

Sri Lanka

Mission Dates: 8th to 22nd July 2013
Document Date: November 2013
Project No. 1600
Report No: 3178-LK

APR
Programme Management Department

IRANAMADU IRRIGATION DEVELOPMENT PROJECT

Supervision report

Main report and appendices

Contents

Annex 1: Report on Irrigation Rehabilitation
Annex 2: Report on Social Mobilization / Inclusion and Farmer Organizations
Annex 3: Report on Gender Aspects
Annex 4: Report on Fiduciary and Financial Management
Annex 5: Report on Procurement

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
DAPH	Department of Animal Production and Health
DSD	Divisional Secretariats Division (Administrative Unit)
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. The *goal* of IIDP is to contribute to poverty reduction and increase in household incomes of 7 000 households with 22 100 persons in 22 *Grama Niladhari* (GN) Divisions of Kilinochchi District of the Northern Province. The 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). The total project cost is USD 29.32 million. IFAD provides a highly concessional loan of USD 22.231 million (75.7%). The Government of Sri Lanka's (GOSL) counterpart funds is 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. Lead Project Agency is the Ministry of Local Government and Provincial Councils (MLGPC) and the Project Management Office (PMO) is located in Kilinochchi.
2. This is the 1st IFAD supervision and implementation support (SIS) mission for IIDP with the objectives of (i) assessing the progress of start-up activities and the ability of the Project to continue with smooth implementation process including complying with IFAD's fiduciary responsibilities; and (ii) providing implementation support to remove any bottlenecks that IIDP is facing. The mission started with a debriefing meeting with the Secretary of the MLGPC and its staff, the project staff, staff of the Ministry of Finance and Planning. Then it visited and stayed in Kilinochchi from 9th to 14th of July having meetings with the project partners (provincial agriculture, agrarian development and animal husbandry departments, research and plant production divisions of the central agriculture department), visiting all 9 main canal construction sites, meeting the leaders of 15 out of 21 Farmer Organizations (FO), women groups and farmers. The private sector with potential interest (Cargill, Prima (Grain Elevators), Chemical Industries Colombo (CIC) and Hayleys) and Kilinochchi District Women Development Federation were also met. The mission had a pre-wrap-up meeting with the staff of IIDP and the implementing partner on 18th July in Kandy and discussed the findings and recommendations in detail. The Aide Memoire with main findings and agreed actions were presented to the well attended wrap-up meeting, chaired by the Secretary, MLGPC on 23rd July and the AM was endorsed. The mission thanks the staff of MLGPC, IIDP, all partners, the private sector visited and the beneficiaries for their generous support and hospitality.

B. Overall assessment of project implementation

3. The Project started its operation with the secondment of the Project Director (PD)², a Deputy Director of Irrigation, Kilinochchi Range of the Northern Province, on 1st February 2012, one-month after the effectiveness. Well attended start-up workshop was held on 20th July 2012. Delay in recruiting the Project Manager (PM) and completing the Project Implementation Manual held-up disbursing the initial deposit of USD one million until April 2013. However, IIDP is on track in establishing essential administrative and financial systems, and implementing canal rehabilitations in the 1st component which takes about 70% of the total project cost. Implementation of the 2nd component has been limited to preliminary activities of community awareness creation about the Project. Disbursement of the IFAD loan (857-LK) remains limited only to the initial deposit. IIDP's expenditure was USD 754,530 as of June 2013, and USD 696,314 from IFAD loan. The main achievements include appointing key project staff consisting the Project Manager, M&E Specialist, Procurement Specialist, and Gender Specialist on full-time basis; and Project Accountant, irrigation Engineer, and Agro-Economist on part-time basis;

1 Mission composition: Ms Martina Huonder, HQ, IFAD, responsible for Gender and RIMS; Mr Shankar Achuthan Kutty, Procurement Specialist, HQ, IFAD; Mr Qaim Shah, Community development and social mobilisation specialist; Mr P Kulatunga, Irrigation Engineer; Mr R K Dayananda, Financial Specialist, Mr Anura Herath, CPO, IFAD, Mission leader. Mr Ya Tian, CPM, IFAD provided guidance and comments during the mission, before pre-wrap-up and to conclude the aide memoire from Rome.

2 Financing Agreement of IIDP referrers to the PD as Project Coordinator.

establishing the project office in Kilinochchi; completing detailed project and RIMS baseline studies with IFAD assistance; awarding 9 contract packages for canal rehabilitation and one for building repair; and conducting regular National and Provincial Steering Committees established for IIDP, and project staff meetings.

4. Overall implementation efficiency could be enhanced by dividing management responsibilities between the PD, who should focus on oversight and approval functions, and the PM on all implementation functions particularly all the activities of the second component. Improvements are also necessary in designing and contract management of canal rehabilitation; social and economic mobilization; gender sensitization; M&E; and in harmonising different technical proposals that intend supporting crop diversification and production improvement process. The slippage of 2012 and first half year of 2013 AWPBs includes recruiting an NGO / consultant for mobilization; preparation of GIS based maps for the command area; strengthening of FOs for irrigation work; appointing social mobilisers; and community mobilization.
5. A major challenge foreseen is to provide adequate livelihood opportunities to those farmers who would be affected in the command area when rehabilitation of canals is undertaken. Overall implementation performance is rated at *moderately satisfactory* (4)³.

C. Outputs and outcomes

6. **Component 1: Infrastructure development**⁴ consists of two sub-components: (i) irrigation rehabilitation and; (ii) other infrastructure development. The overall performance is rated as *satisfactory* (5).
7. Under **irrigation rehabilitation** sub-component, IIDP is to undertake design, implementation and supervision of canal rehabilitation to render the Iranamadu scheme fully operational. This requires the rehabilitation of main canals, branch canals, distributory canals, field canals, drainage canals and farm roads. The structures required for bulk water allocation and water management are also to be rehabilitated or newly constructed. The sub-component performance is rated as *satisfactory* (5).
8. Other **infrastructure sub-component** includes: (i) rainwater harvesting structures, (ii) marketing structures, (iii) small storage units, and (iv) buildings for simple primary processing equipment. The performance is rated as *satisfactory* (5). The following assessment covers both sub-components.
9. A list of contract packages has been prepared to implement all activities under both sub-components during the period 2013 to 2016. Out of the total, 10 contract packages have been prepared as planned with drawings, cost estimates and tender documents and awarded. These include the rehabilitation of 8.78 km of Paranthan Main Canal, 11.65 km of RB Main Canal, Bridges and culverts of LB Main Canal, Drainage Canals under Paranthan Main Canal and RB Main Canal and repairs to PMO and Project Management Committee (PMC) buildings. Selection of contractors has been carried out by the appropriate Procurement Committees. Construction activities of 9 packages have started. As per the construction programmes submitted by the contractors, all awarded 10 contract packages will be completed latest by April, 2014. The mission observed satisfactory performance of mobilized contractors. The construction of PMO and PMC buildings under package 8 is in progress and 70% of the work has been completed.
10. The remaining work under the first component has been divided into about 40 contract packages and the Project is planning to award them in 2014, 2015 and in 2016. The works covering some field canals will be undertaken by FOs. Preparation of designs, drawings, cost estimates and procurement documents need to be prepared for the remaining packages.

