

Sri Lanka

IIDP SV MR and Append June2014

Supervision report

Main report and appendices

Mission Dates: 25 May – 09 June 2014
Document Date: June 2014
Project No. 1600
Report No: 3485-LK

Asia and the Pacific Division
Programme Management Department

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Abbreviations and acronyms

ADB	Asian Development Bank
AWPB	Annual Work Plan and Budget
BWA	Bulk Water Allocation
CBO	Community Based Organisation
CPO	Country Programme Officer
D Canal	Distributary Canal
DAPH	Department of Animal Production and Health
DSD	Divisional Secretariats Division (Administrative Unit)
F Canal	Field Canal
FO	Farmers Organizations
GN	Grama Niladhari
GoSL	Government of Sri Lanka
IIDP	Iranamadu Irrigation Development Project
KDWDF	Kilinochchi District Women Development Federation
MLGPC	Ministry of Local Government and Provincial Council
NGO	Non-Governmental Organisation
NSC	National Steering Committee
PD	Project Director
PID	Provincial Irrigation Department
PM	Project Manager
PMC	Project Management Committee
PMO	Project Management Office
PRA	Participatory Rural Appraisal
RIMS	Results and Impact Management System
UNDP	United Nations Development Programme
USD	US \$
WRDS	Women Rural Development Societies

A. Introduction¹

1. The Iranamadu Irrigation Development Project (IIDP) became effective on 30 January 2012 and would be completed on 31 March 2017. Lead Project Agency is the Ministry of Local Government and Provincial Councils (MLGPC) and the Project Management Office (PMO) is located in Kilinochchi. The total project cost is estimated at USD 29.32 million. The total cost consists of a highly concessional loan of USD 22.231 million (75.7%) from IFAD. The Government of Sri Lanka's (GOSL) counterpart contributions amount to USD 3.158 million (10.8%), the private sector and the beneficiaries would contribute USD 1.23 million (4.2%) and USD 2.7 million (9%) respectively.
2. The *goal* of IIDP is to contribute to poverty reduction and increase in household incomes of 7000 households with about 22,100 persons in 23 *Grama Niladhari* (GN) Divisions of Kilinochchi District of the Northern Province. The project outcomes are irrigation infrastructure of the Iranamadu scheme rehabilitated (component 1), farm productivity improved, and women's participation in water and land management and marketing enhanced (component 2).
3. The second Supervision and Implementation Support Mission (SIS) was carried out during 25 May to 09 June 2014. The objective of the Mission were to (i) assess the implementation progress of the project including complying with IFAD's fiduciary and loan covenant responsibilities; (ii) identify constraints and challenges and recommend solutions; (iii) review implementation status of recommendations of the last SIS mission; and (iv) provide implementation support to remove any bottlenecks that IIDP is facing.
4. The IFAD Country Programme Officer along with the project staff held a debriefing meeting with the Secretary of the MLGPC on 22 May 2014. The Mission met the Hon. Governor and the Chief Secretary of Northern Province on 27 May 2014 for discussion on the implementation progress and the challenges faced by the project. Field visits were carried out to observe status of various completed and on-going activities during 26 – 30 May 2014. During field visits discussions were held with representatives and members of Farmers Organisations (FO) and Women Groups with particular focus on the level of their participation in the planning, design and implementation of project interventions. Briefings and discussions were also held with project partners (Department of Irrigation, Department of Agriculture Extension and animal husbandry of N. Province, Central Department of Agriculture, Research and Seed and Plant production).
5. The mission had a pre-wrap-up meeting with the staff of IIDP and the implementing partner on 06 June 2014 in Kandy and discussed the findings and recommendations in detail. The Aide Memoire with main findings and agreed actions was presented and discussed at a wrap-up meeting, chaired by the Secretary, MLGPC on 09 June 2014 and the Aide Memoire was endorsed.
6. The mission thanks the MLGPC, staff of IIDP, all partners, the private sector and the beneficiaries for their generous support and hospitality.

B. Overall assessment of IIDP Implementation

7. The overall Implementation performance is rated as Moderately Satisfactory (4). Implementation of the project particularly canal rehabilitations activities of component 1 which takes about 72% of the total project cost, is progressing well. The planned canal rehabilitation activities achieved around 80% of the physical targets against the 2013 AWPB. Total financial utilisation was around 70% of the 2013 AWPB. Cumulative expenditures as of 30 April 2014 were at 9.36% of the total cost of the project and 12% for physical targets have been achieved against total targets. Total IFAD disbursement were at 10.73% as of 30 April 2014. Under the 2014 AWPB, 16 packages for

¹ Mission composition: Mr Anura Herath, CPO and Agriculture Specialist, Ms. Dammika Dassanayake, Gender Specialist, Mr. Bodhi Wanniarachchi, M&E and Business Development Specialist, Mr P Kulatunga, Irrigation Engineer; Mr R K Dayananda, Financial Specialist, Mr Qaim Shah, Team Leader and Institutional and Community development specialist. Mr Ya Tian, CPM, IFAD provided guidance and comments during the mission, before pre-wrap-up and to conclude the aide memoire from Rome.

canal rehabilitation have been awarded. The project will also award 21 FO contracts for field drainage canals under the work plan. In view of favourable work conditions the project plan to undertake 6 additional contract packages during 2014 and would request for supplementary budget from government sometime during July/Aug 2014.

8. Progress of implementation of interventions under component 2 is slow mainly because of delay in engagement of NGO. Social mobilisation activities as per the provision of the project design have not been initiated yet in a systematic manner. Any further delay in social mobilisation process would pose a risk for the achievement of the key objectives of farmer managed Bulk Water Allocation system including participation of women and social inclusion, non-paddy crop production and off farm economic/income generation activities and sustainability.

9. The project however, initiated cultivating of non-paddy crops through 578 farmers (blocks) including 30 women groups, on about 45.8 ha in the *ya/a* season (March) of 2014. With the support of Department of Agriculture Research 10 plots of Variety Adaptability Trail plots were established. Soil suitability study for identification of suitable crops for non-paddy crop cultivation was completed by the Department of Agriculture and its recommendations were partly implemented for *ya/a* season of 2014.

10. Most of the recommendations of the 2013 Supervision and Implementation Support (SIS) mission were by and larger implemented except the one concerning engagement of NGO and social mobilisation and capacity building.

Agreed action	Responsibility	Agreed date
1. In case of additional work and approval of supplementary allocation, a revised AWPB duly approved by the National Steering Committee shall be submitted to IFAD for approval.	PMO	July/Aug 2014.
2. Undertake engagement of NGO for social mobilisation on priority basis by inviting the shortlisted NGOs for submitting technical and financial proposals (the mission provided No Objection to the short list of NGOs). In this regard, recommendation of last SIS Mission shall be followed, particularly the partnership between selected NGO and Kilinochchi District Women Development Federation	PMO	Complete the process of engagement by 30 July 2014
3. Mission recommends invitation of Request for Proposals(RFPs) from the 6 short listed NGOs	PMO/IFAD	Immediate

C. Outputs and outcomes

11. **Component 1: Infrastructure development:** The overall performance is rated as *satisfactory* (5). The component consists of two sub-components: (i) irrigation rehabilitation and; (ii) other infrastructure development.

12. **The Irrigation Rehabilitation** sub component performance is rated as satisfactory (5). The objective is to improve irrigation infrastructure and promote its effective management by Farmer Organisations (FOs) including women with water saving management methods, and with climate change adaptation and mitigation measures. The project will undertake rehabilitation of the downstream canal system including main canals, branch canals, distributary canals, field canals, drainage canals and farm roads.

13. Other **infrastructure sub-component** includes: (i) rainwater harvesting structures, (ii) marketing structures, (iii) small storage units, and (iv) buildings for simple primary processing equipment. There is little progress on implementation of these activities as these are planned for 2015. The construction of PMO and PMC buildings has been completed.

14. **Irrigation rehabilitation:** Construction work has been divided into 50 main contract packages which were planned for implementation during 2013-2016. During work plan 2013, 9 contract packages were awarded and 4 contract packages have been completed. The progress of the remaining 5 is more than 70% and will be completed within three months' time. The contract packages include the rehabilitation of 8.78 km of Paranthan Main Canal, 11.65 km of Right Bank (RB) Main

Canal, Bridges and culverts of Left Bank (LB) Main Canal, Drainage Canals under Paranthan Main Canal and RB Main Canal and repairs of Project Management Office (PMO) and Project Management Committee (PMC) buildings. Sixteen new contract packages have been awarded in 2014 after No Objection from IFAD. The mission observed satisfactory performance of mobilized contractors. In addition two packages (17 and 18) for rehabilitation of field drainage canals will also be awarded to 21 Farmer Organisation (FO) with total value of approximately SLRs 42 million. The mission observed that consultations with FOs were completed and estimates have been prepared. The mission recommends that FO participation in the entire project cycle including M&E shall be ensured.

15. In view of the accelerated work progress due to drought, the project intends to undertake additional six packages during the current year. Preparation of BOQ for the additional contract packages is underway and the project is expected to request supplementary budget sometime in July/Aug 2014.

16. The Project Director in the capacity of Deputy Director of the Provincial Irrigation Department has mobilised additional human resources for implementation of works under irrigation rehabilitation sub component through establishment of a special unit (for design, implementation, monitoring). The unit comprise of one Irrigation Engineer, 5 Technical Officers from the Provincial Irrigation Department (from permanent cadre) and have also assigned National Certificate in Technology (NCT) qualified 6 trainees as Work Supervisors.

17. The project design provides for out-sourcing design and construction supervision work, O&M training, awareness campaign for communities about the Bulk Water Allocation system, and technical training for technical staff of PID at a cost of SLRs 65 million to consulting firms. In view of the experience and performance of the Special Unit in design, implementation and monitoring, the project proposed strengthen of the unit instead of out sources to consultants. In view of the increased workload and technical requirements of the on-going contract packages with the possibility of additional 6 packages during the current year, PMO proposed hiring of services of additional one Senior Irrigation Engineer, 2 Junior Irrigation Engineers, 10 Technical Officers and 20 Work Supervisors on contract basis instead of recruiting consultants. The cost of the proposed arrangements is estimated at SLRs 30 million. In case of approval of supplementary budget for additional 6 packages during 2014 AWPB additional 2 technical officer and 6 work supervisors will be recruited.

18. The proposal does not involve any additional financing. There will rather be a saving of about SLRs 35 million and since the staff will be recruited on contract basis for the duration of the project, there will be no recurring liability for the government after completion of the project. The Mission support the proposal and recommends hiring of additional staff on contract basis

19. In absence of NGO for social mobilisation, a consultant was recruited to undertake PRA to identify irrigation rehabilitation requirements of distributary and field canals in 21 FO areas as per the recommendation of the last SIS mission. The consultant has carried out PRA activities with the involvement of the PMO Engineers and the Social Mobilization and Gender Specialist. Since the PRA Consultant has covered all 21 FO areas, there is no need for continuation of his services. PMO Engineers and the Social Mobilization and Gender Specialist have capacity of continuing the PRA activities until the recruitment of NGO.

20. To ensure quality of works the quality control unit of Provincial Irrigation Department (PID) is performing satisfactorily. However, the currently available testing equipment and moulds are inadequate to meet the requirements of the volume of works. The mission recommends to utilize provisional sums allocated in priced Bill of Quantities to purchase the required equipment through contractors. The required number of testers should also be recruited using the provisional sums as described above.

21. The consultant engineer who was engaged for review of designs has been assigned to work as senior engineer under the special unit.

22. Locations for water measuring devices in the canals were identified in consultations with FOs for implementation of bulk water management system. The Project has initiated construction of measuring structure. The mission recommends to procure water current meters for calibration of each measuring device.

23. Presently, weekly meetings are held with the contractor at the PMO. Minutes of such meetings are not maintained properly as per the conditions of contract. The Mission recommends that in addition to the weekly meeting, monthly review meetings shall also be held. Since weekly meetings and monthly progress meetings have contractual implications, minutes of meetings should be properly recorded and distributed to the Contractors.

24. The mission observed that two contractors were employing labour from the respective FOs. The mission recommends that the PMO shall encourage other contractors also to promote and adopt the practice.

25. Implementation of participatory development approaches to improve irrigation infrastructure and to promote effective management of such structures by irrigation institutions and FOs including women have not yet been undertaken because of delay in recruitment of NGO for social mobilisation. Currently role and managerial/social and technical capacities of the FOs are limited to undertake responsibilities particularly for bulk water management.

Agreed action	Responsibility	Agreed date
4. Recruit additional staff on contract basis.	PD	End June 2014
5. Procure the required number of testing equipment and testers by utilising provisional sums of awarded contracts	PD	End August 2014
6. Ensure participation of FOs in the planning and implemenation process of field drainage canal.	PMO	Immediate/continuous
7. Procure the required types and numbers of current meters for calibration of water management structures.	PD	End Setember'2014
8. improvement of contract administration by conducting site and monthly meetings and properly recoding minutes and its shairng with contractors.	PMO	Immediate
9. Carry out institutional assessment including the structure, by-laws etc. of FOs and other existing community organizations like WRDS and recommend modifications to suite the project needs. Prepare action plan for groups formation and capacity building/trainings.	NGO under supervision of PMO	September 2014

26. **Component 2: Production and marketing.** There are three sub-components namely social mobilization and training; production, extension and marketing; and other agricultural and off-farm development. The overall performance rating is *moderately satisfactory* (4).

