and to make informed decisions for improved incomes.

70. **Economic and financial sustainability.** Through sensitization, training and emphasis on business planning, the economic and financial sustainability of the cooperatives is actively promoted. Similarly, at the farm-level, project beneficiaries have as well been sensitized on their responsibilities to payback a portion of the costs of rehabilitation. Annual cost-benefit analysis will provide further evidence of the appropriateness and advantage of investing in farming over the longer-run.

71. **Exit strategy.** The project approach is centred on building and strengthening the capacities of both the public and private sector (specifically the cooperatives) to be self-sufficient and pro-active

beyond the project life, thereby facilitating continuous growth in economic activity in the rural community and sector as a whole.

G. Other

72. **Impact.** It is too early in the project life to undertake any kind of assessment of the project's impact; however, discussions are already on-going to undertake the baseline survey, and which will complement other early preparations required to be able to instigate a rigorous impact assessment at project completion.

H. Conclusion

73. As the STCRSP is not even yet one year effective, the implementation progress that has already been made to-date is very encouraging. The outputs being achieved are on track with targets, and more importantly, what is being developed is serving as a very sound foundation to accelerate and roll-out activities in an effective and efficient manner in the coming fiscal year. The innovative approaches adopted by the project are meeting the labour and working capital constraints, and have in parallel facilitated improved outreach to the target group and social inclusion. As well, with the special attention to youth, there is now considerable scope for augmenting youth employment opportunities, youth participation and subsequently improved social dynamics within the project area.

74. At this still early and critical juncture of the project, there is still room to fine-tune implementation arrangements, most notably to harmonise the support provided to *all* cooperatives. Today, the key area for priority attention should be centred on building a solid foundation for the good governance, sustainability and operational effectiveness of the cooperatives, with project support aligned to the cooperative-driven capacity-building plans.

75. As the project continues to progress, it is imperative that given the highly results-oriented and focused nature of the interventions, rigorous M&E is undertaken as a joint responsibility by all stakeholders.

76. Finally, with the approaching 2013-2014 fiscal year, a new AWPB should be drafted in consultation with project actors, and finalized post-haste.

77. IFAD and the Government of Liberia endorse the findings of the supervision mission.

Appendix 1: Summary of project status and ratings

Project 1616 [852] Smallholder Tree Crop Revitalization Support Project

Basic Facts

Country	Liberia			Project ID	1616	Loan/DSF Grant No.	852
Project	Smallholder Tree Crop Revitalization Support Project					Top-up Loan/DSF Grant	
Date of Update	24-May-2013						
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	2	No. of Implementation Support/Follow-up missions	2				
Last Supervision	25-May-2013	Last Implementation Support/Follow-up mission	10-Mar-2013				

USD 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	-----	IFAD loan	16.88	8
First disbursement				DSF grant		
MTR		Last amendment		IFAD grant		
Original completion	30-Sep-2017	Last audit		Domestic Total	8.08	
Current completion	30-Sep-2017			Beneficiaries	0.92	9
Original closing	31-Mar-2018			Government (National)	2.02	0
Current closing	31-Mar-2018			Private Sector Local	5.13	20
No. of extensions	0			External Cofinancing 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	3	4	2. Performance of M&E	4	4
3. Counterpart funds	4	3	3. Coherence between AWPB & implementation	4	3
4. Compliance with financing covenants	4	5	4. Gender focus	4	4
5. Compliance with procurement	4	4	5. Poverty focus	4	4
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			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	4	1. Institution building (organizations, etc.)	4	4
2. Farm to market roads rehabilitation	4	4	2. Empowerment	4	4
3. Institutional Capacity building	4	4	3. Quality of beneficiary participation	4	4
4. Project Management	4	4	4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	4	4

B.5 Justification of ratings

The STCRSP is less than one year effective (effective date of 3 July 2012) having experienced initial delays in ratification; subsequently the PIU staff were only recruited in August 2012 and the project officially launched in September 2012. Since the launch and revision of the AWPB, the PIU has made remarkable progress in identifying, negotiating, and finalizing the Agreements with Implementing Partners (IPs) before end 2012, thus establishing a strong foundation for roll-out of project activities. Most notably within this short timeframe, the PIU in partnership with IPs has successfully met the 2013 cocoa/ coffee campaign through mobilisation, sensitization and effective rehabilitation of 1500 ha of smallholder cocoa/ coffee plantations. As well, solutions to mitigate the early challenges (and delay) related to implementation of the rehabilitation of farm to market roads as a consequence of lack of cost-effective options, are being applied. The pace of activities in the second half of the implementing year has been very encouraging and is on a whole, on track to achieve annual targets, and preparations are also already underway to accelerate and expand the targets for the second campaign. In addition, the institutions (cooperatives) implicated in the project are very well aware of the importance of obtaining self-sufficiency, and have finalised 5 yr business plans to guide their decision-making and achieve their break-even points within a three year period – this will significantly contribute to sustainability of activities and the project exit strategy.

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

With the Monrovia and Lofa-based PIU settled in an improved working environment and having built up a stronger working relationship with the IPs, there is encouraging scope to now accelerate the pace of implementation and focus on the issues/ areas that require sustained effort to improve performance and impact.

It should be noted that although the 40% execution rate of the 2012-13 AWPB is primarily a result of the delay and challenges encountered in the rehabilitation of feeder roads and in the delay in finalizing the MoA with the CAC, the launch of the roads rehabilitation procurement process and the finalisation of the MoA with the CAC ensures an accelerated pace in the coming 2013-14 fiscal year. However, in terms of meeting actual annual targets, the project is very much on course, having met the 2013 campaign and reached 95% of the target of 1500 ha of cocoa/ coffee plantations rehabilitated. In addition, there has been very strong efforts in meeting the gender and youth targets – today female beneficiaries comprise 21% of all beneficiaries (against a target of 25%); 1527 youth have been mobilised and more than US\$ 125,000 have been directly channelled towards their incomes in a short 3 month period; the prospects for growth is also highly apparent.

Key achievements in the reporting period include: the delivery in the rehabilitation of cocoa/ coffee plantations, the establishment of nurseries and mini-warehouses, and the identification of key priority feeder road structures.

C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4
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Rationale for development objectives rating

With 95% of this year's target for the rehabilitation of farms already achieved, and as confirmed through discussions with farmers and other stakeholders, the scope for making significant and positive changes to farm production levels (yields) is very encouraging. Combined with the establishment of linkages to a private sector exporter willing and able to offer a good market for produce, the impact on farmer livelihoods is highly probable. 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. Risks Short description of major risks for each section and their impact on achievement of development objectives and sustainability

Fiduciary aspects	(1) Use of Excel for the maintenance of project accounts increases the risk of errors and omissions and reduces the quality and reliability of the financial information produced (TOMPRO currently being implemented) (2) Lack of monthly financial reporting (including analyses of disbursement rate, AWPB execution, IPs financial situation, cash situation and procurement plan execution) may prevent timely decision-making or corrective actions being taken by the PIU management (3) Delays in submission of financial returns by IPs result in inaccurate disbursement data and may cause delays in the release of advances by the PIU (and, consequently, in the implementation of program activities)
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. Early preparation is also extremely vital.
Outputs and outcomes	Key risks by component relate to: (i) cocoa/ coffee rehabilitation – delay in establishing solar dryer facilities at village level; sourcing sufficient quantities of quality seedlings; managing the repayment mechanism effectively; (ii) farm to market roads rehabilitation – selection and identification of experienced contractors; viable and manageable associated costs of rehabilitation; weather conditions; beneficiaries ability and willingness to contribute annual maintenance fees; (iii) institutional capacity building –effective harmonisation of the support approach and tripartite agreement; cooperatives' adherence to business plans; and (iv) project management – timely recruitment of additional institutional specialist consultants; early completion of various baseline studies.
Sustainability	Effective market linkages for the cooperatives to ensure better price of products for members; development of institutional capacity of cooperatives to become strong and independent entities in

three years; establishing an effective community owned and operated road maintenance system

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Fiduciary aspects:			
(1) Use of excel for maintenance of project accounts	Input of all transactions (since project start) into TOMPRO and TOMMARCHE	June 2013	
(2) Lack of monthly financial reporting system	Preparation of complete financial report by Financial Controller and submission to PIU management and IFAD by the 10 th of each month	Continuous	
(3) Delays in IPs financial returns	Submission of complete financial returns by all IPs at the end of each month	Continuous	
M&E	Establish database, and systematically collect and monitor data/ information on beneficiary production levels, level of commercialisation and income levels; as well, finalize the baseline survey	15 August 2013	
Institutional assessment, business plans and capacity building	Institute the harmonised approach of project support for all cooperatives; as well, develop capacity building plans and ensure updated business plans to promote the sustainability of the cooperatives and their capacity to mobilise appropriate quantities of produce for commercialisation	July 2013	
2013-14 AWPB	Draft 2013-14 AWPB and related PP, taking into consideration mission recommendations, new cooperative targets, etc.	June 2013	