³ IFAD's Supervision Policy requires various aspects of project performance to be rated according to the following six point scale which is the basis for the Project Status Report (PSR) in Appendix 1 of this Aide Memoire: 6 = "Highly satisfactory", 5 = "Satisfactory", 4 = "Moderately Satisfactory", 3 = "Moderately Unsatisfactory", 2 = "Unsatisfactory", 1 = "Highly Unsatisfactory".

⁴ See Annex 1 for details.

11. Presently, the Provincial Irrigation Department has assigned two Irrigation Engineers including the Divisional Irrigation Engineer, 10 Technical Officers, and 6 National Certificate in Technology (NCT) qualified trainees as Work Supervisors to implement these activities.
12. Improvements, as highlighted below, are needed in management and administration of all contracts.
 - (a) An Implementation Master Plan (in bar chart form) for the 1st component needs to be developed together with the cash-flow and disbursement forecast for the 1st component for the total project period.
 - (b) Site meetings with all contractors should be held on sites rather than at the PMO as currently practiced. Such meetings should be chaired by the Project Director or the Senior Irrigation Engineer, and the Divisional Irrigation Engineer of PID (Engineer to the Contract) should be present. Monthly progress review meetings should be held with the chairmanship of the Project Director. The minutes of all meetings need to be improved by including names of Contractors' representatives and the details of discussions and decisions taken. Accuracy of physical and financial progress reporting should be ensured.
 - (c) Concrete test cubes for quality testing need to be taken in compliance with tender specifications. This could be achieved by providing proper guidance to the quality control staff and making testing equipments and testing moulds available in adequate numbers. Accuracy of physical and financial progress reporting also needs to be enhanced.
 - (d) The Senior Irrigation Engineer should be appointed on full-time basis with a detailed TOR. Until such time he should be present with the Project at least 4 days per week.
 - (e) One Senior Irrigation Engineer and two Junior Irrigation Engineers as consultants should be recruited in order to complete packages in time with specified quality. They can be assigned to work under the Divisional Irrigation Engineer of PID. Recruitment of Technical Officers should also be made on the same basis depending upon the number of contract packages being executed at a time. The present process of obtaining the service of NCT qualified persons should be followed to increase the number of Work Supervisors.
 - (f) Cost estimates of bid documents for distributory and field canals rehabilitation should be prepared and ratified with the participation of the FOs' members.
 - (g) In view of delayed recruitment of the NGO, a Consultant should be recruited to undertake PRA to identify irrigation rehabilitation requirements.
 - (h) The design Consultant, who is present at the PMO should review designs, drawings and cost estimates; make comments; and ensure that those comments are incorporated in the drawings and cost estimates of bidding documents.
 - (i) Structures to meet hydraulic requirements in calibration for water management especially in the distributory and field canals should be identified, designed, estimated, and included in the contract packages.
 - (j) The quality control unit of the PID should be strengthened by extending the contract of the Quality Control Officer and providing sufficient number of testing equipments and moulds.
13. In order to be socially inclusive, the project design encourages participatory development approaches to improve irrigation infrastructure, and to promote effective management of such structures by irrigation institutions and FOs including women. The Project through the process of social mobilisation with a competitively recruited NGO would strengthen existing FOs and establish field canal groups with women and youth. Management of bulk water allocation system would also need a participatory approach. The existing 21 FOs are the most active,

important and relevant community organizations to assist infrastructure development and water management.

14. IIDP has yet to start the process of selecting an NGO for social mobilisation and capacity building under all relevant activities. As a result, PRA for identification of detailed rehabilitation needs for the D- and F-irrigation canals could not be undertaken. The selected NGO's involvement is particularly useful because current roles, and managerial and technical capacities of the FOs, as the mission noted, are limited compared to the needs.

Agreed action	Responsibility	Agreed date
1. Take appropriate actions to implement all the recommendation listed above (a to j)	PD	Start in end July '13
2. Start disposing demolished parts of canal structures	PD /Snr. Irrigation Eng./PID	Immediately
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.	PMO	Completed by Dec '13
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.	NGO under supervision of PMO	April '14
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	PMO	Recruit by August '13

15. **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).
16. Under the **social mobilization sub-component** the Project will form and strengthen existing women groups including youth once the NGO for mobilization is recruited. The main purpose of mobilization and capacity building would be to encourage (i) non-paddy crop production on an estimated 20%-30% of the suitable command area with field crops and vegetables during the *yala* season; (ii) on-farm economic / income generation activities; (iii) social leadership, management, accounting and financing; and (iv) off-farm income generation activities such as agricultural processing and organic fertiliser production. The NGO should work in partnership with the Kilinochchi District Women Development Federation (KDWDF), which has already established about 155 Women Rural Development Societies (WRDS) in Kilinochchi district including the project area under various donor funding. WRDS provides grant assistance to women headed households, a revolving fund for credit on a limited scale, capacity building trainings, and support for dispute settlements. These are useful for IIDP if properly leveraged. KDWDF, which has a potential to sustain, should also be assisted for its own capacity building. While the limited efforts made by the project staff in mobilization are appreciable, further efforts should be taken with the NGO once it is recruited. Sub-component performance is rated as *moderately satisfactory* (4).
17. **Production, extension and marketing** focuses on crop diversification in the *yala* seasons. Few project interventions are expected in *yala* 2014 and full implementation only in 2015. However the soil suitability study, which provides the basis for diversification, has commenced and encouraging results have been obtained by the Research Station of the Central Department of Agriculture (DOA). The final report is expected in August 2013. The mission recommends improvements including providing a detailed map of the command area layering suitable crops, comparison of current cropping patterns with that of recommendations, and suitable sites for crop demonstrations. DOA has initiated proposals for 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. The complementarities of the proposals should be improved and harmonised with a consolidated programme through a stakeholder consultation workshop to obtain IIDP support. The mission proposes that the Project should provide external technical assistance to review and finalise the consolidated programme, which is acceptable to IFAD, before financing their implementation. Thereafter IIDP can support the activities with an MOU. Sub-component performance is rated as *moderately satisfactory* (4).