27. **Social Mobilisation:** sub-component rating is moderately unsatisfactory (3). Selection of NGO for Social Mobilisation and training is still in the process. The project through the Gender and Social Mobilisation Specialist undertakes community related activities like awareness raising, facilitating PRA and formation of some women groups. The mission appreciate these initiatives but the social mobilisation process is carried out in a rather ad hoc manner and interaction with communities takes place mostly on as and when required basis. To achieve the objectives of the subcomponent a systematic and process approach to social mobilisation as provided in the project design, is required. It may be noted that the objectives of the sub-component is to strengthen existing FOs and establish new FOs and Women and Youth Groups for planning and implementation of interventions particularly relating to planning of rehabilitation of distribution (D) and filed level (F) canal and farmer managed Bulk Water Allocation system. The activities also include participation of women and social inclusion, non-paddy crop production and off farm economic/income generation activities with focus on landless household who have generally been left out the existing community groups.

28. The 2013 SIS mission in view of urgency of the matter recommended that in absence of NGO, PRA for identification of detailed rehabilitation needs for D and F irrigation infrastructure shall be

carried out through a consultant. PRA were completed in all the 21 FOs. The mission observed that the recommendation/priorities identified through PRA were of very general nature and did not particularly address the purpose of identification of detailed rehabilitation requirements of distributary and field canals by the FOs.

29. **Production, extension and marketing** focuses on crop diversification in the *yala* seasons in the project areas. Sub-component performance is rated as *moderately satisfactory* (4). The full implementation is expected only in 2015. However some appreciable progress has been achieved by 578 farmers (blocks) cultivating non-paddy crops in 45.8 ha under *bethma*² system in the *yala* season (March) of 2014. Framers of five FOs (Maruthanagar, Uriyan, Ramanathapuram West, Mahilankadu, and Thiruvaiaru) have taken this initial step. Green gram, ground nut, cowpea and Maize are the main crops.

30. The project had attempted to apply 17 criteria to select farmers, both men and women, as beneficiaries of crop diversification activity. With a view to simplifying the targeting process, the mission recommends to use the following essential criteria: at least ¼ ac of land ownership, priority for being a women-headed family, tail end farmer, and a member of the registered farmer organization.

31. The sub-component intends to initiate linkages among private sector and the project beneficiaries including women. The 2013 SIS mission observed a keen interest of the private sector to get engaged in the project areas. The project in partnership with Prima initiated a pilot project with 10 farmers with quarter acre. Other potential business partnerships include Gherkins with Hayleys Ltd and Passion fruits and dairy with Cargills Inc. However, IIDP has not received neither made a formal and emphatic request for a detailed proposal from these companies. It is recommended that IIDP will facilitate the process sooner than later.

32. The PMO and Department of Agriculture in view of economic viability purpose for farmers and to attract private sector, recommended increasing the plot size to 1 acre for demo plots. The mission supports the change of plot size to 1 acre.

33. In order to achieve the full target of the sub-component, a few key activities should be adequately progressed. These include the following. (A) Mobilization of farmers and formation and strengthening of non-paddy women and youth groups: the current progress includes forming 30 non-paddy women groups but needs further strengthening, and introducing the crop diversification concept to the farmers. (B) Provide a list of suitable non-paddy crops to each potential farmer so that s/he can choose from the list: currently the soil suitability study that provides the list of crops has been completed by the Research Station of the Central Department of Agriculture (DOA) but awaiting to disseminate the plot wise crop list to the farmers. (C) Varietal adaptability trials (VAT) with the participation of the farmers in their lands - at present 10 plots are under VAT. This has been facilitated by signing an MOU with Provincial Department of Agriculture (PDOA), plots identification, selection of appropriate crops, mobilising farmers to commence, financing and providing seeds, organic fertiliser (cow-dung) and organic pesticide, and conducting on-site training sessions. This is an appreciable start to encourage farmers to take up non-paddy crops. Its varietal recommendations will be ready only at the end of the 2014 *yala* season. The mission recommends that results dissemination should be followed immediately after the trial. (D) Market linkages - Cargill and Prima have expressed keen interest to initiate linkages and Prima has already started supporting farmers to cultivate maize by providing seeds and agro-chemicals. To meet the demand of the private sector, the mission proposed

²*Bethma* is an egalitarian system of cultivating land under water scarce situations. This is adapted in the project area during the *yala* season to offer reasonable amount of land based on the land holding pattern, to as many willing farmers as possible to cultivate either paddy or non-paddy crops. Land under the system is usually allocated closure to the head end and tail end farmers can also participate. During the *yala* season the Government Agent (GA) of the Kilinochchi District virtually "owns" all the land under the command area of the Iranamadu tank (it is same with any other tank where the *bethma* system is applied). The GA with the assistance of the Provincial Irrigation Department determines the total extent of land that can be cultivated under each distributary canal with the availability of water in the tank. The GA at the *kanna* (cultivation meeting) meeting at the onset of the *yala* season then divides this total extent among those farmers who are willing to cultivate. In this distribution, the farmers' original ownership forms as a basis for proportion land distribution. The maximum limit of land allocation depends on availability of water.

to mobilise farmers, at least 50% of them being women, to cultivate 100 hector of non-paddy crops including maize in the project area in the *maha* season of 2014.

34. The facilitation role that is listed above is highly important for encouraging the farmers to adopt crop diversification because of their apparent reluctance to cultivate non-paddy crops. The mission observed that the reluctance is based on (a) lack of awareness about suitable non-paddy crops and their varieties for their plots; (b) complexity of irrigating non-paddy crops in plots which are made to irrigate paddy; (c) unsure marketing facilities and prices; and (d) high input cost. The planned crop diversification demos, varietal trials, market linkages should therefore take prominence and urgency in IIDP activity schedule.

35. DOA's efforts in engaging with IIDP in implementing crop demonstrations, extension, planting material production, farm machinery demonstrations and, the Department of Animal Production and Health (DAPH) for grass cultivation as fodder have not been finalised. The 2013 SIS missions proposed to prepare a consolidated proposal highlighting complementarities of different activities through a stakeholder consultation workshop to obtain IIDP support. The different proposals are still in individual form. The mission proposes that the Project should provide external technical assistance to review and finalise the consolidated programme once it is prepared by the DOA, which is acceptable to IFAD, before financing their implementation.

36. **Other agricultural and off-farm development:** Sub-component performance is rated as *moderately unsatisfactory* (3). The purpose of the sub components is livelihood development through a range of on and off farm interventions. Implementation of activities have not yet commenced mainly because of delay in engagement of NGOs for social mobilisation.

Agreed action	Responsibility	Agreed date
10. Simplify the selection criteria of farmers for the crop diversification programme. The minimum criteria have been listed above.	PMO	July 2014
11. Using the NGO that will recruited create mass awareness about crop diversification and non-paddy farmer group should be strengthen	PMO	Start in July 2014
12. Disseminate the soil suitability study result so that individual farmer will know the list of suitable non-paddy crops for her/his land. Services of social mobilisation NGO could also be utilised	PMO with the PDOA	Start in July 2014
13. Provide facilities to cultivate 100 ha of no paddy crops including maize in the command area in the <i>maha</i> season of 2014. At least 50% of the farmers should be women. Make appropriate market linkages.	PMO	Start in July 2014
14. Complete the consolidated plan for agriculture development with the participation of all institutions including AP&H with the assistance of a consultant.	PMO	Complete in August 2014

D. IIDP Implementation progress

37. **Project management performance** is rated as moderately satisfactory (4). PMO is fully staffed and all the administrative, financial, procurement, M&E systems, and project steering committees functioning well. Following the recommendation of last SIS mission, functions relating to planning, implementation, monitoring, and management of the respective staff with associated financial and administrative responsibilities for implementation of component 2, were delegated to the Project Manager.

38. In addition to the project staff, 1 engineer and 5 technical officers of the Provincial Irrigation Department (IDP) are supporting the implementation of the first components with an MOU between IIDP and PID. A consultant engineer has also been appointed since June 2013 to review canal construction designs. A considerable extent of work in canal rehabilitation has been commenced with the support of such staff. In view of the expected increase in workload during 2014 and beyond

under irrigation rehabilitation, the project proposed to hire the required staff on contract basis. The Mission supports the proposal (please see Para16 for details) The Project Implementation Manual (PIM) was finalized which is acceptable to the mission.

39. **Coherence between AWPB and Implementation** is rated as *moderately satisfactory* (4). AWPB has been revised in June '13 to accommodate survey investigations of five irrigation infrastructure rehabilitation packages but none had been implemented. Data consistency between AWPB and implementation is at an acceptable level. The activities planned under Component 1 have progressed well but progress has been slow in Component 2 mainly due to non-recruitment of a social mobilization service provider. The progress of the Component 3 has been modest and non-acquisition of motor vehicles has been the main reason for under performance.

40. **Monitoring and evaluation (M&E)** performance rate is elevated to *satisfactory* (5). Project has a good M&E system consisting of revised log-frame, the output and outcome target indicator plan (OTIP) and an M&E plan. The project has also compiled a detailed M&E manual. Project plans to submit both M&E plan and the manual to next NSC scheduled for July 2014 for its approval. M&E system functions well by systematically capturing and on-time reporting physical and financial progress data. The weekly technical committee meeting provides the progress data on infrastructure development (Component 1) and the progress data of the Component 2 is captured monthly (the frequency to be doubled once the activities increase). Progress reporting varies from weekly, bi-weekly, monthly, quarterly to annual. Progress on infrastructure is reported to Dept. of Irrigation weekly and overall progress to MLGPC bi-weekly. Monthly and quarterly report goes to MLGPC, Provincial Project Coordination Committee (PPCC), chaired by the Provincial Chief Secretary. Bi-annual and annual report goes to all stakeholders including IFAD. In addition, updates of database of the Project Management & Monitoring Department of the Ministry of Finance and Planning, (MOFP), takes place monthly. Project has initiated to track the outcome of some of the small infrastructure (bridges) development and the Mission encourages such attempts to be repeated systematically targeting small infrastructure development such as bridges already completed and drainages to be completed in 2014 and report to all stakeholders periodically.

41. With IFAD's financial, technical and implementation support the IIDP has completed project and RIMS baseline surveys in March 2013 and first RIMS reporting was made in December 2013 which was updated in May 2014. The next reporting is due for the half year ending 30 June '14. Project has a conducive environment and support from sector specialists for M&E capturing but M&E Specialist warrants more support in particular for data gathering in Component 2 and data entry. Once the NGO is engaged their staff should also be involved for data collection (in addition to their routine functions) but it is required to deploy one of them or an additional/alternative officer to station at the PMO for data consolidation and entry.

42. **Gender focus:** The overall performance of gender is rated *moderately satisfactory* (4). The project initiated awareness campaigns, women group formation, training and cultivation activities. However, gender mainstreaming and women development interventions in a systematic manner could not be undertaken mainly due to delay in selection and engagement of NGO for social mobilisation. The project developed a gender action plan (GAP) with the help of a gender consultant. The mission observes that the GAP is more of project driven than demand driven. The preparation of the GAP was based on a number of group discussions with the community/women groups of the project area. At the recommendation of the mission, the GAP was revisited to rationalise and prioritise implementation of the activities taking into account the remaining project period and resources.

43. Currently the women membership in the FOs is limited only to women headed households. No women focused activity is promoted in the FOs. The selected NGO will work closely with the FOs and will propose activities for women in order to increase their participation in FOs.

44. The project initiated cultivation of non-paddy crops for *yala* season by women and youth through establishment of 30 non-paddy women groups and cultivation under the *bethma* system. In this regard basic awareness programmes was conducted and about 193 women and 385 male were

mobilised to undertake cultivation. Agricultural inputs such as fertilizer and seeds were provided for 10 women farmers to cultivate highbred maize as demonstration.

45. In order to enhance gender focus and improve women participation in project activities, the mission recommends that position of a Gender Officer under the Social Mobilisation and Gender Specialist be created on contract basis. Preference shall be given to suitable local women staff.

46. **Poverty focus** is rated as *moderately satisfactory* (4). The target group under irrigation rehabilitation covers the entire population of farmers having access to lands in the command area. About 85%-90% of them operate 2 ha or less and are categorised as poor small farmers. The beneficiaries particularly for activities under component 2 included mostly included women and youth groups as provided in the design report

47. **Effectiveness of targeting approach** is rated as *moderately satisfactory* (4). In view of the difficulties in determining social and economic differentiation of the households due to the complexity of the context, and lack of socio economic data, two targeting approaches are recommended: (i) a gender based approach which allows differentiation of men from women on the basis of the socially accepted stereotypes; and (ii) the family status approach that could be used as proxy indicator for socio-economic differentiation. Though the majority of the households cultivating paddy in the command area belongs to small farmer category, differentiation on the basis of land holdings would still be used to prioritise beneficiaries.

48. While all the farmers of the project area (about 86% belong to poor small farmer category) are targeted for canal rehabilitation activities, the project used a rather complex 17 item criteria to select farmers, both men and women, for participation in crop diversification activity. The mission as mentioned in the above para, recommends to use the following essential criteria: at least ¼ ac of land ownership, priority for being a women-headed family, tail end farmer, and a member of the registered farmer organization.