Additional observations

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

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
Goal: Empower 15,000 rural poor to increase their food security and improve their livelihoods, in the counties covered by IFAD, on a sustainable basis			
Project Development Objective: Rehabilitating plantations, improving access to markets and strengthening MOA extension services and farmers-based organizations			
Outcome 1: Increased quantity and quality for the 15,000 cocoa and coffee smallholder producers	-cocoa/ coffee production multiplied by at least 3 for 80% of targeted smallholder farmers (at least 25% female & 50% youths) (Number of farmers with increased cocoa/ coffee production disaggregated) - percentage of bad beans reduced by 50% for 80% of targeted smallholder farmers (at least 25% female & 50% youths) (Number of farmers with reduced percentage of bad beans disaggregated)	- Project progress reports - Ad-hoc surveys	Timely availability of resources & logistics to procure and deliver the inputs to beneficiaries - Land tenure system in project counties does not pose any limitations to project activities - Targeted communities are involved and responsive to interventions made
Outputs 1: Improved production practices are introduced - Primary processing with high quality standards is facilitated for targeted cocoa/coffee farmers	-15 000 cocoa and coffee smallholder farmers use improved cocoa and coffee production practices (at least 25% female & 50% youths) (1. Number of farmers trained in cocoa/coffee production practices disaggregated) (2. Number of farmers using improved cocoa/coffee production practices disaggregated) - 15 000 smallholder farmers have access to drying, storage and/or packaging facilities (at least 25% female & 50% youths) (1. Number of processing facilities constructed) (2. Number of farmers with access to drying , storage or packaging facilities) (3. Number of processing facilities functioning)	- Project progress reports.	- Target communities are involved and responsive to interventions made.
Outcome 2: Increased quantity of the cocoa and coffee sold by targeted smallholders on the market -Improved quality of the cocoa and coffee sold by targeted producers on the market	-selling on the local and export market multiplied by at least 3 for 80% of the targeted smallholder farmers (at least 25% female, 25% youths) (Number of farmers with increased sales on the local and export markets disaggregated) - decrease of losses/damage in the cocoa	-Project progress reports -Ad-hoc surveys	Timely availability of resources and logistics to procure and deliver the inputs to beneficiaries - Targeted communities are involved and responsive to interventions made

Narrative Summary	Key Performance Indicators	Means of Verification	Assumptions (A) / Risks (R)
	and coffee produce (Number of farmers reporting decreased damage/loss in produce when reaching the local and export markets disaggregated) -when reaching the market divided by 2 for 80% of targeted smaller holder farmers		
Outputs 2: Targeted cocoa/coffee smallholders and rural population have a regular and timely access to local and export markets	- 80% of farm to market roads rehabilitated are passable all year round (Km of roads constructed/rehabilitated) - 80% of targeted smallholder farmers report selling their cocoa/coffee produce on the local and/or export market (Km of roads passable the year round)	- Project progress reports - Implementing partners progress reports - Supervision missions	Target communities are involved and responsive to interventions made.
Outcome 3: Increase in the production sold by targeted farmers on local and/or export markets through the cooperatives	20% of the targeted cocoa and coffee producers sell their production through group arrangements (at least 25% female & 50% youths) (Number of farmers selling their produce through group arrangements disaggregated) - 3 agreements link cooperatives and standard commodity and/or fair trade private buyers (1. Number of agreements between cooperatives and standard commodity/fair-trade private buyers) (2. Number of cooperatives covered by agreements)	- Project progress reports - Ad-hoc surveys	- National decentralization policy implemented as planned - Targeted communities, Ministry of Agriculture & Ministry of Public Works are involved & responsive to interventions made
Outputs 3: Targeted cocoa and coffee smallholder producers are organized in sustainable cooperatives for marketing - CAC and DAO are able to provide technical advice to targeted cocoa/coffee producers and cooperatives	- 3 cooperatives have a legal status and a board (at least 25% female members & 25% female in leadership positions) (Number of cooperatives formed with 25% female members and 25% female in leadership positions) - 3 cooperatives are profitable and finance recurrent costs (Number of cooperatives that are profitable and finance recurring costs) - 80% the targeted cocoa and coffee farmers receive technical advice from the CAC and DAO at least once every quarter (at least 25% female & 50% youths) (Number of farmers who received technical advice from the CAC and DAOs at least once a quarter disaggregated)	Project progress reports	Target communities are involve and responsive to interventions made

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

Action area	Action agreed	Agreed date for action to be taken	Whom
Component 1	Develop database of all beneficiaries, including systematically recording baseline production levels and commercialisation data	15 August 2013	IPs and PIU M&E Officer
	LAADCO partner cooperatives to institute contracts with individual farmers for payback mechanism	June 2013	LAADCO
	Prepare TORs to engage a Service Provider to develop visual aide and communication materials (incl. radio) for payback mechanism, project concepts, information, etc.	June 2013	PIU Institutional Specialist
	Incorporate 100% payback condition in contracts in the event of non-maintenance of rehabilitated farms	On-going	IPs
	Undertake annual cost-benefit analysis (CBA) of farm rehabilitation (at the farm-level)	December 2013; yearly	PIU Tree Crops Officer, Institutional Specialist, M&E
	Assess clonal garden rehabilitation potential and develop related proposal	July 2013	CAC
	Establish produce quantities to be commercialised ahead of the current year harvest and communicate with buyers/ exporters	End May 2013	IPs with support from Institutional Specialist
	Finalize second year targets and submit associated request for seedlings	Mid June 2013	IPs and PIU
	Review and fine-tune village youth group tools package	End May 2013	PIU Tree Crops Officer
	Submit central warehouse proposal and budget to the PIU	July 2013	IPs
	Establish village nurseries	August 2013	IPs
	Develop technical manuals for cocoa production – production, harvesting, fermentation, handling, etc..	July 2013	PIU Tree Crops Officer
	Provide YPs with GPS for mapping of surface area under rehabilitation	October 2013	PIU
	Implement construction of solar dryers at village level for improved accessibility and devise management strategy and repayment scheme	July 2013	IPs
Component 2	Confirm MPW guidelines and revise estimated associated road rehabilitation costs; rethink strategy for road rehabilitation accordingly	31 May 2013	PIU engineers
	Finalize bidding documents for first batch of feeder road structures	31 May 2013	Procurement officer, PIU
	Prepare bidding documents for first batch of feeder road rehabilitation (paving)	September 2013	Procurement officer, PIU
	Identify second batch of feeder roads to be rehabilitated (roads and structures)	August 2013	PIU civil engineers
	Community sensitization on road maintenance	Continuous	PIU civil engineers with IPs
	Undertake baseline of roads – traffic, differentiated crop prices; identify indicators	September 2013	PIU civil engineers and M&E Officer
Component 3	Development of the business plans, capacity building plans and 2013-2014 AWP/B of ZDFMCS and QFMCS cooperatives	June 2013	Coop mgmt. w/ support from the PIU Institutional Specialist
	Preparation of TORs, tender and procurement of the TA for the capacity building plan for ZDFMCS and QFMCS	July 2013	PIU with the involvement of the cooperative management
	Institutional assessment and assessment of business potential of the two additional cooperatives in Voinjama and Quardu Gbondi Districts	End June 2013	PIU Institutional Specialist
	Signing of MoA with the additional cooperatives (Voinjama and Quardu Gbondi)	July 2013	PIU
	Institutional assessment of the Maliandoe, Guma Mende and Sebehill Cooperatives	July 2013	PIU

Action area	Action agreed	Agreed date for action to be taken	Whom
	Development of the business plans, capacity building plans and 2013-2014 AWPB for Maliandoe, Guma Mende and Sebehill Cooperatives	July 2013	Coop mgmt. w/ support from the PIU Institutional Specialist
	Signing of MoA with Maliandoe, Guma Mende and Sebehill Cooperatives	July 2013	PIU, Cooperative, LAADCO
	Institute quarterly audit of cooperative finances and compliance with procedures	Continuous	PIU
	Undertake Learning Route on cocoa/ coffee cooperative development in Sao Tome	July 2013	PIU and Cooperative representatives
	Signature of MoA with CAC	May 2013	PIU
	Complete construction of CAC/DAO office	December 2013	PIU and Procurement Officer
	Transfer motorbikes from ASRP to YPs in the interim	31 May 2013	PIU
	Institute <i>monthly</i> district coordination meetings	June 2013	CAC
	Recruit two additional institutional specialist consultants to support PIU institutional specialist	August 2013	PIU
Component 4	Submit draft 2013-2014 AWPB and PP for no-objection	June 2013	Programme Coordinator and FC
	Establish and adhere to a communication list for information sharing	Continuous	Programme Coordinator
	Establish a database to capture baseline data and updated progress data on each beneficiary	June 2013	M&E Officer, Lofa PIU
	Finalize contract with SP to conduct baseline survey	15 June 2013	M&E Officer, PMU/PIU
	Review UCSD impact assessment methodology/ proposal and identify a way forward	31 May 2013	Programme Coordinator
	Provide technical (and financial if required) support to GoL to ensure Liberia's membership in the ICCO	1 September 2013	Programme Coordinator
Fiduciary aspects	1. Preparation of complete monthly financial report (including analyses of the project disbursement rate, execution of AWPB, financial situation of implementation partners, cash situation, execution of procurement plan and administrative issues) by the 10 th of the following month	Continuous	Financial Controller
	2. For PIU Lofa petty cash fund: implementation of (i) an Excel petty cashbook; (ii) a weekly cash reconciliation and cash count; and (iii) monthly surprise counts by the head of office (Civil Engineer)	Continuous	PIU Lofa M&E Officer Civil Engineer
	3. Monthly petty cash closing procedure by PIU Lofa and submission to Central PIU of month-end cash reconciliation/count, petty cashbook and supporting documents within a week of month-end	Continuous	PIU Lofa M&E Officer
	4. Full documentation of assumptions and bases for budget estimates as part of AWPB preparation process	31 July 2013	Financial Controller
	5. Submission to the PIU by all IPs of a complete financial report at the end of each month (including a detailed expenditure report, budget-to-actual statement, reconciliation of funds, bank reconciliation/bank statement and petty cash reconciliation)	Continuous	Implementing Partners
	6. Cooperatives: (a) Subscription of both cooperatives to internet banking facility (b) Use of checks instead of cash for payments of USD 100 or more (except for salaries and rehabilitation labor costs) (c) Conduct of competitive selection process for all procurement valued at USD 200 or more	30 June 13 Continuous Continuous	Cooperatives Id. Id.
	7. Audit of all cooperatives' accounts on a quarterly basis by an independent auditor	30 September 13	Financial Controller
	8. Verification of monthly IPs expenditures against approved IPs' AWPBs	Continuous	Financial Controller
	9. Increase of level of advances to cooperatives to USD 20,000	01 July 2013	Financial Controller
	10. Reimbursement of pre-financed FUN activities as soon as Italian grant funds are transferred to the PIU	30 September 13	Financial Controller