18. Under **other agricultural and off-farm development** IIDP has initiated private sector linkages. The private sector is very keen to get engaged and capture growing development opportunities in the Northern areas. Such interests have naturally entered into the project area too. Hayleys, CIC, Grain Elevators, and Cargill are very keen to participate, and presented their expression of interest to the mission. There are plans to facilitate cultivation of passion fruit and gherkin in the project areas on a pilot scale with the support from Cargill and Hayleys. The Project is encouraged to continue the contacts until firm linkages between them and farmers are created at an appropriate time. In the meantime IIDP can request the private sector to submit detailed proposals of engagement with farmers. IIDP will facilitate the process. Sub-component performance is rated as *moderately satisfactory* (4).

Agreed action	Responsibility	Agreed date
6. Partnership needs to be developed between the selected NGO for social mobilisation and the local level support institution such as KDWDF	PMO	Once NGO is recruited
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.	Project Manager	October '13
8. In selection of locations for crop diversification demos in <i>yala</i> , preference should be given to contiguous blocks with largest concentration of women-headed household, or plots cultivated by women, subject to technical suitability	PM	Start in April '14 & continue

D. Project implementation progress

19. **Project management performance** remains *moderately unsatisfactory* (3). Administrative, financial, procurement, M&E systems, and project steering committees have been established and started functioning. In addition to the 14 project staff including six assistants, 13 technical personal of the Provincial Irrigation Department (IDP) are supporting the implementation of the first components with an MOU between IIDP and PID. Furthermore seven non-technical personal assist in conducting administrative functions. Their recruitment and payment methods need to be formalised. 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. The Project Implementation Manual (PIM) was finalized by a consultant and currently being reviewed by the IIDP staff.
20. The mission however observed with concern a certain level of imbalance in attention and interest that is given to the two components. While this is natural during the first year of the Project where canal rehabilitation is the priority, the mission recommends that clear division of responsibilities be identified and delegated to implement both components with equal efficiency and interest. The mission recommends that the Project Director (PD), in addition to his oversight functions, will be fully responsible for the 1st component as practised currently, while the Project Manager (PM) to be delegated to plan, implement, monitor, and manage the respective staff with associated financial and administrative responsibilities to implement the 2nd component. It is also recommended that the full staff associated with component one and two, whether full-time or part-time, should submit a monthly advance programme at the beginning of each month and a progress report at the end of the month to the PD and PM respectively.

- Payment of DSA and travelling for the full-time staff, and allowances for the part-time staff should be based on the availability of approved such monthly progress reports.
21. **Coherence between AWPB and Implementation** is rated as *moderately satisfactory (4)*. Implementation has followed the AWPB of 2012. The activities planned under Component 1 have started and well in progress. There are delays in implementing some activities, particularly the recruitment of NGOs for Component 2. There are no reports of any activities undertaken outside the AWPB of 2012 or the 1st semester of AWPB of 2013.
 22. **Monitoring and evaluation (M&E)** performance is rated as *moderately satisfactory (4)*. IIDP has prepared with IFAD implementation support a good basis of the M&E system consisting revised log-frame, the output and outcome target indicator plan (OTIP) and the M&E plan with monitoring responsibilities identified. The project and RIMS baseline surveys have been completed in March 2013 using the output and outcome indicators contained in the OTIP. IFAD provided financial, technical and implementation support to complete the surveys. Operational systems and an M&E manual have been initiated and need to be finalised. Once the social inclusion officers are appointed they should be employed for data collection for both components. The M&E specialist of the PMO should improve his focus and attention to manage the M&E system, guide relevant staff in data gathering, and provide synthesised information to the management for better planning and implementation. The mission together with the PM and M&E Specialist finalised the RIMS 1st level indicators (see Annex 4). The Project is expected to report annually the data related to these indicators, and the first report should cover the period between the start of implementation until December 2013. The project progress report should be prepared using the structure of the IFAD supervision report and sent to IFAD bi-annually. The PM should be responsible for reporting of both and for liaising with IFAD on RIMS related aspects.
 23. **Gender focus** performance is rated as *moderately unsatisfactory (3)*. Overall, gender mainstreaming as a process has not started yet partly because canal rehabilitation has not reached the required level before production related activities can commence, where women and men are involved. In the meantime, social mobilization, sensitization, and certain trainings such as capacity building for women leadership etc could have started in parallel with rehabilitation work. The same will apply for initiating gender related aspects of the bulk water allocation system. Except for some awareness trainings on project activities where the Project has reached 1473 people including 404 women, no other notable intervention with gender focus has taken place. Further, the draft Gender Action Plan that was prepared in January 2013 and extensively reviewed by IFAD is still awaiting its finalization.
 24. The NGO that will be recruited as mentioned above will revise the existing Gender Action Plan (GAP), an outline of which is provided in Annex 3. The NGO should ensure close linkages between the provisions of the GAP and their activities. The selected NGO will work closely with the FOs and will propose activities for women in order to increase their participation in FOs. Currently the women membership in the FOs is limited only to women headed households. No women focused activity is promoted in the FOs.
 25. Production of vegetables during *yala* season is expected to be undertaken mainly by women and youth. It is therefore important that crop demonstrations are strategically arranged so that women and youth can participate either in conducting demonstrations or visiting them.
 26. Since the Project will build on pre-existing women groups in the community (WRDS groups at village level), the membership to which requires a fee, it should be made sure that non-members of the WRDSs also can participate in trainings and activities.
 27. **Poverty focus** is rated as *moderately satisfactory (4)*. No specific measures have been taken as yet. The beneficiaries include farmers in the command area, landless and near landless, farm labourers, some service providers, unpaid family workers and women headed families. The target group under irrigation rehabilitation will cover 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 considered poor small farmers. As such the geographic targeting will ensure poverty focus.