Number of beneficiaries reached out

Target Group "category"	Total number of people to be reached by the end of project implementation (Appraisal Targets)	Number of people reached so far (cumulative)	
		Total number	Of which, women
<i>Small rural farmers</i>	<i>86% total target group of 7,000</i>	<i>6,000 (100%)*</i>	<i>NA</i>
<i>Women heads of households</i>	<i>18.5% of total target group (1,295)*</i>	<i>1,296 (100%)*</i>	<i>NA</i>
<i>Women-lead microenterprises</i>	<i>150 small groups of 6-8 members each</i>	<i>None</i>	<i>None</i>

*All these farmers were involved in participatory rural appraisal during the review period in identifying irrigation infrastructure rehabilitation and other infrastructure needs and are currently being mobilized for project benefits. The full benefits of the project, however, will reach them once the rehabilitation is completed, scheduled for 31 March 2017.

49. **Innovation and learning** is rated as *moderately satisfactory* (4). Project has taken few good initiatives to generate, document and share its progress and results/outcome during the review period. This includes; a) good collection of photos to portray results of project interventions on small infrastructure development (situation before and after), b) use of effective power point presentations for diverse audiences, c) an expressive annual report for 2013, and d) project quarterly news brief. Outcome of some of the project interventions (small bridges completed in 2013 and drainages to be completed in 2014) is visible no sooner the infrastructure is completed and the facility is being used by

the community. Project has attempted to track the outcome of a few of such interventions. Mission recommends that, as its KM products during 2014, the project would develop; a) a video clip depicting the outcome of small infrastructure development, b) IIDP website, c) a photo gallery, and d) upgrade the current news brief to a quarterly newsletter. The country office would provide implementation support for all these initiatives but project may hire consultants for execution as appropriate within the given budgetary limits. The mission also recommend that the project would organize a KM and M&E sharing workshop partnered with all IFAD-funded projects in the country programme in late 2014. AWPB 2014 has provision for this event. As a matter of priority PD needs to identify appropriate KM training for M&E Specialist who is the focal point for ME and MS for IIDP.

50. **Climate and environment focus** is rated as *moderately satisfactory* (4). The canal rehabilitation work will contribute to enhancing the water availability and its efficient use and therefore a positive effect on the micro-environment of the project areas is expected. The project with participation of FOs and school children has commenced a programme to plant trees on strategic places starting with planting 1001 plants of teak, margosa and few other species. These tree crops will further enhance the environment. The project design also provides dedicated budgetary allocation for strengthening canal side walls with plants which would eventually provide environmental benefits. This needs to be commenced systematically. No other specific activities were aimed at addressing either climate change adaptation or mitigation. In view of the current drought, there is a need for awareness raising on climate change adaptation and mitigation. The application of and efficient use of bulk water allocation system is highly important as a climate adaptation method particularly in view of the recent drought situation. The mission was pleased to observe that as recommended during the last mission rubble and other type of debris from the construction sites were cleared.

51. **Partnership**. As observed during the last SIS there was a strong potential and opportunities for linkages between farmers and the private sector. Under **Production and Marketing** sub component, IIDP facilitated a buy-back arrangement with Prima Ltd, a leading animal feed producer in the country having a strong farmer supply chain in the Northern Province, for supply of maize. Other potential business partnerships would be Gherkins with Hayleys Ltd and Passion fruits with Cargills Inc. Both these companies have indicated to facilitate cultivation of gherkins and passion fruit in the project areas on a pilot scale with the IIDP support. The mission recommends that IIDP obtains detailed proposals for these two projects and pilots to be performed in 2014.

52. The NGO once selected could also play a proactive role to facilitate the linkages and provide support to farmer groups in their negotiations of forward contracts.

Agreed action	Responsibility	Agreed date
15. Recruitment of Gender Assistant under Gender and Social Mobilisation section for sharing work load and enhanced gender focus	PMO	Immediate.
16. Provide additional staff support from staff of NGO for M&E data gathering and data entry	PD	3rd quarter 2014
17. Develop KM products – small infrastructure outcome video clip, photo gallery and upgraded IIDP newsletter – and IIDP website in 2014	M&E Specialist with support of sector specialists/PD	During 2014
18. Identify appropriate KM training for M&E Specialist	PD	2nd half of 2014
19. Introduce Climate Change Adaptation awareness raising.	PMO/Social Mobilisation and Gender Specialist	Immediate

E. Fiduciary aspects

53. **Financial Management** is rated as *moderately satisfactory* (4). PMO is mainly responsible for keeping separate accounts for domestic and IFAD funds, preparing Annual financial

Statements, quarterly financial progress reports, Bank reconciliations Statements, monthly reconciliation of Special Dollar Account, and regular submission of withdrawal applications.

54. **Accounting:** Books of Accounts are maintained on cash basis and manually. Transactions are primarily recorded according to the Treasury Chart of Accounts and they are subsequently posted to the spread sheets according to the classifications required to prepare Annual Financial Statements and other reports of the Project. Since this process is subject make errors in project financial statements, Mission is of the view that PMO should acquire and install a suitable accounting package for project accounting. Accounting unit of the PMO has been provided with adequate competent staff.

55. **Annual Financial Statement:** Annual financial statement for the year 2013 has been submitted to the Audit Department with in the stipulated time of the Finance Agreement. Mission examined the Annual Financial statement and found that Revaluation of Dollar Account balance was not correct and advised the Project Accountant to take action to correct it before sending to IFAD and submit a revised set of Accounts to the Audit Department or adjust it in the current year Annual Financial Statement.

56. Special Dollar Account maintained at the Central bank opened with an initial advance of USD one million released by IFAD operates on imprest basis and replenishments are made on submission of Withdrawal Applications by the PMO. Current basis of submission of replenishment application is subject to minimum three month's expenditure or 30% of the initial advance. Although this arrangement was acceptable in the initial stage of the project, with the acceleration of infrastructure activities of the project PMO now find it difficult to meet its liquidity requirements within this limit. In the first quarter of 2014 alone PMO has awarded 16 Civil Works contracts amounting to around LKR 500 Million. In addition some civil works contracts awarded last year are nearing completion and payments become due in near future. There is also a time lag of about one month between sending the application and receiving replenishments.

57. **Withdrawal Applications:** PMO has submitted eight WAs up to now and Mission reviewed all SOEs relating to these applications and found that they are in order.

58. **Internal control:** System of Internal Control based on segregation of duties among the staff and the delegation of authority issued by the LPA operates satisfactorily.

59. **Asset Management:** Annual Board of Survey has been conducted and no discrepancies were observed. Inventory Register has been updated. In addition, PMO maintains separate log books for each fixed asset which disclose all improvements made and cost incurred for better up keep of the asset.

60. **Disbursements:** Disbursement is rated as *moderately unsatisfactory* (3). Although there is an improvement in disbursements in the year 2013 and first quarter of 2014 in relation to previous year, the actual overall achievement on expenditure as at 30 April 2014 by financier is 9.36% excluding Private sector and beneficiary contribution against elapsed project period time of about 24%. The Government made the highest contribution at 11.37% and the next highest 10.74% was made by IFAD. (Appendix 5 – Table A). Similarly, the actual overall achievement by financier by component is 9.36%; the expenditure against component 1, Infrastructure is the highest at 11.85% and second highest is the Component 3, Project Management at 10.77% and the component 2, Production and Marketing, is the lowest at 0.31%. (Appendix 5 – Table B). Status of disbursement from the IFAD Loan 857 LK as at 30th April 2014 was SDR 1,540,717.94 which is 10.73% of the total loan financing of SDR 14,350,000 excluding unrealised advance of SDR 645,577.79. The cumulative projected expenditure (taken 100% of last eight months of 2014 AWPB) as at the end of 2014 would be SDR 4.7 million and cumulative rate of disbursement would be 32.80%. The balance will be utilised during the rest of the programme life (Appendix 5 – Table 5C).

61. **Counterpart Funds** rated as *satisfactory* (5). There is smooth flow of counterpart funds to the project. The project has received LKR 35 Million and 18 Million in 2013 and first quarter of 2014 respectively. The balance provision available for the current year is sum of LKR 72 Million.

62. **External Audit** is rated as *moderately unsatisfactory* (3). Draft audit report for the year 2012 has been issued only on 30 April 2014. Mission also observed that there was a delay in submission of Annual Financial Statement for the year 2012 to the Auditor General by the PMO. There is no serious issues according to the draft report. Annual financial Statement for the year 2013 has been referred to the Audit Department for auditing within the time stipulated in FA.

63. **Internal audit:** Internal auditor has been appointed on part time basis from the staff of the Northern Provincial Council and he has submitted so far, two reports covering administrative aspect and financial management aspect of the project. PMO has responded to the observations and satisfactorily.

64. **Compliance with Loan covenants** is rated as *moderately satisfactory* (4). All covenants except the requirement of submission of AWPB 60 days before the commencement of the relevant year and audit report within six months after the end of the year have been complied with. Submission of AWPB has been delayed by two and a half months. Late submission of Annual Financial Statement of 2012 by PMO might have led to delay in receiving Audit Report of 2012.

65. **Procurement** is rated as *satisfactory* (4). Procurement are made according to the National Guidelines and ICTAD guidelines to the extent that they are in line with IFAD guidelines. Mission examined all procurements that were subject to post review and satisfied that they were carried out according to the regulations. It was observed that same Technical Committee is entrusted with evaluation of all procurements irrespective of the nature of the procurement. This is not a satisfactory situation.

66. **Status of previous mission recommendations:** All recommendations except the availability of services of Project Accountant on full time basis have been implemented. Since the Project Accountant works full time on two days per week and evening in other working days and weekends at the PMO, work has not been suffered in his absence on full time basis at present. But, as the project has accelerated its activities from this year and on ward, his availability on full time become essential for the smooth implementation of the project.

Agreed Action:	Responsibility	Agreed date
20. Ensure that Audit Report for 2012 is issued without further delay	PMO/MPLGC	Immediate
21. Ensure availability of services of Project Accountant on full time basis	PMO	By end of 2014
22. Procure and install an accounting package	PMO	August, 2014
23. PMO to make a formal request to IFAD to increase initial deposit up to USD 2 Million	PMO	Immediately
24. Account for Beneficiary contribution and Private sector contribution to the project	Project Accountant	Immediately
25. Appoint different TECs based on expertise needed for each procurement	PMO	When future procurements are initiated.

F. Sustainability

67. **Institution building** is rated as *moderately unsatisfactory* (3). IIDP is yet to initiate concerted efforts for institution building mainly because of delay in engagement of NGO for social mobilisation. The Mission observed that although the current role and capacities of the FOs are limited compared to the requirements of the project, they have been functioning efficiently and carry out activities like O&M of D and F canals, distribution of agriculture inputs etc. affectively. A well-functioning system is in place for resource mobilisation for payments to field canal operator where existing, and O&M of canals.

68. However, since the FOs are expected to play a dominant role in the planning and implementation of downstream development like involvement with rehabilitation and post rehabilitation O&M for D & F canals, management of Bulk Water Allocation system, meaningful participation of women etc. as identified in the project design document, there is an immediate need of building their managerial and technical capacities. At the same time improvements in the model/structure of organisation and its by-laws would be required for the FO to successfully and efficiently undertake the envisaged additional roles and responsibilities.

69. The Mission would like to reiterate that community institutional building and ensuring their sustainability is a long process that requires maturing and building social capital. The duration of that process often is more than that of the average life of IFAD projects. It is for this reason that the SIS 2013 mission strongly recommends a long term support mechanism such as partnership between home grown local/district level NGO like KDWDF and the project selected NGO. The partnership will facilitate capacity building and self-reliance of the local/district level institution which will enable them to take over the responsibilities of leading the social mobilisation processes during and after the IIDP life.

70. **Empowerment and social sustainability** is rated as *moderately unsatisfactory* (3). The social mobilisation and capacity building activities are not yet operational because of delay in engagement of NGO.

71. **Quality of beneficiary participation** is rated as *moderately unsatisfactory* (3). All the components of the Project are not yet fully operational and the Mission did not get a feel of effective participation of beneficiaries in planning and implementation of project activities. This weakness is also attributed to the delay in engagement of NGO for social mobilisation. However, in view of the satisfactory functioning of FOs within the current scope of their activities, and the guidelines and criteria provided in the project design for targeting, meaningful participation of beneficiaries particularly women is expected to be ensured once the NGO is engaged.

72. **Responsiveness of service providers** is rated as *moderately satisfactory* (4). All the concerned government line agencies are actively participating in the planning and implementation of project activities. The 2013 SIS observed a keen interest of the private sector but so far only one agreement has materialised. IIDP has not received; neither made a formal and emphatic request for a detailed proposal from the private sector in engaging with farmers. Contractors for canal rehabilitation are responding according to the contract documents.

73. **Exit strategy** is rated as *moderately satisfactory* (4). There has not been any emphasis on this requirement as yet. As observed during the last mission in 2013, the existing Project Management Committee and Farmer Organizations are still to be re-organized and strengthen to take over management and operation responsibilities of the completed and nearly completed structures. From the government side, since the Provincial Department of Irrigation is the implementation agency, deliberate efforts in taking over or handing over of physical assets created by the Project is not encouraged. However, FOs would be involved in water management and O&M at the D and F canal-levels. Therefore the mission reiterates the need for agreements signing between PID and FOs indicating the responsibilities of different parties in relation to Bulk Water Allocation, water management and O&M before withdrawing project assistance for a particular package of rehabilitation.