Action area	Action agreed	Agreed date for action to be taken	Whom
	11. Estimation of duty/tax exemptions in the AWPB and recording in the project accounts as expenditures are incurred	31 July 2013	Financial Controller
	12. Estimation of beneficiary contributions in the AWPB, valuation and reporting of actual contributions by the IPs, and recording in the project accounts	31 July 2013 Continuous	Financial Controller Implementing Partners
	13. Initiation of procurement actions in advance (in accordance with planned dates in procurement plan)	Continuous	Financial Controller
	14. Update of procurement plan on a real time basis, every time a procurement step is completed	Continuous	Procurement Officer
	15. Systematic use of Requests for Quotations for procurement ≥ USD200 and preparation of evaluation report	Continuous	Procurement Officer
	16. Discontinue mention of brand names or model in technical specifications	Continuous	Procurement Officer
	17. Filing of IFAD no objections with procurement files; creation of a chronological 'no objection file'	Continuous	Financial Controller
	18. Consistency in numbering of procurement cases and purchase orders	Continuous	Procurement Officer
	19. Close supervision of procurement function by the Financial Controller; prior verification of all documents	Continuous	Financial Controller
	20. Completion of personnel files with all missing documents	31 July 2013	Financial Controller
	21. Signature of pay slips by staff and the Project Coordinator	Continuous	Financial Controller
	22. Conduct of year-end staff evaluations and setting of objectives for 2013-14 in July 2013	31 July 2013	Project Coordinator/FC
	23. Distribution to all staff and independent assessment of staff's knowledge of the IFAD PIU procedures manual	30 September 13	Financial Controller
	24. Travel: (a) Systematic use of travel authorizations (including for travel covered by lump sum DSA) (b) Approval of all TAs by the Project Coordinator (through email for Lofa staff) (c) Systematic submission of mission reports upon return from official trips (d) Discontinue use of higher 'special hotel' DSA rates for international travel	Continuous	Project Coordinator Financial Controller
	25. Monitoring of assets on TOMPRO using the assets register format from the procedures manual	30 June 13	Financial Controller
	26. Contract for IT maintenance and troubleshooting	30 June 13	Financial Controller

Status of implementation of previous mission recommendations

Agreed Action	Responsibility	Agreed Date	Status
COMPONENT 1: COCOA/COFFEE REHABILITATION			

Agreements with private sector exporter and two identified cooperatives be signed by early December 2012	PIU/MOA	10 Dec 12	- Completed on 14 Dec. 12
Targeting and community mobilization guidelines annexed to Aide Memoir be circulated to all concerned and a workshop be organized to develop clear understanding of process (annex 1)	PIU	January 15-20, 2013	- Completed on 011813 - See workshop & quarter reports
Guidelines on coordination, monitoring, reporting and flow of funds mechanism for Component 1, annexed to Aide Memoir, be circulated and a follow-up workshop conducted to ensure clear understanding of roles and responsibilities(Annex 2)	PIU	20 Dec '12	- Distribution completed - Workshop held 011813 (see w/s and monitoring report) - Further clarity on guidelines continues
COMPONENT 2: REHABILITATION OF FARMS TO MARKETS ROADS			
Proposed alternate option of additional in-house capacity for designing and supervision through one international consultant and two additional national engineering staff will be pursued for the current work plan period with prior review from IFAD	PIU/MOA	As part of AWP/B revision: Dec. 31, 2012	Completed: - 2 local Civil Engineers employed in Feb. - Back-stop consultant from S/L engaged
A preliminary list of priority roads and missing critical structures (bridges, Culverts) to be prepared by PIU in consultation with IPs, Lofa PIU and MPW to save time for selection process. Same will be further validated once the consultant and target villages are on board	PIU/MPW	Jan. 31, 2013	- Completed preliminary list (60.2km) of roads rec'd from IPs, verified, designed (30.9km) awaiting - MPW concurred but unit cost very high based on new designs specs. - Note, reduction in targeted km to centralized 1 st phase of project location
Early sensitization of IPs (Exporter and Cooperatives) on road maintenance systems and beneficiary fees will be ensured so that communities are aware about their role and responsibility including payment of maintenance fees right from start.	PIU	Mar. 25, 2013	- Sensitization continues (011813 workshop IPs & field visits reports, placed in agreements with farmers), sensitization on par with project awareness
Role of Works Department/County Resident Engineer in roads rehabilitation and maintenance need to be fully defined and established	PIU/MoA	(Jan. 2013)- Dec. 26, 2012 -(Mar. 25)	- Completed - Also see Annex 2 of Aid Memoire and signed listing of MPW roles
COMPONENT 3: INSTITUTIONAL CAPACITY BUILDING			
Initiate procurement process for vehicles and equipment for CAC, DOAs and Cooperatives as one package and complete by end January 2013	PIU	Immediately after signing of Agreements with Coops Jan. 25, 2013 - CAC/DAOs	- Procurement of vehicles, motorbikes, printer, laptops completed for coops. - No objection requested since Feb, revised and resubmitted, commented and resubmitted in April - See email exchanges
Local shopping procedure for construction of CAC and 2 DAO offices, three offices initially, be adopted subject to prior review of design and costs from IFAD	PIU	(Procurement - Jan. 28, 2013) (Design- Jan.10, 2013) In Mar. 20'13 ad, selective bidding	- Finalized design with MOA and rec'd no-objection for building 3 offices with local contractors, bidding documents out

Evaluate comparative advantage of Generators for DAO offices vis-a-vis solar systems before making a final decision	PIU	Prior to initiating procurement for DAO offices Jan. 3, 2013	- Completed but Procurement Officer to update submission and include analysis (duration, cost, sustainability, security, etc.)
To save time and retain flexibility, engage individual experts for Financial Management and Institutional Development, instead of INGO, for support to Cooperatives. In the meantime	PIU	Jan. 21, 2013	- TOR submitted for no-objection Mar 16. QCBS to be used
Lofa PIU to provide more direct hands on support to Cooperatives	PIU	Jan. 28, 2013	- Capacity Building Officer attached to Coops for hands-on; recommend intense activities - Nurseries relatively satisfactory
Staff and salary levels approved by Mission as part of draft Agreements with Cooperatives to be followed instead of PDR prescribed Staff and Salary levels.	PIU	As part of agreement finalization by 10 Dec '12	- Completed Dec. 10 and included in the Coops MoAs
Current PDR provision for Cooperative Offices and Warehouses be rationalized, as reflected in Draft Agreements finalized by the Mission	PIU	(Design- Jan.10, 2013) Mar. 25, '13	- Designed, estimated Main & mini in consultation with coops and submitted to Procurement and Coops respectively
Institutional review of MOA, LPMC, Decentralization Agenda, and CDA will be carried out by PIU and proposal and TOR for review will be furnished for IFAD review	PIU	Feb/Mar 2013 Apr. 30, '13	- Compilation ongoing collecting updated decentralization agenda
COMPONENT 4: PROJECT MANAGEMENT			
PIU shall immediately rent a suitable space for itself pending completion of MOA PMU building and start the procurement process for equipment	PIU	Dec. 31, 2012, Mar 31, '13	- Completed
Against the provision for remaining 3 vehicles, PIU will purchase vehicles better suited for the local field conditions and make necessary revision in AWP/B 2012-13	PIU/PSC/IFAD	As part of revised AWP/B Feb. 10, 2013 (Mar 31, '13)	- Completed - Vehicles expected to arrive in May
The draft agreements and TOR prepared during the Mission shall be fine-tuned and signed with identified Implementing Partners. Where any agreement is untenable due to any reason, a suitable alternate arrangement will be proposed for IFAD concurrence	PIU/IFAD	Dec. 10 as above (31 Dec. 12)	- Coops, PP completed Dec. 14, '13
Make concerted efforts for the recruitment of a competent Agro-Business Officer. In the meantime, engage a consultant for split mission inputs to Cooperatives	PIU	Consultant recruitment (Dec. 31, 2012) Jan 13.	- Short listing done, eval to be done for officer, still recommend hiring of consultant to train officer for 6 months. Draft ToR for consultant submitted for no-objection
FIDUCIARY ASPECTS			

Rental of temporary offices for the IFAD PIU	Project Coordinator	January 13	Done
Complete all personnel files and objectives setting phase of personnel evaluation process	Financial Controller Admin Assistant	15 Dec 12	- Partially done (see current mission recommendations)
Approval of all travel authorizations by Project Coordinator with limitation of DSA payments to overnight stays; submission by travellers of proof of travel and mission reports for each mission	Financial Controller	Continuous	- Partially done (see current mission recommendations)
Tagging and insurance of all project assets	Financial Controller	Continuous	- Done
Regular backup of all project files on external disks	Financial Controller	Continuous	- Done
Installation of TOMPRO and TOMMARCHE software package and training of STCRSP staff	Financial Controller	31 Jan 13	- Done (input of transactions into the system is currently on-going)
Transfer funds from Revenue account to Operating account; reimbursement of pre-financing by ASRP and preparation of a WA	Financial Controller	Immediate	- Done
Counterpart: (i) valuation of Lofa office rent, calculation of duty/tax exemptions, and estimation of beneficiaries labor contributions; (ii) integration of these contributions in the AWPB and (iii) recording of these contributions in the project accounts	Financial Controller IPs/Tree Crop Officer	7 Dec 12 Continuous	- Partially done (see current mission recommendations)
Procurement: (i) revision of the procurement plan (ii) launch of procurement actions (iii) adoption of \$200 threshold for direct contracting and (iv) use of framework contracts for office supplies	Financial Controller Procurement Officer	7 Dec 12 Continuous	- Done – delays in launch of procurement actions (see current mission recommendations)
Finalization of the Requests for Proposal and selection of an audit firm	PIU	1 Feb 13	- Evaluation of technical and financial proposals completed (submitted to IFAD for no objection on 24/05/13)