28. **Effectiveness of targeting approach** is rated as *moderately satisfactory (4)*. No measures have been adopted. The project design recognises difficulties in determining social and economic differentiation of the households due to the complexity of the context, and lack of socio economic data on the household endowments. As such it is recommended that two approaches be used in targeting namely (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.
29. Further, the mission recommends that selected NGO shall apply some existing local social and/or poverty profiling methodologies or in absence of any, a suitable methodology shall be developed for target group categorisation and selection of beneficiaries for various productive and off farm activities.
30. **Innovation and learning** is rated as *moderately satisfactory (4)*. It is too early to report on this aspect. Changing cropping patterns based on a scientific soil analysis that could be expected in 2014 *yala* however could be an innovation. The mission was informed that a 'walk through survey' was adopted as a participatory appraisal tool to identify rehabilitation needs before starting the rehabilitation works of the irrigation canals which would be a learning process. A short description of the survey is provided in Appendix 7 on KM, Innovation and Learning.
31. **Climate and environment focus** is rated as *moderately satisfactory (4)*. The project design provides budgetary allocation for strengthening canal side walls with plants which would eventually provide environmental benefits. No other specific activities were aimed at addressing either climate change adaptation or mitigation and the Project had no intervention in this area. The mission noted that each construction site has a considerable amount of rubble and other type of debris that should be safely removed and dumped in an environmentally safe place. The contractors will bear the cost.
32. **Partnership**. Based on the successful lessons from IFAD portfolio regarding involvement of the private sector, the Project has already initiated partnership with Cargill, Keels, Grain Elevators, Hayleys, CIC etc to create marketing linkages. The mission observed that there was a strong potential and opportunities for such linkages between farmers and the private sector. In this regards the NGO and PMO would need to play a proactive role to facilitate the linkages and provide support to farmer groups in their negotiations of forward contracts. The PMO will also be responsible for supervision of fulfilment of terms of such contracts. The mission also noted that KDWDF would be a potential partner to facilitate social mobilization work with the selected NGO.

Agreed action	Responsibility	Agreed date
9. Except the PMO staff appointed through a formal recruitment process, all others recruitment and payment methods should be formalised according to the GOSL administrative regulations	PD in consultation with the Secretary MLGPC	Complete by 31 st July '13
10. Revised and updated PIM should submitted to IFAD	PM	Sep '13
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	PD in consultation with PM	Complete by 31 st July '13

progress review meetings; and assist PD in his oversight functions. Revise the list of duties accordingly.		
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	PD in consultation with PM to request	Start by 31 st July '13
13. Finalize the M&E manual and start implementing the existing M&E system	PM	Start by Sep '13
14. Revise the existing Gender Action Plan (details and outline in Annex 3, Gender) with the help of an NGO to be recruited	PMO with the help of the NGO	Dec '13
15. Encourage women to take decisions making positions in FOs executive committee	PM	Continuous
16. The Project in their periodic reports shall indicate the number of participating households of each category of target groups	M&E Section of PMO	Start in Dec '13
17. Developing a social and/or poverty profiling methodologies (in absence of a suitable one) for target group categorization and selection of beneficiaries	NGO under PMO supervision	April '14
18. Support farmer groups in contract/agreement formation with the private sector and supervise fulfillment of terms of contract	PMO	Start in Aug '13

E. Fiduciary aspects

33. **Financial Management** is rated as *moderately satisfactory* (4). The PMO is responsible for keeping accounts separately for IFAD and domestic funds, preparation of Quarterly Financial Progress Reports and Annual Financial Statements, Bank Reconciliation statements, Reconciliation of Dollar Account, Imprest Account and timely submission of Withdrawal Applications (WA).
34. The Special Dollar Account is maintained at the Central Bank, and the Project Accounts for IFAD funds and a separate bank account for Domestic funds are maintained at the project level. At the Ministry level, project expenditure is charged against the approved budgetary provision of the National Budget, and funds are released to the Project on request, within the limit of the financial provision. The accounting records that are kept at the PMO are adequate to serve the project requirements.
35. **Budgeting.** The AWPB has to be prepared at the project level within the limit of the annual financial provision of the National Budget. However, the tendency in the past was to revise the AWPB not taking in to consideration the approved limit of the National Budget which should be avoided. The PMO should ensure that adequate financial provision is available in the National Budget, as and when the AWPB is prepared or revised. If the PMO intends to make an upward revision of the AWPB during the year, anticipating increase in expenditure over and above the initial budgetary provision, they should seek concurrence of the Lead Ministry in advance.
36. **Staffing.** The Project Accountant has been released for the Project by the Northern Provincial Council on part- time basis and he is provided with adequate supporting staff. Although this arrangement is sufficient for the time being, it may become necessary to employ the Project Accountant on fulltime basis when the project activities get accelerated from the year 2014 onwards.
37. **Safe custody of cash and other valuable documents.** At present Petty cash, Cheque books, Fuel order books, Performance Bonds, etc. are kept in filing cabinets. This is not a satisfactory arrangement. Action should be taken to keep these documents in a fire proof Iron Safe. All Performance Bonds that are kept with the Procurement files also should be handed over to the Project Accountant for safekeeping in the Safe.
38. **Payment of Allowances.** It was observed that some payments were not supported by relevant and required documentations. When the services of officers who are working in other

- organisations are paid allowances from the project funds, their payments need to be supported by TORs and terms of payment which are acceptable to the appropriate government authorities and IFAD. Monthly returns of these payments should be sent to the Institutions to which the officers are permanently employed. In case, where service of the same officer is required for the Project in two different capacities, specific approval for the purpose should be obtained from appropriate government authority.
39. Internal Control. Segregation of duties is based on the Delegation of Authority issued by the MLGPC and Government Financial Regulations. Under this arrangement the system of internal check is operating satisfactorily. In order to strengthen the system, those two assistants who are working in the Finance Division of the PMO should be formally attached to the division.
 40. Inventory and the Fixed Asset Register have to be updated. Copies of awarding letters of Contracts and Purchase orders etc. need to be sent to the Project Accountant to enable him to carry out certification and effecting payments.
 41. Financial Reporting and Monitoring. Quarterly Financial Progress Reports and Annual Financial Statement for the year 2012 have been prepared. During 2012, the Project has incurred SLRs. 2.9 million out of Domestic funds for which the PMO is to forward the Annual Final Account at the end of July to the Auditor General for auditing. The Quarterly Financial Progress Statement in respect of current year should be submitted to IFAD.
 42. **Disbursements** of the IFAD loan is limited only to the initial deposit and rated as *moderately satisfactory* (4). There is expenditure of USD 696,314, which is eligible to be claimed from IFAD. While the Mission was there one WA was prepared and sent to IFAD for this amount. The mission provided necessary guidance for the Project Accountant in this regard. Since the initial advance is limited to USD 1,000,000, WAs should be sent timely and regularly to avoid possible liquidity issues. Also, in order to monitor disbursements at the project level, it is required to prepare monthly reconciliation statements for the Special Dollar Account. Since all major civil work contracts have been awarded during the first quarter of 2013 and most of them are scheduled to be completed during the current year, a higher rate of disbursement is expected during the last part of 2013.
 43. **Counterpart funds** provision is rated as *satisfactory* (5). There is no delay in releasing Counterpart funds by the Treasury. So far IIDP has received SLRs.6 million in respect of current financial year and balance with the Project is SLRs.1.6 million. The Project has received SLRs. 2.9 million in the previous year.
 44. **Compliance with Financing Covenants** is rated as *moderately satisfactory* (4). All major financial and audit covenants of the Loan Agreement have been complied with. It is noted that PIM is under revision to suit project's current requirements. Quarterly Progress Reports are yet to be sent to IFAD.
 45. **Audit** is rated as *moderately satisfactory* (4). There was no external auditing carried out for IIDP. The Project's year-end Financial Statements in respect of current year is due only at the end of 2013. No IFAD's funds has been utilised during the financial year of 2012. Since it was not possible to recruit a suitable person for the position of an internal auditor, internal Audit too has not yet been undertaken. Under the circumstances, it is recommended to outsource this function to a local Audit firm on a fee, with clear Terms of reference. The awarded Audit firm should report to the MLGPC. It is also recommended that this position be abolished and the budget allocated to pay the Audit firm.
 46. **Procurement**. Overall rating for procurement is *moderately satisfactory* (4). The procurement actions undertaken to date for 2013 by the PMO is in accordance with established provisions of the National Procurement Agency (NPA) Guidelines and ICTAD Guidelines and is consistent with the provisions IFAD Procurement Guidelines. The Annex on procurement attached to the supervision mission report identifies relative lapses in controls and inconsistencies in