74. **Potential for scaling-up** is rated as *moderately satisfactory* (4). IIDP has the potential to demonstrate effective means of rehabilitating canal structures in larger command areas without significantly disturbing the livelihood patterns of farmers who are living in the areas. Also it can demonstrate effective crop diversification to meet market demands. The mission observed that in two contract packages, contractors had hired the respective FO members as labourers. The Mission recommends that this practice shall be encouraged for all the contracts.

G. Other

75. **Impact on physical and financial assets** is rated as *moderately satisfactory* (4). Since canal rehabilitation work is in progress and work on distributary and field canal will be started during the current year and activities under component 2 are at the initial stages, impact on physical and financial assets is not yet visible. The combined potential impact of the infrastructure development and production and marketing interventions is expected to be substantial. Outcome of some of the project interventions particularly small bridges completed in 2013 is visible no sooner the infrastructure was completed and the facility is benefiting communities in terms of excess to market and social services. Project is in the process to track and document the outcome of a few of such interventions.

76. **Impact on food security** is rated as *moderately satisfactory* (4). Too early to report. However, the combined effect of infrastructure development and various activities under the production and marketing sub component would have a notable impact in the future.

77. **Impact on income** is still premature to estimate. The positive contribution that is observable is the non-paddy crops that are cultivated in 44 ha which will provide about 50-60% more gross income than that from paddy.

78. **Policy impact** is not visible as yet. It was expected that the PRAs that the project facilitated would bring about a quality improvement in the irrigation rehabilitation designing process. The quality of the exercise needs to be improved particularly in the areas of ratification with the participation of the farmers. The quality of the process and the compulsory nature can be enforced to improve the designing process and also to provide methodological guidance as a policy for designing strategies.

H. Conclusion

79. IIDP has established and put in place all the essential administrative and financial systems. After a slow start in 2012 the project progress gained good momentum during 2013 and implementation is progressing well during the current year.

80. However, the activities initiated so far mainly relates to civil works for irrigation rehabilitation. Though the project did undertake some activities under Production and Marketing component but there is no significant and systematic progress on the key subcomponent of social mobilisation and capacity building mainly because of delay in recruitment of NGO.

81. The mission is concerned that any further delay in engagement of NGO and initiating the process of social mobilisation and capacity building in a systematic manner could pose a risk for the achievement of the objectives of the project particularly the ones relating to Farmer Organisations (FOs) including women managed Bulk Water Allocation System for water saving management methods, climate change adaptation and mitigation measures and to sustainably improve water and land productivity. The Mission would like to point out that social mobilisation sub component is closely linked to the successful outcomes of irrigation rehabilitation intervention as it involves strengthening of existing farmers organisation (FOs) and establish new FOs and Women and Youth Groups for planning and implementation of interventions particularly relating to planning of rehabilitation of distribution (D) and filed level (F) canal, farmer managed Bulk Water Allocation system including participation of women and social inclusion and non-paddy crop production and off farm economic/income generation activities with focus on landless household who have generally been left out the existing community groups.

82. The Mission strongly recommends that the process of engagement of NGO be immediately completed by initiating request for submission of technical and financial proposals from the shortlisted NGOs.

83. The project in view of increased workload under the irrigation infrastructure subcomponent during 2014 proposed recruitment additional technical staff (please see Para 17 above for details) on contract basis instead of engagement of consultants, for designing and managing the current and planned rehabilitation contract. The mission reviewed the proposal and support recruitment of additional staff. Since the project plans recruit the staff on contract basis in lieu of consultants, there is no additional financial implication and there will be no recurring liability for the government after completion of contract/project period.

84. Other priority areas that need immediate attention is to (i) ensure timely submission of Audit Reports which is a major covenant of Financing Agreement (ii) finalise all the technical proposals of the Department of Agriculture into a consolidated with the help of an external expert to assist implementing crop diversification and marketing activities; and (iii) enhance efforts by PMO to facilitate linkages between the private sector and the Iranamadu farmers.

85. IFAD and the Government of Sri Lanka endorse the findings of the supervision mission.

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Sri Lanka			Project ID	1600	Loan/DSF Grant No.	857
Project	Iranamadu Irrigation Development Project					Top-up Loan/DSF Grant	
Date of Update	30 June 2014						
Supervising Inst.	IFAD						
No. of Supervisions	2	No. of Implementation Support/Follow-up missions		4			
Last Supervision	May/June 2014	Last Implementation Support/Follow-up mission		Jan 2014			

				USD million		Disb. rate %
Approval	13-Dec-2011			Total financing	29.33	9.36
Agreement	30-Jan-2012	Effectiveness lag	1.6	IFAD Total	22.23	10.74
Entry into force	30-Jan-2012	PAR value	-----	IFAD loan	22.23	10.74
First disbursement	April 2013			DSF grant		
MTR		Last amendment		IFAD grant		
Original completion	31-Mar-2017	Last audit		Domestic Total	7.09	
Current completion	31-Mar-2017			Beneficiaries	2.71	
Original closing	30-Sep-2017			Government (National)	3.16	11.37
Current closing	30-Sep-2017			Private Sector Local	1.23	
No. of extensions	0			External Co- financing Total		

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	4	4
2. Acceptable disbursement rate	4	3	2. Performance of M&E	5	5
3. Counterpart funds	5	5	3. Coherence between AWPB & implementation	4	4
4. Compliance with financing covenants	5	4	4. Gender focus	4	4
5. Compliance with procurement	4	5	5. Poverty focus	4	4
6. Quality and timeliness of audits	4	3	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			8. Climate and environment focus		4

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Infrastructure development	4	5	1. Institution building (organizations, etc.)	4	3
2. Production and Marketing	4	4	2. Empowerment	4	3
			3. Quality of beneficiary participation	4	3
			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 project overall progress improved significantly since last SIS and has made considerable progress in the 1st component which reflects the ownership and commitment of all stakeholders. Progress of component 2 is generally slow and implementation of key subcomponent of social mobilisation and capacity building has not commenced in an effective and systematic manner mainly due to delay in engagement of NGO. Progress has been made in materialising partnership between private sector and project beneficiaries under Production and Marketing sub component. However, in view of interest and potential, there is scope for linkages with additional private sector players. PMO is fully staffed and all the administrative, financial, procurement, M&E systems, and project steering committees functioning well. The project team continue to be highly motivated and committed.

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
C.4 Overall implementation progress (Sections B1 and B2)	4	4
Rationale for implementation progress rating		
C.5 Likelihood of achieving the development objectives (section B3 and B4)	4	4

Rationale for development objectives rating: Although implementation of social mobilisation and capacity building has yet to start in a systematic and effective manner because of delay in engagement of NGO, but the existence of well-functioning Farmers Organisations and their potential to undertake management of bulk water management system and in view of the dedication and commitment of the staff, there are reasonable likelihood of achievement of development objectives.

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

Fiduciary aspects	Not having a full-time Project Accountant in the Project. Currently the part-time availability is manageable. However once the full mobilization of the rehabilitation of irrigation work has started, then the full time availability of the Account is necessary. The contract management will have a risk which will affect the achievement of timely irrigation rehabilitation thereby risking delaying the achievement of the development objectives.
Project implementation progress	Social mobilisation sub component is closely linked to the successful outcomes of irrigation rehabilitation intervention and the achievement of overall development objectives. Any further delay in engagement of NGO and initiating the process of social mobilisation and capacity building in a systematic manner could pose a risk for the achievement of the objectives of the project particularly the ones relating to Farmer Organisations (FOs) including women managed Bulk Water Allocation System for water saving management methods, climate change adaptation and mitigation measures and to sustainably improve water and land productivity.

Outputs and outcomes	In view of the increased workload and to maintain the quality of civil works, additional staff requirements would need to be met urgently. Contract management for civil works/canal rehabilitation also has a risk to a certain extent since more than one contract has been awarded to the same contractor at the same time.
Sustainability	Since almost all the main irrigation structures except field level canals are usually owned and maintained by the provincial irrigation department, its sustainability can be expected to a reasonable level. However, since the FOs are expected to play a dominant role in the planning and implementation of downstream development like involvement with rehabilitation and post rehabilitation O&M for D & F canals, management of Bulk Water Allocation system, meaningful participation of women etc. there is an immediate need of building their managerial and technical capacities through the process of social mobilisation.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Several improvements for the 1 st component is required to improve the efficiency and effectiveness of implementation.	In view of accelerated progress of component 1 and the plan to undertake implementation of additional packages during the current work plan, the PMO proposes to hire additional staff on contract basis instead of engagement of consultants for design and construction supervision work, O&M training, awareness campaign for communities about the Bulk Water Allocation system, and technical training for technical staff of PID. The required staff as provided in Pare 17 above shall be immediately recruited. FO participation in the entire project cycle including cost estimates of bid documents for distributary and field canals rehabilitation and M&E shall be ensured.	Immediate	
Social mobilization is an essential prerequisite for both components but there is no NGO of the project staff to undertake.	IIDP should complete the recruitment process of an NGO for social mobilization immediately. In order to enhance gender focus and improve women participation in project activities, the mission recommends that position of a Gender Officer under the Social Mobilisation and Gender Specialist be created on contract basis. Preference shall be given to suitable local women staff. As recommended by the 2013 SIS the selected NGO will establish partnership with KDWDF for local level support and post project sustainability.	August 2014	
Improvements in the structures, conduct and performance of FOs and other existing CBOs are needed to improve their roles in management	Selected NGO for Social Mobilisation shall carry out institutional assessment including the structure, by-laws etc. of FOs and other existing community organizations like WRDS and recommend modifications to suite the project needs. Prepare action plan for groups formation and capacity building/trainings	Sep 2014	
Consolidation of plan for agricultural development/ extension, crop diversification, machinery demos etc.	The plans prepared for various activities by DOA and DAPH shall be consolidates with the assistance of a qualified consultant. The consolidation shall take into account the mutual advantage of each proposal and submit to IIDP for an external technical review. Revived proposal should be acceptable to IFAD for financing	Aug 2014	
Dissemination of Soil suitability survey	The results/recommendations of soil suitability study for non-paddy crops need to be disseminated to beneficiaries for selection of suitable crops. Services of social mobilisation NGO could also be utilised	Start in July 2014	
Criteria to select farmers, for crop diversification activity	The project applies a criteria consisting of 17 elements to select farmers, both men and women, as beneficiaries of crop diversification activity. The following simplified criteria shall be adopted: at least ¼ ac of land ownership, priority for being a women-headed family, tail end farmer, and a member of the registered farmer organization.	Jul 2014	
Data collection for M&E systems needs to be improved	Provide additional staff support from staff of NGO for M&E data gathering and data entry	Once NGO is selected	
Women are currently not in the forefront	Encourage women to take decisions making positions in FOs executive committee. Recruit a Gender Assistant under Gender and Social Mobilisation section for sharing work load and enhanced gender focus	immediate	
Socioeconomic differentiation needs to be adopted to improve targeting	The Project in their periodic reports shall indicate the number of participating households of each category of target groups	Immediate	

Targeting to be improved	Developing a social and/or poverty profiling methodologies (in absence of a suitable one) for target group categorisation and selection of beneficiaries	Once NGO is selected
Enhance private sector involvement	Support farmer groups in additional contract/agreement formation with the private sector and supervise fulfilment of terms of contract	Immediate
Once the construction is at a peak, fulltime accountant is essential	Ensure the availability of services of the Project Accountant on fulltime basis	Jul 2014
Increase in initial advance.	In view of accelerated pace of progress and additional workload particularly under component, there is a need to enhance the initial advance amount to USD 2.0 million. The PMO shall make a formal request to IFAD	Immediate
Delay in submission of Audit Reports	Draft audit report for the year 2012 has been issued only on 30 April 2014. Mission also observed that there was a delay in submission of Annual Financial Statement for the year 2012 to the Auditor General by the PMO. The PMO and Auditor General to ensure timely submission of Audit Reports to IFAD	Immediate
Additional observations:		

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

Results hierarchy	Indicators	Means of Verification	Assumptions
Goal			
Contribution to overall poverty reduction, increases in household incomes	Increased hhs assets	Provincial statistics	
	Increased hhs incomes	Household surveys	
	Reduced malnutrition of children below 5 years – weight & height		
Development objective			
The irrigation infrastructure of the Iranamadu scheme has been rehabilitated, farm productivity improved and women's participation in water and land management and marketing enhanced	HHs secured access to water	Household surveys	Individual and group incentives as well as farmer institutional development will sustain infrastructure, cropping, marketing arrangements, and women participation in the medium term
	Reaching an average paddy productivity above national level	Poverty analysis	
	25% of yala land extent diversified		
	FOs are empowered in management of irrigation under the supervision of line agencies	M&E reports	
Outcomes			
Component 1: Infrastructure Development			
1a. Irrigation rehabilitation			
a. Irrigation infrastructure is rehabilitated, water is distributed and field canals are farmer managed, extent of underutilized land is reduced with irrigation and women effectively participate in water and land management.	% increase in paddy production per unit volume of water in maha/yala seasons (water productivity)	Reports of the Prov. Irrigation Department (PID)/Agriculture extension/Dept. of agrarian services/FOs	Severe weather events do not substantially damage rehabilitated infrastructure
	% Reduction in irrigation water requirement per Ha (average duty)	Project Progress Reports	Continued policy support for irrigation development
	Increase in overall irrigation intensity (cultivated extent out of total command area per year)	Project Review Mission including annual outcome study reports	
	% of land extent having cultivation practices conformity with the cropping calendar prepared in response to BWS	Fos reports cross checked by SMs	
	Proportion women office bearers in FOs	SMs reports	
	Length (KM) of F canals effectively maintained by FOs	PID TOs reports	
	Extent of underutilized land under cultivation	GS reports	
	Nb saved man days of Technical personnel who are deployed beyond D canal level (due to BWS) by season	TOs weekly progress reports	
	Nb increased man days of Technical personnel who are deployed main canal and head works (due to BWS) by season	TOs weekly progress reports	
	Ability to maintain the minimum required level water in Iranamadu tank -yes/no (due to BWS)	IE reports (PID)	