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

Component/Sub-component or Output/ Result ⁶	Indicator	Unit	Period: 1 st July- 2012 to 30 th June 2013)			Program/ appraisal target	Cumulative actual	% Achieved of Appraisal Target
			AWP&B	Actual	%			
Component 1 – Cocoa/ Coffee Revitalization								
Outcome level results								
Cocoa/ coffee production multiplied by at least 3 for 80% of the targeted smallholders	No of farmers with increased cocoa/ coffee production	Person	-					
		Male						
		Female						
Percentage of bad beans reduced by at least 50% for 80% of the smallholders	No of farmers with reduced percentage of bad beans	Person						
		Male						
		Female						
15,000 farmers use improved production practices	No of farmers using improved cocoa/ coffee production practices *	Person						
		Male						
		Female						
15,000 farmers have access to drying, storage or packaging facilities	No of processing facilities functioning (need a definition of functioning at a high quality even after initial years) *	Hectares						
Output level results								
15,000 farmers use improved production practices	No of farmers trained in cocoa/ coffee production practices *	Person	1,500 reg. awaiting training	1,500	100	15,000	1,500	10
		Male	1,183					
		Female	317					
	No of village youth hired to underbrush cocoa & coffee farms	Person	1,527	1,527	100	n/a	n/	n/a
		Male Youth	1,244					
		Female Youth	283					
15,000 farmers have access to drying, storage or packaging facilities	No of processing facilities constructed *	Number	n/a	n/a	n/a	n/a	n/a	n/a

Component/Sub-component or Output/ Result	Indicator	Unit	Period: 1 st July- 2012 to 30 th June 2013)			Program/ appraisal target	Cumulative actual	% Achieved of Appraisal Target
			AWP&B	Actual	%			
15,000 farmers have access to drying, storage or packaging facilities	No of farmers with access to drying, storage or packaging facilities	Person	1,500 farmers selected awaiting dryers	n/a	n/a	n/a	n/a	n/a
		Male	1,183					
		Female	317					
Component 2 – Rehabilitation of farm to market roads								
<u>Outcome level results (should be specified if farmers reported under Component 2 are the same as those under Component 1)</u>								
Selling on the local and export markets multiplied by at least 3 for 80% of the targeted smallholders	No of farmers with increased sales on the local and export markets	Person						
		Male						
		Female						
Losses/ damage for produce reaching the market divided by 2 for 80% of the targeted smallholders	No of farmers reporting decreased damage/ loss in produce when reaching the local and export markets	Person						
		Male						
		Female						
80% of farm to market roads are rehabilitated and passable the year round	Km of roads passable the year round * (also feeds into the rating on sustainability of roads constructed/ rehabilitated)	Km						
<u>Output level results</u>								
Selling on the local and export markets multiplied by at least 3 for 80% of the targeted smallholders	No of farmers reporting selling on the local and export markets	Person	-	-	-	-	-	-
		Male	-					
		Female	-					
80% of farm to market roads are rehabilitated and passable the year round	Km of roads constructed/ rehabilitated *	Km	50 limited to culverts, ,et c.	30.9	61.8	315	30.9	9.8
	No of youth hired to side brush farm to market roads	Person	n/a	n/a	n/a	n/a	n/a	n/a
		Male Youth	n/a					
		Female Youth	n/a					

Component/Sub-component or Output/ Result	Indicator	Unit	Period: 1 st July- 2012 to 30 th June 2013)			Program/ appraisal target	Cumulative actual	% Achieved of Appraisal Target
			AWP&B	Actual	%			
Component 3 – Institutional capacity building								
Outcome level results								
20% of the targeted smallholders sell their produce through group arrangements	No of farmers selling their produce through group arrangements	Person						
		Male						
		Female						
Three agreements link cooperatives and standard commodity/ fair trade private buyers	No of agreements between cooperatives and standard commodity/ fair trade private buyers	Number						
Three agreements link cooperatives and standard commodity/ fair trade private buyers	No of cooperatives covered by agreements	Number						
Three cooperatives have a legal status and a board	No of cooperatives with a legal status and a board	Number						
Three cooperatives are profitable and finance recurring costs	No of cooperatives that are profitable and finance recurring costs * (also feeds into indicator on No of cooperatives/ community groups that are sustainable and RIMS rating on sustainability)	Number						
Output level results								
Targeted cocoa and coffee smallholder producers are organized in sustainable cooperatives for marketing	No of cooperatives formed (No of community groups formed/ strengthened in RIMS reporting) *	Number	3	2	66	3	2	66
20% of the targeted smallholders sell their produce through group arrangements	No of farmers who are members of cooperatives (People in community groups formed/ strengthened in RIMS reporting) *	Person	1,500	1,500	100	15,000	1,500	10
		Male	1,183					
		Female	317					
80% of the targeted cocoa/ coffee farmers receive advice from the CAC and DAO at least once a quarter	No of farmers who receive technical advice from the CAC and DAO at least once a quarter	Person	-	-	-	-	-	-
		Male						
		Female						

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

Table 5A: Financial performance by financier

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	16 884	1 462	9%
IFAD grant	-	-	-
Co-financier	5 131	96	2%
Government	2 025	22	1%
Beneficiaries	923	-	-
Total	24 963	1 580	6%

Table 5B: Financial performance by financier by component (USD '000)

Component	IFAD loan			Co-financier (Private Exporter)			Government			Beneficiaries			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1. Cocoa & Coffee Revitalization	1 389	5	0%	5 131	1 020	20%	752	-	-	149	-	-	7 421	101	1%
2. Farm to Market roads Rehabilitation	10 068	4	0%	-	-	-	531	-	-	553	-	-	11 152	4	0%
3. Institutional capacity building	2 951	115	4%	-	-	-	193	11	6%	221	-	-	3 365	126	4%
4. Project management	2 476	338	14%	-	-	-	549	11	2%	-	-	-	3 025	350	12%
Initial Deposit	-	1 000	-	-	-	-	-	-	-	-	-	-	-	1 000	-
TOTAL	16 884	1 462	9%	5 131	1 020	20%	2 025	22	1%	923	-	-	24 963	1 580	6%

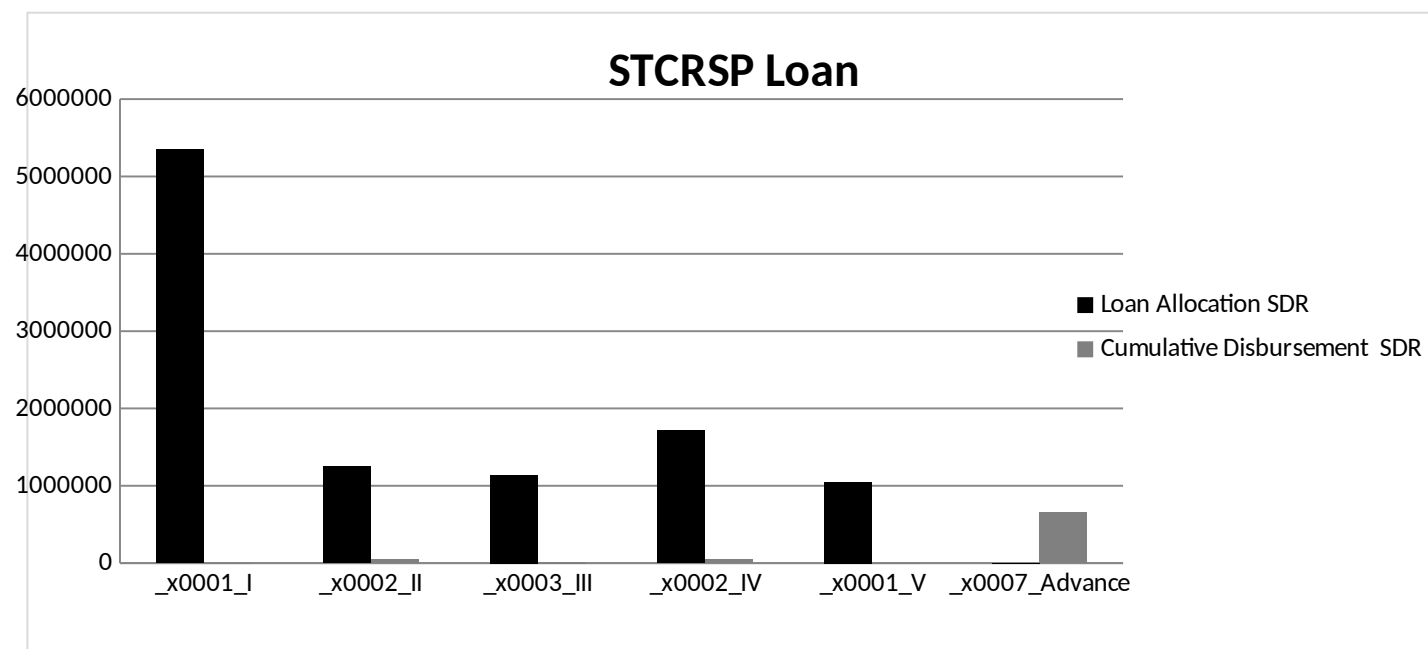
Notes:

- 1- Appraisal amount includes physical and price contingencies
- 2- Actual disbursement amount includes WA #3 in process at IFAD (does not include amount disbursed but not yet claimed in WA).
- 3- Disbursement rate is 7.6% per the IFAD LGS reports as at 13/05/13.