application of procedures, while the recommended actions to be undertaken by the PMO and IFAD would mitigating any associated risks.

Agreed action	Responsibility	Agreed date
19. Ensure the availability of services of the Project Accountant on fulltime basis	PMO	By end of April, '14
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	PD	August '13
21. Updated Inventory and Fixed Asset Register	Project Accountant	By 15 th of August '13
22. Complete the revision of the PIM.	PM	By end of August, '13

F. Sustainability

47. **Institution building** is rated as *moderately satisfactory (4)*. IIDP is yet to start concerted efforts in this subject. 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 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.
48. **Empowerment and social sustainability** is rated as *moderately satisfactory (4)*. Too early to report as all the components of the Project particularly the social mobilisation and capacity building are not yet operational.
49. **Quality of beneficiary participation** is rated as *moderately satisfactory (4)*. Too early to report as all the components of the Project are not yet operational. 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, they would most likely ensure meaningful participation of beneficiaries particularly women.
50. **Responsiveness of service providers** is rated as *moderately satisfactory (4)*. The only service providers are contractors and they are responding according to the contract documents.
51. **Exit strategy** is rated as *moderately satisfactory (4)*. There has not been any emphasis on this requirement as yet. Irrigation development includes rehabilitation of canals and their structures already in existence. The Project Management Committee and Farmer Organizations are also in existence and the Project is involved in their re-organization and strengthening. Implementation of irrigation development is carried out by the PID. Other infrastructure facilities such as rain water harvesting tanks and storage facilities are provided by the Project either on the basis of individual households or FOs. Therefore, there is no taking over or handing over of physical assets created by the Project and as such no additional exit strategy is required for infrastructure activities. However, FOs would be involved in water management and O&M at the D and F canal-levels. Therefore agreements between PID and FOs will have to be signed indicating the responsibilities of different parties in relation to Bulk Water Allocation, water management and O&M before withdrawing Project assistance. KDWRDF will take over the responsibilities of social mobilization and linkages during the last two years and after the Project.
52. **Potential for scaling-up** is rated as *moderately satisfactory (4)*. Currently there are no practices that could be identified for scaling-up. IIDP however 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 suite market demands.

G. Other

53. **Impact on physical and financial assets** is rated as *moderately satisfactory (4)*. Since IIDP has just commenced its canal rehabilitation work, impact on physical assets cannot be seen. The potential would be a substantial impact on the canal structures.
54. **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 component would have a notable impact in the future.
55. **Impact on incomes** cannot be observed at this stage.
56. **Policy impact** on better rehabilitation designing can be brought about by enforcing the IIDP management to conduct a good participatory rural appraisal (PRA) with farmers in the command area to identify rehabilitation needs. PRAs are usually conducted, but the quality of it and compulsory nature can be enforced to improve the designing.

H. Conclusion

57. The Iranamadu Irrigation Development Project (IIDP) became effective on 30 January 2012 and would be completed on 31 December 2017. The outcomes are irrigation infrastructure of the Iranamadu scheme rehabilitated through the first component; and farm productivity improved, and women's participation in water and land management and marketing enhanced through the second component. The main objectives of this first supervision mission were to assess the progress of start-up activities and the ability of the Project to progress smoothly, and to provide urgent implementation support.
58. The Project took about one year after the Loan became effective in February 2012 to get the initial deposit of USD 1,000,000. Nevertheless, IIDP is on track in establishing essential administrative and financial systems, and initiating canal rehabilitations activities supported by the first component, while the second component has been limited to preliminary activities of community awareness creation. In addition, main achievements include appointing key project staff; establishing the project office in Kilinochchi; completing detailed project and RIMS baseline studies; and conducting regular National and Provincial Steering Committees established for IIDP, and project staff meetings. Overall implementation efficiency could be enhanced by dividing the management responsibilities between the Project Director who should focus on oversight and approval functions, and the Project Manager on all implementation functions, and ensuring the full-time services of the Project Accountant.
59. Other priority areas that need attention of the project staff are to (i) provide undivided technical staff support for designing and managing all planned irrigation rehabilitation contracts; (ii) recruit a consultant to undertake initial social appraisal and ratification activities of irrigation rehabilitation designs; (iii) strengthen quality control unit of the Provincial Irrigation Department; (iv) recruit an NGO for social mobilization process; (v) complete all the technical proposals of the Department of Agriculture to assist implementing crop diversification and marketing activities; and (vi) facilitate emerging linkages between the private sector and the Iranamadu farmers.
60. IFAD will field a follow-up mission in January 2014 to provide further support that would be required to enhance project performance.