	Nb farmers facing crop losses by season (yield thresh hold level is 50% from expected harvest)	AI reports	
	Nb. FOs saved water out of what is allocated	FOs and TOs progress reports	
1b. Other infrastructure development			
Access to drinking water and water for non-paddy crops in water scares areas increased and marketability is enhanced	Reduced time spent on collecting drinking water	HH survey/interview	Continued policy support for drinking water and introduced a policy for non-paddy crops
	Reduced incidence of water borne diseases	Health officer reports	
	Reduced energy use for treating water	HH survey/interview	
	% of increased farm gate prices	Market survey/farmer interview	
	Additional land under non paddy crops	AI reports/SMs reports	
Component 2: Production and Marketing			
2a. Social mobilization and training			
Women and youth groups (existing and/ or new), FOs strengthen and sustained through social mobilization and training. Sustainable FOs delivering irrigation services to farmers.	Nb. of trained women and youth (in group) involving crop diversification	NGO reports	Heterogeneity of land sizes and different water volume requirement could be a limitation for smooth operations.
	Nb. of trained women and youth groups involving forward sales agreements		
	Nb. Women are involving with off farm IGA		
	FOs performance measured by financial & management audit (>50% pass after 2 yrs & >75% after 4 yrs)	Annual outcome studies, ASD reports	
2.b Production, extension and marketing			
Sustainable agricultural productivity through diversified crops is enhanced and strong linkages with private cooperate buyers ensuring remunerative markets are established.	Increased productivity of diversified crops. (yield per Ha by crops)	Reports of the Prov. Agriculture Department	Severe weather events do not substantially damage crops
	Proportion of total land cultivated under 3 most popular other field crops	AI reports, SMs reports	Climate change effects are mitigated
	Volume of different crops marketed	Private sector reports, SMs reports	Farmer/private sector marketing linkages sustainably established
	Volume of different crop products increased through FSCs	Private sector reports, SMs reports	
	% increased of the marketing margin (market price - average contract farm gate price)	M&E & Mid Term Review	
	Volume of process or value added products sold by product		
	% increase in return to labour (female and male)		
	Volume sold under FSCs by crops		
2c. Other agricultural and off farm development			

Opportunities for creating sustainable off farm income avenues are ensured	Additional income through MEs (%)		Continued policy support for MEs development
	Nb employment created by Mes		
Outputs			
Component 1: Infrastructure Development			
1a. Irrigation development			
	Length of canals rehabilitated (km, by type)	Reports of the PID	System H experience in demand led water management successfully transferred to project farmers
	a. Length of main canals rehabilitated (km)		
	b. Length of D canals rehabilitated (km)		
	c. Length of F canals rehabilitated (km)		
	d. Length of drainage canals rehabilitated (km)		
	Nb.of structures (control, conveyance, diversions, stability) repaired or rebuilt (by type)	Project Progress Reports	
	Nb of signed MOUs between FOS and PID to facilitate bulk water supply	Project Review Mission reports	
	Nb of water height rulers installed by type of canal	M&E reports	
	Nb of farmers trained in calculating volume of water by gender	Mid-Term Review Report	
	Nb of trained volunteer jalapalakas by gender		
	Nb of farm roads rehabilitated (KM)		
	Nb of canal bund strengthening with forest trees		
1b. Other infrastructure Development			
	Nb RWHTs constructed	SMs reports	
	Nb buildings rehabilitated	SMs reports	
	Nb small agrowells constructed /rehabilitated	SMs reports	
Component 2: Production and Marketing			
2.a Social Mobilization and Training			
	Nb Women and youth group formed	SMs reports	
	Nb Suitable SMs appointed by NGO	NGO reports	
	Nb women and youth groups/members trained	SMs reports	
	Nb Existing Fos trained and strengthen	SMs reports	
2b.Production, Extension and Marketing			

	Extent irrigated by crop per season (ha, by type -including fruits)	Reports of the Prov. Agriculture Department	Agricultural and other agencies supporting adoption of sustainable cropping techniques. .Public and private sector participation sustainably established
	Volumes and proportion of crops sold under forward sales agreements (FSA)	Project Review Mission reports	
	Nb of women groups involved in fruits, vegetables and other crops	M&E reports	
	Nb of hhs covered by extension and marketing services provided by the private and public sectors	Annual Report Corporate Buyer	
	Nb Individual credit links initiated with Commercial banks	Mid-Term Review Report	
	Nb Extensions officers trained by private sector	Training report by private sector	
	Amount of loans taken for cultivation of OFC from the banks	Bank reports, SMS reports	
	Value of on farm investment in working capital from private sector to cultivation of OFC	AI/Fos/Company reports	
	Extent cultivated with on farm investment in working capital from private sector to cultivation of OFC	Company/FOs reports	
	Nb Demonstration plots established by crops	AI/FOs reports	
	Nb Extension office established	SMS reports	
	Nb Farmers trained under contract farming on GAP	AI reports	
	Nb Farmers trained under non contract farming on GAP	AI reports	
	2c. Other agricultural and off farm development		
	Extent covered by soil suitability study	DOA reports	Agricultural and other agencies supporting adoption of sustainable off farm development.
	Nb varietal adaptability trails conducted throughout the seasons	DOA (Research) reports	
	Nb agro wells established	DOA reports	
	Nb community Professional trained by gender	Project progress reports	
	Nb persons trained on pre-primary processing by gender	Project progress reports	
	Nb women groups received processing equipment	Project progress reports	
	Nb planting material produced from the nurseries by type	DOA reports	
	Nb groups/women trained for micro enterprises	Project progress reports	
	Nb microfinance linkages established	Project progress reports	
Project management			
	PMO staff appointments	Project Progress Reports	Timely appointment of key project staff
	AWPB approvals	Project Review Mission reports	Government and project incentives sufficient to keep qualified staff in place
	Tender procedures and procurement	Mid-Term Review Report	Fiduciary procedures well understood by all involved, no major delays in fund flows
	Flow of funds		Transparent procurement
	M&E reporting		
	KM activities		
	Implementation Gender Action Plan		

* Original log frame is revised by IFAD with PMO comments ,20th-25th October 2012 in Kandy workshop

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

Action Area	Agreed action	Responsibility	Agreed date	Progress
Overall assessment	1. In case of additional work and approval of supplementary allocation, a revised AWPB duly approved by the National Steering Committee shall be submitted to IFAD for approval.	PMO	July/Aug 2014.	
	2. Undertake engagement of NGO for social mobilisation on priority basis by inviting the shortlisted NGOs for submitting technical and financial proposals (the mission provided No Objection to the short list of NGOs). In this regard, recommendation of last SIS Mission shall be followed, particularly the partnership between selected NGO and Kilinochchi District Women Development Federation	PMO	Complete the process of engagement by 30 July 2014	
	3. Mission recommends invitation of Request for Proposals(RFPs) from the 6 short listed NGOs	PMO/IFAD	Immediate	
Outputs and outcomes	4. Recruit additional staff on contract basis.	PD	End June 2014	
	5. Procure the required number of testing equipment and testers by utilising provisional sums of awarded contracts	PD	End August 2014	
	6. Ensure participation of FOs in the planning and implemenation process of field drainage canal.	PMO	Immediate/continuous	
	7. Procure the required types and numbers of current meters for calibration of water management structures.	PD	End Setember'2014	
	8. improvement of contract administration by conducting site and monthly meetings and properly recoding minutes and its shairng with contractors.	PMO	Immediate	
	9. Carry out institutional assessment including the structure, by-laws etc. of FOs and other existing community organizations like WRDS and recommend modifications to suite the project needs. Prepare action plan for groups formation and capacity building/trainings.	NGO under supervision of PMO	September 2014	
		PMO	July 2014	
	10. Simplify the selection criteria of farmers for the crop diversification programme. The minimum criteria have been listed above.			
	11. Using the NGO that will recruited create mass awareness about crop diversification and non-paddy farmer group should be strengthen	PMO	Start in July 2014	
	12. Disseminate the soil suitability study result so that individual farmer will know the list of suitable non-paddy crops for her/his land. Services of social mobilisation NGO could also be utilised	PMO with the PDOA	Start in July 2014	
	13. Provide facilities to cultivate 100 ha of no paddy crops including maize in the command area in the <i>maha</i> season of 2014. At least 50% of the farmers should	PMO	Start in July 2014	

Implementation progress	be women. Make appropriate market linkages.		
	14. Complete the consolidated plan for agriculture development with the participation of all institutions including AP&H with the assistance of a consultant.	PMO	Complete in August 2014
	15. Recruitment of Gender Assistant under Gender and Social Mobilisation section for sharing work load and enhanced gender focus	PMO	Immediate.
	16. Provide additional staff support from staff of NGO for M&E data gathering and data entry	PD	3rd quarter 2014
	17. Develop KM products – small infrastructure outcome video clip, photo gallery and upgraded IIDP newsletter – and IIDP website in 2014	M&E Specialist with support of sector specialists/PD	During 2014
	18. Identify appropriate KM training for M&E Specialist	PD	2nd half of 2014
	19. Introduce Climate Change Adaptation awareness raising.	PMO/Social Mobilisation and Gender Specialist	Immediate
	20. Ensure that Audit Report for 2012 is issued without further delay	PMO/MPLGC	Immediate
Fiduciary aspects	21. Ensure availability of services of Project Accountant on full time basis	PMO	By end of 2014
	22. Procure and install an accounting package	PMO	August, 2014
	23. PMO to make a formal request to IFAD to increase initial deposit up to USD 2 Million	PMO	Immediately
	24. Account for Beneficiary contribution and Private sector contribution to the project	Project Accountant	Immediately
	25. Appoint different TECs based on expertise needed for each procurement	PMO	When future procurements are initiated.

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

Component/ Sub-component or Output	Indicator	Unit	Period: 01-01-13 to 31-12-13			Cumulative Actual	Appraisal Target	%
			AWP&B	Actual	%			
Component 1 - Infrastructure Development								
1.1 Sub-component - Irrigation Rehabilitation								
1.1.1.Main Canal Rehabilitation								
	1. Hiring of Individual Consultant (01 No.) for fine tuning of Design Work of Main Canals (31Km)	km	26.25km	26.25km	100	26.25km	26.25km	100
	2. Full investigation Surveys & Designing of Paranthan Main canal (1.725-10.5 km)	km	8.775Km	8.775Km	100	8.775Km	8.775Km	100
	3. Full investigation Surveys & Designing of RB Main canal 0.0-11.65 km)	km	11.65Km	11.65Km	100	11.65Km	11.65Km	100
	4. Rehabilitation of Paranthan main canal (1.725km - 3.5km) (1 package)	km	1.78km	1.708km	96	1.708km	1.78km	96
	5. Rehabilitation of Paranthan main canal (3.5km - 7km) (1 package)	km	3.5km	2.800km	80	2.800km	3.5km	80
	6. Rehabilitation of Paranthan main canal (7km - 10.5km) (1 package)	km	3.5km	3.115km	89	3.115km	3.5km	89
	7. Rehabilitation of RB Main canal 0.0m-5km (1 package)	km	5km	1.500km	30	1.500km	5km	30
	8. Rehabilitation of RB Main canal 5Kmm-11.65km (1 package)	km	6.65km	4.987km	75	4.987km	6.65km	75
	9. Repairs of Bridges and culverts, along LB main canal up to Dry Aru	km	4.275km	3.933km	92	3.933km	4.275km	92
	10. Rehabilitation of Ganeshapuram Channel System	km	3.5km	3.15km	90	3.150Km	3.5km	90
	11. Full investigation surveys & design of RB1off D5,D4,D4A,D1,D1A & D2,RB 2&RB3 RB4off D3	canals	4 canals	-	-	-	-	-
	12. Rehabilitation of RB 1 off D5 with filled drainage canal under Paranthan main channel	package	1 package	-	-	-	-	-
	13. Rehabilitation of D4 and D4A with field drainage under Paranthan main canal	package	1 package	-	-	-	-	-
	14. Rehabilitation of D1,D1A and D2 with field drainage under LB main canal	package	1 package	-	-	-	-	-
	15. Rehabilitation of D1,D2 and Branch with field drainage under RB main canal	package	1 package	-	-	-	-	-