Table 5C: IFAD loan disbursements (SDR, as at 13/05/2013)

Category	Category description	Original Allocation	Revised Allocation	Disbursement (WAs #1 and 2)	W/A pending (WA #3)	Balance	Per cent disbursed
I	Civil works	5 350 000	-	-	-	5 350 000	0%
II	Equipment, Goods and Materials	1 250 000	-	48 319	62 095	1 139 586	9%
III	Technical Assistance	1 140 000	-	18 506	19 847	1 101 647	3%
IV	Salaries, Allowances & Operating Costs	1 710 000	-	77 489	76 700	1 555 810	9%
V	Unallocated	1 050 000	-	-	-	1 050 000	0%
	Initial deposit (advance)	-	-	655 080	-	(655 080)	-
	Total	10 500 000	-	799 395	158 642	9 541 963	9%

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



Appendix 6: Compliance with legal covenants: Status of implementation

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 was opened at the Liberia Bank for Development & Investment (LBDI)
Section B 7.	GOL to provide approximately USD 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 1 st withdrawal	Done	
GC – Section 7.01(b)	AWPB submitted to the Fund each year, for review and comments	30 April	Not on time	2 nd year AWPB still not submitted as of 24/05/13
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	N/A	
GC – Section 9.02	Submission of unaudited financial statements for each fiscal year	31 October	N/A	First Project financial statements due 31/10/13
GC – Section 9.03	Submission of audit report for each fiscal year	31 December	N/A	First audit report due 31/12/13
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
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	

GC: IFAD General Conditions for Agricultural Development Financing (as amended September 2010).

Appendix 7: Knowledge management: Learning and Innovation

Learning: What has worked particularly well in this project during this period? What have been the reasons for this?

- (i) Support for increased independence in cooperatives' management – the provision of financial support to allow cooperatives to self-manage the construction of mini-warehouses has proven effective; cooperatives were given responsibility for procurement/ purchase of materials to construct mini-warehouses as per their own requirements and specifications, and consequently all warehouses have been constructed in a relatively short period and to satisfactory standards.
 - (ii) Inclusive/ participatory approach to roads identification – the practice of an inclusive consultation process bringing together communities, cooperatives, private sector exporter, CAC/DAOs, Resident Engineer (MPW), local authorities and the PIU has been critical in identifying the priority roads for rehabilitation; most importantly, these roads have been identified with the primary objective of facilitating improved access to markets. As the project also seeks to build in sustainability of roads rehabilitation, the process has also improved understanding and sensitization of communities towards their responsibilities vis-à-vis the maintenance of these roads.
-

Learning: What has not worked so well? What have been the reasons?

- (iii) There have been considerable time lags between design, loan negotiations, loan signing and loan effectiveness. It has taken almost a year between design and loan effectiveness. There is a need to curtail these time lags in future projects by careful examination of the current processes.
 - (iv) Hifab, a Swedish Consulting firm already engaged in Lofa on Sida-funded roads was recommended by the design mission to be sole-sourced for STCRSP's road component. The design mission probably never ascertained the rates charged by Hifab. When approached, Hifab initially demanded a rate which was 800% of the available budget. Even their revised offer was 300% of available budget. The project invested so much time and effort on an option which from day one, was unfeasible. These kind of recommendations during design, on the basis of limited information, need to be avoided.
 - (v) The Ministry of Agriculture has established a joint PMU for all donor funded projects, with the PIU STRSP a part of this PMU. While there are some definitive advantages of such an arrangement including cross learning, synergies and economies in operational and overhead costs, there are also certain constraints in this arrangement especially if it operates in a straight-jacket mode where every project is expected to move in unison with all others. e.g. adoption of a financial management software by one project is put on hold till all others are ready to adopt it so that joint training for all can be arranged or one PIU being asked to put up with spacing constraints till a new building of PMU is ready for all to shifted. This puts better performing projects in difficulty. Every project has its own phasing and donor requirements and certain degree of flexibility and independence should be given to them to make their own decisions.
-

Innovation: Describe any interesting innovation noted during supervision

- (vi) Engagement of a private sector exporter (LAADCO) for cocoa & coffee farm rehabilitation – this arrangement is very innovative in the context of Liberia when compared to the usual implementation by Government extension entities. LAADCO is providing significant co-financing and human resources towards provision of close follow-up technical advice and support to farmers; LAADCO is also providing much required pre-financing and transport support to the three cooperatives it is working with, providing significant scope for cooperatives to mobilise farmers and cocoa for commercialisation.
 - (vii) Farm rehabilitation repayment mechanism – through extensive sensitization, the 40% repayment mechanism for the rehabilitation of cocoa/ coffee plantations is seemingly well understood and accepted; contracts that have been established with all beneficiary farmers have also included these conditions.
 - (viii) Youth engagement – the mobilisation and formation of youth groups to undertake rehabilitation work has been met with enthusiasm and growing interest. In just a 3 month
-

period, more than US\$ 125,000 has been directed to the youth and will stimulate the local economy; with expanding rehabilitation works, this financing to the youth and economy will increase significantly. The project has also facilitated the recruitment of young professionals to support DAOs, which strengthens the extension and M&E services provided at county and district levels.

Innovation: How might this be replicated by others, or upscaled here?

It is a little too early in the project life to draw any conclusive recommendations for activities/ approaches to be upscaled. However, a harmonised approach of institutional capacity building and the benefits of linking with a credible private sector exporter willing to invest and pre-finance is being promoted alongside the expansion of farm rehabilitation.

ANNEXES

Annex 1: Profiling Tool (Maturity Assessment)

MODULE #1 : How to conduct a mapping and profiling of FOs?

Why are FO's mapping and profiling key?

- To increase knowledge on existing FOs and on-going farmers' structuring dynamics in the country, at all geographical levels
- To identify FO's specific area of intervention: are there existing FOs on specific value chains? Existing "generalist" or "Farmers Union Organizations"? What are the main commodities grown in the area?
- To highlight strengths and weaknesses of FOs and specifically (i) their comparative advantages on specific activities/economic services, (ii) their institutional capacity to provide services to their members
- Select *in fine* the FOs with which the Project will partner or collaborate

Useful outcomes of mapping/profiling for design and implementation

- A typology of FOs' structuring scheme regarding geographical level: how are farmers organized at local, regional and national level? Are there any apex FOs?
- A SWOT analyses of FOs that can be a key document for the project implementation phase
- A review of the main commodities grown by farmers members of FOs
- A typology of FOs regarding the types of economic services they provide to their members
- **A baseline for monitoring and evaluation:** Some specific tools used to conduct a profiling of FOs can be very useful to monitor and evaluate the effects of a "FO capacity building" project on specific indicators that are analysed during the profiling.

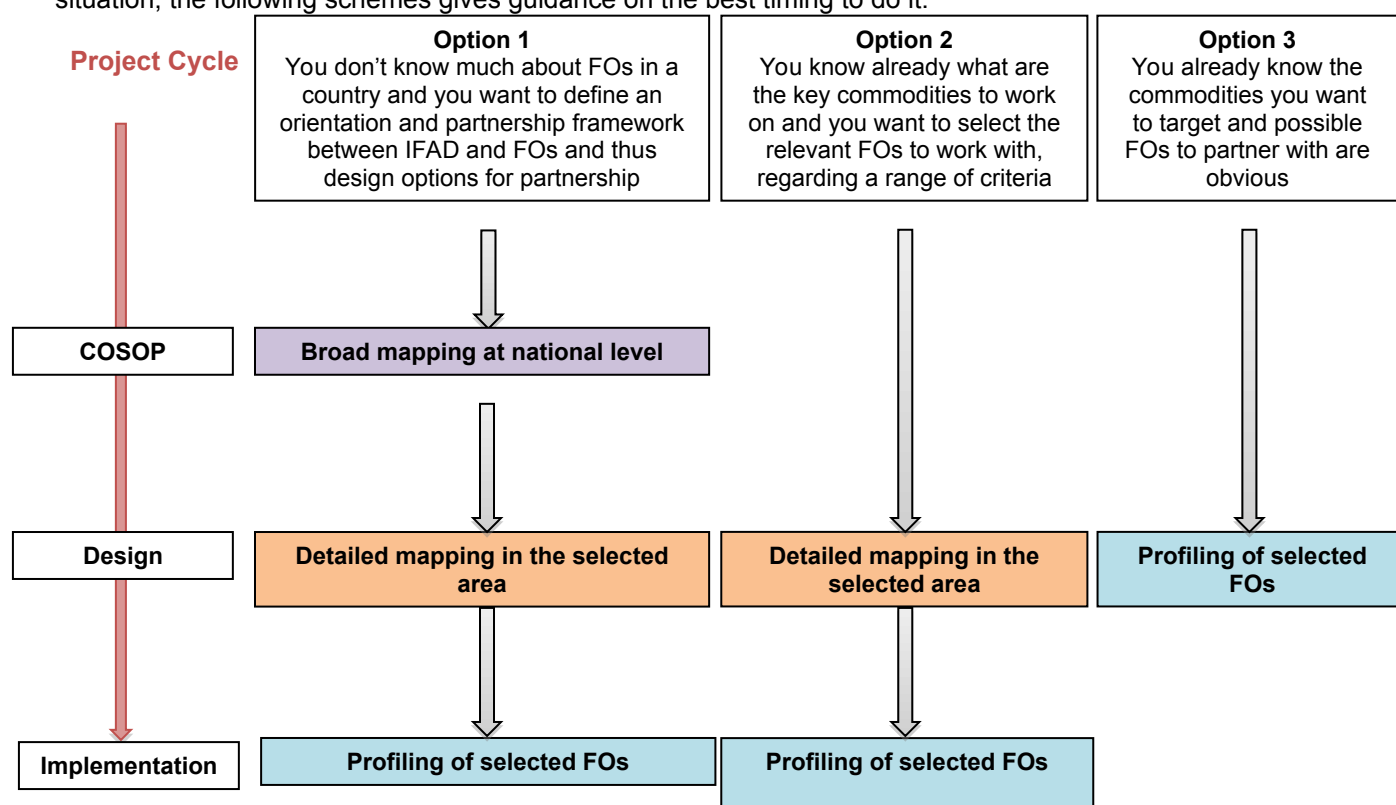
Definitions

Mapping of FOs helps to have a clearer picture of existing FOs both at national level and at the level of the project's targeted geographic area. It's a good tool to identify the partner FOs you'll associate in the project, regarding your criteria of selection.