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	23-Jul-2013					
Supervising Inst.	IFAD/IFAD					
No. of Supervisions	1	No. of Implementation Support/Follow-up missions	2			
Last Supervision	July 2013	Last Implementation Support/Follow-up mission	December 2012			

USD million Disb. rate %

Approval	13-Dec-2011			Total financing	29.33	
Agreement	30-Jan-2012	Effectiveness lag	1.6	IFAD Total	22.23	
Entry into force	30-Jan-2012	PAR value	-----	IFAD loan	22.23	0
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	0
Original closing	30-Sep-2017			Government (National)	3.16	0
Current closing	30-Sep-2017			Private Sector Local	1.23	0
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	3
2. Acceptable disbursement rate	4	2	2. Performance of M&E	5	4
3. Counterpart funds	4	5	3. Coherence between AWPB & implementation	4	4
4. Compliance with financing covenants	4	4	4. Gender focus	4	3
5. Compliance with procurement	4	4	5. Poverty focus	4	4
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	4	4
			7. Innovation and learning	4	4
			8. Climate and environment focus		4

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Infrastructure development	4	5	1. Institution building (organizations, etc.)	4	4
2. Production and Marketing	4	4	2. Empowerment	4	4
			3. Quality of beneficiary participation	4	4
			4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	4	4

B.5 Justification of ratings

The project has made considerable progress in the 1st component which reflects the ownership and commitment of all stakeholders. Soon after entry into force, IIDP completed recruitment of project team, held a start-up workshop (July 2012) and completed its PIM. The AWPB has been approved including the first 18-month procurement plan. The baseline survey has been undertaken and a detailed M&E plan has been developed with assistance from IFAD ICO. As per project design, the priority of PY1 has been given to works related to the rehabilitation of the irrigation systems, which is the main project component. Procurement of works for the main canals has progressed as planned. There have been initial discussions with agribusiness firms for possible partnerships with the project beneficiaries once they start project-supported crop production (from PY2 onwards). The project team remains highly motivated and committed, and this has been a key factor driving the

steady progress of planned activities. The second component also started moving but slowly. With the recommendation of this mission with the project staff agreement, a better progress is expected in next two years.

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		
.		
C. 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	Timely completion of irrigation rehabilitation and commencing social mobilization including gender considerations are essential for achieving the development objectives. Full time availability of technical staff particularly to implement the first component is to be ensured. An NGO should be appointed to support the social mobilization activities of both components. These two factors remain as a challenge at present.	
Outputs and outcomes	Maintaining quality of the irrigation rehabilitation work and the final structural quality are the two main factors that need attention at present to minimise any potential risk associated with outputs. The required structures and processes have been highlighted in the mission report to minimise such risks.	
Sustainability	All most all the main irrigation structures except field level canals are usually owned and maintained by the provincial irrigation department. As such the sustainability of the project rehabilitated structures can be expected to a reasonable level. Further, in order to better ensure the sustainability aspects, the Project will strengthen the existing FOs so that they will take over some of the O&M operations of D-canals and F-canals.	

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.	An Implementation Master Plan to be prepared for the total project period; site meetings to be held in sites; concrete test cubes for quality testing to be used in adequate quantities and in a proper manner; the Senior Irrigation Engineer should be assigned on full-time basis; one Senior Irrigation Engineer and two Junior Irrigation Engineers as consultants should be recruited; cost estimates of bid documents for distributory and field canals rehabilitation should be prepared and ratified with the participation of the FOs' members; a Consultant should be recruited to undertake PRA to identify irrigation rehabilitation requirements; structures to meet hydraulic requirements for calibrating water management should be identified, designed, estimated, and included in the contract packages; and the quality control unit of the PID should be strengthened	Start in July 2013	Most are being undertaken immediately after the mission
Social mobilization is an essential prerequisite for both components but there is no NGO of the project staff to undertake.	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	August 2013	Yet to start
Removals of old structures of canals are still in the sites which can create environmental issues.	Start disposing demolished parts of canal structures	Start in July 2013	Began
Improvements in the structures, conduct and performance of FOs and other existing CBOs are needed to improve their roles in management	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 2014	Not done
There is no agent / project	In absence of NGO, PRA for identification of detailed rehabilitation	Recruit by	Started

staff to undertake PRA to support needs identification	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	August '13	
NGO will have a difficulty in undertaking mobilization with no or less support from the field.	Partnership needs to be developed between the selected NGO for social mobilisation and the local level support institution such as KDWDF	Once NGO is recruited	
The proposals on extension, crop diversification, machinery demos etc need to be consolidated	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	Proposed
It is essential that women and youth get a fair chance of getting involved in crop diversification	In selection of locations for crop diversification demos in <i>ya/a</i> , 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	Not done
Some appointments needs formalisation	Except the PMO staff appointed through a formal recruitment process, all others recruitment and payment methods should be formalised according to the GOSL administrative regulations	Complete by 31 st July '13	Started
There is a lack of delegation resulting inefficiency in carrying out activities in both components with the same interest and attention	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	Started
Staff management needs improvements	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	Started
M&E systems needs to be initiated to operate	Finalise the M&E manual and start implementing the existing M&E system	Start by Sep '13	Requested
Current GAP is incomplete and immature	Revise the existing Gender Action Plan with the help of an NGO to be recruited	Dec 2013	Need the NGO
Women are currently not in the forefront	Encourage women to take decisions making positions in FOs executive committee	Continuous	
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	Start in Dec '13	
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	April '14	
Contracts are usually not complete	Support farmer groups in contract/agreement formation with the private sector and supervise fulfilment of terms of contract	Start in Aug '13	
Once the construction is at a peak, fulltime accountant is essential	Ensure the availability of services of the Project Accountant on fulltime basis	By end of April, '14	Informed
Documents safety is at risk	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	
Systematic recording is needed	Updated Inventory and Fixed Asset Register	By 15 th of August '13	

Additional observations: In view of timely implementation with only 6 months of the year available for irrigation rehabilitation work, a notable number of irrigation engineering staff and supporting technical staff need to be deployed to complete the work with required quality.

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 under utilized 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 under utilized 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 born 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/privat 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 labor (female and male)		
	Volume sold under FSCs by crops		
2c. Other agricultural and off farm development			
Opportunities for creating	Additional income through MEs (%)		Continued policy support for MEs

sustainable off farm income avenues are ensured	Nb employment created by Mes		development
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 hight 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 equipments	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	Action Agreed	Date	Whom	Progress
Project Implementation				
Outputs and outcomes	1. Take appropriate actions to implement all the recommendation listed in main text (a to j)	Start in end July '13	PD	
	2. Start disposing demolished parts of canal structures	Immediately	PD /Snr. Irrigation Eng./PID	
	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	
	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	
	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	
	6. Partnership needs to be developed between the selected NGO for social mobilisation and the local level support institution such as KDWDF	Once NGO is recruited	PMO	
	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	
	8. In selection of locations for crop diversification demos in yala, preference should be given to	Start in April '14 &	PM	