16. RB2,RB3 and RB4 with field drainage channel under D3 off LB main canal	package	1 package	-	-	-	-	-
1.1.2 Canals Below Main Canal							
1. Full investigation survey & Design of drainage canal under Paranthan main canal	km	25Km				25km	
2. Full investigation survey & Design of drainage canal under RB main canal	km	25Km				25km	
3. Rehabilitation of Drainage canal under Paranthan Main canal (25 Km from Kumarikuda Aru and Neelon Aru)	km	13km	12km	48	12km	40Km	48
4. Rehabilitation of Drainage canal under RB Main canal (25 Km from moongil Aru and Puluthi Aru)	km	7km	18km	72	18km	36Km	72
1.1.3 Downstream Development							
1. Hiring one senior irrigation engineer, two junior engineers, 10 technical officers and 10 work supervisors and quality control officer.		1, senior engineer, 2 junior engineer, 10 TOs and 10 work supervisor quality control officer.				1, senior engineer, 2 junior engineer, 10 TOs and 10 work supervisors/quality control officer	
2. Hiring individual consultant for conducting PRA of Downstream Rehabilitation (Branch canals, Distributor canals and Field canals)	PRA	10PRAs	7PRAs	70	7PRAs		70
3. Hiring consultancy work for Preparation of GIS base Maps	package	1 Packages				3 Packages	
1.1.4 Equipment							
1. Procurement of Survey Equipment (total station with software-1, Levelling instrument- 5)	package	1					
2. Procurement of GPS & GIS software (GPS- 03 No., GIS- Arc GIS 10.1 software 01 No.)	package	1					
1.2 Sub Component : Other Infrastructures							
1. Repairs of public building (PMO building & Project Management Committee building)	No	1	1		1	2	100
1.3 Sub component Recurrent cost							
1. Allowances for staff and other cost	Months	12					
Component 2 – Production, Extension and Marketing							
2.1. Social Mobilization and Training							

Group formation and strengthening

- | | |
|--|--|
| 1. Mobilization of women and youth non paddy crop groups | 40 small groups were formed and Initial training started |
| 2. Training group members and leaders | Trainings started |

2.2 Production and marketing

2.3 Other agricultural and off farm development

- | | |
|---------------------------|-----------|
| 1. Soil suitability study | Completed |
|---------------------------|-----------|

Component 3 – Project Management

3.1 Investment Cost

3.1.1 Purchase of office furniture and equipment

- | | |
|---|-----------|
| 3.1.1.1 Procurement of office furniture (9 executive tables and chairs, 13 filing cupboards, 30 normal tables etc. | completed |
| 3.1.1.2 Procurement of office equipment (9 laptop and desktop computers, 8 printers, 5 digital camera, 1 multimedia projector and etc.) | completed |

3.1.3 M & E and KM

- | | |
|---------------------------------------|-----------------------------------|
| 3.1.3.1.3 Preparation of News letters | Newsletter - 4 editions completed |
|---------------------------------------|-----------------------------------|

3.1.3.2 Reviews and studies

- | | |
|---|-----------|
| 3.1.3.2.1 Hiring of Consultant for fine tuning of PIM | Completed |
|---|-----------|

3.1.3.3 Production and Publications

- | | |
|---|-----------|
| 3.1.3.3.1 Workshops at project level (Awareness workshop district & province level) | completed |
|---|-----------|

3.1.4 Gender action plan

- | | |
|---|----------------------|
| 3.1.4.1 Workshop for preparation of annual gender action plan | Gender plan prepared |
|---|----------------------|
-

	1.1.4 Farmer Organizations (FOs) Strengthening	The project awareness programmes for 21 FOs completed. SWOT analysis was done and based on it, 4 training modules were prepared. Training workshops are started.
	1.1.5 Equipment	
	1.1.5.3 Procurement of Digital maps set 1 and 1:50000cm maps set	Procurement Completed and baseline mapping started.
1.2. Other Infrastructures	1.2.1 Repairs of public building (PMO building & Project Management Committee building)	Awarded (85% physical progress)
Component 2 – Production and Marketing		
2.1. Social Mobilization and Training	2.1.1 Group formation and strengthening	
	2.1.1.1 Mobilization of women and youth non paddy crop groups	40 small groups were formed. Initial trainings for them are stated.
	2.1.1.3 Training group members and leaders	Trainings are started.
2.2 Other agricultural and off farm development	2.2.1 Soil suitability study	almost completed by Dept. of Agriculture (Research) a presentation of findings was given to the mission
Component 3 – Project Management		
3.1 Investment Cost	3.1.1 Purchase of office furniture and equipment	
	3.1.1.1 Procurement of office furniture (9 executive tables and chairs, 13 filing cupboards, 30 normal tables etc.	Supply of furniture is completed.
	3.1.1.2 Procurement of office equipment (9 laptop and desktop computers, 8 printers, 5 digital camera, 1 multimedia projector and etc.)	Partially completed.
	3.1.3 M & E and KM	
	3.1.3.1.3 Preparation of News letters	2013 1 st quarter newsletter completed
	3.1.3.2 Reviews and studies	
	3.1.3.2.1 Hiring of Consultant for fine tuning of PIM	A draft has been presented to the mission
	3.1.3.3 Production and Publications	
	3.1.3.3.1 Workshops at project level (Awareness workshop district & province level)	Awareness programs were completed.
	3.1.4 Gender action plan	
	3.1.4.1 Workshop for preparation of annual gender action plan	Gender action plan drafted and one training module was prepared.

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

Table 5A: Financial performance by financier as at 30 April 2014

Financier	Approval (USD' 000)	Disbursements (USD' 000)	Per cent disbursed
IFAD loan	22,231.00	2,387	10.74
Government	3,158.00	359	11.37
Private Sector	1,231.00		
Beneficiary	2,706.00		
Total	29,326.00	2,746	9.36

Note: USD 1 = LKR is actual average exchange rate of IFAD Loan disbursement, this rate is taken to convert equivalent USD of other financing sources.
SDR 1 = 1.5492

Table 5B: Financial performance by financier by component (USD '000) as at 30.04.2014

Component	IFAD loan			Government			Private Sector			Beneficiaries			Total		
	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
1. Infrastructure	18,487.00	2,254	12.19	2,882.00	306.17	10.62	-	-	-	234.00	-	-	21,603.00	2,560.15	11.85
2. Production and Marketing	2,453.00	19	0.78	21.00	0.09	0.43	1,231.00	-	-	2,472.00	-	-	6,177.00	19.19	0.31
3. Programme Management	1,291.00	114	8.83	255.00	52.66	20.65	-	-	-	-	-	-	1,546.00	166.46	10.77
Total	22,231.00	2,387	10.74	3,158.00	358.92	11.37	1,231.00	-	-	2,706.00	-	-	29,326.00	2,746	9.36

Note: USD 1 = LKR is actual average exchange rate of IFAD Loan disbursement, this rate is taken to convert equivalent USD of other financing sources.

SDR 1 = 1.5492

Table 5 C: IFAD loan disbursements (SDR, as at 30 April 2014)

Category	Category description	Original Allocation	Revised Allocation	Disbursement as at 30-04-2014	Available Balance (3-4)	% Disbursed	Outstanding WA Claim of 2013	Total pending disbursement of 2014	projected expenditures of 2014(Balance 08 months of AWPB)	Projected disbursement as at 31.12.2014 (4+7+8+9)	Projected Balance as at 31.12.2014 (3-10)	Projected Percent disbursement as at 31.12.2014
	1	2	3	4	5	6	7	8	9	10	11	12
I	Civil Works	10,110,000.00	10,110,000.00	1,454,927.25	8,655,072.75	14.39		245,045.61	2,267,391.61	3,967,364.47	6,142,635.53	39.24
II	Vehicles, Equip. Materials	310,000.00	310,000.00	21,163.01	288,836.99	6.82		808.48	86,230.17	108,201.66	201,798.34	34.90
III	Advisory services and studies	870,000.00	870,000.00	8,477.71	861,522.29	0.97		2,453.92	307,136.08	318,067.71	551,932.29	36.56
IV	Training groups in operation and Management	660,000.00	660,000.00	343.92	659,656.08	0.05			111,852.85	112,196.77	547,803.23	17.00
V	Training Inputs and Marketing	220,000.00	220,000.00	3,507.38	216,492.62	1.59			72,433.35	75,940.73	144,059.27	34.52
VI	Salaries and Allowances	415,000.00	415,000.00	52,298.67	362,701.33	12.60		8,699.87	63,976.24	124,974.78	290,025.22	30.11
	Unallocated	1,765,000.00	1,765,000.00		1,765,000.00	0.00					1,765,000.00	
	Sub Total	14,350,000.00	14,350,000.00	1,540,717.94	12,809,282.06	10.73		257,007.88	2,909,020.30	4,706,746.12	9,643,253.88	32.80
	Initial deposit				(645,577.79)							
	Total	14,350,000.00	14,350,000.00	1,540,717.94	12,163,704.27	10.73		257,007.88	2,909,020.30	4,706,746.12	9,643,253.88	32.80

Note: Exchange rate for 2014: 1 SDR=LKR 201.82 is applied for conversion of projected expenditures. **SDR. 1UDS= 1.5492** USD1 = LKR 131.

Appendix 6: Compliance with legal covenants: Status of implementation

Article/ Section	Covenant	Status
4.01	<i>Loan Account and withdrawal.</i> The Fund shall open a Loan Account in the name of the Borrower and credit the principal amount of the Loan thereto.	Complied
4.02	(a) Between the date of entry into force of a Financing Agreement, and the financing closing date, the Borrower may request withdrawals from the Loan Account of amounts paid or to be paid for eligible expenditures. The Fund shall notify the borrower of the minimum amount for withdrawals. (b) No withdrawal shall be made from loan account until the first AWPB has been approved by the fund and the fund has determined that all other conditions specified in the Financing Agreement as additional general conditions precedent to withdrawal have been fulfilled. The Financing Agreement may also establish additional specific conditions precedent to withdrawal applicable to particular categories or activities. Withdrawals to meet the cost of starting up the Project may be made from the date of entry into force of the Agreement, subject to any limits established in the Financing Agreement.	Complied
4.03	<i>Special Commitments.</i> Upon the Borrower request, the fund may agree to make an irrevocable commitment to pay amounts necessary to guarantee a Letter of credit used to finance eligible expenditures (a special commitment) on such terms and conditions as the borrower and the Fund may agree.	Being compiled.
4.04	<i>Applications for withdrawal, or Special Commitment.</i> (a) When the Borrower wishes to request a withdrawal from the Loan Account or a special commitment, Borrower shall deliver to the Fund, an application in the form specified therefor by the Fund, together with such documents and other evidence in support of such application as the Fund shall reasonable request. (b) The Borrower shall furnish to the Fund satisfactory evidence of the authority of the person or persons authorised to sign such applications and authenticated specimen signature of each person. (c) Each such application, and the accompanying documents and other evidence, must be sufficient to satisfy the Fund that the Borrower is entitled to such withdrawal or special commitment. (d) If the Borrower requests a withdrawal from the loan account for amount to be paid thereafter for eligible expenditures, the fund may, before transferring such amounts to the Borrower, require that the Borrower provide evidence satisfactory to the fund showing that previous withdrawals have been properly spent for eligible expenditures. The Fund may place reasonable limits on the amount that the Borrower may withdraw in advance or the overall balance e of such advance withdrawals, and may require that such amounts be held in freely convertible currency and / or be held in an account designated for that purpose in a bank acceptable to the Fund.	Being complied
4.08	<i>Eligible expenditures.</i> (a) The financing shall be used exclusively to finance expenditures meeting each of the following eligibility requirements: (i) The expenditure shall meet the reasonable cost of goods, works and services required for the Project and covered by the relevant AWPB and procured in conformity with the Fund's Procurement Guidelines. (ii) The expenditure shall be incurred during the project implementation period, except that expenditure to meet the costs of winding up the project may be incurred after the project completion date and before the financing closing date. (iii) The expenditure shall be incurred by a project party. (iv) If the Agreement allocates the amount of the financing categories of eligible expenditures and specifies the percentage of such eligible expenditures to be financed by the financing, the expenditure must relate to a category whose allocation has not been depleted	Being complied

	<p>and shall be eligible only up to the percentage applicable to such category.</p> <p>(v) The expenditure shall be otherwise eligible in accordance with the terms of the Financing Agreement.</p> <p>(b) The Fund may from time to time exclude certain types of expenditure from eligibility.</p> <p>(c) Any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, shall not be eligible for financing by the Financing.</p> <p>(d) Any payments to a person or and entity, or for any goods, works or services, if making or receiving such payments constitutes a coercive, collusive, corrupt or fraudulent practice by any representative of the Borrower or any project party, shall not be eligible for financing by the Financing.</p>	
4.09	<p><i>Refund of withdrawals.</i></p> <p>If the Fund determines that any amount withdrawn from the loan and was not used for the purposes indicated or will not be needed thereafter to finance eligible expenditures, the borrower shall promptly refund such amount to the Fund upon instruction by the Fund. Except as the Fund shall otherwise agree, such refunds shall be made in the currency used by the fund to disburse such withdrawal. The Fund shall credit the loan by the SDR equivalent of the amount so refunded.</p>	Being complied
7.01	<p><i>Project Implementation.</i></p> <p>(a) The Borrower and each of the project parties shall carryout the project:</p> <p>(i) with due diligence and efficiency;</p> <p>(ii) in conformity with appropriate administrative, engineering, financial, economic, operational, environmental and agricultural development practices (including rural development practices) and good governance;</p> <p>(iii) in accordance with the plans, design standards, specifications, procurement and work schedules and construction methods greed by the borrower and the Fund;</p> <p>(iv) In accordance with the provisions of the relevant Agreement, AWPBs, and the Procurement Plan;</p> <p>(v) in accordance with the policies, criteria and regulations relating to agriculture development financing laid down from time to time by the Governing Council and Executive Board of the Fund; and</p> <p>(vi) so far as to ensure the sustainability of its achievement over time.</p> <p>(b) (i) Project shall be implemented on the basis of an Annual Work Plan and Budget (AWPB). The Lead project agency shall prepare a draft project AWPB for each project based, to the extent appropriate, on the draft AWPBs prepared by the various project parties. Each draft project AWPB shall include, among other things, a detailed description of planned project activities during the coming project year, Procurement Plan, and the sources and uses of Funds.</p> <p>(ii) Before each project year, the Lead project agency shall, if required, submit the draft project AWPB to the oversight body designated by the borrower for its review. When so reviewed, the Lead Project Agency shall submit the draft project AWPB to the fund for comments no later than sixty (60) days before the beginning of the relevant project year. If the Fund does not comment on the draft project AWPB within thirty (30) days of receipt, the AWPB shall be deemed acceptable to the Fund.</p> <p>(iii) The Lead Project Agency shall adopt the project AWPB in the form accepted by the Fund.</p> <p>(iv) The Lead Project Agency may propose adjustments in the project AWPB during the relevant project year, which shall become effective after acceptance by the Fund.</p>	<p>Being complied.</p> <p>Current AWPB was submitted to IFAD on 13.01,2014 and approval received on 24.02.2014. A delay of two and a half month observed.</p>
7.02	<i>Availability of financing proceeds</i>	Being complied. A