Profiling of FOs helps to diagnose the selected organizations you wish to partner with and therefore assess the strengths to build on and the weaknesses to support for their improvement in providing relevant services to their members to better link to market opportunities and improve their income. The profiling usually consists in a combination of (i) qualitative description, (ii) SWOT analysis and (iii) quantitative analysis based on indicators for each category that is assessed.

When is the relevant timing for conducting a mapping and a profiling of FOs?

You can consider **3 starting points** for launching a process of mapping and profiling of FOs. For each situation, the following schemes gives guidance on the best timing to do it:



How to conduct a broad mapping?

Its objective is to analyse the existing FOs' movement in a country and provide strategic inputs on major issues regarding building capacities of FOs and enhancing their structuring to improve their positioning in the overall dynamic of agricultural development.

The table of content of a broad mapping

1. General characteristics of the country with a focus on the agricultural sector
2. Overview of FOs in the country: history, trends, typology, level of organization, etc.
3. Analysis of the positioning of FOs in the agricultural development arena: what are the interactions between FOs and other private and public stakeholders?
4. Strategic orientations that draws the main issues regarding organization, structuring, service providing and positioning of FOs in their environment

Tool: Rural membership organisations in [name country]: an overview

Documents: see example of broad mapping for strategic purposes: Complete broad mapping:

+ Overview of FOs in Uganda: Annex COSOP Uganda

Detailed mapping/broad profiling of FOs in an area

Objective: to identify the FOs that the project will partner with. This more detailed mapping overlaps with profiling as the FOs mapped are usually broadly diagnosed.

Detailed mapping can lead to the assessment of the FO's level of maturity, very useful to set a M&E system based it and to design the capacity building plan according to it.

The elements to collect

- Name, contact, history (date of creation),
- Type/level of organisation, geographical coverage
- Membership (number, type, ration female/male, etc.), existence of legal status, institutional functioning, etc.
- Objective/mission and range of services (economic, social, trade union, political) provided
- Partnerships, relationships with other stakeholders (local authorities, public services, service providers and other private sector) and support organisations (NGOs, donors, etc.)

Documents : Example of detailed mapping: WP in PPAKIN PDR

How to conduct a profiling?

The content of the profiling is to be adapted to the objective it should reach and does not have to be inclusive. Two kinds of profiling tools can be useful: one to use during a design mission to assess a FO broadly, one rather at implementation stage to assess the maturity level of a FO that can then be used as a monitoring and evaluation tool for the project. **If this second option is adopted, it is key to associate partner FOs in the designing and testing of this diagnosis tool.**

When to fill it?

The introduction part **"Basic information"** is to be filled when the first profiling is conducted, most of the time at the beginning of implementation.

The second part presented in the table below are the key indicators that can be used :

- (i) to assess the level of maturity of a FO when you conduct the profiling at the design phase or beginning of a project;
- (ii) to follow M&E indicators regularly to assess the progress done by the FO.

How to rate? The rating goes from 1 to 4

- | |
|---|
| 1 = The FO has done nothing in this area |
| 2 = The FO started to do something in this area |
| 3 = The FO has evolved a lot in this area but it still needs improvement |
| 4 = The FO has well evolved in this area; there is no need to improve it as it is |

You will find below a checklist to conduct a FO profiling

<p>Golden rule! If you use this checklist to conduct a profiling during design, you can use as it is. However, if you want to use it for M&E purposes, it's highly recommended to share and discuss it first with your FOs partners.</p>
--

Basic information

- Name and contact details of organisation:
- Name and contact details of contact person:
- Date of establishment:
- Legal status:
- Level of operation:
- Primary / union / federation
- Member of an Apex organisation:
- (Inter)national memberships:
- Organisations that provide support to the FO (indicate which support between brackets):
- Sources and amount of funding:
- Membership data – **see Box 1**

	Rate
I. Governance, planning & communication	
General Assembly (+how often)	
Elected board, term, participation of women	
Good governance (separation of board & management, transparency) see Box 2	
Communication from Board and staff to members and ownership of the FO by its members see Box 3	
(Business) planning	
II. Administrative and financial management & human resources management	
Are official/legal/administrative documents available? See Box 4	
Manual of procedures or other internal rules	
Financial management, Efficiency, Risk Management – see Box 5 & Box 6	
Monitoring & evaluation system	
Annual audit	
Human resources & expertise (specialised in service topics?)	
Personnel at local level (to guide / mobilise local members = facilitators for farmer groups)	
Training programme for staff	
Staff and board evaluation	
III. Membership participation	
Membership Registration system + what info is registered	
Participation of women and youth – see Box 7	
Members' satisfaction	
Transactions of members with the FO – see Box 8	
Investments of members in the FO – see Box 9	
Participation of members in decision-making – see Box 10	
IV. Economic services provided by the FO	
Access to land	
Access to inputs	
Access to equipment	
Access to technical advice and training (production, post-harvest management, quality, processing)	
Access to literacy training	
Access to training on farm management	
Collecting and grouping of the products	
Access to storage facility	
Access to processing/packaging facility	
Marketing of the products (prospects clients, signs contracts, conducts market studies, promotion of products)	
FO has a system of monitoring and evaluation for marketing	
Providing market and price information	
Facilitating access to credit (seasonal, medium or long term)/ insurance:	
Position of the FO in value chains	

V. Representation and partnerships	
FO is a member of other networks	
Leadership skills	
Advocacy for Government's policy design and implementation process	
Part of local or national sector groups	
Partnerships with public services	
Partnerships with private sector	
Partnerships with donors and technical agencies/NGOs	
Maturity level	

Box 1: Membership data	2011	2012	2013	Ambition 2016
Total nr of individual members				
Total nr of farmer groups				
Total % of female members				
% of members younger than 30 years old				
% of paying members				
Total nr of member organisations				
Average farm size of members (ha)				
Average age of members				

Box 2: Questions on Good Governance	Yes	No
Are the by-laws and changes in the by-laws reviewed at the annual meeting?		
Are key decisions of PO / coop discussed at GA?		
Is the board elected by members?		
Is the manager selected by the board?		
Is the manager a government official?		
Is there clear division of responsibility between board and manager?		
For at least half of the board positions open in the past two years, two or more persons ran for the position		
Board members cannot serve for more than two terms.		
Chairperson cannot serve for more than two terms		
When did current chairperson got his/her position?		
Nr of women in the board		
Capacity (strengths) of board		
Challenges (weaknesses) of board		

Box 3: Communication from Board and staff to members and ownership of the FO by its members	Yes	No
Are the objectives of the FO clearly understood and shared among members?		
Members know the functioning of the FO		
Systematic restitution of meetings/decisions to the members		
Internal circulation of information from apex to bottom		

Box 4: Check if the documents of the organisation are available	Yes	No
- Articles of Association (Statutes)		
- Act of constitution (contract establishing the formation of the organisation)		
- Proof of legal personality (official registration in the register of companies, firms or associations)		
- List of members of the Board of Directors (name (with gender specification) and position, including positions of chairperson, secretary and treasurer)		
- List of staff (name (with gender specification) and position)		
- General annual budget of the entire organisation		
- Annual activity plan of the entire organisation		
- Most recent financial audit report with financial statements of the entire organisation.		

Box 5: Financial Management	Yes	No
Is the bank account in the FO's name?		
Is an annual audit provided by an outside agency?		

Is the audit done by a registered auditor?		
Do the members vote on the choice of auditor?		
Does the board choose the auditors?		
Is an annual budget developed and integrated into the annual operating plan?		
Is the financial management computerized?		
Which software is used for financial management & accounting?		

Box 6: Efficiency & Risk Management	2011	2012	2013	Ambition 2016
Total administrative/operating costs				
Admin costs as percentage of sales				
Total assets				
Total debts				
Equity (assets – debts)				
Equity as % of sales				
Equity as % of debts				
Total reserves				
Reserves as % of sales				
Reserves as % of debts				

Box 7: Gender issues	Yes	No
Actual presence of specific services/activities for women		
Actual presence of specific services/activities for youth		
Equal gender representation in consultation and training, related to membership figures. (If the % of women/youth participants is as high as or higher than the % of women/youth members, then a score of 100 % is allocated)		
Number of female/youth members(as % of individual members)		
Female/youth board members (as % of total)		
Female/youth staff (as % of total)		

Box 8 : transactions with the FO and investments in the FO	2013	2012	2011
Average production/member			
% of members who buy (eg inputs) from the FO			
% of members who sell to/through the FO			
% of production sold to/through FO			
% of production sold outside FO			
% of members who borrow from FO (+average volume of loans)			
Average members' investment in FO / year			
% of members' investment in FO in relation to total investment by FO			
% of members participating in GA			
% of members voting in GA			
% of female members participating in GA			
% of female members voting in GA			

Box 9: transactions vs dividends	Yes	No
Are returns to members distributed in proportion to shareholding?		
Are dividends distributed proportionally to member investment?		

Box 10: decision making	Yes	No
Can members buy shares?		
Can non-members buy shares?		
Is decision-rights based on one member one vote?		
Is decision-rights based on share volume?		