Action Area	Action Agreed	Date	Whom	Progress
	contiguous blocks with largest concentration of women-headed household, or plots cultivated by women, subject to technical suitability	continue		
	9. Except the PMO staff appointed through a formal recruitment process, all others recruitment and payment methods should be formalised according to the GOSL administrative regulations	Complete by 31 st July '13	PD in consultation with the Secretary MLGPC	
	10. Revised and updated PIM should submitted to IFAD	Sep '13	PM	
	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	
	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	
	13. Finalize the M&E manual and start implementing the existing M&E system	Start by Sep '13	PM	
	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	
	15. Encourage women to take decisions making positions in FOs executive committee	Continuous	PM	
	16. The Project in their periodic reports shall indicate	Start in Dec	M&E Section of PMO	

Action Area	Action Agreed	Date	Whom	Progress
	the number of participating households of each category of target groups	'13		
	17. Developing a social and/or poverty profiling methodologies (in absence of a suitable one) for target group categorization and selection of beneficiaries	April '14	NGO under PMO supervision	
	18. Support farmer groups in contract/agreement formation with the private sector and supervise fulfillment of terms of contract	Start in Aug '13	PMO	
Fiduciary aspects	19. Ensure the availability of services of the Project Accountant on fulltime basis	By end of April, '14	PMO	
	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	
	21. Updated Inventory and Fixed Asset Register	By 15 th of August '13	Project Accountant	
	22. Complete the revision of the PIM.	By end of August, '13	PM	
Sustainability	n/a			
Other	n/a			

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

Component/ Sub-component or Output		Indicator	Unit	Period: 1 January to 31 December 2013			Cumulative	Appraisal	
				AWP&B	Actual	%	Actual	Target	%
Component - 1 Infrastructure Development									
1.1.Irrigation Rehabilitation		1.1.1. Main Canal Rehabilitation							
		1.1.1.1. Hiring of Individual Consultant (01 No.) for fine tuning of Design Work of Main Canals (31Km)			Individual consultant appointed. Structures specially design of regulators and turn outs are being fine tuned Completed by Dept. of Irrigation				
		1.1.1.2 Full investigation Surveys & Designing of Paranthan Main canal (1.725-10.5 km)			Completed by Dept. of Irrigation				
		1.1.1.3 Full investigation surveys & Designing of RB main canal (0-11.65 km)			Completed by Dept. of Irrigation				
		1.1.1.4 Rehabilitation of Paranthan main canal (1.725km - 3.5km) (1 package)			Awarded (24% physical progress, 30% Fin. Progress)				
		1.1.1.5 Rehabilitation of Paranthan main canal (3.5km - 7km) (2 nd package)			Awarded (17% physical progress,20% Fin. Progress)				
		1.1.1.6 Rehabilitation of Paranthan main canal (7km - 10.5km) (3 rd package)			Awarded (30% physical progress,35% Fin. Progress)				
		1.1.1.7 Rehabilitation of RB Main canal 0.0m-5km (5 th package)			Awarded (3% physical progress,20% Fin. Progress)				
		1.1.1.8 Rehabilitation of RB Main canal 5Kmm-11.65km (6 th package)			Awarded (12% physical progress,20% Fin. Progress)				
		1.1.1.9 Repairs of Bridges and culverts, along LB main canal up to Dry Aru (10 th package)			Awarded (3% physical progress,0% Fin. Progress)				
		1.1.1.10 Rehabilitation of Ganeshapuram Channel System (9 th package)			Awarded (3% physical progress,0% Fin. Progress)				
		1.1.2 Canals below main canal							
		1.1.2.1 Drainage Canal							
		1.1.2.1.1 Full investigation survey & Design of drainage canal under Paranthan main canal			Completed by Dept. of Irrigation				
		1.1.2.1.2 Full investigation survey & Design of drainage canal under RB main canal			Completed by Dept. of Irrigation				
		1.1.2.1.3 Rehabilitation of Drainage canal under Paranthan Main canal (25 Km from Kumarikuda Aru and Neelon Aru) (4 th package)			Awarded (15% physical progress,20% Fin. Progress)				
		1.1.2.1.4 Rehabilitation of Drainage canal under RB Main canal (25 Km from moongil Aru and Puluthi Aru) (7 th package)			Awarded (18% physical progress,20% Fin. Progress)				
		1.1.3 Downstream development							

	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 Equipments	
	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.

RIMS indicators

Country	Sri Lanka	Reporting Date			Submitted 31 st December 2013					
Project	Iranamadu Irrigation Development Project (IIDP)									
Impact indicators	Households with improvement in household assets ownership index	Number	Bench mark	Mid-term	Completion	Target				Remarks
	Prevalence of child malnutrition	%	22,							
	Weight for age	% G, % B	30,35.1							
	Height for age	% G, % B	23.4,21.2							
	Weight for height	% G, % B	22.8,20.5							
Total project	First level & Second Level results	Period ending: 31st Dec 2013					Cumulative			Remarks
		Unit	Level	AWPB	Actual	% of AWPB	Appraisal	Actual	% of Appraisal	
	Individuals receiving project services 1.8.1.	men	1st							
	Individuals receiving project services 1.8.1.	women	1st							
	Households receiving project services (1.8.2)									
1. Component/ output	Infrastructure Development									
Irrigation Rehabilitation	Groups managing infrastructure formed and/ or strengthened 1.1.2. bulk water allocation		1st							
	People in groups managing infrastructure 1.1.3.	men	1st							
		women								
	Groups managing infrastructure with women in leadership positions 1.1.4.		1st							
			1st							
Land under irrigation schemes constructed or rehabilitated (1.1.5) yala season	ha	1st								

	First level & Second Level results	Period ending: 31st Dec 2013					Cumulative			Remarks
		Unit	Level	AWPB	Actual	% of AWPB	Appraisal	Actual	% of Appraisal	
Other Infrastructure Development	Rainwater harvesting systems constructed or rehabilitated 1.1.7.	Number	1st							
	Roads constructed/rehabilitated (1.4.2)	km								
2. Component/output	Production and Marketing									
	People trained in post production, processing and marketing (1.4.1)	men	1st							
		women								
	Processing facilities constructed and or rehabilitated (1.4.7.)	number	1st							
	People trained in crop production practices and technologies 1.2.2.	men	1st							
		women								
	People trained in business & entrepreneurship (1.5.3)	men	1st							
		women								
	People trained in Income generating activities (1.5.1)	men	1st							
		women	1st							
	Drinking water systems constructed /rehabilitated (1.7.3) agro-wells	number	1st							
Program Management	3. Program Management									
	Government officials trained (1.6.1)	men	1st							
		women	1st							