	<p>(a) The Borrower/Recipient shall make the proceeds of the Financing available to the Project Parties upon terms and conditions specified in the Financing Agreement or otherwise approved by the Fund for the purpose of carrying out the Project.</p> <p>(b) The Financing Agreement may provide that the Borrower/Recipient open and maintain one or more Project Accounts for Project operations in a bank acceptable to the Fund, and shall identify the Project Party responsible for operating such account or accounts. The operation of such accounts, unless otherwise specified in the Financing Agreement, shall be performed in accordance with the applicable rules and regulations of the Project Party responsible therefor</p>	Project Account has been opened. A/C No. 048-1-001-1-9026029
7.03	<p><i>Availability of Additional Resources.</i></p> <p>(a) In addition to the proceeds of the Financing, the Borrower/Recipient shall make available to the Project Parties such funds, facilities, services and other resources as may be required to carry out the Project in accordance with Section 7.01.</p> <p>(b) In addition to the proceeds of the Financing, the Financing Agreement may provide that the Borrower/Recipient shall make available to the Project Parties during the Project Implementation Period counterpart funds from its own resources in accordance with its customary national procedures for development assistance.</p>	<p>Being complied.</p> <p>Separate Bank Account has been opened for Counterpart funds (GoSL) Funds. A/C No. 048-1-001-3-9026028</p>
7.05	<p><i>Procurement.</i></p> <p>(a) Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines. Each Procurement Plan shall identify procedures which must be implemented by the Borrower/Recipient in order to ensure consistency with the IFAD Procurement Guidelines.</p> <p>(b) By notice to the Borrower/ Recipient, the Fund may require that all bidding documents and contracts for procurement of goods, works and services financed by the Financing include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to:</p> <p>(i) allow full inspection by the Fund of all bid documentation and related records;</p> <p>(ii) maintain all documents and records related to the bid or contract for three years after completion of the bid or contract; and</p> <p>(iii) cooperate with agents or representatives of the Fund carrying out an audit or investigation</p>	Being complied.
7.06	<p><i>Use of goods and services</i></p> <p>All goods, services and buildings financed by the Financing shall be used exclusively for the purposes of the Project.</p>	Being complied.
7.07	<p><i>Maintenance</i></p> <p>The Borrower/Recipient shall ensure that all facilities and civil works used in connection with the Project shall at all times be properly operated and maintained and that all necessary repairs of such facilities shall be made promptly as needed</p>	Being complied
7.08	<p><i>Insurance</i></p> <p>(a) The Borrower/Recipient or the Lead Project Agency shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practice.</p> <p>(b) The Borrower/Recipient or the Lead Project Agency shall insure the goods imported for the Project which are financed by the Financing against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation in accordance with sound commercial practice.</p>	N/A. No vehicles have been procured for the Project.

7.09	<p><i>Subsidiary Agreements</i></p> <p>(a) The Borrower/Recipient shall ensure that no Project Party shall enter into any Subsidiary Agreement, or consent to any modification thereof, inconsistent with the Financing Agreement or the Project Agreement.</p> <p>(b) The Borrower/Recipient and each Project Party shall exercise its rights under any Subsidiary Agreement to which it is party to ensure that the interests of the Borrower/Recipient and the Fund are fully protected and the Project is carried out in accordance with Section 7.01.</p> <p>(c) No provision of any Subsidiary Agreement to which the Borrower/Recipient is a party shall be assigned, waived, suspended, abrogated, amended or otherwise modified without the prior consent of the Fund.</p> <p>(d) The Borrower/Recipient shall bear any foreign exchange risk under any Subsidiary Agreement to which it is party, unless otherwise agreed by the Fund.</p>	Being complied.
7.11	<p><i>Key Project personnel</i></p> <p>The Borrower/Recipient or the Lead Project Agency shall appoint the Project Director and all other key Project personnel in the manner specified in the Agreement or otherwise approved by the Fund. All key Project personnel shall have qualifications and experience specified in the Agreement or otherwise approved by the Fund. The Borrower/Recipient shall exercise best efforts to ensure continuity in key Project personnel throughout the Project Implementation Period. The Borrower/Recipient or the Lead Project Agency shall insure key Project personnel against health and accident risks to the extent consistent with sound commercial practice or its customary practice in respect of its national civil service, whichever is appropriate</p>	Being complied. Project Manager has resigned and his position has been filled with a new Project Manager. Health Insurance is not practised in civil service in Sri Lanka.
7.12	<p><i>Project parties</i></p> <p>Each Project Party shall, as required to carry out the Project in accordance with Section 7.01:</p> <p>(a) promptly take all necessary or appropriate action to maintain its corporate existence and to acquire, maintain and renew its rights, properties, powers, privileges and franchises;</p> <p>(b) employ competent and experienced management and personnel;</p> <p>(c) operate, maintain and replace its plant, equipment and other properties; and</p> <p>(d) Not sell, lease or otherwise dispose of any of the Project's assets, except in the normal course of business or as agreed by the Fund.</p>	Being complied.
7.13	<p><i>Allocation of Project Resources</i></p> <p>The Borrower/Recipient and the Project Parties shall ensure that the resources and benefits of the Project, to the fullest extent practicable, are allocated among the Target Population using gender disaggregated methods</p>	Being complied.
8.02	<p><i>Monitoring of Project Implementation</i></p> <p>The Lead Project Agency shall:</p> <p>(a) establish and thereafter maintain an appropriate information management system in accordance with the Fund's <i>Guide for Project Monitoring and Evaluation</i> with which it shall continuously monitor the Project;</p> <p>(b) during the Project Implementation Period, gather all data and other relevant information (including any and all information requested by the Fund) necessary to monitor the progress of the implementation of the Project and the achievement of its objectives; and</p> <p>(c) During the Project Implementation Period and for at least ten (10) years thereafter, adequately store such information, and, promptly upon request, make such information available to the Fund and its representatives and agents.</p>	Being complied.

8.03	<p><i>Monitoring and Project Implementation</i></p> <p>(a) The Lead Project Agency, or other party so designated in the relevant Agreement, shall furnish to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered during the reporting period, (iii) steps taken or proposed to be taken to remedy these problems, and (iv) the proposed programme of activities and the progress expected during the following reporting period.</p> <p>(b) A Mid-Term Review (MTR) to be carried out jointly by the Borrower and IFAD</p> <p>(c) The Borrower/Recipient shall ensure that the recommendations resulting from the Mid-Term Review are implemented within the specified time therefor and to the satisfaction of the Fund. Such recommendations may result in modifications to the Agreement or cancellation of the Financing.</p>	Being complied. Regular progress reporting is being done.
9.01	<p><i>Financial Records</i></p> <p>The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date, and shall retain such accounts and records for at least ten (10) years thereafter</p>	Being complied.
9.02	<p><i>Financial statements</i></p> <p>The Borrower/Recipient shall deliver to the Fund detailed financial statements of the operations, resources and expenditures related to the Project for each Fiscal Year prepared in accordance with standards and procedures acceptable to the Fund and deliver such financial statements to the Fund within four (4) months of the end of each Fiscal Year.</p>	2013 Financial statement was sent to LPA by PMO on 25.03.2014 and LPA has forwarded it to Audit on 30.04.2014. PMO was requested to send a copy to IFAD immediately.
9.03	<p><i>Audit of Accounts</i></p> <p>The Borrower/Recipient shall:</p> <p>(a) each Fiscal Year, have the accounts relating to the Project audited in accordance with auditing standards acceptable to the Fund and the Fund's <i>Guidelines on Project Audits (for Borrowers' Use)</i> by independent auditors acceptable to the Fund;</p> <p>(b) Within six (6) months of the end of each Fiscal Year, furnish to the Fund a certified copy of the audit report. The Borrower/Recipient shall submit to the Fund the reply to the management letter of the auditors within one month of receipt thereof;</p> <p>(c) If the Borrower/Recipient does not timely furnish any required audit report in satisfactory form and the Fund determines that the Borrower/Recipient is unlikely to do so within a reasonable period, the Fund may engage independent auditors of its choice to audit the accounts relating to the Project. The Fund may finance the cost of such audit by withdrawal from the Loan and/or Grant Accounts.</p>	<p>Audit of accounts is entrusted to the Auditor General of Sri Lanka.</p> <p>There is a delay in receiving Audit Report from the Audit Department. Even though no IFAD funds was utilised during the year 2012 the Audit Report for the year has not yet been received by the PMO. It is still in the draft form and</p>

		responses sought from the PMO has been sent without any delay.
Section B para 6	There shall be a Project Account managed by the Project Management Office ("PMO") in a commercial bank acceptable to the Fund.	Complied.
Para 7	There shall be an account designated to receive funds in advance ("Designated Account") in USD for the exclusive use of the Project in the Central Bank of Sri Lanka.	Complied
Para 8	The Borrower shall provide counterpart financing for the Project in the amount of USD 3 158 000 to finance part of the civil works, salaries and operating costs and all taxes and duties.	Being complied.
Section E	1 (a) The Project Coordinator and Project Manager have been appointed in accordance with Schedule 1 paragraph 8 of this Agreement; and (b) A Project Implementation Manual ("PIM"), acceptable to the Fund and Borrower, has been finalized.	Complied. PIM finalised and to be sent to IFAD for concurrence.
Schedule 1 section II	A National Steering Committee ("NSC") shall be established for the Project under the chairmanship of the Secretary of the MLGPC.	Complied.
	Provincial Steering Committee ("PSC") shall be established for the Project under the chairmanship of Chief Secretary, Northern Provincial Council and responsible for provincial level coordination and Project implementation oversight over performance of functions.	Complied.
	A District Coordinating Committee ("DCC") and District Agriculture Committee ("DAC") shall facilitate the Project coordination at the district level.	Complied.
	A Project Management Office ("PMO") shall be established in the Office of Deputy Director of Irrigation at Kilinochchi. It shall be the executive authority of the Project and shall be headed by the Project Coordinator. The Project Coordinator shall be appointed from among high level qualified permanent government officials, on a secondment basis and on a part-time basis. The appointment shall be acceptable to IFAD. A Project Manager shall be recruited from the open market with qualifications and experience acceptable to the Borrower and to IFAD, and shall be in charge of daily management of the Project	Complied.
LTB para		
6	The proceeds of the financing may not be used to pay taxes	Complied.
7	PMO to open and maintain an Account designated to receive loan resources in advance at the Central Bank of Sri Lanka (in US\$); to make an initial deposit equivalent to USD 1 Million	Complied.
10 (a)	Project coordinator and Project Manager have been appointed in accordance with Schedule 1 paragraph 8 of the Financing Agreement	Complied.
10 (b)	A Project Implementation Manual (PIM) , acceptable to the Fund and Borrower , has been finalized	PIM has been finalised.
13	SOE threshold : USD 50,000 equivalent for expenditures under all categories	Being complied.
16	Procurement of goods, works and services carried out in accordance with the procedures laid down in IFAD procurement guidelines, as amended from time to time, and the IFAD Procurement Hand Book.	Local guidelines that are mostly in line with IFAD guidelines are followed.

19	International competitive Bidding (ICB) shall be the mandatory method of procurement for contracts above the following values: (i) Goods: above USD 200,000 equivalent ; (ii) Civil works : above USD 1,000,000 equivalent; and (iii) Services: above USD 100,000 equivalent.	Being complied.
20	Award of any contract for Goods, Consultancy Services and other services estimated to cost above USD 100,000 equivalent and Civil works estimated to cost above USD 500,000 equivalent shall be subject prior Review by IFAD.	Being complied.
22	All contracts with or without prior approval, should be listed in the Register of Contracts with the dates of approval and submitted to the IFAD Country Programme Manager on a monthly basis.	Contract log is being maintained and examined by supervision missions.
25	The Financial Statements relating to the Project will be audited by the auditor General of Sri Lanka	Being complied.
26	Log of Audit Observations (Audit Log) should be maintained and updated regularly.	No audit report so far received but when received Audit log would be updated according the PMO.

Appendix 7: Knowledge management: Learning and Innovation

Project has taken few good initiatives to generate, document and share its progress and results/outcome during the review period. This includes; a) good collection of photos to portray results of project interventions on small infrastructure development (situation before and after), b) use of effective power point presentations for diverse audiences, c) an expressive annual report for 2013, and d) project quarterly news brief.