Sets of key criteria for FOs' selection

- Governance, democratic functioning, transparency (respect of internal democracy, transparent accounting, members aware of FOs' activities, farmers pay their dues, etc.)
- Targeting: equal access for women and youth, specific responsibilities assigned to women, etc.
- Inclusiveness: FOs opened to new membership and/or willing to provide services to non-members

- Efficiency and effectiveness of the economic services provided by FOs (bulking functions, input provider, trainings, etc.)
- Sustainability potential (good use of resources and funds, management of internal funds, diversification of activities, membership, business approach, etc.)

Examples of criteria – PPAKIN – they will be mentioned in the agreements with FOs

- Respect of internal democracy (General Assemblies are held, transparent elections, respect of legal status)
- Good governance: transparent accounting
- Quality and efficiency of economic services provided
- Will to make the implemented tools (services to the members, etc.) sustainable
- Equal access of activities to women and youth

Criteria for selecting "dynamic" FOs (draft PADER-G Chad)

- Good organizational development: (i) the project of medium-term activities are known by all members, (ii) the presentation of the report to the General Assembly is of good quality with self-assessment of activities and sources of income, (iii) indication of debts, and (iv) minutes of meetings well prepared (agenda, decisions and issues to follow, statement of expenditures, etc.)
- The effective participation of women in decision-making process: at least one activity or process (research support) is specific for women
- Diversification of activities: key Criteria: (i) volume of profitable activities (surface of the collective fields, income generated by the services provided, etc.), (ii) amount of social investment (iii) amount of public goods (equipment, funds, stock. animals) and (iv) potential development of their pilot activities
- A good use of resources and funds

Audit of Fisheries' cooperatives in Yemen (FIP)

The assessment to be carried out by the selected audit firm will mainly focus on the following aspects:

- Membership.
- Governance.
- Staff.
- Financial resources and financial statements.
- Investments.
- Products and services offered to members.
- Budget.
- Representativeness
- Internal procedures.
- Tax collected, paid, due
- Risks

Expected outputs:

- A ranked list of all existing fishers' cooperatives (the ranking criteria are detailed further below);
- A summary of the controls carried out;
- A SWOT analysis for each fishers' cooperative controlled;
- A detailed analysis of the financial resources available for each cooperative controlled;
- A detailed position of each cooperative controlled vis-à-vis tax.

The criteria to be used to rank the fishers' cooperatives include:

- financial position and cash balance (20 points);
- profitability and long-term financial sustainability (15 points);
- governance (15 points);
- membership (10 points);
- operational procedures (10 points),
- assets (5 points).

The exhaustive list of all existing fishers' cooperatives will then be broken down in four distinctive groups:

1. mature cooperatives (that have a score of 60 and above);
2. cooperatives in development (that have a score ranging from 40 to 59);
3. weak cooperatives (that have a score below 39 points), and

4. paper cooperatives for which no control has been carried out by lack of activity, financial statements, governing bodies, representatively or insufficient documentation provided.

Documents/ tools /contacts

- Financial tools within IFAD to conduct Mapping/profiling
- PTA Grant with Agricord that can be available for mapping
- Key institutions & contacts to conduct Mapping/profiling
- Stakeholders specialized in mapping and diagnosis per division (Agri-agencies, FRAO, etc.)
- SCOPEInsight

Annex 2: Cooperative Business Plans

Zorzor District Multi-purpose Farmers Cooperative Business Plan
 5 Years - 2012 - 2017

Activity	2013	2014	2015	2016	2017	Total
Investment Cost						
The investments costs are not considered part of the business plan - they will be all covered by IFAD based on cooperative performance over the five years and then will be partly covered with the amortization gathered by the cooperative						
Mini Truck	50 000	-	-	-	55 000	105 000
Pick-up						
Motorbikes	4 500	-	-	4 800	-	9 300
Power saws	7 400	-	1 850			9 250
Generator	2 000	-	-	2 500	-	4 500
Central Warehouse	26 200	-	-	-	-	26 200
Mini-warehouses	9 000	6 000	-	-	-	15 000
Moisture meter	400					400
The investments below are all related to the rehabilitation work - or training and capacity building - hence no need to insert them in the amortization costs ALL additional underbrushing and de shading from the cooperative should be done at a full cost recovery basis to be viable. i.e @ 207 USD per ha						
Tools (cutlasses, grinding stone (3), pingalin, pruning saws, axes, rakes)	25 560	38 340	31 950	7 988	7 988	121 575
Cross learning of coops	1 000	1 000	1 000	1 000	1 000	5 000
Training (tree crop, management, leadership, financial mgt.)	470	6 000	7 000	1 000	5 000	5 000
negotiation for seeds	2 800	2 800	2 800	2 800	2 800	14 000
Farmers/ha (cocoa)	560	880	1 066	-	-	2 506
Farmers/ha (coffee)	140	220	267	-	-	627
Total Farmers	700	1 100	1 333			3 133
Rehabilitation:						
Underbrushing	40 425	84 700	102 641	-	-	227 766
De-shading	8 085	12 705	15 396	-	-	36 186
Cocoa seeds	24 872	24 872	24 872	24 872	24 872	124 360
Coffee seeds	6 440	10 120	12 264	-	-	28 824
Insectide, Utensils (L/S)	1 000	1 200	1 300	1 400	1 500	6 400
Power Saw spare parts	2 000	2 000	2 500	2 500	2 500	11 500
Power saws runing cost (grease, oil, gasoline)	9 600	9 600	11 200	11 200	11 200	52 800
Power saw Repairs	2 520	2 880	3 360	4 200	4 620	17 580
Baseline Survey	1 500	1 600	1 700	1 800	2 000	8 600
Total Investment Cost	225 772	203 817	219 833	66 060	118 480	833 961

Variable Cost						
Solar dryers	7 200	3 600	3 600	3 600	3 600	21 600
Materials for packing and processing (bags, pallets, tarpulin)	500	750	900.00	1 000.00	1 000	4 150
Working Capital - Cocoa (interests)	-	-	-	37 451	56 176	93 626
Working Capital - Coffee (interests)	-	-	-	4 028	4 028	8 056
Casual workers	2 700	5 400	11 340	17 010	25 515	61 965
Total Variable Costs	10 400	9 750	15 840	63 089	90 319	189 398

Recurrent Costs						
Personnel	33 900	33 900	33 900	33 900	33 900	169 500
Board and General assembly Meetings	840	890	940	990	1 040	4 700
Casual Laborers	1 000	1 000	1 000	1 000	1 000	5 000
Repairs and Maintenance						
Vehicles maintenance	4 200	5 400	6 000	6 600	10 800	33 000
Bikes maintenance	4 200	4 620	5 040	5 460	5 880	25 200
Office maintenance	250	250	250	250	250	1 250
solar dryers maintenance		100	100	100	100	400

Stationery and supplies						
Stationery and supplies	1 500	1 800	2 100	2 400	2 700	10 500
Gasoline (bikes, generator)	4 680	5 280	5 880	7 200	9 000	32 040
Supplies (rain gear, security uniform)	700		800		1 100	2 600
Fuel (pick-up, truck)	9 600	10 800	12 000	14 400	18 000	64 800
Communication (scratch cards, internet, radio, media)	3 000	3 500	4 000	4 500	4 500	19 500
Total Recurrent Costs	63870	67540	72010	76800	88270	368490
Variable + Recurrent costs	74 270	77 290	87 850	139 889	178 589	557 888
Income						
MT cocoa	210	420	882	1 323	1 985	4 820
Mt coffee	70	140	187	249	249	894
Total MT to market	280	560	1069	1572	2 233	5 714
Price (Cocoa)						
Price from buyer	\$ 1.04	\$ 1.15	\$ 1.32	\$ 1.52	\$ 1.52	
Price (Coffee)						
Price from buyer	\$ 0.63	\$ 0.69	\$ 0.79	\$ 0.91	\$ 0.91	
Product sales						
Cocoa	21 000	42 000	88 200	132 300	198 450	481 950
Coffee	7 000	14 000	18 667	24 889	24 889	89 444
Total Product sales	28 000	56 000	106 867	157 189	223 339	571 394
Income - Admin						
Membership Shares (LD1,000/share)	4 167	5 556	6 944	10 667	12 987	40 320
Registration (LD250/person)	2 083	3 472	5 000	6 667	8 117	25 339
Total Income - Admin	6 250	9 028	11 944	17 333	21 104	65 659
Other Income:						
payback for solar dryers	2 160	3 240	5 040	3 600	3 600	17 640
Total Other income	2 160	3 240	5 040	3 600	3 600	17 640
TOTAL INCOME	36 410	68 268	123 851	178 122	248 043	654 694
SUMMARY BUSINESS PLAN						
Total Variable Costs	10 400	9 750	15 840	63 089	90 319	189 398
Working Capital - Cocoa (interests)	-	-	-	37 451	56 176	93 626
Working Capital - Coffee (interests)	-	-	-	4 028	4 028	8 056
Total Recurrent Costs	63 870	67 540	72 010	76 800	88 270	368 490
Variable + Recurrent costs	74 270	77 290	87 850	139 889	178 589	557 888
Total Product sales	28 000	56 000	106 867	157 189	223 339	571 394
Cocoa	21 000	42 000	88 200	132 300	198 450	481 950
Coffee	7 000	14 000	18 667	24 889	24 889	89 444
Total Income - Admin	6 250	9 028	11 944	17 333	21 104	65 659
Total Other income	2 160	3 240	5 040	3 600	3 600	17 640
TOTAL INCOME	36 410	68 268	123 851	178 122	248 043	654 694
GROSS MARGIN (+) / DEFICIT (-)	-37 860	-9 022	36 001	38 234	69 454	96 806
Amortization	21 206	21 206	21 206	21 206	21 206	106 031
NET MARGIN (+) / DEFICIT (-)	-59 066	-30 228	14 795	17 027	48 248	-9 225
STCRSP/IFAD to underwrite Deficit (%)	100%	80%	0%	0%	0%	
STCRSP/IFAD to underwrite Deficit (USD)	59 066	24 183	-			
COST TO COOPERATIVE (%)	0%	20%	60%			
Contribution to total COST by COOPERATIVE (USD)	0	6 046	-14 795	-17 027	-48 248	9 225
Additional income (from the payback for road maintenance and rehabilitation)						
40 Percent Repayment = \$82 (\$8 and \$74)	7 200	74 600	86 000	127 000	168 000	462 800
\$20 Payment for Roads rehab.	14 000	22 000	26 660	0	0	62 660
Total additional income	21 200	96 600	112 660	127 000	168 000	525 460
Balance available to the cooperative for working capital needs and additional						