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

Table 5A: Financial performance by financier up to the end of June 2013

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	22,231	696.314	3.13%
Private Sector	1231		
Beneficiary Contribution	2706		
Government	3158	58.22	1.84%

Total	29,326	754.53	2.57%
-------	--------	--------	-------

IFAD released Initial advance of US\$ 1 Mln. A replenishment application has been sent for US\$ 696,314.61. US\$1 = SLRS. 125.9764

Table 5B: Financial performance by financier by component (USD '000) up to the end of June, 2013

Component	IFAD loan			Beneficiaries			Government			Private Sector			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Infrastructure	18,487	659.45		234			2,882	26.09					21,603	685.54	3.17
Production & Marketing	2,453	4.89		2,472			21	0.09		1,231			6,177	4.98	0.08
Project Management	1291	31.97					255	32.04					1,546	64.01	4.14
Total	22,231	696.31		2,706			3,158	58.22		1,231			29,326	754.53	2.57

Table 5C: IFAD loan disbursements SDR, as at 30th June, 2013

Category	Category description	Original Allocation	Revised Allocation	Disbursement*	W/A pending	Balance	Per cent disbursed
I	Civil Works	10,110,000			425,724.67		
II	Vehicles, Equipment and Materials	310,000					
III	Advisory Services and Studies	870,000			1374.00		
IV	Training Groups in Operation and Maintenance	660,000			245.47		
V	Training, inputs and marketing	220,000			1537.71		
VI	Salaries and Allowances	415,000			20,643.39		
	Initial deposit 645,577.79						
	Total	14,350,000			449,525.24		

No Disbursements up to date. An Application is pending.

Appendix 6: Compliance with legal covenants: Status of implementation -

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section 4.02	PMO to open and maintain a Project Account (in US\$); to make an initial deposit equivalent to USD 1 Million		Complied	
Section 4.02	Replenish Project Account quarterly in advance		Complied	
Section 4.03	Procurement of goods, works and services carried out in accordance with the procedures laid down in Schedule 3		Complied	
Section 4.04	Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice.		Being complied	No vehicles have been purchased yet
Section 4.05, section 11.10(b)	Audit report submitted to IFAD.	April,2014	Being complied	
Section 4.06	Progress reports to be submitted to IFAD on a quarterly basis.		Complied	
Schedule 4, para 7	AWPB to be submitted to the Fund, for its review and comments		Complied	
Schedule 4, para 8(a)	A Mid-Term Review (MTR) to be carried out jointly by the Borrower and IFAD.	2014	Being complied	
Schedule 4, para 16	Project to be exempted from all import duties, excise taxes and value added tax (VAT) on investment expenditures		Complied	
Letter to Borrower Para 10(a)	Appointment of Project Director and Project Manager		Complied	
Para 10(b)	Completion of PIM		Complied	

Appendix 7: Knowledge management: Learning and Innovation -

Given the short time since start of project implementation, there is not yet much scope for innovations and learning.

However it should be noted that the project adopted a new mechanism for needs assessment, in this case for civil works, the 'Walk Through Survey', 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 worked particularly well in this project during this period? What have been the reasons for this?

n/a

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

n/a

Innovation: Describe any interesting innovation noted during supervision

n/a

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

n/a

Appendix 8: Progress Against Previous Mission Recommendations.

Not applicable, first supervision mission

Appendix 9: Supervision Mission Schedule and Persons Met

Name	Designation	Institute
Debriefing meeting		
Mr A W Majeed	Add Secretary	MLG&PC
Ms P Thanuja Dilrukshi	Research Officer, ERD	MOFP
Mr P M S Jayathilaka	AD, Department of National Planning	MOFP
Ms Pramitha Wijesingha	Chief Accountant	MLG&PC
Mr G Ranjith	Asst Director	MLG&PC
Mr.S.Sivakumar	Provincial Director, of Agriculture, NP	PDDA, NP
A.Selvarasa	Deputy Director of Agriculture, Kilinochchi	Department of Agriculture (Ext), Kilinochchi
Dr.S.Suthakar	Rsearch Officer	Regional Agriculture Research and Development Centre
Dr.S.J.Arasakesary	ADI	Regional Agriculture Research and Development Centre
Kapila Wickramasinghe	Project Manager	IIDP
E.Thayaruban	Asst. Commissioner	Department of Agrarian Development , Kilinochchi
S.Sritharan	Fram Manager	Govt. Farm, Paranthan
P.C.Dissanayaka	M&E Specialist	IIDP
S.Sharuby	Student	University of Jaffna
K.Thatchayini	Student	University of Jaffna
K.Navaruban	Staff	Regional Agriculture Research and Development Centre
S.Gowrithilagan	Asst. Director	Department of Animal Production & Health
N.Gowrithasan	Agro Economist	IIDP
T.Karunanathan	Research Officer in-charge	Department of Agriculture, Vavuniya
Eng.N.Suthakaran	PD	IIDP
A.Ilamaran	Research Asst.	Regional Agriculture Research and Development Centre
M.Vilampithan	SMO (Paddy)	Department of Agriculture (Ext), Kilinochchi
Mr R A Ranawaka	Secretary	MLG&PC
Mr A A Majeed	Addl Secretary	MLG&PC
Mrs R Wijelakshmi	Chief Secretary	Northern Province
Mr N Sirajadeen	Director, Engineering	MLG&PC
Mr D D Ariyaratna	Director	Ministry of irrigation
Mr K Wickramasingha	Project Manager, IIDP	IIDP
Mr N Suthakaran	Project Director	IIDP
Ms P Thanuja Dilrukshi	Research Officer, ERD	MOFP
Ms Pramitha Wijesingha	Chief Accountant	MLG&PC

Appendix 10: Audit Log

No audit available.

Appendix 11: Summary of implementation support provided by IFAD

1. The start-up workshop and implementation support assistance in financial management and procurement by the Procurement Specialist, APR; interpretation of the Cost tables and Schedule II of the loan agreement, CPO; introduction of M&E system for the project, and introduction of the bulk water management system.
2. Four day workshop with the full project staff to develop the full system of M&E system with the support of the CPO and the retainer consultant of IFAD. Based on the M&E system that was so developed, the M&E manual has been drafted and the mission advised to complete the manual.
3. IFAD fully finance the baseline study and RIMS baseline of the project. CPO supervised the designing of the methodology and the survey instruments; sampling; quality of data collection and their accuracy; initial comments on the analysis and finally review both project and RIMS baseline study reports.
4. CPO assisted in the preparation of the AWPB and the procurement plan of 2012 and 2013 with several revisions.