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

The Project adopted a new mechanism of 'Walk Through Survey' for needs assessment for canal rehabilitation civil works - a participatory rural appraisal tool in which an inspection is carried out through visual observation.

The group undertaking this appraisal was formed by staff from the Provincial Irrigation Department of Kilinochchi, leaders of farmer organizations and a group of farmers themselves. This group visited all the canals for which rehabilitation works were foreseen analyzing the various interventions to be done. The heterogenic nature of the group would ensure that technical aspects be conjugated with the practical needs of the project beneficiaries, the farmers, in a participatory manner

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

Meaningful participation of beneficiaries particularly women mainly because of delay in engagement of NGO for social mobilisation and capacity building. The situation is likely to improve once NGO is in place and a systematic and effective social mobilisation and capacity building process is initiated.

Innovation: Describe any interesting innovation noted during supervision

Walk through Surveys as part of PRA (described above).

The Mission also observed a very egalitarian traditional system of land distribution and cultivation under water scarce situations. This system called *bethma* is adapted in the project area during the *yala* season to offer reasonable amount of land based on the land holding pattern, to as many willing farmers as possible to cultivate either paddy or non-paddy crops. Land under the system is usually allocated closure to the head end and tail end farmers can also participate. During the *yala* season the Government Agent (GA) of the Kilinochchi District virtually "owns" all the land under the command area of the Iranamadu tank (it is same with any other tank where the *bethma* system is applied). The GA with the assistance of the Provincial Irrigation Department determines the total extent of land that can be cultivated under each distributary canal with the availability of water in the tank. The GA at the *kanna* (cultivation meeting) meeting at the onset of the *yala* season then divides this total extent among those farmers who are willing to cultivate. In this distribution, the farmers' original ownership forms as a basis for proportion land distribution. The maximum limit of land allocation depends on availability of water.

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

The walk through Surveys methodology as part of PRA could be extended to canal rehabilitation works and community infrastructure schemes in other parts of Sri Lanka and other countries through IFAD financed projects.

Appendix 8: Progress Against Previous Mission Recommendations.

Action Area	Action Agreed	Date	Whom	Progress/Remarks (as of 30 th April 2014)
Outputs and outcomes	1. Take appropriate actions to implement all the recommendation listed below (a to j)	Start in end July '13	PD	Appropriate actions are taken
	2. Start disposing demolished parts of canal structures	Immediately	PD /Snr. Irrigation Eng./PID	Disposed to the common places within the scheme area. Some valuable items like gates etc. are taken in to the inventory.
	3. IIDP should start the recruitment process of an NGO for social mobilization. Gender and Social Mobilization Specialist will assist in the process. Recruitment of the social mobilisers should be the responsibility of the NGO.	Completed by Dec '13	PMO	Bids were invited for the above services and 9 Nos. bidders responded. Accordingly, RFP along with evaluation reports for shortlisted firms were sent to IFAD on 24.03.2014 for the review and NOL for issuing RFP to the shortlisted firms
	4. Carry out institutional assessment including the structure, by-laws etc. of FOs and other existing community organizations like WRDS and recommend modifications to suite the project needs. Prepare action plan for groups formation and capacity building/trainings.	April '14	NGO under supervision of PMO	Awaiting NGO deployment. However, action plan for group formation and capacity building/training have been developed by PMO and to be fine-tuned and implemented by the NGO.
	5. In absence of NGO, PRA for identification of detailed rehabilitation needs for D- and F-canals shall be carried out by engaging a consultant and the PRA process shall be completed latest by end of December 2013	Recruit by August '13	PMO	21 PRAs completed (progress 100%)
	6. Partnership needs to be developed between the selected NGO for social mobilization and the local level support institution such as KDWDF	Once NGO is recruited	PMO	PMO already developed linkages with front level organization during implementation of Infrastructure development and other agricultural activities like Demo & VAT. Once NGO is recruited, this activity will activate for the social mobilization. Also, there is a provision in the TOR for incorporating KDWDF.
	7. IIDP should request DOA and DAPH to prepare a consolidated proposal taking the mutual advantage of each proposal and submit to IIDP for an external technical review. Revived proposal should be acceptable to IFAD for financing.	October '13	Project Manager	Intergraded plan prepared with the consultation of DOA and DAPH and this has to be discussed in the next mission before the external review.
	8. In selection of locations for crop diversification demos in yala, preference should be given to contiguous blocks with largest concentration of women-headed household, or plots cultivated by women, subject to technical suitability	Start in April '14 & continue	PM	During Yala 2014, due to severe drought condition in the Project area, only 4 % of the total command area, for the yala cultivation is recommended in one selected area. Of which, 150 acs. Of other crop is

Action Area	Action Agreed	Date	Whom	Progress/Remarks (as of 30 th April 2014)
				recommended. Accordingly, diversification demos commenced in around 70 acres of low land contiguous blocks cultivated by women as well.
Project Implementation Progress	9. Except the PMO staff appointed through a formal recruitment process, all others recruitment and payment methods should be formalized according to the GOSL administrative regulations	Complete by 31 st July '13	PD in consultation with the Secretary MLGPC	Cadre approval was obtained for the Implementing staff from Management Services Department (MSD) and appointed.
	10. Revised and updated PIM should submitted to IFAD	Sep '13	PM	Final PIM received from hired consultant submitted to the Ministry through the Chief Secretary, NP for the NSC Approval
	11. Administrative responsibilities should be judiciously divided between the PD and PM: PD to have overall oversight and financial and procurement approval functions; and responsible for all aspects of the 1 st component. PM to be responsible for all aspects of the 2 nd component including social mobilization; all aspects of project M&E and RIMS; private sector linkages; NGO recruitment, monitoring and managing; secretarial functions (initiate calling meetings regularly and maintaining minutes etc.) of all steering committees and bi-weekly staff progress review meetings; and assist PD in his oversight functions. Revise the list of duties accordingly	Complete by 31 st July '13	PD in consultation with PM	Administrative responsibilities shared as guided immediately. But, he left the service. However, fresh PM appointed from 02.05.2014 and action will be taken to divide the administrative responsibilities.
	12. All staff members to prepare monthly advance Programme and monthly progress report and get either the PD's or PM's approval as highlighted above	Start by 31 st July '13	PD in consultation with PM to request	PMO follows as guided.
	13. Finalize the M&E manual and start implementing the existing M&E system	Start by Sep '13	PM	M&E manual is finalized and started implementing the existing M&E system
	14. Revise the existing Gender Action Plan (details and outline in Annex 3, Gender) with the help of an NGO to be recruited	Dec '13	PMO with the help of the NGO	Draft GAP prepared by the hired consultant and SM&GSp has sent comments to finalize the GAP
	15. Encourage women to take decisions making positions in FOs executive committee	Continuous	PM	It was requested to Agrarian Commissioner who is the custodian of FO, to increase the women participation in executive positions during the re-organization of FO. It is being activated
	16. The Project in their periodic reports shall indicate the number of participating households of each category of target groups	Start in Dec '13	M&E Section of PMO	The M&E system is ready to prepare reports with indicating participating households of each category of target groups
	17. Developing a social and/or poverty profiling methodologies (in absence of a suitable one) for target group categorization	April '14	NGO under PMO supervision	At present social and/or poverty profiling methodologies has drafted by the PMO in the absence

Action Area	Action Agreed	Date	Whom	Progress/Remarks (as of 30 th April 2014)
	and selection of beneficiaries			of NGO. However, it has to be fine-tuned by the NGO and implemented through the NGO
	18. Support farmer groups in contract/agreement formation with the private sector and supervise fulfillment of terms of contract	Start in Aug '13	PMO	Contract/agreement developed and it will practice during in Yala 2014
Fiduciary aspects	19. Ensure the availability of services of the Project Accountant on fulltime basis	By end of April, '14	PMO	Request is made for releasing on full time basis
	20. Provision of an Iron safe and a petty cash box for the safe keeping of Cash, and valuable documents such as Performance bonds, Fuel order book and Cheque books etc.	August '13	PD	Procured
	21. Updated Inventory and Fixed Asset Register	By 15 th of August '13	Project Accountant	Updated
	22. Complete the revision of the PIM.	By end of August, '13	PM	PIM is ready

Appendix 9: Supervision Mission Schedule and Persons Met

Mission Itinerary

Date	Activity	Location
26 May 2014	Arrival Kilinochchi. Meeting with PMU for: <ul style="list-style-type: none"> Project overall and component wise progress review Status of implementation of recommendations of 2013 SIS. Presentation and initial discussion on issues paper. 	PMO
27 May 2014	Meeting with Chief Secretary Meeting with Governor Meeting with Agriculture Ministry Mission members individual meetings with line departments/PMO staff	Jaffna Jaffna Kilinochchi Kilinochchi
28 May 2014	Visit canal rehabilitation activities Meeting with FOs/Women Groups	Field Field
29 May 2014	Presentation and discussion on draft Gender Strategy Meetings with FOs/Women Groups, observe Crop Demonstration Programme. , VAT Demonstration Programme.	PMO Field
30 May 2014	Visit canal rehabilitation sites, meetings with FOs, Women Groups. Brief PRA Presentation, Consolidated Plan for Agriculture Development and Private Sector	Field PMO
01-05 June 2014	Writing of Aide Memoire	Colombo
06 June 2014	Pre- Wrap up Meeting	Kandy
09 June 2014	Wrap up meeting with National Steering Committee & Project Staff in Colombo.	Colombo

List of Persons Met

Name	Designation	Organization
22 May 2014: Briefing Meeting		
Mr. K.A.Mageed	Additional secretary	Ministry of PC&LG
Mr. Darshana Samarakoom	Director (planning)	Ministry of PC&LG
Mr.M.D.R. Prasad	Assistant Director (planning)	Ministry of PC&LG
Mr. D. Ranajith	Assistant Director (Planning)	
Ms. Chintha Uduwana	DA	Ministry of PC&LG
Mr. Anura Herath	Country Programme Officer	IFAD
Mr. Bodhi Wanniarachchi	M&E and Business Development Specialist/Mission Member	IFAD
Mr. P Kulathunga	Irrigation Engineer/Mission Member	IFAD
Mr.R.K Dayananada	Financial Management Specialist/Mission Member	IFAD
Mrs D. Dasanayaka	Gender Specialist/Mission Member	IFAD
26-30 May 2014: Meetings Kilinochchi, Jaffna and Field Work		
Mr. G.A.Chandrasiri	Governor	Northern Province
Mrs.R. Wijayaludchumi	Chief Secretary	Northern Province
Mr.U.L.M Haldeen	Secretary Agriculture	Ministry of agriculture, Northern Province

Mr. K.S Sivapathram	Director Irrigation	Ministry of Irrigation, Northern Province
Mr.N. Suthakaran	Project Director	IIDP
Mr. R.Gunachelvam	Project Manager	IIDP
Mr.W Indraasena	Senior Irrigation Engineer	IIDP
Mr.A.M.Hibathulla	Procurement specialist	IIDP
Mr. P.C Dissanayaka	Monitoring and Evaluation officer	IIDP
Mr.W.H.A.S. Dinatissa	Gender and Social mobilization Officer	IIDP
Mr.V.Sudakaran	Accountant	IIDP
Mr. N. Gawridasan	Agro Economist	IIDP
Community Members 60 male and 72 female	Office Bearers	Farmers Organizations/Women Groups
06 June 2014: Pre-Wrap Meeting at Kandy		
Mr.N, Sudakaran	Project Director	IIDP
Mr. R Chanaselvam	Project manger	IIDP
Mr. P.C Dissanayaka	Monitoring and Evaluation officer	IIDP
Mr.W.H.A.S. Dinatissa	Gender and Social Mobilisation Officer	IIDP
Mr.W Indraasena	Senior Irrigation Engineers	IIDP
Mr. N. Gawridasan	Agro Economist	IIDP
Mr. A.M.Hibathulla	Procurement specialist	IIDP
Mr. S. Selvarathnam	S.T.E	IIDP
09 June 2014: Wrap-Up Meeting		
Mr. R.A.A.K. Ranawake	Secretary	Ministry of Local Government & Provincial Council
Mr. A.A. Majeed	Additional secretary	Ministry of LG&PC
Mrs. R. Ketheeswaran	Divisional Secretary	Kilinochchi
Ms.M.W.A.P.R Wijesinghe	Chief Accountant	Ministry of LG&PC
Mr. K.S.Sivarathnam	Director	Department of Irrigation, NP
Mr. U.I.M. Haldeen	Secretary	Ministry of Agriculture, N.P
Ms. Sagarika Fernando	DA	Ministry of LG&PC
Mr .R.A.C.P. Gunasekara	Assistant Director	ERD,MOFP
Mr.N.T.M SiraJudeen	Director Engineering	Ministry of LG&PC
Mr. N, Sudakaran	Project Director	IIDP
Mr. R Chanaselvam	Project Manager	IIDP
Mr.Ddisasanayaka	M&E Officer	IIDP

Appendix 10: Audit Log

No audit available.

Appendix 11: Summary of implementation support provided by IFAD

1. Finalisation of draft Gender Strategy: the Mission held meeting with the consultant and project staff to discuss and provided assistance to finalise the Draft Gender Strategy.
2. Mission reviews and cleared the draft PIM
3. Provided assistance for approval of short list of NGO for social mobilisation and preparation of draft Request for Proposals from shortlisted NGOs
4. CPO assisted in the preparation of the AWPB and the procurement plan of 2012 and 2013 with several revisions.