Quapatqamai Cooperative Business Plan
 5 Years - 2012 - 2017

Activity	2013	2014	2015	2016	2017	Total
Investment Cost						
The investments costs are not considered part of the business plan - they will be all covered by IFAD based on cooperative performance over the five years and then will be partly covered with the amortization gathered by the cooperative						
Mini Truck	50 000	-	-	-	55 000	105 000
Pick-up						
Motorbikes	4 500	-	-	4 800	-	9 300
Power saws	5 550	-	1 850			7 400
Generator	2 000	-	-	2 500	-	4 500
Central Warehouse	26 200	-	-	-	-	26 200
Mini-warehouses	9 000	9 000	-	-	-	18 000
Moisture meter	400					400
The investments below are all related to the rehabilitation work - or training and capacity building - hence no need to insert them in the amortization costs ALL additional underbrushing and de shading from the cooperative should be done at a full cost recovery basis to be viable. i.e @ 207 USD per ha						
Tools (cutlasses, grinding stone (3), pingalin, pruning saws, axes, rakes)	25 560	38 340	31 950	7 988	7 988	121 575
Cross learning of coops	1 000	1 000	1 000	1 000	1 000	5 000
Training (tree crop, management, leadership, financial mgt.)	470	6 000	7 000	1 000	5 000	5 000
negotiation for seeds	2 800	2 800	2 800	2 800	2 800	14 000
Farmers/ha (cocoa)	560	800	1 066	-	-	2 426
Farmers/ha (coffee)	140	200	267	-	-	607
Total Farmers	700	1 000	1 333			3 033
Rehabilitation:						
Underbrushing	40 425	77 000	102 641	-	-	220 066
De-shading	8 085	11 550	15 396	-	-	35 031
Cocoa seeds	24 872	24 872	24 872	24 872	24 872	124 360
Coffee seeds	6 440	9 200	12 264	-	-	27 904
Insecticide, Utensils (L/S)	1 000	1 200	1 300	1 400	1 500	6 400
Power Saw spare parts	2 000	2 000	2 500	2 500	2 500	11 500
Power saws runing cost (grease, oil, gasoline)	9 600	9 600	11 200	11 200	11 200	52 800
Power saw Repairs	2 520	2 880	3 360	4 200	4 620	17 580
Baseline Survey	1 500	1 600	1 700	1 800	2 000	8 600
Total Investment Cost	223 922	197 042	219 833	66 060	118 480	825 336
Variable Cost						
Solar dryers	7 200	3 600	3 600	3 600	3 600	21 600
Materials for packing and processing (bags, pallets, tarpulin)	500	750	900.00	1 000.00	1 000	4 150
Working Capital - Cocoa (interests)	-	-	-	32 100	48 151	80 251
Working Capital - Coffee (interests)	-	-	-	4 028	4 028	8 056
Casual workers	2 700	5 400	11 340	17 010	25 515	61 965
Total Variable Costs	10 400	9 750	15 840	57 739	82 294	176 022
Recurrent Costs						
Personnel	33 900	33 900	33 900	33 900	33 900	169 500
Casual Laborers	1 000	1 000	1 000	1 000	1 000	5 000
Repairs and Maintenance						
Vehicles maintenance	4 200	5 400	6 000	6 600	10 800	33 000
Bikes maintenance	4 200	4 620	5 040	5 460	5 880	25 200
Office maintenance	250	250	250	250	250	1 250
solar dryers maintenance		100	100	100	100	400
Stationery and supplies						
Stationery and supplies	1 500	1 800	2 100	2 400	2 700	10 500
Gasoline (bikes, generator)	4 680	5 280	5 880	7 200	9 000	32 040
Supplies (rain gear, security uniform)	700		800		1 100	2 600
Fuel (pick-up, truck)	9 600	10 800	12 000	14 400	18 000	64 800

Communication (scratch cards, internet, radio, media)	3 000	3 500	4 000	4 500	4 500	19 500
Total Recurrent Costs	63030	66650	71070	75810	87230	363790

Variable + Recurrent costs	73 430	76 400	86 910	133 549	169 524	539 812
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Income						
MT cocoa	180	360	756	1 134	1 701	4 131
Mt coffee	70	140	187	249	249	894
Total MT to market	250	500	943	1383	1 950	5 025
Price (Cocoa)						
Price from buyer	\$ 1.04	\$ 1.15	\$ 1.32	\$ 1.52	\$ 1.52	
Price (Coffee)						
Price from buyer	\$ 0.63	\$ 0.69	\$ 0.79	\$ 0.91	\$ 0.91	
Product sales						
Cocoa	18 000	36 000	75 600	113 400	170 100	413 100
Coffee	7 000	14 000	18 667	24 889	24 889	89 444
Total Product sales	25 000	50 000	94 267	138 289	194 989	502 544
Income - Admin						
Membership Shares (LD1,000/share)	4 167	5 556	6 944	10 667	12 987	40 320
Registration (LD250/person)	2 083	3 472	5 000	6 667	8 117	25 339
Total Income - Admin	6 250	9 028	11 944	17 333	21 104	65 659
Other Income:						
payback for solar dryers	2 160	3 240	5 040	3 600	3 600	17 640
Total Other income	2 160	3 240	5 040	3 600	3 600	17 640
TOTAL INCOME	33 410	62 268	111 251	159 222	219 693	585 844

SUMMARY BUSINESS PLAN						
Total Variable Costs	10 400	9 750	15 840	57 739	82 294	176 022
Working Capital - Cocoa (interests)	-	-	-	32 100	48 151	80 251
Working Capital - Coffee (interests)	-	-	-	4 028	4 028	8 056
Total Recurrent Costs	63 030	66 650	71 070	75 810	87 230	363 790
Variable + Recurrent costs	73 430	76 400	86 910	133 549	169 524	539 812
Total Product sales	25 000	50 000	94 267	138 289	194 989	502 544
Cocoa	18 000	36 000	75 600	113 400	170 100	413 100
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Total Income - Admin	6 250	9 028	11 944	17 333	21 104	65 659
Total Other income	2 160	3 240	5 040	3 600	3 600	17 640
TOTAL INCOME	33 410	62 268	111 251	159 222	219 693	585 844

GROSS MARGIN (+) / DEFICIT (-)	-40 020	-14 132	24 341	25 674	50 169	46 032
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Amortization	21 350	21 350	21 350	21 350	21 350	106 750
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NET MARGIN (+) / DEFICIT (-)	-61 370	-35 482	2 991	4 324	28 819	-60 718
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STCRSP/IFAD to underwrite Deficit (%)	100%	80%	0%	0%	0%	
STCRSP/IFAD to underwrite Deficit (USD)	61 370	28 386	-			
COST TO COOPERATIVE (%)	0%	20%	60%			

Contributio to COST by COOPERATIVE (USD)	0	7 096	-2 991	-4 324	-28 819	60 718
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Additional income (from the payback for road maintenance and rehabilitation)						
40 Percent Repayment = \$82 (\$8 and \$74)	7 200	74 600	86 000	127 000	168 000	462 800
\$20 Payment for Roads rehab.	14 000	20 000	26 660	0	0	60 660
total additional income	21 200	94 600	112 660	127 000	168 000	523 460

Balance available to the cooperative for working capital needs and additional investments	21 200	87 504	115 651	131 324	196 819	552 497
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Annex 3: Verification of SOEs

WA n°	Date of WA signature/ Period covered	Amount (in USD)	Prepared per IFAD instructions*	Relevance / eligibility of expenditure	Exp. incurred in past 3 months	Expenditure recorded in correct category	Verification of support. documents	Amount of SOE / % of SOE tested	Comments
1	17/10/12 / N/A	1 000 000.00	No testing						Request for initial deposit
2	? / Jul-Dec 12	220 081.11	Yes	Yes	No (WA sent to IFAD 14/01/13)	Yes (a)	Yes (b)	\$163 081 64%	Special account replenishment
3	? Jan-Feb 13	242 135.49	Yes	Yes	Yes (WA sent to IFAD 03/04/13)	Yes (c)	Yes (d)	\$168 236 64%	Special account replenishment

* see general remarks

NOTES AND OBSERVATIONS:

1. WA #3 is currently in process at IFAD.
2. Selection of SOEs to test in each WA (test objective: at least 50% of SOEs): all items \geq \$5 000 + a haphazard sample of 5 items $<$ \$5 000 spread over the different cost categories.
3. Verification of supporting documents: traced the selected sample SOE transactions to the payment voucher, invoice and other supporting documents.

GENERAL REMARKS:

- The WAs are not dated by MOF when signed
- No totals per category on Forms 102
- Pay slips attached to monthly payroll statement as justification for the salary payments are not systematically signed by the staff and the PC.

EXCEPTIONS NOTED ON WA REVIEW:

- a. All items in Cat III (\$28 222): travel & DSA to PIU staff for IFAD workshops should be under Category IV; the PIU has decided to record all staff international missions in Cat III to avoid depleting resources in Cat IV (WA has been reimbursed by IFAD).
- b. Category III items #6 and 7 (\$2 556 x 2); DSA to PC and PMU Director in Dar-Es-Salaam: unjustified use of Special DSA rate (\$284 instead of \$199)
- c. Category III item# 2 (\$912): DSA to Field M&E officer should be under Category IV (same as a. above).

